higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

NATIONAL CERTIFICATE (VOCATIONAL)

FINANCIAL MANAGEMENT
NQF LEVEL 2

(3011012)

27 November 2024 (Y-paper)
13:00–16:00

Non-programmable calculators may be used.

This question paper consists of 12 pages and a 1-page answer sheet.

543Q1N2427

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DEPARTMENT OF HIGHER EDUCATION AND TRAINING
REPUBLIC OF SOUTH AFRICA

NATIONAL CERTIFICATE (VOCATIONAL)
FINANCIAL MANAGEMENT
NQF LEVEL 2
TIME: 3 HOURS
MARKS: 150

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. Value Added Tax (VAT) is calculated at 15%.
6. Round off amounts to TWO decimals.
7. Use only a black or blue pen.
8. Write neatly and legibly.

QUESTION NUMBER	TOPIC	MARKS	RECOMMENDED TIME GUIDE
SECTION A			
1	Short questions	25	20 Minutes
2	Short questions	25	20 Minutes
SECTION B			
3	Topic 1	40	41 Minutes
4	Topic 2	20	33 Minutes
5	Topic 3	20	33 Minutes
6	Topic 4	20	33 Minutes
TOTAL		**150**	**180 Minutes**

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SECTION A

QUESTION 1

1.1 Choose an item from COLUMN B that matches a description in COLUMN A. Write only the letter (A–L) next to the question number (1.1.1–1.1.10) in the ANSWER BOOK.

COLUMN A		COLUMN B	
1.1.1	Information that appears on a deposit slip	A	output VAT
1.1.2	The price of a product before VAT is added to it	B	vat inclusive price
1.1.3	A bank account with low interest from which money may be withdrawn without giving notice	C	creditors
1.1.4	The person in a business who records all its financial transactions	D	bookkeeper
1.1.5	The books in which accounting transactions are first recorded	E	amount deposited
1.1.6	A document that sets out the objectives and financial strategy of a business venture	F	debtors
1.1.7	Suppliers to whom a business owes money for goods it has purchased	G	input VAT
1.1.8	A source document used to record small cash transactions	H	vat exclusive price
1.1.9	VAT which a business collects from customers on goods sold	I	current account
1.1.10	Individuals or businesses who buys from a business on credit	J	journals
		K	petty cash voucher
		L	business plan

(10 × 1) (10)

1.2 Indicate whether the following statements are TRUE or FALSE by writing only 'true' or 'false' next to the question number (1.2.1–1.2.15) in the ANSWER BOOK.

1.2.1 Output VAT is paid on the purchase of goods and services.

1.2.2 One of the advantages of electronic equipment is that it is expensive.

1.2.3 When a person deposits cash into their current account they earn commission income.

1.2.4 The financial year is a thirteen-month accounting period.

1.2.5 Payment terms is the payment period that a business specifies on its invoices for the payment of accounts.

1.2.6 Insurance is an expense for a business.

1.2.7 A trade discount received decreases the amount owing by a business to the supplier.

1.2.8 Compulsory registration for VAT is required by SARS for businesses which are making a turnover of R500 000 or more in a year.

1.2.9 Interest received is an example of an operating expense.

1.2.10 A cash register is a machine used in businesses for the capturing of sales and storing the money received.

1.2.11 An accounting officer manages the marketing department of a business.

1.2.12 A profit forecast refers to a financial projection that estimates the expected profit that a business will make in a future accounting period.

1.2.13 Breakages in the business positively affect the net profit.

1.2.14 Taxation has an positive effect on the net profit of the business.

1.2.15 Brown bread is an example of a zero-rated VAT item.

(15 × 1) (15)
[25]

QUESTION 2

2.1 Choose the correct word/s from those in brackets. Write only the answer next to the question number (2.1.1–2.1.15) in the ANSWER BOOK.

2.1.1 (Cash generated from operating activities/Operating expenses) is one of the sections in the cash flow statement.

2.1.2 A business grants a 5% discount on all cash sales. Its cash sales in May 2023 amounted to R50 000. The cash discount granted is (R2 500/R2 050).

2.1.3 According to SARS regulations, businesses should be kept their accounting documents for a period of (three/five) years.

2.1.4 It is compulsory for a business with a turnover of (R1 000 000/ R350 000) to register as a VAT vendor with SARS.

2.1.5 The (point of sale terminal/calculator) prints a receipt for customers who pay with a debit or credit card.

2.1.6 A (profit/loss) is made when the income of a business is less than its expenses.

2.1.7 The (imprest/overdraft) system is a method of petty cash management.

2.1.8 A bank keeps a record of the deposits into and payments out of a business's bank account and sends a (bank/cheque) statement to the business at the end of every month.

