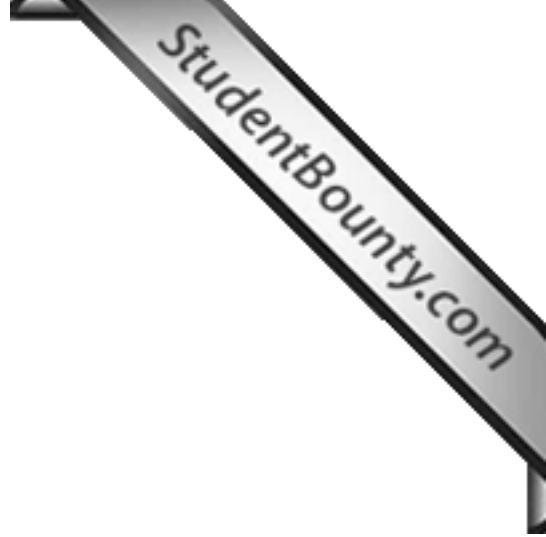




Integrated Accounting System
TASBooks
Republic of Ireland

Exam Paper 2013/14



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: Arcade 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:

Arcade 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 Arcade 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 Arcade 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.

Section A – Payroll:

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 25th November 2013. You have not yet received a copy of your P45 from your previous employer. Your PPS number is 2604621R and your date of birth is 7th August 1981, standard PRSI code A applies. You will be paid by cheque at a rate of €12.00 per hour; you worked from 2pm to 6pm each day between Monday 25th and Friday 29th November and due to late opening on Thursday and Friday you also worked an additional two hours on each night. Calculate and pay your total entitlement for November; you are to receive 1 PRSI week.

(3 Marks)

3. Timothy Allen travelled 475 business kilometres in November, bringing his total business kilometres in 2013 to 6,535. He is to be reimbursed for this expense based on current civil service rates (refer to table below) assuming engine capacity is over 1,501cc. Calculate the appropriate value for reimbursement and update the payroll accordingly.

Official Motor Travel in a calendar year	Engine Capacity: Up to 1,200 cc	Engine Capacity: 1,201 cc - 1,500 cc	Engine Capacity: 1,501 cc and over
Up to 6,437km	39.12 cent	46.25 cent	59.07 cent
6,438km and over	21.22 cent	23.62 cent	28.46 cent

Timothy has also reduced his working week from five days to four days effective from November 1st. Based on his current salary decreasing on a pro rata basis, calculate and pay the appropriate salary amount for November.

(3 Marks)

4. In November 2013, Anne Cusack signed up for a Dublin Bus annual travel pass costing €1,230 per annum. This bus pass is to be paid for by Arcade Games Limited and will be initially accounted for as an advance to Anne; the repayment of same is to be deducted via payroll over a period of 12 months, commencing in November 2013, as a gross deduction. In addition she is to be paid a round sum allowance of €100.00 this month to cover out of pocket costs incurred during a recent business event.

(3 Marks)

5. Liam O'Connor has received an increase in his annual salary of 15% which is effective from 1st September 2013. Update his salary value to take account of this adjustment and include any backdated pay that is owed, ensuring that the backdated pay is shown as a separate pay element. In addition Liam is to be reimbursed for general expenses incurred on a recent business trip; receipts to the value of €45.90 have been submitted and approved for payment.

(3 Marks)

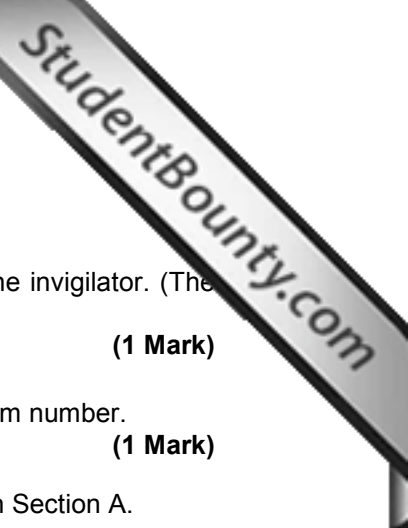
6. Andy Peters has decided to contribute 5% of his monthly salary value to a pension scheme and the Company will similarly contribute 2.5% on his behalf, effective from 1st of November 2013. Update the payroll package for these changes.

(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)



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: Arcade 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. Set up the following new Supplier Account:

Code: ACC01
 Name: Accurate Accounting
 Address: Unit 1E, Harbour View Business Park, Naas, Co Kildare
 Tel: 045 – 532632
 Fax: 045 – 532633
 Contact Name: Andrew Quinn

(2 Marks)


5. Post the invoice shown below, as received from Accurate Accounting:

FEE NOTE

Accurate Accounting

Unit 1E
 Harbour View Business Park
 Naas
 Co Kildare

To: Arcade Games Limited
 4 Main Street, Naas, Co Kildare



Invoice Number: 1E13101

Date: 10th Nov 2013

Details	Net €	VAT €	Gross €
For preparation and submission of year end accounts for Arcade Games Ltd.	1,950.00	448.50	2,398.50
For the year ended 30 th August 2013			
		NET	€1,950.00
		VAT	€ 448.50
		TOTAL	€2,398.50

VAT No: 1357532H

Payment due by return – thank you.

6. Generate a Sales Invoice in TASBooks for Hasto Play Ltd., based on the details shown below:

Number: 131101
Date: 05/11/2013
Product Description: Lego Racing Blocks (Product Code: LRB)
Quantity Sold: 100 units @ €9.90 per unit
Total Invoice Value: €990.00 plus VAT @ 23%

Ensure that the invoice is posted and printed, and is submitted with your other reports at the end of the examination.

(2 Marks)

7. 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 nominal codes required.

