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SUBJECT:	<b>Accounting</b>
PAPER NUMBER:	I
DATE:	10 <sup>th</sup> May 2018
TIME:	4:00 p.m. to 6:05 p.m.

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Answer **ALL** questions.

Question 1-10 are multiple choice and carry 2 marks each. Questions 11-14 carry 20 marks each.

**Write on the booklet the correct answer for each of the following.**

- The purpose of accounting concepts is to:
  - prepare the ledger accounts on a double entry system.
  - provide a basic framework for the preparation of financial statements.
  - correct errors.
  - ensure that the totals of the statement of financial position agree.
- A withdrawal of cash from the bank for business use has the following correct double entry:
 

Debit	Credit
a) Cash account	Bank account
b) Drawings account	Bank account
c) Bank account	Cash account
d) Bank account	Drawings account
- The statement of financial position of Holly & Benji shows a total assets value of €220,000, of which the non-current assets carrying value is €150,000. The total liabilities of €65,000 include current liabilities of €35,000. From these figures, it may be ascertained that Holly & Benji's:
  - working capital was €185,000 and their capital employed was €35,000.
  - working capital was €35,000 and their capital employed was €185,000.
  - working capital was €185,000 and their capital employed was €155,000.
  - working capital was €155,000 and their capital employed was €185,000.
- The proprietor of a business has paid for her personal water and electricity bill from the business bank account and in the calculation of profit it was treated as a business expense. Which accounting concept determines the correct accounting treatment?
  - Consistency concept.
  - Accruals concept.
  - Prudence concept.
  - Business entity concept.
- When the totals of a trial balance disagree the difference is entered in:
  - a suspense account.
  - the journal.
  - a statement to correct net profit.
  - the capital account.

6. The partners in a business are entitled to a monthly salary. The correct double entry is:
- | Debit                                    | Credit                                |
|--|---------------------------------------|
| a) Partners' current accounts            | Profit and loss appropriation account |
| b) Partners' salaries accounts           | Bank account                          |
| c) Profit and loss appropriation account | Partners' current accounts            |
| d) Drawings account                      | Bank account                          |
7. The All Souls Band Club paid €4,250 for printing and stationery in its first year of existence. At the end of the year, the club owed €750 for this item. In its statements for the first year, the club showed:
- €4,250 in the income and expenditure account and €5,000 in the receipts and payments account.
  - €5,000 in the income and expenditure account and €4,250 in the receipts and payments account.
  - €750 in the income and expenditure account and €5,000 in the receipts and payments account.
  - €5,000 in the income and expenditure account and €750 in the receipts and payments account.
8. Which of the following is not a book of prime (original) entry?
- Cash book.
  - Petty cash book.
  - Journal.
  - Sales ledger.
9. Which of the following equations is correct?
- Share capital + debentures = shareholders' funds.
  - Retained earnings + share premium = shareholders' funds.
  - Share capital + reserves = shareholders' funds.
  - Authorised share capital + issued share capital = shareholders' funds.
10. Julia marks up her goods by 25% on cost. Her sales for the year were €200,000 while her opening and closing inventory for the year were €20,000 and €30,000 respectively. From these figures it follows that her purchases for the same year were:
- €25,000.
  - €40,000.
  - €160,000.
  - €170,000.

11. a) Which aspect of the financial statements is of main concern to the trade payables? Explain the reason for your answer. (3)

b) Name and explain the accounting concept applied in the annual transfer to the statement of profit or loss to account for an increase or decrease in the allowance for trade receivables. (3)

c) Distinguish between variable costs and fixed costs, giving **ONE** example of each cost classification. (2)

d) The following bank statement was received by Josephine Scicluna:

			Debit	Credit	Balance
			€	€	€
2018					
1	March	Balance			50 Cr
8	March	V Valetta	60		?? ?
21	March	Credit transfer – C Ellul		100	?? ?
27	March	Standing order – loan interest	70		?? ?
31	March	Bank charges	10		?? ?

