

JUNIOR CERTIFICATE EXAMINATION 2001
BUSINESS STUDIES - HIGHER LEVEL, PAPER I.
MARKING SCHEME

Section A:

Questions with one answer	-	4 marks
Questions with two answers	-	2 marks each
Questions with 4 answers	-	1 mark each

Q.1 Budget Question:

(a)	Figures 40 @ ½ mark each =	20 marks
	Correct Solution, Bonus	2 marks
(b)	(i) Correct Word, 1 mark. Correct Figure, 1 mark	2 marks
	(ii), (iii), (iv) 3 figures @ 2 marks each =	6 marks
(c)	Cheque	
	Date, Payee, Amount words / amount in figures, Signature and Crossing, 1 mark each	6 marks
	Counterfoil	
	Date, Amount, Payee and Balance c/f 1 mark each	4 marks
		<hr/>
		40 marks

Q.2 Insurance Question:

(a)	(i) Terms	
	3 Explanations @ 4 marks each =	12 marks
	{ Broker (2+2) 4 marks	
	{ Proposal form, 1 point 4 marks	
	{ Premium, 1 point 4 marks	
	1 Reason @ 4 marks =	4 marks
(b)	(i) Correct explanation	4 marks
	(ii) Correct principle named	2 marks
(c)	(i) Two types of policies @ 3 marks each (2+1) =	6 marks
	(ii) One term, 3 marks (2+1)	3 marks
	(iii) Correct official, 3 marks	3 marks
	(iv) 2 factors @ 3 marks each =	6 marks
		<hr/>
		40 marks

Q.3 Banking Question:

(a)	(i) Type Reason	1 mark 2 marks
	(ii) Correct explanation, 1 point	3 marks
	(iii) Correct explanation, 1 point	3 marks
	(iv) Correct answer, 2 points (2+1)	3 marks
	(v) Correct explanation, 1 point	3 marks
	(vi) 2 points	3 marks
(b)	(i) Cash Book Figures at correct side - 7 @ 2 marks each = If 100% transposed, allow ½ earned marks	14 marks
	Reconciliation Statement Details - 4 @ 1 mark each = Figures - 4 @ 1 mark each =	4 marks 4 marks
		<hr/>
		40 marks

Q.4 Government Finance Question:

(a)	Heading, Name & Date (1+1) Figures - 12 @ 1 mark each = Correct term	2 marks 12 marks 2 marks
(b)	(i) One example (ii) One example	3 marks 3 marks
(c)	Scarce Resources, 1 point Opportunity Cost (2+1)	3 marks 3 marks
(d)	(i) Birth Rate. 2 effects @ 3 marks each = (ii) Unemployment 2 effects @ 3 marks each =	6 marks 6 marks
		<hr/>
		40 marks

Q.5 Club Account Question:

- (a) (i) Trading Account
Heading complete 1 mark
Figures - 3 @ 1 mark each 3 marks
Figures Cost of Sales, Gross Profit, 2 marks each 4 marks
- (ii) Income & Expenditure Account
Heading complete 1 mark
Figures in details column, 6 @ ½ each = 3 marks
Figures in totals column excluding 7690, 9 @ 1 mark each = 9 marks
Correct surplus 4 marks
Words, Excess of Income 1 mark
- (b) (i) Two Assets
2 names, with correct figures, 2 marks each = 4 marks
- Two Liabilities
2 names, with correct figures, 2 marks each = 4 marks
- (ii) 3 officers @ 2 marks each = 6 marks

40 marks

Q.6 Information Technology Question:

- (a) (i) Correct term (must be complete) 3 marks
(ii) (3+3) 6 marks
(iii) (2+1) 3 marks
(iv) (3+3+3) 9 marks
- (b) (i) 2 points 3 marks
(ii) Correct term 3 marks
(iii) 2 Benefits @ 3 marks each 6 marks
- (c) (i) (3+2+2) 7 marks

40 marks

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JUNIOR CERTIFICATE EXAMINATION 2001
BUSINESS STUDIES - HIGHER LEVEL, PAPER I.
SAMPLE SOLUTIONS

Section A:

- 1 Ingredients Country of Origin
 Use by date Name of Manufacturer
 Weight Price
 How to store Calories
 How to cook Sell by Date
 Bar Code

- 2 Brand Name

- 3 Krone / Crown
 Yen
 Pound Sterling
 Escudo / Euro

- 4 Can travel at any time
 Door to door service
 Only one loading and unloading
 Flexible
 Quick for short journeys

- 5 Profit 92,400

- 6 Debit Equipment account
 Credit Jones Ltd

- 7 Invoices Bought

- 8 On Jan 1, Brick Co Ltd , had/owned machinery/assets valued £186,000.
 On May 5, Brick Co Ltd , purchased machinery £90,000 by cheque paid

- 9 Saving Bonds - False
 Saving Certs - False

- 10 (a) £40,000
 (b) £80,000

- 11 (i) Production E S B
 Bord na Mona
 Bord Gás
 Coillte

 (ii) Training FAS
 Bord Iascaig Mhara
 CERT

- 12 (a) True
 (b) False

- 13 (a) Day-Books / Books of First Entry / Journals / Subsidiary Books
 (b) Final Accounts

14.

