higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

MARKING GUIDELINE

NATIONAL CERTIFICATE (VOCATIONAL)

APPLIED ACCOUNTING
NQF LEVEL 4
(First paper)

18 February 2025

This marking guideline consists of 13 pages.

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SECTION A

QUESTION 1

1.1
1.1.1 D
1.1.2 D
1.1.3 C
1.1.4 D
1.1.5 B

(5 × 1) (5)

1.2
1.2.1 False
1.2.2 True
1.2.3 False
1.2.4 True
1.2.5 True

(5 × 1) (5)

1.3

	ASSETS	OWNERS EQUITY	LIABILITIES
1.3.1	X		
1.3.2	X		
1.3.3		X	
1.3.4			X
1.3.5			X
1.3.6		X	
1.3.7		X	
1.3.8			X
1.3.9	X		
1.3.10		X	

(10 × 1) (10)

1.4 1.4.1 Sales – Debtors allowances = Net sales
R625 000✓ – R3 600✓ = R621 400

R621 400 × $\frac{100}{225}$ = R276 178✓ (3)

1.4.2
- An income statement shows a business's financial performance during a specific period.✓✓
- A balance sheet shows the business' financial position (what the business owns) at a specific date.✓✓ (2 × 2) (4)

1.4.3 It enables the owner to immediately identify whether the business is making a profit or a loss. (1)

1.4.4
- The gross profit will be greater as it does not take into account the operating expenses✓ of a business.
- The net profit takes into account the operating expenses of a business.✓

(Any 2 relevant answers) (Any 2 × 1) (2)
[30]

QUESTION 2

2.1 2.1.1 **RENT INCOME** **N9**

Date	Detail	Fol.	Amount		Date	Detail	Fol.	Amount	
2023 Sep 30	Income received in advance ✓	GJ	✓1 980	00	2023 Sep 30	Balance/ Total	b/f	✓99 420	00
2023 Sep 30	Profit and loss✓	GJ	☑111 850	00	2023 Sep 30	Accrued income ✓	GJ	✓10 560	00
					2023 Sep 30	Commission received ✓	GJ	✓3 850	00
			113 830	00				113 830	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). (9)

2.1.2 Income Statement ✓ (1)

2.2 2.2.1 **BANK** **B6**

Date	Detail	Fol.	Amount		Date	Detail	Fol.	Amount	
					2023 July 31	Balance	b/d	✓18 700	00
2023 July 30	Capital ✓	CRJ	✓20 000	00	2023 July 31	Accounting fees ✓	CPJ	✓5 000	00
2023 July 31	Debtors control✓	CRJ	✓ 13 900	00	2023 July 31	Balance	c/d	✓10 200	00
			33 900	00				33 900	00
2023 Aug 01	Balance	b/d	☑10 200	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). (9)

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2.2.2 Cash and Cash Equivalents (1)

2.2.3

Cash and cash equivalents		**☑ R16 850**
Bank✓	☑10 200	
Petty cash (R2 450✓ – R500✓)	R1 950	
Cash float (R5 200✓ – R500✓)	R4 700	

(7)

2.2.4

Account	Debit	Credit
Stationery ✓	✓500	
Cash float ✓		500

(3)

☑ Do not penalise twice (principle marking) **[30]**

TOTAL SECTION A: 60

SECTION B

QUESTION 3

GENERAL JOURNAL OF DE FLORA RELAX SPA – 31 MAY 2023 **GJ25**

No.	Details	Debit	Credit	Debtors Control		Calculations (Show all calculations)
				Debit	Credit	
1.1	Depreciation✓	33 860				**Vehicles**: **Old vehicles**: R440 000 – R126 400 = R313 600✓ R313 600 × 10% = R31 360✓ **New Vehicles**: R150 000 × 10/100 × 2/12 = R2 500✓ Total: R31 360 + R2 500 = R33 860 **Equipment:** = R136 800✓ × 12/100 × 12 /12 = R16 416✓
	Accumulated depreciation on vehicles✓		33 860			
1.2	Depreciation✓	16 416				
	Accumulated depreciation on equipment✓		16 416			
	OR					

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	Depreciation✓✓	50 276				Allocate marks for the workings as per above.
	Accumulated depreciation on vehicles✓		33 860			
	Accumulated depreciation on equipment✓		16 416			
2	Trading stock deficit✓	1 600✓				Trading stock deficit: R17 600✓ – R16 000✓ = R1 600 Consumable stores no calculation. Amount given in adjustment.
	Trading stock✓		1 600			
	Consumable stores on hand✓	400				
	Consumable stores✓		400✓			
3	Staff training✓	16 800				R5 600✓ x 3✓ = R16 800
	Accrued expenses✓		16 800✓			

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No.	Details	Debit	Credit	Debtors Control		Calculations (Show all calculations)
				Debit	Credit	
4.1	Bank✓	975				R300 x 5 = R1 500 R1 500 x 65% = R975✓ R1 500 – R975 = R525✓ / R1 500 x 35% = R525✓
	Debtors control✓		975		975✓	
4.2	Bad debts✓	525				
	Debtors control✓		525		525✓	
5	Provision for bad debts ✓	928				Debtors control: R39 450 – R1 500 = R37 950✓ Provision for bad debts: R37 950 × 6%✓ = R2 277 R3 205 – R2 277 = R928✓
	Provision for bad debts adjustment✓		928			
6	Interest on loan ✓	6 825				Old loan: 320 000 – 150 000 = 170 000 R170 000 x 13% × $\frac{12}{12}$ = R22 100✓ New loan: R150 000 x 13% × $\frac{5}{12}$ = R8 125✓ Total = R22 100 + R8 125 = R30 225 R30 225 – R23 400 = R6 825 ✓
	Accrued expenses ✓		6 825			

