higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

MARKING GUIDELINE

NATIONAL CERTIFICATE (VOCATIONAL)

APPLIED ACCOUNTING

(First paper)

NQF LEVEL 4

4 December 2023

This marking guideline consists of 12 pages.

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SECTION A

QUESTION 1

1.1	1.1.1	B		
	1.1.2	C		
	1.1.3	D		
	1.1.4	A		
	1.1.5	A		
			(5 × 1)	(5)
1.2	1.2.1	Asset		
	1.2.2	Trading		
	1.2.3	Accrued expense		
	1.2.4	Debited		
	1.2.5	Income statement		
			(5 × 1)	(5)
1.3	1.3.1	R90 000 × 60% = R54 000✓		(1)
	1.3.2	R90 000 – R54 000 = R36 000✓ **OR** R90 000 × 40% = R36 000✓		(1)
	1.3.3	R3 500 + R12 250 + R9 100 = R24 850✓ Must have all given amounts to earn ONE mark		(1)
	1.3.4	R90 000✓ – R24 850☑ = R65 150		(2)
	1.3.5	R65 150☑ × 35%✓ = R22 802,50		(2)
	1.3.6	R65 150☑ + R46 000✓ – R22 802,50☑ = R88 347,50		(3)
	1.3.7	R9 100✓ ÷ R35✓ = 260 trays✓		(3)
	1.3.8	R88 347,50☑ ÷ 710✓ = R124,43☑		(3)
	1.3.9	A net profit is made when the total income✓ of a business exceeds its total expenses✓ while a net loss is when the total expenses✓ of a business exceeds its total income.✓		(4)
				[30]

☑ Do not penalise twice (principle marking)

QUESTION 2

2.1 2.1.1 DAJ (Debtors Allowances Journal)
2.1.2 Trading stock
2.1.3 Trading account
2.1.4 GJ (General Journal)
2.1.5 R115 000

(5 × 2) (10)

2.2 2.2.1

Stationery **N15**

Date	Detail	Fol.	Amount		Date	Detail	Fol.	Amount	
2021 Dec 1	Balance	b/f	✓8 960	00	2022 Nov 30	Drawings	GJ	✓1 000	00
2022 Nov 30	Bank	CPJ	✓4 400	00	2022 Nov 30	Stationery on hand	GJ	✓7 500	00
2022 Nov 30	Creditors control	CJ	✓3 250	00	2022 Nov 30	Prepaid expenses	GJ	✓2 400	00
2022 Nov 30	Salaries and wages	GJ	✓400	00	2022 Nov 30	Profit and loss✓	GJ	☑6 110	00
			17 010	00				17 010	00

(9)

NOTE: Where ONE mark is allocated in the amount column, the ENTIRE LINE entry must be correct (that is the detail and the amount) to allocate ONE mark

2.2.2

Stock✓	**✓R52 180**
Trading Stock	✓R44 680
Stationery on hand	✓R 7 500

(4)

2.3 A = O + L

A = O + L = R412 000✓ + R150 000✓ + R47 300✓ = R609 300

Current assets: R34 200✓ + R48 100✓ + R21 900✓ = R104 200

Non-current assets = Total assets – Current assets

Therefore Non-current assets = R609 300 - R104 200 = R505 100☑ (7)

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TOTAL SECTION A: 60

SECTION B

QUESTION 3

General Journal of Underworld Book Store – 31 December 2022 **GJ25**

No.	Details	Debit	Credit	Debtors' Control		Calculations (All must be shown)
				Debit	Credit	
1.	Drawings✓	892				Horror: R127 × 4 = R508✓ Comedy: R192 × 2 = R384✓ Total: R508 + R384 = R892
	Trading stock✓		892			
2.	Trading stock deficit✓	1 700				Trading stock deficit: R51 700✓ – R50 000✓ = R1 700
	Trading stock✓		1 700			
	Consumable stores on hand✓	4 000✓				Consumable stores no calculation. Amount given in adjustment
	Consumable stores✓		4 000✓			
3.1	Bank✓	2 400				R3 200 × 0.75 = R2 400✓ R3 200 – R2 400 = R800 ✓ **OR** R3 200 × 0.25 = R800✓
	Debtors' control✓		2 400		2 400✓	
3.2	Bad debts✓	800				
	Debtors' control✓		800		800✓	

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No.	Details	Debit	Credit	Debtors' Control		Calculations (ALL must be shown Credit
				Debit	Credit	
4.	Provision for bad debts adjustment✓	1 368✓				Debtors' control: R37 400 – R3 200 = R34 200✓ Provision for bad debts: R34 200 × 4%✓ = R1 368
	Provision for bad debts✓		1 368✓			
5.1	Depreciation✓	36 867				**Vehicles:** Total R275 000 Old vehicles: = R275 000 – R20 000 = R255 000 × 14/100 × 12 /12 = R35 700✓ New vehicles: R20 000 × 14/100 × 5/12 = R1 167✓ Total: R35 700 + R1 167 = R36 867 **Equipment**: Cost – Accumulated Depreciation = R145 800 – R27 420 = R118 380✓ × 15/100 × 12/12 = R17 757✓
	Accumulated Depreciation on Vehicles✓		36 867			
5.2	Depreciation✓	17 757				
	Accumulated Depreciation on Equipment✓		17 757			
	OR					

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	Depreciation✓✓	54 624				*Allocate marks to the workings as per above.*
	Accumulated Depreciation on Vehicles✓		36 867			
	Accumulated Depreciation on Equipment✓		17 757			
6.	Accrued Income✓	R9 250				Original FD: = R275 000 + R30 000 = R305 000 R305 000 × 8% × 11/12 = R22 367✓ R275 000 × 8% × 1/12 = R1 833✓ R1 833 + R22 367 = R24 200 R24 200 – R14 950✓ = R9 250✓
	Interest on Fixed deposit✓		R9 250			