FORM	ORAL	WRITTEN	VISUAL
Meetings	✓		
Bar Charts			✓
Telephone	✓		
Fax		✓	

15 £1,300

16 Statement

17 D, E, A, C

18

Dr				Rent Account				Cr
Date	Details	Fol	IR£	Date	Details	Fol	IR£	
1/3/00	Bank	CB	1,100	1/1/00	Balance	b/d	200	
1/10/00	Cash	CB	300	31/12/00	<i>P.L</i>		1,200	
			1,400				1,400	

- 19 (d) Cost of Sales
Average Stock

- 20 (a) False
 (b) True

1. (A) Budget Comparison Statement for the Doyle family for the Year 2000.

<u>Income</u>	Budget IR£ Jan - Dec	Actual IR£	Difference IR£
Salaries	18,000	18 900	+ 900
Child Benefit	960	1140	+ 180
Interest	150	113	- 37
Other	-	1200	+ 1200
Total Income	19,110	21353	+ 2243
<u>Expenditure</u>			
<u>Fixed</u>			
Mortgage	4,320	4920	+ 600
Car Insurance	397	637	+ 240
House Insurance	170	204	+ 34
Sub Total	4,887	5761	+ 874
<u>Irregular</u>			
Household Costs	7,504	6566	- 938
Shoes and Clothes	1,740	1635	- 105
Car Costs	1,500	5770	+ 4270
Light & Heat	1,800	1656	- 144
Medical Expenses	200	75	- 125
Sub Total	12,744	15702	+ 2958
<u>Discretionary</u>			
Entertainment	1,000	720	- 280
Gifts	200	180	- 20
Sub Total	1,200	900	- 300
Total Expenditure	18,831	22363	+ 3532
Net Cash: Surplus/Deficit	279	(1010)	(1289)

For use with Question 1. (B) in Section B.

1. (B) (i) Did the Doyle family have a Surplus or Deficit at the end of the year? What was this figure?

Answer Deficit £ 1010

(ii) How much money had the Doyles intended to save during the year?

Answer IR£ £ 279

(iii) By how much did they exceed their budgeted expenditure?

Answer IR£ £ 3532

(iv) What was their actual closing cash balance at the end of the year?

Answer IR£ £ 990

Document for use with Question 1. (C) in SECTION B.

Date <u>26-3-2000</u> 00475	Bank of Ireland TRIM, CO MEATH	Date <u>26-3-2000</u> 90-01-13
Pay <u>Tara Motors Ltd</u>	Pay <u>Tara Motors Ltd</u> or order	
Balance b/f IR£3,276 00	<u>Four thousand</u>	
Lodgement	<u>pounds</u>	
This cheque <u>4000</u> -	IR£ <u>4000</u>	
Balance c/f <u>724</u> 90	MICHAEL DOYLE <u>Michael Doyle</u>	
00475 900113 3395134		

Q.2 Insurance Question:

A (i) Broker An insurance expert, who arranges insurance, will give impartial advice and is free to sell any firm's policies

Proposal Form An application form to be completed when applying for insurance, giving all relevant details

Premium The annual cost of the insurance paid by the insured

(ii) Because of greater risk of the insured event occurring

B (i) Indemnity One can't make a profit from insurance Compensation is limited to the value of the damage suffered irrespective of the level of cover One will be put back in the same financial position as before the accident

(ii) Utmost Good Faith

C (i) Comprehensive Insurance will pay compensation to victims for damage to them or their property by the insured while driving a car It also covers the insured person's car against all risks

Third Party Fire & Theft Compensation is paid to victims for damage to them and their property by the insured while driving a car It does not cover the insured person or his / her car for compensation for damages caused by the insured, except when such damage is a result of a fire or theft of the car

(ii) No Claims Bonus It's a discount off the premium to the insured for not having sought compensation and for having accident free driving

(iii) Assessor

(iv) Type of licence held

Age of insured

Driving history

Occupation of insured

Value of car

HP of Car / Make

Purpose / Use of Car

Q.3 Banking Question:

- A
- (i) Current a/c because withdrawals are made by cheque and the a/c became overdrawn
 - (ii) Because the cheques were not presented to the bank in the same sequence as they were issued by the drawer
 - (iii) She used the ATM machine to withdraw money in Clonmel
 - (iv) She was overdrawn by £391 or owed £391
 - (v) Interest charged by the bank on overdraft
 - (vi) An account holder gives permission to a creditor to collect / bank to pay variable amounts from the account

B (i)

Dr		Cash Book/Bank Account				Cr	
Date	Details	IR£	Date	Details	Ch No	IR£	
	Credit transfer	29		Balance		23	
	Wages	863		Bank charges		5	
				Interest		2	
				SO		420	
				Balance		442	
		892				892	
	Balance	442					

(ii)

Bank Reconciliation Statement at 30 April 2001		
	IR£	IR£
Balance as per statement		242
+ lodgements not credited		500
		742
- Cheques drawn not presented		300
Balance in Cash Book		442

