

Subject: Accounting

TEACHER: John Taylor

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ACADEMIC LEVEL: Higher

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TOPIC: Final Accounts 1 - Sole Trader



CONTENTS

- (A) Exam Analysis
- (B) Introduction
- (C) The Final Accounts
- (D) Classification of Expenses
- (E) Adjustments to the Final Accounts of a Sole Trader
- (F) Sample Question and Solution – Introductory Level
- (G) Sample Question and Solution – Higher Level
- (H) Theory
- (I) Solutions



(A) Exam Analysis

Final Accounts of a sole trader have been asked as an examination question with the following frequency:

Higher Level												
Year	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Q	1S	1S			1S			1S				1S
Year	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Q		1S		1S			1S				1S	
Ordinary Level												
Year	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Q	1S			1S			1S			1S		
Year	2009	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Q	1S						1S			1S		

(B) Introduction

A sole trader is a person who owns and runs their own business. They may recruit others to work in their business but these people do not own any part of the business. Sole traders have unlimited liability which means they are fully responsible for the debts of their business even if it means using their own personal assets to pay what they owe. In other words there is no distinction between the owner and the business. As the sole owner of the business, the sole trader keeps all of the profits of the business after all the relevant taxes have been paid.

(C) The Final Accounts

As a sole trader you will be asked to prepare the following final accounts:

- Trading Account
- Profit and Loss Account
- Balance Sheet

(D) Classification of Expenses

Expenses in the profit and loss account should be classified into “Administration” and “Selling and Distribution”

Classification of Expenses

Selling and Distribution

Repairs to delivery vans
Carriage out
Advertising
Marketing expenses
Selling expenses
Fuel
Motor van expenses
Packing materials
Depreciation on vehicles
Bad Debts/Provisions

Administration

Rent & rates
Salaries & wages
Insurance
Light & heat/Electricity
Telephone
Postage and stationery
Repairs to equipment
Office expenses
Administration costs
Sundry expenses
Cleaning & maintenance
General expenses
Depreciation on buildings
Depreciation on machinery
Directors fees
Audit fees



(E) Adjustments to the Final Accounts of a Sole Trader

The following is a list of the likely adjustments to the final accounts of a sole trader as well as the steps to be followed when carrying out each one.

(1) Amounts Due by us

Amounts due or accruals at the end of the year e.g. insurance due €5,000

- Steps:**
- (a) **Increase** the expense figure given in the trial balance e.g. insurance by €5,000 and enter this in the profit and loss account
 - (b) Show the amount due (€5,000) as a **current liability** in the balance Sheet

(2) Amounts Due to us

Amounts due or accruals at the end of the year e.g. rent receivable due €5,000

- Steps:**
- (a) **Increase** the revenue figure given in the trial balance e.g. rent received by €5,000 and enter this in the profit and loss account
 - (b) Show the amount due (€5,000) as a **current asset** in the balance Sheet

(3) Amounts Prepaid by us (Stock of stationery/oil etc. also)

Amounts prepaid (paid in advance) at the end of the year e.g. insurance prepaid €5,000

- Steps:**
- (a) **Decrease** the expense figure given in the trial balance e.g. insurance by €5,000 and enter this in the profit and loss account
 - (b) Show the amount prepaid (€5,000) as a **current asset** in the balance Sheet

(4) Amounts Prepaid to us

Amounts prepaid (paid in advance) at the end of the year e.g. rent receivable prepaid €5,000

- Steps:**
- (a) **Decrease** the revenue figure given in the trial balance e.g. rent received by €5,000 and enter this in the profit and loss account
 - (b) Show the amount prepaid (€5,000) as a **current liability** in the balance sheet

(5) Depreciation

Calculate the amount of the depreciation

- Steps:**
- (a) Enter the depreciation in the profit and loss account as an **expense** (loss)
 - (b) Add the amount of the depreciation to the accumulated depreciation figure and enter this new amount in the **fixed asset** section of the balance sheet

(6) Private expense included with business expense (Drawings)

Private expenses paid out of the business bank account must be removed from the business expenses and shown as drawings e.g. Advertising includes €500 paid for an advertisement to sell the owners private house.

- Steps:**
- (a) **Decrease** the relevant business (advertising) by €500
 - (b) Add the private expense to drawings and enter this new figure in the



(7) Damaged Stock

Stock at the end of the year at cost was €74,500. This figure includes damaged stock which cost €6,600 but which now has a realisable value of €1,900.

Explanation: The value of the “worthless” stock should be removed from the books.

Steps: Reduce closing stock by €4,700 i.e. (€6,600 - €1,900)

(8) Goods in Transit

These are goods (or materials), which have been purchased by us but have not yet arrived at our premises and consequently are not included in the accounts. The procedure is simple – enter them as you would ordinary credit purchases.

No record has been made in the books of “goods in transit” at the end of the year. The invoice for these goods had been received on 31/12/2003 showing the recommended selling price of €6,000, which is cost plus 20%.

Steps:

- (a) Increase creditors by cost price i.e. €5,000.
- (b) Increase purchases by cost price i.e. €5,000.
- (c) Increase stock by cost price i.e. €5,000.

Calculation of Cost Price

C.P.	=	100%
S.P.	=	100% + 20% = 120%
€6,000	=	120%
€1,000	=	20%
€5,000	=	100%

(9) Goods on Sale or Return

These are goods, which have been treated in the books as credit sales or credit purchases but should not have been until such time as the sale or purchase is confirmed. Therefore, the student must remove these from the books by reversing the normal entry for credit sales or credit purchases.

Example (a)

It was discovered that goods, which cost the firm €7,200 to produce, were sent to a customer on a sale or return basis. These goods were charged in error to the customer at cost plus 25%.

Steps:

- (a) Reduce sales by the selling price i.e. €9,000
- (b) Reduce debtors by the selling price i.e. €9,000
- (c) Increase stock by the cost price i.e. €7,200

$$\begin{aligned} 100\% &= 7,200 = \text{CP} \\ 1\% &= 72 \\ 125\% &= 9,000 = \text{SP} \end{aligned}$$

Example (b)

It was discovered that goods with a sales value of €9,000 were received from a supplier on a sale or return basis. These goods had been treated in the books as a credit purchase. The selling price of €9,000 is cost plus 25%.

Steps:

- (a) Reduce purchases by the cost price i.e. €7,200
- (b) Reduce creditors by the cost price i.e. €7,200
- (c) Reduce closing stock by the cost price i.e. €7,200

$$\begin{aligned} 125\% &= 9,000 = \text{SP} \\ 1\% &= 72 \\ 100\% &= 7,200 = \text{CP} \end{aligned}$$



(10) V.A.T.

A new warehouse was purchased during the year for €240,000 plus VAT @ 12.5%. The amount paid to the vendor was entered in the Buildings account. No entry was made in the VAT account.

Relevant Entries:

VAT.....	€5,500 CR
Buildings (Cost €980,000)	€933,000

Steps:

- Enter VAT as a debit in the VAT account
- Remove VAT from the cost price of Buildings

Solution:

VAT	(€5,500)	
Buildings	€30,000	€24,500
Buildings	€980,000	
Less VAT	€ 30,000	€950,000

(11) Suspense Items

The suspense figure arises as a result of the posting of an incorrect figure for mortgage interest to the mortgage interest account and discount received €700 entered only in the creditors account. The correct interest was entered in the bank account. Provide for mortgage interest due.

Relevant Entries:

5% Fixed Mortgage (including increase of €200,000 5% mortgage received on 1/4/2003)	€500,000
Mortgage interest paid for first 3 months.....	€4,000
Insurance (Incl. suspense)	€8,700

Steps:

- Calculate interest for 3 mths(€300,000 x 5%) .. €3,750
- Remove “difference” from “insurance”..... €8,950
(€8,700 + (€4,000 – €3,750))
- Enter discount received in accounts..... €700
- Remove discount received from “insurance” ... €9,650
- Calculate the correct mortgage interest €22,500
(€300,000 x 5% x 1 yr + €200,000 x 5% x 9 mths)
- Calculate mortgage interest due..... €18,750

Both discount received and mortgage interest are added because insurance had been reduced to incorporate both errors.

(12) Provision for Bad Debts

Provision for bad debts to be adjusted to 4% of debtors

Relevant Entries:

Provision for Bad Debts	€3,800
Debtors	€77,600

Steps:

- Calculate new provision and remove from debtors in balance sheet
- Calculate change in provision and enter in P & L account
Increase = Loss; Decrease = Gain

Solution:

- €77,600 x 4% €3,104
- €3,800 - €3,104 = decrease of €696



(13) Depreciation involving a Disposal

Provide for depreciation on vans at the annual rate of 15% of cost from the date of purchase to the date of sale.

NOTE: On 31/03/2003 a delivery van, which had cost €42,000 on 31/05/2000, was traded in against a new van, which cost €48,000. An allowance of €20,000 was made for the old van. The cheque for the net amount of the transaction was entered in the bank account but was incorrectly treated as a purchase of trading stock. These were the only entries made in the books in respect of this transaction.

Relevant Entries:

Delivery Vans (Cost 150,000).....	€80,500
Purchases.....	€668,000

- Steps:**
- Calculate the change in the fixed asset total and enter this in the balance sheet.
 - Calculate the depreciation on the fixed asset for the year and enter this in the profit and loss account.
 - Calculate the accumulated depreciation on the fixed asset and enter this in the balance sheet.
 - Calculate the profit/loss on the disposal of the asset and enter this in the profit and loss account.
 - Correct any incorrect posting.

Solution:

- | | |
|-------------------------|----------------|
| Cost from trial balance | 150,000 |
| Purchase of Van | <u>48,000</u> |
| | 198,000 |
| Sale of Van | <u>42,000</u> |
| | <u>156,000</u> |
- The calculation of the depreciation should be split into three parts.

 - The van purchased – $15\% \times €48,000 \times 9 \text{ months}$ € 5,400
 - The van sold – $15\% \times €42,000 \times 3 \text{ months}$ € 1,575
 - The remainder of vans – $15\% \times €108,000 (150,000 - 42,000)$ €16,200
€23,175
- There are three elements to this

 - Previous Years – $(150,000 - 80,500)$ €69,500
 - This Years €23,175
€92,675
 - Less Accumulated depreciation on van sold €17,850
 $(15\% \times €42,000 \times 2 \text{ years and ten months})$ €74,825
- | | |
|--------------------------------|----------------|
| Cost Price of Asset Sold | €42,000 |
| Less total depreciation | <u>€17,850</u> |
| | €24,150 |
| Less cash received | <u>€20,000</u> |
| Loss | <u>€ 4,150</u> |
- | | |
|------------------------|-----------------|
| Purchases | €668,000 |
| Less cheque error..... | <u>€ 28,000</u> |
| | <u>€640,000</u> |



(14) Depreciation and Revaluation

Provide for depreciation on buildings at the rate of 2% of cost per annum. It was decided to revalue the buildings at €1,100,000 on 31/12/2003.

Relevant Entries: Buildings (Cost €950,000) €903,000

- Steps:**
- (a) Calculate the depreciation and enter in P & L account
 - (b) Calculate the increase in Buildings value
 - (c) Transfer (a) and (b) above to the revaluation reserve account
 - (d) Transfer accumulated depreciation to date to the RR account

Solution:

- (a) Depreciation = 2% x €950,000 €19,000
- (b) Revaluation = €1,100,000 – €950,000 €150,000
- (c) Revaluation Reserve = €19,000 + €150,000 €169,000
- (d) Revaluation Reserve = €169,000 + €47,000 €216,000

(15) Patents incorporating Investment Income, written off.

Patents, which incorporate three months investment income, are to be written off over a 5 year period commencing in 2003.

Relevant Entries: Patents €55,500
9% Investments 1/6/2003 €200,000

- Steps:**
- (a) Calculate the amount relating to investment income.
 - (b) Adjust the patents by the amount from (a)
 - (c) Calculate the amount to be written off patents
 - (d) Calculate any investment interest due

Solution:

- (a) €200,000 x 9% x $\frac{1}{4}$ €4,500
- (b) Patents = €55,500 + €4,500 €60,000
- (c) Patents w/o = €60,000 / 5 €12,000
- (d) Investment interest due
€200,000 x 9% x 4 months €6,000



(F) Sample Question and Solution – Introductory Level

Assignment 1 – 2012 Q1

The following balances were extracted from the books of L. Bradley, a Sole Trader, on 31/12/2011.