Calculate each missing balance in the statement above, stating whether it is a debit or credit balance. (2)

e) Prepare the manufacturing account for Cliff Dingli from the following list: (10)

	€
Purchase of raw materials	600,000
Opening inventory of raw materials	65,000
Closing inventory of raw materials	70,000
Carriage inwards on raw materials	16,000
Opening inventory of work in progress	30,500
Closing inventory of work in progress	28,000
Direct wages	531,500
Indirect wages	206,500
Rent of factory	30,000
Insurance of factory building and machinery	15,500
Fuel & power	56,250
Royalties	13,750
General factory expenses	11,750
Repairs & maintenance of factory machinery	38,750
Depreciation of factory machinery	57,500

**(Total: 20 marks)**

***Please turn the page.***

12. a) Distinguish between the allocation and apportionment of expenses. (2)
- b) Give **TWO** reasons why a business would want to calculate the profit or loss of each of its different departments. (2)
- c) The trial balance shows a credit VAT balance. Explain how a credit balance arises and state where the VAT credit balance is entered in the financial statements. (2)
- d) Which accounting concept determines the different accounting treatment for revenue expenditure and capital expenditure? Explain the reasons for your answer. (2)
- e) The following are extracts from the statements of financial position of Laura’s business as at 31 December 2016 and 2017:

	2016	2017
	€	€
<b>Current Assets</b>		
Insurance prepaid	1,100	900
Accrued rent receivable	3,000	-
<b>Current Liabilities</b>		
Accrued wages	1,400	1,600
Prepaid rent receivable	-	1,500

The following is an extract from the summarised Cash Book (Bank columns only) of Laura for the year ended 31 December 2017:

	Debit		Credit
	€		€
Rent received	22,500	Wages	17,800
		Insurance	3,200

Prepare:

- i) The wages account. (4)
- ii) The insurance account. (4)
- iii) The rent receivable account. (4)

**(Total: 20 marks)**

13. a) What is a sales ledger control account and what is its purpose? (2)

b) Invoices issued, credit notes received, cheque counterfoils and an invoice for the purchase of a machine are source documents used to complete the books of original entry. For each of these documents, state the book for which the document is the source document. (2)

c) How does the money measurement concept effect the preparation of the financial statements? (2)

d) Which accounting profitability ratio provides the best evaluation of performance? Explain why. (2)

e) Jean started a business on 1 April 2017 but he kept very limited accounting records. He was able to provide you with the following information:

- A summary of the bank transactions for the year ended 31 March 2018 includes the following receipts and payments:

	€
Receipts from trade receivables	119,000
Payments to trade payables	88,000

- In addition to the credit sales, Jean had a few cash customers. The cash received was not deposited into the bank but instead it was used to pay a part time assistant wages of €100 weekly and personal drawings of €1,200 monthly. A cash float of €500 was in the business at 31 March 2018.

- Other balances at 31 March 2018:

	€
Inventory	18,000
Trade receivables	13,200
Trade payables	8,800

Prepare:

- i) The trade receivables control account. (3)
- ii) The trade payables control account. (3)
- iii) The cash account. (3)
- iv) The statement of profit or loss for the first year in business showing **only** the measure of gross profit. (3)

**(Total: 20 marks)**

***Please turn the page.***

14. Study the following statement of financial position extract and then answer the questions below.

Statement of financial position of Come plc as at 31 March 2018

	€
<b>Issued share capital</b>	
€2 ordinary share capital	600,000
Share premium	150,000
Retained earnings	350,000
	1,100,000
5% Debentures	400,000
	1,500,000

Note: Half of the shares were issued at a premium and paid in full.  
The current market value of an ordinary share is €5.50.

- a) i) Calculate the annual interest that is payable to the debenture holders. (1)
- ii) Calculate the number of ordinary shares issued by the company to date. (1)
  
- b) i) A dividend of €0.30 per share was paid. Calculate the total dividend paid. (2)
- ii) Distinguish between the nominal value and market value of shares. (2)
  
- c) Mention **TWO** advantages of limited liability companies in contrast to unlimited liability business organisations. (2)
  
- d) i) What was the price paid for each share issued at a premium? (1)
- ii) What is the total amount of shareholders' funds? (1)
  
- e) Amber and Bella are in partnership. Their Partnership Deed provides for:  
Interest on capital at 5% per year.  
Salary to be paid to Bella of €700 per month.  
Any remaining profit or loss to be shared equally.  
Their books showed the following:

	Amber	Bella
	€	€
Capital accounts (1 January 2017)	120,000	90,000
Current accounts (1 January 2017)	800 Dr	300 Cr
Cash drawings during 2017	17,500	30,000

Bella introduced €10,000 additional capital on 1 July 2017.  
During the year Amber took €3,875 worth of goods for personal use from the business.  
On 31 December 2017 their accounts showed a net profit for the year of €51,500.

