

**Question 4 - solution**

35

(a)

**Income and Expenditure Account of M. Casey for year ended 31/12/2004**

		€	€
<b>Income;</b>			
Private patients	W 1		95,300 ③
Investment Income	W 2		4,000 ③
Medical Insurance Scheme	W 3		<u>22,640 ③</u>
			121,940
<b>Less Expenditure</b>			
Loss on sale of equipment	W 4	1,800 ③	
Cost of materials	W 5	14,800 ⑤	
Telephone and postage		2,170 ②	
Wages of receptionist		15,000 ②	
Technicians fees		13,000 ②	
Interest on loan	W 6	400 ②	
Light and heat		2,800 ②	
Insurance		2,360 ②	
Depreciation; Surgery		2,400 ②	
Equipment		12,800 ②	
Motor car		<u>4,800 ②</u>	(72,330)
Net profit			<u>49,610</u>

25

(b)

**Balance Sheet of M. Casey as at 31/12/2004**

Fixed Assets		Cost	Aggregate Depreciation	Net
Surgery		120,000 ①	7,200 ②	112,800
Equipment	W 7	64,000 ②	29,600 ②	34,400
Motor car		<u>24,000 ①</u>	<u>14,400 ②</u>	<u>9,600</u>
		208,000	51,200	156,800
Investments				<u>80,000 ①</u>
				236,800
<b>Current Assets:</b>				
Bank			3,340 ①	
Investment income			400 ②	
Stock			4,900 ①	
Medical Ins. Scheme			4,800 ②	
Private patients			<u>1,400 ②</u>	
			14,840	
<b>Creditors: amounts falling due within 1 year</b>				
Creditors for dental materials			<u>3,500 ①</u>	<u>11,340</u>
				<b><u>248,140</u></b>
<b>Financed by:</b>				
Capital				219,160 ①
Surplus Income				<u>49,610</u>

Less Drawings	<b>W 8</b>	268,770
		<u>20,630</u> ④
		<b><u>248,140</u></b>

#### Workings - question 4

1	Private Patients	$96,000 - 2,100 + 1,400$	=	95,300
2	Investment Income	$(3,600 + 400)$	=	4,000
3	Medical Insurance Scheme	$23,540 - 5,700 + 4,800$	=	22,640
4	Loss on disposal	$18,000 - 7,200 - 9,000$	=	1,800
5	Dental material	$5,400 + (14,000 - 3,200 + 3,500) - 4,900$	=	14,800
6	Interest	$(3,600 - 3,200)$	=	400
7	Equipment	$60,000 + 22,000 - 18,000$	=	64,000
8	Drawings	$18,500 + 930 + 1,200$	=	20,630