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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  Province of theEASTERN CAPEEDUCATION**DIRECTORATE SENIOR CURRICULUM MANAGEMENT (SEN-FET)****HOME SCHOOLING SELF-STUDY MARKING GUIDELINES**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **SUBJECT** | **ACCOUNTING** | **GRADE** | 10 | **DATE** |  |
| **TOPIC** | **Term 1 Content** |  **REVISION** |

 |

**ETHICS, INTERNAL CONTROL AND GAAP**

**TOTAL MARKS: 40**

**QUESTION 1: ETHICS 20 MARKS**

**Underline the correct answer**

|  |  |
| --- | --- |
| 1.1 | Which of the following is not one the underlying principles Code of Practice? |
| **A** | **acceptability✓✓** | B | integrity |
| C | openness | D | accountability |

|  |  |
| --- | --- |
| 1.2 | Taking responsibility for your actions, to ensure that there are policies and procedures in place so that everything runs smoothly is known as |
| A | Fairness | B | Transparency |
| **C** | **Accountability✓✓** | D | Integrity |

|  |  |
| --- | --- |
| 1.3 | Commitment to behaviour |
| A | Conduct | B | Professionalism |
| **C** | **Discipline✓✓** | D | Independence |

|  |  |
| --- | --- |
| 1.4 | To balance the business interests is to display  |
| A | Transparency | **B** | **Fairness✓✓** |
| C | Integrity | D | Independence |

|  |  |
| --- | --- |
| 1.5 | Often conveys a sole trader’s values, a commitment to standards, and communicates a set of ideals |
| A | Code of Conduct | B | Code of professionalism |
| C | Code of provisioning  | **D** | **Code of ethics✓✓** |

|  |  |
| --- | --- |
| 1.6 | The abuse of public power for private benefit |
| **A** | **Corruption✓✓** | B | Fraud |
| C | Credo | D | Compliance |

|  |  |
| --- | --- |
| 1.7 | Freedom to act without control or influence from others, to be free to make decisions and act without external constraint |
| **A** | **Independence✓✓** | B | Discipline |
| C | Professionalism | D | Conduct |

|  |  |
| --- | --- |
| 1.8 | Making choices that are consistent with each other and with the stated and operative values one advocates. Striving for ethical congruence (similarity) in one's decisions. |
| A | Openness | B | Fairness |
| **C** | **Integrity✓✓** | D | Independence |

|  |  |
| --- | --- |
| 1.9 | Development that meets the needs of the present without compromising the ability of future generations to meet their own needs |
| A | Governance | **B** | **Sustainability✓✓** |
| C | Responsibility | D | Leadership |

|  |  |
| --- | --- |
| 1.10 | A sole trader must be objective and open in the way things are approached. |
| **A** | **Transparency✓✓** | B | Fairness |
| C | Integrity | D | Independence |

**20 MARKS**

**QUESTION TWO: INTERNAL CONTROL 14 MARKS**

|  |  |
| --- | --- |
| 2.1 | What is the importance of internal controls? Name THREE points (3) |
|  | * Optimizing the use of resources to reduce inefficiencies and waste **✓**
* Preventing and detecting errors and irregularities **✓**
* Safeguarding of company assets from theft, robbery, and unauthorized use. **✓**
 |
|  |  |
| 2.2 | List 5 principles of internal control (5) |
|  | * authorisation of transactions and activities, **✓**
* segregation of duties, **✓**
* documentation procedures, **✓**
* safeguard of assets and records, **✓**
* independent verification**✓**
 |
|  |  |
| 2.3 | Explain TWO applications of the segregation (division) of duties. (6) |
|  | * The responsibility for related activities should be assigned to different individuals. **✓✓✓**
* The responsibility for establishing the accountability for an asset should be separate from the physical custody of that asset**✓✓✓**

ANY OTHER ACCEPTABLE ANSWER |

**14 MARKS**

**QUESTION THREE 6 MARKS**

You are required to match the principle in the left-hand column with the appropriate concept in the right-hand column. Write down the letter only next to the number.