Q.4 Government Finance Question:

A National Budget 2002

	£ millions		£ millions
PAYE	338	Health & Welfare	275
Customs Duty	18	Education & Science	166
DIRT	73	Defence	49
Excise Duty	129	Debt Servicing	138
VAT	144	Agriculture	76
Corporation Tax	57	Surplus Income	55
	<u>759</u>		<u>759</u>
	—		—

Surplus

B (i) New Hospitals or Medical Equipment

(ii) New School Buildings, Furniture, Equipment

C Scarce Resources The Government, like everybody, has limited income and don't possess an endless fund and can't satisfy all the demands on them

Opportunity Cost When the Government decides to spend on a particular project, some other project has to do without funds The project sacrificed is the opportunity cost

D (i) An increase in payments for child benefit

An increase in demand / payment for health services, educational services and public housing

(ii) Less payments on Social Welfare increased revenue from PAYE and Income Tax, VAT

Q.5 Club Account Question:

A (i) Assets

(ii) (a) Canteen Trading a/c for the year ending 30/4/01

Sales		8193
Purchases	2647	
	—	
Less Closing Stock	575	
	—	
Cost of Sales		2072
		—
Profit / Gross Profit / Net Profit		6121

(ii) Income & Expenditure a/c for year ending 30/4/01

Insurance	2714	Canteen Profit	6121
Rent	1275	Subscriptions	2418
- Rent prepaid	350	Subscriptions prepaid	180
	—		—
	925		2238
Telephone	493	Raffle income	3786
+ due	84	Flag Day	1959
	577		
Travel Expenses	1688		
Depreciation	510		
Surplus/Excess of Income	7690		
	—		—
	14104		14104
	—		—

B (i) (a) Assets	Rent prepaid	350
	Stock	575
	Cash / Bank	4139
	Equipment Cost	3400 or N B V. 2890
(b) Liabilities	Telephone due	84
	Subs prepaid	180

(ii) Chairperson, Secretary, Treasurer, PRO, President

Q.6 Information Technology Question:

A (i) Information Technology

(ii) Hardware is the actual physical computer equipment and its peripherals

Software Instructions / Program required for performing different tasks

(iii) Floppy Disk Portable storage device on to which computer information can be copied and stored permanently It can be removed from the computer. The disk and its contents may be inserted into another computer It's both an input and an output device

(iv) Output Devices Equipment which allows the computer to give out results from its processing unit

Examples Monitor, Printer, Plotter, Modem, Floppy Disk, Speakers

B (i) Internet It's a network / web of computers connected to each other over telephone lines It's a means of communications, a source of information.

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C (i) Modem, Training, Paper, Ink, Power, Repairs, Telephone, Insurance

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C (i) Modem, Training, Paper, Ink, Power, Repairs, Telephone, Insurance

Junior Certificate 2001
Business Studies – Higher Level – Paper 11
Draft Solutions

Q 1. Books of First Entry and ledger Question

Date	Details	F	Amount	Date	Details	F	Amount
2001				2001			
					Buildings A/C (p1)		
1 / 5	Balance	GJ	120,000				
					SAM Ltd A/C (p2)		
1/5/	Balance	GJ	56,000	13 / 5 /	Bank	CB	56,000
					Ordinary Share Capital A/C (p. 3)		
				1 / 5 /	Balance	GJ	151,000
					M A Ltd A/C (p. 4)		
7 / 5 /	Sales	SB	27,000	24 / 5 /	Bank	CB	7,000
				31 / 5 /	Balance	C/D	20,000
			27,000				27,000
1 / 6 /	Balance	B/D	20,000				
					GUIRE Ltd A/C (p. 5)		
19 / 5 /	Bank	CB	26,000	9 / 5 /	Purchases	PB	36,000
31 / 5 /	Balance	C/D	10,000				
			36,000				36,000
				1 / 6 /	Balance	B/D	10,000
					Insurance A/C (p. 6)		
28 / 5 /	Bank	CB	4,600				
					Sales A/C (p. 7)		
				31 / 5 /	Total Debtors	SB	24,000
				31 / 5 /	Bank	CB	48,000
							72,000
					Purchases A/C (p. 8)		
31 / 5 /	Total Creditors	PB	32,000				
31 / 5 /	Bank	CB	30,000				
			62,000				
					VAT A/C (p. 9)		
31 / 5 /	Credit Purchases	PB	4,000	31 / 5 /	Credit Sales	SB	3,000
31 / 5 /	Cash Purchases	CB	3,750	31 / 5 /	Cash Sales	CB	6,000
31 / 5 /	Balance	C/D	1,250				
			9,000				9,000
				1 / 6 /	Balance	B/D	1,250

Analysed Cash Book (Debit Side)

Date	Details	Rec. No.	F	Bank	Sales	VAT	Debtors
3/5/2001	Sales		GL3	54,000	48,000	6,000	
13/5/2001	SAM Ltd	43	DL2	56,000			56,000
24/5/2001	MA Ltd	44	DL3	7,000			7,000
				117,000	48,000	6,000	63,000
1/6/2001	Balance		B/D	27,650			

