higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

NATIONAL CERTIFICATE (VOCATIONAL)

APPLIED ACCOUNTING

(Second paper)

NQF LEVEL 4

(3011004)

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

This question paper consists of 20 pages, 1 addendum and an answer book of 3 pages.

571Q2N2224

Copyright reserved

TIME: 3 HOURS
MARKS: 200

INSTRUCTIONS AND INFORMATION

1. Answer all the questions.
2. Read all the questions carefully.
3. Number the answers according to the numbering system used in this question paper.
4. Answer SECTION A in the ANSWER BOOK provided.
5. Use appropriate accounting software for SECTION B and SECTION C.
6. Use a separate set of books for SECTION B and SECTION C.
7. Use the table below to guide you with regard to the amount of time to spend on answering each question.
8. Use only a black or blue pen.
9. Write neatly and legibly.

QUESTIONS	TOPICS	MARKS	RECOMMENDED TIME GUIDE
SECTION A			
1	Short theoretical questions	20	20 minutes
SECTION B			
2	Practical on accounting software	120	1 hour 40 minutes
SECTION C			
3	Practical on accounting software	60	1 hour
	TOTAL	**200**	**3 hours**

Copyright reserved

SECTION A

QUESTION 1

1.1 Choose the correct term from those in brackets. Write only the answer next to the question number (1.1.1–1.1.10) in the ANSWER BOOK.

1.1.1 Suppliers' control is categorised as accounts (payable/receivable).

1.1.2 When a customer returns goods, he/she will receive a (debit/credit) note.

1.1.3 The debits on a bank statement are reconciled with entries in the cash (receipts/payments) journal.

1.1.4 Bank reconciliation is the process of comparing a business' accounting (entries/systems) to the bank statement.

1.1.5 The source document for processing month-end adjustments is a journal (voucher/coupon).

1.1.6 The (receipt/deposit slip) number is used as a reference in the cash receipts journal.

1.1.7 The inventory journal is used to record the (take-on balance/ cost price) of inventory on hand.

1.1.8 (Discount/Term) codes indicate early payment arrangements.

1.1.9 It is important for a business to issue (statements/ remittance advices) to customers to ensure improved cash flow.

1.1.10 The VAT 201 (statement/form) is used to calculate VAT payable or receivable.

(10 × 1) (10)

1.2 Various options are provided as possible answers to the following questions. Choose the answer and write only the letter (A–D) next to the question number (1.2.1–1.2.5) in the ANSWER BOOK.

1.2.1 When a customer returns inventory, the … number needs to be reflected on the credit note.

A tax invoice
B supplier's invoice
C quotation
D internal memorandum

1.2.2 Which ONE of the following is subjected to capital goods VAT?

A Refreshments
B Capital contributions
C Stationery
D Laptop

1.2.3 When processing the supplier's invoice and there is a price difference between the price on the invoice and that of the accounting software, the amount on the … is used.

A original tax invoice
B accounting software
C duplicate tax invoice
D original supplier's invoice

1.2.4 An amount of R7 200,00 was paid to the municipality which included R800,00 for rates and taxes.

How much will be posted to the water and electricity account?

A R7 200,00
B R8 000,00
C R6 400,00
D R800,00

1.2.5 How much will the input tax on the transaction in QUESTION 1.2.4 be?

A R1 080,00
B R834,78
C R960,00
D R939,13

(5 × 1) (5)

1.3 Storm Suppliers paid a total of R10 920,60 VAT on goods and services for March and April 2022. A total of R32 015,78 VAT was collected on goods and services provided to customers.

Identify and calculate each of the following showing all calculations were applicable:

1.3.1 Output VAT (1)

1.3.2 Input VAT (1)

1.3.3 The VAT amount payable or refundable to the receiver of revenue stating whether the amount calculated is payable or refundable (3)
[20]

TOTAL SECTION A: 20

SECTION B

QUESTION 2

INSTRUCTIONS

1. Open the account system of Langa Traders (LANGA), which has already been loaded on the computer. The password is *123*.
2. Select *Setup*.
3. Select *Company Parameters*.
4. Select *Company Detail*. Select the *Company Name* section and click on *Educational Number*.
5. Press CTRL + SHIFT + T and insert your EXAMINATION NUMBER in the block that appears. Click *OK*.

