

LECTURER GUIDE

COMPUTERISED FINANCIAL SYSTEMS

N5

REVISED
CURRICULUM
2022



S VAN STADEN & R REDELINGHUYNS

N5 Computerised Financial Systems

Lecturer Guide

Shawn van Staden & Ronél Redelinghuys

Additional resource material available for this title includes:

- PowerPoint presentation
- Past exam papers
- Exemplar paper

Use the QR code or following URL to access the material:
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ISBN: 9781776372201

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FutureManagers
SIYAFUNDA • SIYAKHULA

Published by

Future Managers (Pty) Ltd

PO Box 13194, Mowbray, 7705

Tel (021) 462 3572

Fax (021) 462 3681

E-mail: info@futuremanagers.com

Website: www.futuremanagers.com

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GUIDELINES TO LECTURERS

The following documents are provided to assist and support lecturers:

- Full answers to all activities that are provided in the Student's Book
- Syllabus
- Subject work schedule/workplan/pacesetter
- Template of lesson plan and teaching resources
- Template of summative assessment plan.

Subject syllabus

Name of Subject:	Computerised Financial Systems
Level of Subject:	N5
Subject Code:	06030175
Stream of Study:	Report 191 Business Studies
Implementation date:	July 2022

1. General aims

- 1.1 To enable students to use a computer and peripherals functionally in an accounting field and to apply system software and selected application programs, on an intermediate level, to deal confidently with the accounting system of the business
- 1.2 To enable students to develop the necessary analytical skills and knowledge of a cost and management accounting system of a small to medium-size business
- 1.3 To enable students to analyse and interpret cost and management information on a computerised spreadsheet system

2. Specific aims

- 2.1 To enable students to make use of a computerised accounting program and spreadsheet for analysing and interpreting financial statements, as well as for writing financial reports
- 2.2 To enable students to create a new business from scratch and do Report Writer and budgets using the Pastel program
- 2.3 To intensify the students' understanding of a computerised accounting system by doing a full computerised set of accounts
- 2.4 To enable students to acquire a basic competency in the application of a spreadsheet's functions in accordance with a spreadsheet program
- 2.5 To enable students to create a basic accounting system for a small to medium-size business on a spreadsheet package
- 2.6 To enable students to gain knowledge and skills of elementary cost and management applications on a spreadsheet package

3. Equipment and application programs required

TVET colleges offering this subject should ensure that classrooms are equipped with the following:

- 3.1 Stand-alone computers per student, consisting of a keyboard, screen and CPU. These should not be servers, as server computers are not suitable for this subject. Desks must be at the correct height and adjustable chairs are strongly advised.

- 3.2 Latest Sage Pastel Partner program that its always upgraded to the latest version.
- 3.3 Enough printers or a network printer with the capacity to handle the printing of the entire group when the computer room is fully occupied (in view of practical examinations).

4. Prerequisite

Computerised Financial Systems N4

5. Duration

Full-time: A minimum of 6 hours per week for one semester

Part time: A minimum of 3 hours per week for one semester

6. Evaluation

Evaluation is conducted continuously through class and revision tests, formal tests, practice-orientated assignments and external examination.

6.1 Internal evaluation

6.1.1 Informal assessments

Short class and revision tests are given on a regular basis with the aim to ensure improvement and rectify problems before proceeding with new modules. Class and revision tests can be short daily tests that are compiled and marked in accordance with the amount of work done in the module.

6.1.2 Formal assessments

In addition to the class and revision tests, formal tests are conducted after all modules or work units have been completed. The aim of these tests is to evaluate the students' knowledge on completion of modules or work units.

6.1.3 Practice-orientated assignments

Practice-orientated assignments are given to students at the end of completed modules or unit of work to evaluate whether they have mastered the practical component of Computerised Financial Systems. To prepare students for the work environment, aspects such punctuality in completing tasks, interest, dedication, adaptability, conscientiousness, enthusiasm, etc. should be gradually developed. Marks for these assignments, in relation to the weighted value allocated to the indicated modules, form part of the final semester mark.

7. Semester mark

- 7.1 A semester mark is determined out of 100% and is compiled from formal tests, internal examinations and marks allocated to an assignment or practical project.

The semester mark is compiled as follows:

Tasks	Type of assessment activity (The duration and proposed mark allocation can be increased but not reduced)	Scope of assessment	% Contribution to ICASS mark
1	Assignment or practical project	Should cover at least 20% of the practical outcomes in the syllabus.	20%
2	Test (The duration and marks should align with the external exam paper/s, e.g., if the examination paper counts 200 marks for 3 hours, then the test should count 60-70 marks for 1 hour.)	At least 40-50% of the syllabus content must be covered in the test.	30%
3	Internal examination (The duration and marks should align with the external exam paper/s, e.g. if the examination paper counts 200 marks for 3 hours, then the test should count 120-140 marks for 2 hours.)	At least 70-80% of the syllabus content must be covered in the internal examination.	50%
TOTAL			100%

- 7.2 To gain entrance to the external examination, a candidate must obtain a sub-minimum of 40% in the semester mark. If entrance to the examination is achieved, a semester mark, on a 40:60 basis, in combination with the external examination marks, will form part of the final (promotion) mark.
- 7.3 Semester marks obtained are valid for two years (four semesters) following directly on the examination in which the original semester mark was initially used. After that, this mark is no longer valid. The student must thus register again for the same subject and obtain a new semester mark.

8. Examination

- 8.1 A three-hour examination paper totalling 200 marks will be compiled, moderated and marked externally.
- 8.2 The examination paper will be completed directly on a computer.
- 8.3 The examination paper consists of practically oriented questions, and aspects such as application, analysis and synthesis will feature in the compilation of accounts, statements as well as cost- and accounting-related calculations. Although comprehension questions may also be used, these will be limited as far as possible seeing that the examination papers are directly aimed at accounting-related tasks as executed on an accounting package and spreadsheet.

9. Pass requirements

- 9.1 To pass Computerised Financial Systems N5, a candidate must obtain a final mark of 40% on adding the semester mark and the examination mark in a 40:60 ratio, provided that a sub-minimum of 40% is obtained as a semester mark and as well as the examination mark.

10. General information

- 10.1 TVET colleges must use the latest versions or software updates of the accounting package.
- 10.2 The lecturer should, however, ensure that students have enough background information on the package to allow them to carry out the accounting functions effectively.
- 10.3 The practical components (assignments and projects) are aimed at preparing the students for the world of work in general and specifically at the effective execution of accounting functions on an accounting package and spreadsheet.
- 10.4 The practical components are also aimed at increasing the students' competency level in such a way that they can be productive in a job for which an accounting background is required.
- 10.5 It is thus necessary that students should acquire practical experience in the study of the subject by doing task assignments or documents projects that are directly related to executing accounting functions as done in organisations to establish direct contact between the students and the practice of accountancy. Visits by experts in accounting related fields and simulation activities may be used to guide students.
- 10.6 The practical components are further directed at learning an accounting package on the computer to keep pace with modern computer-directed trends in accounting areas as applied in practice. Students are thus required to enrol for the instructional offering together with Financial Accounting N5 and Cost and Management Accounting N5.

11. Learning content weightings

MODULE	LEARNING CONTENT	WEEKS	WEIGHTINGS
1	Mastering a spreadsheet program	1	5
2	Financial accounting applications on a spreadsheet	3	10
3	Financial statements applications on a spreadsheet (sole trader)	3	15
4	Basic cost and management accounting applications on a spreadsheet (cost systems)	2	15
5	Analysis and interpretation of financial statements on a spreadsheet	2	15
6	Financial reports (Report Writer) on an accounting package (Pastel Partner)	4	20
7	Budgets on an accounting package (Pastel Partner)	3	20
		TOTAL	100

Module 1: Mastering a spreadsheet program

LEARNING CONTENT	LEARNING OUTCOMES
1.1 Function of a spreadsheet	1.1 Explain the function of spreadsheet.
1.2 Use of spreadsheet manual	1.2 Follow up instructions in the spreadsheet manual and execute at least five elementary spreadsheet functions.
1.3 The help functions	1.3 Use the Help function for quick reference.
1.4 Application of spreadsheet commands and formulas <ul style="list-style-type: none"> - option list - input of information - clear screen • copying of contents: <ul style="list-style-type: none"> - one cell to a row - row to a row - one cell to one cell • arithmetic functions: <ul style="list-style-type: none"> + (add) - (subtract) * (multiply) / (divide) Sum (for adding a sequence of cells) <ul style="list-style-type: none"> - make a printout without a frame but adjusted to page length. - with and margins • edit a spreadsheet: <ul style="list-style-type: none"> - add row and column. - change width of a column - delete a cell, block, column, row. - format column for rands, cents, and for decimal figures to whole numbers and vice versa. 	1.4 Apply spreadsheet functions on the computer.

Didactics guidelines

1. Students should understand that processing of information with the aid of a spreadsheet program mainly consists of input, editing and utilisation of text and figures to create a document that can serve as communication tool.
2. Structured exercises should be presented from simple to difficult work and students should be given enough opportunity to master the learning content.

Evaluation

1. Evaluation of this module should be done practically on a computer and marks allocated will form part of semester mark.
2. The examination paper will consist of application questions to be answered by means of a spreadsheet package. Printouts should be handed in for evaluation.
3. Theory questions on spreadsheets should not be asked.

Module 2: Financial accounting applications on a spreadsheet

LEARNING CONTENT	LEARNING OUTCOMES
<p>2.1 Stock keeping on spreadsheet.</p> <p>2.1.1 Draw up stock sheet with two to five stock items and with the following columns:</p> <ul style="list-style-type: none"> – stock code – item description – quantity – cost price – selling price (VAT exclusive) – VAT – selling price (VAT inclusive) – total column <p>2.1.2 Draw up gross profit stock report with two to five stock items and with the following columns:</p> <ul style="list-style-type: none"> – stock code – item description – quantity – cost price – selling price (VAT exclusive) – VAT – selling price (VAT inclusive) – gross profit amount – gross profit percentage – stock on hand 	<p>2.1.1 Draw up a detailed stock sheet on spreadsheet with columns as indicated.</p> <p>2.1.2 Draw up a detailed gross profit stock report on spreadsheet with columns as indicated.</p>
<p>2.2 Inventory valuation on spreadsheet</p> <p>2.2.1 Draw up inventory stock sheet using the FIFO method</p> <p>2.2.2 Draw up inventory stock sheet using the weighted average method</p>	<p>2.2.1 Draw up a detailed stock sheet on spreadsheet using the FIFO method.</p> <p>2.2.2 Draw up a detailed stock sheet on a spreadsheet using the weighted average method.</p>

Didactics guidelines

1. Stock sheets should be drawn up by using relevant formulas to simplify calculations. Only a few variables, such as stock quantities, cost prices, percentage mark-up on cost prices and percentage VAT, should be changed where necessary.
2. Emphasis must be placed on the correct planning of the inventory sheet before setting it out on a spreadsheet.
3. Students should demonstrate knowledge of different methods of inventory valuation by means of recording information on a spreadsheet.

Evaluation

1. This module should be evaluated practically.
2. Written instructions should be given to students during assessment for the planning and drawing up of inventory sheets on a spreadsheet.
3. Students should hand in printouts of inventory sheets for evaluation.
4. Theoretical questions of certain information about stock keeping and valuation may be asked.

Module 3: Financial statements applications on a spreadsheet (sole trader)

LEARNING CONTENT	LEARNING OUTCOMES
3. Financial statements applications for sole trader	
3.1 Draw up Statement of Comprehensive Income with the following sections: <ul style="list-style-type: none"> • gross profit • net profit • net profit transferred to capital. 	3.1 Draw up detailed Statement of Comprehensive Income on spreadsheet with sections as indicated.
3.2 Draw up Statement of Financial Position with the following sections: <ul style="list-style-type: none"> • Assets <ul style="list-style-type: none"> – non-current assets – current assets • Owner’s Equity • Liabilities <ul style="list-style-type: none"> – non-current liabilities – current liabilities. 	3.2 Draw up detailed Statement of Financial Position on spreadsheet with sections as indicated.
3.3 Draw up Statement of Cash Flow with the following sections: <ul style="list-style-type: none"> • Cash flow from operating activities • Cash flow from investing activities • Cash flow from financing activities • Net increase/decrease in cash. 	3.3 Draw up detailed Statement of Cash Flow on a spreadsheet.

Didactics guidelines

1. Statement should be drawn up by using relevant formulas to simplify calculations.
2. Emphasis must be placed on the correct planning of statements before setting it out on a spreadsheet.

Evaluation

1. This module should be evaluated practically.
2. Written instructions should be given to students during assessment for the planning and drawing up of statements on a spreadsheet.
3. Students should hand in printouts of statements for evaluation.
4. Theoretical questions of certain information and formulas in the drawing up of the statements may be asked.

Module 4: Basic cost and management accounting applications on a spreadsheet

LEARNING CONTENT	LEARNING OUTCOMES
4. Cost systems	
4.1 Draw up a Manufacturing Cost Statement report with the following information. <ul style="list-style-type: none"> • Opening stock • Manufacturing cost <ul style="list-style-type: none"> Direct material cost Direct labour Overheads • Cost of work in process • Cost of stock losses • Total cost Draw up a Manufacturing Cost Report with the following columns: <ul style="list-style-type: none"> • Units Cost Unit Cost 	4.1 Draw up a Manufacturing Cost Statement on spreadsheet with sections as indicated.
4.2 Draw up Manufacturing Statement of Comprehensive Income showing the following information: <ul style="list-style-type: none"> • Sales • Cost of production (Material, labour and overheads) • Gross profit • Sales and administration costs • Net profit 	4.2 Draw up a Manufacturing Statement of Comprehensive Income on spreadsheet with sections as indicated.

Didactic guidelines

With reference to learning objectives 4.1. to 4.2:

1. Students should draw up the Manufacturing Cost Statement and Statement of Comprehensive Income by using all possible formulas to simplify calculations. Statements should also be drawn up so that it can be reused monthly or yearly. Statements should also be drawn up in such a way that the minimum adjustments could be made on variables.
2. Emphasis must be placed on the correct planning of statements before setting them out on a spreadsheet.

Evaluation

1. This module must be evaluated practically.
2. Writing instructions should be given to students during assessments for the planning and drawing up of statements on spreadsheets.
3. Students may be asked to draw up and complete only parts of the statements.
4. Students will be asked to hand in printouts of statements for evaluation.
5. Students may be asked theoretical questions explaining certain information and formulas needed in drawing up the statements.

Module 5: Analysis and interpretation of financial statements on a spreadsheet

LEARNING CONTENT	LEARNING OUTCOMES
5.1 Use of financial statement interpretation.	5.1 Explain the importance of financial statements interpretation and why is it necessary.
5.2 Use data from the financial statements to determine the following: <ul style="list-style-type: none"> • Solvency ratio <ul style="list-style-type: none"> – Solvency ratio • Profitability ratios: <ul style="list-style-type: none"> – Gross profit percentage on turnover – Net profit percentage on turnover – Rate of return on owner's equity. • Liquidity ratios <ul style="list-style-type: none"> – Acid test ratio – Current ratio – Inventory turnover rate – Trade receivables collection period – Trade payables settlement period • Trade receivables <ul style="list-style-type: none"> – Turnover rate 	5.2 Use data obtained from financial statement to calculate and interpret the listed information.

Didactic guidelines

With reference to learning objective 5.1 to 5.2:

1. Students should be able to use the data from two consecutive financial statements and compile the interpretation of the financial statements of the business.
2. Students should be able to set up the mentioned formulas for calculating the accounting data described in the content column and to prepare the relevant information for interpretation.

Evaluation

1. The results of this module will be evaluated on printouts.
2. The students' ability to calculate, analyse and interpret should form part of evaluation.
3. Students should be able to use MS Excel to show the calculation of ratios or percentages using a given set of financial statements with comparative figures from the previous year.