|  |  |  |
| --- | --- | --- |
|  **Principle** | **Brief definition** | **Answer**  |
| 1 | Business entity  | A | The assumption is that a business will continue for the foreseeable future. | D**✓** |
| 2 | Historicalcost | B | Any information that is important to the reader must be highlighted or reflected separately.  | F**✓** |
| 3 | Goingconcern | C | Expenses are offset against income generated by those expenses. Income and expense items are allocated to the correct time period. | A**✓** |
| 4 | Matching  | D | The financial affairs of the business are kept entirely separate from those of the owner. | C**✓** |
| 5 | Prudence | E | Financial results are reflected on a conservative basis i.e. if in doubt, the pessimistic viewpoint is used. | E**✓** |
| 6 | Materiality | F | All assets are valued at their original cost. | B**✓** |

**6 MARKS**

**ACCOUNTING CONCEPTS OF SOLE TRADERS**

**TOTAL MARKS: 40**

**QUESTION 1 15 MARKS**

**Underline the correct answer**

|  |  |
| --- | --- |
| 1.1 | The process of accounting is needed toi take a holidayii assist in decision makingiii invest in start-up of a businessiv track money spent |
| A | i, ii and iii | B | i, ii and iv |
| C | i, iii and iv | **D** | **ii, iii and iv✓** |

|  |  |
| --- | --- |
| 1.2 | Which of the following principles assumes that a business will continue for a long time? |
| A | Historical cost | B | Periodicity |
| C | Objectivity | **D** | **Going concern✓** |

|  |  |
| --- | --- |
| 1.3 | Accountants use Generally Accepted Accounting Principles (GAAP) to make the financial information communicated i relevant ii reliable iii comparable iv profitable  |
| **A** | **i, ii and iii✓** | B | i, ii and iv |
| C | i, iii and iv | D | ii, iii and iv |

|  |  |
| --- | --- |
| 1.4 | One of the detailed rules used to record business transaction is |
| A | Objectivity | B | Accruals |
| **C** | **Double entry book keeping✓** | D | Going Concern |

|  |  |
| --- | --- |
| 1.5 | Numbers 4 and 7 in the diagram represents |
| A | prepare a cheque and extract a Trial balance |
| **B** | **extract a trial balance and prepare financial statements✓** |
| C | prepare final reports and prepare a cheque |
| D | extract a trial balance and prepare a voucher |

|  |  |
| --- | --- |
| 1.6 | The elements of the accounting equation arei Assets ii Liabilities iii Trial Balance iv Capital  |
| A | i, ii and iii | **B** | **i, ii and iv✓** |
| C | i, iii and iv | D | ii, iii and iv |

|  |  |
| --- | --- |
| 1.7 | Which of the following are assets? i Cash float and bank ii Land and buildings iii Loans and creditors iv Mortgage loans and debtors  |
| **A** | **i and ii✓** | B | i and iii |
| C | i and iv | D | ii and iii |

|  |  |
| --- | --- |
| 1.8 | Valuable possessions of a business are known as: |
| A | Capital | **B** | **Assets✓** |
| C | Liabilities | D | Income |

|  |  |
| --- | --- |
| 1.9 | People who owe the business money are known as: |
| A | Creditors | B | Bankers |
| C | Wholesalers | **D** | **Debtors✓** |

|  |  |
| --- | --- |
| 1.10 | People to whom the business owes money are known as: |
| **A** | **Creditors✓** | B | Bankers |
| C | Wholesalers | D | Debtors |

|  |  |
| --- | --- |
| 1.11 | Drawings by a sole trader are |
| A | Items of office decoration | B | A liability |
| **C** | **An appropriation of profit✓** | D | An expense |

|  |
| --- |
|  |

|  |  |
| --- | --- |
| 1.12 | Trading Account, Profit and Loss Account and the Appropriation account which are drawn up to calculate the gross profit, net profit and the appropriation of profits respectively are known as |
| A | Nominal accounts | B | Balance Sheet accounts |
| C | Cash flow accounts | **D** | **Final Accounts✓** |

|  |  |
| --- | --- |
| 1.13 | Which of the following is not a current asset                                                                              |
| **A** | **Creditors✓** | B | Cash |
| C | Trading stock | D | Debtors control |

|  |  |
| --- | --- |
| 1.14 | The difference between Assets and Liabilities is |
| A | Drawings | B | Capital |
| C | Net profits | **D** | **Equity✓** |

|  |  |
| --- | --- |
| 1.15 | Taxation paid on the consumption of goods and services is known as  |
| A | Income Tax | **B** | **Value Added Tax✓** |
| C | Pay-As-You-Earn Tax | D | General Sales Tax |