[40]

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QUESTION 4

GENERAL LEDGER OF ANDAMANDA TRADERS

DR **CR**

4.1 **CAPITAL ACCOUNT**

2023 Nov 30	Drawings✓	GJ	✓ 26 000	2022 Dec 01	Balance	b/d	✓350 000
2023 Nov 30	Balance	c/d	420 274	2023 Nov 30	Profit and loss ✓	GJ	☑96 274
			446 274				446 274
				2023 Dec 01	Balance	b/d	420 274

(5)

4.2 **SALES ACCOUNT**

2023 Nov 30	Debtors allowances	GJ	✓1 800	2023 Nov 30	Total / Balance	b/f	✓526 491
2023 Nov 30	Trading account✓	GJ	✓524 691				
			526 491				526 491

(4)

4.3 **INSURANCE**

2023 Nov 30	Balance / Total	b/f	27 000✓	2023 Nov 30	Prepaid expense✓	GJ	✓2 050
				2023 Nov 30	Profit and loss✓	GJ	✓24 950
			27 000				27 000

(5)

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GENERAL LEDGER OF ANDAMANDA TRADERS

DR CR

4.4	PROFIT AND LOSS ACCOUNT						
2023 Nov 30	Bad debts	GJ	✓4 000	2023 Nov 30	Trading account ✓ (524 691☑ – 222 400✓)	GJ	302 291
	Depreciation	GJ	✓8 400		Bad debts recovered	GJ	✓3 650
	Electricity and water	GJ	✓33 333		Interest on fixed deposit	GJ	✓7 800
	General expenses	GJ	✓4 444				
	Insurance	GJ	☑24 950				
	Legal fees	GJ	✓18 150				
	Packing material	GJ	✓4 300				
	Rates and taxes	GJ	✓36 450				
	Salaries and wages	GJ	✓63 400				
	Telephone	GJ	✓20 040				
	Capital	GJ	☑96 274				
			313 741				313 741
							(16)

☑ Do not penalise twice (principle marking).
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 SIMILAN TRADERS FOR THE YEAR ENDED 31 DECEMBER 2023**

Sales (431 190✓ – 1 690✓)			429 500
Less: Cost of sales			✓ (199 900)
Gross profit			229 600
Plus: Other income			67 125
Rent received		✓ 66 000	
Bad debts recovered		✓ 1 125	
Gross income			296 725
Less: Other Expenses			(254 464)
Accounting fees		✓14 600	
Bad debts (3 050 ✓ + 1 234 ✓)		4 284	
Legal fees (19 125✓ - 4 125✓)		15 000	
Packing material (1 980 ✓ – 300 ✓)		1 680	
Printing and stationery		✓3 600	
Property rates		✓ 23 980	
Salaries and wages		✓ 85 460	
Telephone		✓10 991	
Water and electricity		✓ 54 980	
Provision for bad debts adjustment ([49 463 ✓ – 1 234 ✓] × 6%✓)		2 894	
Depreciation (18 400✓ + 16 995✓)		35 395	
Trading stock deficit (49 600 ✓ – 48 000 ✓)		1 600	
NET PROFIT before Interest Expense			**42 261**
Interest on loan		✓5 500	
NET PROFIT after Interest Expense			**36 761**

(25)

5.2 **BALANCE SHEET OF SIMILAN TRADERS AS AT 31 DECEMBER 2023**

ASSETS	**NOTES**		
Non-Current Assets			462 345
Property, equipment and vehicles	1	462 345 ☑	
Current Assets			98 760
Stock 48 000✓+ 300✓		48 300	
Trade and other debtors/receivables	3	49 460☑	
Cash and Cash equivalents		1 000✓	
TOTAL ASSETS			561 105
EQUITY AND LIABILITIES			
Owner's Equity			445 961
Capital	2	445 961☑	
Non-Current Liabilities			50 000
Mortgage loan: Racha Bank (11%)		50 000✓	
Current Liabilities			65 144☑
Trade and other creditors/payables		32 690✓	
Bank overdraft (33 279 ✓ – 1 125 ✓ + 300 ✓)		32 454	
TOTAL EQUITY AND LIABILITIES			561 105

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

NOTES TO THE BALANCE SHEET

1. Non-Current Assets	Cost price	Accumulated depreciation	Net carrying amount
Land and buildings	✓200 000	-	200 000
Equipment	✓154 500	✓ (57 755)	96 745
Vehicles	✓256 400	✓ (90 800)	165 600
	610 900	148 555	462 345

(5)

2. Capital		445 961
Balance	✓450 000	
Add: Net profit	☑36 761	
Less: Drawings (40 500✓ + 300✓)	(40 800)	

(4)

3. Trade and other debtors/receivables		49 460
Debtors' control (49 463✓ – 1 234✓)	48 229	
Less: Provision for bad debts (48 229 x 6%)	☑ (2 894)	
Add: Prepaid expenses (Legal fees)	☑4 125	

☑ Do not penalise twice (principle marking).

(4)
[50]

QUESTION 6

No	GENERAL LEDGER		Assets	Owner's Equity	Liabilities
	Account Debited	Account Credited			
E.g.	*Fuel*	*Bank*	*-200*	*-200*	*0*
6.1	Drawings✓	Bank✓	✓-700	✓-700	0
6.2	Trading stock deficit✓	Trading stock✓	✓-3 222	✓-3 222	0
6.3	Rent received✓	Income received in advance✓	0	✓-3 780	✓+3 780
6.4	Donations✓	Trading stock✓	✓-23 500	✓-23 500	0
6.5	Prepaid expenses✓	Insurance✓	✓+10 000	✓+10 000	0

(5 × 4) **[20]**

TOTAL SECTION B: 140
GRAND TOTAL: 200

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