Module 6: Financial reports (Report Writer) on an accounting package (Pastel Partner)

LEARNING CONTENT	LEARNING OUTCOMES
6.1 The setting of the necessary computer parameters for opening a new set of accounts	6.1 Create the required parameters for opening a new set of accounts.
6.2 The set-up of General Ledger accounts with codes and parameters	6.2 Create the necessary structure for General Journal with the relevant codes and parameters.
6.3 Creating of General Ledger accounts with codes and parameters	6.3 Identify relevant codes and parameters for accounts and do the input to these accounts.
6.4 Input of balances for General Ledger accounts	6.4 Process the take on balances from the given balances in the General journal.
6.5 Processing of General Journal and updating to the General Ledger	6.5 Process and print the General journal with contras, General Journal entry type details.
6.6 Input of standard parameters for compilation of financial and management reports on a General Ledger Report Writer of an accounting package	6.6 Input of standard parameters for compilation of financial and management reports on a General Ledger Report Writer of an accounting package.
6.7 Preparation and presentation of computerised financial and management reports	6.7 Prepare financial and management reports at the end of the accounting period. 6.7.1 Print (Run) the reports. 6.7.2 Create, Edit, Delete and Print the report format.
6.8 Export (transfer) of Report Writer data from an accounting package to spreadsheet	6.8 Export (transfer) Report Writer data from an accounting package to spreadsheet. 6.8.1 Edit and print the exported data.

Didactic guidelines

With reference to learning outcome 6.6:

1. Students should be able to setup parameters on the Report Writer. The appropriate parameters must be given to students in writing.
2. A complete set of accounts with General Ledger accounts must be given, after which the students have to setup parameters on Report Writer.

With reference to learning outcome 6.7:

3. No changes to the format of the financial and management reports will be expected from students.
4. Computer financial reports are only asked in vertical form.
5. Comparative figures of the previous years must be indicated on financial and management reports.

Evaluation

1. Students should be able to set parameters of a new set of accounts
2. This module should be evaluated practically on the computer or from printouts of financial reports.
3. Students should memorise the parameters in this module. Data for creating a new set of accounts and drawing up the financial and management reports must be given in writing to the students.

Module 7: Budgets on an accounting package (Pastel Partner)

LEARNING CONTENT	LEARNING OUTCOMES
7.1 Set-up parameters for a budget system	7.1 Set-up parameters for a budget system on an accounting package.
7.2 Input of budget items	7.2 Input of budget items: 7.2.1 Current year or Next year budgets 7.2.2 Monthly budgets 7.2.3 Copy values
7.3 Percentage adjustments and rounding	7.3 To execute a yearly percentage adjustment and rounding on the budget.
7.4 Compare budget with actual figures	7.4 Compare budget with actual figures.
7.5 Export (transfer) of budget data from an accounting package to spreadsheet	7.5 Export (transfer) budgeted data from an accounting package to spreadsheet.

Didactic guidelines

1. It will only be expected of students to enter a given set of figures or adjust and round them by a given percentage yearly or monthly.
2. Students should also be able to increase parts of the budget by a given percentage.
3. Only financial and management reports printed in portrait are required.

Evaluation

1. The printout of the correct budget in full or as part of the comparative figures with the Trial Balance must be evaluated.

Subject work schedule/work plan/pacesetter

Name of Programme:	<i>Financial Management Business Management</i>	
Name of Subject:	<i>Computerised Financial Systems</i>	
Level of Subject:	N5	
Subject Code:	06030175	
Stream of Study:	<i>Report 191 Business Studies</i>	
Lecturer Name and Surname:		
Semester:	<i>Semester 1</i>	
Academic Year:	20...	
Prescribed Textbook:	Title:	
	Author:	
	ISBN Number:	
	Publisher:	
Other Learning Resources	Title:	
	Author:	
	ISBN Number:	
	Publisher:	
	Title:	
	Author:	
	ISBN Number:	
	Publisher:	
	Title:	
	Author:	
	ISBN Number:	
	Publisher:	

WEEK NO.	DATE	MODULE(S)	TOPIC	LEARNING OUTCOME(S)	TEACHING METHODS	ACTIVITIES	DATE COMPLETED	COMMENTS/ ADDITIONAL INFORMATION
1		1	Mastering a spreadsheet program	<p>Explain the function of spreadsheet.</p> <p>Follow up instructions in the spreadsheet manual and execute at least five elementary spreadsheet functions.</p> <p>Use the Help function for quick reference.</p> <p>Apply the spreadsheet functions on the computer.</p>	<ul style="list-style-type: none"> • Demonstration by lecturer • Demonstration by peer • Discussion • Practical application • Summative assessment 	<p>1.1</p> <p>1.2</p> <p>1.3</p> <p>1.4</p> <p>1.5A & 1.5B</p> <p>1.6A & 1.6B</p> <p>1.7A & 1.7B</p>		
2		2	<p>Financial accounting applications on a spreadsheet</p> <p>Stock sheet</p> <p>Gross profit stock report</p>	<p>Draw up a detailed stock sheet on a spreadsheet with columns as indicated.</p> <p>Draw up a detailed gross profit stock report on a spreadsheet with columns as indicated.</p>	<ul style="list-style-type: none"> • Demonstration by lecturer • Demonstration by peer • Discussion • Practical application • Summative assessment 	<p>2.1A & 2.1B</p> <p>2.2</p> <p>2.3</p> <p>2.4A & 2.4B</p> <p>2.5</p> <p>2.6A & 2.6B</p> <p>2.7</p> <p>2.8</p> <p>2.9</p> <p>2.10</p> <p>2.11</p> <p>2.12</p> <p>2.13</p> <p>2.14</p> <p>2.15</p> <p>2.16</p> <p>2.17</p> <p>2.18</p> <p>2.19</p> <p>2.20</p> <p>2.21A &</p> <p>2.21B</p> <p>2.22</p> <p>2.23</p> <p>2.24</p> <p>2.25</p>		

WEEK NO.	DATE	MODULE(S)	TOPIC	LEARNING OUTCOME(S)	TEACHING METHODS	ACTIVITIES	DATE COMPLETED	COMMENTS/ ADDITIONAL INFORMATION
3		2	Financial accounting applications on a spreadsheet Stock sheet (FIFO method) Stock sheet	Draw up a detailed stock sheet on a spreadsheet using the FIFO method.	<ul style="list-style-type: none"> • Demonstration by lecturer • Demonstration by peer • Discussion • Practical application • Summative assessment 	2.26 2.27 2.28 2.29A & 2.29B 2.30 2.31		
4		2	Financial accounting applications on a spreadsheet Stock sheet (Weighted average method)	Draw up a detailed stock sheet on a spreadsheet using the weighted average method.	<ul style="list-style-type: none"> • Demonstration by lecturer • Demonstration by peer • Discussion • Practical application • Summative assessment 	2.32 2.33 2.34 2.35 2.36 2.37		
5		3	Financial statements applications on a spreadsheet (sole trader) Statement of Comprehensive Income	Draw up a detailed Statement of Comprehensive Income on a spreadsheet.	<ul style="list-style-type: none"> • Demonstration by lecturer • Demonstration by peer • Discussion • Practical application • Summative assessment 	3.1 3.2 3.3 3.4 3.5 3.6 3.7 3.8 3.9 3.10		

WEEK NO.	DATE	MODULE(S)	TOPIC	LEARNING OUTCOME(S)	TEACHING METHODS	ACTIVITIES	DATE COMPLETED	COMMENTS/ ADDITIONAL INFORMATION
6	3		Financial statements applications on a spreadsheet <i>Statement of Financial Position</i>	Draw up detailed Statement of Financial Position of a spreadsheet	<ul style="list-style-type: none"> • Demonstration by lecturer • Demonstration by peer • Discussion • Practical application • Summative assessment 	3.11 3.12 3.13 3.14 3.15 3.16 3.17 3.18 3.19 3.20 3.21 3.22 3.23 3.24 3.25 3.26 3.27 3.28 3.29		
7	3		Financial statements applications on a spreadsheet <i>Statement of Cash Flow</i>	Draw up detailed Statement of Cash Flow on a spreadsheet.	<ul style="list-style-type: none"> • Demonstration by lecturer • Demonstration by peer • Discussion • Practical application • Summative assessment 	3.30 3.31 3.32 3.33 3.33 3.34 3.34 3.36 3.37 3.38		
8		4	Basic cost and management accounting applications on a spreadsheet (cost systems) <i>Manufacturing Cost Statement report</i>	Draw up a Manufacturing Cost Statement on a spreadsheet.	<ul style="list-style-type: none"> • Demonstration by lecturer • Demonstration by peer • Discussion • Practical application • Summative assessment 	4.1 4.2 4.3 4.4 4.5 4.6 4.7 4.8 4.9 4.10		

WEEK NO.	DATE	MODULE(S)	TOPIC	LEARNING OUTCOME(S)	TEACHING METHODS	ACTIVITIES	DATE COMPLETED	COMMENTS/ ADDITIONAL INFORMATION
9		4	Basic cost and management accounting applications on a spreadsheet <i>Manufacturing Statement of Comprehensive Income</i>	Draw up a Manufacturing Statement of Comprehensive Income on a spreadsheet.	<ul style="list-style-type: none"> • Demonstration by lecturer • Demonstration by peer • Discussion • Practical application • Summative assessment 	4.11 4.12 4.13 4.14 4.15 4.16		
10		5	Analysis and interpretation of financial statements on a spreadsheet <i>Solvency ratio</i> <i>Profitability ratios</i> <i>Liquidity ratios</i>	Explain the importance of financial statements interpretation and why it is necessary. Use data obtained from financial statements to calculate and interpret the listed information.	<ul style="list-style-type: none"> • Demonstration by lecturer • Demonstration by peer • Discussion • Practical application • Summative assessment 	5.1 5.2 5.3 5.4 5.5 5.6		
11		5	Analysis and interpretation of financial statements on a spreadsheet <i>Solvency ratio</i> <i>Profitability ratios</i> <i>Liquidity ratios</i>	Use data obtained from financial statements to calculate and interpret the listed information.	<ul style="list-style-type: none"> • Demonstration by lecturer • Demonstration by peer • Discussion • Practical application • Summative assessment 	5.7 5.8 5.9 5.10 5.11 5.12 5.13 5.14 5.15		

WEEK NO.	DATE	MODULE(S)	TOPIC	LEARNING OUTCOME(S)	TEACHING METHODS	ACTIVITIES	DATE COMPLETED	COMMENTS/ ADDITIONAL INFORMATION
12		6	Financial reports (Report writer) on an accounting package (Pastel Partner)	<p>Create the required parameters for opening a new set of accounts.</p> <p>Create the necessary structure for General Journal with the relevant codes and parameters.</p> <p>Identify relevant codes and parameters for accounts and do the input to these accounts.</p> <p>Process the take on balances from the given balances in the General Journal.</p> <p>Process and print the General Journal with contras, General Journal entry-type details.</p> <p>Input of standard parameters for compilation of financial and management reports on a General Ledger Report Writer on an accounting package.</p>	<ul style="list-style-type: none"> • Demonstration by lecturer • Demonstration by peer • Discussion • Practical application • Summative assessment 	6.1 6.2		
13		6	Financial reports (Report writer) on an accounting package (Pastel Partner)		<ul style="list-style-type: none"> • Demonstration by lecturer • Demonstration by peer • Discussion • Practical application • Summative assessment 	6.3 ASS 6.1		
14		6	Financial reports (Report writer) on an accounting package (Pastel Partner)		<ul style="list-style-type: none"> • Demonstration by lecturer • Demonstration by peer • Discussion • Practical application • Summative assessment 	6.4 6.5		

WEEK NO.	DATE	MODULE(S)	TOPIC	LEARNING OUTCOME(S)	TEACHING METHODS	ACTIVITIES	DATE COMPLETED	COMMENTS/ ADDITIONAL INFORMATION
15		6	Financial reports (Report writer) on an accounting package (Pastel Partner)		<ul style="list-style-type: none"> • Demonstration by lecturer • Demonstration by peer • Discussion • Practical application • Summative assessment • Assignment 	6.6 ASS 6.2		
16 17 18		7	Budgets on an accounting package (Pastel Partner)	<p>Set up parameters for a budget system on an accounting package.</p> <p>Input budget items.</p> <p>Execute a yearly percentage adjustment and rounding on the budget.</p> <p>Compare the budget with actual figures.</p> <p>Export (transfer) budgeted data from an accounting package to a spreadsheet.</p>	<ul style="list-style-type: none"> • Demonstration by lecturer • Demonstration by peer • Discussion • Practical application • Summative assessment 	7.1 7.2 7.3 7.4 7.5 7.6 7.7		
19		All modules	Revision		<ul style="list-style-type: none"> • Demonstration by lecturer • Demonstration by peer • Discussion • Practical application • Summative assessment 	Additional activities		

Name of Lecturer
Signature of Lecturer
Name of Programme Head/Education Specialist
Signature of Programme Head/Education Specialist
Date

Lesson plan and teaching resources

Name of Programme:	<i>Financial Management Business Management</i>
Name of Subject:	<i>Computerised Financial Systems</i>
Level of Subject:	N5
Subject Code:	06030175
Stream of Study:	<i>Report 191 Business Studies</i>
Lecturer Name and Surname:	
Semester:	<i>Semester 1</i>
Academic year:	20...
Subject credits:	
TOPIC:	
TIME FRAME FOR COMPLETION OF THIS TOPIC <i>(number of periods or days for completion of this particular topic/module/outcome)</i>	

DAILY AND WEEKLY PLAN						
RECAPPING	RESOURCES NEEDED FOR THIS LESSON	INTRODUCTION (objectives, aims, context of lesson, relevant terminology/subject vocabulary)	PRESENTATION OF CONTENT	CONCLUSION	ASSESSMENTS PLANNED/HOMEWORK TASKS	PROGRESS OR ADJUSTMENTS (please sign off and date)
Day: Monday	Lecturer's resources required: Students' resources required:	Objectives: Context of lesson: Terminology/Subject vocabulary:	Demonstration by lecturer: Demonstration by peer students: Individual activity:		Demonstration Activity: Page: Class Activity: Activity: Page: Assessment Activity: Page:	Progress: Adjustments: Date:/...../20...
Day: Tuesday	Lecturer's resources required: Students' resources required:	Objectives: Context of lesson: Terminology/Subject vocabulary:	Demonstration by lecturer: Demonstration by peer students: Individual activity:		Demonstration Activity: Page: Class Activity: Activity: Page: Assessment Activity: Page:	Progress: Adjustments: Date:/...../20...
Day: Wednesday	Lecturer's resources required: Students' resources required:	Objectives: Context of lesson: Terminology/Subject vocabulary:	Demonstration by lecturer: Demonstration by peer students: Individual activity:		Demonstration Activity: Page: Class Activity: Activity: Page: Assessment Activity: Page:	Progress: Adjustments: Date:/...../20...

RECAPPING	RESOURCES NEEDED FOR THIS LESSON	INTRODUCTION (objectives, aims, context of lesson, relevant terminology/subject vocabulary)	PRESENTATION OF CONTENT	CONCLUSION	ASSESSMENTS PLANNED/HOMEWORK TASKS	PROGRESS OR ADJUSTMENTS (please sign off and date)
Day: Thursday	Lecturer's resources required:	Objectives:	Demonstration by lecturer:		Demonstration Activity: Page:	Progress:
Date:/...../20...	Students' resources required:	Context of lesson:	Demonstration by peer students:		Class Activity: Activity: Page:	Adjustments:
		Terminology/Subject vocabulary:	Individual activity:		Assessment Activity: Page:	Date:/...../20...
DURING THIS WEEK, WAS THERE CONTENT THAT COULD BE APPLIED IN A WORKPLACE SITUATION? PLEASE INDICATE WHAT WORKPLACE APPLICATION THERE COULD BE.						
REFLECTION FOR THE WEEK:						
What worked?						
What did not work?						
What would you adjust next time?						
How did the lessons flow?						
Were there areas where the students struggled?						
What activities did the students enjoy?						
Signature of Lecturer:						

Summative Assessment Plan

Name of Programme:	<i>Financial Management Business Management</i>
Name of Subject:	<i>Computerised Financial Systems</i>
Level of Subject:	<i>N5</i>
Subject Code:	<i>06030175</i>
Stream of Study:	<i>Report 191 Business Studies</i>
Lecturer Name and Surname:	
Semester:	<i>Semester 1</i>
Academic year:	<i>20...</i>

ASSESSMENT NUMBER	ASSESSMENT	ASSESSMENT TOOL	TOPIC/MODULE	DURATION	MARK ALLOCATION	PROPOSED DATE OF ASSESSMENT	ACTUAL ASSESSMENT DATE
1	Practical	Marking memorandum Marking guideline Rubric			/...../20..../...../20....
2	Test	Marking memorandum Marking guideline			/...../20..../...../20....
3	Internal examination	Marking memorandum Marking guideline			/...../20..../...../20....