**15 MARKS**

**QUESTION 2 25 MARKS**

**Match Column A with Column B. The first one is done for you.**

|  |  |  |
| --- | --- | --- |
| **Column A** | **Column B** | **Answer**  |
| **1** | Transaction | **A** | The amount of money the owner(s) contribute to the business | **N** |
| **2** | Sole Trader | **B** | Monies or other items taken from the business to be used personally by the owner | I**✓** |
| **3** | Debit | **C** | Is the owner’s interest in the business | J**✓** |
| **4** | Credit | **D** | Is someone that owes the business monies | Y**✓** |
| **5** | Equity | **E** | Are the possessions that belong to the owner.  | C**✓** |
| **6** | Capital | **F** | Are monies owed either over a short or long term period to other businesses, institutions or persons other than the owner.  | A**✓** |
| **7** | Assets | **G** | Is someone that the business owes monies to. | E**✓** |
| **8** | Liabilities | **H** | All monies received or to be received by the business. | F**✓** |
| **9** | Ledger | **I** | Is a single owner business  | V**✓** |
| **10** | Subsidiary Journals | **J** | An accounting entry made on the left hand side of the general ledger account.  | O**✓** |
| **11** | Profit | **K** | principles or rules that must be followed so as to have uniformity in South Africa and globally | X**✓** |
| **12** | Loss | **L** | A reduction in the price of trading stock or reduction on the amount owing by the debtor or creditor  | T**✓** |
| **13** | VAT | **M** | Documents that the enterprise use or receive to capture data of transactions entered into by the enterprise  | S**✓** |
| **14** | Income | **N** | An exchange between two parties where monies are exchanged for a good or service | H**✓** |
| **15** | Expenses | **O** | These are books of first entry where all financial transactions are recorded | Z**✓** |
| **16** | Discounts | **P** | A government department that is responsible for collecting taxes such as VAT, PAYE and Income Tax | L**✓** |
| **17** | Debtor | **Q** | All transactions must have a debit entry and a credit entry. The one account becomes the details for the other account. | D**✓** |
| **18** | Creditor | **R** | The order in which accounting activities must take place | G**✓** |
| **19** | Drawings | **S** | 14% paid on goods and services consumed | B**✓** |
| **20** | SARS | **T** | Where the expenses of the business is greater than the income. | P**✓** |
| **21** | Accounting cycle | **U** | Consist of the Income Statement and the Balance Sheet. | R**✓** |
| **22** | Source Document | **V** | Is a recording book where the double entry principle is applied | M**✓** |
| **23** | GAAP principles | **W** | Is a system which is updated each time trading stock/inventory is purchased or sold.  | K**✓** |
| **24** | Financial Statements | **X** | Where the income of the business is greater than the expenses | U**✓** |
| **25** | Contra accounts | **Y** | An accounting entry made on the right hand side of the general ledger account.  | Q**✓** |
| **26** | Perpetual inventory | **Z** | These are amounts spends directly or indirectly in operating the business | W**✓** |

**25 MARKS**

**SOLE TRADER – JOURNALS QUESTION 1**

**CASH RECEIPTS JOURNAL OF GLITTER FASHIONS FOR FEBRUARY 2016 CRJ2**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Doc.****No.** | **D** | **DETAILS** | **F** | **Analysis****Of Receipts** | **Bank** | **Sales** | **Cost****Of****Sales** | **Debtors Control** | **Discount Allowed** | **Sundry Accounts** |
| **Amount** | **F** | **Details** |
| **120** | **1** | **NB Bank** |  | **23 000** | **23 000** |  |  |  |  | **20 000** |  | **Fixed Deposit: NB Bank** |
|  |  |  |  |  |  |  |  |  |  | **3 000** |  | **Interest on fixed deposit** |
| **121** | **13** | **Wendy** | **D1** | **2 800** | **2 800** |  |  | **3 000** | **200** |  |  |  |
| **CRT369** | **16** | **Sales** |  | **36 000** | **36 000** | **36 000** | **28 800** |  |  |  |  |  |
| CRT370 | 27 | Sales**✓** |  | **✓**28 000 | **✓**28 000 | **✓**28000 | 22 400 | **✓🗹** |  |  |  |  |
| 123 | 28 | P Paddy | D2 | **✓✓**810 |  |  |  | **🗹** 810 |  |  |  |  |
| 124 |  | J Randy |  | **✓**5 000 | **✓🗹**5 800 |  |  |  |  | **✓**5 000 |  | Rent Income**✓** |
| BS |  | Fund Bank**✓** |  |  | **✓✓**124 |  |  |  |  | **✓**124 |  | Interest on current a/c**✓** |
| **✓** |  |  |  |  | **95 724** | **64 000** | **51 200** | **3 810** | **200** | **28 124** |  | **20 marks** |

