

**ACCOUNTANCY MAY 2012**

**QUESTION 1 -- ANSWER**

**WEEKLY CASH BOOK**

RECEIPTS	£	PAYMENTS	£
Bar takings	4,497.50	Wages	2600.00
Bingo	383.00	Sundry repairs	444.70
Gaming machines	445.20	Cleaning	239.00
Brewery loan (cheque)	1,000.00	Odd job man	150.00
Raffles and draws	2,345.00	Balance, being the amount to be t	5237.00
	<u>8,670.70</u>		<u>8,670.70</u>

The bar takings book is re-written to show the following total

	£
Monday 18-Jan	118.30
Tuesday 19-Jan	212.75
Wednesday 20-Jan	257.82
Thursday 21-Jan	614.94
Friday 22-Jan	837.88
Saturday 23-Jan	1294.23
Sunday 24-Jan	1161.58
	<u>4497.50</u>

The bingo takings book is corrected as follows:

Ticket sales are at 50p each

	No of book:	£
Thursday 21-Jan	182	91.00
Friday 22-Jan	170	85.00
Saturday 23-Jan	214	107.00
Sunday 24-Jan	200	100.00
		<u>383.00</u>

The gaming machines book should not be used to pay out expenses and shows:

Gaming machine 1 - emptied Monday 24 January	234.10
Gaming machine 2 - emptied Monday 24 January	211.10
	<u>445.20</u>

Wages Book - Employees net monthly pay

Terry Dactyl	654.00
Will Verine	367.00
Katelin Sutherland	1200.00
Teresa Green	379.00
	<u>2600.00</u>

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QUESTION 2- ANSWER

REVENUE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2011

**Bar trading account:**

Sales		265,800	
Less: Cost of sales		<u>(127,584)</u>	
Gross profit	52.00	138,216	(A)

**Other income:**

Games and entertainments	15,636		
Investment income	500		
Sundry income	<u>1,500</u>		
		17,636	(B)
		<u>155,852</u>	

**Deduct - expenses:**

Wages	(69,108)		
Entertainments	(12,977)		
Repairs and renewals	(12,765)		
Rent and rates	(20,424)		
Light and heat	(10,212)		
Cleaning materials	(2,553)		
Printing, postages and stationery	(1,702)		
Telephones	(851)		
Professional fees	(2,553)		
Other costs	<u>(15,106)</u>		
		(148,251)	(C)
<b>PROFIT FOR THE YEAR</b>		<u><b>7,601</b></u>	<b>(D)</b>

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QUESTION 2- ANSWER

BALANCE SHEET AT 31 DECEMBER 2011

FIXED ASSETS		165,000
Freehold land and buildings		25,000
Fixtures and fittings		<u>190,000</u>
CURRENT ASSETS		
Stocks	8,500	
Debtors	8,200	
Bank deposit account	15,000	
Cash in hand	35,000	
	<u>66,700</u>	
CURRENT LIABILITIES		
Bank overdraft	(25,000)	
Trade creditors	(13,000)	
Sundry creditors	(6,000)	
VAT liability	(6,800)	
PAYE	(1,500)	
	<u>(52,300)</u>	
NET CURRENT ASSETS		<u>14,400</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		204,400
CREDITORS: Brewery loan		<u>(110,000)</u>
		<u><b>94,400</b></u>
CAPITAL AND RESERVES		
Share capital		1,200
Revenue reserve		93,200
		<u><b>94,400</b></u>

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QUESTION 3- ANSWER

**BANK CASH BOOK (Corrections)**

<u>Date</u>	<u>Receipts</u>		<u>Date</u>	<u>Payments</u>	
31 Dec	Balance b/fwd	57,701	31 Dec	Bank charges	450
			31 Dec	Balance c/fwd	57,251
		<u>57,701</u>			<u>57,701</u>
<hr/>					
	Balance as per bank statement at 31 Dec				49,051
Add:	Uncredited deposits:				
	31 Dec Brewery loan				<u>20,000</u>
					69,051
Less:	Unpresented cheques:				
	26 Dec Brewery 005				<u>(11,800)</u>
	Balance as per bank cash book				<u>57,251</u>

