higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

NATIONAL CERTIFICATE (VOCATIONAL)

FINANCIAL MANAGEMENT
NQF LEVEL 3

(3011013)

15 November 2022 (X-paper)
09:00–12:00

Non-programmable calculators may be used.

This question paper consists of 12 pages and an answer book of 19 pages.

317Q1N2215

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TIME: 3 HOURS
MARKS: 200

INSTRUCTIONS AND INFORMATION

1. Answer all the questions in the ANSWER BOOK (attached).
2. Read all the questions carefully.
3. Number the answers according to the numbering system used in this question paper.
4. Show all the calculations for marks to be allocated.
5. Use only a black or blue pen.
6. Write neatly and legibly.

QUESTION NUMBER	TOPIC	MARKS	RECOMMENDED TIME GUIDE
SECTION A			
1 - 4	Short questions (all topics integrated)	40	36 min
SECTION B			
5	Calculate and record value-added tax transactions	40	36 min
6	Prepare salaries/wage journals Petty cash system	40	36 min
7	Compile reconciliation statement	40	36 min
8	Basic manual administration of non-current asset Creditor's ledger	40	36 min
	TOTAL	**200**	**180 minutes**

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SECTION A

QUESTION 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 (1.1–1.10) in the ANSWER BOOK.

1.1 The … journal is a subsidiary journal used to record interest received on a favourable bank balance.

A creditors
B petty cash
C cash receipts
D cash payments

1.2 Banking service fees, such as withdrawal or deposit costs, form part of …

A tax levies.
B bank charges.
C monthly expenses.
D ledger fees.

1.3 The amount needed to restore the petty cash imprest amount of R1 750, if the total petty cash expenditure for the month amounts to R988,40, is …

A R1 750,00.
B R761,60.
C R2 738,40.
D R988,40.

1.4 … deductions are voluntary for employees.

A UIF
B PAYE
C Medical aid
D Pension fund

1.5 When a debtor makes a payment to the business, the debtors control account is …

A debited.
B increased.
C credited.
D recorded.

1.6 VAT on an inclusive amount of R3 652,40 is … .

A R547,86
B R476,40
C R448,54
D R511,34

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1.7 … VAT is paid by a business when it purchases goods and services from its suppliers.

A Zero-rated
B Input
C Tax exempt
D Output

1.8 … VAT charged by a business on the sales of its goods and services to customers.

A Zero-rated
B Input
C Tax exempt
D Output

1.9 A/An … is a record of all non-current assets purchased by the business.

A income statement
B asset register
C cash flow statement
D creditors control account in the general ledger

1.10 Amounts in the cash receipts journal appear on the credit side of the bank statement, because from the bank's point of view the business is a/an …

A current asset.
B non-current asset.
C liability.
D owner's equity.

(10 × 1) **[10]**

QUESTION 2

Choose an item from COLUMN B that matches a description in COLUMN A. Write only the letter (A–M) next to the question number (2.1–2.10) in the ANSWER BOOK.

COLUMN A		COLUMN B	
2.1	A twelve-month period that a business follows for recording its accounting transactions	A	petty cash voucher
2.2	System used to maintain the petty cash balance at a fixed amount	B	depreciation
2.3	The organisation responsible for the administration of South Africa's tax system	C	imprest
2.4	The process of replacing an old asset	D	VAT 201
2.5	Source document for the petty cash journal	E	asset disposal
2.6	Purchasing of non-current assets	F	capital expenditure
2.7	Measures the decrease in the value of non-current assets	G	early payment discount
2.8	Additional hours worked above normal hours	H	financial year
2.9	The form used by vendors for the submission of VAT	I	trade discount
2.10	A reduction in price given by a supplier to a consumer on the selling price of a product	J	overtime
		K	SARS
		L	petty cash
		M	VAT 101

(10 × 1) **[10]**

QUESTION 3

Choose ONE term from the list below for each of the following descriptions and write it next to the question number (3.1–3.10) in the ANSWER BOOK.

credit; VAT 101; creditors journal; debtors journal; eFiling; 15%; exclusive; gross wage; 14%; VAT 201; bank reconciliation; bank overdraft; petty cash voucher

3.1 The current VAT rate in South Africa is … .

3.2 A/An … form must be completed to register with SARS as a VAT vendor.

3.3 The … is the amount owing to employees before deductions are taken into consideration.

3.4 The process of electronically submitting VAT returns to SARS, is called … .

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3.5 Before VAT is added to the selling price, it is known as the VAT … price.

3.6 … is the process of matching and comparing the transactions in the cash book with those in the bank statement.

3.7 The … is the source document for the cash purchase of 2 litres of milk for the office.

3.8 The journal used to record all credit sales is the … .

3.9 A debit balance on a bank statement is called a/an … .

3.10 Output VAT is posted to the … side of the VAT control account in the general ledger.

(10 × 1) **[10]**

QUESTION 4

Choose the correct term from those given in brackets. Write only the answer next to the question number (4.1–4.10) in the ANSWER BOOK.