Module 1

Mastering a spreadsheet program



After completing this module, the student will be able to:

LEARNING CONTENT	LEARNING OUTCOMES
1.1 Function of a spreadsheet	1.1 Explain the function of spreadsheet.
1.2 Use of spreadsheet manual	1.2 Follow up instructions in the spreadsheet manual and execute at least five elementary spreadsheet functions.
1.3 The help functions	1.3 Use the Help function for quick reference.
1.4 Application of spreadsheet commands and formulas <ul style="list-style-type: none"> - option list - input of information - clear screen • copying of contents: <ul style="list-style-type: none"> - one cell to a row - row to a row - one cell to one cell • arithmetic functions: <ul style="list-style-type: none"> +(add) - (subtract) * (multiply) / (divide) Sum (for adding a sequence of cells) <ul style="list-style-type: none"> - make a printout without a frame but adjusted to page length. - with and margins • edit a spreadsheet: <ul style="list-style-type: none"> - add row and column. - change width of a column - delete a cell, block, column, row. - format column for rands, cents, and for decimal figures to whole numbers and vice versa. 	1.4 Apply spreadsheet functions on the computer.

**Activity 1.1****SB page 7****SOLUTION**

Jody	Heathfield	Peters
	7945	
April	4	12 February 20...
	2001	

**Activity 1.2****SB page 19**

Work in pairs (with a classmate) to complete this activity

1. Write a short and concise explanation to explain the function of a spreadsheet.
2. Make a list of what you would use a spreadsheet to assist you to complete or improve tasks in the following situations.
 - 2.1 The accountant/bookkeeper at place of work
 - 2.2 The secretary/treasurer of a chess/tennis/Scrabble/soccer club
 - 2.3 The owner of a spaza shop

Student's own answer.

**Activity 1.3****SB page 19**

Use a spreadsheet manual to follow up how to execute any five of the following:

1. Change the width of a column.
2. Print a spreadsheet.
3. Change a decimal to a whole number.
4. Insert vertical and horizontal lines.
5. Increase decimals.
6. Decrease decimals.
7. Format currency.
8. Insert a column.
9. Delete a row.
10. Use sum.

Student's own answer.



Activity 1.4

SB page 20

Use the Help function on the MS Excel program to follow up how to execute any five of the following:

1. Open a new spreadsheet.
2. Add additional editing languages.
3. Insert a page header.
4. Insert a page footer.
5. Save a spreadsheet.
6. Change the width of a column.
7. Print a spreadsheet.
8. Change a decimal to a whole number.
9. Insert vertical and horizontal lines.
10. Increase decimals.
11. Decrease decimals.
12. Format currency.

Student's own answer.



Activity 1.5A

SB page 20

SOLUTION

Cake Boss

Tarts	Sales
Jam	20
Custard	5
Coconut	10
Milk	25
Almond	15
TOTAL	



Activity 1.5B

SB page 21

SOLUTION

Cake Boss

<u>Tarts</u>	<u>Sales</u>
Jam	20
Custard	5
Coconut	10
Milk	25
Almond	15
TOTAL	75



Activity 1.6A

SB page 21

SOLUTION

FRUIT		
REPORT		
FRUIT		
Bananas	230	121
Apples	250	122
Peaches	270	124
TOTAL		



Activity 1.6B

SB page 22

SOLUTION

FRUIT SHOP BOYS			
REPORT			
FRUIT	January	February	Total
Mangoes	344	120	464
Bananas	230	121	351
Apples	250	122	372
Grapes	347	123	470
Peaches	270	124	394
TOTAL	1 441	610	2 051



Activity 1.7A

SB page 22

SOLUTION

FLYWELL

BOOKINGS

MONTH	CAPE TOWN	DURBAN	LESOTHO	NAMIBIA
January	250	210	4	123
	300	211	6	130
	350	212	80	140
	400	213	10	150
	450	214	12	170
	500	215	14	180

TOTAL



Activity 1.7B

SB page 23

SOLUTION

FLYWELL TRAVEL AGENCY					
BOOKINGS					
MONTH	MAURITIUS	CAPE TOWN	DURBAN	NAMIBIA	TOTAL
January	310	250	210	123	893
February	330	300	211	130	971
March	350	350	212	140	1 864
April	370	400	213	150	1 133
May	390	450	214	170	1 224
June	399	500	215	180	2 357
TOTAL	2 149	2 250	1 275	893	8 442



Module 2

Financial accounting applications on a spreadsheet



After completing this module, the student will be able to:

LEARNING CONTENT	LEARNING OUTCOMES
<p>2.1 Stock keeping on spreadsheet.</p> <p>2.1.1 Draw up stock sheet with two to five stock items and with the following columns:</p> <ul style="list-style-type: none"> - stock code - item description - quantity - cost price - selling price (VAT exclusive) - VAT - selling price (VAT inclusive) - total column <p>2.1.2 Draw up gross profit stock report with two to five stock items and with the following columns:</p> <ul style="list-style-type: none"> - stock code - item description - quantity - cost price - selling price (VAT exclusive) - VAT - selling price (VAT inclusive) - gross profit amount - gross profit percentage - stock on hand 	<p>2.1.1 Draw up a detailed stock sheet on spreadsheet with columns as indicated.</p> <p>2.1.2 Draw up a detailed gross profit stock report on spreadsheet with columns as indicated.</p>
<p>2.2 Inventory valuation on spreadsheet</p> <p>2.2.1 Draw up inventory stock sheet using the FIFO method</p> <p>2.2.2 Draw up inventory stock sheet using the weighted average method</p>	<p>2.2.1 Draw up a detailed stock sheet on spreadsheet using the FIFO method.</p> <p>2.2.2 Draw up a detailed stock sheet on a spreadsheet using the weighted average method.</p>



Activity 2.1A

SB page 30

SOLUTION

GOLDEN WHEAT MILLS							
STOCK SHEET ON 30 SEPTEMBER 20...							
CODE	DESCRIPTION	QUANTITY	COST PRICE	MARK UP 25%	SELLING PRICE VAT EXCLUDED	VAT 15%	SELLING PRICE VAT INCLUDED
S001	Sorghum	30	25.75	6.44	32.19	4.83	37.02
W002	Wheat	25	35.65	8.91	44.56	6.68	51.25
M003	Maize	40	47.55	11.89	59.44	8.92	68.35
TOTAL		95	108.95	27.24	136.19	20.43	156.62



Activity 2.1B

SB page 30

SOLUTION

	A	B	C	D	E	F	G	H
1	GOLDEN WHEAT MILLS							
2								
3	STOCK SHEET ON 30 SEPTEMBER 20...							
4								
5	CODE	DESCRIPTION	QUANTITY	COST PRICE	MARK UP	SELLING PRICE VAT EXCLUDED	VAT 0.15	SELLING PRICE VAT INCLUDED
6					0.25			
7								
8								
9	S001	Sorghum	30	25.75	=D9*\$E\$7	=D9+E9	=F9*\$G\$6	=F9+G9
10	W002	Wheat	25	35.65	=D10*\$E\$7	=D10+E10	=F10*\$G\$6	=F10+G10
11	M003	Maize	40	47.55	=D11*\$E\$7	=D11+E11	=F11*\$G\$6	=F11+G11
12	TOTAL		=SUM(C9:C11)	=SUM(D9:D11)	=SUM(E9:E11)	=SUM(F9:F11)	=SUM(G9:G11)	=SUM(H9:H11)



Activity 2.2

SB page 31

SOLUTION

BALLET SHOP							
STOCK SHEET ON 28 FEBRUARY 20...							
CODE	DESCRIPTION	QUANTITY	COST PRICE	MARK UP	SELLING PRICE VAT EXCLUDED	VAT 15%	SELLING PRICE VAT INCLUDED
SS100	Ballet shoes	12	95.75	52.66	148.41	22.26	170.67
LD1302	Leotard	1	175.00	78.75	253.75	38.06	291.81
ST1403	Ballet stockings	24	17.50	9.63	27.13	4.07	31.19
TT1503	Tutu	6	195.00	87.75	282.75	42.41	325.16
TOTAL		43	483.25	228.79	712.04	106.80	818.83



Activity 2.3

SB page 32

SOLUTION

THE GAMER							
STOCK SHEET ON 30 JUNE 20...							
CODE	DESCRIPTION	QUANTITY	COST PRICE	MARK UP	SELLING PRICE VAT EXCLUDED	VAT 15%	SELLING PRICE VAT INCLUDED
BGS	Scrabble	14	185.00	46.25	231.25	34.69	265.94
BGC	Chess	21	150.00	37.50	187.50	28.13	215.63
BGM	Monopoly	7	120.00	54.00	174.00	26.10	200.10
BGP	Pictionary	14	135.00	47.25	182.25	27.34	209.59
BGCL	Cluedo	5	125.00	56.25	181.25	27.19	208.44
TOTAL		61	715.00	241.25	956.25	143.44	1099.69



Activity 2.4A

SB page 33

SOLUTION

CAMERA LENS						
STOCK SHEET ON 31 MARCH 20...						
CODE	DESCRIPTION	QUANTITY	COST PRICE	SELLING PRICE VAT EXCLUDED	VAT 15%	SELLING PRICE VAT INCLUDED
C102	Canon	5	3 520.50	6 160.88	924.13	7 085.01
M203	Minolta	21	2 860.80	5 006.40	750.96	5 757.36
F304	Fuji	3	4 450.00	7 787.50	1 168.13	8 955.63
K405	Kodak	6	1 780.25	3 115.44	467.32	3 582.75
TOTAL		35	12 611.55	22 070.21	3 310.53	25 380.74



Activity 2.4B

SB page 34

SOLUTION 2.4 B (1)

	A	B	C	D	E	F	G
1	CAMERA LENS						
2							
3	STOCK SHEET ON 31 MARCH 20...						
4							
5	CODE	DESCRIPTION	QUANTITY	COST PRICE	SELLING PRICE VAT EXCLUDED	VAT 15%	SELLING PRICE VAT INCLUDED
6	C102	Canon	5	3520.5	=D6*175%	=E6*15%	=E6+F6
7	M203	Minolta	21	2860.8	=D7*175%	=E7*15%	=E7+F7
8	F304	Fuji	3	4450	=D8*175%	=E8*15%	=E8+F8
9	K405	Kodak	6	1780.25	=D9*175%	=E9*15%	=E9+F9
10	TOTAL		=SUM(C6:C9)	=SUM(D6:D9)	=SUM(E6:E9)	=SUM(F6:F9)	=SUM(G6:G9)

SOLUTION 2.4 B (2)

	A	B	C	D	E	F	G
1	CAMERA LENS						
2							
3	STOCK SHEET ON 31 MARCH 20...						
4							
5	CODE	DESCRIPTION	QUANTITY	COST PRICE	SELLING PRICE VAT EXCLUDED	VAT 15%	SELLING PRICE VAT INCLUDED
6	C102	Canon	5	3520.5	=D6+(D6*75%)	=E6*15%	=E6+F6
7	M203	Minolta	21	2860.8	=D7+(D7*75%)	=E7*15%	=E7+F7
8	F304	Fuji	3	4450	=D8+(D8*75%)	=E8*15%	=E8+F8
9	K405	Kodak	6	1780.25	=D9+(D9*75%)	=E9*15%	=E9+F9
10	TOTAL		=SUM(C6:C9)	=SUM(D6:D9)	=SUM(E6:E9)	=SUM(F6:F9)	=SUM(G6:G9)



Activity 2.5

SB page 34

SOLUTION

OPTI-LITE						
STOCK SHEET ON 31 JANUARY 20...						
CODE	DESCRIPTION	QUANTITY	COST PRICE	SELLING PRICE VAT EXCLUDED	VAT 15%	SELLING PRICE VAT INCLUDED
LN089	Night light	36	168.25	462.69	69.40	532.09
LD101	Desk lamp	30	146.20	402.05	60.31	462.36
LT121	Touch lamp	20	121.00	332.75	49.91	382.66
LB005	Bedside lamp	24	125.40	344.85	51.73	396.58
TOTAL		110	R560.85	R1 542.34	R231.35	R1 773.69



Activity 2.6A

SB page 38

SOLUTION

GOLDEN WHEAT MILLS										
GROSS PROFIT STOCK REPORT ON 30 SEPTEMBER 20...										
CODE	DESCRIPTION	QUANTITY	COST PRICE	MARK UP 25%	SELLING PRICE VAT EXCLUDED	VAT 15%	SELLING PRICE VAT INCLUDED	GROSS PROFIT PER UNIT	GROSS PROFIT PERCENTAGE	COST OF STOCK ON HAND
S001	Sorghum	30	25.75	6.44	32.19	4.83	37.02	25.75	80.0%	772.50
W002	Wheat	25	35.65	8.91	44.56	6.68	51.25	35.65	80.0%	891.25
M003	Maize	40	47.55	11.89	59.44	8.92	68.35	47.55	80.0%	1 902.00
TOTAL		95	108.95	27.24	136.19	20.43	156.62	108.95		3 565.75



Activity 2.6B

SB page 38

SOLUTION

	A	C	D	E	F	G	H	I	J	K
1	GOLDEN WHEAT MILLS									
2										
3	GROSS PROFIT STOCK REPORT ON 30 SEPTEMBER 20...									
4										
5	CODE	QUANTITY	COST	MARK	SELLING	VAT	SELLING	GROSS	GROSS	COST OF
6			PRICE	UP	PRICE	0.15	PRICE	PROFIT	PROFIT	STOCK
7				0.25	VAT		VAT	PER	PERCENTAGE	ON HAND
8					EXCLUDED		INCLUDED	UNIT		
9	S001	30	25.75	=D9*\$E\$7	=D9+E9	=F9*\$G\$6	=F9+G9	=D9	=I9/F9	=C9*D9
10	W002	25	35.65	=D10*\$E\$7	=D10+E10	=F10*\$G\$6	=F10+G10	=D10	=I10/F10	=C10*D10
11	M003	40	47.55	=D11*\$E\$7	=D11+E11	=F11*\$G\$6	=F11+G11	=D11	=I11/F11	=C11*D11
12	TOTAL	=SUM(C9:C11)	=SUM(D9:D11)	=SUM(E9:E11)	=SUM(F9:F11)	=SUM(G9:G11)	=SUM(H9:H11)	=SUM(I9:I11)		=SUM(K9:K11)



Activity 2.7

SB page 39

SOLUTION

	A	B	C	D	F	G	H	I	J	K
1	BALLET SHOP									
2										
3	GROSS PRFIT STOCK REPORT ON 28 FEBRUARY 20...									
4										
5	CODE	DESCRIPTION	QUANTITY	COST	SELLING	VAT	SELLING	GROSS	GROSS	COST
6				PRICE	PRICE	15%	PRICE	PROFIT	PROFIT	OF
7					VAT		VAT	PER	PERCENTAGE	STOCK
8					EXCLUDED		INCLUDED	UNIT		ON HAND
9	SS100	Ballet shoes	12	95.75	148.41	22.26	170.67	52.66	35.5%	1149.00
10	LD1302	Leotard	1	175.00	253.75	38.06	291.81	78.75	31.0%	175.00
11	ST1403	Ballet stockings	24	17.50	27.13	4.07	31.19	9.63	35.5%	420.00
12	TT1503	Tutu	6	195.00	282.75	42.41	325.16	87.75	31.0%	1170.00
13	TOTAL		43	483.25	712.04	106.81	818.84	228.79		2914.00



