



**Answer ALL questions. Write your answers in the spaces provided.**

You will need to use the data on **page 3** of the Resource Booklet to answer parts (a), (b) and (c).

**1** (a) Calculate the adjusted profit for the year ended 31 March 2019.

(4)

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(b) Complete the statement of changes in equity for the year ended 31 March 2019.

(6)

**Farmell plc**  
**Statement of changes in equity for the year ended 31 March 2019**

	<b>Share capital \$000</b>	<b>Share premium \$000</b>	<b>Retained earnings \$000</b>	<b>Total \$000</b>
Balance at 1 April 2018	2 000	390	1 240	3 630
Rights issue				
Final dividend				
Bonus issue				
Interim dividend				
Profit for the year				
Balance at 31 March 2019				

(c) Prepare the following accounts:

(i)

(4)

**Ordinary Share Capital Account**

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(ii)

(3)

**Share Premium Account**

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(d) State **two** responsibilities of the external auditor of a limited company.

(2)

1 .....

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2 .....

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(e) Identify, indicating with a tick (✓), whether each event is an adjusting event or a non-adjusting event.

(2)

<b>Event</b>	<b>Adjusting event</b>	<b>Non-adjusting event</b>
A credit customer owing \$2 000 is declared bankrupt one week after the supplying company's financial year-end.		
A company declares a final dividend six weeks after the financial year-end.		

**(Total for Question 1 = 21 marks)**

You will need to use the data on **pages 4 and 5** of the Resource Booklet to answer parts (a) and (b).

- 2** (a) Complete the extract of the statement of profit or loss for the year ended 31 December 2018 as indicated.

(4)

**Raplay Ltd**  
**Statement of profit or loss for the year ended 31 December 2018**

	\$
Profit from operations	
Profit for the year	87 000



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You will need to use the data on **pages 6 and 7** of the Resource Booklet to answer Question 3.

- 3** (a) Explain **one** reason why it was necessary to show the property, plant and equipment of Haplet Ltd at fair value.

(2)

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(d) (i) Calculate the non-controlling interest at 31 December 2018.

(2)

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(ii) Explain to the shareholders of Mallax plc the meaning of the figure calculated in (d)(i).

(2)

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**(Total for Question 3 = 19 marks)**

You will need to use the data on **page 8** of the Resource Booklet to answer part (a).

**4** (a) Complete the schedule of non-current assets at 31 December 2018.

(11)

**Parlot Ltd**  
**Schedule of non-current assets at 31 December 2018**

	<b>Land and buildings \$</b>	<b>Plant and machinery \$</b>	<b>Motor vehicles \$</b>	<b>Total \$</b>
<b>Cost / valuation</b>				
At 1 January 2018	1 150 000	740 000	280 000	2 170 000
Revaluation				
Additions				
Disposals				
At 31 December 2018				
<b>Accumulated depreciation</b>				
At 1 January 2018	140 000	380 000	112 500	632 500
Charge for the year				
Revaluation				
Disposals				
At 31 December 2018				
<b>Carrying value</b>				
At 31 December 2018				
At 1 January 2018	1 010 000	360 000	167 500	1 537 500

(b) Identify, indicating with a tick (✓), the effect an impairment loss would have on **each** total:

(2)

	<b>Increase</b>	<b>Decrease</b>	<b>No effect</b>
Non-current assets carrying value			
Operating expenses			

(c) Explain **one** reason why a revaluation reserve is created.

(3)

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(d) State the **two** underlying assumptions outlined in the IASB Framework for the Preparation of Financial Statements.

(2)

1 .....

2 .....

**(Total for Question 4 = 18 marks)**



(b) State **two** principles of professional ethics according to the IFAC Code of Ethics.

(2)

1 .....

2 .....

(c) Explain the importance to a potential investor of the dividend yield ratio.

(3)

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Binti wishes to invest in a company. She has identified two companies, Eff plc and Gee plc, both operating in the same industry.

(d) Analyse the data for the two companies and recommend, with justification, which investment Binti should choose.

(9)

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