Integrated Accounting System
TASBooks
Republic of Ireland

Exam Paper 2013/14

Professional Practical Paper
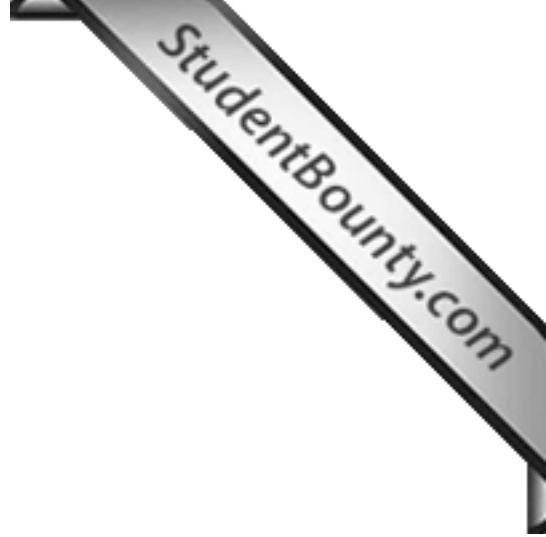
2nd Year Examination: Exam Paper 2013/14

Paper: IAS TASBooks (Republic of Ireland)

INSTRUCTIONS TO CANDIDATES

PLEASE READ CAREFULLY

For candidates answering in accordance with the law and practice of the Republic of Ireland.

Candidates should answer the paper in accordance with the appropriate provisions up to and including the Finance Act 2013. The provisions of the Finance Act 2014 should be ignored.

All names and addresses mentioned are entirely fictitious. This examination paper is copyright and may not be reproduced. Candidates should allocate their time carefully.

Time Allowed: 3.5 hours

On completion of the examination:

1. Ensure that you have correctly completed the examination cover sheet and any other documentation provided by the invigilator.

2. Ensure that all printouts (Payroll, Accounts and Excel) **are in the order requested in each section** and are correctly submitted to the invigilator.

3. Ensure that PDF reports have been correctly saved and submitted to the invigilator.

4. Ensure that there is a folder, created in the location indicated by the invigilator, showing your **exam number *** as the folder name. Confirm that you have saved a backup of your Sage Micropay, TASBooks and Excel data into this folder.

It is the student's responsibility to ensure that all work is saved and submitted as required above.

Accounting Technicians Ireland cannot be held responsible for any marks lost as a result of the above not being completed correctly.

* NB: Ensure that you use your exam number;
You should not use your student registration number or college registration number.

START OF EXAM PAPER

Company Information:

Business Name:	Action Games Ltd.
Address:	4 Main Street Naas Co. Kildare
Telephone:	045-539837
Fax:	045-539838
E-mail:	info@games.ie
VAT Reg. No.:	IE-1914052 A
Employer Reg. No.:	IE-1914052 A
Directors:	Mr. Timothy Allen Mrs. Moira Allen
Business:	Supply and Retail of toys and electronic games.
Type of Business Entity:	Private Limited Company

Business Profile:

Action Games Ltd. was incorporated as a Private Limited Company in 1999. Timothy and Moira Allen are the directors and shareholders of the company.

The majority of Action Games Ltd.'s sales are on credit with some cash sales. The company is registered for VAT. VAT is charged on sales at the standard rate of 23%. The company accounts for VAT on a *Sales Invoice* basis.

The accounting year of Action Games Ltd. is September to August. Assume that today is the 2nd of December 2013 and you have recently been employed as the company's accounting technician. As part of your duties you will be responsible for the administration of the payroll system and the preparation of the monthly management accounts. There are currently five employees paid on a monthly basis and all employees receive payment on a 'back month' basis.

A draft set of accounts up to 30th November 2013 were produced by your predecessor using TASBooks. You are aware that there are some additional entries still to be posted and there are a few changes suggested by the directors before finalising the management accounts.

<u>**Section A – Payroll:**</u>

You are required to:

1. Log in to Sage Micropay (The user name is USER1, the payroll name is ATI, and both passwords are PASS) and restore the setup Sage Micropay dataset from the location indicated by the invigilator. Update the payroll period to November 2013 and record all payroll information provided below, setting up any new pay elements that may be required.