Prepare:

- i) The appropriation account for the year ended 31 December 2017. (5)
- ii) The partners' current accounts. (5)

**(Total: 20 marks)**




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SUBJECT:	<b>Accounting</b>
PAPER NUMBER:	IIA
DATE:	11 <sup>th</sup> May 2018
TIME:	4:00 p.m. to 6:05 p.m.

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Answer **BOTH** questions in Section A and **any TWO** questions from Section B.

**SECTION A:**

**Answer BOTH questions in this section. This section carries 60 marks.**

1. The following trial balance was extracted from the ledger accounts of Maria Young on 31 March 2018, the end of the business's financial year:

	€	€
Capital		295,000
Drawings	37,500	
Trade receivables	42,000	
Trade payables		35,500
Cash at bank	8,250	
Buildings	260,000	
Allowance for buildings depreciation 1/04/2017		30,000
Equipment	85,000	
Allowance for equipment depreciation 1/04/2017		8,500
Motor vehicles	38,000	
Allowance for vehicles depreciation 1/04/2017		14,400
5% Loan		50,000
Inventory 1/04/2017	32,450	
Allowance for doubtful debts 1/04/2017		3,200
Carriage on purchases	8,400	
Returns	5,100	3,500
Carriage on sales	1,650	
Purchases & sales	387,100	535,500
Wages & salaries	55,000	
Irrecoverable debts	2,100	
Rent received		10,000
Insurance	4,250	
Water & electricity	6,450	
Interest on loan	1,250	
Discounts	2,300	3,100
General administrative expenses	3,250	
Communication expenses	5,250	
Delivery expenses	3,400	
	988,700	988,700

***This question continues on next page.***

At the end of the financial year the following information has been provided by Maria:

- i) Closing inventory had a value of €36,500.
- ii) The interest on loan is payable every six months. The payment for the six months ended 31 March 2018 is still due.
- iii) The business receives rents of €1,000 monthly.
- iv) Records show that 175 overtime hours remunerated at €9 per hour were not included in the trial balance as payment will be made in April.
- v) The insurance payments include an annual payment of €1,200 for the year ending 30 June 2018.
- vi) The allowance for doubtful debts at 1 April 2017 was for a specific customer who has been declared bankrupt during this year. No accounting entries have been made. Moreover, in the year-end list of trade receivables an account of €2,400 was identified as unlikely to be collected.
- vii) On 31 March 2018 administrative expenses of €1,800 were still unpaid and a payment of €600 which is included in the trial balance relates to a payment in advance.
- viii) The business provides a full year depreciation on the assets held at the end of the year as follows:

Buildings	2% straight line method
Motor vehicles	20% reducing balance method
Equipment	10% straight line method

**Required:**

- a) The statement of profit or loss for the year ended 31 March 2018. (18)
- b) The statement of financial position as at 31 March 2018. (12)

**(Total: 30 marks)**



2. The draft financial statements of Tina Tanti for the year ending 31 March 2018 failed to agree. A suspense account has therefore been opened, and subsequently the following errors and omissions were discovered which, when corrected, eliminated the balance on the suspense account.
- i) Invoices received from credit suppliers €950 were correctly entered in the purchases ledger but incorrectly posted to the sales journal.
  - ii) An amount of €600 received from commissions was credited in the bank account.
  - iii) Discount of €400 allowed to a credit customer had been correctly posted in the receivable account, but it was included in the cash book with the discounts received.
  - iv) Goods withdrawn by the proprietor for personal use €850 were only recorded in the drawings account.
  - v) The sales returns day book had an undercast of €200.
  - vi) A cash sale of €110 was credited in the trade receivables account.

It was also noted that machinery costing €12,000 which had been acquired in April 2014 was sold in April 2017 for €1,600 cash. It is the policy of the business to charge 40% depreciation per annum using the reducing balance method, charging a full year depreciation in the year of purchase and nothing in the year of sale. After the preparation of the financial statements it was realised that no accounting entries were made to record the disposal of the asset and in error the machinery account balance included this machine.

