higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

NATIONAL CERTIFICATE (VOCATIONAL)

APPLIED ACCOUNTING
NQF LEVEL 3

(3011003)

2 December 2024 (X-paper)
09:00–12:00

Non-programmable calculators may be used.

This question paper consists of 15 pages.

571Q1N2402

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DEPARTMENT OF HIGHER EDUCATION AND TRAINING
REPUBLIC OF SOUTH AFRICA

NATIONAL CERTIFICATE (VOCATIONAL)
APPLIED ACCOUNTING
NQF LEVEL 3
TIME: 3 HOURS
MARKS: 200

INSTRUCTIONS AND INFORMATION

1. Answer all the questions.
2. Read all the questions carefully.
3. Write down all the answers in the ANSWER BOOK provided.
4. No pages should be removed from the ANSWER BOOK.
5. Show all calculations.
6. Use the TABLE below to guide you in how much time to spend answering each question.
7. Use ONLY black or blue ink. Do not use a pencil.
8. Write neatly and legibly.

QUESTIONS	TOPICS	MARKS	RECOMMENDED TIME GUIDE
SECTION A			
1	Multiple-choice questions & Short theoretical questions	20	10 minutes
2	VAT calculations & Trial Balance	30	20 minutes
3	General Ledger Accounts	30	35 minutes
SECTION B			
4	Subsidiary journals	60	70 minutes
5	Final accounts	20	15 minutes
6	Financial year end & Statements	30	17 minutes
7	Accounting equation	10	13 minutes
	TOTAL	**200**	**180 minutes**

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SECTION A

QUESTION 1

1.1 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 (1.1.1–1.1.5) in the ANSWER BOOK.

1.1.1 L Beukes, a debtor, paid his account to the amount of R850 and received a 5% settlement discount. How much did he pay?

A R810.50
B R807.50
C R850
D R897.50

1.1.2 J Loubser, a debtor, was declared insolvent and his account of R2 378 was written off as irrecoverable.

How do you record this transaction in the general ledger?

A Credit debtors control and debit bad debts.
B Credit bad debts and debit debtors control.
C Credit debtors control and debit bad debts recovered.
D Credit bad debts recovered and debit debtor's control.

1.1.3 R Maree, a debtor, has not paid her account of R3 857. If interest of 2.5% is charged to this account, how much is due?

A R3 857.50
B R3 760.57
C R96.43
D R3 953.43

1.1.4 A cheque received from S Cloete, a debtor, was returned by the bank marked R/D (insufficient funds). How would you record the transaction in the general ledger?

A Debit bank account and credit debtors control account.
B Credit debtors control account and debit bank account.
C Debit debtors control account and credit bank account.
D None of the above.

1.1.5 The entry for a payment by cheque is as follows:

A Debit bank, credit a creditor's account.
B Debit another account, credit debtors.
C Debit a debtor's account, credit another account.
D Debit another account, credit bank.

(5 × 1) (5)

1.2 Choose an item from COLUMN B that matches a description in COLUMN A. Write only the letter (A–G) next to the question number (1.2.1–1.2.5) in the ANSWER BOOK.

COLUMN A		COLUMN B	
1.2.1	This document will be completed and kept by the business when a payment is made by cheque.	A	Credit note
1.2.2	This document is issued when goods bought are returned by a client.	B	Bank statement
1.2.3	This document is received from the bank and shows all the transactions on the bank account of the business.	C	Sales invoice
1.2.4	This document will be sent to a supplier for goods that are returned.	D	Purchase invoice
1.2.5	This document is used to record the sale of goods or services delivered.	E	Receipt
		F	Duplicate debit note
		G	Cheque counterfoil

(5 × 1) (5)

1.3 Indicate whether the following statements are TRUE or FALSE by writing only 'True' or 'False' next to the question numbers (1.3.1–1.3.5) in the ANSWER BOOK.

1.3.1 Liabilities accounts increase on the credit side of a General Ledger account.

1.3.2 The Balance Sheet accounts section and Nominal accounts section are the two categories of General Ledger accounts.

1.3.3 Input VAT is VAT collected from customers.

1.3.4 Output VAT is VAT paid when goods and services are purchased by the business.

1.3.5 Fuel is an example of VAT exempted goods or services.

(5 × 1) (5)

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1.4 Give ONE term for each of the following descriptions by write it next to the question number (1.4.1–1.4.5) in the ANSWER BOOK.