2.1.9 The source document for a cheque payment is a (debit note/cheque counterfoil).

2.1.10 A (markdown/cost) is a reduction in the price a product.

2.1.11 (Liabilities/Owners equity) is the value of what is owed by a business to somebody else.

2.1.12 (Dividends/Profits) are paid to the shareholders of a company.

2.1.13 (Service/Trading) businesses buy and sell goods at a profit.

2.1.14 (Working/Start-up) capital is the money needed by a business to pay for its day-to-day expenses.

2.1.15 A book in which a business records all its receipts and payments is called the (cash book/cash receipts journal).

(15 × 1) (15)

2.2 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 (2.2.1–2.2.10) in the ANSWER BOOK.

2.2.1 A … is an accounting system where all the transactions are recorded by hand.

A computerised system
B software
C manual system
D accounting recordings

2.2.2 An increase in cost of sales can be caused by …

A reduction in customers
B reduction in units sold
C aggressive advertising
D increased prices charged by suppliers

2.2.3 To calculate the VAT amount on the purchase of goods for R4 000 VAT inclusive, you would take R4 000 x … .

A 15/115
B 100/115
C 100/15
D 15%

2.2.4 The … is added on the cost price of a product to determine the selling price.

A discount
B mark-down
C profit
D loss

2.2.5 A loan that is payable over a period of 20 years is a … .

A current liability
B long-term liability
C non-current asset
D bank overdraft

2.2.6 A/An … refers to electronic payments made by a business.

A cheque payment
B EFT
C receipt
D credit payment

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2.2.7 The gross profit of a business plus its other income is equal to … .

A turnover
B net profit
C gross profit
D gross income

2.2.8 Net profit that is not divided amongst the shareholders, but kept back by the company is called ...

A retained income.
B dividends.
C profit before tax.
D profit after tax.

2.2.9 Which ONE of the following is an example of an irregular expenditure?

A Telephone
B Loss due to flood damage
C Rent expense
D Water and electricity

2.2.10 … is the loss of stock due to factors such as shoplifting.

A Dividend
B Shrinkage
C Stock rotation
D Discounted stock

(10 × 1) (10)
[25]

TOTAL SECTION A: 50

SECTION B

QUESTION 3

3.1 Below is a list of accounts found in a balance sheet. State whether each account is a:

- current asset
- non-current asset
- current liability or
- non-current liability.

Write only the answer next to the question number (3.1.1-3.1.6) in the ANSWER BOOK, for example, 3.1.7 Current asset.

3.1.1 Creditors
3.1.2 Vehicles
3.1.3 Bank overdraft
3.1.4 Stock
3.1.5 Debtors
3.1.6 Petty cash

(6 × 1) (6)

3.2 At the beginning of the year, a business had a loan of R40 000 with JSR Bank. The interest is 18% p.a. No payments were made on the loan during the year.

3.2.1 Calculate the interest that the business must pay at the end of the year. (3)

3.2.2 Is the interest calculated in QUESTION 3.2.1 above, an income or expenses for the business? (1)

3.2.3 Will the interest be recorded in the Income Statement or Balance Sheet of the business? (1)

3.3 A business receives its bank statement at the end of each month from the bank.

3.3.1 Name any THREE details that are found in bank statement.

(3 × 2) (6)

3.3.2 How does a business know if the closing balance on its bank statement is favourable or unfavourable? (2)

3.3.3 What effect does the bank charges have on the business's bank account? (2)

3.4 Indicate the source document and journal in which each of the transactions below will be entered:

3.4.1 Received cash for selling goods

3.4.2 Paid by EFT for containers to repack the goods in smaller quantities

3.4.3 Bought stock on credit from the local supplier

3.4.4 Sold stock on credit to a customer

3.4.5 The owner took goods for personal use

(5 × 2) (10)

3.5 A cash flow statement is an important financial statement.

Name the THREE elements or sections in a cash flow statement. (3 × 2) (6)

3.6 Besides the cashflow statement, name TWO other financial statements that a business prepares. (2)

3.7 Give the formula to calculate the gross profit. (1)

[40]

QUESTION 4

4.1 WE FIX IT recently bought 10 microwaves at R2 750 each from their supplier. The business plans to add a mark-up of 40% on the cost price.

Calculate the price that WE FIX:

4.1.1 Paid to their supplier for the 10 microwaves (3)

4.1.2 Will charge its customers for each microwave (3)

4.1.3 Will charge a customer who wants to buy THREE microwaves (3)

4.2 WE FIX IT also sells second-hand electrical appliances. They grant a 2% discount on all cash sales. Their cash sales in June 2023 amounted to R25 000.

