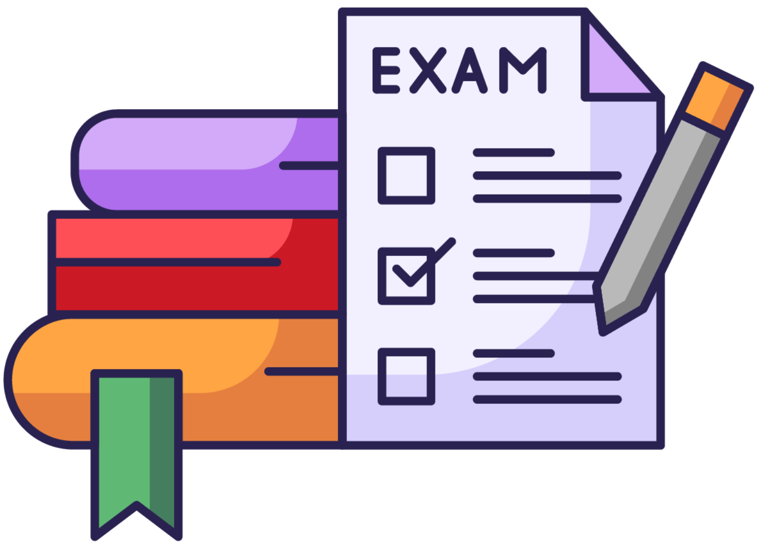
JC BUSINESS HUB

CLASS EXAM & SOLUTIONS



Chapter 26 – Class Exam

Name:________________ **Score:_____/60**

Answer all questions

Suggested Exam Length: 25 minutes

Student Input (Pre-exam)

How confident are you about this exam?

What topic am I worried about before I look at the exam? Why?

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What strategies did you use to study for this exam? What was the best one?

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Which activities in class did you most enjoy for this topic?

____

____

Student Reflection (Post-exam)

How happy were you with your result?

What were the hardest questions? Why?

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____

Is there any exam technique I should change/use again for my next exam?

____

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What topics should I look over again?

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____

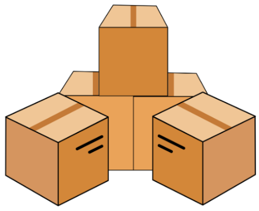
Q1 (a) Complete the following extract of the Statement of Financial Position of O'Grady Ltd as at 31/12/2026

Buildings depreciation 2% on cost   Vehicles depreciation 20% on cost

Fixed Assets	Cost	Dep	Net Book Value
	€	€	€
Buildings	400,000		
Vehicles	80,000		

Workings

(b) Circle either fixed asset or current asset for each of these assets a business might own

		
Premises	Closing Stock	Cash
FIXED ASSET CURRENT ASSET	FIXED ASSET CURRENT ASSET	FIXED ASSET CURRENT ASSET

(c) Complete the Income Statement given for Hincapie Ltd for the year ended 31/12/2027

Income Statement for Hincapie Ltd 31/12/2027		
	€	€
Sales		120,000
Less cost of sales		
Add Opening Stock	8,000	
Purchases	62,000	
	(i)	
Less Closing Stock	13,000	
Cost of Sales		(ii)
Gross Profit		(iii)

Q2

The following trial balance was taken from the books of Blitz Ltd, on 31/12/2026. The Authorised Share Capital is 400000 €1 ordinary shares.		
	€	€
Sales		410,000
Purchases	190,000	
Carriage inwards	31,000	
Stock 01/01/26	18,000	
Insurance	14,500	
Marketing	22,300	
Salaries	101,000	
Electricity	17,000	
Buildings	260,000	
Equipment	75,000	
Cash	4,500	
Dividends paid	15,000	
Debtors	24,700	
Creditors		17,800
Bank overdraft		6,000
Profit and loss balance 01/01/26		39,200
Issued share capital		300,000
Total	**773,000**	**773,000**

