

BUSINESS STUDIES – PAPER II 2018

Write your Examination Number here 

--

For use with Q.2 (A) (i)

State **two** reasons why a business sells goods on credit.

1	
2	

For use with Q.2 (A) (ii)

Explain **two** methods that a business could use to check the credit rating of new customers.

1	
2	

For use with Q.2 (B) (i)

State **three** procedures that need to be followed when processing outgoing invoices.

1	
2	
3	

For use with Q.2 (B) (ii)

CHAIRS SUPREME Ltd, Dock Road, Sligo		INVOICE No. 56	
Telephone: 071-9531560 e-mail: chairsupreme@sligo.ie		VAT Reg. No. IE8567321	
		Date: _____	
		Your Order No: 300	
QUANTITY	DESCRIPTION	PRICE EACH €	TOTAL €
		Total (Excluding VAT)	
		Trade Discount	
		Subtotal	
		VAT	
E & OE		Total (Including VAT)	

For use with Q.2 (C) (i)

CHAIRS SUPREME Ltd, Dock Road, Sligo	Receipt No. 55
Date: _____	
Received from: _____	
The sum of:	€ _____
Method of payment: _____	
Received with thanks:	Accounts Manager

For use with Q.2 (C) (ii)

Analysed Cash Book (Debit Side) of CHAIRS SUPREME Ltd

Date	Details	Receipt No.	F	Total Bank €	Debtor €

PLEASE RETURN THIS PAGE WITH YOUR ANSWER BOOK

BUSINESS STUDIES – PAPER II 2018

Write your Examination Number here: 

--

For use with Q.3 (A)

	April	May	June	July	August	Sept.	Total April to Sept.
	€	€	€	€	€	€	€
Receipts							
Cash Sales	120,000	120,000					
Share capital							
Loan	36,000						
A. Total Receipts	156,000	120,000					
PAYMENTS							
Wages	52,000	52,000					
Insurance	9,500						
Cash Purchases	40,000	40,000					
Advertising	10,000	10,000					
Loan Repayments	4,500	4,500					
Equipment	50,000						
B. Total Payments	166,000	106,500					
C. Net cash (A - B)	(10,000)	13,500					
D. Opening Cash	3,000	(7,000)	6,500				
E. Closing Cash (C+D)	(7,000)	6,500					

For use with Q.3 (B) (i)

State three costs for SOAP Ltd if it chooses to have its own fleet of delivery vans.	
1	
2	
3	

For use with Q.3 (B) (ii)

State three benefits for SOAP Ltd if it chooses to have its own fleet of delivery vans.	
1	
2	
3	