	€	€
Buildings	240,000	
Motor Vehicles at cost	180,000	
Office equipment at cost	36,000	
Patents	45,000	
Accumulated depreciation - motor vehicles		48,000
Accumulated depreciation - office equipment		7,100
Capital 01/01/2011		290,000
Sales		570,000
Purchases	320,000	
Carriage inwards	11,400	
Returns inwards (sales returns)	4,600	
Returns outwards (purchases returns)		2,300
Debtors	58,500	
Creditors		63,700
Wages and salaries	96,000	
Discount received		2,700
General expenses	26,100	
Stationery	3,700	
Stocks 01/01/2011	36,000	
Commission	3,000	
Term loan (received on 01/04/2011)		100,000
Loan interest paid	4,000	
Insurance	14,300	
Drawings	16,900	
Bank		6,500
VAT		3,100
PRSI		5,000
Advertising	9,400	
Provision for bad debts		2,200
Profit and Loss Balance 01/01/2011		4,300
	1,104,900	1,104,900

You are given the following additional information:

- Stocks for resale at 31/12/2011 were €31,000.
- Stock of Stationery on 31/12/2011 was €600.
- Provision should be made for Interest due on Loan. The rate of interest is 10% per annum.
- Advertising is for the year ended 31/03/2012.
- Provision for bad debts to be adjusted to 5% of debtors.
- Depreciation is to be provided as follows:
 - Buildings 3% of cost
 - Motor Vehicles 20% of cost
 - Office Equipment 10% of net book value
- Included in Insurance is a cheque for €800, which is for L. Bradley's private house insurance.

Required:

- Prepare a Trading and Profit and Loss Account for the year ended 31/12/2011.
- Prepare a Balance Sheet as at 31/12/2011.



Solution







Assignment 2 – 2015 Q1

The following balances were extracted from the books of M. O'Dea, a sole trader as at 31/12/2014:

	€	€
Capital 01/01/2014		198,000
Drawings	10,700	
Buildings	300,000	
Office equipment (Cost €22,000)	15,000	
Patents	24,000	
Delivery vans at cost	63,000	
Accumulated depreciation - delivery vans		14,000
Stock 01/01/2014	29,000	
Sales		485,000
Purchases	196,000	
Returns outwards (purchases returns)		5,300
Returns inwards (sales returns)	17,000	
Creditors		21,900
Debtors	34,800	
Discount received		1,400
Wages and salaries	105,000	
General expenses	13,000	
Stationery	4,800	
Term loan (received on 01/04/2014)		50,000
VAT		17,300
Provision for bad debts		2,500
Advertising	5,700	
Insurance	9,000	
Loan interest paid	1,000	
Bank	42,600	
PRSI/USC		10,200
Profit and Loss Balance 01/01/2014		65,000
	870,600	870,600

You are given the following additional information:

- Stock for resale at 31/12/2014 was €19,000.
- Stock of stationery on 31/12/2014 was €1,200.
- Provision should be made for interest due on loan. The rate of interest is 6% per annum.
- Wages/salaries are to be divided - 75% for employees/workers and 25% for drawings.
- Advertising is for the year ended 31/04/2015.
- Depreciation is to be provided as follows:
 - Buildings 10% of cost
 - Delivery vans 10% of net book value
 - Office equipment 20% of cost
- Provision for bad debts is to be adjusted to 10% of debtors.

Required:

- Prepare a Trading and Profit and Loss Account for the year ended 31/12/2014.
- Prepare a Balance Sheet as at 31/12/2014.



Solution







Assignment 3 – 2018 Q1

The following balances were extracted from the books of Michael O'Reilly, a sole trader as at 31/12/2017:

	€	€
Buildings	400,000	
Delivery Vans at cost	64,000	
Accumulated depreciation - delivery vans		12,000
Office equipment (Cost €20,000)	10,000	
Patents	24,000	
Capital 01/01/2017		202,000
Drawings	12,200	
Stock 01/01/2017	27,000	
Sales		583,000
Purchases	192,000	
Returns outwards (purchases returns)		5,100
Returns inwards (sales returns)	13,000	
Creditors		22,400
Debtors	36,200	
Discount received		1,300
Wages and salaries	108,000	
General expenses	12,500	
VAT		15,300
Stationery	4,200	
Term loan (received on 01/04/2017)		60,000
Loan interest paid	1,500	
PRSI/USC		9,600
Insurance	8,200	
Provision for bad debts		2,600
Bank	46,500	
Advertising	5,400	
Profit and Loss Balance 01/01/2017		51,400
	964,700	964,700

You are given the following additional information:

- Stock for resale at 31/12/2017 was €21,000.
- Stock of stationery at 31/12/2017 was €1,300.
- Included in Insurance is a cheque for €900, which is for M. O'Reilly's private house insurance.
- Provision should be made for interest due on the loan. The rate of interest is 8% per annum.
- Advertising is for the year ended 30/04/2018.
- Depreciation is to be provided as follows: Buildings 2% of cost Delivery vans 10% of net book value Office equipment 20% of cost
- Provision for bad debts is to be adjusted to 5% of debtors.

Required:

- Prepare a trading, profit and loss account for the year ended 31/12/2017.
- Prepare a balance sheet as at 31/12/2017.



Solution







Assignment 4 – 2021 Q1

The following balances were extracted from the books of James Phelan, a sole trader as at 31/12/2020:

	€	€
Delivery Vans at cost	62,000	
Accumulated depreciation - delivery vans		14,000
Buildings	500,000	
Office equipment (Cost €30,000)	12,000	
Patents	28,000	
Drawings	14,200	
Capital 01/01/2020		262,000
Creditors		24,400
Debtors	32,400	
Sales		595,000
Purchases	196,000	
Returns outwards (purchases returns)		8,100
Returns inwards (sales returns)	18,000	
Stock 01/01/2020	32,000	
Stationery	3,600	
Discount received		1,600
General expenses	12,500	
Wages and salaries	112,000	
Advertising	6,000	
Insurance	8,200	
Term loan (received on 01/04/2020)		90,000
Loan interest paid	1,200	
Provision for bad debts		2,700
VAT		13,600
PRSI/USC		19,700
Bank	44,500	
Profit and Loss Balance 01/01/2020		51,500
	1,082,600	1,082,600

You are given the following additional information:

- Stock for resale on 31/12/2020 was €23,000.
- Stock of stationery on 31/12/2020 was €1,500.
- Advertising is for the year ended 30/04/2021.
- Provision should be made for interest due on the loan.
The rate of interest is 7% per annum.
- Included in the insurance is a cheque for €700, which is for James Phelan's private car insurance.
- Insurance was for the year ended 31/03/2021.
- Provision for bad debts to be adjusted to 5% of debtors.
- Depreciation is to be provided as follows:

Buildings	2% of cost
Office Equipment	20% of cost
Delivery Vans	10% of net book value

Required:

- Prepare a trading and profit and loss account for the year ended 31/12/2020.
- Prepare a balance sheet as at 31/12/2020.



Solution







(G) Sample Question and Solution – Higher Level

Assignment 1 – 1999 Q1

The following trial balance was extracted from the books of James Stewart on 31/12/1998.

	€	€
Buildings (cost €656,250)	485,000	
Delivery vans (Cost €90,000)	55,000	
12% Investments 01/06/1998	150,000	
9% Fixed Mortgage (including increase of €40,000 received on 01/04/1998)		200,000
Patents (incorporating 4 months investment income)	50,500	
Debtors and Creditors	45,400	64,400
Purchases and Sales	495,000	774,000
Stock 01/01/1998	47,600	
Commission	20,000	
Provision for bad debts		2,200
Salaries and General Expenses	96,100	
Discount (net)		2,700
Rent		8,800
Mortgage interest paid for first three months	4,500	
Insurance (incorporating suspense)	7,200	
VAT		6,700
PRSI		1,800
Bank		74,900
Drawings	29,200	
Capital		350,000
	1,485,500	1,485,500

The following information and instructions are to be taken into account:

- Stock at 31/12/1998 at cost was €46,900. This figure includes damaged stock which cost €3,900 but which now has a net realisable value of €2,400.
- Provide for depreciation on vans at the annual rate of 15% of cost from the date of purchase to the date of sale.
NOTE: On 31/3/1998 a delivery van which had cost €16,000 on 31/5/1994 was traded against a new van which cost €20,000. An allowance of €7,000 was made on the old van. The cheque for the net amount of this transaction was entered in the bank account but was incorrectly treated as a purchase of trading stock. These were the only entries made in the books in respect of this transaction.
- Patents, which incorporate 4 months investment income, are to be written off over a 5 year period commencing in 1998.
- No record had been made in the books for “goods in transit” on 31/12/1998. The invoice for these goods had been received showing the recommended retail selling price of 12,500, which is cost plus 25%.
- The suspense figure arises as a result of the posting of an incorrect figure for mortgage interest to the mortgage interest account and discount received €400 entered only in the creditors account. The correct interest was entered in the bank account.
- Provision to be made for mortgage interest due.
- A new warehouse was purchased during the year for €50,000 plus VAT 12.5%. The amount paid to the vendor was entered in the Buildings account. No entry was made in the VAT account.
- Provide for depreciation on buildings at the rate of 2% of cost per annum. It was decided to re-value the buildings at €900,000 on 31/12/1998.
- Provision for bad debts to be adjusted to 4% of debtors.

You are required to prepare a:

- Trading and profit and loss account for the year ended 31/12/1998
- Balance sheet as at 31/12/1998



Solution

[illegible]





Assignment 2 – 2003 Q1

The following trial balance was extracted from the books of M. O'Brien on 31/12/2002.

	€	€
9% Investments (01/06/2002)	200,000	
Buildings (Cost €980,000)	933,000	
Delivery vans (Cost €150,000)	80,500	
5% Fixed Mortgage (including increase of €200,000 received on 01/04/2002)		500,000
Patents (incorporating 3 months investment income)	55,500	
Debtors and Creditors	77,600	86,500
Purchases and Sales	668,000	982,000
Stock 01/01/2002	67,700	
Commission	24,000	
Provision for bad debts		3,800
Salaries and General Expenses	194,100	
Discount (net)		4,600
Rent		15,000
Mortgage interest paid for first three months	4,000	
Insurance (incorporating suspense)	8,700	
VAT		5,500
PRSI		2,300
Bank		70,900
Drawings	37,500	
Capital		680,000
	2,350,600	2,350,600

The following information and instructions are to be taken into account:

- Stock at 31/12/2002 at cost was €74,500. This figure includes damaged stock which cost €6,600 but which now has a net realisable value of €1,900.
- Provide for depreciation on vans at the annual rate of 15% of cost from the date of purchase to the date of sale.
NOTE: On 31/3/2002 a delivery van which had cost €42,000 on 31/5/1999 was traded against a new van which cost €48,000. An allowance of €20,000 was made on the old van. The cheque for the net amount of this transaction was entered in the bank account but was incorrectly treated as a purchase of trading stock. These were the only entries made in the books in respect of this transaction.
- Patents, which incorporate 3 months investment income, are to be written off over a 5 year period commencing in 2002.
- The suspense figure arises as a result of the posting of an incorrect figure for mortgage interest to the mortgage interest account and discount received €700 entered only in the creditors account. The correct interest was entered in the bank account.
- Provision to be made for mortgage interest due.
- A new warehouse was purchased during the year for €240,000 plus VAT 12.5%. The amount paid to the vendor was entered in the Buildings account. No entry was made in the VAT account.
- Provide for depreciation on buildings at the rate of 2% of cost per annum. It was decided to re-value the buildings at €1,100,000 on 31/12/2002.
- Provision for bad debts to be adjusted to 4% of debtors.

You are required to prepare a:

- Trading and profit and loss account for the year ended 31/12/2002. (75)
- Balance sheet as at 31/12/2002.



Solution

[illegible]





Assignment 3 – 2006 Q1

The following trial balance was extracted from the books of K. Kelly on 31/12/2005.