Activity 2.8

SB page 39

SOLUTION

THE GAMER										
GROSS PROFIT STOCK REPORT ON 30 JUNE 20...										
CODE	DESCRIPTION	QUANTITY	COST PRICE	MARK UP	SELLING PRICE VAT EXCLUDED	VAT 15%	SELLING PRICE VAT INCLUDED	GROSS PROFIT PER UNIT	GROSS PROFIT PERCENTAGE	COST OF STOCK ON HAND
BGS	Scrabble	14	185.00	46.25	231.25	34.69	265.94	46.25	20.0%	2 590.00
BGC	Chess	21	150.00	37.50	187.50	28.13	215.63	37.50	20.0%	3 150.00
BGM	Monopoly	7	120.00	54.00	174.00	26.10	200.10	54.00	31.0%	840.00
BGP	Pictionary	14	135.00	47.25	182.25	27.34	209.59	47.25	25.9%	1 890.00
BGCL	Cluedo	5	125.00	56.25	181.25	27.19	208.44	56.25	31.0%	625.00
TOTAL		61	715.00	241.25	956.25	143.44	1 099.69	241.25		9 095.00



Activity 2.9

SB page 40

SOLUTION

CAMERA LENS										
GROSS PROFIT STOCK REPORT ON 31 MARCH 20...										
CODE	DESCRIPTION	QUANTITY	COST PRICE	SELLING PRICE VAT EXCLUDED	VAT 15%	SELLING PRICE VAT INCLUDED	GROSS PROFIT PER UNIT	GROSS PROFIT PERCENTAGE	COST OF STOCK ON HAND	
C102	Canon	5	3 520.50	6 160.88	924.13	7 085.01	2 640.38	42.86%	17 602.50	
M203	Minolta	21	2 860.80	5 006.40	750.96	5 757.36	2 145.60	42.86%	60 076.80	
F304	Fuji	3	4 450.00	7 787.50	1 168.13	8 955.63	3 337.50	42.86%	13 350.00	
K405	Kodak	6	1 780.25	3 115.44	467.32	3 582.75	1 335.19	42.86%	10 681.50	
TOTAL		35	12 611.55	22 070.21	3 310.53	25 380.74	9 458.66		101 710.80	



Activity 2.10

SB page 40

SOLUTION

OPTI-LITE									
GROSS PROFIT STOCK REPORT ON 31 JANUARY 20...									
CODE	DESCRIPTION	QUANTITY	COST PRICE	SELLING PRICE VAT EXCLUDED	VAT 15%	SELLING PRICE VAT INCLUDED	GROSS PROFIT PER UNIT	GROSS PROFIT PERCENTAGE	COST OF STOCK ON HAND
LB005	Night light	36	168.25	344.85	69.40	532.09	363.84	63.6%	6057.00
LD101	Desk lamp	30	146.20	402.05	60.31	462.36	316.16	63.6%	4386.00
LN089	Touch lamp	20	121.00	462.69	49.91	382.66	261.66	63.6%	2420.00
LT121	Bedside lamp	24	125.40	332.75	51.73	396.58	271.18	63.6%	3009.60
TOTAL		110	R560.85	R1 542.34	R231.35	R1,773.69	R1,212.84		R15,872.60



Activity 2.11

SB page 41

SOLUTION

GROSS PROFIT STOCK REPORT OF ZIPPY STATIONERS ON 31 MARCH 20...									
CODE	DESCRIPTION	QUANTITY	COST PRICE	SELLING PRICE VAT EXCLUDED	VAT 15%	SELLING PRICE VAT INCLUDED	GROSS PROFIT PER UNIT	GROSS PROFIT PERCENTAGE	COST OF STOCK ON HAND
CLL01	Exercise books	50	8.95	11.19	1.68	12.87	3.92	20.00%	447.50
SH001	Shorthand books	35	15.95	19.94	2.99	22.93	6.98	20.00%	558.25
BP002	Black pens	40	2.55	3.19	0.48	3.67	1.12	20.00%	102.00
MA003	Maths instruments	55	35.75	48.26	7.24	55.50	19.75	25.93%	1 966.25
TOTAL		180	R63.20	R82.58	R12.39	R94.96	R31.76		R3 074.00



Activity 2.12

SB page 42

SOLUTION

GROSS PROFIT STOCK REPORT OF COFFEE BLENDS ON 31 MAY 20...									
CODE	DESCRIPTION	QUANTITY	COST PRICE	SELLING PRICE VAT EXCLUDED	VAT 15%	SELLING PRICE VAT INCLUDED	GROSS PROFIT PER UNIT	GROSS PROFIT PERCENTAGE	COST OF STOCK ON HAND
1A	Cappuccino	5	18.75	29.06	4.36	33.42	14.67	35.48%	93.75
2A	Espresso	7	28.55	44.25	6.64	50.89	22.34	35.48%	199.85
3B	Americano	9	21.42	33.20	4.98	38.18	16.76	35.48%	192.78
4B	Ristretto	6	24.90	38.60	5.79	44.38	19.48	35.48%	149.40
5C	Mocca Java	8	35.70	55.34	8.30	63.64	27.94	35.48%	285.60
TOTAL		35	R129.32	R200.45	R30.07	R230.51	R101.19		R921.38



Activity 2.13

SB page 43

SOLUTION

CHICCO CHOCOLATES									
GROSS PROFIT STOCK REPORT ON 31 MAY 20...									
CODE	DESCRIPTION	QUANTITY	COST PRICE	SELLING PRICE VAT EXCLUDED	VAT 15%	SELLING PRICE VAT INCLUDED	GROSS PROFIT PER UNIT	GROSS PROFIT PERCENTAGE	COST OF STOCK ON HAND
CHT05	Tex	6	50.00	78.88	11.83	90.71	40.71	36.61%	300.00
CHN03	Nosh	12	55.00	86.76	13.01	99.78	44.78	36.61%	660.00
CHL02	Lunch Bar	15	45.00	70.99	10.65	81.64	36.64	36.61%	675.00
CHK06	Kit Kat	3	40.00	63.10	9.46	72.57	32.57	36.61%	120.00
CHI04	Inside Story	9	65.00	102.54	15.38	117.92	52.92	36.61%	585.00
CHB01	Bar One	1	35.00	55.21	8.28	63.49	28.49	36.61%	35.00
TOTAL		46	290.00	457.48	68.62	526.10	236.10		2 375.00



Activity 2.14

SB page 44

SOLUTION

MAG WHEELS									
GROSS PROFIT STOCK REPORT ON 31 MARCH 20...									
CODE	DESCRIPTION	QUANTITY	COST PRICE	SELLING PRICE VAT EXCLUDED	VAT 15%	SELLING PRICE VAT INCLUDED	GROSS PROFIT PER UNIT	GROSS PROFIT PERCENTAGE	COST OF STOCK ON HAND
Sla	Slate	4	R849.75	R1 232.14	R184.82	R1 416.96	R567.21	31.03%	R3 399.00
Raz	Razor	3	R749.75	R1 087.14	R163.07	R1 250.21	R500.46	31.03%	R2 249.25
Mad	Maddox	2	R2 498.75	R3 873.06	R580.96	R4 454.02	R1 955.27	35.48%	R4 997.50
TOTAL		9	R4 098.25	R6 192.34	R928.85	R7 121.19	R3 022.94		R10 645.75



Activity 2.15

SB page 45

SOLUTION

THE BUBBLE SHOP								
GROSS PROFIT STOCK REPORT ON 31 MAY 20...								
CODE	COST PRICE	SELLING PRICE VAT EXCLUDED	VAT 15%	SELLING PRICE VAT INCLUDED	GROSS PROFIT PER UNIT	GROSS PROFIT PERCENTAGE	ON HAND	VALUE OF STOCK ON HAND
SB001	9.95	24.88	3.73	28.61	14.93	60.00%	10	99.50
SH002	25.50	63.75	9.56	73.31	38.25	60.00%	20	510.00
SJ003	15.00	37.50	5.63	43.13	22.50	60.00%	15	225.00
TOTAL	50.45	126.13	18.92	145.04	75.68		45	834.50



Activity 2.16

SB page 46

SOLUTION

	A	B	C	D	E	F	G	H	I	J	K
1	THE BEDROOM CORNER										
2											
3	GROSS PROFIT STOCK REPORT ON 31 AUGUST 20...										
4											
5	CODE	DESCRIPTION	QUANTITY	ON HAND	COST	SELLING	VAT	SELLING	GROSS	GROSS	VALUE
6					PRICE	PRICE	15%	PRICE	PROFIT	PROFIT	OF
7						VAT		VAT	PER	PERCENTAGE	STOCK
8						EXCLUDED		INCLUDED	UNIT		ON HAND
9	DUV	Duvet	20	10	99.95	249.88	37.48	287.36	149.93	60.00%	999.50
10	PIL	Pillows	24	2	19.50	48.75	7.31	56.06	29.25	60.00%	39.00
11	FLS	Flat sheet	32	20	45.00	112.50	16.88	129.38	67.50	60.00%	900.00
12	COM	Comforter	3	35	79.95	199.88	29.98	229.86	119.93	60.00%	2798.25
13	FTS	Fitted sheet	16	15	55.00	137.50	20.63	158.13	82.50	60.00%	825.00
14	TOTAL		95		299.40	748.50	112.28	860.78	449.10		5561.75



Activity 2.17

SB page 47

SOLUTION

	A	B	C	D	E	F	G	H	I	J
1	SHEIKH'S PALACE									
2										
3	GROSS PROFIT STOCK REPORT ON 31 AUGUST 20...									
4										
5	CODE	DESCRIPTION	QUANTITY	COST	SELLING	VAT	SELLING	GROSS	GROSS	COST
6				PRICE	PRICE	15%	PRICE	PROFIT	PROFIT	OF
7					VAT		VAT	PER	PERCENTAGE	STOCK
8					EXCLUDED		INCLUDED	UNIT		ON HAND
9	C001	Curios	2553	55.50	111.00	16.65	127.65	55.50	50.00%	141691.50
10	C002	Copper	925	135.20	270.40	40.56	310.96	135.20	50.00%	125060.00
11	TOTAL		3478	190.70	381.40	57.21	438.61	190.70		266751.50



Activity 2.18

SB page 48

SOLUTION

	A	B	C	D	E	F	G	H	I	J
1	THE CURIO SHOP									
2	GROSS PROFIT STOCK REPORT ON 30 APRIL 20...									
3	CODE	DESCRIPTION	QUANTITY	COST	SELLING	VAT	SELLING	GROSS	GROSS	COST
4				PRICE	PRICE	15%	PRICE	PROFIT	PROFIT	OF
5					VAT		VAT	PER	PERCENTAGE	STOCK
6					EXCLUDED		INCLUDED	UNIT		ON HAND
7	CB	Cape bell	3	60.00	139.98	21.00	160.98	79.98	57.14%	180.00
8	WS	Wooden spoon	200	40.00	93.32	14.00	107.32	53.32	57.14%	8000.00
9	TOTAL		203	100.00	233.30	35.00	268.30	133.30		8180.00



Activity 2.19

SB page 49

SOLUTION

METAL MASTERS							
GROSS PROFIT STOCK REPORT ON 31 OCTOBER 20...							
CODE	DESCRIPTION	COST PRICE	SELLING PRICE VAT EXCLUDED	VAT 15%	SELLING PRICE VAT INCLUDED	GROSS PROFIT PER UNIT	GROSS PROFIT PERCENTAGE
RSP001	Round steel pipe	40.90	45.90	6.89	52.79	5.00	10.9%
FSP002	Flat steel pipe	10.75	18.75	2.81	21.56	8.00	42.7%
BSP003	Bent steel pipe	20.20	25.20	3.78	28.98	5.00	19.8%
TOTAL		71.85	89.85	13.48	103.33	18.00	



Activity 2.20

SB page 50

SOLUTION

ELECTRIC EXPRESS									
GROSS PROFIT STOCK REPORT ON 30 JUNE 20...									
CODE	DESCRIPTION	QUANTITY	COST PRICE	SELLING PRICE VAT EXCLUDED	VAT 15%	SELLING PRICE VAT INCLUDED	GROSS PROFIT PER UNIT	GROSS PROFIT PERCENTAGE	COST OF STOCK ON HAND
WM001	Washing machine	18	R 8 500.00	R 12 750.00	R 1 912.50	R 14 662.50	R 6 162.50	33.33%	R 153 000.00
DW003	Dish washer	20	R 4 500.00	R 6 750.00	R 1 012.50	R 7 762.50	R 3 262.50	33.33%	R 90 000.00
TD005	Tumble drier	30	R 5 200.00	R 7 800.00	R 1 170.00	R 8 970.00	R 3 770.00	33.33%	R 156 000.00
CS007	Carpet shampooer	12	R 2 150.00	R 3 225.00	R 483.75	R 3 708.75	R 1 558.75	33.33%	R 25 800.00
TOTAL		80	R 20 350.00	R 30 525.00	R 4 578.75	R 35 103.75	R 14 753.75		R 424 800.00



Activity 2.21A

SB page 51

SOLUTION

GROSS PROFIT STOCK REPORT OF THE TOOL BOX ON 31 OCTOBER 20...									
CODE	DESCRIPTION	QUANTITY	COST PRICE	SELLING PRICE VAT EXCLUDED	VAT 15%	SELLING PRICE VAT INCLUDED	GROSS PROFIT PER UNIT	GROSS PROFIT PERCENTAGE	COST OF STOCK ON HAND
HWC01	Chisels	44	45.00	78.75	11.81	90.56	45.56	42.86%	1 980.00
HWF03	Files	30	70.00	122.50	18.38	140.88	70.88	42.86%	2 100.00
HW05	Hammers	36	150.00	300.00	45.00	345.00	195.00	50.00%	5 400.00
HWP07	Planes	20	130.00	260.00	39.00	299.00	169.00	50.00%	2 600.00
TOTAL		130	R395.00	R761.25	R114.19	R875.44	R480.44		R12 080.00



Activity 2.21B

SB page 52

SOLUTION

	A	C	D	E	F	G	H	I	J
1	GROSS PROFIT STOCK REPORT OF THE TOOL BOX ON 31 OCTOBER 20...								
2									
3	CODE	QUANTITY	COST	SELLING	VAT	SELLING	GROSS	GROSS	COST
4			PRICE	PRICE	0.15	PRICE	PROFIT	PROFIT	OF
5				VAT		VAT	PER	PERCENTAGE	STOCK
6				EXCLUDED		INCLUDED	UNT		ON HAND
7	HWC01	44	45	=D7*175%	=E7*\$F\$4	=E7+F7	=G7-D7	=(E7-D7)/E7	=C7*D7
8	HWF03	30	70	=D8*175%	=E8*\$F\$4	=E8+F8	=G8-D8	=(E8-D8)/E8	=C8*D8
9	HW05	36	150	=D9*200%	=E9*\$F\$4	=E9+F9	=G9-D9	=(E9-D9)/E9	=C9*D9
10	HWP07	20	130	=D10*200%	=E10*\$F\$4	=E10+F10	=G10-D10	=(E10-D10)/E10	=C10*D10
11	TOTAL	=SUM(C7:C10)	=SUM(D7:D10)	=SUM(E7:E10)	=SUM(F7:F10)	=SUM(G7:G10)	=SUM(H7:H10)		=SUM(J7:J10)



Activity 2.22

SB page 52

SOLUTION

BLUE BULLS OUTFITTERS									
GROSS PROFIT STOCK REPORT ON 28 FEBRUARY 20...									
CODE	DESCRIPTION	QUANTITY	COST PRICE	SELLING PRICE VAT EXCLUDED	VAT 15%	SELLING PRICE VAT INCLUDED	GROSS PROFIT PER UNIT	GROSS PROFIT PERCENTAGE	VALUE OF STOCK ON HAND
PC404	Peak caps	120	65.00	81.25	12.19	93.44	16.25	20.00%	7 800.00
SB405	Soccer boots	130	455.00	614.25	92.14	706.39	159.25	25.93%	59 150.00
ST406	Soccer T-shirts	350	595.50	803.93	120.59	924.52	208.43	25.93%	208 426.30
SH407	Shorts	395	350.25	472.84	70.93	543.76	122.59	25.93%	138 348.75
FL408	Flags	260	95.55	119.44	17.92	137.36	23.89	20.00%	24 843.52
TOTAL									438 568.57