(1 Mark)

2. You should set yourself up as a new employee identified by your **exam** number only. Insert your exam number in the first name field and complete the surname field with the word 'student'. You commenced employment on Monday 18th November 2013 and a certificate of tax credits has been received – refer to Appendix 1. Your date of birth is 7th August 1981, standard PRSI code A applies and you may assume that you are paid by cheque. Your annual salary is €26,000 and you are to receive half a month's salary for November. Update the payroll package to take account of this information and ensure that you record 2 insurable weeks in November for this employee.

(3 Marks)

3. Timothy Allen has decided to contribute €65.00 per month to the VHI scheme administered by Action Games Ltd, effective from November 2013. In addition the company has decided to give Timothy Allen an annual car allowance of €7,500, payable monthly and commencing in November 2013. Update the payroll package for these changes.

(3 Marks)

4. Anne Cusack was made redundant on 30th November 2013. She has been with the company since 21st February 2001. As a result of reckonable absences in the last three years her entitlement to a tax free statutory redundancy payment has been calculated at 2 weeks pay for every complete year of service, plus one bonus week, up to a maximum of €600.00 per week. Her final payment should also include payment for round sum expenses of €125.00 incurred on a recent business trip. Update the payroll package to account for this information.

(3 Marks)

5. It has been agreed that the company will pay medical insurance on Liam O'Connor's behalf of €1,200 per annum. Calculate the notional pay, for the purpose of deducting PAYE, PRSI and USC, over a period of 10 months. Liam is also to be reimbursed for travel expenses incurred on the company's behalf during a recent business trip; receipts to the value of €75.50 have been submitted and approved for payment.

(3 Marks)

6. Andy Peters has decided to contribute 4% of his monthly salary value to a pension scheme and the Company will contribute €100.00 per month on his behalf, effective from 1st of November 2013. Update the payroll package for these changes.

(3 Marks)

7. Print the Gross to Net report, a payslip for the new employee and for Liam O'Connor only, and the Control Summary report. When you have completed processing the payroll for November 2013 ensure that you backup the Sage Micropay dataset into a folder, created in the location indicated by the invigilator, which should be titled with your exam number.

(4 Marks)

Section A Total: (20 Marks)

NB: Assume all other employees NOT mentioned above are calculated as normal. All employees are entitled to 1.67 days holidays per month worked. On average an employee will work 260 days in a year.
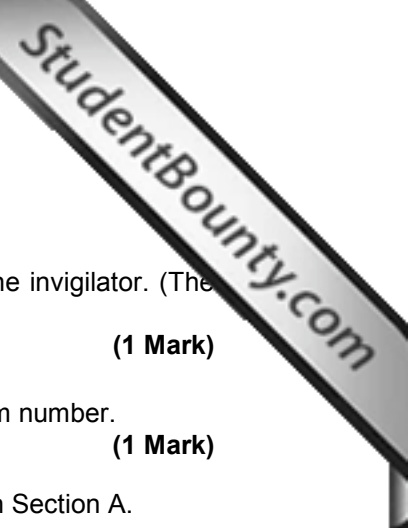
### Section B - Integrated Accounts and Double Entry:

You are required to:

1. Restore the TASBooks dataset for Games Ltd from the location indicated by the invigilator. (The user code is SPV and the password is SPV).

(1 Mark)

2. Change the company name so it reads: Action Games Ltd followed by your exam number.

(1 Mark)

3. Post the salary journal for November 2013 using the information you produced in Section A.
(You should set up any new nominal codes required.)

(5 Marks)

4. A supplier to the company has indicated that they want to purchase some products from Action Games so you should set up a customer account for All Kid Games Limited based on the existing supplier account. All contact names and details remain unchanged and should be copied to the customer account record, you should record a credit limit of €20,000 on the customer account.

(2 Marks)

5. Generate a quotation for All Kid Games Ltd, in TASBooks, based on the details shown below. Print the quotation and ensure that the printed quotation is included with your other printouts submitted to the invigilator upon completion of your exam.

Action Games Limited

4 Main Street, Naas, Co Kildare.

Quotation

Date: 10th Nov 2013

All Kid Games Limited
Unit 5, Guinness Enterprise Centre
Taylor's Lane, Dublin 8.