[40]

QUESTION 4

General Ledger of Dubai Arts and Crafts

DR **CR**

Capital							
2022 Nov 30	Drawings✓	GJ	✓ 25 000	2021 Dec 01	Balance	b/d	✓300 000
2022 Nov 30	Balance	c/d	560 090	2022 Nov 30	Profit and loss ✓	GJ	☑285 090
			585 090				585 090
				2022 Dec 01	Balance	b/d	☑560 090
							(6)

Rent received

2022 Nov 30	Profit and loss✓	GJ	4 980	2022 Nov 30	Total	b/f	✓4 980
			4 980				4 980
							(2)

Wages

2022 Nov 30	Total	b/f	✓40 705	2022 Nov 30	Profit and loss	GJ	✓43 405
2022 Nov 30	Accrued expense✓	GJ	✓2 700				
			43 405				43 405
							(4)

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General Ledger of Dubai Arts and Crafts

Trading Account							
2022 Nov 30	Cost of sales	GJ	✓216 540	2022 Nov 30	Sales	GJ	✓ 624 207
2022 Nov 30	Profit and Loss✓	GJ	✓407 667				
			624 207				624 207
							(4)

DR CR

Profit and Loss Account							
2022 Nov 30	Advertising	GJ	✓14 460	2022 Nov 30	Trading account✓	GJ	☑407 667
	Donations	GJ	✓1 920		Commission received	GJ	✓24 000
	Rent paid	GJ	✓36 000		Rent received	GJ	✓4 980
	Repairs and maintenance	GJ	✓14 987				
	Sundry expenses	GJ	✓8 240				
	Telephone	GJ	✓9 640				
	Wages	GJ	☑43 405				
	Water and electricity	GJ	✓22 905				
	Capital✓	GJ	☑285 090				
			436 647				436 647
							(14)

[30]

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QUESTION 5

5.1 **Income statement of GIOVANI JEWELLERY store for the year ended 28 FEBRUARY 2022**

Sales (770 498✓ – 1 460✓)			769 038
Less: Cost of Sales			✓ (306 465)
Gross profit			462 573
Plus: Other Income			95 783
Bad debts recovered		✓ 2 450	
Discount received		✓ 3 333	
Rent Received (98 250✓ – 8 250✓)		90 000	
Gross Income			558 356
Less: Other Expenses			(209 832)
Bad debts (875✓ + 2 520✓)		3 395	
Bank charges		✓2 160	
Cell phone expenses (14 680✓ + 1 360✓)		16 040	
Insurance (15 000✓ – 1 360✓)		13 640	
Legal fees		✓9 260	
Printing and stationery (3 451✓ – 3 000✓)		451	
Salaries and wages		✓41 520	
Security expenses (37 950✓ + 3 709✓)		41 659	
Water and electricity		✓52 405	
Trading stock deficit (62 405✓ – 60 000✓)		2 405	
Provision for bad debts adjustment ([22 460 – 2 520] × 5%✓) (997 – 800)		197	
Depreciation (21 522✓ + 5 178✓)		26 700	
NET PROFIT BEFORE INTEREST			348 524
Less: Interest on loan		✓ 17 500	
NET PROFIT AFTER INTEREST			**331 024**

(27)

5.2 **Balance sheet of GIOVANI JEWELLERY store as at 28 FEBRUARY 2022**

ASSETS	**Note**		
Non-Current Assets			648 540
Property equipment and vehicles	1	☑ 648 540	
Current Assets			98 543
Stock (60 000✓ + 3 000✓)		63 000	
Trade and other debtors/receivables (22 460✓ - 2 520✓ - 997✓)		18 943	
Cash & Cash equivalents (14 600✓ + 2 000✓)		16 600	
TOTAL ASSETS			747 083
EQUITY & LIABILITIES			
Owner's Equity			524 824
Capital	2	☑ 524 824	
Non-Current Liabilities			175 000
Long-term loan: Warner Bank (10%)		✓175 000	
Current Liabilities			47 259
Trade and other creditors/payables	3	☑47 259	
TOTAL EQUITY and LIABILITIES			747 083

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NOTES TO BALANCE SHEET

1. Non-Current Assets:	**Cost price**	**Accumulated depreciation**	**Net carrying amount**
Land and buildings	475 000✓	-	475 000
Equipment	43 150✓	(13 638)✓	29 512
Vehicles	198 000✓	(53 972)✓	144 028
	716 150	(67 610)	648 540

(5)

2. Capital		524 824
Balance	225 000✓	
Add: Net profit	331 024☑	
Less: Drawings	(31 200)✓	

(3)

3. Trade and other creditors/payables		47 259✓
Creditors' control	35 300✓	
Add: Accrued expenses (security expenses)	3 709✓	
Add: Income received in advance (rent received)	8 250✓	

(4)

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QUESTION 6

No	GENERAL LEDGER		Assets	Owner's Equity	Liabilities
	Account Debit	Account Credit			
E.g.	*Telephone*	*Bank*	*-200*	*-200*	*0*
6.1	Commission paid✓	Accrued expense✓	0	- 50 000✓	+50 000✓
6.2	Donations✓	Equipment✓	-6 130✓	-6 130✓	0
6.3	Bank✓	Bad debts recovered✓	+9 000✓	+9 000✓	0
6.4	Creditors' control✓	Bank✓	-10 000✓	0	-10 000✓
6.5	Sales✓	Trading account✓	0	+500 000✓ -500 000✓	0

[20]

TOTAL SECTION B: 140
GRAND TOTAL: 200

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