

1. Company Final Accounts including a Manufacturing Account (120)

- (a) Prepare a Manufacturing, Trading and Profit and Loss Account for the year ended 31/12/2014. (75)
 (b) Prepare a Balance Sheet as at 31/12/2014. (45)

Manufacturing Account (of Cahill Ltd)		Balance Sheet (of Cahill Ltd)		
for the year ended 31/12/2014 (1) (30)		as at 31/12/2014 (45)		
	€	€	€	€
Stock of Raw Materials 01/01/2014		47,900 (1)	<u>Cost</u>	<u>Dep.</u>
Purchases of Raw Materials W1	348,200 (5)			<u>NBV</u>
Carriage on Raw Materials	8,500 (3)	356,700	<u>Intangible Fixed Assets</u>	
		404,600	Patents	35,000 (1)
<i>Less</i> Stock of Raw Materials 31/12/2014		<u>(45,100) (1)</u>	<u>Tangible Fixed Assets</u>	
Cost of Raw Materials Consumed		359,500	Factory Buildings	450,000 (2) 70,000 (1) 380,000
Hire of Special Equipment	7,500 (1)		Plant & Mach. W5, 6	206,000 (2) 73,000 (3) 133,000
Direct Factory Wages W2	200,600 (3)	208,100		<u>656,000</u> <u>143,000</u> 513,000
Prime Cost		567,600	<u>Financial Fixed Assets</u>	
			3% Investments	<u>150,000 (1)</u>
<u>Factory Overheads</u>				698,000
General Factory Overheads	48,300 (1)		<u>Current Assets</u>	
Deprec: Plant & Machinery W3	30,100 (3)		Stocks 31/12/2014	
Repairs to Plant & Machinery	4,500 (1)	82,900	Raw Materials	45,100 (2)
Factory Cost		650,500	Work in Progress	28,200 (2)
<i>Add</i> Work in Progress 01/01/2014		21,400 (1)	Finished Goods	91,800 (2) 165,100
		671,900	Debtors W12, 13	36,000 (6)
<i>Less</i> Work in Progress 31/12/2014		<u>(28,200) (1)</u>	<i>Less</i> Prov. Bad Debts	(1,800) (2) 34,200
		643,700	Invest. Income due W16	1,500 (2)
<i>Less</i> Sale of Scrap Materials	(5,500) (2)			200,800
<i>Less</i> Profit on Sale of Mach. W4	(1,100) (6)	(6,600)	<u>Less Creditors: amounts falling</u>	
Cost of Manufacture		<u>637,100</u>	<u>due within 1 year</u>	
			Creditors W19	22,040 (3)
			Bank W20	28,360 (5)
			VAT	6,000 (2)
			Deb. Int. due W18	9,600 (2) (66,000)
			Net Current Assets	134,800
			Total Net Assets	<u>832,800</u>
			<u>Financed by:</u>	
			<u>Creditors: amounts falling</u>	
			<u>due after more than 1 year</u>	
			8% Debentures	180,000 (1)
			<u>Capital and Reserves</u>	
			Ord. Shares @ €1	400,000 (1) 230,000 (1)
			5% Pref. Shares @ €1	250,000 (1) 190,000 (1)
				<u>650,000</u> 420,000
			Profit & Loss Balance	232,800 (2) 652,800
			Capital Employed	<u>832,800</u>
<u>Trading, Profit and Loss Account (of Cahill Ltd)</u>				
	€	€		
Sales W7		997,500 (4)		
<i>Less</i> Cost of Sales				
Stock of Finished Goods 01/01/2014	83,200 (2)			
Cost of Manufacture	637,100 (2)			
Cost of Goods Available for Sale	720,300			
<i>Less</i> Stock of Fin. Gds. 31/12/2014 W8	(91,800) (6)			
Cost of Goods Sold		(628,500)		
Gross Profit		<u>369,000</u>		
<i>Less</i> Expenses				
<u>Administration Expenses</u>				
Administration Expenses W9	30,200 (6)			
<u>Selling & Distribution Expenses</u> **				
Selling Expenses W10	105,800 (4)			
Bad Debt written off W11	2,100 (3)			
Provision for Bad Debts W13	1,800 (2)	(139,900)		
		229,100		
<u>Operating Income</u>				
Discount (Net) W14		3,400 (4)		
Operating Profit		232,500		
Investment Income W15		3,000 (2)		
Debenture Interest W17		(14,400) (2)		
Net Profit		221,100		
<i>Less</i> Dividends paid		(12,500) (2)		
Retained Profit		208,600		
Profit & Loss Balance 01/01/2014		24,200 (2)		
Profit & Loss Balance 31/12/2014		<u>232,800 (4)</u>		

- Allow full marks for student's own figure if consistent with previous work.
- Accept correct figure only.
- Allow 1m for correct word(s) if figure is incorrect or omitted.
- Deduct 1m for each missing heading.

