|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Province of the  EASTERN CAPE  EDUCATION  **DIRECTORATE SENIOR CURRICULUM MANAGEMENT (SEN-FET)**  **HOME SCHOOLING SELF-STUDY MARKING GUIDELINES**   |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | | **SUBJECT** | **ACCOUNTING** | **GRADE** | 12 | **DATE** | 06 April – 16 April 2020 | | **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 | Historical  cost | B | Any information that is important to the reader must be highlighted or reflected separately. | F**✓** |
| 3 | Going  concern | 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 to  i take a holiday  ii assist in decision making  iii invest in start-up of a business  iv 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 are  i 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 500  Stationery 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 000  Cheque 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** | 2016  Mar | 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 | | |
| 2016  Apr | 1 | | Balance | b/d | **🗹**  7 456 |  |  |  |  | |  | | |

**17 MARKS**

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Dr** | | **DEBTORS CONTROL** | | | | | | | | **B9** | | **Cr** |
| **Date** | | | **Details** | **F** | **Amount** | **Date** | | **Details** | **F** | | **Amount** | | |
| 2016  Mar | 1 | | Balance | b/d | **✓**  4 690 | 2016  Mar | 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 | | |
| 2016  Apr | 1 | | Balance | b/d | **🗹**  9 035 |  |  |  |  | |  | | |

**16 MARKS**

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Dr** | | **CREDITORS CONTROL** | | | | | | | | **B10** | | **Cr** |
| **Date** | | | **Details** | **F** | **Amount** | **Date** | | **Details** | **F** | | **Amount** | | |
| 2016  Mar | 31 | | Bank and discount | CPJ | **✓**  2 610 | 2016  Mar | 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 | | |
|  |  | |  |  |  | 2016  Apr | 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** | 2016  Mar | 31 | **✓**  Creditors control | CAJ | | **✓**  40 | | |
| **✓** | 31 | | Creditors control | CJ | **✓**700 |  |  |  |  | |  | | |

**4 MARKS**

**QUESTION 4 – DEBTORS RECONCILIATION**

**GENERAL LEDGER OF ZIZI TRADERS**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **DEBTORS CONTROL** | | | | | | | | | |
| 2016  Apr | 1 | Balance | b/d | **✓**  94 560 | 2016  Apr | 30 | Bank and discount  257 508 + 80**✓** | CRJ | **🗹**  257 588 |
|  | 31 | Sales  271 050 –  6 000**✓** | DJ | **🗹**  265 050 |  |  | Debtors' allowances | DAJ | **✓**  1 122 |
|  |  | Bank | CPJ | **✓**  270 |  |  | Journal credits | GJ | **✓**  936 |
|  |  | Journal debits  624 + 30**✓**+ 180**✓** | GJ | **🗹**  834 |  |  | Balance | c/d | **✓🗹**  101 068 |
|  |  |  |  | 360 714 |  |  |  |  | 360 714 |
| 2016  May | 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**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 2015  Sep | 30 | Total allowances**✓**  (213 240**✓** **–** 600**✓)** | CAJ | **🗹**  212 640 | 2015  Sep | 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 |
|  |  |  |  |  | 2015  Oct | 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 |