	€	€
Buildings (Cost €900,000)	855,000	
Delivery vans (Cost €130,000)	60,500	
6% Investments (01/04/2005)	160,000	
Patents (incorporating 3 months investment income)	60,600	
5% Fixed Mortgage (including increase of €100,000 received on 01/04/2005)		300,000
Debtors and Creditors	76,500	85,500
Purchases and Sales	650,000	980,000
Stock 01/01/2005	65,700	
Commission	20,000	
Salaries and General Expenses (incorporating suspense)	192,500	
Provision for bad debts		3,900
Discount (net)		3,600
Rent		12,000
Mortgage interest paid for first three months	3,000	
Insurance	7,800	
VAT		4,300
PRSI		2,500
Bank		60,800
Drawings	36,000	
Capital		735,000
	2,187,600	2,187,600

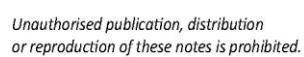
The following information and instructions are to be taken into account:

- Stock at 31/12/2005 at cost was €72,500. No record had been made in the books for 'goods in transit' on 31/12/2005. The invoice for these goods had been received showing the recommended retail selling price of €7,000 which is cost plus 25%.
- Provide for depreciation on vans at the annual rate of 15% of cost from the date of purchase to the date of sale.
NOTE: On 30/4/2005 a delivery van which cost €35,000 on 31/10/2002 was traded against a new van which cost €41,000. An allowance of €15,000 was made on the old van. The cheque for the net amount of this transaction was entered in the bank account but was incorrectly treated as a purchase of trading stock. These were the only entries made in the books in respect of this transaction.
- The suspense figure arises as a result of the posting of an incorrect figure for mortgage interest to the mortgage interest account and discount received €700 entered only in the creditors account. The correct interest was entered in the bank account.
- Patents, which incorporate 3 months investment income, are to be written off over a 5 year period, commencing in 2005.
- Provision to be made for mortgage interest due.
- A new warehouse was purchased during the year for €200,000 plus VAT 12.5%. The amount paid to the vendor was entered in the buildings account. No entry was made in the VAT account.
- Provide for depreciation on buildings at the rate of 2% of cost per annum. It was decided to revalue the buildings at €1,200,000 on 31/12/2005.
- Provision for bad debts to be adjusted to 3% of debtors.

You are required to prepare a:

- Trading and Profit and Loss account, for the year ended 31/12/2005.
- Balance sheet as at 31/12/2005.



[illegible]





Assignment 4 – 2008 Q1

The following Trial Balance was extracted from the Books of Orla Dolan on 31/12/2007:

	€	€
Buildings (Cost €580,000)	485,000	
Delivery vans (Cost €85,000)	73,000	
8% Investments (01/04/2007)	130,000	
6% Fixed Mortgage (including increase of €50,000 received on 01/04/2007)		150,000
Patents	52,400	
Debtors and Creditors	40,000	113,000
Purchases and Sales	512,400	729,000
Stock 01/01/2007	65,600	
Commission	4,200	
Salaries and General Expenses	85,000	
Provision for bad debts		1,200
Discount (net)	1,900	
Rent	9,000	
Mortgage interest paid for first three months	1,250	
Insurance (incorporating suspense)	6,150	
VAT		4,100
Bank		15,900
PRSI		3,900
Drawings	36,200	
Capital		485,000
	1,502,100	1,502,100

The following information and instructions are to be taken into account:

- Stock at 31/12/2007 at cost was €75,000. No record has been made in the books for goods in transit on 31/12/2007. The invoice for these goods had been received showing the recommended retail selling price of €6,000 which is cost plus 25%.
- Provide for depreciation on vans at the annual rate of 15% of cost from date of purchase to date of sale.
NOTE: On 31/3/2007 a delivery van which cost €30,000 on 30/9/2004 was traded against a new van which cost €36,000. An allowance of €10,000 was made on the old van. The cheque for the net amount of this transaction was entered in the bank account but was incorrectly treated as a purchase of trading stock. These were the only entries made in the books in respect of this transaction.
- The suspense figure arises as a result of the posting of an incorrect figure for Mortgage Interest in the mortgage interest account and discount received €200 entered only in the creditors account. The correct interest was entered in the bank account.
- Goods with a retail selling price of €10,000 were returned to a supplier. The selling price was cost plus 25%. The supplier issued a credit note showing a restocking charge of 10% of cost price. No entry has been made in respect of the restocking charge.
- Provision to be made for mortgage interest due. 20% of the mortgage interest for the year refers to the private section of the building.
- Patents, which incorporate 3 months investment income received, are to be written off over a five year period, commencing in 2007.
- Provide for depreciation on buildings at the rate of 2% of cost per annum. It was decided to revalue the Buildings at €800,000 on 31/12/2007.
- Goods withdrawn by the owner for private use during the year with a retail value of €2,000 which is cost plus 25% were omitted from the books.
- A cheque for €600 had been received on 31/12/2007 in respect of a debt of €1,000 previously written off as bad. The debtor has agreed to pay the remainder within 1 month. No entry was made in the books to record this transaction.

You are required to prepare a:

- Trading and Profit and Loss Account for the year ended 31/12/2007.
- Balance Sheet as at 31/12/2007.



Solution

[illegible]





Assignment 5 – 2010 Q1

The following Trial Balance was extracted from the books of Nora O'Connell on 31/12/2009:

	€	€
Buildings (Cost €620,000)	515,000	
Delivery vans (Cost €90,000)	80,000	
4% Investments (01/07/2009)	120,000	
Patents	60,400	
6% Fixed Mortgage (including increase of €80,000 received on 01/04/2009)		180,000
Debtors and Creditors	50,000	120,000
Purchases and Sales	465,200	659,650
Stock 01/01/2009	63,200	
Commission	5,550	
Salaries and General Expenses (incorporating suspense)	75,000	
Provision for bad debts		1,800
Discount (net)	1,600	
Rent	8,000	
Mortgage interest paid for first three months	1,400	
Advertising	2,400	
VAT		4,600
Bank		13,300
PAYE/PRSI		5,400
Drawings	32,000	
Capital		495,000
	1,479,750	1,479,750

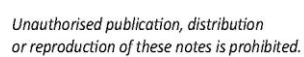
The following information and instructions are to be taken into account:

- Stock at 31/12/2009 at cost was €75,400. This figure includes damaged stock which cost €8,200 but which now has a net realisable value of €3,400.
- Patents, which incorporate three months investment income received, are to be written off over a five year period commencing in 2009.
- Provide for depreciation on vans at the annual rate of 12½% of cost from the date of purchase to the date of sale.
NOTE: On 31/03/2009 a van, which cost €24,000 on 30/09/2006, was traded in against a new van which cost €48,000. An allowance of €12,000 was given on the old van. The cheque for the net amount of this transaction was incorrectly treated as a purchase of trading stock. This was the only entry made in the books in respect of this transaction.
- The suspense arises as a result of the incorrect figure for mortgage interest (although the correct entry had been made in the bank account) and from €1,000 paid towards PAYE and PRSI entered only in the bank account.
- Goods with a retail selling price of €8,400 were returned to a supplier. The selling price was cost plus 20%. The supplier issued a credit note showing a restocking charge of 10% of the cost price. No entry has been made in respect of this restocking charge.
- Provision to be made for mortgage interest due. 10% of the mortgage interest for the year refers to the private section of the building.
- Provide for depreciation on buildings at a rate of 3% of cost per annum. It was decided to revalue the buildings at €850,000 on 31/12/2009.
- The advertising payment is towards a 24 month campaign which began on 01/10/2009.
- A cheque for €400 had been received on 31/12/2009 in respect of a debt of €900 previously written off as bad. The debtor has agreed to pay the remainder within one month. No entry was made in the books to record this transaction.

You are required to prepare a:

- Trading and Profit and Loss Account for the year ended 31/12/2009.
- Balance Sheet as at 31/12/2009.



[illegible]





Assignment 6 – 2014 Q1

The following Trial Balance was extracted from the books of Mike Mc Mahon on 31/12/2013:

	€	€
Buildings (Cost €640,000)	545,000	
Delivery Vans (Cost €90,000)	78,000	
3% Investments (01/04/2013)	100,000	
6% Fixed Mortgage (including increase of €60,000 received on 01/04/2013)		200,000
Patents	40,400	
Debtors and Creditors	50,000	110,000
Purchases and Sales	530,400	695,000
Stock 01/01/2013	64,200	
Advertising	2,500	
Salaries and General Expenses (incorporating suspense)	90,000	
Provision for bad debts		1,400
Discount (net)	1,800	
Rent	10,000	
Mortgage interest paid for first three months	1,500	
Insurance	5,750	
VAT		4,200
Bank		16,400
PAYE/PRSI/USC		3,800
Drawings	41,250	
Capital		530,000
	1,560,800	1,560,800

The following information and instructions are to be taken into account:

- Stock at 31/12/2013 at cost was €80,000. No record has been made for 'goods in transit' on 31/12/2013. The invoice for these goods had been received showing the recommended retail selling price of €4,800 which is cost plus 20%.
- Provide for depreciation on vans at the annual rate of 10% of cost from date of purchase to the date of sale.
NOTE: On 31/3/2013 a delivery van which cost €40,000 on 30/9/2010 was traded in against a new van which cost €46,000. An allowance of €16,000 was given on the old van. The cheque for the net amount of this transaction was entered in the bank account but was incorrectly treated as a purchase of trading stock. These were the only entries made in the books in respect of this transaction.
- The suspense arises as a result of the incorrect figure for mortgage interest (although the correct entry had been made in the bank account) and €2,000 paid towards PAYE, PRSI and USC entered only in the bank account.
- Goods with a retail selling price of €15,000 were returned to a supplier. The selling price was cost plus 20%. The supplier issued a credit note showing a restocking charge of 10% of cost price. No entry has been made in respect of the restocking charge.
- Provision to be made for mortgage interest due. 25% of the mortgage interest refers to the private dwelling.
- Patents, which incorporate 3 months investment income, are to be written off over a five year period, commencing in 2013.
- Provide for depreciation on buildings at the rate of 2% of cost per annum. It was decided to revalue the buildings at €720,000 on 31/12/2013.
- Goods withdrawn by the owner for private use during the year, with a retail value of €3,000, which is cost plus 25%, were omitted from the books.
- A cheque for €800 had been received on 31/12/2013 in respect of a debt of €800 previously written off as bad. No entry was made in the books to record this transaction.

You are required to prepare a:

- Trading and Profit and Loss Account for the year ended 31/12/2013
- Balance Sheet as at 31/12/2013.



Solution

[illegible]





Assignment 7 – 2017 Q1

The following trial balance was extracted from the books of M. Mullen on 31/12/2016:

	€	€
Delivery vans (Cost €150,000)	85,000	
Buildings (Cost €680,000)	595,000	
Office equipment (Cost €25,000)	15,000	
Patent (Incorporating four months investment income)	68,000	
3% Investments (01/05/2016)	200,000	
6% Fixed Mortgage		180,000
Debtors and Creditors	70,500	78,000
Stock 01/01/2016	66,000	
Purchases and Sales	536,500	792,000
Commission	16,500	
Provision for bad debts		3,500
Discount (net)		3,200
Bank		70,300
Salaries and General Expenses	145,500	
Rent	10,400	
Mortgage interest paid for first three months	2,400	
Insurance (incorporating suspense)	17,700	
VAT	6,400	
PAYE/PRSI/USC		21,600
Drawings	15,600	
Capital		701,900
	1,850,500	1,850,500

The following information and instructions are to be taken into account:

- Stock on 31/12/2016 at cost €76,500. This figure includes damaged stock which cost €4,500 and now has a net realisable value of €3,000.
- Provide for depreciation on delivery vans at the annual rate of 15% of cost from date of purchase to date of sale.
NOTE: On 31/3/2016 a delivery van which cost €40,000 on 30/09/2012 was traded in against a new van that cost €48,000. An allowance of €18,000 was given on the old van. The cheque for the net amount of this transaction was entered in the bank account but was incorrectly treated as a purchase of trading stock. These were the only entries made in the books in respect of this transaction.
- The suspense figure arises as a result of the incorrect figure for mortgage interest (although the correct figure had been entered in the bank account) & a VAT refund of €2,000 entered only in the bank account.
- Patent, which incorporates 4 months investment income, is to be written off over a five year period commencing in 2016.
- Provision to be made for both investment income due and mortgage interest due.
- A creditor who was owed €7,600 accepted office equipment with a book value of €6,500 in full settlement of the debt. The office equipment had cost €11,000. No entry was made in the books in respect of this transaction. Provide for depreciation on office equipment held on 31/12/2016 at the rate of 20% of cost.
- Provide for depreciation on buildings at the rate of 2% of cost per annum. It was decided to revalue the buildings at €800,000 on 31/12/2016.
- A cheque for €700 had been received on 31/12/2016 in respect of a debt of €1,200 previously written off as bad. The debtor wishes to continue trading with Mullen and has undertaken to pay the remainder within 1 month. No entry was made in the books in respect of this transaction.
- No record has been made in the books for 'goods in transit' on 31/12/2016. The invoice for these goods has been received showing the recommended retail selling price of €16,000 which is cost plus 25%.
- Goods taken by Mullen for own use during the year were not recorded. These goods had a retail value of €4,800 which is cost plus 20%.