Activity 2.23

SB page 54

SOLUTION

CHEM MED PHARMACY									
GROSS PROFIT STOCK REPORT ON 28 FEBRUARY 20...									
CODE	DESCRIPTION	QUANTITY	COST PRICE	SELLING PRICE VAT EXCLUDED	VAT 15%	SELLING PRICE VAT INCLUDED	GROSS PROFIT PER UNIT	GROSS PROFIT PERCENTAGE	VALUE OF STOCK ON HAND
T122	Tramadol	8	131.43	230.00	34.50	264.50	98.57	42.86%	1 051.44
C657	Celebrex	5	137.14	240.00	36.00	276.00	102.86	42.86%	685.71
V398	Valtrex	4	314.29	550.01	82.50	632.51	235.72	42.86%	1 257.16
P765	Painstop	6	171.43	300.00	45.00	345.00	128.57	42.86%	1 028.57
Z554	Zovalax	11	371.43	650.00	97.50	747.50	278.57	42.86%	4 085.73



Activity 2.24

SB page 55

SOLUTION

BRICK BY BRICK BUILDING SUPPLIERS									
GROSS PROFIT STOCK REPORT ON 28 FEBRUARY 20...									
CODE	DESCRIPTION	QUANTITY	COST PRICE	SELLING PRICE VAT EXCLUDED	VAT 15%	SELLING PRICE VAT INCLUDED	GROSS PROFIT PER UNIT	GROSS PROFIT PERCENTAGE	COST OF STOCK ON HAND
WB01	Wheelbarrows	40	375.00	487.50	73.13	560.63	112.50	23.08%	15 000.00
GS03	Garden spades	35	75.00	97.50	14.63	112.13	22.50	23.08%	2 625.00
GF04	Garden forks	25	90.00	1 17.00	17.50	1 34.50	27.00	23.08%	2 500.00
DH02	Door handles	150	28.00	36.40	5.46	41.86	8.40	23.08%	4 200.00
TOTAL									24 075.00



Activity 2.25

SB page 56

SOLUTION

DOLL'S HOUSE									
GROSS PROFIT STOCK REPORT ON 31 MARCH 20...									
CODE	DESCRIPTION	QUANTITY	COST PRICE	SELLING PRICE VAT EXCLUDED	VAT 15%	SELLING PRICE VAT INCLUDED	GROSS PROFIT PER UNIT	GROSS PROFIT PERCENTAGE	VALUE OF STOCK ON HAND
PD01	Porcelain dolls	6	395.99	574.19	86.13	660.31	178.20	31.03%	2 375.94
SB03	Soft balls	4	210.00	325.50	48.83	374.33	115.50	35.48%	840.00
TB05	Teddy bears	8	345.00	500.25	75.04	575.29	155.25	31.03%	2 760.00
TOTAL		18	950.99	1 399.94	209.99	1 609.93	448.95		5 975.94



Summative assessment

SB page 57

QUESTION 1.1

SOLUTION

GROSS PROFIT STOCK SHEET OF BATS AND BALLS ON 30 MAY 20...									
INVENTORY CODE	DESCRIPTION	QUANTITY	COST PRICE	SELLING PRICE (EXCL)	VAT 15%	SELLING PRICE (INCL)	GROSS PROFIT PER UNIT	COST OF STOCK ON HAND	GROSS PROFIT %
TB	Tennis balls	14	16.25	22.75	3.41	26.16	6.50	227.50	28.6%
TR	Tennis racquets	5	300.00	405.00	60.75	465.75	105.00	1 500.00	25.9%
SB	Soccer balls	7	224.00	313.60	47.04	360.64	89.60	1 568.00	28.6%
CB	Cricket bats	5	289.75	391.16	58.67	449.84	101.41	1 448.75	25.9%
TOTAL		31	R830.00	R1 132.51	R169.88	R1 302.39	R302.51	R4 744.25	

QUESTION 1.2

SOLUTION

GROSS PROFIT INVENTORY SHEET OF BATS AND BALLS ON 30 MAY 20...								
INVENTORY CODE	QUANTITY	COST PRICE	SELLING PRICE (EXCL)	VAT 15%	SELLING PRICE (INCL)	GROSS PROFIT PER UNIT	COST OF INVENTORY ON HAND	GROSS PROFIT %
TB	14	16.25	=D7*140%	=E7*\$F\$4	=E7+F7	=E7-D7	=C7*D7	=(E7-D7)/E7
TR	5	=(E8*100)/135	405	=E8*\$F\$4	=E8+F8	=E8-D8	=C8*D8	=(E8-D8)/E8
SB	7	=(E9*100)/140	313.6	=E9*\$F\$4	=E9+F9	=E9-D9	=C9*D9	=(E9-D9)/E9
CB	5	289.75	=D10*135%	=E10*\$F\$4	=E10+F10	=E10-D10	=C10*D10	=(E10-D10)/E10
TOTAL	=SUM(C7:C10)	=SUM(D7:D10)	=SUM(E7:E10)	=SUM(F7:F10)	=SUM(G7:G10)	=SUM(H7:H10)	=SUM(I7:I10)	



Activity 2.26

SB page 62

SOLUTION

STOCK SHEET OF PLUSH SUPPLIERS										
ON 30 SEPTEMBER 20...										
STOCK ITEM: PLS005										
DATE	RECEIVED			ISSUED			BALANCE ON HAND			
	UNITS	PRICE	TOTAL	UNITS	PRICE	TOTAL	UNITS	PRICE	TOTAL	BALANCE
01 09 20...							800	20.10	16 080.00	16 080.00
08 09 20...				700	20.10	14070	100	20.10	2 010.00	2010.00
12 09 20...							100	20.10	2 010.00	
	1 600	21.20	33 920.00				1 600	21.20	33 920.00	35 930.00
16 09 20...				100	20.10	2 010.00	0	20.10	0.00	
				20	21.20	424.00	1 580	21.20	33 496.00	33 496.00
22 09 20...				300	21.20	6 360.00	1 280	21.20	27 136.00	27 136.00
25 09 20...							1 280	21.20	27 136.00	
	2 000	26.87	53 740.00				2 000	26.87	53 740.00	80 876.00
26 09 20...				1 280	21.20	27 136.00	0	21.20	0.00	
				420	26.87	11 285.40	1 580	26.87	42 454.60	42 454.60
30 09 20...							1 580	26.87	42 454.60	
	600	36.73	22 038.00				600	36.73	22 038.00	64 492.60



Activity 2.27

SB page 63

SOLUTION

STOCK SHEET OF RAZZLE DAZZLE MANUFACTURERS										
ON 31 DECEMBER 20...										
STOCK ITEM RDJ-D02										
DATE	RECEIVED			ISSUED			BALANCE ON HAND			
	UNITS	PRICE	TOTAL	UNITS	PRICE	TOTAL	UNITS	PRICE	TOTAL	BALANCE
01 Jan 20...							200	90.00	18 000.00	18 000.00
31 Mar 20...							200	90.00	18 000.00	
	3 600	90.40	325 440.00				3 600	90.40	325 440.00	343 440.00
				200	90.00	18 000.00	0	90.00	0.00	
				2 800	90.40	253 120.00	800	90.40	72 320.00	72 320.00
30 Jun 20...							800	90.40	72 320.00	
	3 400	90.30	307 020.00				3 400	90.30	307 020.00	379 340.00
				800	90.40	72 320.00	0	90.40	0.00	
				3 200	90.30	288 960.00	200	90.30	18 060.00	18 060.00
30 Sep 20...							200	90.30	18 060.00	
	1 600	91.60	146 560.00				1 600	91.60	146 560.00	164 620.00
				200	90.30	18 060.00	0	90.30	0.00	
				1 000	91.60	91 600.00	600	91.60	54 960.00	54 960.00
30 Dec 20...							600	91.60	54 960.00	
	1 200	92.00	110 400.00				1 200	92.00	110 400.00	165 360.00
				600	91.60	54 960.00	0	91.60	0.00	
				600	92.00	55 200.00	600	92.00	55 200.00	55 200.00



Activity 2.28

SB page 64

SOLUTION

STOCK SHEET OF LISA TRADERS										
ON 30 SEPTEMBER 20..										
STOCK ITEM: LIA-404										
DATE	RECEIVED			ISSUED			BALANCE ON HAND			
	UNITS	PRICE	TOTAL	UNITS	PRICE	TOTAL	UNITS	PRICE	TOTAL	BALANCE
01 Sep 20...							400	30.15	12 060.00	12 060.00
08 Sep 20...				350	30.15	10 552.50	50	30.15	1 507.50	1 507.50
12 Sep 20...							50	30.15	1 507.50	
	800	50.30	40 240.00				800	50.30	40 240.00	41 747.50
16 Sep 20...				50	30.15	1 507.50	0	30.15	0.00	
				550	50.30	27 665.00	250	50.30	12 575.00	12 575.00
22 Sep 20...				150	50.30	7 545.00	100	50.30	5 030.00	5 030.00
25 Sep 20...							100	50.30	5 030.00	
	1 000	40.30	40 300.00				1 000	40.30	40 300.00	45 330.00
26 Sep 20...				100	50.30	5 030.00	0	50.30	0.00	
				750	40.30	30 225.00	250	40.30	10 075.00	10 075.00
30 Sep 20...							250	40.30	10 075.00	
	300	55.10	16 530.00				300	55.10	16 530.00	16 530.00



Activity 2.29A

SB page 65

SOLUTION

STOCK SHEET OF LITTLE DARLINGS										
ON 28 FEBRUARY 20... (insert this year)										
STOCK ITEM: PLS005										
DATE	RECEIVED			ISSUED			BALANCE ON HAND			
	UNITS	PRICE	TOTAL	UNITS	PRICE	TOTAL	UNITS	PRICE	TOTAL	BALANCE
01							40	9.00	360.00	360.00
09	80	7.00	560.00				40	9.00	360.00	
							80	7.00	560.00	920.00
10	-10	9.00					30	9.00	270.00	
							80	7.00	560.00	830.00
17				30	9.00	270.00	0	9.00	0.00	
				40	7.00	280.00	40	7.00	280.00	280.00
18	80	6.00	480.00				40	7.00	280.00	
							80	6.00	480.00	760.00
28				-20	9.00	-180.00	20	9.00	180.00	
							40	7.00	280.00	
							80	6.00	480.00	940.00



Activity 2.29B

SB page 66

SOLUTION

	A	B	C	D	E	F	G	H	I	J	K
1	STOCK SHEET OF LITTLE DARLINGS										
2	ON 28 FEBRUARY 20... (insert this year)										
3	STOCK ITEM: PLS005										
4	DATE	RECEIVED			ISSUED			BALANCE ON HAND			
5		UNITS	PRICE	TOTAL	UNITS	PRICE	TOTAL	UNITS	PRICE	TOTAL	BALANCE
6	1							40	9	=H6*I6	=J6
7	9							=H6	9	=H7*I7	
8		80	7	=B8*C8				=B8	=C8	=D8	=SUM(J7:J8)
9	10	-10	=I6					=H7+B9	=I7	=H9*I9	
10								=H8	=I8	=H10*I10	=SUM(J9:J10)
11	17				=H9	=I9	=E11*F11	=H9-E11	=I9	=H11*I11	
12					=70-E11	=I10	=E12*F12	=H10-E12	=I10	=H12*I12	=SUM(J11:J12)
13	18							=H12	=I12	=H13*I13	
14		80	6	=B14*C14				=B14	=C14	=D14	=SUM(J13:J14)
15	28				-20	=I11	=E15*F15	20	=I11	=H15*I15	
16								=H13	=I13	=H16*I16	
17								=H14	=I14	=H17*I17	=SUM(J15:J17)



Activity 2.30

SB page 66

SOLUTION

STOCK SHEET OF KARAMIA MANUFACTURERS										
ON 30 NOVEMBER 20... (last year)										
STOCK ITEM: KM404										
DATE	RECEIVED			ISSUED			BALANCE ON HAND			
	UNITS	PRICE	TOTAL	UNITS	PRICE	TOTAL	UNITS	PRICE	TOTAL	BALANCE
01 Nov 20...							210	12.50	2 625.00	2 625.00
04 Nov 20...							210	12.50	2 625.00	
	125	14.00	1 750.00				125	14.00	1 750.00	4 375.00
08 Nov 20...				210	12.50	2 625.00	0	12.50	0.00	
				70	14.00	980.00	55	14.00	770.00	770.00
11 Nov 20...							55	14.00	770.00	
	145	15.25	2 211.25				145	15.25	2 211.25	2 981.25
22 Nov 20...				55	14.00	770.00	0	14.00	0.00	
				110	15.25	1 677.50	35	15.25	533.75	533.75
30 Nov 20...	-35	15.25	-533.75				70	15.25	1 067.50	1 067.50



Activity 2.31

SB page 67

SOLUTION

STOCK SHEET OF INSIDE STORY										
ON 28 FEBRUARY 20... (insert this year)										
STOCK ITEM: CHOCST4										
DATE	RECEIVED			ISSUED			BALANCE ON HAND			
	UNITS	PRICE	TOTAL	UNITS	PRICE	TOTAL	UNITS	PRICE	TOTAL	BALANCE
01 Feb 20...							140	35.50	4 970.00	4 970.00
08 Feb 20...							140	35.50	4 970.00	
	50	34.00	1 700.00				50	34.00	1 700.00	6 670.00
10 Feb 20...				30	35.50	1 065.00	110	35.50	3 905.00	
							50	34.00	1 700.00	5 605.00
14 Feb 20...				65	35.50	2 307.50	45	35.50	1 597.50	
							50	34.00	1 700.00	3 297.50
20 Feb 20...							45	35.50	1 597.50	
							50	34.00	1 700.00	
	46	38.82	1 785.72				46	38.82	1 785.72	5 083.22
26 Feb 20...				15	35.50	532.50	30	35.50	1 065.00	
							50	34.00	1 700.00	
							46	38.82	1 785.72	4 550.72



Summative assessment

SB page 69

SOLUTION

STOCK SHEET OF THE BAKERMAN											
ON 28 FEBRUARY 20... (this year)											
STOCK ITEM: BIS2020											
DATE	DETAILS	RECEIVED			ISSUED			BALANCE ON HAND			
		UNITS	PRICE	TOTAL	UNITS	PRICE	TOTAL	UNITS	PRICE	TOTAL	BALANCE
01 Feb 20...								400	30.15	12 060.00	12 060.00
08 Feb 20...					350	30.15	10 552.50	50	30.15	1 507.50	1 507.50
12 Feb 20...								50	30.15	1 507.50	
		800	50.30	40 240.00				800	50.30	40 240.00	41 747.50
16 Feb 20...					50	30.15	1 507.50	0	30.15	0.00	
					550	50.30	27 665.00	250	50.30	12 575.00	12 575.00
22 Feb 20...					150	50.30	7 545.00	100	50.30	5 030.00	5 030.00
25 Feb 20...								100	50.30	5 030.00	
		1 000	40.30	40 300.00				1 000	40.30	40 300.00	45 330.00
26 Feb 20...					100	50.30	5 030.00	0	50.30	0.00	
					750	40.30	30 225.00	250	40.30	10 075.00	10 075.00
28 Feb 20...								250	40.30	10 075.00	
		300	55.10	16 530.00				300	55.10	16 530.00	26 605.00



Activity 2.32

SB page 72

SOLUTION

STOCK SHEET OF CLASSIC CASES							
ON 28 FEBRUARY 20... (This year)							
STOCK ITEM: TB456							
DATE	UNITS			AVERAGE UNIT PRICE	COST PRICE		
	RECEIVED	ISSUED	ON HAND		RECEIVED	ISSUED	ON HAND
1-Feb			30	742.50			22275.00
5-Feb	15		45	792.33	13380.00		35655.00
6-Feb		20	25	792.33		15846.67	19808.33
9-Feb	27		52	914.44	27742.50		47550.83
10-Feb		29	23	914.44		26518.73	21032.10
14-Feb	30		53	1012.40	32625.00		53657.10
15-Feb		23	30	1012.40		23285.16	30371.94



Activity 2.33

SB page 73

SOLUTION

STOCK SHEET OF SHADE TRADE							
ON 30 SEPTEMBER 20... (Last year)							
STOCK ITEM: AW201							
DATE	UNITS			AVERAGE UNIT PRICE	COST PRICE		
	RECEIVED	ISSUED	ON HAND		RECEIVED	ISSUED	ON HAND
1			40	30.15			1206.00
8		35	5	30.15		1055.25	150.75
12	80		85	49.30	4040.00		4190.75
16		60	25	49.30		2958.18	1232.57
22		15	10	49.30		739.54	493.03
25	100		110	41.30	4050.00		4543.03
26		85	25	41.30		3510.52	1032.51
29	300		325	54.04	16530.00		17562.51
30	-10		315	54.00	-551.00		17011.51



