

SECTION I

Answer all THREE questions in this section.

1. (a) Use journal entries to record the following including appropriate narrations:
- (i) The purchase of computer hardware from Owen Johnson and Co. on August 22, 1999 for \$45 000.
 - (ii) The transfer of \$2 700 from S. Scott and Co. account in the Purchase Ledger to their account in the Sales Ledger in order to set off a purchase against a sale on August 23, 1999.
 - (iii) Interest at 20% per year for one year on partner A's capital of \$30 000 on December 31, 1999.
 - (iv) The opening entries of John Chand who started business on August 31, 1999:

	\$
Cash	3 000
Bank	13 000
Creditors	20 000
Stock	8 000
Bank loan	20 000
Motor vehicle	26 000

(14 marks)

- (b) Show corrective journal entries for the errors listed below: (No narration is necessary.)

- (i) Goods sold to P. Parkes was posted to the debit of G. Parkes \$150.
- (ii) \$12 000 was posted to office expenses account for the purchase of 3 typewriters.
- (iii) \$300 for the repairing of a window was charged to the building account.
- (iv) \$800 was posted to the debit of stationery account, instead of to R. Rose in payment of his account.

(5 marks)

- (c) Which of the four errors had the greatest effect on the Profit and Loss account?

(1 mark)

2. (a) The Statement of Affairs for Gillian Enterprise at April 1, 2000 was given as follows:

**Statement of Affairs
as at April 1, 2000**

	\$		\$
Trade creditors	60 000	Cash	18 000
Expense creditors	6 000	Bank	12 000
Loans (long term)	12 000	Debtors	54 000
Capital	36 000	Stock	24 000
		Furniture & equipment	6 000
	<u>114 000</u>		<u>114 000</u>

On March 31, 2001 Gillian Enterprise identified the following assets and liabilities:

Assets

	\$
Furniture & equipment	5 400
Stock	18 000
Debtors	63 600
Bank	8 400
Cash	9 600

Liabilities

Trade creditors	50 000
Expense creditors	8 400
Loans (long term)	4 000

Drawings during the year amounted to \$5 400.

Prepare Gillian Enterprise Statement of Affairs as at March 31, 2001 and calculate the profit for the year. (Show ALL workings in the calculation of the profit.)

(10 marks)

- (b) O. Bryan maintains incomplete records in his business and has provided the following information:

Debtors 31/12/2000 = \$50 000

Debtors 1/1/2000 = \$27 000

Amount collected from debtors during the year = \$127 000

Cash sales for the year \$61 000

Bad debts written off during the year \$14 000

Sales returns \$16 000

Prepare a statement to show net sales for the year.

(7 marks)

- (c) Give three differences between Single Entry and Double Entry Accounting.

(3 marks)

3. (a) The following Purchases Book forms a part of the accounting records of Keith Byno, a sole trader, for the month of July 1999.

PURCHASES BOOK

1999 Dates	Particulars	Invoice #	Folio	Amount \$
July 2	B. Abrahams	7/100	PL 20	1 700
July 6	C. Baker	7/101	PL 25	1 800
July 8	D. Clarke	7/102	PL 36	3 500
July 15	E. Dalvey	7/103	PL 41	1 000
July 20	F. Eaton	7/104	PL 50	800
July 22	G. Fenton	7/105	PL 55	4 500
July 28	H. Gordon	7/106	PL 60	4 000
July 30	H. Gordon	7/107	PL 60	800
July 31	E. Dalvey	7/108	PL 41	1 500

- Determine the amount to be transferred to the Purchases Account. (1 mark)
 - Show the Purchases Ledger and indicate the appropriate page numbers. (7 marks)
 - Show the appropriate General Ledger Account. (2 marks)
 - Give two other names for the Purchases Book. (2 marks)
- (b) The following Returns Inwards Book forms a part of the accounting records of Keith Byno.

RETURNS INWARDS BOOK

1999 Dates	Particulars	Credit Note No.	Folio	Amount \$
July 6	O. Prince	7/69	SL 16	168
July 9	K. Betton	7/70	SL 40	251
July 15	D. Francis	7/71	SL 71	109
July 26	L. Steele	7/72	SL 88	78
July 30	D. Daley	7/73	SL 100	102

- Determine the amount to be transferred to the Returns Inwards Account. (1 mark)
- Show the Sales Ledger. (4 marks)
- Show the appropriate General Ledger Account. (1 mark)
- Give two other names for the Returns Inwards Book. (1 mark)
- State two reasons why a credit note may be issued to customers. (1 mark)

SECTION II

Answer any TWO questions in this section.

