higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

NATIONAL CERTIFICATE (VOCATIONAL)

FINANCIAL MANAGEMENT
NQF LEVEL 3

(3011013)

20 November 2024 (X-paper)
09:00–12:00

This question paper consists of 12 pages and answer book of 19 pages.

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DEPARTMENT OF HIGHER EDUCATION AND TRAINING
REPUBLIC OF SOUTH AFRICA

NATIONAL CERTIFICATE (VOCATIONAL)
FINANCIAL MANAGEMENT
NQF LEVEL 3
TIME: 3 HOURS
MARKS: 200

INSTRUCTIONS AND INFORMATION

1. Answer all the questions.
2. Read all the questions carefully.
3. Number the answers according to the numbering system used in this question paper.
4. Show all calculations in order for marks to be allocated.
5. Use only blue or black ink.
6. Write neatly and legibly.

QUESTION	TOPIC	MARKS	RECOMMENDED TIME GUIDE
SECTION A			
1	Multiple-choice	10	9 minutes
2	Match the columns	10	9 minutes
3	True or false	10	9 minutes
4	Filling in the missing words	10	9 minutes
SECTION B			
5	Calculate and record value added tax transactions	40	36 minutes
6	Salary journal Petty cash system	20 20	18 minutes 18 minutes
7	Bank reconciliation	40	36 minutes
8	Administration of non-current assets Creditors control	30 10	26 minutes 10 minutes
	TOTAL	**200**	**180 minutes**

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SECTION A

QUESTION 1

Various options are given as possible answers to the following questions. Choose the answer and write only the letter (A–D) next to the question number (1.1–1.10) in the ANSWER BOOK.

1.1 According to the … system, the petty cashier requests cash from an authorised person in charge when money is required.

A imprest
B cash outflow
C varying balance
D petty inflow

1.2 The … is a book of first entry to record all cash transactions.

A debtors journal
B creditors journal
C general journal
D cash book

1.3 The VAT inclusive amount for R4 320 excluding VAT, is …

A R648.
B R4 968.
C R5 560,20.
D R3 756,52.

1.4 A petty cash voucher is a/an … document and is completed in duplicate.

A internal
B supporting
C external
D exclusive

1.5 When a business sells an asset for more than the carrying value, there is a … on the sale of the asset.

A loss
B break-even
C profit
D replacement

1.6 … are customers of a business that have received invoices for goods and services supplied to them on credit.

A Creditors
B Debtors
C Suppliers
D Cash buyers

1.7 The following is NOT an example of VAT exempt supplies.

A Financial services
B Public education services
C Raw vegetables and fruit
D Trade union subscriptions

1.8 The process of matching and comparing figures from accounting records against those presented on a bank statement is called a …

A debtor's reconciliation.
B discrepancy.
C creditor's reconciliation.
D bank reconciliation.

1.9 A list of outstanding balances of suppliers is completed using the …

A general ledger.
B creditors ledger.
C debtors allowances journal.
D debtors ledger.

1.10 A category A and B VAT vendor will have to submit a VAT return remittance …

A every two months.
B every month.
C yearly.
D every six months.

(10 × 1) **[10]**

QUESTION 2

Choose a term from COLUMN B that matches a description in COLUMN A. Write only the letter (A–M) next to the question number (2.1–2.10) in the ANSWER BOOK.

COLUMN A		COLUMN B	
2.1	Normal wage plus overtime wage	A	unemployment insurance fund
2.2	A formal tax report that is sent to SARS	B	taxable income
2.3	Source document used to enter transactions in the petty cash journal	C	exclusive amount x 15/100
2.4	Deducted from the invoice price before VAT at 15% is calculated	D	petty cash voucher
2.5	A document sent to an account holder at the end of every month	E	unfavourable bank balance
2.6	The fund that assists an employee if they lose their job or go on maternity leave	F	inclusive amount x 15/115
2.7	The person in charge of petty cash	G	gross wage
2.8	A business has withdrawn more money than it has deposited into its account	H	trade discount
2.9	The value of an asset divided by its useful lifetime to calculate depreciation	I	petty cashier
2.10	The calculation of VAT formula *before* it is added to obtain the selling price	J	VAT return
		K	diminishing balance method
		L	bank statement
		M	straight line method

(10 × 1) **[10]**

QUESTION 3

Indicate whether the following statements are TRUE or FALSE writing only 'True' or 'False' next to the question number (3.1–3.10) in the ANSWER BOOK.

3.1 Payment for wages is not entered individually in the cash payments journal, but one amount for “creditors for wages’ is entered.

3.2 When using the imprest system for petty cash, the balance of the petty cash varies from one month to the next.

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3.3 The value-added tax percentage in South Africa is currently 15%.