Pulane Langa started a business selling garden and pool products. Langa Traders uses the computerised accounting system Pastel.

The business is registered for VAT purposes and makes two-monthly payments to the South African Revenue Service according to the invoice basis.

You have been appointed as a bookkeeper and have been requested to process the transactions for March 2022 (period 1).

The following setup has already been created in the books of Langa Traders (LANGA).

(a) Period

The financial year of the business runs from 1 March 2022 until 28 February 2023. The current period is March 2022, which is the first period.

(b) Value-added tax

The business is registered as a VAT vendor and VAT will be captured according to the invoice basis. Refer to the ADDENDUM (attached) for the admissible deductions with regard to input tax.

Copyright reserved

(c) Entry types

NUMBER	ENTRY TYPE
1	Cash Payments Journal (CB 1)
2	Cash Receipts Journal (CB 1)
3	Petty Cash Payments Journal (CB 2)
4	Petty Cash Receipts Journal (CB 2)
5	General Journal
6	Customers' Journal
7	Suppliers' Journal
8	Customers' Allowances Journal
9	Suppliers' Allowances Journal
10	Bad Debts Journal
11	Interest Charged Journal
12	Stock Journal

(d) Customers

CUSTOMER CODE	CUSTOMER
G001	K. Gcaza
M001	V. Mene
Z99	Cash sales

(e) Suppliers

SUPPLIER CODE	SUPPLIER
S001	Furn Furnishers
S002	Melaat Suppliers
S003	NUT Pty (Ltd)

Copyright reserved

(f) Inventory

- The continuous inventory system is used
- Inventory marked up at 65% on the cost price
- Exclusive tax processing applied to all stock purchases and sales
- The following stock codes and prices (excluding VAT) are applicable:

Stock code	Description	Unit	Cost price	Sales price
DC	Delivery cost			250
DNS	Dining set	Each	1 440	2 376
GZB	Gazebo	Each	1 600	2 640
LFR	Leaf rake	Each	80	132
LES	Lounge set	Each	5 600	9 240
SIG	Swing	Each	2 400	3 960
UAB	Umbrella and base	Each	1 760	2 904
WDP	Wooden planter	Each	336	554

(g) Term codes

- 7,5% discount within 15 days from last day of period
- 5% discount within 60 days from last day of period
- 10% discount within 60 days from last day of period
- 5% discount within 30 days from last day of period
- 2,5% discount within 60 days from last day of period

(h) Take-on balances

The take-on balances of the customers have not been captured. All other take-on balances have been processed.

Copyright reserved

Required:

- Use the source documents and the following information to record the transactions in the appropriate journals or documents for March 2022 (period 1) in the books of Langa Traders.
- Continue to use the account structure for the general ledger that has been set up. If there is no account to enter a transaction into, such an account must be created.
- Print all documents after processing. When printing journals, select *Print With Contras*.
- Update all documents and journals after printing.
- Refer to page 17 for a full list of printouts to be handed in for marking. Hand in the printouts in the same order as on page 17. Five marks will be deducted if printouts are not handed in in the same order as the list given in the question paper.

2.1 **Take-on balances**

Record the customer balances in the relevant journal using the customer age analysis below. Print the journal.

CUSTOMER AGE ANALYSIS ON 28 FEBRUARY 2022				
CUSTOMER	**60 days**	**30 days**	**CURRENT**	**TOTAL**
K. Gcaza	R3 725,00		R5 700,00	R9 425,00
V. Mene		R665,00	R1 600,00	R2 265,00
	R3 725,00	**R665,00**	**R7 300,00**	**R11 690,00**

2.2 **Credit purchases of inventory**

Insert the following message on all supplier invoices:

Kindly inform us of any price changes.