4. The following records were taken from the books of Ideal Fishing Cooperative for the year ending 31/12/99.

	\$
Accumulated reserves 1/1/2000	38 700
Value of fish 1/1/2000	60 000
Value of fish caught for the year ending 31/12/2000	2 700 000
Value of fish on hand as at 31/12/2000	100 000
Fish sales for the year	5 800 000
Other expenses of the Cooperative for the year:	

Depreciation of fishing boats	18 000
Depreciation of fishing nets	70 000
Depreciation of co-operative office buildings	12 000
Depreciation other fishing equipment	20 000
Value of fish spoilage	30 000
Cooperative utility bills paid	56 000
Owing 31/12/2000	5 000

Wages and salaries for the year 700 000

The main assets were:

	\$
Fishing boats at cost less depreciation up to 31/12/2000	1 000 000
Fishing nets at cost less depreciation up to 31/12/2000	200 000
Other fishing equipment at cost less depreciation up to 31/12/2000	100 000
Cooperative office building at cost less depreciation up to 31/12/2000	620 000
Cash in Bank	765 700

Amount owed by customers \$37 000

While long term loan was \$900 000

And investment of members in shares (600000 shares at \$3)

Profits were appropriated as follows:

Statutory reserve	\$500 000
Education fund	\$250 000
Dividends to members	\$1 400 000

Prepare for Ideal Fishing Cooperative the following:

- Trading & Profit and Loss Accounts for the year ending December 31, 2000. (10 marks)
- The Cooperative's Appropriation Account. (3 marks)
- The balance sheet as at December 31, 2000. (7 marks)

5. (a) The Talco Enterprises bought a machine costing \$60 000. The estimated useful life of the machine is eight years. The method of depreciation used in the first four years was the Straight Line method, after which the Reducing Balance method was applied at the rate of 20% per annum. Determine the Depreciation Expense to be charged to Talco's Profit and Loss account in each of the eight years of the machine's useful life and give the residual value of the machine after the eight years.

(8 marks)

- (b) A manufacturing business had the following transactions with Motor Vans:

January 1, 1997	Purchased motor van costing	\$80 000
June 30, 1997	Purchased motor van costing	\$60 000
January 6, 1998	Purchased motor van costing	\$70 000
June 30, 1998	Purchased motor van costing	\$100 000

There were no further purchases in 1999.

A full year's depreciation is taken on all motor vans on the books at December 31 each year. Depreciation is calculated at 10% on cost using the straight line method.

Show the following:

- (i) Motor Van account showing balances at the end of each year. (5 marks)
- (ii) Provision for depreciation for 3 years (credit entries only). (5 marks)
- (iii) The entry for Motor Van on the balance sheet at December 31, 1999. (2 marks)

6. The Abby Sports Club has 150 male and 200 female members. Both groups engage in separate sports activities and maintain separate Receipts and Payments accounts.

Males
Receipts and Payments
For the period ending June 30, 2000

	\$		\$
Bank balance b/f	500	Printing & stationery	1 250
Subscriptions received for the period	11 800	Repairs to equipment	1 120
Rent received for use of equipment	1 300	Upkeep of grounds	1 400
		Wages for security	3 000
		Bank balance 30/6/2000	6 830
	<u>13 600</u>		<u>13 600</u>

Females
Receipts and Payments
For the period ending June 30, 2000

	\$		\$
Bank balance b/f	1 500	Payment for bar supplies	6 000
Subscriptions received:		Barman wages	2 000
In advance	1 300	Bar expenses	1 500
For arrears (1999)	1 600	Coach fees	8 000
For this period	15 000	Repairs to equipment	2 000
Bar sales	11 000	Printing & stationery	1 800
		Bank balance 30/6/2000	9 100
	<u>30 400</u>		<u>30 400</u>

Other information obtained from the Books of Abby Sports Club were as follows:

Opening stock of bar supplies	\$700
Closing stock of bar supplies	\$800
Barman wages owing June 30, 2000	\$200
Bar expenses owing June 30, 2000	\$150
Depreciation for the period on club house	\$1 200
Subscription owing for the period:	
Males	\$600
Females	\$400

There were no amounts owing for bar supplies at start and end of the period.

