

**Question 7**

**52**

(a)

**Trading and Profit and Loss account for the year ending 31/12/2012**

		€	€
Sales	W 1		205,770 [10]
Less Cost of sales			
Opening stock		14,300 [2]	
Add Purchases	W 2	<u>78,140</u> [7]	
		92,440	
Less Closing stock		<u>(15,000)</u> [2]	<u>(77,440)</u>
Gross Profit			128,330
<b>Less Expenses</b>			
General expenses	W 3	21,300 [4]	
Light and heat	W 4	3,555 [7]	
Interest	W 5	3,600 [2]	
Insurance	W 6	2,680 [6]	
Charitable Organisation		2,500 [2]	
Rent	W 7	<u>4,750</u> [4]	<u>(38,385)</u>
Net Profit			<u>89,945</u> [6]

(b)

**Balance sheet as at 31/12/2012**

**40**

		€	€	€
<b>Intangible Assets</b>				
Goodwill	W 8			20,670 [3]
<b>Tangible fixed Assets</b>				
Buildings		234,000 [2]		
Vehicles		32,000 [1]		
Equipment		<u>30,000</u> [1]		<u>296,000</u>
				316,670
<b>Current Assets</b>				
Closing Stock		15,000 [1]		
Stock of oil		500 [1]		
Debtors		16,600 [1]		
Bank	W 10	10,100 [7]		
Cash		550 [1]		
Insurance prepaid		750 [3]		
Rent prepaid		<u>6,650</u> [2]	50,150	
<b>Less Creditors: amounts falling due within 1 year</b>				
Creditors		14,300 [1]		
Electricity due		640 [1]		
Interest due		1,200 [2]		
Loan instalment due		<u>12,000</u> [2]	<u>(28,140)</u>	<u>22,010</u>
				<u>338,680</u>
<b>Financed by:</b>				
Loan				60,000 [2]
Capital		205,000 [2]		
Capital introduced		3,600 [3]		
Net Profit		<u>89,945</u>		
		298,545		
Less Drawings	W 9	<u>19,865</u> [4]		<u>278,680</u>
				<u>338,680</u>

**(c) Additional information**

General/Nominal Ledger Accounts  
 Trial balance  
 Total sales figure [credit and cash]  
 Total purchases figure [credit and cash]  
 Bank balance  
 Capital and drawings  
 Bad debts, Expenses due and prepaid  
 Discounts allowed or received

**Workings****1. Sales**

Credit sales	$32,000 + 16,600 - 14,000$	=	34,600
Cash sales	$94,000 + 22,500 + 51,000 + 3,120 + 550$	=	<u>171,170</u>
Total Sales			<u>205,770</u>

**2. Purchases**

Credit purchases	$34,200 + 14,300 - 17,200$	=	31,300
Cash purchases		=	<u>51,000</u>
			82,300
Less Drawings of stock			<u>(4,160)</u>
Total purchases			<u>78,140</u>

**3. General expenses**  $22,500 - 1,200$  = 21,300

**4. Light and heat**  $4,600 + 640 - 500 - 1,185$  = 3,555

**5. Interest**  $2,400 + 1,200$  = 3,600

**6. Insurance**  $430 + 3,000 - 750$  = 2,680

**7. Rent**  $22,800 - 11,400 - 6,650$  = 4,750

**8. Goodwill**  $205,000 - 184,330$  = 20,670

**9. Drawings**  $4,160 + 3,120 + 11,400 + 1,185$  = 19,865

**10. Bank****Lodgements**

Debtors	32,000	
Lodgement	94,000	
Loan	72,000	
Dividends	<u>3,600</u>	201,600

**Less Payments**

Equipment	30,000	
Creditors	34,200	
Light and heat	4,600	
Interest	2,400	
Insurance premium	3,000	
S/O Charitable organisation	2,500	
Vehicle	32,000	
Warehouse	60,000	
Rent	<u>22,800</u>	<u>191,500</u>
		<u>10,100</u>