Activity 2.34

SB page 74

SOLUTION

STOCK SHEET OF SUMMER BREEZE							
ON 30 JUNE 20... (This year)							
STOCK ITEM: AC2000							
DATE	UNITS			AVERAGE UNIT PRICE	COST PRICE		
	RECEIVED	ISSUED	ON HAND		RECEIVED	ISSUED	ON HAND
1-Jun			25	2800.00			70000.00
5-Jun	20		45	3111.11	70000.00		140000.00
		20	25	3111.11		62222.22	77777.78
15-Jan	60		85	3491.50	219000.00		296777.78
		25	60	3491.50		87287.58	209490.20
20-Jun	55		115	3543.39	198000.00		407490.20
		50	65	3543.39		177169.65	230320.55



Activity 2.35

SB page 75

SOLUTION

STOCK SHEET OF GLITZY GLAM JEWELLERS							
ON 28 FEBRUARY 20... (This year)							
STOCK ITEM: BB02							
DATE	UNITS			AVERAGE UNIT PRICE	COST PRICE		
	RECEIVED	ISSUED	ON HAND		RECEIVED	ISSUED	ON HAND
1-Feb			50	85.00			4250.00
8-Feb	135		185	92.30	12825.00		17075.00
		135	50	92.30		12460.14	4614.86
10-Feb	50		100	108.65	6250.00		10864.86
		45	55	108.65		4889.19	5975.68
22-Feb	30		85	135.60	5550.00		11525.68
		30	55	135.60		4067.89	7457.79



Activity 2.36

SB page 76

SOLUTION

STOCK SHEET OF JOHNNY WALKER SHOE STORE							
ON 30 SEPTEMBER 20... (Last year)							
STOCK ITEM: KY96							
DATE	UNITS			AVERAGE UNIT PRICE	COST PRICE		
	RECEIVED	ISSUED	ON HAND		RECEIVED	ISSUED	ON HAND
1-Oct			100	5.00			500.00
3-Oct		75	25	5.00		375.00	125.00
6-Oct	200		225	5.44	1100.00		1225.00
7-Oct		110	115	5.44		598.89	626.11
8-Oct		100	15	5.44		544.44	81.67
9-Oct	500		515	5.98	3000.00		3081.67
10-Oct	100		615	6.07	650.00		3731.67
11-Oct	200		815	6.30	1400.00		5131.67
12-Oct		700	115	6.30		4407.57	724.10
20-Oct	100		215	6.86	75000.00		1474.10
25-Oct		80	135	6.86		548.50	925.60
31-Oct	-100		35	5.02	-750.00		175.60



Activity 2.37

SB page 78

SOLUTION

STOCK SHEET OF CUTTING EDGE							
ON 30 JUNE 20... (Current year)							
STOCK ITEM: JSB64							
DATE	UNITS			AVERAGE UNIT PRICE	COST PRICE		
	RECEIVED	ISSUED	ON HAND		RECEIVED	ISSUED	ON HAND
1-Jun			4	10.10			40.40
9-Jun	65		69	17.35	1157.00		1197.40
		60	9	17.35		1041.22	156.18
10-Jun	45		54	18.39	837.00		993.18
		35	19	18.39		643.73	349.45
12-Jun	75		94	18.88	1425.00		1774.45
		70	24	18.88		1321.40	453.05
14-Jun	-2		22	18.87	-38.00		415.05
29-Jun	90		112	19.13	1728.00		2143.05
		45	67	19.13		861.05	1282.00
30-Jun		-5	72	19.13		-95.67	1377.68



Summative assessment

SB page 79

SOLUTION

THE BODY SHOP							
STOCK SHEET							
ON 30 APRIL 20...							
DATE	UNITS			AVERAGE UNIT PRICE	COST PRICE		
	RECEIVED	ISSUED	ON HAND		RECEIVED	ISSUED	ON HAND
01 Apr 20...			9	19.50			175.50
	120		129	19.97	2 400		2 575.50
04 Apr 20...		80	49	19.97		1 597.21	978.29
06 Apr 20...		30	19	19.97		570.00	379.34
18 Apr 20...	350		369	21.90	7 700		8 079.34
20 Apr 20...		200	169	21.90		4 379.04	3 700.29
25 Apr 20...		100	69	21.90		2 189.52	1 510.77



Module 3

Financial statements applications on a spreadsheet (sole trader)



After completing this module, the student will be able to:

LEARNING CONTENT	LEARNING OUTCOMES
3. Financial statements applications for sole trader	
3.1 Draw up Statement of Comprehensive Income with the following sections: <ul style="list-style-type: none"> • gross profit • net profit • net profit transferred to capital. 	3.1 Draw up detailed Statement of Comprehensive Income on spreadsheet with sections as indicated.
3.2 Draw up Statement of Financial Position with the following sections: <ul style="list-style-type: none"> • Assets <ul style="list-style-type: none"> – non-current assets – current assets • Owner's Equity • Liabilities <ul style="list-style-type: none"> – non-current liabilities – current liabilities. 	3.2 Draw up detailed Statement of Financial Position on spreadsheet with sections as indicated.
3.3 Draw up Statement of Cash Flow with the following sections: <ul style="list-style-type: none"> • Cash flow from operating activities • Cash flow from investing activities • Cash flow from financing activities • Net increase/decrease in cash. 	3.3 Draw up detailed Statement of Cash Flow on a spreadsheet.



Activity 3.1

SB page 87

SOLUTION

ON TIME STORES		
STATEMENT OF COMPREHENSIVE INCOME		
ON 28 FEBRUARY 20... (last year)		
Turnover		960 000
Less: Cost of sales		440 000
Gross profit		520 000
Add: Other income		78 800
Rent income	48 000	
Interest on fixed deposit	26 000	
Discount received	4 000	
Provision for credit losses adjustment	200	
Credit losses recovered	600	
Gross income		598 800
Less: Distribution, administrative and other expenses		210 390
Salaries	74 220	
Credit losses	16 220	
Insurance	22 400	
Stationery	4 000	
Trading stock deficit	3 000	
Depreciation	90 550	
Operating profit		388 410
Less: Finance costs		170 000
Interest on loan	170 000	
Net profit		218 410
Other comprehensive income		0
Net profit transferred to capital		218 410



Activity 3.2

SB page 89

SOLUTION

ADIEU ACCESSORIES		
STATEMENT OF COMPREHENSIVE INCOME		
ON 28 FEBRUARY 20... (last year)		
Turnover		971 180
Less: Cost of sales		681 750
Gross profit		289 430
Add: Other income		4 635
Interest on fixed deposit	3 300	
Discount received	1 335	
Gross income		294 065
Less: Distribution, administrative and other expenses		208 640
Rent expense	44 000	
Salaries	123 500	
Fuel	4 600	
Insurance	1 175	
Repairs	3 375	
Advertisements	2 240	
Stationery and printing	2 900	
Credit losses	680	
Water and electricity	2 070	
Depreciation	24 100	
Operating profit		85 425
Less: Finance costs		0
Interest on loan	0	
Net profit		85 425
Other comprehensive income		0
Net profit transferred to capital		85 425



Activity 3.3

SB page 90

SOLUTION

ON BOARD SURF SHOP		
STATEMENT OF COMPREHENSIVE INCOME		
FOR THE YEAR ENDED 28 FEBRUARY 20... (this year)		
Turnover		555 240.00
Less: Cost of sales		378 775.00
Gross profit		176 465.00
Add: Other income		17 780.00
Rent income	16 500.00	
Settlement discount received	1 160.00	
Credit losses recovered	120.00	
Gross income		194 245.00
Less: Distribution, administrative and other expenses		104 534.50
Rates	2 100.00	
Telephone	1 812.50	
Water and electricity	1 612.50	
Salaries	62 125.00	
Wages	16 575.00	
Stationery	2 062.50	
Packing material	10 815.00	
Fuel	1 952.00	
Repairs	1 482.50	
Bank charges	405.00	
Insurance	1 250.00	
Advertising	1 942.50	
Credit losses	400.00	
Operating profit		89 710.50
Less: Finance costs		4 375.00
Interest on mortgage bond	4 375.00	
Net profit		85 335.50
Other comprehensive income		0.00
Net profit transferred to capital		85 335.50



Activity 3.4

SB page 91

SOLUTION

BOY-TIQUE		
STATEMENT OF COMPREHENSIVE INCOME		
FOR SIX MONTHS ENDED 31 AUGUST 20... (last year)		
Turnover		629 125
Less: Cost of sales		434 000
Gross profit		195 125
Add: Other income		79 345
Interest on fixed deposit	2 100	
Settlement discount received	1 645	
Commission income	15 400	
Rent income	60 200	
Gross income		274 470
Less: Distribution, administrative and other expenses		131 670
Rent expense	30 800	
Salaries	85 400	
Consumable goods	6 300	
Insurance	2 100	
Repairs	4 550	
Credit losses	385	
Water and electricity	2 135	
Operating profit		142 800
Less: Finance costs		0
Interest on loan	0	
Net profit		142 800
Other comprehensive income		0
Net profit transferred to capital		142 800



Activity 3.5

SB page 93

SOLUTION

HAVANA TRADERS		
STATEMENT OF COMPREHENSIVE INCOME		
ON 31 DECEMBER 20... (last year)		
Turnover		1 638 000
Less: Cost of sales		640 000
Gross profit		998 000
Add: Other income		9600
Interest received	6 000	
Credit losses recovered	3 600	
Gross income		1 007 600
Less: Distribution, administrative and other expenses		980 660
Credit losses	21 600	
Commission expense	3 060	
Advertising	12 000	
Depreciation	142 000	
Wages and salaries	24 000	
Carriage on sales	38 000	
Insurance	200 000	
Water and electricity	300 000	
Telephone	240 000	
Operating profit		26 940
Less: Finance costs		58 000
Interest on loan	58 000	
Net loss		-31 060
Other comprehensive income		0
Net loss transferred to capital		-31 060



Summative assessment 3.1

SB page 95

SOLUTION

BETWEEN THE SLICES		
STATEMENT OF COMPREHENSIVE INCOME		
ON 28 FEBRUARY 20... (this year)		
Turnover		300 000
Less: Cost of sales		135 000
Gross profit		165 000
Add: Other income		59 933
Credit losses recovered	8 127	
Settlement discount received	16 254	
Rent income	17 675	
Commission income	17 877	
Gross income		224 933
Less: Distribution, administrative and other expenses		19 527
Water and electricity	1 250	
Credit losses	175	
Insurance	2 950	
Salaries and wages	10 000	
Telephone	1 164	
Rates	2 200	
Bank charges	650	
Stationery	1 138	
Operating profit		205 406
Less: Finance costs		2 000
Interest on loan	2 000	
Net profit		203 406
Other comprehensive income		0
Net profit transferred to capital		203 406



Activity 3.6

SB page 100

SOLUTION

CELL HUT		
STATEMENT OF COMPREHENSIVE INCOME		
ON 28 FEBRUARY 20... (this year)		
Turnover		299 900
Less: Cost of sales		192 400
Opening inventory	90 200	
Add: Purchases	170 400	
Carriage on purchases	2 600	
Goods available for sale	263 200	
Less: Closing inventory	70 800	
Gross profit		107 500
Add: Other income		18 700
Commission received	18 700	
Gross income		126 200
Less: Distribution, administrative and other expenses		121 400
Bank charges	1 200	
Salaries	65 400	
Rent expense	39 500	
Insurance	7 800	
Stationery	4 100	
Packing material	3 400	
Operating profit		4 800
Less: Finance cost		0
Interest on loan	0	
Net profit		4 800
Other comprehensive income		0
Net profit transferred to capital		4 800



Activity 3.7

SB page 101

SOLUTION

ROCKY TRADERS		
STATEMENT OF COMPREHENSIVE INCOME		
ON 31 OCTOBER 20... (this year)		
Turnover		410 620
Less: Cost of sales		304 220
Opening inventory	149 680	
Add: Purchases	200 200	
Carriage on purchases	1 700	
Customs duty	1 640	
Goods available for sale	353 220	
Less: Closing inventory	49 000	
Gross profit		106 400
Add: Other income		12 616
Credit losses recovered	280	
Settlement discount received	1 936	
Rent income	10 400	
Gross income		119 016
Less: Distribution, administrative and other expenses		110 700
Credit losses	3 360	
Stationery	1 960	
Carriage on sales	3 140	
Salaries and wages	83 800	
Rates	11 960	
Repairs	6 480	
Operating profit		8 316
Less: Finance cost		4 800
Interest on loan	4 800	
Net profit		3 516
Other comprehensive income		0
Net profit transferred to capital		3 516



Activity 3.8

SB page 103

SOLUTION

FLICK FLACK FLYERS		
STATEMENT OF COMPREHENSIVE INCOME		
ON 30 JUNE 20... (this year)		
Turnover		821 240
Less: Cost of sales		545 880
Opening inventory	237 760	
Add: Purchases	402 080	
Less: Purchases returns	-2 640	
Carriage on purchases	3 400	
Customs duty	3 280	
Goods available for sale	643 880	
Less: Closing inventory	98 000	
Gross profit		275 360
Add: Other income		26 242
Credit losses recovered	2 080	
Settlement discount received	1 952	
Rent income	19 200	
Provision for credit losses adjustment	3 010	
Gross income		301 602
Less: Distribution, administrative and other expenses		303 445
Credit losses	7 448	
Stationery	2 960	
Salaries and wages	228 800	
Rates	18 620	
Depreciation: Equipment	14 700	
Depreciation: Vehicles	29 568	
Provision for settlement discount allowed adjustment	1 349	
Operating profit		-1 843
Less: Finance cost		12 960
Interest on loan	12 960	
Net profit		-14 803
Other comprehensive income		0
Net profit transferred to capital		-14 803



Activity 3.9

SB page 104

SOLUTION

B-SHARP MUSIC DEALERS		
STATEMENT OF COMPREHENSIVE INCOME		
FOR THE YEAR ENDED 28 FEBRUARY 20... (this year)		
Turnover		780 010
Less: Cost of sales		431 090
Opening inventory	49 500	
Add: Purchases	523 000	
Carriage on purchases	1 100	
Customs duty	750	
Goods available for sale	574 350	
Less: Closing inventory	143 260	
Gross profit		348 920
Add: Other income		2 810
Interest income	750	
Settlement discount received	1 510	
Rent income	550	
Gross income		351 730
Less: Distribution, administrative and other expenses		94 170
Stationery	4 250	
Consumable stores	5 980	
Vehicle expenses	3 920	
Wages and salaries	69 750	
Bank charges	270	
Insurance	7 600	
Credit losses	460	
Loss on sale of asset	400	
Water and electricity	1 540	
Operating profit		257 560
Less: Finance cost		1 500
Interest on loan	1 500	
Net profit		256 060
Other comprehensive income		0
Net profit transferred to capital		<u>256 060</u>



Activity 3.10

SB page 106

SOLUTION

UMGENI STORES		
STATEMENT OF COMPREHENSIVE INCOME		
FOR THE YEAR ENDED 28 FEBRUARY 20... (this year)		
Turnover		1 774 480
Less: Cost of sales		996 598
Opening inventory	119 520	
Add: Purchases	894 640	
Carriage on purchases	33 700	
Import duty	6 404	
Customs duty	15 000	
Goods available for sale	1 069 264	
Less: Closing inventory	72 666	
Gross profit		777 882
Add: Other income		297 600
Commission income	53 600	
Rent income	244 000	
Gross income		1 075 482
Less: Distribution, administrative and other expenses		511 044
Salaries and wages	335 800	
Advertising	73 780	
Water and electricity	64 900	
Stationery	3 960	
Commission expense	15 000	
Telephone	9 920	
Sundry expenses	7 684	
Operating profit		564 438
Less: Finance cost		8 400
Interest on loan	8 400	
Net profit		556 038
Other comprehensive income		0
Net profit transferred to capital		556 038