Required:

- Prepare a trading and profit and loss account for the year ended 31/12/2016.
- Prepare a balance sheet as at 31/12/2016.



Solution

[illegible]





Assignment 8 – 2020 Q1

The following trial balance was extracted from the books of S. Heighway on 31/12/2019:

	€	€
Land and Buildings (cost €795,000)	770,000	
Delivery vans (Cost €250,000)	186,000	
Equipment at cost	128,800	
Purchases and Sales	1,080,000	1,867,000
VAT		3,100
PAYE/PRSI/USC		3,450
Bank		48,800
Debtors and Creditors	97,500	84,300
Salaries and General Expenses (incorporating suspense)	381,750	
Stock 01/01/2019	62,900	
Provision for bad debts		4,500
Mortgage interest paid for first three months	8,400	
Advertising	56,800	
Discount (net)		8,500
Drawings	50,000	
Investment interest received		2,500
Capital		750,000
6% Investments (01/07/2019)	250,000	
8% Fixed Mortgage (including €60,000 issued on 01/04/2019)		300,000
	3,072,150	3,072,150

The following information and instructions are to be taken into account:

- Stock at cost on 31/12/2019 was €69,800. This figure includes water damaged stock which cost €10,600 but which now has a net realisable value of 15% of cost.
- No record has been made in the books for 'goods in transit' on 31/12/2019. The invoice for these goods was received showing the recommended retail selling price of €24,500, which is cost plus 25%.
- Provide for depreciation on delivery vans at the annual rate of 20% per annum on cost from the date of purchase to the date of sale.
NOTE: on 31/03/2019 a delivery van which had cost €48,000 on 31/10/2016 was traded in against a new van which cost €64,000. An allowance of €26,000 was given on the old van. The cheque for the net amount of this transaction was entered in the bank account but was incorrectly treated as a purchase of trading stock. These were the only entries made in the books in respect of this transaction.
- A new warehouse was purchased during the year for €90,000 plus VAT @ 13.5%. The amount paid to the vendor was entered in the land and buildings account. No entry was made in the VAT account.
- Buildings are to be depreciated at the rate of 2% per annum on cost (land at cost was €500,000). It was decided to revalue the land and buildings at €900,000 on 31/12/2019.
- The suspense figure arises as a result of the incorrect figure for mortgage interest (although the correct entry had been entered in the bank account) and a VAT payment of €3,700 entered only in the bank account.
- The figure for bank in the trial balance has been taken from the business bank account. However, a bank statement dated 31/12/2019 has arrived showing an overdraft of €32,000. A comparison of the bank account and the bank statement has revealed the following discrepancies:
 - A credit transfer for €1,000 had been received on 31/12/2019 in respect of a debt of €1,500 previously written off as bad. The debtor has agreed to pay the remainder within two months. No entry was made in the books to record this transaction.
 - A cheque for €16,500 issued to a supplier had been entered in the books (cash book and ledger) as €15,600.
 - A cheque for €2,500 issued to a supplier had been returned. This had not been entered in the books.
 - A cheque for advertising €14,200 has not been presented for payment.
- Provide for both investment income due and mortgage interest due.
(Note: 20% of mortgage interest for the year is to be attributed to the private section of the building)
- Provision for bad debts is to be adjusted to 4% of debtors.

Required:

- Prepare the trading and profit and loss account of S. Heighway for the year ended 31/12/2019.
- Prepare the balance sheet of S. Heighway as at 31/12/2019.



Solution









Assignment 9 – 2021 Q1A

The following trial balance was extracted from the books of A. Kenny on 31/12/2020:

	€	€
Land and Buildings (cost €900,000)	795,000	
Delivery vans (Cost €380,000)	310,000	
Equipment at cost	178,800	
Discount (net)		4,700
5% Fixed Mortgage (including €50,000 issued on 31/03/2020)		280,000
3% Investments (01/08/2020)	210,000	
Stock 01/01/2020	68,700	
Sales		1,797,300
Purchases	1,105,000	
Salaries and General Expenses	135,800	
Advertising (incorporating suspense)	36,000	
Investment interest received		2,200
Drawings	60,000	
Rates	43,200	
PAYE/PRSI/USC		3,875
VAT		29,900
Bank		52,100
Mortgage interest paid for first three months	2,375	
Debtors and Creditors	97,300	68,600
Provision for bad debts		3,500
Capital		800,000
	3,042,175	3,042,175

The following information and instructions are to be taken into account:

- Stock at cost on 31/12/2020 was €72,100. This figure includes damaged stock which cost €12,400 but which now has a net realisable value of 25% of cost.
- Goods were sent to a customer on a 'Sale or Return' basis on 31/12/2020. These goods were recorded in the books as a credit sale of €28,000 which is a mark-up on cost of 25%.
- Provide for depreciation on delivery vans at the annual rate of 20% of cost from the date of purchase to the date of sale.
Note: On 31/03/2020 a delivery van which had cost €42,000 on 30/09/2016 was traded in against a new van which cost €67,000. An allowance of €11,000 was given on the old van. The cheque for the net amount of this transaction was entered in the bank account but was incorrectly treated as a purchase of trading stock. These were the only entries made in the books in respect of this transaction.
- During 2020 a storeroom which cost €75,000 and stock which cost €24,000 were destroyed by fire. The insurance company has agreed to contribute €90,000 in compensation for the fire damage. No entry had been made in the books in respect of the fire. A new storeroom was built by the business's own employees. The cost of their labour €44,000 had been treated as a business expense and the materials costing €38,000 were taken from existing stock. No entry had been made in the books in respect of the new storeroom.
- Buildings are to be depreciated at the rate of 2% of cost per annum (land at cost was €400,000). It was decided to revalue the land and buildings at €1,100,000 on 31/12/2020.
- The suspense figure arises as a result of the incorrect figure for mortgage interest (although the correct entry had been made in the bank account) and a payment of €2,900 to creditors entered only in the bank account.
- The figure for bank in the trial balance has been taken from the business bank account. However a bank statement dated 31/12/2020 has arrived showing an overdraft of €29,200. A comparison of the bank account and the bank statement revealed the following discrepancies:
 - A credit transfer for €1,800 had been received on 31/12/2020 in respect of a debt of €2,500 previously written off as bad. The debtor has agreed to pay the remainder within two months. No entry was made in the books to record this transaction.
 - A cheque for €18,700 issued to a supplier had been entered in the books (cash book and ledger) as €17,800.
 - A cheque for €4,800 issued to a supplier had been returned. This had not been entered in the books.
A cheque for advertising €17,200 has not been presented for payment.



- (viii) Provision should be made for the following:
1. Investment income due and mortgage interest due.
(Note: 20% of mortgage interest for the year refers to the private section of the building.)
 2. Provision for bad debts is to be adjusted to 6% of debtors.

Required:

- (a) Prepare a trading and profit and loss account for the year ended 31/12/2020.
- (b) Prepare a balance sheet as at 31/12/2020.

Solution

[illegible]







(H) Theory

(1) What is a sole trader?

A sole trader is a person who owns and runs his or her own business either selling goods for example a newsagent, or supplying a service for example a carpenter. Sole traders often operate (trade) under their own name. Depending on the size of the business, sole traders may hire employees to work for them

(2) What is meant by “unlimited liability”?

Sole traders have “unlimited liability” which means they are responsible for all the debts of the business even if this means selling their business or their private possessions such as their house, car and private savings to raise money to pay off their debts.



(I) Solutions

Introductory Level

Assignment 1 – 2012 Q1

Workings

(1) Stationery		(2) Insurance		(7) Depreciation	
P and L	3,700	P and L	14,300	<i>Buldings</i>	
Less Stock 31/12	600	Less drawings	800	This Year: 3% (240,000)	7,200
	3,100		13,500	<i>Motor Vehicles</i>	
(3) Drawings		(4) Interest on Loan		This Year: 20% (180,000)	36,000
Trial Balance	16,900	Interest for year		Acc Dep 01/01/2011	48,000
Plus insurance	800	(10% (100,000) x 9 months	7,500	B/S	84,000
	17,700	Less paid	4,000	<i>Office Equipment</i>	
		Interest due	3,500	This Year: 10% (28,900)	2,890
(5) Advertising		(6) Provision for bad debts		Acc Dep 01/01/2011	7,100
Paid (12 months)	9,400	5% (58,500)	2,925	B/S	9,990
Less prepaid (3 months)	2,350	Trial Balance	2,200	(36,000 - 7,100)	
P and L	7,050	Increase in BD Provision	725		

Trading, Profit & Loss Account of L. Bradley for YE 31/12/2011

	€	€	€
Sales		570,000	
Less sales returns		4,600	565,400
Less Cost of Sales			
Opening stock		36,000	
Purchases	320,000		
Less purchases returns	2,300	317,700	
Carriage inwards		11,400	
		365,100	
Less closing stock		31,000	
Cost of Sales			334,100
Gross Profit			231,300
Less expenses			
<i>Administration</i>			
Wages and salaries	96,000		
General expenses	26,100		
Stationery (W1)	3,100		
Insurance (W2)	13,500		
Depreciation on buildings (W7)	7,200		
Depreciation on office equipment (W7)	2,890	148,790	
<i>Selling and Distribution</i>			
Advertising (W5)	7,050		
Increase in BD Provision (W6)	725		
Commission	3,000		
Depreciation on motor vehicles (W7)	36,000	46,775	195,565
			35,735
Add Gains			
Discount received			2,700
Operating Profit			38,435
Less loan interest (W4)			7,500
Net profit			30,935
Add P and L Balance 01/01/2011			4,300
Profit and Loss Balance 31/12/2011			35,235



Balance Sheet of L. Bradley on 31/12/2011				
		€	€	€
	Cost	Dep	NBV	
Intangible Assets				
Patents				45,000
Fixed Assets				
Buildings (W7)	240,000	7,200	232,800	
Equipment (W7)	36,000	9,990	26,010	
Motor Vehicles (W7)	180,000	84,000	96,000	
	456,000	101,190	354,810	354,810
				399,810
Current Assets				
Clothing Stock		31,000		
Stock of stationery		600		
Debtors	58,500			
Less Provision for BD (W6)	2,925	55,575		
Advertising prepaid		2,350	89,525	
Creditors (Amounts falling due within 1 year)				
Creditors		63,700		
Bank		6,500		
VAT		3,100		
Loan interest		3,500		
PRSI		5,000	81,800	
Working Capital				7,725
Total Net Assets				407,535
Financed By				
Creditors (Amounts falling due after 1 year)				
Loan			100,000	
Capital		290,000		
P and L Balance		35,235		
		325,235		
Less drawings (W3)		17,700	307,535	407,535
Capital Employed				407,535