1.4.1 Assets that are usually sold or used within 12 months

1.4.2 The remaining value of an owner's interest in the business after all liabilities have been deducted

1.4.3 The amount of money the business owes, which is divided into two categories

1.4.4 Money received by the business for rendering services and/or selling goods

1.4.5 Money spent on the day-to-day running of the business.

(5 × 1) (5)
[20]

QUESTION 2

2.1 You are provided below with the information from the books of Bravo Traders, a registered VAT vendor for the month of November 2023.

Required:

Calculate the required VAT inclusive and VAT exclusive amounts . Show all calculations and round off the amounts to two decimals.

Journal	Source Document	VAT exclusive amount	VAT inclusive amount
DAJ	Credit note issued	R2 600	**2.1.1**
CRJ	Cash register roll	R8 700	**2.1.2**
CJ	Original invoice	**2.1.3**	R16 000
DJ	Duplicate invoice	**2.1.4**	R9 200
GJ	Journal credit	R960	**2.1.5**

(10)

2.2 Your TVET College has placed you as an NC(V) Level 3 Intern at Bravo Traders for the year ended 30 November 2023. Your task this month is to rectify trail balance errors.

Required:
Use the trial balance template in the ANSWER BOOK provided to correct all the errors.

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INFORMATION:

	Fol.	DEBIT	CREDIT
BALANCE SHEET SECTION			
Capital		226 800	
Drawings		15 500	
Bad debts recovered			18 200
Fixed deposit			58 000
Sales		120 800	
Rent income		92 000	
NOMINAL ACCOUNTS SECTION			
Cost of sales			56 000
Salaries		149 500	
Telephone			16 000
Bank (unfavourable balance)		57 200	
Vehicles			220 000

2.3 You are provided below with the information from the books of Bravo Traders, a registered VAT vendor, for the financial year ended 30 November 2023. The business sells exotic tables @ R350 each. On average, it sells 100 tables per month, with a mark-up percentage of 30%.

Required:
Use the information provided to answer the following questions. Show ALL calculations. Round off answers to TWO decimals.

2.3.1 If the business sold 20 tables (VAT exclusive), what was the total amount of its sales? (2)

2.3.2 How much is the VAT amount of the 20 tables sold? (2)

2.3.3 Calculate the VAT inclusive amount of the 20 tables sold. (2)

2.3.4 Calculate the cost price of the 20 tables sold. (2)

2.3.5 Calculate the profit or loss made. (2)
[30]

QUESTION 3

The global economic crisis and constant fuel price hikes forced Attwell Traders to buy goods on credit. The information for November 2023 provided below was obtained from the books of Attwell Traders.

Required:

3.1 Use the information below to correct and reconstruct the Creditors Control Account in the ANSWER BOOK. (10)

3.2 As an internal auditor of Attwell Traders, you picked up invoices received from suppliers which did not match entries in stock records of the business. You suspect that some goods were not delivered to the business premises.

What measures should be implemented by Attwell Traders to avoid paying for goods that were not received by the business? Provide TWO possible solutions. (2)

3.3 **Information:**

DR	CREDITORS CONTROL						CR
2023 Nov. 28	Bank and discount received	CRJ	30 800	2023 Nov. 28	Balance	b/d	8 330
31	Sundry accounts	CAJ	4 800		Total purchases	CJ	48 400
	Journal credits	GJ	580		Journal debits	GJ	450
	Balance	c/d	21 000				
			57 180				**57 180**
					Balance	b/d	21 000

The following Creditors Control Account and Creditors List was prepared by an inexperienced bookkeeper in the books of AB Traders.

The Creditors List reflects the following balances before corrections:	
Details	**Amounts**
Sultan Limited	R7 500
Mvelo Traders	R3 800
Sinawo Distributors	R2 850
Mohamed Dealers	R6 300
	R20 450

Additional information:

The following information was not considered when the journals were prepared:

(a) The opening balance in the Creditors Control Account is overcast by R1 500.

(b) The amount of the goods bought from Mohamed Dealers was incorrectly recorded as R6 750 in the books. The correct amount that appears on the invoice is R6 570.

(c) An amount of R2 400 has been transferred to Sultan Limited via EFT. The transaction has not been recorded in the books of the business.

(d) A debit note issued to Mohamed Dealers for R360 was not recorded in the journal but was posted to their account in the Creditors Ledger.

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(e) A debit note of R250, sent to Mvelo Traders, was recorded as purchases in their account. This transaction was correctly recorded in the journal.

(f) The total of the Creditors Allowances Journal was undercast by R300 and was posted as such.

