DUBLIN EXAMINAING BOARD

Published Accounts

1. Explain, giving two examples, what is meant by ‘exceptional items’. (6)
2. Describe three additional disclosures requested of Public Limited Companies by the Stock Exchange (9)

2011

3. State how a company should deal with a Contingent Liability which is probable. (5)
4. Describe an auditor’s report that is ‘qualified’. (10)

2013

5. Explain the term ‘Accounting Concept’ and give two examples. (6)
6. State how a company would deal with a Contingent Liability which is possible but unlikely. (6)

2014

7. State how a company should deal with a Contingent Liability which is possible but unlikely. (7)
8. What is the purpose of an audit? (8)

2016

9. State how a company would deal with a Contingent Liability which is possible but unlikely (6)
10. What regulations must accountants comply with when preparing financial statements for publication? (4)

2017

11. What is an audit? What is the purpose of an audit? (7)
12. Explain the ‘Prudence Concept’ and give an example of how this concept has been applied by Toner plc when preparing its accounts and financial statements. (3)

2018

2011

Explain, giving two examples, what is meant by 'exceptional items'. (6) (3 × 2)

1. exceptional items are material items which should be disclosed separately because of their size

For example

profit or loss on sale of a fixed asset / unusually large bad debts / etc

Describe three additional disclosures requested of Public Limited Companies by the Stock Exchange (9) Any 3: (3 × 3)

1. half yearly reports in the form of an abbreviated profit and loss account //
2. details of contracts and financial arrangements between directors and company //
3. changes in the Capital structure that might affect share price //
4. the principal country in which each subsidiary operates //
5. a breakdown of loans repayable within 1 year, between 1 and 2 years and from 2 to 5 years //
6. a geographical analyses of turnover and profits //
7. a statement showing the interest of each director in the share capital at the end of the financial year or any charges between end of financial year and the AGM //

2013

State how a company should deal with a Contingent Liability which is probable. (5)

1. the estimated amount should be provided for in the accounts (3) and a note (1) should show the nature of the loss (1)

Describe an auditor's report that is 'qualified'. (10)

When an auditor in his/her opinion is not satisfied (3) or is not able to conclude that all or any of the following apply: Any 3: (3 × 2)

1. the financial statements give a true and fair view of the state of affairs of the company at the end of the year and of its profit and loss account for the year
2. the financial statements are prepared in accordance with the Companies Acts

3. all the information necessary for the audit was obtained – the information given by the directors is consistent with the financial statements
4. the net assets are more 50% of the called-up capital – the report will state the elements of the accounts or of the director's report that are unsatisfactory (1)

2014

Explain the term 'Accounting Concept' and give two examples. (6)

Explanation (4)

– the accounting practices or rules (2) that apply in the preparation of financial statements (2)

Examples (2) Any 2: (2 × 1)

1. going concern concept //
2. accruals concept //
3. consistency concept //
4. prudence concept

State how a company would deal with a Contingent Liability which is possible but unlikely. (6)

1. not necessary to make a provision in the accounts (2)
2. however, a note in the accounts (1) should show the nature of the liability (1), an estimate of the amount (1) and an opinion regarding the outcome (1)

2016

State how a company should deal with a Contingent Liability which is possible but unlikely. (7)

1. it is not necessary to make a provision in the accounts (2)
2. however, a note in the accounts (2) should show the nature of the liability (1), an estimate of the amount (1) and an opinion regarding the outcome (1)

What is the purpose of an audit? (8)

To enable the auditor, in keeping with the requirements of the Companies Acts, to report on the truth and fairness (2) shown by:

1. the balance sheet (2) - the profit or loss shown by the profit and loss account (2)
2. any other information required to be disclosed in the financial accounts (2)

2017

State how a company would deal with a Contingent Liability which is possible but unlikely (6)

1. it is not necessary to make a provision in the accounts (2)

2. however, a note in the accounts (1) should show the nature of the liability (1), an estimate of the amount (1) and an opinion regarding the outcome (1

What regulations must accountants comply with when preparing financial statements for publication? (4) (4 × 1)

1. provisions of the Companies Acts //
2. International Accounting Standards (IAS) / Financial Reporting Standards (IFRS) //
3. Listing Rules of the Stock Exchange //
4. EU directives

Do not accept the bodies or organisations alone which produce these regulations, i.e. government, accounting profession, Stock Exchange or European Union.

2018

What is an audit? (3)

1. an audit is an independent examination of the financial statements (1) of an enterprise by an appointed auditor (1)
2. the auditor expresses an opinion and certifies whether the accounts give a true and fair view of the financial position of the enterprise (1)

What is the purpose of an audit? (4)

to enable the auditor, in keeping with the requirements of the Companies Acts, to report on the truth and fairness (1) shown by:

1. the balance sheet (1) - the profit or loss shown by the profit and loss account (1) –
2. any other information required to be disclosed in the financial accounts (1

Explain the 'Prudence Concept' and give an example of how this concept has been applied by Toner plc when preparing its accounts and financial statements. (3)

This is when preparing accounts, caution should be exercised by:

1. not recording profit / income in the accounts until they have been realised (1)
2. but making provisions for any expected losses or expenses (1)

Example Any 1

1. provision for bad debts //
2. a contingent liability that is probable
3. company is likely to be liable //