Analysed Cash Book (Credit Side)

Date	Details	Ch. NO.	F	Bank	Purch.	VAT	Creditors	Insurance
1/5/2001	Balance		B/D	25,000				
4/5/2001	Purchases	1	GL5	33,750	30,000	3,750		
19/5/2001	GUIRE Ltd	2	CL2	26,000			26,000	
28/5/2001	Insurance	3		4,600				4,600
				89,350	30,000	3,750	26,000	4,600
	Balance		C/D	27,650				
				117,000				

Note If the Analysed Cash Book is shown as two separate books i.e. the Analysed Cash Receipts and Lodgement Book and the Analysed Cheques Payment Book, then the following Bank Account should be shown in the Ledger

Bank A/C (page 1)

Date	Details	F	Amount	Date	Details	F	Amount
				1/5/2001	Balance	GJ	25,000
				31/5/2001	Payments	CB	64,350
31/5/2001	Receipts	CB	117,000	31/5/2001	Balance	C/D	27,650
			117,000				117,000
1/6/2001	Balance	B/D	27,650				

Trial Balance as on 31 / 5 / 2001

	DR	CR
Bank	27,650	
Buildings	120,000	
MA Ltd	20,000	
Insurance	4,600	
Purchases	62,000	
Ordinary Share Capital		151,000
GUIRE Ltd		10,000
Sales		72,000
VAT		1,250
	234,250	234,250

Q 2 Integrated Document and Bookkeeping Question

- A.** Any **two** suitable reasons:
Lose Customers,
Lose Profits,
Incur extra expense in dealing with complaints;
Gain Bad Reputation / Lose Goodwill
- B.** Listen to the complaint,
Investigate the complaint,
Take necessary action,
Reply to the complaint,
File and record the complaint for future reference.
- C.** See the document sheet on **page 4**.

EXAMINATION NUMBER

For use with QUESTION 2 (C)

CREDIT NOTE			No. 16
WEST Ltd Joyce Street, Dublin		Tel 01 23434565 VAT Reg IE 234345	
To	<u>LIFE LTD</u> <u>TOP STREET</u> <u>SLIGO</u>	Date <u>25/5/2001</u>	
Order No 71			
Quantity	Description	Unit Price	Total (Ex. VAT)
20	SHIRTS	20	400
	(SHIRTS WERE TORN)		
Total (Ex. VAT)			400
Trade Discount			100
			300
VAT			60
Total			360
E & OE			

For use with QUESTION 2 (D)

Sales Returns Book (Page 1)

Date	Details	Credit Note No.	F	NET IR£	VAT IR£	TOTAL IR£
25/5/01	LIFE LTD	16	DLI	300	60	360

Date	Details	F	Amount IR£	Date	Details	F	Amount IR£
			Sales Returns A/C (p.1)				
25/5/01	Total SALES RETURNS SRB		300				
			VAT A/C (p.2)				
25/5/01	SALES RETURNS SRB		60				
			LIFE Ltd. A/C (p.3)				
				25/5/01	SALES RETURNS SRB		360

Q 3. Integrated Marketing and Report Question

P& M Marketing Ltd,
Naas,
Co. Kildare

13 / 6 / 2001

Report on The Provision of Hot Meals in Oakfield Second Level School

To The Board of Management
Oakfield Second Level School.

I was asked by you to prepare a report on the provision of hot meals in your school. A student survey was carried out. The following are my findings and recommendation.

Findings :

- (i) 70% of the students are willing to purchase hot meals:
- (ii) 60% require Burger and chips,
26% require Chicken Curry and Rice,
14% require Lasagne and Salad:
- (iii) daily profit for the school will be IR£ 87 50
(IR£1 50 – IR£1.25 = 25p. 25 X 350 students),
- (iv) **Three** suitable methods of promoting hot meals in the school
Free samples,
Poster advertising,
Leaflets given to each student,
Use of school intercom / radio,
Visits to each class,
Inform students at assembly,
- (v) I recommend that the Board of Management goes ahead with the provision of the hot meals as it will be a great benefit to the students and profitable for the school. **or** I do not recommend that the Board of Management goes ahead with the provision of hot meals because . . .

I am available to discuss this report if required

Patricia Moore,
Marketing Consultant.

Q 4. Final Accounts and Balance Sheet Question

A

Trading, Profit and Loss and Appropriation Account of MURPHY Ltd for the year ended 31/5/2001

Sales		400,000	
Less Sales Returns		50,000	350,000
Less Cost of Sales			
Opening Stock 1/6/2000		25,000	
Purchases		185,000	
Carriage Inwards	15,000		
Add carriage in due	3,000	18,000	
		228,000	
Less Closing Stock 31/5/2001		32,000	196,000
Gross Profit			154,000
Add Gains			
Interest Receivable			6,000
			160,000
Less Expenses			
Insurance	8,000		
Less Insurance prepaid	2,000	6,000	
Wages		36,000	
Bad Debts		5,000	
Depreciation			
Equipment	7,200		
Motor Vans	3,500	10,700	57,700
Net Profit			102,300
Less Dividends declared			25,000
			77,300
Add Opening P & L Balance			10,000
Reserves			87,300

Note Some students may not add the opening reserve balance until the Balance Sheet, accept their answer as per instructions

T format and separate accounts for the Trading, Profit and loss and Appropriation are also acceptable.