3.4 Mrs Mdingi relocated to the Eastern Cape. She started Kaffeine Espresso Bar and employed you as a bookkeeper. The information provided below relates to the financial records of Kaffeine Espresso for the month ended 31 October 2023. The business uses a mark-up on cost of 50%.

Required:

Prepare the following accounts in the General Ledger. Write down the folio references and balance the Ledger Accounts properly.

3.4.1 Trading Stock account (10)

3.4.2 Debtors Control Account (8)

[30]

Information A

The following balances appeared in the books on 1 October 2023.

Debtors Control	R67 800
Creditors Control	R80 600
Trading Stock	R173 200

Information B

Cash Receipts Journal for October 2023					
Bank	**Sales**	**Cost of Sales**	**Debtors Control**	**Discount Allowed**	**Sundries**
290 000	234 000	156 000	?	10 000	1 000

Cash Payments Journal for October 2023					
Bank	**Trading Stock**	**Creditor's control**	**Discount received**	**Stationery**	**Sundries**
433 000	80 000	355 500	4 000	1 500	900

Debtors Journal for October 2023	
Sales	**Cost of Sales**
?	90 600

Debtors Allowances Journal for October 2023	
Debtors Allowances	**Cost of Sales**
17 100	**?**

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Creditors Journal for October 2023				
Creditors Control	**Trading Stock**	**Equipment**	**Consumable Stores**	**Sundries**
258 600	84 300	150 000	24 000	3000

Creditors Allowances Journal for October 2023				
Creditors Control	**Trading Stock**	**Equipment**	**Stationery**	**Sundries**
81 000	**?**	10 000	1 500	500

General Journal for October 2023			
Debtors Control		**Creditors Control**	
Dr	**Cr**	**Dr**	**Cr**
3 800	960	1 050	170

TOTAL SECTION A: 80

SECTION B

QUESTION 4

The following information relates to the financial records of Cape Medical Suppliers for November 2023. The business is a registered VAT vendor and trades only with other registered VAT vendors who can provide tax invoices. The business charges 15% VAT on all its sales. All amounts are inclusive of VAT unless otherwise stated. The business uses the perpetual inventory method and a mark-up of 50% on the cost price.

REQUIRED:
Use the information above to complete the following journals in the ANSWER BOOK.

Round off all amounts to TWO decimals.
Do not close off the journals at the of the month.

NOTE: Narrations are required in the General Journal.

4.1	Cash Receipts Journal	(12)
4.2	Cash Payments Journal	(19)
4.3	Debtors Journal	(8)
4.4	Debtors Allowances Journal	(5)
4.5	Creditors Journal	(7)
4.6	Creditors Allowances Journal	(3)
4.7	General Journal	(6)

[60]

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DATE	DETAILS
1.	The owner, Dr L. Lucy, deposited R500 000 in the business current account as capital contribution. Receipt RC01 issued.
2.	Purchased trading inventory from Roche and paid with cheque CH01, R34 200.
4.	Bank Statement received from FNB Bank reflected the following charges: Service fees – R1000 Electronic transfer charges R700 Cash deposit fees: R850 Interest on overdraft: R4 700
5.	Paid FGT Transport for business delivery expenses by cheque CH02, R1 197.00.
8.	Cash sales according to cash register roll no. 02 amounted to R20 600,00 excluding VAT (cost of sales R8 880,00), CRR01.
9	Purchased trading inventory on credit from Scott & Allen, R 26 334.00, INV01.
	Issued debit note DN01 to Scott & Allen for trading inventory returned, R2 896.74.
10.	Issued cheque no. CH03 to Scott & Allen in full settlement of our account less a 3% settlement discount. The creditor's statement showed a balance of R 110 000.00 at the beginning of November 2023.
11.	Issued credit note no. CN01 to Z. Mhlawuli for R940,00 excluding VAT (cost of sales, R752)
	Cash sales of trading inventory for R122 265.00, CRR02.
12.	Bought an office computer and paid with cheque CH04, R6 270.00
13.	Drew a cash cheque CH05 for the petty cash box, R 3 750.00.
15.	Received 12% per annum interest on R96 900 fixed deposit made on 1 November 2022 at United Bank. Issued Receipt RC02.
17.	Bought printing paper on credit for the office from CAN for R2500,00. Received Invoice 02.
18.	Sold trading inventory with a selling price (marked price) of R 21 067.20 on credit to Berg Medi Clinic, BG01.
20.	Berg Medi Clinic returned trading inventory with a selling price (marked price) of R2 317.39, CN02.

