higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

MARKING GUIDELINE

NATIONAL CERTIFICATE (VOCATIONAL)

FINANCIAL MANAGEMENT
NQF LEVEL 4

26 November 2024

This marking guideline consists of 8 pages.

Copyright reserved

SECTION A

QUESTION 1

1.1
1.1.1 C
1.1.2 L
1.1.3 A
1.1.4 M
1.1.5 B
1.1.6 F
1.1.7 D
1.1.8 J
1.1.9 I
1.1.10 G

(10 × 1) (10)

1.2
1.2.1 Incremental
1.2.2 Fixed
1.2.3 Current
1.2.4 Skills development
1.2.5 Zero-rated
1.2.6 Net present value
1.2.7 EMP 501
1.2.8 Both primary and secondary
1.2.9 Loss
1.2.10 Variance

(10 × 1) (10)

1.3 1.3.1 (a) R11✓ – R2,20✓ = R8,80✓ (3)

(b) 40 000✓ × R2,20✓ = R88 000✓ (3)

(c) 50 000✓ × R2,20✓ = R110 000✓ + R30 000✓ = R140 000✓ (5)

(d) Fixed costs✓
Contribution

$$= \frac{30\,000✓}{8{,}80☑}$$

= 3 409 units✓ or 3 410 units (4)

1.3.2 (a) R14 000✓ × 7%✓ = R980,00 (2)

(b) R14 000✓ – R980☑ × 18%✓ = R2 343,60 (3)
[40]

TOTAL SECTION A: 40

SECTION B

QUESTION 2

2.1
- Alphanumerical:✓ Filing system that uses a combination of the alphabet and numbers✓ to store information.
- Alphabetical:✓ Filing system that uses the alphabet✓ to store information.
- Numerical:✓ Filing system that uses numbers✓ to store information.

(Any 2 × 2) (4)

2.2
- Venture capitalists
- Government grants
- Bank loans
- Investment partners
- Business incubators
- Personal savings
- Money from friends or relatives (Any 4 × 1) (4)

2.3
- Executive summary
- Business overview
- Market
- Company management
- Sales and marketing strategy
- Financial statements and projections
- Product and/or services (Any 5 × 1) (5)

2.4 2.4.1 75 000✓/ 3✓ = R25 000 (2)

2.4.2 Medium-term loan✓ as it is payable within a period of more than a year✓ but less than five years.✓ (3)

2.4.3 R75 000✓ × 14,75%✓ × 3✓ = R33 187,50✓ (4)

2.4.4 R75 000✓ + R33 187,50☑ = R108 187,50 (2)

2.5

TYPE OF FINANCIAL REPORT	PURPOSE
Balance sheet✓	Indicates the financial position of the business at a specific period✓
Cash flow statement✓	Shows the inflow and outflow of cash over a specific period✓
Income statement✓	Indicates the financial performance of the business at a specific period✓
Creditors' age analysis	Shows the total amount paid and due to a supplier at a given time
Debtors' age analysis	Shows the amount of money that the business is owed by its customers
Project report	Gives a summary of the project's key aspects including its goals, timelines and progress

(Any relevant 3 × 2) (6)

2.6
- Important payment dates and deadlines can be skipped or delayed.
- The business may end up being unsuccessful.
- The objectives of the business will not be achieved.
- The business will not know whether it made a profit or loss.
- The bank balance will not be known.
- Debtors or creditor may not be identified.
- There might be delays in making payments. (Any 1 × 2) (2)

2.7 2.7.1 Variable cost
2.7.2 Fixed cost
(2 × 1) (2)

2.8 2.8.1 R37 500✓ × 15%✓ = R5 625 (2)
2.8.2 Input VAT✓ (1)
2.8.3 R69 000✓ × 15/115✓ = R9 000 (2)
2.8.4 Output VAT✓ (1)
[40]

QUESTION 3

3.1 3.1.1 R26 000✓ – R24 000✓ = R2 000 favourable✓ (3)

3.1.2
- The business had more customers who took photographs.
- The business had special discounted prices for customers.
- The business sold more photographs. (Any 1 × 2) (2)

3.1.3 Rental (1)

3.1.4 R400✓ – R450✓ = R50 unfavourable✓ (3)

3.1.5
- Ensure that there are no leaking taps and if there are, repair it.
- Ensure that sockets and lights that are not used are switched off to avoid using unnecessary energy consumption.
- Ensure that water usage is optimal, use only what is needed and ensure that all taps are tightly closed. (2)

3.1.6 R700 × 12%✓ = R84✓ + R700 = R784✓ or R700 x 1.12 = R784 (3)

3.2 3.2.1

	Cannone	Pixal
Cost	R9 000	R9 000
Year 1	✓(R4 000)	✓(R3 800)
Balance	R5 000	R5 200
Year 2	✓ (R3 600)	✓(R3 400)
Balance	R1 400	R1 800
Year 3	✓ (R1 400)	✓ (R1 800)
Balance	R0	R0
	1 400 ÷ 3 000 = 0,47✓ 0,47 × 12 = 5,64✓ Payback period: 2,47 yrs or 2 yrs and 5,64 months✓	1 600 ÷ 3 400 = 0,53✓ 0,53 × 12 = 6,35✓ Payback period: 2,53 yrs or 2 yrs and 6,35 months ✓

(2 × 6) (12)

3.2.2 Cannone camera.✓ The cost of the Cannone camera will be recovered sooner.✓✓ (3)

3.2.3
- The IRR does not consider important factors like project duration, future costs or project size.
- The IRR simply compares the project's cash flow to the project's existing costs, excluding these factors.
- The IRR may not reflect the true profitability of a project if it has different scales or durations. (Any 2 × 1) (2)

3.3
- Compare prices of different suppliers to ensure they obtain the best price and best quality.
- Buy in larger quantities (bulk) to take advantage of lowered prices.
- Reduce waste by using waste for other purposes such as recycling of paper.
- Avoid impulsive purchases and only buy necessary items.