- (a) Prepare for Abby Sports Club the following:

- (i) A combined Receipts and Payments Account for the period ending June 30, 2000. (6 marks)
- (ii) A bar Trading Account (5 marks)
- (iii) An Income and Expenditure Account (8 marks)

- (b) Which item on the bar Trading Account will appear as an asset on the club's Balance Sheet? (1 mark)

7. (a) The accountant at Wexford Company Limited has reported a net profit of \$200 000 for the period ending September 30, 2000. The company discovered however that the following information was not taken into consideration to arrive at the reported net profit.

	\$
1. Accrued interest on long-term loan	3 780
2. Amount for rent was not adjusted for pre-paid rent	600
3. Creation of a new provision for bad debts	1 200
4. Returns from company investments	15 000
5. Rent received for use of company's facilities	7 820
6. Commissions received by the company	28 000
7. Commissions paid to sales agents	17 000
8. Bad debts recovered	1 800
9. Cost of goods sold understated by	3 500
10. Dividend to shareholders treated as an expense	18 000
11. An overcharge of depreciation amounting to	3 500
12. Carriage outwards	8 200

Determine the corrected net profit, using an account which starts by crediting the net profit of \$200 000 reported. (9 marks)

E.g.

Net Profit reported \$200 000

- (b) You are provided with the following information relating to QX Company Limited, for the current year.

Capital reserve	25 000
Gross profit	900 000
Interim dividend paid	15 000
Final dividend proposed	35 000
Directors' remuneration	50 000
Wages and salaries	160 000
Debenture interest	10 000
Depreciation	13 000
Sundry expenses	225 000
Unappropriated profit brought forward	68 000

Prepare for the company a Profit and Loss account and an Appropriation account for the current year. (11 marks)

END OF TEST

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SECTION I

Answer all THREE questions in this section.

1. Maurice Deleon operates an Electrical Supplies business. He has a large number of debtors and creditors and maintains both Debtors and Creditors Control Accounts. The following information was taken from his books in July 2001 and represent totals for the month ending July 31 2001.

	\$
Returns outwards	900
Discount received	2 610
Cheques paid to suppliers	52 500
Purchases journal	47 250
Cheques from customers dishonoured	2 100
Returns inwards	1 500
Discounts allowed	750
Bad debts written off	1 125
Amounts received from customers	21 300
Credit sales to customers	30 150

July 1 2001 balances were:

Purchases Ledger debit balance	2 775
Purchases Ledger credit balance	37 500
Sales Ledger debit balance	9 150
Sales Ledger credit balance	450

- (a) Prepare Maurice Deleon's Debtors Control Accounts and Creditors Control Accounts for July 2001. (16 marks)
- (b) Give TWO advantages of maintaining Control Accounts. (2 marks)
- (c) George Mota is a customer who owes \$1 500. If, because of misfortune, he is only able to pay 60% of that amount to Maurice Deleon, what effect would this have on the Control Account. (2 marks)

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(b) Bold and Grusome bought a motor van for \$45 000 and estimated its scrap value at \$3 000 and its useful life as 5 years. Depreciation is charged on the straight line method.

- (i) What was the depreciation rate per year?
- (ii) What amount of depreciation should be charged in year 3?
- (iii) What was the net book value at the end of year 4?
- (iv) What was accumulated depreciation at the end of year 3?
- (v) Name ONE other method of depreciation. (5 marks)

SECTION II

Answer any TWO questions in this section.