**CASH PAYMENTS JOURNAL OF GLITTER FASHIONS FOR FEBRUARY 2016 CPJ2**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **DDoc****No.** | **D** | **DETAILS** | **F** | **Bank** | **Trading Stock** | **Wages** | **Debtors Control** | **Creditors Control** | **Discount** **Received** | **Sundry Accounts** |
| **Amount** | **F** | **Details** |
| **479** | **2** | **Lend Bank** |  | **860** |  |  |  |  |  | **860** |  | **Interest on loan** |
| **480** | **5** | **Pine Furnishers** |  | **7 000** |  |  |  |  |  | **7 000** |  | **Equipment** |
| **481** | **9** | **Betty Traders** | **C1** | **17 000** |  |  |  | **20 000** | **3 000** |  |  |  |
| **482** | **12** | **Candy Traders** |  | **25 000** | **25 000** |  |  |  |  |  |  |  |
| **483** |  | **Fast Transport** |  | **1 000** | **1 000** |  |  |  |  |  |  |  |
| **BDN** | **17** | **P Paddy** | **D2** |  |  |  | **1 500** |  |  |  |  |  |
| 484 | 24 | Eskom |  | 1 020 | **✓✓**CAN BE SEPARATED |  |  |  |  | **✓**680 |  | Electricity**✓** |
|  |  |  |  |  |  |  |  |  |  | **✓**340 |  | Drawings**✓** |
| 485 | 29 | New Motors |  | 60 000 | **✓🗹** |  |  |  |  | **🗹**60 000 |  | Vehicles**✓** |
| 486 | 30 | Tumi |  | **✓**5 600 |  |  |  |  |  | **✓**5 600 |  | Salary**✓** |
| BS |  | Fund Bank**✓** |  | **✓✓**100 |  |  |  |  |  | **🗹**100 |  | Bank charges**✓** |
| **✓** |  |  |  | **117 580** | **26 000** |  | **1 500** | **20 000** | **3 000** | **74 580** |  | **19 marks** |

**DEBTORS JOURNAL OF GLITTER FASHIONS FOR FEBRUARY 2016 DJ2**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Doc.****No.** | **D** | **DETAILS** | **F** | **SALES** | **COST OF SALES** |
|
| **200** | **3** | **M Mandy** | **D3** | **2 800** | **2 240** |
| **201** |  | **S Sandy** | **D4** | **6 400** | **5 120** |
|  |  |  |  | **9 200** | **7 360** |

**DEBTORS ALLOWANCES JOURNAL GLITTER FASHIONS FOR FEBRUARY 2016 DAJ2**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Doc.****No.** | **D** | **DETAILS** | **F** | **DEBTORS ALLOWANCES** | **COST OF SALES** |
|
| 140 | 20 | M Mandy | D3 | **✓**2 800 | **✓**2 240 |

**✓ 3 marks**

**CREDITORS JOURNAL OF GLITTER FASHIONS FOR FEBRUARY 2015 CJ1**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Doc.****No.** | **D** | **DETAILS** | **F** | **CREDITORS CONTROL** | **TRADING STOCK** | **STATIONERY** | **EQUIPMENT** | **Sundry Accounts** |
| **Amount** | **F** | **Details** |
| **141** | **7** | **Betta Traders** | **C2** | **24 320** | **24 320** |  |  |  |  |  |
| **142** | **8** | **Fame Furnishers** | **C3** | **5 400** |  |  | **5 400** |  |  |  |
| **143** | **14** | **Great Mechanics** | **C4** | **1 500** |  |  |  | **1 500** |  | **Repairs** |
| **144** |  | **Paper Mate** | **C5** | **300** |  | **300** |  |  |  |  |
| 145 | 29 | New Motors | C6 | **✓🗹**180 000 |  |  |  | 180 000 | **🗹** | Vehicles**✓✓** |
| **✓** |  |  |  | **211 520** | **24 320** | **300** | **5 400** | **181 500** |  | **6 marks** |