The following information is also provided:	
Stock 31/12/26	€21,100
Depreciation on Buildings	2%
Depreciation on Equipment	20%

Workings:

Depreciation on Buildings	Calculate depreciation by multiplying the value of the asset by the percentage given
Depreciation on Equipment	

(a) Income Statement of Blitz Ltd for the year ended 31/12/2026

	€	€	€
Sales			410,000
Less cost of sales			
Add Opening Stock		18,000	
Purchases		190,000	
Carriage inwards		31,000	
		239,000	
Less Closing Stock		21,100	
Cost of Sakes			217,900
Gross Profit			192,100

(b) Statement of Financial Position of Blitz Ltd as at 31/12/2026

	€	€	€
Fixed Assets			
Current Assets			
Current Liabilities/Creditors amounts falling due within 1 year			
Working Capital			
Total Net Assets			
Financed by			
Capital Employed			

Solution – 60 marks in total

MS: 2m each depreciation figure, 1m NBV

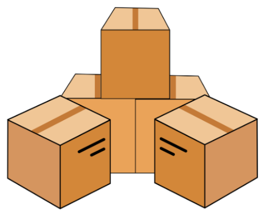
Fixed Assets	Cost	Dep	Net Book Value
	€	€	€
Buildings	400,000	10,000	490,000
Vehicles	80,000	9,750	55,250

Workings

Buildings	€500,000 x 2% =	€10,000
Vehicles	€65,000 x 15% =	€9,750

(b) Circle either fixed asset or current asset for each of these assets a business might own

MS: 2m for each

		
Premises	Closing Stock	Cash
FIXED ASSET	CURRENT ASSET	CURRENT ASSET

(c) Complete the Income Statement given for Hincapie Ltd for the year ended 31/12/2027

MS: 2m for each; O.F. for (ii) and (iii)

Income Statement for Hincapie Ltd 31/12/2027		
	€	€
Sales		120,000
Less cost of sales		
Add Opening Stock	8,000	
Purchases	62,000	
	70,000	
Less Closing Stock	13,000	
Cost of Sales		**57,000**
Gross Profit		**63,000**

Q2 – Marks shown MS: 42marks total

	Income Statement of Blitz Ltd for the year ended 31/12/2026				
		€	€	€	
	Sales			410,000	
	Less cost of sales				
	Add Opening Stock		18,000		
	Purchases		190,000		
	Carriage inwards		31,000		
			239,000		
	Less Closing Stock		21,100		
	Cost of Sakes			217,900	
	Gross Profit			192,100	
1m	**Less Expenses**				
	Insurance		14,500		1m
	Marketing		22,300		1m
	Salaries		101,000		1m
	Electricity		17,000		1m
	Depreciation on Buildings	3m	5,200		
	Depreciation on Equipment	3m	15,000		
	Total Expenses			175,000	
1m	**Net Profit**			17,100	2m
	Less Dividend Paid			15,000	1m
				2,100	
	Add Profit and Loss Balance 01/01			39,200	1m
1m	**Profit and Loss Balance 31/12/26**			41,300	1m

	Statement of Financial Position of Blitz Ltd as at 31/12/2026				
		Cost	Dep	N.B.V.	
1m	**Fixed Assets**	€	€	€	
	Buildings	260,000	5,200	254,800	3m
	Equipment	75,000	15,000	60,000	3m
		335,000	20,200	314,800	
1m	**Current Assets**				
	Cash	4,500			1m
	Debtors	24,700			1m
	Stock 31/12	21,100	50,300		1m
1m	**Current Liabilities/Creditors amounts falling due within 1 year**				
	Creditors	17,800			1m
	Bank Overdraft	6,000	23,800		1m
1m	**Working Capital**			26,500	1m
1m	**Total Net Assets**			341,300	1m
1m	**Financed by**	Authorised	Issued		
	Share Capital €1 Ordinary Shares	400,000	300,000		2m
	Profit & Loss Balance 31/12		41,300		1m
1m	**Capital Employed**			341,300	1m