Melaat Suppliers

52 Nelson Drive
Upington
8801

No. 345
Tel: 053 962 4545
Fax: 086 864 2468

07/03/2022

TAX INVOICE

VAT Reg. No.: 258943167

TO: Langa Traders
129 Main Road
Kimberley
8301

TERMS: 2,5% discount within 60 days
10% overall discount

Quantity	Description	Unit price		Amount	
2	Swing	2 500	00	5 000	00
4	Lounge set	5 800	00	23 200	00
6	Umbrella and base	1 760	00	10 560	00
			Subtotal	38 760	00
			10% discount	3 876	00
				34 884	00
			15% VAT	5 232	60
			TOTAL	**R40 116**	**60**

Copyright reserved



TAX INVOICE
NO: 678
37 Sotho Road
Upington
8801

Tel: 053 962 2587 VAT Reg. No.: 71468293
Fax: 086 134 9876
TO: Langa Traders
129 Main Road
Upington
8801

14/03/2022

ITEM	Unit price		Amount	
3 × Leaf rake	R88	00	R264	00
6 × Wooden planter	R393	00	R2 358	00
9 × Gazebo	R1 699	00	R15 291	00
		Subtotal	R17 913	00
		20% discount	R3 582	60
TERMS: 10% discount within 60 days			R14 330	40
		15% VAT	R2 149	56
		TOTAL	**R16 479**	**96**

Create the new supplier using the account structure already set up with a credit limit of R20 000,00.

TAX INVOICE
51 Robyn Crescent, Hanover, 7780

✆ 053 258 4697
VAT Reg. No.: 258796431



21/03/2022 **NO: 901**

TO: Langa Traders
129 Main Road
Upington
8801

TERMS: 5% discount within 60 days
15% trade discount

Quantity	***Description***	***Unit price***		***Amount***	
2	Dining set	1 650	00	3 300	00
3	Pool cleaner	3 334	40	10 003	20
			Subtotal	13 303	20
			15% discount	1 995	48
				11 307	72
			15% VAT	1 696	16
			TOTAL	**R13 003**	**88**

Create a new inventory item for the pool cleaner using the code *PLC.*

2.3 **Credit returns of inventory**

DATE	SUPPLIER	REASON
10/03/2022	Melaat Suppliers	1 lounge set – wrong colour 2 umbrella and bases - incorrect order
30/03/2022	NUT Pty (Ltd)	1 dining set – chair broken

Copyright reserved

2.4 Cash and credit sales

- Z99 is the cash sales account used to capture cash sales transactions.
- Insert the names and addresses of all cash customers in the *Delivery Address* field.
- Message for cash customers: *Thank you for your support*.
- All cash customers receive a 10% cash discount.

NAME	DATE	EARLY PAYMENT TERMS AND DISCOUNT	DETAILS
V. Mene	12/03/2022	5% within 30 days 5% trading discount	3 × leaf rake 2 × umbrella and base Delivery cost
K. Gcaza	18/03/2022	7,5% within 15 days	4 × swing 2 × lounge set Delivery cost
Cash sale ***Deliver to*:** Z. Jack 82 Main Road Upington	24/03/2022		3 × umbrella and base 5 × leaf rake
***New customer*:** C. Manus 42 Xilo Drive Upington 4964 Tel: 053 692 3456 Credit limit: R18 000	30/03/2022	2,5% within 60 days 7,5% invoice discount	1 × dining set 3 × wooden planter 2 × gazebo 1 × pool cleaner

Create the new customer using the code M002.

2.5 Credit returns of inventory

CUSTOMER	DATE	REASON
V. Mene	20/03/2022	1 umbrella and base (base missing)

Copyright reserved

2.6 **Petty cash**

Number: *PCV13* *Date:* *08/03/22*		Langa Traders 129 Main Road Upington 8801
Petty Cash Voucher		
For:	*Pens, pencils – PNA*	
Amount:	*R89,10*	
Approved by:	*A. Green*	

Number: *PCV14* *Date:* *16/03/22*		Langa Traders 129 Main Road Upington 8801
Petty Cash Voucher		
For:	*Tea, coffee + sugar – Larine Stores*	
Amount:	*R256,78*	
Approved by:	*A. Green*	

- Create an account for refreshments

Number: *PCV15* *Date:* *24/03/22*		Langa Traders 129 Main Road Upington 8801
Petty Cash Voucher		
For:	Casual wages for cleaning the office	
Amount:	*R350,00*	
Approved by:	*A. Green*	

Copyright reserved

2.7 **Cash receipts rolls**

CASH REGISTER ROLL



26/03/2022
CRR03

Cash receipts

Langa Traders
129 Main Road
Upington
8801

Number: *31*
Date: *03/03/22*

Cash Receipt		
Received from:	*Pulane Langa*	
For:	*Capital contribution*	
Amount:	*Twenty five thousand rand only*	*R25 000,00*
Payment method:		*With thanks:*
☐ *EFT* ☑ *Debit/Credit card* ☐*Bank deposit*		*A. Green*