4.1 (Input/Output) VAT is recorded on the debit side of the VAT control account in the general ledger.

4.2 (Pension/Overtime) is a deduction from an employee's salary.

4.3 A petty cash voucher is an (internal/external) source document used to record petty cash payments.

4.4 Outstanding (debtors/creditors) balances are due to the business.

4.5 Basic foodstuff such as brown bread and eggs are subject to (standard/zero) rated VAT.

4.6 A petty cashier (authorises/completes) a requisition approved for the purchase of an item.

4.7 The (original/duplicate) credit invoice is used to complete a debtor's journal.

4.8 When a business buys goods from suppliers, they pay (zero-rated/standard-rated) VAT.

4.9 According to the South African Revenue Service, documents need to be stored for (three/five) years.

4.10 A petty cash account is a/an (asset/liability) for a business.

(10 × 1) **[10]**

TOTAL SECTION A: 40

SECTION B

QUESTION 5

WA Equipment is a registered VAT vendor that records VAT at 15% on the invoice basis. The business does not make use of separate Input and Output VAT accounts, but posts directly to the VAT control account in the general ledger.



The following transactions took place during June 2021:

03 Purchased merchandise from Whitney Wholesalers and transferred R4 025 including VAT via EFT1.

06 Sales according to the cash register roll, CRR01 amounted to R7 900 excluding VAT (cost of sales R3 950).

09 Received invoice AES06 from AA Electronics for trading stock bought on credit, R21 390 including VAT.

15 Paid D Fassi via EFT2, R22 500 for the monthly salary. There is no VAT on salaries.

17 Issued invoice WA01 to C Nortje for credit sales of goods, R2 530 VAT inclusive (cost price R1 100).

19 Returned merchandise to AA Electronics, R3 588 VAT inclusive, debit note number 16.

23 Paid Telkom R1 380 including VAT for the monthly telephone account (EFT3).

24 Cash sales of merchandise according to cash register roll, CRR02 amounted to R15 600 excluding VAT (cost of sales R7 800).

29 Issued credit note CN24 to C Nortje, R782 VAT inclusive for goods returned by him (cost of sales R340).

REQUIRED:

5.1 Record the transactions in the relevant subsidiary journals for June 2021 (numbered 5.1.1 – 5.1.6 in the ANSWERBOOK).



Only total the VAT columns in all the journals at the end of the month. (33)

5.2 Post only to the VAT control account in the general ledger on 30 June 2021. Balance the account at the end of the month. (7)

[40]

QUESTION 6

6.1 JMD Enterprises provided you with the following information for June 2021:

Employee name	Annual salary	Pension fund	PAYE	Medical aid	UIF
B Thomas	R342 000	7,5%	22%	R1 400	1%
E Swart	R322 800	7,5%	22%	R850	1%

Additional information:

- PAYE is calculated on taxable income.
- For every rand that the employee contributes to the pension fund, the employer contributes R2,00.
- UIF is contributed on a rand-for-rand basis.
- Both employee and employer contribute equally to the medical aid scheme.

REQUIRED:

Use the information above to prepare the salaries journal for JMD Enterprises for June 2021.

Round off your answers to TWO decimals. (20)

6.2 You are the petty cashier of Williams Sports Centre. The business uses the imprest system for petty cash.

Additonal information:

- The last petty cash voucher number used was PCV07.
- On 1 June 2021 the amount of the petty cash on hand was R4 150.
- Where applicable, VAT is included in the transactions.

The following petty cash transaction took place during May 2022:

07 Paid Petros, a casual employee, wages for the day's work, R180.

09 Paid JKB Courier R99 for postal delivery services.

13 Paid R205 for a chocolate hamper for the owner's parents.

17 Purchased copier paper from NA Stationers for office use, R138,95.

21 Gave a donation of R500 to Rainbow Angels, a local feeding scheme.

26 Bought cold drinks from Pick n Pay for a business meeting, R170.

Refer to the following table with regard to VAT:

ITEMS	IS VAT CHARGED?	
	YES	NO
Beverages	✓	
Donations		✓
Drawings		✓
Postage	✓	
Salaries and wages		✓
Staff expenses	✓	
Stationery	✓	

REQUIRED:

6.2.1 Enter the above transactions in the petty cash journal of Williams Sports Centre for 31 May 2022. Only total the petty cash column at the end of the month. (16)

6.2.2 Restore the imprest amount of R4 150 and complete the petty cash ledger account in the general ledger of Williams Sports Centre on 31 May 2022. (4)

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QUESTION 7

The owner of Bright Books provided you with the following information for July 2021:

1. The bank reconciliation statement on 30 June 2021 showed the following details:

Outstanding cheques: No. 243 R1 482
No. 261 R1 396
No. 262 R740

Debit balance according to the bank account: R43 821.