3.4 Debtors and creditors reconciliation is a system of control and is done to ensure the validity of information.

3.5 Exempt supplies is not subject to VAT and therefore vendors cannot claim this from SARS.

3.6 The closing balance on a bank statement is either a positive or negative amount on the last day of the month.

3.7 Value-added tax is a direct system of taxation.

3.8 The petty cash voucher numbers are used by the petty cashier to enter the transactions into the cash payments journal.

3.9 Input tax paid on expenses such as food and beverages for personal consumption can be claimed back from SARS.

3.10 When a business sells goods and services, the invoice needs to state whether the sale includes or excludes VAT.

(10 × 1) **[10]**

QUESTION 4

Complete the following sentences by writing only the missing word or words next to the question number (4.1–4.10) in the ANSWER BOOK.

4.1 … VAT is what a business pays on goods and services that it receives from suppliers.

4.2 … are fees deducted from the bank statement for services offered by the bank.

4.3 It is the … that pays output tax on goods and services rendered.

4.4 A petty cash request form must be … by someone in charge before cash is handed over for payment of the purchase.

4.5 A person or business that has registered for VAT, is known as a … .

4.6 A credit amount on the bank statement must be entered in the … journal of the business.

4.7 The total monthly remuneration before deductions are made is called the … salary.

4.8 Deposits in transit need to be … to the balance on the bank statement.

4.9 A tax period always ends on the last day of the month, therefore the deadline for a VAT tax return is on the … of the month, following the end of the tax period.

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4.10 In the … journal, all credit purchases of stock for the enterprise are entered. (10 × 1) **[10]**

TOTAL SECTION A: 40

SECTION B

QUESTION 5

All Else Stores is a registered VAT vendor. VAT is recorded at 15% on the invoice basis. The business sells goods at 50% profit on the cost price. Cash received is deposited on the same day.

NOTE: All Else Stores does not make use of seperate VAT input and output accounts, but posts directly to the VAT control account.
ALL amounts are VAT *inclusive.*

TRANSACTIONS:

2023 August	01	Cash sales as per cash register roll, CRR1, R1 963.
	05	Bought stationery from PNA and paid via EFT1, an amount of R444.
	12	Bought spare parts to repair the delivery van on credit, from Little Garage for R748,70. Renumber the invoice received to AES01.
	15	Paid via EFT2 the amount of R2 729,40 to the local municipality for water and electricity.
	17	Received R1 750 from T. Wethu, in settlement of his account of R1 800. Issued receipt no. 07.
	19	Bought trading inventory from Bakwena Traders on credit for R12 090. (Re-number the invoice.)
	23	Sold merchandise to S. Pillay for R14 450. Credit tax invoice no. T01 was issued.
	25	Cash sales as per cash register roll, CRR2, R13 420,45.
	27	Returned damaged goods purchased from Bakwena Traders on 19 August 2023 for R3 200 with a debit note DN41.
	29	Bought trading stock for R17 364 and equipment for R4 566 from Reeva Suppliers and paid via EFT3.
	30	S. Pillay returned damaged goods, valued at R3 000. Issued credit note CN01.

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REQUIRED:

5.1 Record the transactions above in the appropriate journals (5.1.1–5.1.6) in the ANSWER BOOK for August 2023. Total only the VAT columns in all the journals at the end of the month. (30)

5.2 Post only to the VAT control account in the general ledger. Balance off the account at the end of the month. (8)

5.3 Is the amount in the VAT control account due to SARS, or refundable from SARS? Give a reason for your answer. (2)
[40]

QUESTION 6

6.1 Lucky Graza and Leon Modi are monthly paid employees working for Parent City Printers.

REQUIRED:
Use the employee details and the staff policy to complete the salaries journal for August 2023. (20)

NOTE: Round off all figures to the *nearest rand*.
Do not close the journal at the end of the month, as no posting is required.

Employee details:
*Mrs L. Graza (age 36), is a single mother with two school-going children. Her gross salary is R21 000 p.m.

*Mr L. Modi (age 21) is a single man with no dependants and gets a gross salary of R15 500 p.m.

Monthly employee deductions:
Pension fund: 7.5% of basic salary
UIF: As per legislation
PAYE: 18% of taxable income
Medical: The *monthly* fees are:
Principal member/employee: R600 p.m.
Spouse/adult dependant: R800 p.m.
Per child: R400 p.m.

NOTE: Employees pay only 30% of the above medical fees.

Monthly employer contributions:
Pension fund: 9% of the basic/normal salary
UIF: 1% of the basic salary
Medical aid: 70% of the total medical fee of the employee

6.2 The owner of College Traders uses the imprest system for the petty cash of the business. The transactions below must be entered for the month of August 2023.

Additional information: An imprest amount of R1 400 is used. The balance on the first day of the month was R170. The imprest amount was restored on the same day.

NOTE: All amounts are *exclusive* of VAT.