1. Company Final Accounts including a Manufacturing Account (cont'd.)

Workings:	€	€	
W1 Purchases of Raw Materials	382,800 (1)	W10 Selling Expenses	104,300 (2)
– Materials used in building	(2,600)(2)	– Investment Income incorporated	
– Net amount of new machine	<u>(32,000)(2)</u>	[3% of €150,000 × 4/12]	1,500 (2)
Figure transferred to Manufacturing a/c	348,200	Figure transferred to Profit & Loss a/c	<u>105,800</u>
W2 Direct Factory Wages	202,500 (1)	W11 Bad Debt written off	
– Repairs wages	<u>(1,900)(2)</u>	Value of Debtor [€700 ÷ 25 × 100]	2,800 (2)
Figure transferred to Manufacturing a/c	200,600	– Payment received [25c in the €1]	<u>700 (1)</u>
W3 Depreciation: Plant and Machinery		Figure transferred to Profit & Loss a/c	2,100
Depreciation charge for year		W12 Debtors	46,300 (2)
[15% of (€190,000 – €24,000)]	24,900 (1)	– Goods on ‘Sale or Return’ basis	(7,500)(2)
[15% of €24,000 × 4/12]	1,200 (1)	– Bad Debt	<u>(2,800)(2)</u>
[15% of €40,000 × 8/12]	<u>4,000 (1)</u>	Figure transferred to Balance Sheet	36,000
Figure transferred to Manufacturing a/c	30,100	W13 Provision for Bad Debts	
W4 Profit on Sale of Machinery		New provision [5% of €36,000]	1,800
Depreciation to date:		Figure transferred to Profit & Loss a/c	<u>1,800 (2)</u>
[15% of €24,000 × 5/12] (5 months)	1,500	Figure transferred to Balance Sheet	1,800 (2)
[15% of €24,000 × 4] (4 years)	14,400	• Allow student’s own previous figure.	
[15% of €24,000 × 4/12] (4 months)	<u>1,200</u>	W14 Discount (Net)	4,000 (2)
Total depreciation to date of sale	17,100	– Discount Allowed omitted	<u>(600)(2)</u>
Allowance for New Machinery	8,000 (1)	Figure transferred to Profit & Loss a/c	3,400
Cost of Old Machinery	24,000 (1)	W15 Investment Income	
– Depreciation to date	<u>(17,100)(3)</u>	Income receivable for 8 months	
Book value on date of sale	<u>(6,900)(1)</u>	[3% of €150,000 × 8/12]	3,000 (2)
Figure transferred to Manufacturing a/c	1,100	Figure transferred to Profit & Loss a/c	<u>3,000</u>
W5 Plant and Machinery		W16 Investment Income due	
Cost of Plant and Machinery	190,000 (1)	Investment Income receivable	3,000 (1)
– Disposal of Machinery (cost 31/7/2009)	(24,000)	– Investment Income paid	<u>(1,500)(1)</u>
+ Purchase of Machinery (cost 30/04/2014)	40,000	Figure transferred to Balance Sheet	1,500
Figure transferred to Balance Sheet	<u>206,000 (1)</u>	• Allow student’s own previous figure.	
W6 Depreciation: Plant and Machinery		W17 Debenture Interest	
Accumulated Depreciation at 01/01/2014	60,000 (1)	Debenture Interest charge for the year	
+ Depreciation charge for year	30,100 (1)	[8% of €180,000] (full year)	14,400 (2)
– Depreciation of machinery to date of sale	<u>(17,100)(1)</u>	Figure transferred to Profit & Loss a/c	<u>14,400</u>
Figure transferred to Balance Sheet	73,000	W18 Debenture Interest due	
• Allow student’s own previous figure.		Debenture Interest payable	14,400 (1)
W7 Sales	1,005,000 (2)	Debenture Interest paid [€4,500 + €300]	<u>(4,800)(1)</u>
– Goods on ‘Sale or Return’ basis	<u>(7,500)(2)</u>	Figure transferred to Balance Sheet	9,600
Figure transferred to Trading a/c	997,500	• Allow student’s own previous figure.	
W8 Stock of Finished Goods 31/12/2014	86,600 (2)	W19 Creditors	22,400 (1)
+ Goods on ‘Sale or Return’ basis		– Payment understated [€840 – €480]	<u>(360)(2)</u>
[€7,500 ÷ 125 × 100]	6,000 (2)	Figure transferred to Balance Sheet	22,040
– Finished Goods written down		W20 Bank	28,700 (1)
Value w/o [€3,500 – €2,700]	<u>(800)(2)</u>	+ Payment understated [€840 – €480]	360 (2)
Figure transferred to Trading a/c	91,800	– Credit Transfer	<u>(700)(2)</u>
W9 Administration Expenses	31,100 (2)	Figure transferred to Balance Sheet	28,360
– Deb. Interest error [€4,800 – €4,500]	(300)(2)		
– Discount Allowed error	<u>(600)(2)</u>		
Figure transferred to Profit & Loss a/c	30,200		