Summative assessment 3.2

SB page 108

SOLUTION

SITHOLE STORES		
STATEMENT OF COMPREHENSIVE INCOME		
FOR THE YEAR ENDED 28 FEBRUARY 20... (this year)		
Turnover		1 564 760
Less: Cost of sales		921 120
Opening inventory	87 020	
Add: Purchases	821 000	
Carriage on purchases	21 100	
Import duty	52 000	
Goods available for sale	981 120	
Less: Closing inventory	60 000	
Gross profit		643 640
Add: Other income		106 180
Rent income	104 000	
Interest on fixed deposit	1 400	
Credit losses recovered	780	
Gross income		749 820
Less: Distribution, administrative and other expenses		465 400
Salaries	453 000	
Credit losses	4 000	
Stationery	3 800	
Telephone	4 360	
Bank charges	240	
Operating profit		284 420
Less: Finance cost		6 000
Interest on loan	6 000	
Net profit		278 420
Other comprehensive income		0
Net profit transferred to capital		278 420



Activity 3.11

SB page 117

SOLUTION

SENSATION STORES		
STATEMENT OF FINANCIAL POSITION ON 31 OCTOBER 20... (this year)		
ASSETS		
<i>Non-current assets</i>		2 040 000
Property, plant and equipment	1 940 000	
Financial assets	100 000	
<i>Current assets</i>		925 000
Inventory	520 000	
Trade and other trade receivables	160 000	
Cash and cash equivalents	245 000	
TOTAL ASSETS		2 965 000
EQUITY AND LIABILITIES		
Equity		1 888 000
Capital	1 888 000	
<i>Non-current liabilities</i>		930 000
Interest-bearing liabilities	930 000	
<i>Current liabilities</i>		147 000
Trade and other payables	147 000	
Bank overdraft	0	
TOTAL EQUITY AND LIABILITIES		2 965 000



Activity 3.12

SB page 118

SOLUTION

GRAND PRIX DEALERS		
STATEMENT OF FINANCIAL POSITION ON 28 FEBRUARY 20... (this year)		
ASSETS		
<i>Non-current assets</i>		1 611 300
Property, plant and equipment	1 611 300	
Financial assets		
<i>Current assets</i>		399 300
Inventory	235 000	
Trade and other trade receivables	82 800	
Cash and cash equivalents	81 500	
TOTAL ASSETS		2 010 600
EQUITY AND LIABILITIES		
Equity		1 552 700
Capital	1 552 700	
Non-current liabilities		400 000
Interest-bearing liabilities	400 000	
<i>Current liabilities</i>		57 900
Trade and other payables	57 900	
Bank overdraft	0	
TOTAL EQUITY AND LIABILITIES		2 010 600



Activity 3.13

SB page 119

SOLUTION

UMVUMBO DELIGHTS		
STATEMENT OF FINANCIAL POSITION ON 30 JUNE 20... (this year)		
ASSETS		
<i>Non-current assets</i>		2 050 000
Property, plant and equipment	2 040 000	
Financial assets	10 000	
<i>Current assets</i>		645 000
Inventory	440 000	
Trade and other trade receivables	92 000	
Cash and cash equivalents	113 000	
TOTAL ASSETS		2 695 000
EQUITY AND LIABILITIES		
Equity		1 729 000
Capital	1 729 000	
<i>Non-current liabilities</i>		900 000
Interest-bearing liabilities	900 000	
<i>Current liabilities</i>		66 000
Trade and other payables	66 000	
Bank overdraft	0	
TOTAL EQUITY AND LIABILITIES		2 695 000



Activity 3.14

SB page 120

SOLUTION

ART DECO GALLERY		
STATEMENT OF FINANCIAL POSITION ON 30 JUNE 20... (this year)		
ASSETS		
<i>Non-current assets</i>		450 000
Property, plant and equipment	423 000	
Financial assets	27 000	
<i>Current assets</i>		192 000
Inventory	70 000	
Trade and other trade receivables	70 000	
Cash and cash equivalents	52 000	
TOTAL ASSETS		642 000
EQUITY AND LIABILITIES		
Equity		332 000
Capital	332 000	
<i>Non-current liabilities</i>		300 000
Interest-bearing liabilities	300 000	
<i>Current liabilities</i>		10 000
Trade and other payables	10 000	
Bank overdraft	0	
TOTAL EQUITY AND LIABILITIES		642 000



Activity 3.15

SB page 121

SOLUTION

THISTLE AND THYME		
STATEMENT OF FINANCIAL POSITION ON 28 FEBRUARY 20... (this year)		
ASSETS		
<i>Non-current assets</i>		2 250 000
Property, plant and equipment	2 150 000	
Financial assets	100 000	
<i>Current assets</i>		883 000
Inventory	380 000	
Trade and other trade receivables	500 000	
Cash and cash equivalents	3 000	
TOTAL ASSETS		3 133 000
EQUITY AND LIABILITIES		
Equity		2 393 000
Capital	2 393 000	
<i>Non-current liabilities</i>		280 000
Interest-bearing liabilities	280 000	
<i>Current liabilities</i>		460 000
Trade and other payables	110 000	
Bank overdraft	350 000	
TOTAL EQUITY AND LIABILITIES		3 133 000



Activity 3.16

SB page 126

SOLUTION

PRIMA-DONNA		
STATEMENT OF FINANCIAL POSITION ON 28 FEBRUARY 20... (this year)		
ASSETS		
<i>Non-current assets</i>		346 500
Property, plant and equipment	340 500	
Financial assets	6 000	
<i>Current assets</i>		85 500
Inventory	26 250	
Trade and other trade receivables	39 000	
Cash and cash equivalents	20 250	
TOTAL ASSETS		432 000
EQUITY AND LIABILITIES		
Equity		274 500
Capital	274 500	
<i>Non-current liabilities</i>		60 000
Interest-bearing liabilities	60 000	
<i>Current liabilities</i>		97 500
Trade and other payables	97 500	
Bank overdraft	0	
TOTAL EQUITY AND LIABILITIES		432 000

NOTES TO THE STATEMENT OF FINANCIAL POSITION ON 28 FEBRUARY 20... (this year)		
Financial assets		
Fixed deposit		
Inventories 26 250		
Trading inventory	24 000	
Consumable stores	2 250	
Trade and other receivables 39 000		
Trade debtors control	27 000	
Less: Provision for credit losses	-3 000	
Less: Provision for settlement discount	0	
Income receivable	9 750	
Prepaid expenses	5 250	
Cash and cash equivalents 20 250		
Bank	18 000	
Petty cash	1 500	
Cash float	750	
Interest-bearing liabilities 60 000		
Mortgage bond	60 000	
Trade and other payables 97 500		
Trade creditors control	84 000	
Expenses Payable	9 000	
Provision for unforeseen expenses	0	
Income received in advance	4 500	
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 28 FEBRUARY 20... (this year)		
Balance at the beginning of the year	200 000	
Additional capital contributed	47 500	
Add: Net profit for the year	34 500	
Less: Drawings	-7 500	
Balance at the end of the year	274 500	



Activity 3.17

SB page 128

SOLUTION

SARAH JANE BOUTIQUE		
STATEMENT OF FINANCIAL POSITION ON 28 FEBRUARY 20...		
NOTES TO THE STATEMENT OF FINANCIAL POSITION ON 28 FEBRUARY 20... (this year)		
Note 1: Inventories		43 155
Trading inventory	42 600	
Consumable stores	555	
	43 155	
Note 2: Trade and other receivables		24 950
Trade debtors control	24 600	
Less: Provision for credit losses	0	
Less: Provision for settlement discount	0	
Income receivable	350	
Prepaid expenses	0	
	24 950	
Note 3: Cash and cash equivalents		21 250
Bank	20 300	
Petty cash	950	
Cash float	0	
	21 250	



Activity 3.18

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SOLUTION

LA MED DEALERS		
STATEMENT OF FINANCIAL POSITION ON 28 FEBRUARY 20...		
NOTES TO THE STATEMENT OF FINANCIAL POSITION ON 28 FEBRUARY 20...		
Note 1: Inventories		37 740
Trading inventory	31 040	
Consumable stores	6 700	
	<hr/>	
Note 2: Trade and other receivables		27 630
Trade debtors control	25 950	
Less: Provision for credit losses	0	
Less: Provision for settlement discount	0	
Income receivable	440	
Prepaid expenses	1 240	
	<hr/>	
Note 3: Cash and cash equivalents		7 548
Bank	7 048	
Petty cash	0	
Cash float	500	
	<hr/>	
Note 4: Trade and other payables		29 268
Trade creditors control	27 510	
Expenses payable	708	
Provision for unforeseen expenses	0	
Income received in advance	1 050	
	<hr/>	
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 28 FEBRUARY 20... (this year)		
Balance at the beginning of the year	494 650	
Additional capital contributed	0	
Add: Net profit for the year	150 000	
Less: Drawings	-54 000	
Balance at the end of the year	<hr/> <hr/>	590 650



Activity 3.19

SB page 130

SOLUTION

GORDON HARDWARE		
STATEMENT OF FINANCIAL POSITION ON 28 FEBRUARY 20...		
NOTES TO THE STATEMENT OF FINANCIAL POSITION ON 28 FEBRUARY 20...		
Note 1: Inventories		892 800
Trading inventory	890 000	
Consumable stores	2 800	
Note 2: Trade and other receivables		67 050
Trade debtors control	65 000	
Less: Provision for credit losses	0	
Less: Provision for settlement discount	0	
Income receivable	1 250	
Prepaid expenses	800	
Note 3: Cash and cash equivalents		1 000
Bank	0	
Petty cash	300	
Cash float	700	
Note 4: Trade and other payables		90 500
Trade creditors control	80 000	
Expenses payable	9 500	
Provision for unforeseen expenses	0	
Income received in advance	1 000	
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 28 FEBRUARY 20... (this year)		
Balance at the beginning of the year	900 000	
Additional capital contributed	0	
Add: Net profit for the year	820 350	
Less: Drawings	-270 000	
Balance at the end of the year	1 450 350	



Activity 3.20

SB page 131

SOLUTION

EVIE'S KNITWEAR		
STATEMENT OF FINANCIAL POSITION ON 28 FEBRUARY 20...		
NOTES TO THE STATEMENT OF FINANCIAL POSITION ON 28 FEBRUARY 20...		
Note 1: Inventories		35 000
Trading inventory	35 000	
Consumable stores	0	
	<hr/>	
Note 2: Trade and other receivables		27 725
Trade debtors control	26 400	
Less: Provision for credit losses	0	
Less: Provision for settlement discount	0	
Income receivable	375	
Prepaid expenses	950	
	<hr/>	
Note 3: Cash and cash equivalents		13 150
Bank	12 300	
Petty cash	0	
Cash float	850	
	<hr/>	
Note 4: Trade and other payables		79 540
Trade creditors control	78 000	
Expenses payable	290	
Provision for unforeseen expenses	0	
Income received in advance	1 250	
	<hr/>	
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 28 FEBRUARY 20... (this year)		
Balance at the beginning of the year	495 800	
Additional capital contributed	0	
Add: Net profit for the year	708 635	
Less: Drawings	-64 000	
Balance at the end of the year	<hr/> <hr/>	1 140 435



Activity 3.21

SB page 132

SOLUTION

REGA		
STATEMENT OF FINANCIAL POSITION ON 28 FEBRUARY 20...		
NOTES TO THE STATEMENT OF FINANCIAL POSITION ON 28 FEBRUARY 20...		
Note 1: Inventories		25 284
Trading inventory	24 500	
Consumable stores	784	
	25 284	
Note 2: Trade and other receivables		34 046
Trade debtors control	10 033	
Less: Provision for credit losses	913	
Less: Provision for settlement discount	0	
Income receivable	20 000	
Prepaid expenses	3 100	
	34 046	
Note 3: Cash and cash equivalents		52 699
Bank	52 399	
Petty cash	100	
Cash float	200	
	52 699	
Note 4: Trade and other payables		100 203
Trade creditors control	99 605	
Expenses payable	583	
Provision for unforeseen expenses	0	
Income received in advance	15	
	100 203	
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 28 FEBRUARY 20... (this year)		
Balance at the beginning of the year	205 545	
Additional capital contributed	0	
Less: Net loss for the year	-5 751	
Less: Drawings	0	
	199 794	
Balance at the end of the year	199 794	



Activity 3.22

SB page 133

SOLUTION

COMPUTER FIXATION				
STATEMENT OF FINANCIAL POSITION ON 28 FEBRUARY 20... (this year)				
	Note			
ASSETS				
<i>Non-current assets</i>				244 000
Property, plant and equipment	1	108 000		
Financial assets	2	136 000		
<i>Current assets</i>				73 396
Inventory	3	15 940		
Trade and other trade receivables	4	26 396		
Cash and cash equivalents	5	31 060		
TOTAL ASSETS				317 396
EQUITY AND LIABILITIES				
Equity				189 196
Capital		189 196		
<i>Non-current liabilities</i>				100 000
Interest-bearing liabilities	6	100 000		
<i>Current liabilities</i>				28 200
Trade and other payables	7	28 200		
Bank overdraft		0		
TOTAL EQUITY AND LIABILITIES				317 396
NOTES TO THE STATEMENT OF FINANCIAL POSITION ON 28 FEBRUARY 20... (this year)				
Note 1: Property, plant and equipment				
	Land and buildings	Equipment	Vehicles	Total
Carrying value (opening)				
Cost				
Accumulated depreciation				
Additions at cost				
Disposals at carrying value				
Depreciation				

Carrying value at end of year	0	28 000	80 000	108 000
Cost	0	60 000	200 000	260 000
Accumulated depreciation	0	-32 000	-120 000	-152 000
Note 2: Financial assets			136 000	
Fixed deposit: Thomas Cook Bank	136 000			
Investments	0			
Note 3: Inventories			15 940	
Trading inventory	15 700			
Consumable stores	240			
Note 4: Trade and other receivables			26 396	
Trade debtors control	23 300			
Less: Provision for credit losses	-1 164			
Less: Provision for settlement discount	0			
Income receivable	460			
Prepaid expenses	3 800			
Note 5: Cash and cash equivalents			31 060	
Bank	29 060			
Petty cash	2 000			
Cash float	0			
Note 6: Interest-bearing liabilities			100 000	
Loan: Charles Glass Bank	100 000			
Note 7: Trade and other payables			28 200	
Trade creditors control	15 600			
Expenses payable	6 200			
Provision for unforeseen expenses	0			
Income received in advance	6 400			
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 28 FEBRUARY 20... (this year)				
Balance at the beginning of the year	191 500			
Additional capital contributed	0			
Add: Net profit for the year	9 596			
Less: Drawings	-11 900			
Balance at the end of the year	189 196			



Activity 3.23

SB page 134

SOLUTION

PIANOLAND				
STATEMENT OF FINANCIAL POSITION ON 28 FEBRUARY 20... (this year)				
	Note			
ASSETS				
<i>Non-current assets</i>				437 040
Property, plant and equipment	1	137 040		
Financial assets	2	300 000		
<i>Current assets</i>				135 577
Inventory	3	26 445		
Trade and other trade receivables	4	61 132		
Cash and cash equivalents	5	48 000		
TOTAL ASSETS				572 617
EQUITY AND LIABILITIES				
Equity				381 544
Capital		381 544		
<i>Non-current liabilities</i>				150 000
Interest-bearing liabilities	6	150 000		
<i>Current liabilities</i>				41 072
Trade and other payables	7	41 072		
Bank overdraft		0		
TOTAL EQUITY AND LIABILITIES				572 617
NOTES TO THE STATEMENT OF FINANCIAL POSITION ON 28 FEBRUARY 20... (this year)				
Note 1: Property, plant and equipment				
	Land and buildings	Equipment	Vehicles	Total
Carrying value at end of year	0	240 960	810 000	137 040
Cost	0	144 000	450 000	594 000
Accumulated depreciation	0	96 960	360 000	456 960