Assignment 2 – 2015 Q1

Workings

(1) Stationery		(2) Wages and Salaries		(7) Depreciation	
P and L	4,800	P and L	105,000	Buildings	
Less Stock 31/12	1,200	Less drawings 25%	26,250	This Year: 10% (300,000)	30,000
	3,600		78,750		
				Delivery Vans	
(3) Drawings		(4) Interest on Loan		This Year: 10% (49,000)	4,900
Trial Balance	10,700	Interest for year		Acc Dep 01/01/2014	14,000
Plus wages/salaries	26,250	(6% (50,000) x 9 months)	2,250	B/S	18,900
	36,950	Less paid	1,000		
		Interest due	1,250	Office Equipment	
				This Year: 20% (22,000)	4,400
(5) Advertising		(6) Provision for bad debts		Acc Dep 01/01/2014	7,000
Paid (12 months)	5,700	10% (34,800)	3,480	B/S	11,400
Less prepaid (4 months)	1,900	Trial Balance	2,500		
P and L	3,800	Increase in BD Provision	980		



Trading, Profit & Loss Account of M. O'Dea for YE 31/12/2014			
	€	€	€
Sales		485,000	
Less sales returns		17,000	468,000
Less Cost of Sales			
Opening stock		29,000	
Purchases	196,000		
Less purchases returns	5,300	190,700	
		219,700	
Less closing stock		19,000	
Cost of Sales			200,700
Gross Profit			267,300
Less expenses			
Administration			
Wages and salaries (W2)	78,750		
General expenses	13,000		
Stationery (W1)	3,600		
Insurance	9,000		
Depreciation on buildings (W7)	30,000		
Depreciation on office equipment (W7)	4,400	138,750	
Selling and Distribution			
Advertising (W5)	3,800		
Increase in BD Provision (W6)	980		
Depreciation on delivery vans (W7)	4,900	9,680	148,430
			118,870
Add Gains			
Discount received			1,400
Operating Profit			120,270
Less loan interest (W4)			2,250
Net profit			118,020
Add P and L Balance 01/01/2017			65,000
Profit and Loss Balance 31/12/2017			183,020

Balance Sheet of M. O'Dea on 31/12/2014				
	Cost	€ Dep	€ NBV	€
Intangible Assets				
Patents				24,000
Fixed Assets				
Buildings (W7)	300,000	30,000	270,000	
Equipment (W7)	22,000	11,400	10,600	
Delivery Vans (W7)	63,000	18,900	44,100	
	385,000	60,300	324,700	324,700
				348,700
Current Assets				
Closing Stock		19,000		
Stock of stationery		1,200		
Debtors	34,800			
Less Provision for BD (W6)	3,480	31,320		
Bank		42,600		
Advertising prepaid		1,900	96,020	
Creditors (Amounts falling due within 1 year)				
Creditors		21,900		
VAT		17,300		
Loan interest		1,250		
PRSI/USC		10,200	50,650	
Working Capital				45,370
Total Net Assets				394,070
Financed By				
Creditors (Amounts falling due after 1 year)				
Loan			50,000	
Capital		198,000		
P and L Balance		183,020		
		381,020		
Less drawings (W3)		36,950	344,070	394,070
Capital Employed				394,070



Assignment 3 – 2018 Q1

Workings

(1) Stationery		(2) Insurance		(7) Depreciation	
P and L	4,200	P and L	8,200	Buildings	
Less Stock 31/12	1,300	Less drawings	900	This Year: 2% (400,000)	8,000
	2,900		7,300		
				Delivery Vans	
(3) Drawings		(4) Interest on Loan		This Year: 10% (52,000)	5,200
Trial Balance	12,200	Interest for year		Acc Dep 01/01/2017	12,000
Plus private insurance	900	(8% (60,000) x 9 months	3,600	B/S	17,200
	13,100	Less paid	1,500		
		Interest due	2,100	Office Equipment	
				This Year: 20% (20,000)	4,000
(5) Advertising		(6) Provision for bad debts		Acc Dep 01/01/2017	10,000
Paid (12 months)	5,400	5% (36,200)	1,810	B/S	14,000
Less prepaid (4 months)	1,800	Trial Balance	2,600		
P and L	3,600	Decrease in BD Provision	790		

Trading, Profit & Loss Account of M. O'Reilly for YE 31/12/2017

	€	€	€
Sales		583,000	
Less sales returns		13,000	570,000
Less Cost of Sales			
Opening stock		27,000	
Purchases	192,000		
Less purchases returns	5,100	186,900	
		213,900	
Less closing stock		21,000	
Cost of Sales			192,900
Gross Profit			377,100
Less expenses			
Administration			
Wages and salaries	108,000		
General expenses	12,500		
Stationery (W1)	2,900		
Insurance (W2)	7,300		
Depreciation on buildings (W7)	8,000		
Depreciation on office equipment (W7)	4,000	142,700	
Selling and Distribution			
Advertising (W5)	3,600		
Depreciation on delivery vans (W7)	5,200	8,800	151,500
			225,600
Add Gains			
Discount received		1,300	
Decrease in BD Provision (W6)		790	2,090
Operating Profit			227,690
Less loan interest (W4)			3,600
Net profit			224,090
Add P and L Balance 01/01/2017			51,400
Profit and Loss Balance 31/12/2017			275,490



Balance Sheet of M. O'Reilly on 31/12/2017

	Cost	€ Dep	€ NBV	€
Intangible Assets				
Patents				24,000
Fixed Assets				
Buildings (W7)	400,000	8,000	392,000	
Equipment (W7)	20,000	14,000	6,000	
Delivery Vans (W7)	64,000	17,200	46,800	
	484,000	39,200	444,800	444,800
				468,800
Current Assets				
Clothing Stock		21,000		
Stock of stationery		1,300		
Debtors	36,200			
Less Provision for BD (W6)	1,810	34,390		
Bank		46,500		
Advertising prepaid		1,800	104,990	
Creditors (Amounts falling due within 1 year)				
Creditors		22,400		
VAT		15,300		
Loan interest		2,100		
PRSI/USC		9,600	49,400	
Working Capital				55,590
Total Net Assets				524,390
Financed By				
Creditors (Amounts falling due after 1 year)				
Loan			60,000	
Capital		202,000		
P and L Balance		275,490		
		477,490		
Less drawings (W3)		13,100	464,390	
Capital Employed				524,390

Assignment 4 – 2021 Q1

Stationery		Insurance		Depreciation	
P and L	3,600	P and L	8,200	Buildings	
Less Stock 31/12	1,500	Less drawings	700	This Year: 2% (500,000)	10,000
	2,100		7,500		
		Less Prepaid 3/12	1,875	Delivery Vans	
			5,625	This Year: 10% (48,000)	4,800
				Acc Dep 01/01/2020	14,000
Drawings		Interest on Loan		B/S	18,800
Trial Balance	14,200	Interest for year			
Plus private insurance	700	(7% (90,000) x 9 months	4,725	Office Equipment	
	14,900	Less paid	1,200	This Year: 20% (30,000)	6,000
		Interest due	3,525	Acc Dep 01/01/2020	18,000
				B/S	24,000
Advertising		Provision for bad debts			
Paid (12 months)	6,000	5% (32,400)	1,620		
Less prepaid (4 months)	2,000	Trial Balance	2,700		
P and L	4,000	Decrease in BD Provision	1,080		



Trading, Profit & Loss Account of James Phelan for YE 31/12/2020			
	€	€	€
Sales		595,000	
Less sales returns		18,000	577,000
Less Cost of Sales			
Opening stock		32,000	
Purchases	196,000		
Less purchases returns	8,100	187,900	
		219,900	
Less closing stock		23,000	
Cost of Sales			196,900
Gross Profit			380,100
Less expenses			
Administration			
Wages and salaries	112,000		
General expenses	12,500		
Stationery	2,100		
Insurance	5,625		
Depreciation on buildings	10,000		
Depreciation on office equipment	6,000	148,225	
Selling and Distribution			
Advertising	4,000		
Depreciation on delivery vans	4,800	8,800	157,025
			223,075
Add Gains			
Discount received		1,600	
Decrease in BD Provision		1,080	2,680
Operating Profit			225,755
Less loan interest			4,725
Net profit			221,030
Add P and L Balance 01/01/2020			51,500
Profit and Loss Balance 31/12/2020			272,530

Balance Sheet of James Phelan on 31/12/2020				
	Cost	€ Dep	€ NBV	€
Intangible Assets				
Patents				28,000
Fixed Assets				
Buildings	500,000	10,000	490,000	
Equipment	30,000	24,000	6,000	
Delivery Vans	62,000	18,800	43,200	
	592,000	52,800	539,200	539,200
				567,200
Current Assets				
Closing Stock		23,000		
Stock of stationery		1,500		
Debtors	32,400			
Less Provision for BD	1,620	30,780		
Bank		44,500		
Advertising prepaid		2,000		
Insurance prepaid		1,875	103,655	
Creditors (Amounts falling due within 1 year)				
Creditors		24,400		
VAT		13,600		
Loan interest		3,525		
PRSI/USC		19,700	61,225	
Working Capital				42,430
Total Net Assets				609,630
Financed By				
Creditors (Amounts falling due after 1 year)				
Loan			90,000	
Capital		262,000		
P and L Balance		272,530		
		534,530		
Less drawings		14,900	519,630	
Capital Employed				609,630



Higher Level

Assignment 1 – 1999 Q1

Workings

(1) Purchases		(2) Closing Stock	
Trial Balance	495,000	Trial Balance	46,900
Less Delivery van error	13,000	Less damaged stock	1,500
	482,000		45,400
Add GIT (12,500 X 4/5)	10,000	Add GIT (12,500 X 4/5)	10,000
	492,000		55,400
(3) Patent		(4) Insurance	
Trial Balance	50,500	Trial Balance	7,200
Add interest [(12% of 150,000) x 1/3]	6,000	Add m. int (9% 160,000 x 1/4 - [4,500])	900
	56,500	Add discount received	400
Less Patent W/O	11,300		8,500
	45,200		
(5) Delivery Vans		(6) Investment Income	
Trial Balance	90,000	12% (150,000) x 7 months	10,500
Add purchase	20,000	Less received	6,000
Less sale	-16,000	Due	4,500
	94,000		
(7) Mortgage Interest		(8) Revaluation Reserve	
9% (160,000)	14,400	Increase in asset	250,000
9% (40,000) x 3/4 year	2,700	Acc Depreciation	171,250
	17,100	Depreciation (This Year)	13,000
Less paid	3,600		434,250
Interest due	13,500		
(9) Bad Debts Provision		(10) VAT	
Trial Balance	2,200	Trial Balance	-6,700
New provision (45,400 x 4%)	1,816	Warehouse	6,250
Decrease in provision	384		-450
(11) Profit on sale		(12) Creditors	
Cost	16,000	Trial Balance	64,400
Less depreciation (15% 16,000 x 3&5/6)	9,200	Add GIT	10,000
	6,800		74,400
Less allowance	7,000		
Profit	200		
(13) Depreciation		(14) Debtors	
Buildings		Trial Balance	45,400
2% (656,250 - 6,250)	13,000	Less Provision	1,816
Less revaluation	13,000		43,584
	0		
Delivery Vans		(15) Discount received	
15% (74,000) x 1 year	11,100	Trial Balance	2,700
15% (16,000) x 1/4 year	600	Add discount received	400
15% (20,000) x 3/4	2,250		3,100
	13,950		
Acc dep 1/1	35,000	(16) Buildings	
Less sale of DV	-9,200	Trial Balance	656,250
	39,750	Less VAT	6,250
			650,000
		Revaluation	250,000
			900,000



Trading, Profit & Loss Account of James Stewart for YE 31/12/1998

	€	€	€
Sales			774,000
Less Cost of Sales			
Opening stock		47,600	
Purchases (W1)		492,000	
		539,600	
Less closing stock (W2)		55,400	
Cost of Sales			484,200
Gross Profit			289,800
Less expenses			
Administration			
Patent W/O (W3)	11,300		
Salaries and general expenses	96,100		
Insurance (W4)	8,500		
Depreciation on buildings (W13)	13,000	128,900	
Selling and Distribution			
Commission	20,000		
Depreciation on delivery van (W13)	13,950	33,950	162,850
			126,950
Add Gains			
Profit on sale of delivery van (W11)		200	
Discount (W15)		3,100	
Rent		8,800	
Reduction in BDP (W9)		384	12,484
Operating Profit			139,434
Add investment income (W6)			10,500
			149,934
Less mortgage interest (W7)			17,100
Net profit			132,834