Quotation 100955

VAT No: 1914052A

Code	Description	Qty	Unit Price €	Net Amount €	VAT	VAT €
IM	Iron Man 2	75	8.26	619.50	23%	142.49

NET	€ 619.50
VAT	€ 142.49
TOTAL	€ 761.99

(2 Marks)

6. On the 25th November All Kid Games Ltd contacted you to confirm that they wished to purchase 130 units of the product detailed in the quotation produced above. Amend the quotation and convert to a sales invoice from TASBooks dated 25th November 2013. Ensure that the sales
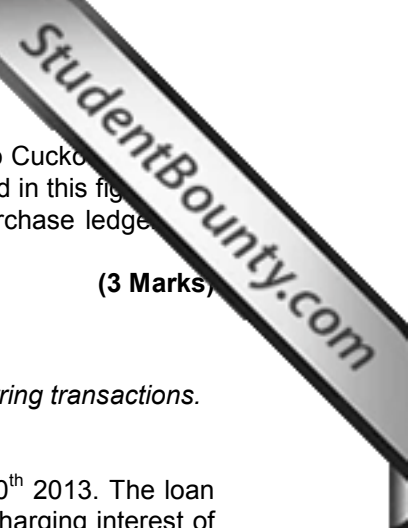
7. On the 28th of November 2013 the directors sent a sterling draft for £4,356.21 to Cucko
    Ltd costing €5,190.42 for payment of PI/1015. A bank charge of €7.50 is included in this fi
    the difference is the currency gain/loss. Enter all of the above through the purchase ledge
    allocate the payment against the invoice and related charges.

    (3 Marks)

8. *Please note the following, before attempting this question:*

    - *Please use your exam number as the transaction reference on the recurring transactions.*
    - *You should also set up any new bank accounts/nominal codes required.*

    The company took out a short term loan with "Loan Bank Plc" on November 30th 2013. The loan
    amount is €8,000 and it is to be repaid over two years. Loan Bank Plc will be charging interest of
    €1,360 in total which will be charged on a monthly basis. Assuming that loan interest accrues
    evenly over the life of the loan, you are required to:

    (i) Lodge/transfer the funds to First Bank Plc and show the loan liability at the date of
    drawdown i.e. 30th November 2013.

    (3 Marks)

    (ii) Calculate, set up and post an appropriate recurring journal for the monthly loan
    repayment starting on November 30th 2013 and to be processed monthly.

    (3 Marks)

    (iii) Calculate, set up and post a recurring monthly journal to charge the loan interest
    to the Profit and Loss Account on the same date as (ii) above.

    (3 Marks)

9. The following expenses were paid personally by the directors, on behalf of Action Games Ltd,
    during November 2013. Enter an appropriate adjustment in TASBooks to reflect the expenses
    incurred and the resulting liability on each date.

Date	Details	Analysis	Net	VAT	Gross
05/11/2013	Sundry Receipt	Cleaning	7.25	0.00	7.25
18/11/2013	Stamps	Postage & Packing	60.00	0.00	60.00

    (2 Marks)

10. Before attempting to reconcile the bank account you notice the following:

    (i) Cheque number 50016 has been prepared; it has been made payable to Go Play Ltd
    and is dated 30th November 2013. The value of the cheque was €6,275.46 and you have
    been asked to enter this cheque in TASBooks allocating the payment to invoice 7035. You
    should also produce and print a remittance advice for this payment and ensure that this
    document is submitted with your other reports at the end of the examination.

    (2 Marks)

    (ii) Lodgement No. 100023 to the value of €5,004.87 on 10th November was in respect of a
    cheque received from Prime Optimus Games Ltd. The cheque has been returned by the bank
    marked "refer to drawer" and the lodgement details have been voided. You are therefore to
    delete the sales receipt recorded on the customer account.

    (2 Marks)

    (iii) Enter any amounts from the attached bank statement (refer to Appendix 2) that may not
    have been recorded.

    (4 Marks)

    (iv) Reconcile the account to the bank statement for November 2013 and print an

11. Provide for depreciation based on the following fixed assets depreciation policies:

    – Property – 10% p.a. straight line
    – Computer Equipment – 33.3% p.a. straight line
    – Office Equipment – 20% p.a. straight line
    – Furniture and Fixtures – 10% p.a. straight line
    – Motor Vehicles – 20% p.a. reducing balance
    – Leased Assets – over the life of the lease

    It is also the company's policy to charge a full year's depreciation in the year of acquisition with no deprecation in the year of disposal.