Balance Sheet of MURPHY Ltd as on 31/5/2001

Fixed Assets	Cost	Depreciation	NBV
Buildings	169,000	-----	169,000
Equipment	60,000	7,200	52,800
Motor Vans	35,000	3,500	31,500
Total Fixed Assets	264,000	10,700	253,300
Current Assets			
Closing Stock	32,000		
Debtors	49,000		
Cash	1,000		
Insurance prepaid	2,000	84,000	
Less Current Liabilities			
Creditors	17,000		
Bank Overdraft	5,000		
Carriage Inwards due	3,000		
Dividends declared due	25,000	50,000	
Working Capital			34,000
Total Net Assets			287,300
Financed By	Authorised	Issued	
200,000 IR£1 Ordinary Shares	350,000	200,000	
Add Reserves		87,300	
Capital Employed			287,300

Note : Current Liabilities are also known as Liabilities Falling Due Within One Year.

B. Three types on insurance that MURPHY Ltd. Should take up include :

- Employers Liability;
- Public Liability.
- Buildings Insurance,
- Contents Insurance,
- Motor Insurance;
- Cash in Transit etc.

Q 5. Integrated Question about Employment and Wages

- A.** Any **four** suitable points
A procedure for employing staff might include

Preparing of a job description;
Advertising the job,
Examining application forms.
Interviewing applicants.
Appointing / hiring new employee.
Training

- B.** **Four** suitable points in advertisement e g

CRISPY FAST FOOD
Require **Assistant Chef**
Qualifications CERT Diploma
Two Years **experience** required
48 hour **working week** including weekends
Rate of pay IR£16 per hour
Holidays 30 days per year
Apply to the Manager CRISPY FAST FOOD
Closing date for applications 1 / 5 / 2001
CRISPY FAST FOOD is an equal opportunities employer

- C.** See page 9

For use with QUESTION 5 (C) (i)

WAGES BOOK

Date	Name	Gross Wages	Deductions			Net Wages	Employers PRSI
			PAYE	PRSI	Total		
		IR£	IR£	IR£	IR£	IR£	IR£
31/5/2001	Mary Fish	1,800	600	144	744	1,056	216
31/5/2001	Luke Curry	1,400	460	112	572	828	168
	Total	3,200	1,060	256	1,316	1,884	384

For use with QUESTION 5 (C) (ii)

TOTAL COST OF WAGES	IR£ 3,584
----------------------------	------------------

For use with QUESTION 5 (D)

Date	Details	F	Amount IR£	Date	Details	F	Amount IR£
					Wages A/C (p. 1)		
31/5/01	BANK	CB	3,584				
					Bank A/C (p. 2)		
				31/5/01	WAGES	CB	3,584

PLEASE ENCLOSE WITH YOUR ANSWERBOOK

Q 6. Integrated Delivery Systems / Recordkeeping and Depreciation Question

A. Any **three** suitable costs of owning delivery vans.

Cost of the vans:

Petrol / diesel

Wages of the drivers.

Insurance,

Motor Taxation:

Repairs,

Depreciation / loss of value.

Place to keep the delivery vans.

B. Any **three** suitable sources explained (from Medium / Long term sources)

Term Loans.

Leasing.

Hire Purchase.

Own Capital,

Reserves:

Sale and Leaseback

C. See page 11

Q 6C(i,)

Date	Details	F	Amount	Date	Details	F	Amount
			Bank A/C (P. 1)				
				1/1/99	Delivery Van	GL1	23,000
			Delivery Van A/C (
1/1/99	Bank	CB	23,000	31/12/99	Depreciation		4,500
				31/12/99	Balance	C/D	18,500
			<u>23,000</u>				<u>23,000</u>
1/1/00	Balance	B/D	18,500	31/12/00	Depreciation		4,500
				31/12/00	Balance	C/D	14,000
			<u>18,500</u>				<u>18,500</u>
			Depreciation A/C (p. 3 p. 2)				
31/12/99	Delivery Van		4,500				
31/12/00	Delhvery Van		4,500				

OR

Date	Details	F	Amount	Date	Details	F	Amount
			Bank A/C (P. 1)				
				1/1/99	Delivery Van	GL1	23,000
			Delivery Van A/C (p. 2)				
1/1/99	Bank	CB	23,000				
			Provision for Depreciation A/C (p. 3)				
31/12/99	Balance	C/D	4,500	31/12/99	P & L		4,500
				1/1/00	Balance	B/D	4,500
31/12/00	Balance	C/D	9,000	31/12/00	P & L		4,500
			<u>9,000</u>				<u>9,000</u>
				1/1/01	Balance	B/D	9,000

Q 6C(ii,)

Balance Sheet as on 31 / 12/ 2000

Fixed Asset	Cost	Depreciation	NBV
Delhvery Van	23,000	9,000	14,000

//

Junior Certificate 2001
Business Studies – Higher Level – Paper 11
Draft Solutions

Q 1. Books of First Entry and ledger Question

NB Dates must include the year.