Balance Sheet of James Stewart on 31/12/1998

	Cost	€ Dep	€ NBV	€
Intangible Assets				
Patents (W3)				45,200
Fixed Assets				
Buildings (W16)	900,000	0	900,000	
Delivery vans (W5)	94,000	39,750	54,250	
	994,000	39,750	954,250	954,250
Financial Assets				
4% Investments				150,000
				1,149,450
Current Assets				
Closing Stock		55,400		
Debtors less provision (W14)		43,584		
Investment income due (W6)		4,500	103,484	
Creditors (Amounts falling due within 1 year)				
Creditors (W12)		74,400		
VAT (W10)		450		
Bank		74,900		
PRSI		1,800		
Mortgage Interest due (W7)		13,500	165,050	
Working Capital				-61,566
Total Net Assets				1,087,884
Financed By				
Creditors (Amounts falling due after 1 year)				
9% Fixed Mortgage				200,000
Capital and Reserves				
Capital 01/01/1998			350,000	
Revaluation Reserve (W8)			434,250	
Net Profit			132,834	
			917,084	
Less drawings			29,200	887,884
Capital Employed				1,087,884



Assignment 2 – 2003 Q1
Workings

(1) Purchases		(2) Closing Stock	
Trial Balance	668,000	Trial Balance	74,500
Less Delivery van error	28,000	Less damaged stock	4,700
	<u>640,000</u>		<u>69,800</u>
(3) Patent		(4) Insurance	
Trial Balance	55,500	Trial Balance	8,700
Add interest [(9% of 200,000) x 1/4]	4,500	Add mortgage interest	250
	<u>60,000</u>	Add discount received	700
Less Patent W/O	12,000		<u>9,650</u>
	<u>48,000</u>		
(5) Delivery Vans		(6) Investment Income	
Trial Balance	150,000	9% (200,000) x 7 months	10,500
Add purchase	48,000	Less received	4,500
Less sale	-42,000	Due	<u>6,000</u>
	<u>156,000</u>		
(7) Mortgage Interest		(8) Revaluation Reserve	
5% (300,000)	15,000	Increase in asset	150,000
5% (200,000) x 3/4 year	7,500	Acc Depreciation	47,000
	<u>22,500</u>	Depreciation (This Year)	19,000
Less paid	3,750		<u>216,000</u>
Interest due	<u>18,750</u>		
(9) Bad Debts Provision		(10) VAT	
Trial Balance	3,800	Trial Balance	-5,500
New provision (77,600 x 4%)	3,104	Warehouse	30,000
Decrease in provision	<u>696</u>		<u>24,500</u>
(11) Loss on sale		(12) Buildings	
Cost	42,000	Trial Balance	980,000
Less depreciation (15% 42,000 x 2&5/6)	17,850	Less VAT	30,000
	<u>24,150</u>		<u>950,000</u>
Less allowance	20,000	Revaluation	150,000
Loss	<u>4,150</u>		<u>1,100,000</u>
(13) Depreciation		(14) Debtors	
Buildings		Trial Balance	77,600
2% (980,000 - 30,000)	19,000	Less Provision	3,104
Less revaluation	19,000		<u>74,496</u>
	<u>0</u>		
Delivery Vans		(15) Discount received	
15% (108,000) x 1 year	16,200	Trial Balance	4,600
15% (42,000) x 1/4 year	1,575	Add discount received	700
15% (48,000) x 3/4	5,400		<u>5,300</u>
	<u>23,175</u>		
Acc dep 1/1	69,500		
Less sale of DV	-17,850		
	<u>74,825</u>		



Trading, Profit & Loss Account of M. O'Brien for YE 31/12/2002

	€	€	€
Sales			982,000
Less Cost of Sales			
Opening stock		67,700	
Purchases (W1)		640,000	
		707,700	
Less closing stock (W2)		69,800	
Cost of Sales			637,900
Gross Profit			344,100
Less expenses			
Administration			
Patent W/O (W3)	12,000		
Salaries and general expenses	194,100		
Insurance (W4)	9,650		
Depreciation on buildings (W13)	19,000	234,750	
Selling and Distribution			
Commission	24,000		
Depreciation on delivery van (W13)	23,175		
Loss on sale of van (W11)	4,150	51,325	286,075
			58,025
Add Gains			
Discount (W15)		5,300	
Rent		15,000	
Reduction in BDP (W9)		696	20,996
Operating Profit			79,021
Add investment income (W6)			10,500
			89,521
Less mortgage interest (W7)			22,500
Net profit			67,021

Balance Sheet of M. O'Brien on 31/12/2002

	Cost	€ Dep	€ NBV	€
Intangible Assets				
Patents (W3)				48,000
Fixed Assets				
Buildings (W12)	1,100,000	0	1,100,000	
Delivery vans (W5) (W13)	156,000	74,825	81,175	
	1,256,000	74,825	1,181,175	1,181,175
Financial Assets				
Investments				200,000
				1,429,175
Current Assets				
Closing Stock		69,800		
Debtors less provision (W14)		74,496		
VAT (W10)		24,500		
Investment income due (W6)		6,000	174,796	
Creditors (Amounts falling due within 1 year)				
Creditors		86,500		
Bank		70,900		
PRSI		2,300		
Mortgage Interest due (W7)		18,750	178,450	
Working Capital				-3,654
Total Net Assets				1,425,521
Financed By				
Creditors (Amounts falling due after 1 year)				
9% Mortgage				500,000
Capital and Reserves				
Capital 01/01/2002			680,000	
Revaluation Reserve (W8)			216,000	
Net Profit			67,021	
			963,021	
Less drawings			37,500	925,521
Capital Employed				1,425,521



Assignment 3 – 2006 Q1
Workings

(1) Purchases		(2) Patent	
Trial Balance	650,000	Trial Balance	60,600
Add GIT	5,600	Add interest [(6% of 160,000) x 1/4]	2,400
Less Delivery van error	-26,000		63,000
	629,600	Less Patent W/O	12,600
			50,400
(3) Closing Stock		(4) Discount received	
Trial Balance	72,500	Trial Balance	3,600
Add GIT	5,600	Add discount received	700
	78,100		4,300
(5) Salaries and General Expenses		(6) Investment Income	
Trial Balance	192,500	6% (160,000) x 3/4	7,200
Less mortgage interest	500	Less received	2,400
Add discount received	700	Due	4,800
	193,700		
(7) Mortgage Interest		(8) Revaluation Reserve	
5% (200,000)	10,000	Increase in asset	325,000
5% (100,000) x 3/4 year	3,750	Acc Depreciation	45,000
	13,750	Depreciation (This Year)	17,500
Less paid	2,500		387,500
Interest due	11,250		
(9) Bad Debts Provision		(10) VAT	
Trial Balance	3,900	Trial Balance	-4,300
New provision (76,500 x 3%)	2,295	Warehouse	25,000
Decrease in provision	1,605		20,700
(11) Loss on sale		(12) Debtors	
Cost	35,000	Trial Balance	76,500
Less depreciation (15% 35,000 x 2.5)	13,125	Less Provision	-2,295
	21,875		74,205
Less allowance	15,000		
Loss	6,875		
(12) Depreciation		(13) Creditors	
Buildings		Trial Balance	85,500
2% (900,000 - 25,000)	17,500	Add GIT	5,600
Less revaluation	17,500		91,100
	0		
Delivery Vans			
15% (95,000) x 1 year	14,250		
15% (35,000) x 1/3 year	1,750		
15% (41,000) x 2/3 year	4,100		
	20,100		
Acc dep 1/1	69,500		
Less sale of DV	-13,125		
	76,475		



Trading, Profit & Loss Account of K. Kelly for YE 31/12/2005			
	€	€	€
Sales			980,000
Less Cost of Sales			
Opening stock		65,700	
Purchases (W1)		629,600	
		695,300	
Less closing stock (W3)		78,100	
Cost of Sales			617,200
Gross Profit			362,800
Less expenses			
Administration			
Patent W/O (W2)	12,600		
Salaries and general expenses (W5)	193,700		
Insurance	7,800		
Depreciation on buildings (W12)	17,500	231,600	
Selling and Distribution			
Commission	20,000		
Depreciation on delivery van (W12)	20,100		
Loss on sale of van (W11)	6,875	46,975	278,575
			84,225
Add Gains			
Discount (W4)		4,300	
Rent		12,000	
Reduction in BDP (W9)		1,605	17,905
Operating Profit			102,130
Add investment income (W6)			7,200
			109,330
Less mortgage interest (W7)			13,750
Net profit			95,580

Balance Sheet of K. Kelly on 31/12/2005				
	Cost	€ Dep	€ NBV	€
Intangible Assets				
Patents (W2)				50,400
Fixed Assets				
Buildings	1,200,000	0	1,200,000	
Delivery vans (W12)	136,000	76,475	59,525	
	1,336,000	76,475	1,259,525	1,259,525
Financial Assets				
4% Investments				160,000
				1,469,925
Current Assets				
Closing Stock		78,100		
Debtors less provision (W12)		74,205		
VAT (W10)		20,700		
Investment income due (W6)		4,800	177,805	
Creditors (Amounts falling due within 1 year)				
Creditors (W13)		91,100		
Bank		60,800		
PRSI		2,500		
Mortgage Interest due (W7)		11,250	165,650	
Working Capital				12,155
Total Net Assets				1,482,080
Financed By				
Creditors (Amounts falling due after 1 year)				
5% Mortgage				300,000
Capital and Reserves				
Capital 01/01/2005			735,000	
Revaluation Reserve (W8)			387,500	
Net Profit			95,580	
			1,218,080	
Less drawings			36,000	1,182,080
Capital Employed				1,482,080



Assignment 4 – 2008 Q1

(1) Purchases		(2) Patent	
Trial Balance	512,400	Trial Balance	52,400
Add GIT	4,800	Add interest [(8% of 130,000) x 1/4]	2,600
Less Delivery van error	-26,000		55,000
Add restocking charge	800	Less Patent W/O	11,000
Less Drawings	-1,600		44,000
	490,400		
(3) Closing Stock		(4) Discount allowed	
Trial Balance	75,000	Trial Balance	1,900
Add GIT	4,800	Less discount received	200
	79,800		1,700
(5) Insurance		(6) Investment Income	
Trial Balance	6,150	8% (130,000) x 3/4	7,800
Less mortgage interest	-250	Less received	2,600
Add discount received	200	Due	5,200
	6,100		
(7) Mortgage Interest		(8) Revaluation Reserve	
6% (100,000)	6,000	Increase in asset	220,000
6% (50,000) x 3/4 year	2,250	Acc Depreciation	95,000
	8,250	Depreciation (This Year)	11,600
Less Drawings 20%	1,650		326,600
	6,600		
Interest for year	8,250	(9) Bank	
Less paid	1,500	Trial Balance	-15,900
Interest due	6,750	BDR	600
			-15,300
(10) Drawings		(11) Loss on sale	
Trial Balance	36,200	Cost	30,000
Mortgage interest	1,650	Less depreciation (15% 30,000 x 2.5)	11,250
Stock	1,600		18,750
	39,450	Less allowance	10,000
		Loss	8,750
(12) Depreciation		(13) Debtors	
Buildings		Trial Balance	40,000
2% (580,000)	11,600	Add BDR	400
Less revaluation	11,600	Less Provision	-1,200
	0		39,200
Delivery Vans		(14) Creditors	
15% (55,000) x 1 year	8,250	Trial Balance	113,000
15% (30,000) x 1/4 year	1,125	Add GIT	4,800
15% (36,000) x 3/4 year	4,050	Add restocking charge	800
	13,425		118,600
Acc dep 1/1	12,000		
Less sale of DV	-11,250		
	14,175		



Trading, Profit & Loss Account of O. Dolan for YE 31/12/2007			
	€	€	€
Sales			729,000
Less Cost of Sales			
Opening stock		65,600	
Purchases (W1)		490,400	
		556,000	
Less closing stock (W3)		79,800	
Cost of Sales			476,200
Gross Profit			252,800
Less expenses			
Administration			
Patent W/O (W2)	11,000		
Salaries and general expenses	85,000		
Rent	9,000		
Insurance (W5)	6,100		
Depreciation on buildings (W12)	11,600	122,700	
Selling and Distribution			
Commission	4,200		
Depreciation on delivery van (W12)	13,425		
Loss on sale of van (W11)	8,750		
Discount (W4)	1,700	28,075	150,775
			102,025
Add Gains			
Bad debt recovered			1,000
Operating Profit			103,025
Add investment income (W6)			7,800
			110,825
Less mortgage interest (W7)			6,600
Net profit			104,225