**CREDITORS ALLOWANCES JOURNAL OF GLITTER FASHIONS FOR FEBRUARY 2015 CAJ1**

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Doc.****No.** | **D** | **DETAILS** | **F** | **CREDITORS CONTROL** | **TRADING STOCK** | **STATIONERY** | **EQUIPMENT** | **Sundry Accounts** |
| **Amount** | **F** | **Details** |
| **79** | **10** | **Betta Traders** | **C2** | **1 130** | **1 130** |  |  |  |  |  |
| 80 | 19 | Paper Mate | C5 | **✓**110 |  | **✓**110 |  |  |  |  |
| **✓** |  |  |  | **1 240** | **1 130** | **110** |  |  |  | **3 marks** |

**QUESTION 2** **200 MARKS**

The following transactions took place in the books of WiFi Traders during May 2016. WiFi Traders use a mark-up percentage of 100% on cost.

**[each page can be given during a separate period]**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **TRANSACTION** | **JOURNAL (✓)** | **ACCOUNT DEBIT** | **ACCOUNT CREDIT** | **AMOUNT** | **EFFECT ON ACCOUNTING EQUATION** |
| **CRJ** | **CPJ** | **DJ** | **DAJ** | **CJ** | **CAJ** | **GJ** | **A =** | **E +** | **L** |
| The owner, Winnie Fikile, contributed R350 000 vehicle as capital. **6** |  |  |  |  |  |  | **✓****✓** | **Vehicles****✓** | **Capital****✓** | **R350 000****✓** | **+****✓** | **+****✓** | **0** |
| Received a loan for R200 000 from Dollar Bank at an interest rate of 11% per annum. Receipt 502 **6** | **✓****✓** |  |  |  |  |  |  | **Bank****✓** | **Loan: Dollar Bank****✓** | **R200 000****✓** | **+****✓** | **0** | **+****✓** |
| Cash sales as per register roll R32 600 **12** | **✓****✓** |  |  |  |  |  |  | **Bank✓****Cost of sales****✓** | **Sales✓****Trading Stock****✓** | **R32 600✓****R16 300****✓✓** | **+✓****-✓** | **+✓****-✓** | **0****0** |
| Trading stock of R28 000 bought was entered incorrectly in the Packing material account **6** |  |  |  |  |  |  | **✓****✓** | **Trading stock✓** | **Packing Material✓** | **R28 000✓** | **+✓** | **+✓** | **0** |
| Sold goods on credit to M Makhaya R24 000. Invoice 401. **12** |  |  | **✓****✓** |  |  |  |  | **Debtors Control✓****Cost of Sales****✓** | **Sales✓****Trading stock****✓** | **R24 000✓****R12 000****✓✓** | **+✓****-✓** | **+✓****-✓** | **0****0** |
| Bought the following from Mandla Traders. Invoice 501(renumbered) Trading stock R34 500Stationery R 3 800 **11** |  |  |  |  | **✓****✓** |  |  | **Trading stock✓****Stationery✓** | **Creditors Control✓✓** | **R34 500✓****R3 800✓** | **+✓****0** | **0****+✓** | **+✓****+✓** |
| Paid Speedy Transport by cheque 602, R9 000 for trading stock delivery to the business **6** |  | **✓****✓** |  |  |  |  |  | **Trading Stock✓** | **Bank✓** | **R9 000✓** | **+✓✓** | **0** | **0** |