4. (a) The Goat Farmers' Co-operative has a membership of 50 farmers. Each member has 12 500 shares and the price per share is \$1. The balances on the books of the Co-operative on September 30 2001 were as follows:

	\$
Patronage refund to members unpaid	32 500
Dividend to members unpaid	50 000
Debtors	22 000
Provision for bad debts	2 000
Stock of materials supplies	67 500
Investments in other co-operatives	37 500
Motor vehicles net of depreciation	64 375
Schedule of equipment net of depreciation	135 000
Farm lands and buildings	542 500
Long term loan	75 000
Cash	7 500
Bank	44 000
Creditors	33 750
Accumulated reserves 30/9/2001	93 500
Amount owing: Loan interest	4 750
Rent	2 000
Telephone	1 875

Prepare the Balance Sheet of the Co-operative as at September 30 2001 using the Horizontal Format. (17 marks)

- (b) What is the working capital of the Co-operative? (1 mark)
- (c) If Loan Interest owing represents interest for the year, what is the rate of interest being charged on the loan? (1 mark)
- (d) Identify the source of additional revenue for the Co-operative based on the information given. (1 mark)

5. Betton and Harris are in partnership sharing profits and losses in proportion to their respective capitals.

On September 30 2000 the following information was taken from their books:

	Betton	Harris
Capital Account	\$50 000	\$75 000
Current Account	350 Dr	2 875 Cr

On October 1 2000 Betton and Harris admitted Dalbert who brought in \$20 000 cash and furniture valued at \$5 000 as his capital. It was agreed that the three partners were to share profits and losses in proportion to their capitals. Each partner is to receive 5% interest on capital. Betton is to receive a salary of 5% of net profits before any other appropriation. (Net profit must include interest on drawings). During the year ending September 30 2001 Betton withdrew \$5 000; Harris withdrew \$12 500; and Dalbert withdrew \$2 500. Interest charged on drawings for the year were:

Betton	\$250
Harris	\$625
Dalbert	\$125

The net profit for the year ended September 30 2001 amounted to \$75 000.

Prepare the following:

- The Partnership's Appropriation of Profit Account for the year ending September 30 2001. (7 marks)
- The Current Account for EACH partner complete with balances. (9 marks)
- Make the Journal Entry to record the admission of Dalbert into the partnership. (3 marks)
- Determine the rate of interest charged on drawings. (1 mark)

6. You are provided with the following information by the treasurer of Never Again Sports Club:

Never Again Sports Club
Receipts and Payments Account
For the month of August 2001

	\$		\$
Balance b/d	175	Purchases for bar	550
Subscriptions received	304	Rent	115
Cash sales at bar	760	Office maintenance	150
Donations	200	Office chair	170
Concert ticket sales	520	Entertainment expense	100
		Balance c/d	874
	<u>1 959</u>		<u>1 959</u>

Never Again Sports Clubs
Income and Expenditure A/c
For the month ending August 31 2001

	\$	\$		\$	\$
Rent	115		Subscriptions	304	
Less arrears	<u>15</u>		Less arrears	<u>70</u>	
		100		234	
Office maintenance	150		Add outstanding	<u>6</u>	240
Entertainment exp.	100				214
Depreciation	8		Income from bar		200
Surplus	816		Donations		520
	<u>1 174</u>		Concert tickets sales		<u>1 174</u>

Opening stock of bar supplies at August 1 2001 \$ 64
Closing stock of bar supplies at August 31 2001 \$ 68
Fixed assets excluding office chair 1/8/2001 \$480
Office chair was NOT depreciated

Prepare the following:

- The Club's Bar Trading Account (4 marks)
- A Statement of the Club's Accumulated Fund on August 1 2001 (5 marks)
- The Club's Balance Sheet as at August 31 2001 (10 marks)
- What is the MAIN difference between the Receipt and Payments Account and the Income and Expenditure Account? (1 mark)

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7. (a) Dane Brown is the accountant at Suzette's Corporation. He prepared the following Journal Entries:

Journal Entries

		DR	CR
(1)	Y Cardice a/c To Suspense a/c Amount omitted from Cardice's a/c	\$ 2 144	\$ 2 144
(2)	Suspense a/c To Discounts Received a/c For reversal of entry in Discount Received a/c	6 064	6 064
(3)	Suspense a/c To Carol Suzann's a/c To correct amount mis-posted	108	108
(4)	Bank a/c To Suspense Account To correct amounts of overdraft overstated in bank a/c	144	144
(5)	Motor vehicle a/c To Purchases a/c To correctly record the purchase of machine	4 000	4 000
(6)	A Supplier's a/c To Suspense a/c To record discount not posted to a Supplier's a/c	1 896	1 896

