



Accounting Leaving Certificate Higher Level

Past Exam Questions on:

Farm Accounts.

Q4 2012

4. Farm Accounts

Among the assets and liabilities of Mike and Anne Byrne, who carry on a mixed farming business, on 01/01/2011 are: Land and Buildings at cost €405,000; Vehicles and Machinery at cost €85,000; Electricity due €360; Value of Cattle €70,000; Value of Sheep €15,000; Milk cheque due €1,500 and Stock of Fuel €740.

The following is a summary taken from their cheque payments and lodgements books for the year ended 31/12/2011:

Lodgements	€	Cheque Payments	€
Balance 01/01/2011	28,100	Fertiliser	2,400
Milk	27,000	General farm expenses	12,100
Sheep	22,000	Dairy wages	2,500
Cattle	15,000	Sheep	19,000
Lambs	12,600	Cattle	13,000
Calves	6,000	Light, heat and fuel	2,400
Single Payment – Sheep	2,300	Machinery	6,000
Single Payment – Cattle	3,200	Repairs	5,400
Wool	1,200	Veterinary fees and medicines	2,620
Forestry premium	1,700	Bank Loan plus 18 months' interest	
Six months interest from		at 4% per annum on 30/4/2011	19,080
3% Investment Bond	<u>1,200</u>	Balance 31/12/2011	<u>35,800</u>
	<u>€120,300</u>		<u>€120,300</u>

The following information and instructions are to be taken into account:

- | | | |
|--|---------------|--------------|
| | Cattle | Sheep |
| (i) Value of Livestock on 31/12/2011 was | €78,000 | €22,000 |
- (ii) Farm produce used by the family during the year – Milk €850; Lamb €480.
 - (iii) General farm expenses, fertiliser and veterinary fees and medicines are to be apportioned 60% to 'Cattle and Milk' and 40% to 'Sheep'.
 - (iv) Other expenses and costs are to be apportioned 75% to general farm and 25% to household.
 - (v) Depreciation to be provided on the following:
 Vehicles and Machinery at the rate of 10% of cost per annum.
 Land and Buildings at 2% per annum. (Land at cost was €200,000.)
 - (vi) Veterinary fees and medicines include a cheque for family health insurance for €1,090.
 - (vii) On 31/12/2011 a Milk cheque for €1,400 was due, Creditors for fertilisers amounted to €430 and Stock of Fuel was €500.

Required:

- (a) Prepare a Statement of Capital for the farm on 01/01/2011. (20)
- (b) Prepare an Enterprise Analysis Account for 'Cattle and Milk' and 'Sheep' for the year ended 31/12/2011. (20)
- (c) Prepare a general Profit and Loss account for the year ended 31/12/2011. (12)
- (d) Prepare the Byrnes' Drawings Account. (5)
- (e) Farmers prepare accounts to ascertain net profit. For what other purposes do they prepare accounts? (3)

(60 marks)

Q42009**4. Farm Accounts**

Among the assets and liabilities of Tom and Anne Barry, who carry on a mixed farming business, on 1/1/2008 are: Land and Buildings at cost €510,000; Machinery at cost €90,000; Electricity due €450; Value of Cattle €80,000; Milk cheque due €2,600; Stock of Fuel €850 and Value of Sheep €20,000.

The following is a summary taken from their cheque payments and lodgements books for the year ended 31/12/2008.

Lodgements	€	Cheque Payments	€
Balance 1/1/2008	33,100	Fertiliser	2,500
Milk	29,000	General farm expenses	13,200
Sheep	24,000	Dairy wages	2,000
Cattle	16,000	Sheep	20,000
Lambs	14,300	Cattle	15,000
Calves	6,100	Light, heat and fuel	3,600
Single Payment – Sheep	2,500	Machinery	7,000
Single Payment – Cattle	3,000	Repairs	6,600
Wool	1,400	Veterinary fees and medicines	1,850
Forestry premium	1,900	Bank Loan plus 18 months' interest	
Six months interest from 3% Investment Bond	900	at 4% per annum on 30/4/2008	9,540
	<u>900</u>	Balance 31/12/2008	<u>50,910</u>
	<u>€132,200</u>		<u>€132,200</u>