**59 MARKS**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **TRANSACTION** | **JOURNAL (✓)** | **ACCOUNT DEBIT** | **ACCOUNT CREDIT** | **AMOUNT** | **EFFECT ON ACCOUNTING EQUATION** |
| **CRJ** | **CPJ** | **DJ** | **DAJ** | **CJ** | **CAJ** | **GJ** | **A =** | **E +** | **L** |
| Credit card sales R5 060 **12** | **✓****✓** |  |  |  |  |  |  | **Bank✓****Cost of Sales****✓** | **Sales✓****Trading stock****✓** | **R5 060✓****R2 530✓✓** | **+✓****-✓** | **+✓****-✓** | **0****0** |
| A debtor, L Late with a balance of R12 000, is insolvent. Received an amount of 60 cents in the Rand from his estate. The balance must be written off as irrecoverable **14** | **✓****✓** |  |  |  |  |  | **✓****✓** | **Bank✓****Bad Debts✓** | **Debtors Control✓****Debtors Control✓** | **R7 200✓✓****R4 800✓✓** | **+✓✓****-✓** | **0****-✓** | **0****0** |
| Bought equipment and pay by cheque, R48 000.**6** |  | **✓****✓** |  |  |  |  |  | **Equipment✓** | **Bank✓** | **R48 000✓** | **+✓✓** | **0** | **0** |
| Paid Bakshi Stores R21 800 in settlement of account of R23 000 **11** |  | **✓****✓** |  |  |  |  |  | **Creditors Control✓✓** | **Bank✓****Discount received✓** | **R21 800✓****R1 200✓** | **\_****✓****0** | **0****+✓** | **\_****✓****-✓** |
| Received a cheque from Middy Traders in settlement of his account of R15 000 less 5% discount. **11** | **✓****✓** |  |  |  |  |  |  | **Bank✓****Discount Allowed✓** | **Debtors Control✓✓** | **R14 250✓****R750✓** | **+✓✓****-✓** | **0****-✓** | **0****0** |
| The Fixed Deposit at Dollar Bank of R100 000 matured today. R105 000 was deposited which included the interest for the year. **11** | **✓****✓** |  |  |  |  |  |  | **Bank✓✓** | **Fixed Deposit: Dollar Bank✓****Interest on fixed deposit****✓** | **R100 000✓****R5 000✓** | **+✓✓****+✓** | **0****+✓** | **0****0** |

**65 MARKS**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **TRANSACTION** | **JOURNAL (✓)** | **ACCOUNT DEBIT** | **ACCOUNT CREDIT** | **AMOUNT** | **EFFECT ON ACCOUNTING EQUATION** |
| **CRJ** | **CPJ** | **DJ** | **DAJ** | **CJ** | **CAJ** | **GJ** | **A =** | **E +** | **L** |
| M Makhaya requested an allowance of R1 500 for damaged goods bought.  **12** |  |  |  | **✓****✓** |  |  |  | **Debtors allowances✓****Trading stock✓** | **Debtors Control✓****Cost of Sales ✓** | **R1 500✓****R750✓✓** | **-✓****+✓** | **-✓****+✓** | **0****0** |
| Mandla Traders forgot to allow 10% trade discount on goods bought. Issued debit note to correct this.  **11** |  |  |  |  |  | **✓****✓** |  | **Creditors Control✓✓** | **Trading Stock✓****Stationery✓** | **R3 450✓****R380✓** | **-✓****0** | **0****+✓** | **-****✓****-✓** |
| The owner draws the following for personal use:Trading stock R8 000Cheque R5 000 **11** |  | **✓****✓** |  |  |  |  | **✓****✓** | **Drawings✓** | **Trading stock✓****Bank✓** | **R8 000✓****R5 000✓** | **\_✓****\_✓** | **\_✓****\_✓** | **0****0** |
| Paid wages by cheque, R12 000 **6** |  | **✓****✓** |  |  |  |  |  | **Wages✓** | **Bank✓** | **R12 000✓** | **\_✓** | **\_✓** | **0** |
| Drew a cheque for R850 to restore the petty cash**6** imprest amount of R1 000. |  | **✓****✓** |  |  |  |  |  | **Petty cash✓** | **Bank ✓** | **R850✓** | **+✓✓** | **0** | **0** |
| The bank returned the cheque received from Middy Traders. Discount must be cancelled. **12** |  | **✓****✓** |  |  |  |  | **✓****✓** | **Debtors Control✓✓** | **Bank✓****Discount Allowed✓** | **R14 250✓****R750✓** | **+✓✓****\_✓** | **0****+✓** | **0****0** |
| Charged interest Middy Traders interest on his overdue account, R240 **6** |  |  |  |  |  |  | **✓****✓** | **Debtors control✓** | **Interest on overdue ✓ debtors account** | **R240✓** | **+✓** | **+✓** | **0** |
| Received the bank **12**statement. It showed an amount of R2 300 for interest on the favourable balance.Bank charges of R1 600 | **✓****✓** | **✓****✓** |  |  |  |  |  | **Bank✓****Bank Charges✓** | **Interest on current account✓****Bank✓** | **R2 300✓****R1 600✓** | **+✓****-✓** | **+✓****-✓** | **0****0** |

