higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

MARKING GUIDELINE

NATIONAL CERTIFICATE (VOCATIONAL)

APPLIED ACCOUNTING
NQF LEVEL 4
(First paper)

28 November 2024

This marking guideline consists of 12 pages.

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SECTION A

QUESTION 1

1.1 1.1.1 A
1.1.2 C
1.1.3 D
1.1.4 B
1.1.5 C

(5 × 1) (5)

1.2 1.2.1 Total net sales = Gross profit + Cost of sales

= R800 000✓ + R300 000✓

= R1 100 000✓ (3)

1.2.2 Total net sales × 60%

= R1 100 000 × 60%✓

= R660 000✓ (2)

1.2.3

ACCOUNT	DEBIT	CREDIT
Sales✓	☑1 100 000	
Trading account✓		1 100 000

(3)

1.2.4
- A net profit is essential for the running of the business enabling it to sustain itself. It is the aim of every business.
- A net profit demonstrates the business' ability to generate return; therefore, if a loan is required it can be obtained easily.
- A net profit can allow the business to expand.
- A net profit can allow the business to purchase new assets or upgrade their existing assets. (Any 1 × 2) (2)

1.3 1.3.1 **Debtors' Control** **B9**

Date	Detail	Fol.	Amount		Date	Detail	Fol.	Amount	
2023 Jan 1	Balance	b/d	✓22 556	00	2023 Dec 31	Debtors' allowances✓	DAJ	✓2 071	00
2023 Dec 31	Sales✓	DJ	✓49 160	00	2023 Dec 31	Bank and discount allowed✓	CRJ	☑40 153	00
2023 Dec 31	Bank✓	CPJ	2 000	00	2023 Dec 31	Balance	c/d	✓37 452	00
2023 Dec 31	Sales	GJ/ DJ	✓5 000	00					
2023 Dec 31	Interest income	GJ✓	✓960	00					
			79 676	00				79 676	00
2024 Jan 1	Balance	b/d	37 452	00					

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. ☑ Do not penalise twice (principle marking). (12)

1.3.2

ACCOUNT	DEBIT	CREDIT
Debtors' Control✓	✓960	
Interest Income✓		960

(3)
[30]

QUESTION 2

2.1 2.1.1 Old equipment: R362 450
New equipment: R42 450

Depreciation on old equipment for 12 months:

R362 450✓ – R68 500✓ = R293 950
(R293 950 × 15%✓ × $\frac{12}{12}$) = R44 093✓

Depreciation on new equipment for four months:

R42 450✓ × 15% × $\frac{4}{12}$ ✓ = R2 123✓

Total depreciation = R44 093 + R2 123 = R46 216☑ (8)

2.1.2 Expense (1)

2.1.3 Non-current assets (1)

2.1.4 R362 450✓+ 42 450✓ – (R68 500 + R46 216☑) = R290 184 (3)

2.2 2.2.1 **Bank Charges** **N15**

Date	Detail	Fol.	Amount		Date	Detail	Fol.	Amount	
2024 Feb 29	Balance/ Total	b/f	✓3 770	00	2024 Feb 29	Bank	CRJ ✓	✓75	00
2024 Feb 29	Bank✓	CPJ✓	✓400	00	2024 Feb 29	Profit and loss✓	GJ	✓5 070	00
2024 Feb 29	Accrued expenses✓	GJ	✓975	00					
			5 145	00				5 145	00

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. (10)

2.2.2 Income statement (1)

2.2.3 Current liabilities (1)

2.2.4 Decreases (1)

2.2.5 None (1)

2.2.6 Decreases (1)

2.2.7 Gross profit is the difference between sales and cost of sales. It does not take into account the operating expenses✓ of the business, whereas net profit is the final profit earned in the current financial year as a positive residual when the expenses are deducted from income. ✓ (2)
[30]