The company entered into a new lease agreement on November 1st 2013 purchasing a new motor vehicle at a cost of €34,020. Interest of €5,980 in total will be charged over 8 years. Ignoring VAT implications and assuming that lease interest accrues evenly over the life of the lease, you are required to:

(i) Post an appropriate journal at the date of acquisition to capitalise the new asset, and record the total lease liability.

(3 Marks)

(ii) Calculate, set up and post a recurring cash payment for the monthly lease repayment starting on November 1st 2013 and to be processed monthly.

(3 Marks)

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

(3 Marks)

8. On November 26th the petty cash imprest was restored to €100.00 by the directors using personal funds. Enter an appropriate journal in the cashbook module to reflect the revised petty cash balance and resulting liability.

(2 Marks)

9. On the 28th of November 2013 the directors sent a sterling draft for £4,356.21 to Cuckoo Products Ltd costing €5,289.19 for payment of PI/1015. A bank charge of €7.50 is included in this figure and the difference is the currency gain/loss. Enter all of the above through the purchase ledger and allocate the payment against the invoice and related charges.

(3 Marks)

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

(i) On November 5th 2013 the company paid for an annual travel pass costing €1,230 using cheque number 50014, on behalf of an employee. Enter these details to TASBooks and record the payment as a staff advance using the appropriate existing nominal ledger account.

(2 Marks)

(ii) Lodgement No. 100026 from Hamlet Games Ltd on 30th November has been entered incorrectly as €2,337.40 instead of €4,468.50. The lodgement was incorrectly allocated against invoice number 100937 which is still outstanding for payment as the charge has been disputed. Delete the original entry and enter the correct lodgement value and details again. Allocate this receipt against the outstanding October invoices for this customer.

(2 Marks)

(iii) Enter any amounts from the attached bank statement (refer to Appendix 1) that have been recorded.

(4 Marks)

(iv) Reconcile the account to the bank statement for November 2013 and print an Unreconciled Payments/Receipts Report. Ensure that this bank report is submitted to the invigilator with your other printouts. (A cashbook summary report is not required.)

(2 Marks)

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 €42,500.00. 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. There was an accrual of €1,950.00 recorded in the opening trial balance which related to accountancy fees incurred in the previous period. The invoice has now been received (refer to item 5), ensure that you have recorded an appropriate journal/adjustment to reverse this opening accrual accordingly.

(2 Marks)

14. Notification has been received that Toy Story Games Ltd has gone into liquidation and that there will be no reserves available to meet the liability to unsecured creditors. You are to enter and allocate an appropriate journal/adjustment on the debtor's ledger at 30th November 2013 to write off the outstanding balance owed to Arcade Games Ltd, accounting for VAT at 23%.

(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 Supplier details report for the new Supplier (ACC01) **only** showing general information.

(10 Marks)

16. Backup the TASBooks dataset for Arcade 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 (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 seasonal fluctuations it is anticipated that all Sales and Cost of Sales values will increase by 10% from the September 2013 values,
 - Due to recent salary increases and new employer pension costs, wage costs should be increased by 5% from the September 2013 values,
 - All other expenses should be increased by 4% from the September 2013 values, with the exception of rent & rates and depreciation,
 - Further to a Rent & Rates review in mid-September, it was agreed that there would be no adjustment to the usual monthly charge,
 - Depreciation should be based on the September 2013 figures, while considering the additional charge for depreciation on the new leased asset addition as outlined in Section B. (Refer to the company's fixed assets depreciation policies in Section B). Indicate this additional charge on a new line in the budget spreadsheet,
 - The monthly lease interest (as indicated in Section B) should also be accounted for in the budget for Quarter 2,
 - In light of recent bad debts written off 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 total budgeted figures for the 3 months ending 28th February 2014 and name this column "Total Budgeted 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 totals column.

3. Format the whole spreadsheet in the following way:

- All text and figures should be in Tahoma, italics and in font size 12,
- Bold, 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 cashflow projection indicating cash inflows and cash outflows for February 2014 based on the following information:

- Debtors are given 30 days credit. (i.e. pay 1 month in arrears),
- All cost of sale creditors give us 60 days credit (i.e. are paid 2 months in arrears),
- All wage related costs and taxes are paid one month after they are incurred,
- All other expenses are paid in the month that they are incurred,
- Provision should be made for the monthly lease repayment as outlined in Section B,
- Using any Word Art, title the page "*Cashflow for February 2014*".
- Indicate the values for total Cash Inflows, total Cash Outflows and Net Cash movement in February.
- 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.

You may ignore opening and closing bank balances.

You may also ignore VAT implications and any VAT refunds/payments to the Revenue.)

(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 cashflow worksheet showing figures as normal.
- One printout of the cashflow worksheet adjusted to show formulas instead of figures.

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)

FIRST BANK PLC

58 Whitewater Avenue, Newbridge, Co Kildare

Account Number
74333283

STATEMENT OF ACCOUNT

Arcade 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		
	Lease Payment - DD	416.67		42,281.49
3	Cheque 50012	8,113.05		34,168.44
5	Cheque 50013	840.00		33,328.44
7	Cheque 50014	1,230.00		32,098.44
10	Lodgement 100023		5,004.87	
	Cheque 50015	939.72		36,163.59
15	Bank Charges as notified	181.67		
	Eircom - DD	307.50		35,674.42
23	ROS - VAT Payment	10,151.00		
	ROS - P30 Payment	6,147.96		19,375.46
28	GBP Bank Draft	5,289.19		14,086.27
30	Lodgement 100024		3,784.96	
	Lodgement 100025		10,291.35	
	Staff Wages by EFT	12,829.84		15,332.74
Nov-13 30	Closing Balance			15,332.74



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