**76 MARKS**

**QUESTION 3 – POSTING TO GENERAL LEDGER**

|  |
| --- |
| **GENERAL LEDGER OF ZENEX TRADERS** |
| **BALANCE SHEET ACCOUNTS SECTION** |
| **Dr**  | **TRADING STOCK** | **B8** | **Cr** |
| **Date** | **Details** | **F** | **Amount** | **Date** | **Details** | **F** | **Amount** |
| **2016****Mar**  | **1** | **Balance** | **b/d** | **7 250** | 2016Mar  | 31 | Cost of sales**✓** | CRJ | **✓**3 040 |
|  | 31 | Bank**✓** | CPJ | **✓**4 606 |  |  | Cost of sales**✓** | DJ | **✓✓**4 400 |
|  |  | Cost of sales**✓** | DAJ | **✓✓**120 |  | **✓** | Creditors control | CAJ | **✓**280 |
|  | **✓** | Creditors control | CJ | **✓**3 200 |  | **✓** | Balance  | c/d | **✓**7 456 |
|  |  |  |  | 15 176 |  |  |  |  | 15 176 |
| 2016Apr | 1 | Balance | b/d | **🗹**7 456 |  |  |  |  |  |

**17 MARKS**

|  |  |  |  |
| --- | --- | --- | --- |
| **Dr**  | **DEBTORS CONTROL** | **B9** | **Cr** |
| **Date** | **Details** | **F** | **Amount** | **Date** | **Details** | **F** | **Amount** |
| 2016Mar  | 1 | Balance | b/d | **✓**4 690 | 2016Mar  | 31 | Bank and discount**✓** | CRJ | **✓**1 310 |
|  | 31  | Bank**✓** | CPJ | **✓**185 |  |  | Debtors allowances**✓** | DAJ | **✓**150 |
|  |  | Sales**✓** | DJ | **✓**5 500 |  | **✓** | Journal credits | GJ | **✓**330 |
|  | **✓** | Journal Debits | GJ | **✓**450 |  |  | Balance**✓** | c/d | **✓**9 035 |
|  |  |  |  | 10 825 |  |  |  |  | 10 825 |
| 2016Apr | 1 | Balance | b/d | **🗹**9 035 |  |  |  |  |  |

**16 MARKS**

|  |  |  |  |
| --- | --- | --- | --- |
| **Dr**  | **CREDITORS CONTROL** | **B10** | **Cr** |
| **Date** | **Details** | **F** | **Amount** | **Date** | **Details** | **F** | **Amount** |
| 2016Mar  | 31 | Bank and discount | CPJ | **✓**2 610 | 2016Mar  | 1 | Balance | b/d | **✓**6 400 |
|  |  | Total returns**✓** | CAJ | **✓**450 |  | 31 | Total purchases**✓** | CJ | **✓**6 500 |
|  | **✓** | Journal debits | GJ | **✓**240 |  | **✓** | Journal credits | GJ | **✓**310 |
|  | **✓** | Balance | c/d | **✓**9 810 |  |  |  |  |  |
|  |  |  |  | 13 110 |  |  |  |  | 13 110 |
|  |  |  |  |  | 2016Apr | 1 | Balance | b/d | **🗹**9 810 |

**13 MARKS**

|  |
| --- |
| **NOMINAL ACCOUNTS SECTION** |
| **Dr**  | **STATIONERY** | **N3** | **Cr** |
| **Date** | **Details** | **F** | **Amount** | **Date** | **Details** | **F** | **Amount** |
| **2016****Mar**  | **1** | **Balance** | **b/d** | **316** | 2016Mar  | 31 | **✓**Creditors control | CAJ | **✓**40 |
| **✓** | 31 | Creditors control | CJ | **✓**700 |  |  |  |  |  |

**4 MARKS**

**QUESTION 4 – DEBTORS RECONCILIATION**

**GENERAL LEDGER OF ZIZI TRADERS**

|  |
| --- |
| **DEBTORS CONTROL** |
| 2016Apr | 1 | Balance | b/d | **✓**94 560 | 2016Apr | 30 | Bank and discount257 508 + 80**✓** | CRJ | **🗹**257 588 |
|  | 31 | Sales271 050 – 6 000**✓** | DJ | **🗹**265 050 |  |  | Debtors' allowances | DAJ | **✓**1 122 |
|  |  | Bank | CPJ | **✓**270 |  |  | Journal credits | GJ | **✓**936 |
|  |  | Journal debits624 + 30**✓**+ 180**✓** | GJ | **🗹**834 |  |  | Balance | c/d | **✓🗹**101 068 |
|  |  |  |  | 360 714 |  |  |  |  | 360 714 |
| 2016May | 1 | Balance | b/d | **🗹**101 068 |  |  |  |  |  |