Date	Details	F	Amount	Date	Details	F	Amount
2001				2001			
					Buildings A/C (p1) (1)		
1/5	Balance	GJ	120,000				
					SAM Ltd A/C (p2) (2)		
1/5/	Balance	GJ	56,000	13/5/	Bank	CB	56,000
					Ordinary Share Capital A/C (p.3) (1)		
				1/5/	Balance	GJ	151,000
					M A Ltd A/C (p.4) (3)		
7/5/	Sales	SB	27,000	24/5/	Bank	CB	7,000
				31/5/	Balance	C/D	20,000
			27,000				27,000
1/6/	Balance	B/D	20,000				
					GUIRE Ltd A/C (p.5) (3)		
19/5/	Bank	CB	26,000	9/5/	Purchases	PB	36,000
31/5/	Balance	C/D	10,000				
			36,000				36,000
				1/6/	Balance	B/D	10,000
					Insurance A/C (p.6) (1)		
28/5/	Bank	CB	4,600				
					Sales A/C (p.7) (2)		
				31/5/	Total Debtors	SB	24,000
				31/5/	Bank	CB	48,000
							72,000
					Purchases A/C (p.8) (2)		
31/5/	Total Creditors	PB	32,000				
31/5/	Bank	CB	30,000				
			62,000				
					VAT A/C (p.9) (5)		
31/5/	Credit Purchases	PB	4,000	31/5/	Credit Sales	SB	3,000
31/5/	Cash Purchases	CB	3,750	31/5/	Cash Sales	CB	6,000
31/5/	Balance	C/D	1,250				
			9,000				9,000
				1/6/	Balance	B/D	1,250

(1)

(20)

Total marks for Cash Book 11 marks

Analysed Cash Book (Debit Side)

Date	Details	Rec. No.	F	Bank	Sales	VAT	Debtors
3/5/2001	Sales		GL3	54,000 ✓	48,000 ✓	6,000 ✓	
13/5/2001	SAM Ltd	43	DL2	56,000 ✓			56,000 ✓
24/5/2001	MA Ltd	44	DL3	7,000 ✓			7,000 ✓
				117,000	48,000	6,000	63,000
1/6/2001	Balance		B/D	27,650			

7 ✓ @ 1/2
3 1/2 marks

Analysed Cash Book (Credit Side)

Date	Details	Ch. NO.	F	Bank	Purch.	VAT	Creditors	Insurance
1/5/2001	Balance		B/D	25,000 ①				
4/5/2001	Purchases	1	GL5	33,750 ✓	30,000 ✓	3,750 ✓		
19/5/2001	GUIRE Ltd	2	CL2	26,000 ✓			26,000 ✓	
28/5/2001	Insurance	3		4,600 ✓				4,600 ✓
		①		89,350	30,000	3,750	26,000	4,600
	Balance		C/D	27,650 ①				
				117,000				

7 ✓ @ 1/2
3 1/2
20/2
5 1/2

Note If the Analysed Cash Book is shown as two separate books i.e. the Analysed Cash Receipts and Lodgement Book and the Analysed Cheques Payment Book, then the following Bank Account should be shown in the Ledger

Bank A/C (page 1)

Date	Details	F	Amount	Date	Details	F	Amount
				1/5/2001	Balance	GJ	25,000 ①
				31/5/2001	Payments	CB	64,350
31/5/2001	Receipts	CB	117,000	31/5/2001	Balance	C/D	27,650 ①
			117,000				117,000
1/6/2001	Balance	B/D	27,650				

Trial Balance as on 31 / 5 / 2001

	DR	CR
Bank	27,650 ✓	
Buildings	120,000 ✓	
MA Ltd	20,000 ✓	
Insurance	4,600 ✓	
Purchases	62,000 ✓	
Ordinary Share Capital		151,000 ✓
GUIRE Ltd		10,000 ✓
Sales		72,000 ✓
VAT		1,250 ✓
	234,250	234,250

9 ✓ @ 1/2 = 4 1/2
figs must be consistent with ledger and Cash Book.

2

Ledger 20 ; Cash Book 11
Total Balance 4 1/2
note 2 & 1/2 in 2 & 1/2

Q 2 Integrated Document and Bookkeeping Question

A. Any **two** suitable reasons.

Lose Customers,

Lose Profits,

Incur extra expense in dealing with complaints;

Gain Bad Reputation / Lose Goodwill

$$2 @ 3M = \boxed{6M}$$

B. Listen to the complaint,

Investigate the complaint,

Take necessary action,

Reply to the complaint,

File and record the complaint for future reference

$$3 @ 2M = \boxed{6M}$$

C. See the document sheet on **page 4**

EXAMINATION NUMBER

[Empty box for examination number]

O.F.
on figures
allowed under certain
conditions

For use with QUESTION 2 (C)