Balance Sheet of O. Dolan on 31/12/2007				
	Cost	€ Dep	€ NBV	€
Intangible Assets				
Patents (W2)				44,000
Fixed Assets				
Buildings	800,000	0	800,000	
Delivery vans (W12)	91,000	14,175	76,825	
	891,000	14,175	876,825	876,825
Financial Assets				
4% Investments				130,000
				1,050,825
Current Assets				
Closing Stock		79,800		
Debtors less provision (W13)		39,200		
Investment income due (W6)		5,200	124,200	
Creditors (Amounts falling due within 1 year)				
Creditors (W14)		118,600		
Bank (W9)		15,300		
VAT		4,100		
PRSI		3,900		
Mortgage Interest due (W7)		6,750	148,650	
Working Capital				-24,450
Total Net Assets				1,026,375
Financed By				
Creditors (Amounts falling due after 1 year)				
6% Mortgage				150,000
Capital and Reserves				
Capital 01/01/2007			485,000	
Revaluation Reserve (W8)			326,600	
Net Profit			104,225	
			915,825	
Less drawings (W10)			39,450	876,375
Capital Employed				1,026,375



Assignment 5 – 2010 Q1

(1) Patent		(2) Purchases	
Trial Balance	60,400	Trial Balance	465,200
Add interest [(4% of 120,000) x 1/4]	1,200	Less Delivery Van (48k-12k)	-36,000
	61,600	Add restocking charge	700
Less Patent W/O	12,320		429,900
	49,280		
(3) Closing Stock		(4) Salaries and General Expenses	
Trial Balance	75,400	Trial Balance	75,000
Less damaged stock	4,800	Less mortgage interest error	-100
	70,600	Less PAYE/PRSI	-1,000
			73,900
(5) Mortgage Interest		(6) Revaluation Reserve	
6% (100,000)	6,000	Increase in asset	230,000
6% (80,000) x 3/4 year	3,600	Acc Depreciation	105,000
	9,600	Depreciation (This Year)	18,600
Less Drawings 10%	960		353,600
	8,640		
Interest for year	9,600	(7) Bank	
Less paid	1,500	Trial Balance	-13,300
Interest due	8,100	BDR	400
			-12,900
(8) Delivery Vans		(9) Loss on sale	
Trial Balance	90,000	Cost	24,000
Purchase	48,000	Less depreciation (12.5% 24,000 x 2.5)	7,500
Less sale	-24,000		16,500
	114,000	Less allowance	12,000
		Loss	4,500
(10) Drawings		(11) Investment Income	
Trial Balance	32,000	4% (120,000) x 1/2	2,400
Mortgage interest	960	Less received	1,200
	32,960	Due	1,200
(12) Depreciation		(13) Advertising	
Buildings		Trial Balance	2,400
3% (620,000)	18,600	Less Prepaid (7/8)	2,100
Less revaluation	18,600		300
	0	(14) PAYE/PRSI/USC	
Delivery Vans		Trial Balance	5,400
12.5% (66,000) x 1 year	8,250	Less paid	1,000
12.5% (24,000) x 1/4 year	750		4,400
12.5% (48,000) x 3/4 year	4,500	(15) Creditors	
	13,500	Trial Balance	120,000
Acc dep 1/1	10,000	Add restocking charge	700
Less sale of DV	-7,500		120,700
	16,000		
(16) Debtors			
Trial Balance	50,000		
Add BDR	500		
	50,500		



Trading, Profit & Loss Account of N. O'Connell for YE 31/12/2009

	€	€	€
Sales			659,650
Less Cost of Sales			
Opening stock		63,200	
Purchases (W2)		429,900	
		493,100	
Less closing stock (W3)		70,600	
Cost of Sales			422,500
Gross Profit			237,150
Less expenses			
Administration			
Patent W/O (W1)	12,320		
Salaries and general expenses (W4)	73,900		
Rent	8,000		
Depreciation on buildings (W12)	18,600	112,820	
Selling and Distribution			
Commission	5,550		
Advertising (W13)	300		
Loss on sale of van (W9)	4,500		
Discount	1,600		
Depreciation on delivery van (W12)	13,500	25,450	138,270
			98,880
Add Gains			
Bad debt recovered			900
Operating Profit			99,780
Add investment income (W11)			2,400
			102,180
Less mortgage interest (W5)			8,640
Net profit			93,540

Balance Sheet of N. O'Connell on 31/12/2009

	Cost	€ Dep	€ NBV	€
Intangible Assets				
Patents				49,280
Fixed Assets				
Buildings	850,000	0	850,000	
Delivery vans (W8) (W12)	114,000	16,000	98,000	
	964,000	16,000	948,000	948,000
Financial Assets				
4% Investments				120,000
				1,117,280
Current Assets				
Closing Stock		70,600		
Debtors (W16)		48,700		
Advertising prepaid		2,100		
Investment income due (W11)		1,200	122,600	
Creditors (Amounts falling due within 1 year)				
Creditors (W15)		120,700		
Bank (W7)		12,900		
VAT		4,600		
PAYE/PRSI (W14)		4,400		
Mortgage Interest due (W5)		8,100	150,700	
Working Capital				-28,100
Total Net Assets				1,089,180
Financed By				
Creditors (Amounts falling due after 1 year)				
6% Mortgage				180,000
Capital and Reserves				
Capital 01/01/2009			495,000	
Revaluation Reserve (W6)			353,600	
Net Profit			93,540	
			942,140	
Less drawings (W10)			32,960	909,180
Capital Employed				1,089,180



Assignment 6 – 2014 Q1

(1) Patent		(2) Purchases	
Trial Balance	40,400	Trial Balance	530,400
Add interest [(3% of 100,000) x 1/4]	750	Less Delivery Van (46k-16k)	-30,000
	41,150	Add GIT (4,800 x 5/6)	4,000
Less Patent W/O	8,230	Add restocking charge	1,250
	32,920	Less Drawings (3,000 x 4/5)	-2,400
			503,250
(3) Closing Stock		(4) Salaries and General Expenses	
Trial Balance	80,000	Trial Balance	90,000
Add GIT (16,000 x 4/5)	4,000	Less mortgage interest error	-600
	84,000	Add VAT refund	-2,000
			87,400
(5) Mortgage Interest		(6) Revaluation Reserve	
6% (140,000)	8,400	Increase in asset	80,000
6% (60,000) x 3/4 year	2,700	Acc Depreciation	95,000
	11,100	Depreciation (This Year)	12,800
Less Drawings 25%	2,775		187,800
	8,325		
Interest for year	11,100	(7) Bank	
Less paid	2,100	Trial Balance	-16,400
Interest due	9,000	BDR	800
			-15,600
(8) Delivery Vans		(9) Loss on sale	
Trial Balance	90,000	Cost	40,000
Purchase	46,000	Less depreciation (10% 40,000 x 2.5)	10,000
Less sale	-40,000		30,000
	96,000	Less allowance	16,000
		Loss	14,000
(10) Drawings		(11) Investment Income	
Trial Balance	41,250	3% (100,000) x 3/4	2,250
Goods	2,400	Less received	750
Mortgage interest	2,775	Due	1,500
	46,425		
(12) Depreciation		(13) Debtors	
Buildings		Trial Balance	50,000
2% (640,000)	12,800	Less BDP	-1,400
Less revaluation	12,800		48,600
	0		
Delivery Vans		(14) PAYE/PRSI/USC	
10% (50,000) x 1 year	5,000	Trial Balance	3,800
10% (40,000) x 1/4 year	1,000	Less paid	2,000
10% (46,000) x 3/4 year	3,450		1,800
	9,450	(15) Creditors	
Acc dep 1/1	12,000	Trial Balance	110,000
Less sale of DV	-10,000	Less restocking charge	1,250
	11,450	Add GIT	4,000
			115,250



Trading, Profit & Loss Account of M. McMahon for YE 31/12/2013

	€	€	€
Sales			695,000
Less Cost of Sales			
Opening stock		64,200	
Purchases (W2)		503,250	
		567,450	
Less closing stock (3)		84,000	
Cost of Sales			483,450
Gross Profit			211,550
Less expenses			
Administration			
Patent W/O (W1)	8,230		
Salaries and general expenses (W4)	87,400		
Rent	10,000		
Insurance	5,750		
Depreciation on buildings (W12)	12,800	124,180	
Selling and Distribution			
Advertising	2,500		
Loss on sale of van (W9)	14,000		
Discount	1,800		
Depreciation on delivery van (W12)	9,450	27,750	151,930
			59,620
Add Gains			
Bad debt recovered			800
Operating Profit			60,420
Add investment income (W11)			2,250
			62,670
Less mortgage interest (W5)			8,325
Net profit			54,345

Balance Sheet of M. McMahon on 31/12/2013

	Cost	€ Dep	€ NBV	€
Intangible Assets				
Patents				32,920
Fixed Assets				
Buildings (W12)	720,000	0	720,000	
Delivery vans (W8) (W12)	96,000	11,450	84,550	
	816,000	11,450	804,550	804,550
Financial Assets				
8% Investments				100,000
				937,470
Current Assets				
Closing Stock		84,000		
Debtors (W13)		48,600		
Investment income due (W11)		1,500	134,100	
Creditors (Amounts falling due within 1 year)				
Creditors (W15)		115,250		
Bank (W7)		15,600		
VAT		4,200		
PAYE/PRSI/USC (W14)		1,800		
Mortgage Interest due		9,000	145,850	
Working Capital				-11,750
Total Net Assets				925,720
Financed By				
Creditors (Amounts falling due after 1 year)				
Mortgage				200,000
Capital and Reserves				
Capital 01/01/2013			530,000	
Revaluation Reserve (W6)			187,800	
Net Profit			54,345	
			772,145	
Less drawings (W10)			46,425	725,720
Capital Employed				1,131,500



Assignment 7 – 2017 Q1

2017 Workings			
(1) Closing Stock		(2) Purchases	
Trial Balance	76,500	Trial Balance	536,500
Less damaged stock	-1,500	Less Delivery Van (48k-18k)	-30,000
Add GIT (16,000 x 4/5)	12,800	Add GIT (16,000 x 4/5)	12,800
	87,800	Less Drawings (4,800 x 5/6)	-4,000
			515,300
(3) Patent		(4) Insurance	
Trial Balance	68,000	Trial Balance	17,700
Add interest [(3% of 200,000) x 1/3]	2,000	Less mortgage interest error	-300
	70,000	Add VAT refund	2,000
Less Patent W/O	14,000		19,400
	56,000		
(5) Mortgage Interest		(6) Office Equipment	
6% (180,000)	10,800	Trial Balance	25,000
Less 3 months paid	-2,700	Less disposal	11,000
Interest Due	8,100		14,000
(7) Delivery Vans		(8) Loss on sale	
Trial Balance	150,000	Cost	40,000
Purchase	48,000	Less depreciation (15% 40,000 x 3.5)	21,000
Less sale	-40,000		19,000
	158,000	Less allowance	18,000
		Loss	1,000
(9) Discount		(10) Investment Income	
Trial Balance	3,200	3% (200,000) x 2/3	4,000
Add received (7,600 - 6,500)	1,100	Less received	2,000
	4,300	Due	2,000
(11) Depreciation		(12) Debtors	
Office Equipment		Trial Balance	70,500
20% (14,000) - P and L	2,800	Add BDR	500
Acc dep 1/1	10,000		71,000
Less sale (11,000 - 6,500)	-4,500		
	8,300	(13) VAT	
Buildings		Trial Balance	6,400
2% (680,000)	13,600	Less refund	2,000
Less revaluation	-13,600		4,400
	0	(14) Creditors	
Delivery Vans		Trial Balance	78,000
15% (110,000) x 1 year	16,500	Less office equipment	-7,600
15% (48,000) x 3/4 year	5,400	Add GIT	12,800
15% (40,000) x 1/4 year	1,500		83,200
	23,400	(15) Bank	
Acc dep 1/1	65,000	Trial Balance	-70,300
Less sale of DV	-21,000	Debtor	700
	67,400		-69,600
(16) Revaluation Reserve		(17) Drawings	
Increase in asset	120,000	Trial Balance	15,600
Acc Depreciation	85,000	Goods	4,000
Depreciation (This Year)	13,600		19,600
	218,600		