**14 MARKS**

**DEBTORS’ LIST 30 APRIL 2016**

|  |  |  |
| --- | --- | --- |
|  | **DEBIT** | **CREDIT** |
| C Condor 17 960 + 30**✓** | **🗹** 17 990  |  |
| S Smith 19 910 + 200**✓** | **🗹** 20 110 |  |
| W Williams 18 202 + 600**✓** | **🗹** 18 802 |  |
| V Vula 12 460 | **✓** 12 460 |  |
| B Baloyi 17 382 | **✓** 17 382 |  |
| H Hlope 14 404 - 80**✓** | **🗹** 14 324 |  |
| T Tladi (180) + 180**✓** | **🗹** 0 |  |
|  | **🗹** 101 068 |  |

**13 MARKS**

|  |  |  |
| --- | --- | --- |
| 4.3.1 | Name two ways to encourage debtors to pay their accounts on time | ( 4) |
|  | ANY TWO **✓✓ ✓✓*** Give discount for early settlement of accounts.
* Charge interest on overdue accounts.
* Send regular reminders and requests for account payment.
* No sales to overdue debtors
* Close accounts of long overdue debtors.
 |  |
| 4.3.2 | Explain the difference between **Credit Terms** and **Credit Limit.** | ( 4) |
|  | **Credit terms**The terms offered by the seller to the buyer for the maximum time allowed for repayment**✓✓****Credit limit**A maximum amount allowed to buy on credit**✓✓** |  |

**QUESTION 5**

**5.1 CREDITORS’ RECONCILIATION**

**CREDITORS CONTROL**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 2015Sep | 30 | Total allowances**✓**(213 240**✓** **–** 600**✓)** | CAJ | **🗹**212 640 | 2015Sep | 1 | Balance  | b/d | **✓**504 260 |
|  |  | Bank and discount received**✓** | CPJ | **🗹**956 400 |  | 30 | Sundry purchases**✓**(1 281 000 **✓**– 9 000**✓**) | CJ | **🗹**1 272 000 |
|  |  | Journal debits**✓**(105 600**✓** + 6 000**✓**) | GJ | **🗹**111 600 |  |  | Journal credits**✓**(39 000 **✓**+ 8 000**✓**) | GJ | **🗹**47 000 |
|  |  | Balance **✓** | c/d | **🗹** 542 620 |  |  |  |  |  |
|  |  |  |  | 1 823 260 |  |  |  |  | 1 823 260 |
|  |  |  |  |  | 2015Oct | 1 | Balance  | b/d | **🗹**542 620 |
| 22 |

**CREDITORS’ LIST**

|  |  |  |
| --- | --- | --- |
|  | **DEBIT** | **CREDIT** |
| Mandla Traders (173 300**✓** – 9 000**✓** – 6 000**✓**) |  | 158 300 **🗹** |
| SAN Stores (48 860 **✓**+ 47 000**✓**) |  | 95 860 **🗹** |
| ZAN Traders (179 940**✓** – 47 000**✓**) |  | 132 940 **🗹** |
| Bongi Stores (195 520 **✓**– 20 000**✓** – 20 000**✓**) |  | 155 520 **🗹** |
| Pearl Traders (8 000**✓** – 8 000**✓**) |  | 0 **✓** |
|  |  | 542 620 **🗹** |
| 18 |

|  |
| --- |
| **5.2.1 When Muzi Traders signs an agreement with a new supplier, what should they take into account regarding payments and stock? Name ONE point** |
| * the credit terms must be acceptable
* they must be able to supply regularly – there must be a constant supply of goods
* the quality of the product must be good
* they must offer discount for early payment **ANY ONE** **✓✓**
 |
| * + 1. **Why is it better for a business to extend the period for the payments made to creditors?**
 |
| The longer a business takes to pay its creditors, the longer he has cash available for working capital. **✓✓** |
| 4 |