**QUESTION 1 RECONCILIATIONS**

**1.1 BANK RECONCILIATION**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
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| **1.1.1** | **Calculate the correct totals for the Cash Receipts Journal and the Cash Payments Journal for October 2019 by completing the table provided.**   |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | | **CRJ** | **59 035** |  | **CPJ** | **50 760** |  | | Stale cheque | 8 400 |  | H Zikho | 1 500 |  | | Rent | 12 400 |  | Insurance | 1 400 |  | |  |  |  | Loss of cash | 5 400 |  | |  |  |  | Bank charges | 620 |  | |  | 79 835 |  | Both totals | 59 680 |  | | **8** |

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| **1.1.2** | **Calculate the correct balance in the Bank Account on 31 October 2019. State whether this balance is favourable or unfavourable.**  4 070  + 79 835 🗹 ‒ 59 680 🗹 = 24 225 🗹 (one part correct)  Favourable 🗹 | **5** |

**1.1.3 Prepare the Bank reconciliation statement on 31 October 2019.**

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| **Bank reconciliation statement on 31 October 2019** | | |  |
|  | **Debit** | **Credit** |  |
| Favourable/Credit balance as per statement |  | 🗹 14 335 |  |
| Credit outstanding deposit |  |  18 000 |  |
| Debit outstanding cheques |  |  |  |
| Nr. 1134 |  7 500 |  |  |
| Nr. 1194 |  3 610 |  |  |
| Nr. 1226 |  13 000 |  |  |
| Credit unknown/fraudulent debits  (8 000 + 8 000) |  |  16 000 |  |
| Debit balance as per bank account **see 1.1.2** | ☑ 24 225 |  | **8** |
|  | 48 335 | 48 335 |  |

Foreign entries ‒1 (‒2 max)

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| **1.1.4** | **Refer to information E. Explain TWO internal control measures the business should implement to prevent such incidents in the future.**  Any other acceptable answer  **  Award part marks for partial answers**   * Let the bank/cash in transit company collect the money * Use a drop box safe that only the bank can open * Keep money hidden/out of sight. | **4** |

**1.2 CREDITORS RECONCILIATION**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
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| **1.2.1** | |  |  |  | | --- | --- | --- | |  | **Creditor’s Ledger** | **Creditor’s Reconciliation statement** | | **Balance** | **32 535** | **41 440** | | **i** |  |  + 1 215 | | **ii** |  |  ‒ 4 410 | | **iii** |  ‒ 630   ‒ 630  (or 2 marks for  ‒ 1 260) |  | | **iv** |  ‒ 20 250 |  | | **v** |  |  ‒ 27 220  (or ‒ 2 220 one mark and  ‒ 25 000 one mark) | | **Total** | 🗹 11 025  (one part correct)  (balance should be incl.) | 🗹 11 025  (one part correct)  (balance should be incl.) | |  |  |  | | **10** |

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| --- |
| **TOTAL**  **MARKS** |
|  |
| **35** |