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QUESTION 4 - ANSWER

- |   |    |
|---|----|
| 1 | c) |
| 2 | c) |
| 3 | d) |
| 4 | b) |
| 5 | a) |

ACCOUNTANCY MAY 2012

QUESTION 5 - ANSWER

(a) Sales revenue from the sale of one gallon

Price per pint is	1.92	
Price per gallon is	8 x 1.92 =	15.36
Less: VAT (1/6 th)		<u>(2.56)</u>
Net sales revenue		£12.80
		=====

(b) Net cost of one gallon of beer

	<u>Brewery X</u>	<u>Brewery Y</u>
Price list cost	6.80	6.16
Brewery X - $\frac{40}{288} \times 8 =$	<u>(1.11)</u>	
Brewery Y - $\frac{20}{288} \times 8 =$		<u>(0.56)</u>
Net cost of one gallon	<u>£5.69</u>	<u>£5.60</u>
	=====	=====

(c) Gross profit

	<u>Brewery X</u>	<u>Brewery Y</u>
Net sales	12.80	12.80
Cost of sales	<u>(5.69)</u>	<u>(5.60)</u>
Gross profit	<u>£7.11</u>	<u>£7.20</u>
	=====	=====

(d) Gross profit %

	<u>Brewery X</u>	<u>Brewery Y</u>
Brewery X - $\frac{7.11}{12.80} \times \frac{100}{1} =$	<u>55.55%</u>	
Brewery Y - $\frac{7.20}{12.80} \times \frac{100}{1} =$		<u>56.25%</u>
	=====	=====

(e) Recommendation - Use Brewery Y

(f) Reduction of 1 pint of beer

£20 per barrel = $\frac{20}{288}$ per pint	= 6.94p per pint
Add: Value Added Tax - 20.00%	= 8.33p per pint
	= 8p per pint
	=====

ACCOUNTANCY MAY 2012

QUESTION 6- ANSWER

Bar takings (retail sales)		3,960
Less: Vat		<u>(660)</u>
Net sales		<u>3,300</u>
Gross profit thereon at 50%		1,650
Add other income		<u>300</u>
		1,950
Less: Costs		
Wages	1,000	
Entertainment	250	
Rates and water	40	
light and heat	20	
Others	50	<u>(1,360)</u>
Profit		590
Less: Mortgage payment		<u>(490)</u>
Cash available		<u>100</u>

The maximum amount which the club can afford to offer is £100 per week.  
This payment will take 30 weeks to pay off the debt.

**COUNTANCY MAY 2012**

**QUESTION 7- ANSWER**

		<u>VAT</u> <u>1/6</u>	<u>NET AMOUNTS</u> <u>CREDITED TO</u> <u>ACCOUNTS</u>	
a)	<b><u>VAT OUTPUT TAX</u></b>			
	<b><u>CASH RECEIVED</u></b>			
	Bar sales	53268.00 Standard rated	8878.00	44390.00
	Fruit machines	4200.00 Standard rated	700.00	3500.00
	Raffles and draws	3250.00 Exempt	0.00	3250.00
	Sale of cash register	1000.00 Standard rated	166.67	833.33
	Share capital	200.00 Outside the scope	0.00	200.00
	Juke box	864.00 Standard rated	144.00	720.00
	Cover charges	1530.00 Standard rated	255.00	1275.00
	<b>TOTAL OUTPUT TAX FOR THE PERIOD-----</b>		<b><u>10143.67</u></b>	
b)	<b><u>CASH AND BANK PAYMENTS</u></b>			
		<b><u>GROSS</u></b>	<b><u>VAT Included</u></b>	<b><u>NET</u></b>
	Brewery for beers	21348.00	3558.00	17790.00
	auditor	1200.00	200.00	1000.00
	Painter & decorator	2760.00	460.00	2300.00
	New cash register	1440.00	240.00	1200.00
	New fixtures	15000.00	2500.00	12500.00
	Insurances	1300.00	0.00	1300.00
	<b>TOTAL INPUT TAX FOR THE PERIOD-----</b>		<b><u>6958.00</u></b>	
c)	<b>TOTAL OUTPUT TAX FOR THE PERIOD-----</b>		10143.67	
	<b>TOTAL INPUT TAX FOR THE PERIOD-----</b>		<u>6958.00</u>	
	<b>VAT LIABILITY FOR THE PERIOD-----</b>		<b><u>3185.67</u></b>	