Langa Traders
129 Main Road
UPINGTON
8801

Number: *32*
Date: *10/03/23*

Cash Receipt		
Received from:	*K. Gcaza*	
For:	*Settle account on 01/03/22*	
Amount:	*Nine thousand two hundred rand only*	*R9 200,00*
Payment method:		*With thanks:*
☐ *EFT* ☐ *Debit/Credit card* ☑ *Bank deposit*		*A. Green*

Copyright reserved

Number: *33* *Date:* *17/03/22*		Langa Traders 129 Main Road UPINGTON 8801
Cash Receipt		
Received from:	*M. Khokhoto*	
For:	*Commission received*	
Amount:	*Five thousand five hundred rand only*	*R5 500,00*
Payment method:		*With thanks:*
☐EFT ☑ Debit/Credit card ☐Bank deposit		*A. Green*

- Change the description of account number 2900/000 to *Commission Received*

Number: *34* *Date:* *24/03/22*		Langa Traders 129 Main Road UPINGTON 8801
Cash Receipt		
Received from:	*V. Mene*	
For:	*Settle invoice on 12 March 2022*	
Amount:	*???*	*R?*
Payment method:		*With thanks:*
☑ EFT ☐ Debit/Credit card ☐ Bank deposit		*A. Green*

Number: *35* *Date:* *31/03/22*		Langa Traders 129 Main Road UPINGTON 8801
Cash Receipt		
Received from:	*T. Mfeyile*	
For:	*April 2022 rent*	
Amount:	*Twelve thousand two hundred and fifty rand only*	*R12 250,00*
Payment method:		*With thanks:*
☑ EFT ☐ Debit/Credit card ☐ Bank deposit		*A. Green*

- Create an account for *Rent Received*

Cash deposits

Date of deposit	Deposit slip number
11/03/2022	DEP23
20/03/2022	DEP24
27/03/2022	DEP25
31/03/2022	DEP26

Copyright reserved

2.8 **Cash payments – electronic funds transfer** 

DATE	REF. NO	TO	FOR	AMOUNT
01/03/2022	EFT75	Situra Furnishers	Cabinets, chairs	R21 759,99
03/03/2022	EFT76	Qase Stationers	A4 Files	R289,99
04/03/2022	EFT77	Shell	Fuel	R750,00
16/03/2022	EFT78	Melaat Suppliers	Settlement of Tax Invoice 345	R29 000,00
17/03/2022	EFT79	NC Promotions	Advert for specials – April	R240,00
20/03/2022	EFT80	UP Municipality	Electricity and water Owner R1 000,00 Business R2 000,00	R3 000,00

2.9 **Reports** 

Print a statement for V. Mene for the month of March 2022.

The following printouts must be generated and handed in for marking:

2.1	Customers' Journal	(9)
2.2	Suppliers' invoices	(25)
2.3	Return and debit notes	(13)
2.4	Tax invoices	(29)
2.5	Credit note	(6)
2.6	Petty Cash Journal	(4)
2.7	Cash Receipts Journal	(17)
2.8	Cash Payments Journal 	(12)
2.9	V. Mene statement	(5)
		[120]

TOTAL SECTION B: 120

Copyright reserved

SECTION C

QUESTION 3

INSTRUCTIONS

1. Open the account system of Paxton Place (PLACE), which has already been loaded on the computer. The password is *123*.
2. Select *Setup*.
3. Select *Company Parameters*.
4. Select *Company Details*. Select the *Company Name* section and click on *Educational Number*.
5. Press CTRL + SHIFT + T and insert your EXAMINATION NUMBER in the block that appears. Click *OK*.

Required:

- Paxton Place has been doing bank reconciliation manually. Due to your experience with computerised accounting systems it was decided to do the bank reconciliation using the accounting software. Use the information below to complete the following for February 2022 (period 12).
- Continue to use the account structure for the general ledger that has been set up. If there is no account to enter a transaction into, such an account must be created.
- Print all documents after processing. When printing journals, select *Print With Contras*.
- Update the journals.
- Refer to page 20 for a full list of the PRINTOUTS to be handed in for marking. Hand in the PRINTOUTS in the same order as on page 20. Five marks will be deducted if PRINTOUTS are not handed in in the same order as the list given in the question paper.