- Prepare the Suspense Account from the journal entries.
- Describe the error which was made and is corrected at (5) above.
- What was the difference in the Trial Balance of Suzette's Corporation BEFORE the errors were corrected? (8 marks)

- (b) G Miller is a manufacturer of computer tables. For the month of August 2001 the following information was made available:

	\$
Wages of factory workers	18 340
Factory power	1 400
Factory rental	2 200
Carriage on raw material	1 200
Purchase of raw material	19 200
Factory Manager's salary	6 400
Stock at August 1 2001:	
Raw material	3 000
Work in progress	800
Stock at August 31 2001:	
Raw Material	2 540
Work in progress	2 000

Prepare the Manufacturing Account and state the production cost per computer table if 500 tables were completed during the month.

(12 marks)

END OF TEST

SECTION I

Answer ALL questions in this section.

1. (a) The following Trial Balance (including the heading) has errors.

Trial Balance for year ended December 30, 2004

	Dr \$	Cr \$
Sales	69 039	
Purchases		41 175
Carriage		2 572
Drawings		3 900
Rent	3 311	
Salaries and wages	15 375	
Bad debts		438
Provision for bad debts	65	
Debtors	6 060	
Creditors		3 235
Stock (January 1, 2004)		5 963
Cash at bank	589	
Provision for depreciation	9 500	
Equipment at cost	29 000	
Capital		
	<u>132 939</u>	<u>83 827</u>

Redraft the Trial Balance correctly and include the capital amount. (7 marks)

- (b) Show the journal entries necessary to record the following items in the books of M. Ramjeet: (Suitable narrations must be used.)

- April 1 Office furniture bought by Ramjeet for \$3 000 was returned to the supplier, Furniture & More, as it was the wrong order.
- April 5 A water bill of \$75 for Ramjeet's home was incorrectly recorded in the books of the business. The error is now being corrected.
- April 10 L. Townsend, a debtor who owed Ramjeet \$300, has been declared bankrupt. The court ordered Townsend to pay \$0.50 for every dollar owed. Ramjeet received a cheque for the amount.
- April 13 Ramjeet removed stock valuing \$450 from the business for his personal use.
- April 20 Motor vehicle valuing \$100 000 bought on credit from Y.S. Garage. A cheque for \$30 000 was made to Y.S. Garage as down payment.

(9 marks)

- (c) State whether the error made on April 05, and each of the transactions on April 10, 13 and 20 would **increase**, **decrease** or have **no effect** on the profit of the business. (4 marks)

Total 20 marks

2. (a) Oliver Bentley maintains control accounts in his general ledger. He prepared a Sales Ledger Control Account for January 2004, with information derived from his subsidiary books. The debit balance shown in the Sales Ledger Control Account at January 31, 2004, does not agree with the list of debtors extracted from the sales ledger at that date. The value of debtors according to the sales ledger at January 31, 2004, was \$14 872.

The following errors were subsequently discovered:

1. K. Boodraj, a bad debtor whose account had been written off in 2003, sent a cheque for \$198. The amount was entered in the sales ledger.
2. In January a page of the sales returns day book had been overcast by \$200.
3. Discounts received of \$156 had been mistakenly entered in the discounts allowed column of the cash book in January 2004.
4. A debit balance of \$824 on S. McCalla's account in the sales ledger had been set off against his account in the purchases ledger. This entry had not been recorded in either control account.
5. A \$58 discount allowed to Ram Sookie had been correctly entered in the cash book but had not been entered in Ram's account.
 - (i) Calculate the total of the debtors' balances at January 31, 2003, **after** the errors have been corrected. (Show your workings.) (4 marks)
 - (ii) Calculate the total debtors' balance in Bentley's Sales Ledger Control Account for the month of January 2004, **before** the errors had been corrected. (8 marks)

- (b) On April 1, 2004, a business purchased a machine costing \$224 000. The machine has a life expectancy of approximately 40 months. At the end of that time the machine is expected to have a trade-in value of \$24 000. The financial year of the business ends on December 31, each year.