**Required:**

- a) Journal entries to correct errors (i) to (vi) (narratives are not required). (12)
- b) A suspense account showing the difference in the trial balance. (6)
- c) The disposal of machinery account. (4)
- d) A statement to correct net profit for the year, starting from a draft profit of €37,000. (8)

**(Total: 30 marks)**

***Please turn the page.***

**SECTION B:**

**Answer any TWO questions. This section carries 40 marks.**

3. The cash book of All Colours Ltd showed a balance of €870 at the bank on 31 March 2018 while the bank statement showed €741 on the same date. On investigation you find that:
- i) A standing order for a journal subscription of €120 had been paid by the bank on 30 March 2018 but no entry had been made in the cash book.
  - ii) Cheques from customers amounting to €547 which were entered in the cash book on 31 March 2018, were not credited by the bank until the following day.
  - iii) Cheques for €910 sent to trade payables on 31 March 2018 and entered in the cash book were not paid by the bank until 7 April 2018.
  - iv) A cheque of €550 received from a trade receivable was returned by the bank due to the customer's insufficient funds. The bank debited All Colour's account but no entry was made in the company's books.
  - v) On 30 March 2018, a credit transfer of €225 in settlement of the balance in a customer's account was received by the bank but no entry was made in the books of All Colours Ltd.
  - vi) Bank charges of €35 had not been entered in the cash book.
  - vii) On 23 March 2018, a cheque for €228 was received from a customer in settlement of an invoice for €240. An entry of €240 was made in the cash book.

**Required:**

- a) An up-dated cash book showing the new bank balance on 31 March 2018. (13)
- b) A statement to reconcile the difference between the new up-to-date balance in the cash book and the balance in the bank statement on 31 March 2018. (7)

**(Total: 20 marks)**

4. The following list of balances and results has been taken from the financial statements of James Yankee at 31 December 2017:

	€
Sales	450,000
Gross Profit	81,000
Net Profit	40,500
Net non-current assets	137,000
Inventory at 31 December 2017	35,000
Trade receivables	38,000
Trade payables	45,000
Bank overdraft	5,000
Cash in hand	2,000
6% Loan	30,000
Capital	132,000

The following are the most recent industry averages published by the trade association.

Gross profit margin	25.0%
Net profit margin	12.0%
Return on capital employed	19.0%
Current ratio	2.1:1
Quick (acid test) ratio	1.6:1

**Required:**

- a) Calculate the following ratios for the business of James Yankee:
- i) Gross profit margin; (2)
  - ii) Net profit margin; (2)
  - iii) Return on capital employed; (3)
  - iv) Current ratio; (3)
  - v) Quick asset ratio. (3)
- b) Evaluate the performance and the liquidity position of James Yankee's business and suggest **ONE** possible reason for the difference between the business's ratios and the industry averages. (7)

**(Total: 20 marks)**

5. The Active Aging Social Club does not keep a full set of accounting records. However, the treasurer managed to extract the following details from the records that are available:

Balances as at:	1 January 2017	31 December 2017
	€	€
Equipment at net book value	19,500	17,000
Prepaid subscriptions	300	200
Accrued subscriptions	900	1,200
Accrued electricity expenses	420	490
Prepaid insurance	260	320
Bar inventory	1,200	1,350
Bar payables	2,400	1,400

A summary of the receipts and payments for the year ended 31 December 2017 is as follows:

	€
Subscriptions	13,900
General club expenses	8,250
Bar takings	12,600
Payments to bar creditors	9,400
Rent	4,000
Insurance	810
Electricity	930
Net receipts from social activities	1,850

The following additional information is also available:

- i) It is the club's policy to write off any subscriptions that have been in arrears for more than one year. During the year four members who owed last year's subscription have been struck off the membership list. The annual subscription fee of €100 has remained the same as that of last year.
- ii) The club did not buy or sell equipment during the year.

**Required:**

- a) The subscriptions account for the year ended 31 December 2017. (7)
- b) The bar trading account for the year ended 31 December 2017. (5)
- c) The income and expenditure account for the year ended 31 December 2017. (8)

**(Total: 20 marks)**




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SUBJECT:	<b>Accounting</b>
PAPER NUMBER:	IIB
DATE:	11 <sup>th</sup> May 2018
TIME:	4:00 p.m. to 6:05 p.m.

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Answer **BOTH** questions in Section A and **any FOUR** questions from Section B.