CREDIT NOTE

No. 16

WEST Ltd
Joyce Street,
Dublin

Tel 01 23434565
VAT Reg IE 234345

To LIFE LTD
TOP STREET
SLIGO

Date 25/5/2001

Order No 71

Quantity	Description	Unit Price	Total (Ex. VAT)
① 20	① SHIRTS	① 20	400
	(SHIRTS WERE TORN) ①		
Total (Ex. VAT)			400
Trade Discount			100 OF ①
			300 OF ①
VAT			60 OF ①
E & OE Total			360 OF ①

For use with QUESTION 2 (D)

Sales Returns Book (Page 1)

Date	Details	Credit Note No.	F	NET IRE	VAT IRE	TOTAL IRE
25/5/01	LIFE LTD	16	DL	300	60	360

Date	Details	F	Amount IRE	Date	Details	F	Amount IRE
			Sales Returns A/C (p.1)				③
25/5/01	Total SALES RETURNS SRB		300				
			VAT A/C (p.2)				③
25/5/01	SALES RETURNS SRB		60				
			LIFE Ltd. A/C (p.3)				③
				25/5/01	SALES RETURNS SRB		360

Q 3. Integrated Marketing and Report Question

P & M Marketing Ltd,
Naas.
Co Kildare

(2)

13 / 6 / 2001 (2)

Report on The Provision of Hot Meals in Oakfield Second Level School (2)

To The Board of Management (1) → (2)
Oakfield Second Level School (1)

I was asked by you to prepare a report on the provision of hot meals in your school. A student survey was carried out. The following are my findings and recommendation. (2)

Findings :

(i) 70% of the students are willing to purchase hot meals. (4)

(ii) 60% require Burger and chips, (2)
26% require Chicken Curry and Rice. (2) allow also 42%
14% require Lasagne and Salad. (2) for lunch 18.2%
Each 9.8%

(iii) daily profit for the school will be IR£ 87 50
(IR£1 50 – IR£1 25 = .25p. 25 X 350 students); (4)
(2) (2)

(iv) **Three** suitable methods of promoting hot meals in the school .

Free samples.

Poster advertising,

Leaflets given to each student.

Use of school intercom / radio.

Visits to each class.

Inform students at assembly,

3 @ 2 = (6)

(v) I recommend that the Board of Management goes ahead with the provision of the hot meals as it will be a great benefit to the students and profitable for the school or I do not recommend that the Board of Management goes ahead with the provision of hot meals because (2) REASON

I am available to discuss this report if required (2)

Patricia Moore, (2)
Marketing Consultant (2)

O.F. = own figures
allowed more certain
conditions

Q 4. Final Accounts and Balance Sheet Question

(3)

A.

Trading, Profit and Loss and Appropriation Account of MURPHY Ltd for the year ended 31/5/2001

Sales		400,000 /	
Less Sales Returns		50,000 /	350,000 /
Less Cost of Sales			
Opening Stock 1/6/2000		25,000 /	
Purchases		185,000 /	
Carriage Inwards	15,000 /		
Add carriage in due	3,000 /	18,000 /	
		228,000 /	
Less Closing Stock 31/5/2001		32,000 /	196,000 /
Gross Profit			154,000 _{o.f.} /
Add Gains			
Interest Receivable			6,000 /
			160,000 _{o.f.} /
Less Expenses			
Insurance	8,000 /		
Less Insurance prepaid	2,000 /	6,000 /	
Wages		36,000 /	
Bad Debts		5,000 /	
Depreciation			
Equipment	7,200 /		
Motor Vans	3,500 /	10,700 /	57,700 _{o.f.} /
Net Profit			102,300 _{o.f.} /
Less Dividends declared			25,000 (D)
			77,300 _{o.f.} /
Add Opening P & L Balance			10,000 (D)
Reserves			87,300 _{o.f.} /

Note Some students may not add the opening reserve balance until the Balance Sheet, accept their answer as per instructions

T format and separate accounts for the Trading, Profit and loss and Appropriation are also acceptable

26 ✓ @ 1/2 = 134
2 @ 1 = 2
headings = 3
18 marks

(6)

①
Balance Sheet of MURPHY Ltd as on 31/5/2001

Fixed Assets	Cost	Depreciation	NBV
Buildings	169,000 ✓	-----	169,000 ✓
Equipment	60,000 ✓	7,200 ✓ _{of}	52,800 ✓ _{of}
Motor Vans	35,000 ✓	3,500 ✓ _{of}	31,500 ✓ _{of}
Total Fixed Assets	264,000 ✓	10,700 ✓_{of}	253,300 ✓_{of}
Current Assets			
Closing Stock	32,000 ✓		
Debtors	49,000 ✓		
Cash	1,000 ✓		
Insurance prepaid	2,000 ✓	84,000 ✓	
Less Current Liabilities			
Creditors	17,000 ✓		
Bank Overdraft	5,000 ✓		
Carriage Inwards due	3,000 ✓		
Dividends declared due	25,000 ✓ _{of} (1)	50,000 ✓ _{of}	
Working Capital			34,000 ✓ _{of}
Total Net Assets			287,300 ✓_{of}
Financed By	Authorised	Issued	
200,000 IR£1 Ordinary Shares	350,000 (1)	200,000 (1)	
Add Reserves		87,300 ✓ _{of}	
Capital Employed			287,300 ✓_{of}

24 ✓
 25 ✓
 = 12
 20 ✓
 16 ✓
 17 ✓

Note : Current Liabilities are also known as Liabilities Falling Due Within One Year.