- (i) Use the formula for calculating annual depreciation on the 'Straight-line Method' to determine the annual depreciation on the machine. (2 marks)
- (ii) Calculate the depreciation charge at the end of the first year. (1 mark)
- (iii) Show the depreciation account for the first two years. (5 marks)

Total 20 marks

3. Chris and Dorcas are in partnership. Their capital and current accounts as at January 1, 2004, are as follows:

	Capital Balances \$	Current Balances \$	Drawings \$
Chris	40 000	5 000 (Credit)	17 000 (on June 30)
Dorcas	60 000	3 000 (Credit)	17 000 (on December 30)
			12 000 (on April 30)
			12 000 (on August 31)
			12 000 (on December 31)

The partnership agreement provides for the following:

1. Profits and losses are shared between Chris and Dorcas in the same ratio as their capital.
2. Chris is to be credited with a salary of \$6 000 per annum.
3. Interest on capital at 8 per cent per annum is allowed.
4. Interest on drawings is charged at 10 per cent per annum.

The profit for the year is \$95 950.

- (a) Prepare the partnership profit and loss appropriation account for the year ended December 31, 2004. (10 marks)
- (b) Prepare the partnership capital and current accounts as at December 31, 2004. (9 marks)
- (c) Explain the meaning of a debit balance on a partner's current account. (1 mark)

Total 20 marks

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SECTION II

Answer any TWO questions in this section.

4. McNaughton Tools is a small manufacturing establishment. At the end of the accounting year, February 28, 2004, the following information was available.

Stocks, March 1, 2003	\$
Raw materials	27 000
Finished goods	35 000
Work-in-progress	7 500
Factory wages (direct)	150 000
Factory salaries	25 700
Purchases of raw materials	36 300
Returns outwards	500
Factory power and fuel	83 200
Sales	532 800
Insurance	4 400
Administrative expenses	120 000
Returns inwards on finished goods	3 000
Stocks, 28 February, 2004	
Raw materials	15 600
Finished goods	20 000
Work-in-progress	13 200
Machinery at cost	100 000

You are given the following additional information:

1. Machinery is to be depreciated at the rate of 25 per cent per annum
2. Factory power and fuel is in arrears of \$720
3. Insurance, which is to be divided in the ratio 3:1 between the factory and the office, is prepaid in the amount of \$200.

- (a) Prepare a manufacturing account for the year ended February 28, 2004, showing clearly the following:

- (i) The cost of raw materials consumed (used up)
- (ii) The prime cost
- (iii) Factory overheads
- (iv) The total cost of production (14 marks)

- (b) Prepare a Trading and Profit and Loss Account for year ended February 28, 2004. (4 marks)

- (c) (i) Calculate the gross profit to sales ratio. (1 mark)
(ii) Calculate the rate of turnover. (1 mark)

Total 20 marks

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5. The balances below remained in the books of Stanigar Ltd after the preparation of the Trading and Profit and Loss Account for year ended June 30, 2004.

	\$
Net profit	319 400
Debtors	86 000
Creditors	38 000
Interim dividend paid to ordinary shareholders	20 000
Fixed assets at cost	548 000
Accumulated depreciation	27 400
Unappropriated profits brought forward	55 000
Ordinary shares (\$2 each)	100 000
5 per cent preference shares (\$3 each)	40 000
Stocks (June 30, 2004)	66 000
Bank overdraft	15 000
Prepaid expenses	3 500
Interest on loan outstanding	56 000
Cash balance	2 300
Directors fees outstanding	45 000
14 per cent loan	30 000

The directors of Stanigar Ltd recommended the following:

1. That TWO reserves be set up, namely,
 - (i) a general reserve of \$15 000, and
 - (ii) a reserve of \$7 000 for asset replacement.
2. Ordinary shareholders be paid a final dividend of 20 cents per share.
3. Preference shareholders dividend be paid.
 - (a) Prepare, in **vertical format**, the Profit and Loss Appropriation Account of Stanigar Ltd. (7 marks)
 - (b) Prepare, in **vertical format**, the Balance Sheet of Stanigar Ltd. (12 marks)
 - (c) Explain the meaning of the term '14 per cent' beside the word "loan". (1 mark)

Total 20 marks

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6. The Bridge Town Cricket Club had the following assets and liabilities at January 1, 2004.

Sports equipment \$20 000, stocks of refreshments \$1 000, creditors for refreshment \$5 500, bank balance \$10 000, subscriptions owing \$500.