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21. Berg Medi Clinic settled its account of R106 749.81 in full, less 4% settlement discount. The debtors list showed a balance of R 88 000.00 for this debtor at the beginning of November 2023, RCO3.

23. The owner, Dr L. Lucy, took cash from the cash drawer R2 550.00. CH06 issued.

25. Sold trading inventory with a selling price (marked price) of R16 385. 88 on credit to Dr G. Norman, BG02.

28 Dr Jair has been declared insolvent and the debt is to be written off as irrecoverable. The debtors list showed a balance of R76 700.00 at the beginning of November 2023 for this debtor, JV1.

QUESTION 5

The owner, Mr. Eben Etzebeth went to France to play in the Rugby World Cup Tournament and employed you to oversee Elizabedi Traders' accounting function for the year ended 30 November 2023.

REQUIRED:
Based on the information that follows, prepare the following Ledger Accounts in the books of Elizabedi Traders on 30 November 2023 and close off the accounts.

5.1	Capital Account	(4)
5.2	Trading Account	(6)
5.3	Profit and Loss Account	(10)
		[20]

Information:

TRIAL BALANCE OF ELIZABEDI TRADERS AS AT 30 NOVEMBER 2023

Balance Sheet Section	Debit	Credit
Capital		199 732
Drawings	25 756	
Vehicles	179 000	
Equipment	119 556	
Trading stock	129 896	
Bank	4 798	
Petty cash	600	
Cash float	772	
Debtors control	19 000	
Creditors control		24 364
NOMINAL ACCOUNT SECTION		
Sales		320 000
Cost of sales	105 000	
Debtors allowances	15 000	
Water and electricity	42 000	
Salaries	60 000	
Interest received		86 950
Advertising	10 468	
Bad debts recovered		17 800
Rent income		78 000
Discount allowed	15 000	
	650 414	**650 414**

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QUESTION 6

Post the Rugby World Cup win, Bokke Dealers decided to appoint you to record their financial statements for the year ended 31 October 2023. The following Post-Adjustment Trial Balance appeared in the records of Bokke Dealers on 31 October 2023, the last day of the financial year.

REQUIRED:
Use this information to prepare the following documents:

6.1	Income Statement for Bokke Dealers	(14)
6.2	Notes to the Balance Sheet for Bokke Dealers	(10)
6.3	Balance Sheet for Bokke Dealers	(6)
		[30]

POST-ADJUSTMENT TRIAL BALANCE OF BOKKE DEALERS AS AT 31 OCTOBER 2023

BALANCE SHEET SECTION	FOLIO	DEBIT	CREDIT
Capital	B1		495 396.59
Drawings	B2	12 691.44	
Land and buildings	B3	607 500	
Equipment	B4	195 750	
Vehicles	B5	218 250	
Fixed deposit: Marsha Bank (14%)	B6	100 000	
Trading inventory	B7	12 375	
Debtors control	B8	22 100.50	
Bank	B9	11 427.91	
Cash float	B10	2 475	
Petty cash	B11	6 842.09	
Mortgage loan: Marsha Bank (16%)	B12		225 000
Creditors control	B13		107 786.77
NOMINAL ACCOUNTS SECTION			
Sales	N1		830 295
Cost of sales	N2	344 064.15	
Debtors allowance	N3	36 585	
Rent income	N4		34 033.50
Salaries	N5	38 853	
Interest on fixed deposit	N6		3 825
Advertising	N7	4 865.77	
Bad debts	N8	12 100	
Bank charges	N9	580	
Packing material	N10	8 000	
Interest on loan	N11	25 536	
Water and electricity	N12	15 200	
Sundry expenses	N13	21 141	
		1 696 336.86	**1 696 336.86**

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QUESTION 7

The transactions given in 7.1 and 7.2 appeared in the books of Multi Surface Traders. The business maintains a gross profit mark-up on cost of 40%.

REQUIRED:

Analyse the transactions below according to the table given below in your ANSWER BOOK. The first transaction has been completed for you as an example.

Show the increase with +, decrease with –, and no effect with 0.

Example:
Purchased stationery for cash, R3 000.

Number	**Source document**	**GENERAL LEDGER**		**Assets**	**Owner's Equity**	**Liabilities**
		Account Debit	**Account Credit**			
E.g.	Cheque counterfoil	Stationery	Bank	- 3 000	- 3 000	0

7.1 Sold goods for cash to customers, R91 000 INV 023. (6)

7.2 Purchased merchandise from on credit from S. Matamela for R45 000 and received 5% trade discount. (4)
[10]

TOTAL SECTION B: 120
GRAND TOTAL: 200

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