Calculate the:

4.2.1 Discount allowed (3)

4.2.2 Amount that the business will receive after granting the discount. (3)

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4.3 WE FIX IT sold goods to a customer for R10 000 VAT inclusive. Where applicable, round off your answer to TWO decimals.

4.3.1 Calculate the VAT on the sale. (2)

4.3.2 Calculate the sales excluding VAT. (2)

4.3.3 When output VAT is greater than input VAT, is VAT payable to or refundable by SARS? (1)

[20]

QUESTION 5

5.1 Study the EFT proof of payment below for Newcastle Furniture Wholesalers and answer the questions that follow.

FBM BANK

4240 Allan Manor Street
Tongaat
4400

Dear Cosmos

Subject: Notice Of Payment: Cosmos

Please be advised that Newcastle Furniture Wholesalers made a payment to your account as indicated below.

Payment Notification

Notification number	61581
Payment date	25 November 2023
Payment made by	Newcastle Furniture Wholesalers
Payment made to	Cosmos
To account	1518181874
Beneficiary bank name	ASBA Bank
Branch	632005
Payment type	Regular payment
Amount	R2 900.00
Description	Inventory purchased

5.1.1 Did Newcastle Furniture Wholesalers pay or receive R2 900 via the EFT? (1)

5.1.2 Did Cosmos pay or receive R2 900 via the EFT? (1)

5.1.3 Identify the name of Cosmos' bank. (1)

5.1.4 Identify Cosmos' bank account number. (1)

5.1.5 Identify the name of Newcastle Furniture Wholesalers' bank. (1)

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5.1.6 In which journal will this transaction be entered in the books of Newcastle Furniture Wholsesalers? (1)

5.1.7 Will this transaction increase or decrease Cosmos' bank balance? (1)

5.1.8 Will the funds transferred be available immediately in the bank account of the receiver? Give a reason for your answer. (2)

5.2 Mambani Traders uses the imprest system of petty cash. The petty cash balance on 1 June 2023 was R600. Study the Petty Cash Journal of Mambani Traders below and answer the questions that follow.

PETTY CASH JOURNAL OF MAMBANI TRADERS JUNE 2023						
Doc	**Date**	**Details**	**Petty cash**	**Stationery**	**Sundry accounts**	
					Amount	**Details**
2	10	PNA	200	200		
3	15	Mojos	150		150	Refreshments

5.2.1 Complete the petty cash account in the General Ledger of Mambani Traders. Balance the account at the end of the month. Use the attached ANSWER SHEET to answer this question. (5)

5.2.2 Name one other system of petty cash other than the one used in QUESTION 5.2.1. (1)

5.2.3 Briefly describe ONE control measure that should be in place when dealing with petty cash. (2)

5.3 Name any THREE details that you would insert on the deposit slip. (3)

[20]

QUESTION 6

6.1 Mabophe Marketing conducted a physical stock take at the end of their financial year, 31 December 2023. They discovered the following:

Stock according to the Trading stock account in the General Ledger: R45 000

Actual stock on hand (after stock taking): R42 000

6.1.1 Calculate the shrinkage for the year. (3)

6.1.2 Calculate the shrinkage rate using the following formula (round off your answer to TWO decimals): (3)

$$\frac{\text{Shrinkage value}}{\text{Actual stock on hand}} \times 100$$

6.1.3 Name the TWO control measures that a business can use to reduce the shrinkage of stock. (2 × 2) (4)

6.2 An inexperienced bookkeeper at Mabophe Marketing prepared the Income Statement below. Complete the missing figures/information by writing only the answer next to the question number (6.2.1–6.2.5) in the ANSWER BOOK.

Income Statement of Mabophe Marketing for the year ended 31 December 2023

Sales		140 000
Less: Cost of sales		44 000
Gross Profit		**6.2.1**
Add: Other income		8 000
Rent income	8 000	
Gross Income		104 000
Less: Operating expenses		**6.2.2**
Wages	24 000	
Fuel	4 000	
Telephone	9 600	
Net profit before interest		**6.2.3**
Interest expense		10 100
6.2.4		**6.2.5**

(10)
[20]

TOTAL SECTION B: 100
GRAND TOTAL: 150

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(3011012)

ANSWER SHEET

EXAMINATION NUMBER:													
CENTRE NUMBER:													

5.2 5.2.1

PETTY CASH ACCOUNT

Date	Details	Fol.	Amount	Date	Details	Fol.	Amount

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