

**QUESTION 1 -- ANSWER**

**DRINKERS DELIGHT SOCIAL CLUB LTD**

	<u>2012</u>	<u>2011</u>	
<b>Bar trading account:</b>			
Sales (excluding VAT)	369,183	355,300	
Less: Cost of sales	<u>(169,166)</u>	<u>(174,097)</u>	
Gross profit	54.18      200,017	181,203	51.00
<b>Other income:</b>			
Games and entertainments	26,789	25,636	
Investment income	700	500	
Sundry income	<u>1,800</u>	<u>1,500</u>	
	29,289	27,636	
	<u>229,306</u>	<u>208,839</u>	
<b>Deduct - expenses:</b>			
Wages	(110,763)	(99,484)	
Entertainments	(31,587)	(32,977)	
Repairs and renewals	(14,565)	(12,765)	
Rent and rates	(20,424)	(20,424)	
Light and heat	(20,245)	(17,212)	
Cleaning materials	(2,521)	(2,553)	
Printing, postages and stationery	(1,892)	(1,702)	
Telephones	(690)	(851)	
Professional fees	(1,600)	(2,553)	
Depreciation	(6,488)	(7,500)	
Loan interest	(3,562)	(500)	
Other costs	<u>(6,394)</u>	<u>(5,106)</u>	
	(220,731)	(203,627)	
<b>PROFIT FOR THE YEAR</b>	<u>8,575</u>	<u>5,212</u>	

**QUESTION 3- ANSWER**

	<u>Units of Quantity</u>	<u>Stock to begin</u>	<u>Purchases</u>	<u>Stock to end</u>	<u>Stock consumed</u>	<u>Selling price per unit</u>	<u>Retail value of stocks consumed</u>
(1) Lager	Gallons	130	198	110	218	17.60	3836.80
(2) Beer	Gallons	132	132	64	200	15.20	3040.00
(3) Bottles	Dozens	6	18	9	15	12.00	180.00
(4) Whiske	Bottles	20	11	11	20	12.00	240.00
<b>TOTAL VALUES OF STOCKS CONSUMED-----</b>							<b>7296.80</b>
<b>Takings as per Stewards Bar Takings Book</b>							6202.60
<b>Stock DEFICIENCY</b>							<b>-1094.20</b>

QUESTION 5 - ANSWER

	<u>Kwack</u>	<u>Hornet</u>	<u>Fireblade</u>
Retail price per pint (incl VAT)	2.80	2.45	2.60
Less:VAT	0.47	0.41	0.43
Sales price per pint (Excl VAT)	<u>2.33</u>	<u>2.04</u>	<u>2.17</u>
Cost price per pint (Excl VAT)	<u>1.18</u>	<u>1.12</u>	<u>1.25</u>
Gross profit per pint	<u>1.15</u>	<u>0.92</u>	<u>0.92</u>
Gross profit %			
$\frac{\text{Gross profit}}{\text{Sales price}} * 100$	49	45	42

**QUESTION 7- ANSWER**

1. Fixed assets

These are tangible assets (items which are owned) having a useful life in the business which extends over several years and as such are not "exhausted" within the next twelve month period. They include items such as fixtures, fittings and equipment and they also include a club's freehold land and buildings.

2. Current assets

These are assets (items which are owned) which are either existing cash and bank balances or are assets which will be converted into cash and bank balances within the next accounting period (twelve months). They include items such as stocks, debtors and prepayments, and investments.

3. Current liabilities

These are liabilities (amounts which are owed) which are payable within the next accounting period (twelve months). They include items such as trade creditors for beer supplies, amounts owed for expenses, value added tax liability, PAYE liability, corporation tax liability and loan repayments which are due within the next twelve months.

4. Long term liabilities

These are liabilities (amounts which are owed) which are due to be paid after more than twelve months from the balance sheet date. These include bank loans and brewery loans.

5. Shareholders funds

This comprises the share capital of a registered Industrial and Provident Society club together with the accumulation of profits (less losses) from the date the club first opened. The latter is often referred to as the "Reserves" of the club or the "Accumulated Funds". The share capital plus reserves represents the total of shareholder's funds. In a Friendly Society club there are no "shareholders" funds, the expression "Reserves" or "Accumulated Funds" is used.

6. Debtors

These are assets which are owed to the business. They are normally shown as current assets because the amounts involved are receivable within twelve months of the balance sheet date. People and organisations who owe money to the club are therefore the club's debtors.

7. Creditors

These represent liabilities of the club. They can either be current liabilities or long term liabilities. Whenever the club owes money to some other person or organisation they therefore represent the club's creditors.