Copyright reserved

Bank statement

CAP BANK

Paxton Place 129 Main Road Upington 8801 Acc. No.: 39701561983	**Bank Statement No. 12** **Page 1** **Date: 28/02/2022**

DATE	DETAILS	DEBIT (-) CREDIT	BALANCE
01/02/2022	Balance b/f		-5 000,00
03/02/2022	Inter-acc. transfer (TRANSFER)	10 000,00-	-15 000,00
06/02/2022	Debit order X906	6 000,00-	-21 000,00
07/02/2022	BP033	500,00-	-21 500,00
08/02/2022	Deposit D12/1	54 360,50	32 860,50
09/02/2022	DD1	298,99-	32 561,51
12/02/2022	Service fee	124,89-	32 436,62
16/02/2022	BP034	17 603,08-	14 833,54
17/02/2022	BP031	21 759,99-	-6 926,45
20/02/2022	BP036	3 000,00-	-9 926,45
22/02/2022	INT	2 541,00	-7 385,45
25/02/2022	Deposit D12/2	3 821,85	-3 563,60
25/02/2022	BP 035	240,00-	-3 803,60
26/02/2022	Transaction fee	1,20-	-3 804,80
28/02/2022	EFT12	25 000,00	21 195,20

- The interaccount transfer on 03/02/2022 is for a new fixed deposit at CAP Bank, invested for three years. It earns 12% interest per year. Create a new account (7150/000).
- Debit order X906 is the shop rental for February to NCU Properties. Included in this amount was an amount of R1 500,00 for the owner's personal account.
- INT is for interest received on the current account. Rename the account 2900/000 to *interest on current account* and record the interest.
- DD1 was for the telephone account.
- EFT12 was for additional capital contribution from the owner.

3.1 Use the information to:

3.1.1 Complete and print (after the bank reconciliation) the Cash Receipts Journal with the additional entries. (9)

3.1.2 Complete and print (after the bank reconciliation) the Cash Payments Journal with the additional entries. (18)

3.1.3 Follow the reconciliation process and print the Bank Reconciliation Statement. (7)

Copyright reserved

3.2 The following office memos were issued at the end of February 2022. Record the transactions in the appropriate journal/s.

PAXTON PLACE **OFFICE MEMO: 12/1**	
TO: Bookkeeper	**DATE**: 28 February 2022
Receive a notification that B. Bongo, a customer, has been declared insolvent and the amount of R5 432,00 must be written off as irrecoverable.	

PAXTON PLACE **OFFICE MEMO: 12/2**	
TO: Bookkeeper	**DATE**: 28 February 2022
Included in Electricity and Water is an amount for insurance of R456,00. Correct the error.	

PAXTON PLACE **OFFICE MEMO: 12/3**	
TO: Bookkeeper	**DATE**: 28 February 2022
Calculate and record depreciation on vehicles at 15% per annum on cost price (R350 000,00) for the month of February 2022. (Show the calculation in the description column.)	

(20)

3.3 **Additional printout required**

Print the trial balance for February 2022. Do not print zero items. Print the income statement accounts first. (6)

Printouts to be handed in for marking (in the following order):

- Cash Receipts Journal (after bank reconciliation)
- Cash Payments Journal (after bank reconciliation)
- Bank Reconciliation Statement
- Journal/s to record adjustments
- Trial balance

[60]

TOTAL SECTION C: 60
GRAND TOTAL: 200

Copyright reserved

ADDENDUM

ADMISSIBLE DEDUCTIONS WITH REGARD TO INPUT TAX

	Is VAT charged?		Is input VAT deductible?	
	YES	**NO**	**YES**	**NO**
Advertisements	X		X	
Bank charges:				
Service fees	X		X	
Transaction fee	X		X	
Bad debts/recovered	X		X	
Commission received	X		X	
Depreciation		X		
Donations		X		
Drawings		X		
Electricity and water	X		X	
Equipment	X		X	
Insurance	X		X	
Interest paid/received		X		
Interest on overdue account		X		
Investments		X		
Petrol and oil		X		
Printing and stationery	X		X	
Rates and taxes		X		
Refreshments	X			X
Rent paid/received	X		X	
Salaries and wages		X		
Telephone and fax	X		X	
Vehicles	X		X	

Copyright reserved