During the year the following receipts and payments were made by the treasurer of the cricket club.

Receipts	\$
Subscriptions - Year ended 2003	500
Subscriptions - Year ended 2004	23 000
Subscriptions - Year ended 2005	600
Sale of refreshments	25 800
Sale of raffle tickets	4 200

Payments	\$
Printing of raffle tickets	400
Payment to creditors	15 200
Purchase of sports equipment	12 600
Wages: Groundsman	4 000
Sales girl	3 000
Utilities	8 000
Rent	12 000

Additional information at December 30, 2004, reveals that:

- Subscriptions owing for year ended 2004 is \$440.
- Utility bills still outstanding \$345.
- Stocks of refreshment at December 30, 2004, was \$6 250.
- Sports equipment is to be depreciated at the rate of 10 per cent per annum.
- Creditors for refreshment \$2 170.
- Rent prepaid at December 30, 2004, was \$300.

(a) Prepare a statement to show the opening capital (Accumulated Fund) of the Bridge Town Cricket Club. (5 marks)

(b) Prepare the following for the Bridge Town Cricket Club:

(i) Subscriptions account (5 marks)

(ii) Refreshment Trading account (3 marks)

(iii) Income and Expenditure Account for the year ended December 31, 2004 (7 marks)

Total 20 marks

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7. (a) James Sigler is a garage mechanic who will visit the customer at home to find the source of trouble and then, if necessary, advise the customer to send the vehicle to his business place for repairs. When out on a job James Sigler is paid at the "customer care" rate. When in the garage he works an eight-hour shift from 8.00 a.m. to 4.00 p.m. with an hour for lunch. Any additional hours registered by the automatic clock are considered overtime hours.

The following are two documents recording his work for the week ending May 6, 2005.

CAR DOCTOR ENTERPRISES DEPARTMENT: Customer Care TIME SHEET		JOB # 9
MECHANIC: <u>James Sigler</u>	Clock # 16	<div style="border: 1px solid black; width: 50px; height: 20px; margin: 0 auto;"></div>
Date / time started / ended: May 2, 2005, 8.00 a.m. - 1 p.m.		
Description of work required:		
<ol style="list-style-type: none"> 1. Travel to and from customer's premises - 45 mins. 2. Check source of problem - 3 hours 3. Advise customer to send in for repairs - 15 mins 		
<u>S Dale</u> Signature: Operator	<u>Foster Khan</u> Signature: Customer	<u>Trev Leeson</u> Signature: Supervisor
Remarks: Hours to be paid at customer care rate of pay.		

CAR DOCTOR ENTERPRISES CLOCK CARD					CLOCK # 16 NAME : JAMES SIGLER WEEK ENDING MAY 6, 2005	
	IN	OUT	IN	OUT	IN	OUT
MONDAY MAY 2			1.00	4.00		
TUESDAY MAY 3	8.00	12.00	1.00	4.00		
WED MAY 4	8.00	12.00	1.00	4.00	5.00	7.00
THURS MAY 5	8.00	12.00	1.00	4.00	5.00	8.00
FRIDAY MAY 6	8.00	12.00	1.00	4.00	5.00	7.00

Additional Information:

1. "Customer Care" rate is \$20 an hour.
2. Regular work hours (8:00 a.m. to 4:00 p.m.) are \$12 an hour, and one-and-one-half ($1\frac{1}{2}$) the regular rate is paid for overtime work done.
3. The firm deducts the following: PAYE 10 per cent; Health Security 5 per cent and a savings plan contribution of 5 per cent of weekly wages.

- (i) Complete the table on the answer sheet provided to arrive at the number of hours worked by James Sigler in the week ended May 6, 2005. (9 marks)

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- (ii) Complete the pay slip for James Sigler for the week ended May 6, 2005, on the answer sheet provided. (7 marks)
 - (iii) Give TWO possible reasons for charging a higher rate for 'customer care' jobs. (2 marks)
- (c) Write suitable terms for the following definitions:
- (i) A long-term loan which companies sometimes offer as a means of raising capital.
 - (ii) An arrangement with the bank requiring it to pay out from your account, fixed amounts on specific dates. (2 marks)

Total 20 marks

END OF TEST