Transactions: August 2023

02 Sent a parcel by mail through PostNet, for R209, voucher no. 1.

05 Bought tea, coffee and milk for office use from Clippies Stores, R317, voucher no. 2.

09 Paid R300 to the local feeding scheme as a donation, voucher no. 3.

17 Paid R140 to CAN for A4 envelopes, voucher no. 4.

25 Paid R189 to SPAR for dishwashing tablets for the office dishwasher, voucher no. 5.

27 The owner withdrew R35 to buy the weekend newspaper, voucher no. 6.

REQUIRED:

Enter the transactions in the petty cash book of College Traders and balance the cash book at the end of the month. Restore the imprest amount. (20)
[40]

QUESTION 7

7.1 Use the information supplied below as at 31 August 2023 to complete:

7.1.1 The cash receipts journal of Snap Snax (10)

7.1.2 The cash payments journal of Snap Snax (12)

7.1.3 The bank account in the general ledger (5)

7.1.4 The bank reconciliation statement (8)

On 31 August 2023, a comparison of the bank statement from WELLFARE BANK and the cash journals of Snap Snax showed the following:

The bank account showed a favourable balance of R17 190 at the beginning of the month.

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The bank statement showed a favourable balance of R18 904 at the end of the month.

The total of the cash receipts journal on 31 August 2023 is R17 420 in the bank column.

The cash payments journal showed payments totalling R14 025 on 31 August 2023.

A deposit of R4 403 entered in the cash receipts journal is not shown on the bank statement.

The following cheques were issued, but have not been presented for payment:

No. 211: R 790
No. 424: R3 420
No. 431: R1 218

A stop order of R1 500 for insurance at Mobile Insurers on the delivery van appears on the bank statement.

Debtor S. Yorkie paid his account by depositing R1 800 directly into the business's bank account.

Cheque no. 211 was issued on 30 January 2023 to the SPCA as a donation, but must now be cancelled.

A credit of R2 488 appears on the bank statement but was actually for the account of Super Snacks, not Snap Snax.

A cheque of R2 040 received from debtor, L. Randell, was returned by the bank marked R/D. This cheque was received in full settlement of his account.

Interest of R281 on the credit bank balance appears on the bank statement.

The bank charged Snap Snax service charges of R135.

A deposit of R1 500 appears correctly on the bank statement, but is entered in the cash receipts journal as R5 100. The deposit was from a debtor, M. Madhi, who settled his account.

7.2 The following transactions were left out in the books of VenDet Stores for August 2023:

(a) A payment of R600 from debtor P. Nkosi was returned by the bank marked R/D.
(b) A creditor, AB Suppliers, charged VenDet Stores R173 interest on an overdue account.

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REQUIRED:

Enter the transactions above in the general journal of VenDet Stores. DO NOT balance the journal at the end of the month. (5)
[40]

QUESTION 8

8.1 On 30 June 2023, Sanco Traders sold an old Toyota delivery van, registration number CS 428 GP, to Thuli Nladi for R167 420 cash.

The cost price of this van was R264 000. The vehicle was bought on credit from GP Moto Traders on 1 January 2021, the first day of the financial year.

Depreciation is calculated at 15% p.a. on the diminishing balance method.

REQUIRED:

Use the information above to complete the asset register of Sanco Traders until the date of sale, in the ANSWER BOOK. (20)

8.2 The following information appeared in the books of Sanco Traders for the financial year ending 31 December 2023.

Its books indicated the following balances at the end of the financial year end:

Equipment	R72 430
Accumulated depreciation on equipment	R18 344

On 31 December 2023, the business sold a photo copier for cash, R21 650, to PC Printers. The cost price of the item was R28 900 and accumulated depreciation at the time of sale was R12 230.

REQUIRED:
Use the information above to complete the following accounts to determine whether the business made a profit or a loss on the sale of the copier machine:

8.2.1 Equipment (3)

8.2.2 Accumulated depreciation: equipment (3)

8.2.3 Asset disposal (4)

NOTE: Balance off the accounts at the end of the financial year.

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8.3 The following creditors control account in the general ledger of TF Traders has been posted and balanced off by an inexperienced bookkeeper:

GENERAL LEDGER OF TF TRADERS

Dr.			**Creditors Control B8**				**Cr.**
2023 Aug 31	Sundry purchases	CJ	21 844	2023 Aug 31	Balance	b/d	26 928
	Sundry returns	CAJ	2 109		Bank & Discount	CPJ	13 600
	Journal credits	GJ	325		Journal debits	GJ	120
					Balance	c/d	13 670
			24 278				**40 648**
2023 Aug 31	Balance	b/d	13 370				

REQUIRED:

Correct the discrepancies in the creditors control account in the ANSWER BOOK. (10)
[40]

TOTAL SECTION B: 160
GRAND TOTAL: 200

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