TOTAL SECTION A: 60

SECTION B

QUESTION 3

General Journal of Bina's Souvenirs – 31 December 2023 **GJ25**

No.	Details	Debit	Credit	Debtors' Control		Calculations (Show ALL calculations)
				Debit	Credit	
1.1	Depreciation✓	19 936				**Vehicles:** Cost – Accumulated depreciation = R189 570 – R23 440✓ = R166 130 × 12/100 × 12/12=R19 936✓ **Equipment:** Total R29 700 **Old equipment:** = R29 700 – R27 000✓ = R2 700 × 10/100 × 12/12= R270✓ **New equipment:** R27 000 × 10/100 × 5/12✓= R1 125✓ **Total:** R270 + R1 125 = R1 395
	Accumulated depreciation on vehicles✓		19 936			
1.2	Depreciation✓	1 395				
	Accumulated depreciation on equipment✓		1 395			
	or					
	Depreciation✓✓	21 331				Allocate marks to the workings as per above.
	Accumulated depreciation on vehicles✓		19 936			
	Accumulated depreciation on equipment✓		1 395			

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2.	Commission expense / paid✓	1 668				**Bags:** (R4 750 + R9 200) × 10%✓ = R1 395✓ **Other Accessories:** (R3 700 + R1 750) × 5%✓ = R273✓ **Total:** R1 395 + R273 = R1 668
	Bank✓		1 668☑			
3.	Trading stock deficit✓	1 750✓				**Trading stock deficit:** R98 750 – R97 000✓ = R1 750 Stationery no calculation. Amount given in adjustment
	Trading stock✓		1 750			
	Stationery on hand✓	400				
	Stationery✓		400✓			
4.1	Bank✓	2 400				R4 000 × 60% = R2 400✓ R4 000 – R 2 400 = R1 600✓ / R4 000 x 40% = R1 600✓
	Debtors' control✓		2 400		2 400✓	
4.2	Bad debts✓	1 600				
	Debtors' control✓		1 600		1 600✓	
5.	Provision for bad debts✓	395				**Debtors' control:** R25 500 – R4 000✓= R21 500 **Provision for bad debts:** R21 500 × 5%✓ = R1 075 R1 470✓ – R1 075 = R395
	Provision for bad debts adjustment✓		395			
6.	Drawings✓	2 500✓				
	Salaries✓		2 500			

NOTE: Where ONE mark is allocated per line, the ENTIRE LINE entry must be correct (that is the description and the amount) to allocate ONE mark

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QUESTION 4

DR General Ledger of Jungcelon Traders – 31 December 2023 CR

Capital							
2023 Dec 31	Drawings✓	GJ	✓20 470	2023 Jan 1	Balance	b/d	✓270 000
2023 Dec 31	Balance	c/d	588 880	2023 Dec 31	Profit and loss✓	GJ	☑339 350
			609 350				609 350
				2024 Jan 01	Balance	b/d	588 880
							(5)

Interest on fixed deposit							
2023 Dec 31	Profit and loss	GJ	✓10 000	2023 Dec 31	Total / Balance	b/f	✓10 000
			10 000				10 000
							(2)

Sales							
2023 Dec 31	Debtors' allowances	GJ	✓2 470	2023 Dec 31	Total / Balance	b/f	✓644 470
2023 Dec 31	Trading account✓	GJ	✓642 000				
			644 470				644 470
							(4)

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General Ledger of Jungcelon Traders

Depreciation							
2023 Dec 31	Accumulated depreciation: Equipment	GJ	✓8 805	2023 Dec 31	Profit and loss	GJ	✓20 855
2023 Dec 31	Accumulated depreciation: Vehicles	GJ	✓12 050				
			20 855				20 855
							(3)

DR **CR**

Profit and Loss							
2023 Dec 31	Auditing fees	GJ	✓21 400	2023 Dec 31	Trading account✓ (642 000☑ – 204 405✓)	GJ	437 595
	Cellular expense	GJ	✓5 680		Interest on fixed deposit	GJ	✓10 000
	*Depreciation	GJ	☑20 855		Rent income	GJ	✓36 000
	Interest on loan	GJ	✓9 000				
	Legal fees	GJ	✓12 640				
	Subscriptions	GJ	✓4 800				
	Sundry expense	GJ	✓3 970				
	Wages	GJ	✓40 700				
	Water and electricity	GJ	✓25 200				
	Capital✓	GJ	☑339 350				
			483 595				483 595
							(16)

☑ Do not penalise twice (principle marking).
*Do not accept two separate entries for depreciation. The total is closed off against profit and loss.