    (6 Marks)

12. As a result of a stocktake on the 30th November 2013 it is noted that the stock value should be €39,600.00. Enter an appropriate nominal ledger adjustment in TASBooks to ensure that the correct closing stocktake value is reported as at 30th November 2013.

    (2 Marks)

13. Enter a contra entry (dated 30th November 2013) on the Supplier Account for All Kid Games Limited to reflect that the balance owing has been offset against their new Customer account with Action Games Ltd.

    (2 Marks)

14. You have been advised that BoyGirl Games Limited has been listed for strike off by the CRO and are concerned that you may not recover the outstanding balance on this customer's account. Create a specific bad debt provision based on the net balance outstanding for this customer dated 30th November 2013. (You should create any new nominal accounts required).

    (2 Marks)

15. Print the following reports from TASBooks to the location indicated by the invigilator:

    • A trial balance for periods 1-3 (incl. Opening Balances and excl. YTD figures),

    • A **detailed** audit trail by posting number starting at posting 100149 and ending at the last posting number in TASBooks,

    • The recurring transaction manager report detailing all recurring journals (showing details),

    • An aged debtors analysis report as at 30th November 2013 (with details),

    • A Customer details report for the new Customer (ALL01) **only** showing general information.

    (10 Marks)

16. Backup the TASBooks dataset for Action Games Limited into the folder created in Section A which should be titled with your exam number.

    (1 Mark)

Section B Total: (60 Marks)

Section C - Excel:

You are required to:

1. Prepare a month by month budget for the 3 months from 1st December 2013 to 28th February 2014 based on the actual figures for September 2013.

    Export the Profit and Loss Report for September 2013 from the TASBooks dataset into an Export the Profit and Loss Report (with no account numbers) for September 2013 from the TASBooks dataset into an Excel worksheet and save the file as an Excel workbook titled *'Budget for 3 months ended 28th February 2014"*:

    *   All nominal account descriptions should appear in column A,

    *   The figures for September 2013 should appear in column B,

    *   Column B should be named "September 2013",

    *   Delete any rows that do not contain values and/or text,

    *   Ensure that there is a blank row inserted after each 'total' line.

    (2 Marks)

2. Insert percentage values in column C to indicate the variances that will be applied in the December – February figures, based on the following information:

    *   Due to recent marketing activity it is anticipated that Sales and Cost of Sales values will increase by 3% each month,

    *   As a result of recent adjustments in staffing levels, wage costs should be decreased by 3% from the September 2013 values,

    *   All other expenses should be decreased by 4% from the September 2013 values, with the exception of Rent and Rates and depreciation,

    *   Further to a recent Rent & Rates review, it was agreed that there would be a decrease of 10% applied to the usual monthly charges, effective from 1st January 2014,

    *   Depreciation should be unchanged from the September 2013 figures,

    *   The monthly loan interest (as indicated in Section B) should also be accounted for in the budget for Quarter 2,

    *   In light of ongoing concerns about certain customers you are instructed to include a provision for doubtful debts in the budget spreadsheet, estimated at 2.5% of Sales each month.

    Column C should be named "Variances".

    In columns D-F you should prepare a month by month budget template for the 3 months from December 2013 to February 2014. Insert formulas to calculate the budget projections for each month using the variance percentages and other information indicated above. Ensure each column is appropriately named.

    (Students should use the absolute formula throughout where possible/appropriate)

    In Column G insert appropriate formulas to calculate the average budgeted figures for the 3 months ending 28th February 2014 and name this column "Average Values for Q2".

    Insert formulas to show the updated totals for all category totals, gross profit and net profit in each month and in the Q2 averages column.

3. Format the whole spreadsheet in the following way:

- All text and figures should be in Verdana, italics and in font size 12,

- Centre, wrap and underline all month headings,

- All monetary values to be comma style with no decimal places,

- Adjust columns to an appropriate width size ensuring all figures and text is visible,

- Using any Word Art, title the page "*Budget for 3 months ending 28th February 2014*",

- Insert today's date as a footer on the right section and your exam number on the left side section. Both should be in bold and italics.