**SECTION A:**

**Answer BOTH questions in this section. This section carries 40 marks.**

1. Peter Spiteri is a sole trader. He managed to extract the following trial balance from the ledger as at 31<sup>st</sup> March 2018:

	€	€
Capital		77,000
Delivery vans at cost	23,700	
Office equipment at cost	13,200	
Allowance for depreciation as at 1 <sup>st</sup> April 2017: Vans		5,000
Allowance for depreciation as at 1 <sup>st</sup> April 2017: Equipment		2,000
Purchases	87,600	
Sales		153,300
Drawings	22,200	
Administrative expenses	7,600	
Distribution expenses	9,220	
Wages and salaries	20,000	
Van repairs and maintenance	3,500	
Trade receivables	36,100	
Trade payables		19,300
Inventory as at 1 <sup>st</sup> April 2017	23,000	
Bank	10,480	
	256,600	256,600

The following information is also available as at 31<sup>st</sup> March 2018:

- i) Inventory as at 31<sup>st</sup> March 2018 was valued at €24,500.
- ii) Employees worked 150 overtime hours at €9 per hour during March 2018. The overtime has not been accounted for as it will be paid in April 2018.
- iii) The cost of €700 for a new laptop was debited to administrative expenses.
- iv) Van repairs and maintenance costs include a €1,800 premium paid on a maintenance agreement covering the period 1<sup>st</sup> April 2017 to 30<sup>th</sup> September 2018.
- v) An amount of €600 due from a trade receivable is to be written off as an irrecoverable debt.
- vi) An allowance for doubtful debts of €500 is to be created.
- vii) Depreciation is to be charged on delivery vans at 20% per annum on cost and on office equipment at 10% per annum on cost.

**Required:**

- a) The statement of profit or loss for the year ended 31<sup>st</sup> March 2018. (12)
- b) The statement of financial position as at that date. (8)

**(Total: 20 marks)**

2. On preparing the trial balance Jennifer noted that it failed to agree. She entered the difference in a suspense account and after checking the accounts she found the following errors:

- i) Purchases of goods from S Mangion €380 were posted to the personal account as €80.
- ii) The purchases day book was overcast by €25.
- iii) Discount of €34 allowed to D Palmier was entered on the debit side of the personal account.
- iv) A credit sale of €96 was incorrectly entered as €69 in the accounts.
- v) Sales returns of €120 were debited in the returns outwards account.
- vi) €20 received from C Cachia was credited in error in C Cauchi's account.

**Required:**

- a) Prepare the journal entries to correct the above errors (narrations are not required). (12)
- b) The suspense account showing the difference in the trial balance. (8)

**(Total: 20 marks)**

**SECTION B:**

**Answer any FOUR questions from this section. This section carries 60 marks.**

3. Ramon has a car hire garage. On 1<sup>st</sup> January 2014, he bought a car costing €15,200 on credit from New Cars Ltd. This car was depreciated using the reducing balance method at the rate of 20% per annum. He disposed of it on 1<sup>st</sup> January 2017 for €7,000 cash and on the same date he bought another car for €18,600 paying by cheque.

**Required:**

- a) The motor car account for the four years 2014 to 2017. (4)
- b) The motor car allowance for depreciation account for the four years 2014 to 2017. (5)
- c) The motor car disposal account. (4)
- d) Show how the motor car would be shown in the statement of financial position at 31<sup>st</sup> December 2017. (2)

**(Total: 15 marks)**

4. The following are some of the balances which appear in the books of Kate Meilaq on 1<sup>st</sup> January 2018:

		€
Cash Book (Debit bank balance)		5,500
Purchases Ledger	J Borg	900
	R Mangion	420
Sales Ledger	R Bonnici	160
	D Privitelli	940
General Ledger	Sales	15,000
	Purchases	8,350
	Returns outwards	400

During the month of January 2018 the following transactions took place:

January	
6	Received cheque from R Bonnici in settlement of amount outstanding on 1 <sup>st</sup> January 2018.
7	Sent cheque in settlement of J Borg’s account less 3% cash discount.
9	Sold goods on credit to R Bonnici list price €1,000 less 20% trade discount.
12	Purchased goods on credit from R Mangion list price €3,200 less 25% trade discount.
14	Sold goods on credit to D Privitelli €600.
15	Returned goods to R Mangion list price €200 on which 25% trade discount had been deducted.
24	Sold goods on credit €1,600 to R Mangion. An account for R Mangion was opened in the sales ledger for this transaction.
30	R Mangion’s account in the sales ledger was set off against his account in the purchases ledger.