(2 × 2) (4)

[35]

QUESTION 4

4.1 4.1.1 January: R1 200 × 23✓ (31 – 8) = R27 600
February: R1 200 × 20✓ (28 – 8) = R24 000
March: R1 200 × 22✓ (31 – 9) = R26 400
Total = R26 400☑ + R24 000☑ + R26 400☑ = R78 000 (6)

4.1.2 R800 × 2✓ × 3✓ = R4 800 (2)

4.1.3 R1 200 × 2✓ × 3✓ = R7 200 (2)

4.2 4.2.1 $\frac{\text{Turnover current year – Turnover last year}}{\text{Turnover last year}} \times 100$✓

$= \frac{97\,500 - 90\,450}{90\,450}$✓ × 100✓

= 7,79%✓ (4)

4.2.2 $\frac{\text{Gross profit}}{\text{Sales}} \times 100$✓

$= \frac{69\,650✓}{97\,500✓} \times 100$

= 71,44% (3)

4.2.3 The ratio has increased when compared with the 70.98% of 2021.✓
The business has more sales than the previous year.✓✓
The business had gained more customers that in the previous year.
Or any relevant answer
***Do not accept the answer: Cost of sales has decreased because it has actually increased.** (3)

4.2.4 $\frac{\text{Total expenses}}{\text{Gross income}} \times 100$✓

$= \frac{14\,575}{65\,075} \times 100$✓

= 22,39%✓ (3)

4.3 4.3.1 Total assets:Total liabilities✓

2021	**2022**
$\frac{149\,375✓}{57\,825✓\ (50\,000 + 7\,825)}$	$\frac{160\,150✓}{70\,845✓\ (60\,000\ + 10\,845)}$
$= 2{,}58:1$	$= 2{,}26:1$ (5)

4.3.2 Current assets:Current liabilities✓

2021	**2022**	
24 375✓:7 825✓	20 150✓:10 845✓	
= 3,11 times	= 1,86 times	(5)

4.4 4.4.1
- Lack of finances
- Untrained/Unskilled workers
- Improper premises
- Shortage of workers (Any 2 relevant × 2) (4)

4.4.2
- Lack of sales orders
- Changes in interest rates
- Changes in currency exchange rates
- Special promotions by competitors (Any 2 relevant × 2) (4)

4.5
- Use actual income and expenses information from the previous year.
- Check if there are marketplace changes that will influence sales for the next year.
- Ensure that the business has made planned internal changes in your business that may influence quality and quantity.
- Check if there are any changes in next year's prices as prices change a lot.
- Include any planning regarding changes in the mix of products and check if it will influence the income of the business. (Any 2 relevant × 2) (4)

[45]

QUESTION 5

5.1
- Identity document
- Driver's licence
- IRP5 tax certificate
- Medical certificate
- Medical expenses
- Logbook if the taxpayer had a travel allowance for a vehicle

(Any 3 relevant × 2) (6)

5.2
- A taxpayer can be charged a fine determined by SARS of up to R2 000 a month.
- A taxpayer can be subjected to a penalty determined by SARS.
- A taxpayer can be arrested and go to jail. (Any 2 × 2) (4)

5.3 5.3.1 No✓ repairs on the delivery van does not increase the value of the vehicles. Capital allowance will be calculated on the historical cost of the vehicle.✓

5.3.2 Yes✓ as scrapping or recoupment of the fax machine is allowed.✓

5.3.3 No✓ as the allowance has already been fully granted.✓

5.3.4 Yes✓ at 5% per annum.✓

(4 × 2) (8)

5.4
- Increased income for government
- Increased funds for welfare services
- Increased funds for educational services
- Increased funds for basic services (Any 2 × 1) (2)

5.5 5.5.1

Salary (18 000 × 12)	216 000✓
Add: Bonus	36 000✓
Total taxable income (216 000 + 36 000)	252 000
Tax calculation	
Fixed amount (40 680 + amount above 226 000)	40 680✓
Add: Tax 26% (252 000☑ – 226 000) × 26%✓)	6 760
Tax before rebates	47 440✓
Less: Primary rebate	17 235✓
Taxation payable	30 205✓

(8)

5.5.2 R182 000✓ × 18%✓ = R32 760 (2)

5.6 5.6.1 (a) Cost-benefit ratio = $\frac{\text{Financial benefit to business}}{\text{Total cost}}$ ✓

Project Solar A

$= \frac{300\,000✓}{(60\,000 + 120\,000)✓}$

= 1,67✓

(b) Project Solar B

$= \frac{318\,000✓}{(72\,000 + 150\,000)✓}$

= 1,43✓

(7)

5.6.2 Project Solar A✓ as the project yields a higher financial benefit✓ in relation to cost.✓ (3)

[40]

TOTAL SECTION B: 160
GRAND TOTAL: 200

Copyright reserved