(4 Marks)

4. In a new worksheet, create a 3-D Pie Chart based on the average figures for the 3 months ending 28th February 2014, for the expense codes from Rent to Monthly Loan Interest. The Pie Chart should be formatted as indicated below.

- All legend details should be in capitals and in italics,

- Using the 'Select Data' option edit the series title to state "Other Monthly Expenses",

- Insert your exam number as a centred footer.

(4 Marks)

5. Print the following reports:

- One printout of the budget worksheet showing figures as normal,

- One printout of the budget worksheet adjusted to show formulas instead of figures,

- One printout of the Pie Chart.

Ensure that each report prints in landscape format, and prints on one page only.

On completion of your activity ensure that you have saved the Excel Workbook into the folder created in Section A which should be titled with your exam number.

(4 Marks)

Section C Total: (20 Marks)

TOTAL EXAM MARKS: (100 MARKS)

Notice no: 12345678
Registered No: 1914052A

Revenue
Commissioners
East and South East Region

24th November

ACTION GAMES LTD
4 MAIN STREET
NAAS
CO KILDARE

Certificate of Tax Credits and Cut-Off Points

FOR THE YEAR 1 JANUARY 2013 TO DECEMBER 2013 AND FOLLOWING YEARS

Employees Name: Student Name   Employees PPS No: 2604621R

42 Canal View Apartments
Sallins
Co. Kildare

All Tax Credits and Cut-Off Points (COP) refer to this employment only

Income Tax – Pay As You Earn

Yearly Tax Credits | 3,660.00 | Monthly Tax Credits | 305.00 | Weekly Tax Credits | 70.38

Rates of Tax			Yearly COP	Monthly COP	Weekly COP
Tax Rate 1	20%				
Tax Rate 2	41%	**Tax Rate 1 Cut-Off Point**	36,400.00	3033.34	700.00

The following details of Pay and Tex deducted, from 1 January 2013, to date of commencement with your employment, should be taken into account when calculating current PAYE deductions.

Total Pay: 20,000.00   **Total Tax:** 903.28

Universal Social Charge (USC)

Exemption Case: | N |

Rates of USC			Yearly COP	Monthly COP	Weekly COP
USC Rate 1	2%				
USC Rate 2	4%	**USC Rate 1 Cut-Off Point**	10,036.00	836.34	193.00
USC Rate 3	7%	**USC Rate 2 Cut-Off Point**	16,016.00	1,334.67	308.00

The following details of Gross Pay for USC purposes and USC deducted, from 1 January 2013, to date of commencement with your employment, should be taken into account when calculating current USC deductions.

Total Gross Pay
For USC Purposes: 20,000.00   **Total USC deducted:** 823.60

General Notes

This Certificate is effective from 1 January 2013 and cancels any previously issued certificates for the period stated.

This certificate also includes information to assist with the calculation of the employee's USC calculations.

For more information on USC, visit www.revenue.ie

FIRST BANK PLC

58 Whitewater Avenue, Newbridge, Co Kildare

Account N... 74333283

STATEMENT OF ACCOUNT

Action Games Limited
4 Main Street,
Naas, Co Kildare

30th November 2013

DATE		PARTICULARS	DEBIT	CREDIT	BALANCE ( ) denotes Debit
Nov-13	1	Balance b/f			31,783.77
		Lodgement 100021		7,789.59	
		Lodgement 100022		5,124.80	
		Rent - DD	2,000.00		42,698.16
	3	Cheque 50012	8,113.05		34,585.11
	5	Cheque 50013	840.00		33,745.11
	10	EFT Customer payment - Hasto Play		10,931.38	
		Cheque 50015	939.72		43,736.77
	21	Bank Interest		17.50	43,754.27
	23	ROS - VAT Payment	10,151.00		
		ROS - P30 Payment	6,147.96		27,455.31
	28	GBP Draft	5,190.42		22,264.89
	30	Loan Drawdown		8,000.00	
		Lodgement 100024		3,784.96	
		Lodgement 100025		10,291.35	
		Lodgement 100026		2,337.40	
		Staff Wages by EFT	12,829.84		33,848.76
Nov-13	30	Closing Balance			33,848.76

These pages are supplied to facilitate Workings.
Students should note that no marks will be awarded for workings shown on these pages.

These pages are supplied to facilitate Workings.
Students should note that no marks will be awarded for workings shown on these pages.