The following information and instructions are to be taken into account:

- | | Cattle | Sheep |
|--|---------------|--------------|
| (i) Value of Livestock on 31/12/2008 was | €84,000 | €23,000 |
| (ii) Farm produce used by the family during the year – Milk €900; Lamb €500. | | |
| (iii) General farm expenses, fertiliser, and veterinary fees and medicines are to be apportioned 70% to 'Cattle and Milk' and 30% to 'Sheep'. | | |
| (iv) Other expenses are to be apportioned 80% to farm and 20% to household. | | |
| (v) Depreciation to be provided on the following:
Machinery at the rate of 10% of cost per annum.
Land and Buildings at 2% per annum. (Land at cost was €300,000). | | |
| (vi) Veterinary fees and medicines include a cheque for family health insurance for €1,100. | | |
| (vii) On 31/12/2008 a Milk cheque was due €1,600, Creditors for fertilisers amounted to €500 and Stock of Fuel was €600. | | |

You are required to:

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|---|------|
| (a) Prepare a Statement of Capital for the farm on 1/1/2008. | (20) |
| (b) Prepare an Enterprise Analysis Account for 'Cattle and Milk' and 'Sheep' for the year ended 31/12/2008. | (20) |
| (c) Prepare a general Profit and Loss account for the year ended 31/12/2008. | (12) |
| (d) (i) Which account, other than drawings, is affected by "farm produce used by family"?
Explain your answer. | |
| (ii) Prepare the Barrys' Drawings Account. | (8) |

(60 marks)

Q2 2006

Among the assets and liabilities of Sean and Mary Kelly, who carry on a mixed farming business, on 1/1/2005 are: Land and Buildings at cost €290,000; Machinery at cost €60,000; Electricity due €400; Value of Cattle €60,000; Milk cheque due €2,400; Stock of Fuel €800 and Value of Sheep €18,000.

The following is a summary taken from their cheque payments and lodgements books for the year ended 31/12/2005.

Lodgements	€	Cheque Payments	€
Balance	2,800	Fertiliser	3,000
Milk	28,000	General farm expenses	15,000
Sheep	22,000	Dairy wages	1,500
Cattle	13,000	Sheep	19,000
Lambs	12,600	Cattle	14,000
Calves	5,900	Light heat and fuel	3,400
EU Subsidy – Sheep	3,400	Machinery	6,500
EU Subsidy – Cattle	2,500	Repairs	6,300
Wool	1,800	Veterinary fees and medicines	1,750
Forestry premium	2,100	Bank Loan plus 18 months' interest	
Six months interest from		at 6% per annum on 30/4/2005	16,350
4% Investment Bond	600	Balance	7,900
	<u>€94,700</u>		<u>€94,700</u>

The following information and instructions are to be taken into account:

- | | Cattle | Sheep |
|--|---------|---------|
| (i) Value of Livestock on 31/12/2005 was | €62,000 | €25,000 |
| (ii) Farm produce used by the family during the year – Milk €700; Lamb €300. | | |
| (iii) General farm expenses, fertiliser and veterinary fees and medicines are to be apportioned 60% to 'Cattle and Milk' and 40% to 'Sheep'. | | |
| (iv) Other expenses are to be apportioned 80% to farm and 20% to household. | | |
| (v) Depreciation to be provided on Machinery at the rate of 10% of cost per annum. | | |
| (vi) Veterinary fees and medicines include a cheque for family health insurance for €650. | | |
| (vii) On 31/12/2005 a Milk cheque was due €1,800, Creditors for fertilisers amounted to €400 and Stock of Fuel was €900. | | |

You are required to:

- (a) Prepare a Statement of Capital for the farm on 1/1/2005. (20)
- (b) Prepare an Enterprise Analysis Account for 'Cattle and Milk' and 'Sheep' for the year ended 31/12/2005. (20)
- (c) Prepare a general Profit and Loss account for the year ended 31/12/2005. (12)
- (d) Give three reasons why farmers should keep a full set of accounts. (8)

(60 marks)