Trading, Profit & Loss Account of M. Mullen for YE 31/12/2016			
	€	€	€
Sales			792,000
Less Cost of Sales			
Opening stock		66,000	
Purchases (W2)		515,300	
		581,300	
Less closing stock (W1)		87,800	
Cost of Sales			493,500
Gross Profit			298,500
Less expenses			
Administration			
Patent written off (W3)	14,000		
Salaries and general expenses	145,500		
Rent	10,400		
Insurance (W4)	19,400		
Depreciation on buildings	13,600		
Depreciation on office equipment	2,800	205,700	
Selling and Distribution			
Loss on sale of van (W8)	1,000		
Commission	16,500		
Depreciation on delivery van	23,400	40,900	246,600
			51,900
Add Gains			
Bad debt recovered		1,200	
Discount (incl profit on sale) (W9)		4,300	5,500
Operating Profit			57,400
Add investment income (W10)			4,000
			61,400
Less mortgage interest (W5)			10,800
Net profit			50,600

Balance Sheet of M. Mullen on 31/12/2016				
	Cost	€ Dep	€ NBV	€
Intangible Assets				
Patents (W3)				56,000
Fixed Assets				
Buildings	800,000	0	800,000	
Office Equipment (W6) (W11)	14,000	8,300	5,700	
Delivery vans (W7) (W11)	158,000	67,400	90,600	
	972,000	75,700	896,300	896,300
Financial Assets				
Investments				200,000
				1,152,300
Current Assets				
Closing Stock		87,800		
VAT (W13)		4,400		
Debtors (W12)	71,000			
Less Provision for BD	3,500	67,500		
Investment income due (W10)		2,000	161,700	
Creditors (Amounts falling due within 1 year)				
Creditors (W14)		83,200		
Bank (W15)		69,600		
PAYE/PRSI/USC		21,600		
Mortgage Interest due (W5)		8,100	182,500	
Working Capital				-20,800
Total Net Assets				1,331,500
Financed By				
Creditors (Amounts falling due after 1 year)				
6% Mortgage				180,000
Capital and Reserves				
Capital 01/01/2016			701,900	
Revaluation Reserve (W16)			218,600	
Net Profit			50,600	
			971,100	
Less drawings (W17)			19,600	951,500
Capital Employed				1,131,500



Assignment 8 – 2020 Q1

2020 Workings			
Closing Stock		Purchases	
Trial Balance	69,800	Trial Balance	1,080,000
Less damaged stock	-9,010	Add GIT (24,500 x 4/5)	19,600
Add GIT (24,500 x 4/5)	19,600	Less Delivery Van (64k-26k)	-38,000
Trading Account	80,390		1,061,600
Balance Sheet	80,390		
Creditors		Delivery Vans	
Trial Balance	84,300	Trial Balance	250,000
Add GIT (24,500 x 4/5)	19,600	Purchase	64,000
Less payment error	-900	Less sale	-48,000
Add refund	2,500		266,000
	105,500		
Depreciation		Profit/Loss on sale	
Delivery Vans		Cost	48,000
20% (202,000) x 1 year	40,400	Less depreciation	23,200
20% (48,000) x 1/4 year	2,400	(20% 48,000 x 2 yrs, 5 mths)	24,800
20% (64,000) x 3/4 year	9,600	Less allowance	26,000
(250,000 - 48,000 = 202,000)	52,400	Profit	1,200
Acc dep 1/1 (250,000 - 186,000)	64,000	VAT	
Less sale of DV	-23,200	Trial Balance	3,100
Balance Sheet	93,200	Less warehouse	-12,150
		Less payment omitted	-3,700
Buildings			-12,750
2% (282,850) [782,850 - 500,000]	5,657	Land and Buildings	
Accumulated Depreciation 1/1	25,000	Trial Balance	795,000
	30,657	Less warehouse	-12,150
Less revaluation	30,657		782,850
Balance Sheet	0	Revaluation	117,150
Mortgage Interest		(900,000 - 782,850)	900,000
8% (240,000)	19,200	Revaluation Reserve	
8% (60,000) x 9/12	3,600	Increase in asset	117,150
	22,800	Total depreciation	30,657
Less 3 months paid	4,800		147,807
Mortgage Interest Due	18,000	Salaries and General Expenses	
		Trial Balance	381,750
Trial Balance	8,400	Add mortgage interest error	3,600
Less error	3,600	Less VAT refund	-3,700
(8,400 - 4,800)	4,800	Profit and Loss	381,650
Mortgage Interest payable	22,800	Bank	
Less drawings	4,560	Trial Balance	-48,800
	18,240	Debtor	1,000
Debtors		Creditor underpayment	-900
Trial Balance	97,500	Creditor refund	2,500
Add BDR	500		-46,200
	98,000	Bad Debt Recovered	
		Bank	1000
Investment Income		Debtor	500
6% (250,000) x 1/2	7,500		1500
Less received	2,500	Bad Debt Provision	
Investment Interest Due	5,000	New: 4% (98,000)	3,920
		Old provision	4,500
Drawings		Increase	580
Trial Balance	50,000		
Mortgage interest	4,560		
	54,560		



Trading, Profit & Loss Account of S. Heighway for YE 31/12/2019

	€	€	€
Sales			1,867,000
Less Cost of Sales			
Opening stock		62,900	
Purchases		1,061,600	
		1,124,500	
Less closing stock		80,390	
Cost of Sales			1,044,110
Gross Profit			822,890
Less expenses			
<i>Administration</i>			
Dep on Land and Buildings	5,657		
Salaries and general expenses	381,650	387,307	
<i>Selling and Distribution</i>			
Depreciation on delivery van	52,400		
Advertising	56,800	109,200	496,507
			326,383
Add Gains			
Profit on sale of van		1,200	
Bad debt recovered		1,500	
Discount Received		8,500	
Decrease in BDP		580	11,780
Operating Profit			338,163
Add investment income			7,500
			345,663
Less mortgage interest			18,240
Net profit			327,423

Balance Sheet of S. Heighway on 31/12/2019

	€	€	€
	Cost	Dep	NBV
Tangible Assets			
Land and Buildings	900,000	0	900,000
Delivery Vans	266,000	93,200	172,800
Equipment	128,800		128,800
	1,294,800	93,200	1,201,600
Financial Assets			
6% Investments			250,000
			1,451,600
Current Assets			
Closing Stock		80,390	
VAT		12,750	
Debtors	98,000		
Less Provision for BD	3,920	94,080	
Investment income due		5,000	192,220
Creditors (Amounts falling due within 1 year)			
Creditors		105,500	
Bank		46,200	
PAYE/PRSI/USC		3,450	
Mortgage Interest due		18,000	173,150
Working Capital			19,070
Total Net Assets			1,470,670
Financed By			
Creditors (Amounts falling due after 1 year)			
Mortgage			300,000
Capital and Reserves			
Capital			750,000
Revaluation Reserve			147,807
Net Profit			327,423
			1,225,230
Less drawings			54,560
Capital Employed			1,170,670
			1,470,670



Assignment 9 – 2021 Q1A

Closing Stock		Purchases	
Trial Balance	72,100	Trial Balance	1,105,000
Less damaged stock	-9,300	Less Delivery Van (67k-11k)	-56,000
Add SOR	22,400	Less Damaged stock	-24,000
	85,200	Less buildings materials	-38,000
	85,200		987,000
Creditors		Delivery Vans	
Trial Balance	68,600	Trial Balance	380,000
Less payment error	-2,900	Purchase	67,000
Less payment error	-900	Less sale	-42,000
Add refund	4,800		405,000
	69,600		
Depreciation		Profit/Loss on sale	
Delivery Vans		Cost	42,000
20% (338,000) x 1 year	67,600	Less depreciation	29,400
20% (42,000) x 1/4 year	2,100	(20% 42,000 x 3.5 years)	12,600
20% (67,000) x 3/4 year	10,050	Less allowance	11,000
(250,000 - 48,000 = 202,000)	79,750	Loss	1,600
Acc dep 1/1 (380,000 - 310,000)	70,000	Land and Buildings	
Less sale of DV	-29,400	Trial Balance	900,000
Balance Sheet	120,350	Less warehouse	-75,000
Buildings		Add materials	38,000
2% (507,000) [907,500 - 400,000]	10,140	Add labour	44,000
Accumulated Depreciation 1/1	105,000	Add revaluation	193,000
	115,140		1,100,000
Less revaluation	115,140	Revaluation Reserve	
Balance Sheet	0	Increase in asset	193,000
Mortgage Interest		Total depreciation	115,140
5% (230,000)	11,500		308,140
5% (50,000) x 9/12	1,875	Salaries and General Expenses	
	13,375	Trial Balance	135,800
Less 3 months paid	2,875	Less building labour	-44,000
Mortgage Interest Due	10,500		91,800
		Advertising	
Trial Balance	2,375	Trial Balance	36,000
Add error	500	Less mortgage interest error	-500
(2,875 - 2,375)	2,875	Less creditors error	-2,900
			32,600
Mortgage Interest payable	13,375	Bank	
Less drawings - 20%	2,675	Trial Balance	-52,100
	10,700	Debtor	1,800
Debtors		Creditor underpayment	-900
Trial Balance	97,300	Creditor refund	4,800
Less SOR	-28,000		-46,400
BDR	700	Bad Debt Recovered	
	70,000	Bank	1,800
Investment Income		Debtor	700
3% (210,000) x 5/12	2,625		2,500
Less received	2,200	Bad Debt Provision	
Investment Interest Due	425	New: 6% (70,000)	4,200
		Old provision	3,500
Drawings		Increase	700
Trial Balance	60,000	Insurance Claim	
Mortgage interest	2,675	Insurance claim due	90,000
	62,675	Loss on Insurance	
Sales		Value of damage	99,000
Trial Balance	1,797,300	Claim due	90,000
Less SOR	-28,000	Loss on Insurance	9,000
	1,769,300		



Trading, Profit & Loss Account of A. Kenny for YE 31/12/2020

	€	€	€
Sales			1,769,300
Less Cost of Sales			
Opening stock		68,700	
Purchases		987,000	
		1,055,700	
Less closing stock		85,200	
Cost of Sales			970,500
Gross Profit			798,800
Less expenses			
Administration			
Dep on Land and Buildings	10,140		
Salaries and general expenses	91,800		
Loss on fire	9,000		
Rates	43,200	154,140	
Selling and Distribution			
Depreciation on motor vehicles	79,750		
Loss on sale of vehicle	1,600		
Increase in BD Provision	700		
Advertising	32,600	114,650	268,790
			530,010
Add Gains			
Bad debt recovered		2,500	
Discount Received		4,700	7,200
Operating Profit			537,210
Add investment income			2,625
			539,835
Less mortgage interest			10,700
Net profit			529,135

Balance Sheet of A. Kenny on 31/12/2020

	Cost	€ Dep	€ NBV	€
Tangible Assets				
Land and Buildings	1,100,000		1,100,000	
Delivery Vans	405,000	120,350	284,650	
Equipment	178,800		178,800	
	1,683,800	120,350	1,563,450	1,563,450
Financial Assets				
3% Investments				210,000
				1,773,450
Current Assets				
Closing Stock		85,200		
Debtors	70,000			
Less Provision for BD	4,200	65,800		
Insurance due		90,000		
Investment income due		425	241,425	
Creditors (Amounts falling due within 1 year)				
Creditors		69,600		
Bank		46,400		
VAT		29,900		
PAYE/PRSI/USC		3,875		
Mortgage Interest due		10,500	160,275	
Working Capital				81,150
Total Net Assets				1,854,600
Financed By				
Creditors (Amounts falling due after 1 year)				
Mortgage				280,000
Capital and Reserves				
Capital			800,000	
Revaluation Reserve			308,140	
Net Profit			529,135	
			1,637,275	
Less drawings			62,675	1,574,600
Capital Employed				1,854,600