**Required:**

- a) Open the ledger accounts in the books of Kate Meilaq on 1<sup>st</sup> January 2018. (3)
- b) Enter the transactions for the month of January 2018 in the ledger accounts. (8)
- c) Balance the accounts in the sales and purchases ledgers at 30<sup>th</sup> January 2018. (4)

**(Total: 15 marks)**

***Please turn the page.***

5. Shown below is the cash book summary (bank columns only) of Mandy Portelli for the month of February 2018:

**Cash Book**

2018		€	2018		€
Feb 1	Balance b/d	7,600	Feb 7	Water and Electricity	400
Feb 5	P Tabone	800	Feb 12	Stationery	60
Feb 25	A Borg	560	Feb 15	Salaries	4,800
			Feb 20	F Falzon	940
			Feb 26	D Camilleri Borg	600
			Feb 28	Balance c/d	2,160
		<b>8,960</b>			<b>8,960</b>

**Bank Statement**

2018		Debit €	Credit €	Balance €
Feb 1	Balance b/f			7,600
Feb 7	Cheque		800	8,400
Feb 10	Cheque (water and electricity)	400		8,000
Feb 14	Cheque (stationery)	60		7,940
Feb 18	Cheque (salaries)	4,800		3,140
Feb 22	F Falzon	940		2,200
Feb 25	Standing Order: Advertising Ltd	50		2,150
Feb 26	A Cassar credit transfer		125	?
Feb 28	Bank charges	12		?

**Required:**

- a) Update the cash book as at 28<sup>th</sup> February 2018. (7)
- b) Calculate the missing bank balance in the bank statement as on 28<sup>th</sup> February 2018. (2)
- c) Prepare a bank reconciliation statement for the month of February 2018. (6)

**(Total: 15 marks)**

6. Poppy Debono manages a traditional retail shop which she split into two departments: stationery and sweets. The floor area occupied for stationery and sweets is in the ratio 2:3.

Information for the year ended 31<sup>st</sup> December 2017 is given below:

	<b>Stationery €</b>	<b>Sweets €</b>
Inventory 1 <sup>st</sup> January	1,800	4,200
Purchases	35,200	48,800
Sales	45,000	75,000
Inventory 31 <sup>st</sup> December	1,000	3,000
Salaries	4,350	4,700

- i) Rent payments during the year for eighteen months to 30<sup>th</sup> June 2018 were €4,500.
- ii) Water and electricity paid during the year amounted to €2,000 and €400 accrued.
- iii) Expenses for advertising on periodicals and billboards incurred during the year amounted to €3,200.

Rent and water and electricity are apportioned between the departments on the basis of floor area, whilst advertising expenses are divided using the ratio of sales.

**Required:**

- a) The statement of profit or loss for the year ended 31<sup>st</sup> December 2017 showing the gross profit and net profit for each department (totals are not required). (11)
- b) Calculate the following ratios for each department **and** for the business as a whole:
  - Gross profit mark up. (2)
  - Net profit margin. (2)

**(Total: 15 marks)**

***Please turn the page.***



7. Dance With Me Social Club has prepared the following Receipts and Payment account for the year ended 31<sup>st</sup> December 2017:

**Receipts and Payments Account**

<b>2017</b>		<b>€</b>	<b>2017</b>		<b>€</b>
Jan 1	Balance b/d	620		Bar Wages	6,400
	Subscriptions	5,600		Wages for security	1,200
	Donations	700		Rent	450
	Fund raising activities	365		Communication	250
	Bar sales	9,850		Water & Electricity	980
				Dance expense	575
				Maintenance	365
				Bar purchases	6,400
			Dec 31	Balance c/d	515
		<b><u>17,135</u></b>			<b><u>17,135</u></b>

The following information was also recorded by the treasurer of the club:

- i) Subscriptions received during the year included €280 which were in arrears from 2016, and €160 were paid in advance for the year 2018.
- ii) There were €60 prepaid subscriptions on 1<sup>st</sup> January 2017.
- iii) On 31<sup>st</sup> December 2017, €65 subscriptions for the year were still unpaid.
- iv) The bar inventory at 31<sup>st</sup> December 2017 was €1,330. There had been no bar inventory at the beginning of the period. All bar purchases were made on cash basis terms.

**Required:**

- a) The subscriptions account. (5)
- b) The bar trading and profit and loss account showing any profit or loss. (3)
- c) The income and expenditure account for 2017. (7)

**(Total: 15 marks)**