B. Three types on insurance that MURPHY Ltd. Should take up include .

- Employers Liability;
- Public Liability,
- Buildings Insurance,
- Contents Insurance,
- Motor Insurance;
- Cash in Transit etc

2 + 2 + 1 = (5)

Q 5. Integrated Question about Employment and Wages

- A. Any **four** suitable points
A procedure for employing staff might include

Preparing of a job description;
Advertising the job,
Examining application forms,
Interviewing applicants;
Appointing / hiring new employee.
Training

4 @ 2 = 8

- B. **Four** suitable points in advertisement e g

CRISPY FAST FOOD
Require **Assistant Chef**
Qualifications CERT Diploma
Two Years **experience** required
48 hour **working week** including weekends
Rate of pay IR£16 per hour
Holidays 30 days per year
Apply to the Manager CRISPY FAST FOOD
Closing date for applications 1 / 5 / 2001
CRISPY FAST FOOD is an **equal opportunities employer**

- C. See page 9.

4 @ 2 = 8
Presentation 2 (10)

For use with QUESTION 5 (C) (i)

WAGES BOOK

Date	Name	Gross Wages	Deductions			Net Wages	Employers PRSI
			PAYE	PRSI	Total		
		IR£	IR£	IR£	IR£	IR£	IR£
31/5/2001	Mary Fish	1.800	600	144 ✓	744 ✓	1,056 ✓	216 ✓
31/5/2001	Luke Curry	1.400	460	112 ✓	572 ✓	828 ✓	168 ✓
	Total	3,200	1,060	256 ✓	1,316	1,884 ✓	384 ✓

14 ✓ @ 1 = (14)

For use with QUESTION 5 (C) (ii)

TOTAL COST OF WAGES	IR£ 3,584
---------------------	-----------

(2)

if it is the Total of Total Gross Wage plus Total Employers P.R.

For use with QUESTION 5 (D)

Date	Details	F	Amount IR£	Date	Details	F	Amount IR£
MAY 01			Wages A/C (p. 1)				
(3) 31/5/01 ✓	BANK ✓	CB	3,584 ✓				
			Bank A/C (p. 2)				
				31/5/01 ✓	WAGES ✓	CB	3,584 ✓ (3)

MAY 01

PLEASE ENCLOSE WITH YOUR ANSWERBOOK

9

Q 6. Integrated Delivery Systems / Recordkeeping and Depreciation Question

A. Any **three** suitable costs of owning delivery vans:

- Cost of the vans,
- Petrol / diesel
- Wages of the drivers;
- Insurance,
- Motor Taxation.
- Repairs:
- Depreciation / loss of value,
- Place to keep the delivery vans

$$3 @ 2 = \textcircled{6}$$

B. Any **three** suitable sources explained (from Medium / Long term sources)

- Term Loans,
- Leasing,
- Hire Purchase,
- Own Capital;
- Reserves,
- Sale and Leaseback

$$3 \text{ named } @ 2 = 6$$
$$3 \text{ explained } @ 2 = 6$$

$$\underline{\underline{\textcircled{12}}}$$

C. See page 11.

Q 6C(i.)

Date	Details	F	Amount	Date	Details	F	Amount
			Bank A/C (P. 1)				
				1/1/99	Delivery Van	GL1	23,000
			Delivery Van A/C (
1/1/99	Bank	CB	23,000	31/12/99	Depreciation		4,500
				31/12/99	Balance	C/D	18,500
			23,000				23,000
1/1/00	Balance	B/D	18,500	31/12/00	Depreciation		4,500
				31/12/00	Balance	C/D	14,000
			18,500				18,500
			Depreciation A/C (p. 3 p. 2)				
31/12/99	Delivery Van		4,500 ²				
31/12/00	Delivery Van		4,500				

(34)

(3)

(84)

Folios 14

OR

15

Date	Details	F	Amount	Date	Details	F	Amount
			Bank A/C (P. 1)				
				1/1/99	Delivery Van	GL1	23,000
			Delivery Van A/C (p. 2)				
1/1/99	Bank	CB	23,000				
			Provision for Depreciation A/C (p. 3)				
31/12/99	Balance	C/D	4,500	31/12/99	P & L		4,500
				1/1/00	Balance	B/D	4,500
31/12/00	Balance	C/D	9,000	31/12/00	P & L		4,500
			9,000				9,000
				1/1/01	Balance	B/D	9,000

(3)

(3)

(8)

Q 6C(ii.)

Balance Sheet as on 31 / 12 / 2000

Fixed Asset	Cost	Depreciation	NBV
Delivery Van	23,000 (2)	9,000 (2)	14,000 (2)
		OP	OF

17

11