2. CASH RECEIPTS JOURNAL: Column totals on 31 July 2021

Bank	Sales	Sundry accounts
R91 320	R61 200	R30 120

3. CASH PAYMENTS JOURNAL: Column totals on 31 July 2021

Bank	Trading stock	Wages	Sundry accounts
R127 518	R84 208	R28 000	R15 310

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4. A comparison of the bank statement from MPU Bank with the cash receipts and the cash payments journals on 31 July 2021 reflected the following:

(a) The bank statement showed a credit balance of R23 194.

(b) A deposit of R4 400 on 31 July 2021 has not yet been credited on the bank statement.

(c) The following cheques have not been presented for payment on 31 July 2021:

No. 261 R1 396
No. 262 R740
No. 271 R6 925

(d) An amount of R428 for interest on a credit balance appeared on the bank statement from MPU Bank but not in the books of the business.

(e) A cheque for R1 340 received from S le Roux in respect of rent was dishonoured by the bank due to insufficient funds.

(f) Bank charges amounting to R328 appeared only on the bank statement.

(g) The bank statement showed a monthly debit order in respect of the insurance premium from Sanlam, R2 350.

(h) An amount of R14 500 was paid directly into the business's current account. This amount was received from a customer, J Jegels.

7.1 7.1.1 Make supplementary entries in the Cash Receipts Journal and Cash Payments Journal of Bright Books on 31 July 2021.

Total the bank columns only in both journals. (14)

7.1.2 Post to the bank account in the general ledger and balance off the bank account on 31 July 2021. (4)

7.1.3 Prepare the bank reconciliation statement of Bright Books on 31 July 2021. (7)

7.2 The following information was taken from the books of Sedibeng Blankets. Ignore VAT for this question.

Balances taken from the debtors' ledger on 31 July 2022:

J Roux	R14 500
L Hlwati	R7 240
L Viviers	R13 200

- The debtors control account in the general ledger had a debit balance of R34 940 on 31 July 2022.

After closer investigation it was found that the following information appeared on the bank statement on 31 July 2022. These transactions were not entered in the books of the business:

- A cheque for R3 700 received and recorded, from L Hlwati, was returned by the bank marked R/D (Refer to Drawer). This transaction was not recorded.
- J Roux had deposited the full amount owing in settlement of his account on 31 July 2021.

REQUIRED:

Use the information above to complete the following:

7.2.1 Record the above two transactions in the General Journal of Sedibeng Blankets on 31 July 2022.

Note: The Cash Receipts and Cash Payments Journals are not required. (6)

7.2.2 Complete and balance the Debtors' Control account in the General Ledger of Sedibeng Blankets on 31 July 2022. (4)

7.2.3 Draw up the Debtors' List of Sedibeng Blankets on 31 July 2022. (5)

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QUESTION 8

8.1 The following information was extracted from the records of EKTA Carpets.

Asset description	Yoga laptop
Bought from	HP Computer Wholesalers
Serial no.	LY 442
Date of purchase	1 January 2019
Cost price	R7 800
Depreciation rate	10% on diminishing balance

The financial period ended on 30 June 2021.

REQUIRED:

Complete the asset register and calculate the depreciation on the above asset from date of purchase until 30 June 2021. Round off your answers to the nearest rand, where necessary. (20)

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8.2 Ndou Cash and Carry recently sold one of its delivery vehicles on 30 June 2021. The cost price of the vehicle was R179 000 and the accumulated depreciation on the date of sale was R41 700. It was sold for R84 200 cash.

Balances on 1 June 2021:

Vehicles	R472 000
Accumulated depreciation on vehicle	R193 000

REQUIRED:

Complete and balance the following accounts in the General Ledger of Ndou Cash and Carry on 30 June 2021:

8.2.1 Vehicle (3)

8.2.2 Accumulated depreciation on vehicle (3)

8.2.3 Asset disposal (4)

8.3 An inexperienced bookkeeper of Nikoshay Traders prepared the following account of P Mbatha, in the Creditors' Ledger for June 2021. The owner is convinced that the account has some errors:

Date	Details	Fol	Debit	Credit	Balance
1 June	Account rendered				17 938
10	Invoice no. 41	CJ	2 731		20 669
14	Journal debits	GJ		669	21 338
21	Debit note no. 13	CAJ	142		21 480
28	Cheque no. 31	CPJ		9 400	12 080
	Cheque no. 31 (discount received)	CPJ		260	11 820

Additional Information:

- The journal debits on 14 June 2021 were R696 and not R669.

REQUIRED:

Prepare the account of P Mbatha in the Creditors' Ledger on 30 June 2021, correcting all the errors. (10)

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TOTAL SECTION B: 160
GRAND TOTAL: 200

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