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

[30]

QUESTION 5

5.1

INCOME STATEMENT OF FANTASEA STORES FOR THE YEAR ENDED 29 FEBRUARY 2024

Sales (823 388✓ – 2 490✓)			820 898
Less: Cost of sales			✓(350 000)
Gross profit			470 898
Plus: Other income			36 178
Discount received		✓3 400	
Interest on fixed deposit (16 460✓ + 6 340✓)		22 800	
Bad debts recovered		✓9 978	
Gross income			507 076
Less: Other expenses			(367 983)
Accounting fees		✓33 728	
Bad debts (4 880✓ + 775✓)		5 655	
Insurance		✓34 760	
Printing and stationery (5 470✓ – 1 000✓)		4 470	
Property taxes		✓21 440	
Rent expense		✓56 000	
Salaries and wages		✓76 450	
Staff training (13 000✓ – 1 000✓)		12 000	
Water and electricity		✓80 248	
Provision for bad debts adjustment ([24 960 – 775] ✓ × 4%✓)		967	
Depreciation (15 015✓ + 7 450✓)		22 465	
Trading stock deficit (67 800✓ – 48 000✓)		19 800	
NET PROFIT			**☑139 093**

(26)

5.2

BALANCE SHEET OF FANTASEA STORES FOR THE YEAR ENDED 29 FEBRUARY 2024

ASSETS	**Note**		
Noncurrent assets			630 135
Property equipment and vehicles	1	☑340 135	
Other financial assets: Fixed deposit (250 000✓ + 40 000✓)		290 000	
Current assets			139 208
Stock (48 000✓ + 1 000✓)		49 000	
Trade and other debtors/receivables (24 960 – 775✓ – 967☑ + 6 340☑ + 1 000☑)		30 558	
Cash and cash equivalents	2	☑59 650	
TOTAL ASSETS			769 343
EQUITY & LIABILITIES			
Owner's equity			724 893
Capital	3	☑724 893	
Noncurrent liabilities		-	
Current liabilities			44 450
Trade and other creditors/payables		✓44 450	
TOTAL EQUITY AND LIABILITIES			769 343

☑ Do not penalise twice (principle marking). (12)

NOTES TO THE BALANCE SHEET

1. Noncurrent assets	Cost price	Accumulated depreciation	Net carrying amount
Land and buildings	✓175 000	-	175 000
Equipment	✓74 500	✓(30 850)	43 650
Vehicles	✓180 000	✓(58 515)	121 485
	429 500	(89 365)	340 135

(5)

2. Cash and cash equivalents		59 650
Bank (33 250✓ + 66 000✓ – 40 000✓)	59 250	
Petty cash	✓400	

(4)

3. Capital		724 893
Balance	550 000	
Additional contribution	✓66 000	
Add: Net profit	☑139 093	
Less: Drawings	✓(30 200)	

☑ Do not penalise twice (principle marking). (3)
[50]

QUESTION 6

No.	GENERAL LEDGER		Assets	Owners' equity	Liabilities	
	Account debit	Account credit				
E.g.	*Stationery*	*Bank*	*-400*	*-400*	*0*	
6.1	Bank✓	Sales✓	✓+1 543 650	✓+1 543 650	0	(4)
6.2	Drawings✓	Bank✓	✓-4 975	✓-4 975	0	(4)
6.3	Vehicles✓	Creditors' control✓	✓+967 000	0	✓+967 000	(4)
6.4	Advertising✓	Printing and stationery✓	0	✓+5 000 ✓-5 000	0	(4)
6.5	Prepaid expenses✓	Repairs and maintenance✓	+20 000✓	✓+20 000	0	(4)

[20]

TOTAL SECTION B: 140
GRAND TOTAL: 200

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