Note 2: Financial assets		300 000
Fixed deposit: Thomas Cook Bank	300 000	
Investments	<u>0</u>	
Note 3: Inventories		26 445
Trading inventory	25 770	
Consumable stores	<u>675</u>	
Note 4: Trade and other receivables		61 132
Trade debtors control	56 139	
Less: Provision for credit losses	-2 806	
Less: Provision for settlement discount	0	
Income receivable	900	
Prepaid expenses	<u>6 900</u>	
Note 5: Cash and cash equivalents		48 000
Bank	45 000	
Petty cash	3 000	
Cash float	<u>0</u>	
Note 6: Interest-bearing liabilities		150 000
Loan: Forte Bank	<u>150 000</u>	
Note 7: Trade and other payables		41 072
Trade creditors control	29 550	
Expenses payable	272	
Provision for unforeseen expenses	0	
Income received in advance	<u>11 250</u>	
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 28 FEBRUARY 20... (this year)		
Balance at the beginning of the year	271 151	
Additional capital contributed	0	
Add: Net profit for the year	131 093	
Less: Drawings	<u>-20 700</u>	
Balance at the end of the year	<u><u>381 544</u></u>	



Activity 3.24

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SOLUTION

NOCTURNAL HABITS				
STATEMENT OF FINANCIAL POSITION ON 28 FEBRUARY 20... (this year)				
	Note			
ASSETS				
<i>Non-current assets</i>				942 000
Property, plant and equipment	1	942 000		
Financial assets	2	0		
<i>Current assets</i>				671 500
Inventory	3	493 000		
Trade and other trade receivables	4	61 500		
Cash and cash equivalents	5	117 000		
TOTAL ASSETS				1 613 500
EQUITY AND LIABILITIES				
Equity				1 422 500
Capital		1 422 500		
<i>Non-current liabilities</i>				0
Interest-bearing liabilities	6	0		
<i>Current liabilities</i>				191 000
Trade and other payables	7	191 000		
Bank overdraft		0		
TOTAL EQUITY AND LIABILITIES				1 613 500
 NOTES TO THE STATEMENT OF FINANCIAL POSITION ON 28 FEBRUARY 20... (this year)				
Note 1: Property, plant and equipment				
	Land and buildings	Equipment	Vehicles	Total
Carrying value at end of year	0	391 000	677 000	942 000
Cost	0	365 000	640 000	1 005 000
Accumulated depreciation	0	26 000	37 000	63 000

Note 2: Financial assets		0
Fixed deposit	0	
Investments	0	
	<hr/>	
Note 3: Inventories		493 000
Trading inventory	493 000	
Consumable stores	0	
	<hr/>	
Note 4: Trade and other receivables		61 500
Trade debtors control	61 500	
Less: Provision for credit losses	0	
Less: Provision for settlement discount	0	
Income receivable	0	
Prepaid expenses	0	
	<hr/>	
Note 5: Cash and cash equivalents		117 000
Bank	117 000	
Petty cash	0	
Cash float	0	
	<hr/>	
Note 6: Interest-bearing liabilities		0
Loan	0	
	<hr/>	
Note 7: Trade and other payables		191 000
Trade creditors control	191 000	
Expenses payable	0	
Provision for unforeseen expenses	0	
Income received in advance	0	
	<hr/>	
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 28 FEBRUARY 20... (this year)		
Balance at the beginning of the year	926 500	
Additional capital contributed	0	
Add: Net profit for the year	561 000	
Less: Drawings	-65 000	
Balance at the end of the year	<u>1 422 500</u>	



Activity 3.25

SB page 137

SOLUTION

TATUM				
STATEMENT OF FINANCIAL POSITION ON 28 FEBRUARY 20... (this year)				
NOTES TO THE STATEMENT OF FINANCIAL POSITION ON 28 FEBRUARY 20... (this year)				
Note 1: Property, plant and equipment				
	Land and buildings	Equipment	Vehicles	Total
Carrying value at end of year	118 290.00	44 760.00	68 880.00	199 310.00
Cost	118 290.00	38 730.00	58 600.00	215 620.00
Accumulated depreciation	0.00	6030.00	10 280.00	16 310.00
Note 2: Inventories				
		135 000.00		
Trading inventory	133 600.00			
Consumable stores	1 400.00			
Note 3: Trade and other receivables				
		36 000.00		
Trade debtors control	36 345.00			
Less: Provision for credit losses	-1 645.00			
Income receivable	637.00			
Prepaid expenses	663.00			
Note 4: Cash and cash equivalents				
		9 696.00		
Bank	9 460.00			
Petty cash	200.00			
Cash float	36.00			
Note 5: Trade and other payables				
		50 006.00		
Trade creditors control	48 623.00			
Expenses payable	999.00			
Income received in advance	384.00			
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 28 FEBRUARY 20... (this year)				
Balance at the beginning of the year	214 088.00			
Additional capital contributed	0.00			
Add: Net profit for the year	86 375.00			
Less: Drawings	-50 463.00			
Balance at the end of the year	<u>250 000.00</u>			



Activity 3.26

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SOLUTION

KIDDY TREATS			
STATEMENT OF FINANCIAL POSITION ON 28 FEBRUARY 20... (this year)			
	Note		
ASSETS			
<i>Non-current assets</i>			734 000
Property, plant and equipment	1	674 000	
Financial assets	2	60 000	
<i>Current assets</i>			213 240
Inventory	3	94 880	
Trade and other trade receivables	4	71 800	
Cash and cash equivalents	5	46 560	
TOTAL ASSETS			947 240
EQUITY AND LIABILITIES			
Equity			775 720
Capital		775 720	
<i>Non-current liabilities</i>			100 000
Interest-bearing liabilities	6	100 000	
<i>Current liabilities</i>			71 520
Trade and other payables	7	71 520	
Bank overdraft		0	
TOTAL EQUITY AND LIABILITIES			947 240

NOTES TO THE STATEMENT OF FINANCIAL POSITION ON 28 FEBRUARY 20... (this year)

Note 1: Property, plant and equipment

	Land and buildings	Equipment	Vehicles	Total
Carrying value at end of year	400 000.00	126 000.00	240 000.00	674 000.00
Cost	400 000.00	120 000.00	200 000.00	720 000.00
Accumulated depreciation	0.00	6 000.00	40 000.00	46 000.00

Note 2: Financial assets

	60 000.00
Fixed deposit	60 000.00
Investments	0.00

Note 3: Inventories

	94 880.00
Trading inventory	85 200.00
Consumable stores	9 680.00

Note 4: Trade and other receivables

	71 800.00
Trade debtors control	63 760.00
Less: Provision for credit losses	-3 960.00
Less: Provision for settlement discount	0.00
Income receivable	4 000.00
Prepaid expenses	8 000.00

Note 5: Cash and cash equivalents

	46 560.00
Bank	43 560.00
Petty cash	1 000.00
Cash float	2 000.00

Note 6: Interest-bearing liabilities

	100 000.00
Mortgage loan	100 000.00

Note 7: Trade and other payables

	71 520.00
Trade creditors control	70 560.00
Expenses payable	960.00
Provision for unforeseen expenses	0.00
Income received in advance	0.00



Activity 3.27

SOLUTION

KITCHEN MANIA				
STATEMENT OF FINANCIAL POSITION ON 28 FEBRUARY 20... (this year)				
	Note			
ASSETS				
<i>Non-current assets</i>				97 800.00
Property, plant and equipment	1	29 800.00		
Financial assets	2	68 000.00		
<i>Current assets</i>				37 863.75
Inventory	3	8 405.00		
Trade and other trade receivables	4	13 308.75		
Cash and cash equivalents	5	16 150.00		
TOTAL ASSETS				135 663.75
EQUITY AND LIABILITIES				
Equity				71 793.75
Capital		71 793.75		
<i>Non-current liabilities</i>				50 000.00
Interest-bearing liabilities	6	50 000.00		
<i>Current liabilities</i>				13 870.00
Trade and other payables	7	13 870.00		
Bank overdraft		0		
TOTAL EQUITY AND LIABILITIES				135 663.75
 NOTES TO THE STATEMENT OF FINANCIAL POSITION ON 28 FEBRUARY 20... (this year)				
Note 1: Property, plant and equipment				
	Land and buildings	Equipment	Vehicles	Total
Carrying value at end of year	0.00	50 200.00	180 000.00	29 800.00
Cost	0.00	30 000.00	100 000.00	130 000.00
Accumulated depreciation	0.00	20 200.00	80 000.00	100 200.00

Note 2: Financial assets		68 000.00
Fixed deposit: Trust Bank	68 000.00	
Investments	<u>0.00</u>	
Note 3: Inventories		8 405.00
Trading inventory	8 325.00	
Consumable stores	<u>80.00</u>	
Note 4: Trade and other receivables		13 308.75
Trade debtors control	12 925.00	
Less: Provision for credit losses	-646.25	
Less: Provision for settlement discount	0.00	
Income receivable	230.00	
Prepaid expenses	<u>800.00</u>	
Note 5: Cash and cash equivalents		16 150.00
Bank	15 150.00	
Petty cash	1 000.00	
Cash float	<u>0.00</u>	
Note 6: Interest-bearing liabilities		50 000.00
Loan: Pep Bank	<u>50 000.00</u>	
Note 7: Trade and other payables		13 870.00
Trade creditors control	8 100.00	
Expenses payable	2 270.00	
Provision for unforeseen expenses	0.00	
Income received in advance	<u>3 500.00</u>	
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 28 FEBRUARY 20... (this year)		
Balance at the beginning of the year	94 597.50	
Additional capital contributed	0.00	
Less: Net loss for the year	-17 203.75	
Less: Drawings	<u>-5 600.00</u>	
Balance at the end of the year	<u><u>71 793.75</u></u>	



Activity 3.28

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SOLUTION

Note: Property, plant and equipment				
	Land and buildings	Vehicles	Equipment	Total
Carrying value: Opening	0	384 000	0	384 000
Cost	0	760 000	0	760 000
Accumulated depreciation	0	-376 000	0	-376 000
Additions at cost	800 000	0	1 200 000	2 000 000
Disposals at carrying value	0	0	0	0
Depreciation	0	-48 400	-120 000	-168 400
Carrying value: Closing	800 000	335 600	1 080 000	2 215 600
Cost	800 000	760 000	1 200 000	2 760 000
Accumulated depreciation	0	-424 400	-120 000	-544 400



Activity 3.29

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SOLUTION

	Non-current assets	Current assets	Equity	Non-current liabilities	Current liabilities
Creditors					X
Capital			X		
Land and buildings	X				
Mortgage loan				X	
Cash float		X			
Equipment	X				
Inventory		X			
Debtors		X			
Building maintenance					
Bank		X			
Drawings			X		
Petty cash		X			
Bank overdraft					X
Net profit for the year			X		
Vehicle expenses					
Equipment repairs					



Summative assessment 3.3

SOLUTION

NAME BRAND TRADERS				
STATEMENT OF FINANCIAL POSITION ON 31 MAY 20... (this year)				
	Note			
ASSETS				
<i>Non-current assets</i>				547 500
Property, plant and equipment	1	367 500		
Financial assets	2	180 000		
<i>Current assets</i>				184 065
Inventory	3	72 225		
Trade and other trade receivables	4	107 790		
Cash and cash equivalents	5	4 050		
TOTAL ASSETS				731 565
EQUITY AND LIABILITIES				
Equity				529 890
Capital		529 890		
<i>Non-current liabilities</i>				112 500
Interest-bearing liabilities	6	112 500		
<i>Current liabilities</i>				89 175
Trade and other payables	7	56 175		
Bank overdraft		33 000		
TOTAL EQUITY AND LIABILITIES				731 565

NOTES TO THE STATEMENT OF FINANCIAL POSITION ON 31 MAY 20... (this year)

Note 1: Property, plant and equipment

	Land and buildings	Equipment	Vehicles	Total
Carrying value at end of year	270 000	153 750	168 750	367 500
Cost	270 000	90 000	120 000	480 000
Accumulated depreciation	0	63 750	48 750	112 500

Note 2: Financial assets		180 000
Fixed deposit: Trust Bank	135 000	
Investments: Grand investments	<u>45 000</u>	
Note 3: Inventories		72 225
Trading inventory	67 500	
Consumable stores	<u>4 725</u>	
Note 4: Trade and other receivables		107 790
Debtors control	9 7890	
Less: Provision for credit losses	0	
Less: Provision for settlement discount	0	
Income receivable	7 500	
Prepaid expenses	<u>2 400</u>	
Note 5: Cash and cash equivalents		4 050
Bank	0	
Petty cash	2 250	
Cash float	<u>1 800</u>	
Note 6: Interest-bearing liabilities		112 500
Loan: Zeus Bank	<u>112 500</u>	
Note 7: Trade and other payables		56 175
Trade creditors control	46 875	
Expenses payable	6 150	
Provision for unforeseen expenses	0	
Income received in advance	<u>3 150</u>	
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MAY 20... (this year)		
Balance at the beginning of the year	787 500	
Additional capital contributed	0	
Less: Net loss for the year	-32 610	
Less: Drawings	<u>-225 000</u>	
Balance at the end of the year	<u><u>529 890</u></u>	



Activity 3.30

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SOLUTION

KHAYAMANDLA DEALERS

NOTES TO STATEMENT OF CASH FLOW

FOR THE YEAR ENDED 28 FEBRUARY 20... (this year)

Note 1: Cash received from customers and clients

Sales	33 460
Decrease in debtors	2 000
	35 460
	35 460

Note 2: Cash paid to employees and suppliers

Sales	-33 460
Net profit for the year	6 000
Expenses for the period	-27 460
Depreciation	900
Interest received	-600
Interest paid	1 500
Profit on sale of asset	0
Decrease in stock	2 000
Increase in creditors	1 520
	-22 140
	-22 140

Note 3: Reconciliation of net profit

Net profit	6 000
Adjusted by:	
Decrease in debtors	2 000
Depreciation	900
Interest received	-600
Interest paid	1 500
Profit on sale of asset	0
Decrease in stock	2 000
Increase in creditors	1 520
	-13 320
	-13 320

KHAYAMANDLA DEALERS		
STATEMENT OF CASH FLOW		
FOR THE YEAR ENDED 28 FEBRUARY 20... (this year)		
Cash flow from operating activities		12 420
Cash received from clients	35 460	
Cash paid to suppliers and employees	-22 140	
Cash generated for the year	<u>13 320</u>	
Interest received	600	
Interest paid	<u>-1 500</u>	



Activity 3.31

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SOLUTION

CORNETTO

NOTES TO STATEMENT OF CASH FLOW

FOR THE YEAR ENDED 28 FEBRUARY 20... (this year)

Note 1: Cash received from customers and clients

Sales	144 200
Increase in debtors	-4 000
	140 200
	140 200

Note 2: Cash paid to employees and suppliers

Sales	-144 200
Net profit for the year	26 000
Expenses for the period	-118 200
Depreciation	650
Interest received	-3 850
Interest paid	2 500
Profit on sale of asset	0
Decrease in stock	-2 000
Decrease in creditors	-2 030
	-122 930
	-122 930

Note 3: Reconciliation of net profit

Net profit	26 000
Adjusted by:	
Increase in debtors	-4 000
Depreciation	650
Interest received	-3 850
Interest paid	2 500
Profit on sale of asset	0
Increase in stock	-2 000
Increase in creditors	-2 030
	17 270
	17 270

STATEMENT OF CASH FLOW		
FOR THE YEAR ENDED 28 FEBRUARY 20... (this year)		
Cash flow from operating activities		18 620
Cash received from customers and clients	140 200	
Cash paid to employees and suppliers	-122 930	
<i>Cash generated from operations</i>	<u>17 270</u>	
Interest paid	-2 500	
Interest received	<u>3 850</u>	



Activity 3.32

SB page 151

SOLUTION

SONATA TRADERS		
PARTIAL STATEMENT OF CASH FLOW		
FOR THE YEAR ENDED 28 FEBRUARY 20... (this year)		
Cash flow from investing activities		15 060
Additions to land and buildings	-6 000	
Proceeds on sale of equipment	7 500	
Decrease in investment	13 560	
Cash flow from financing activities		-10 710
Increase in capital	14 290	
Decrease in loan	-25 000	
Net change in cash		30 070
Cash at the beginning of the year		21 330
Cash at the end of the year		51 400



Activity 3.33

SB page 153

SOLUTION

FANFARE		
STATEMENT OF CASH FLOW		
FOR THE YEAR ENDED 28 FEBRUARY 20... (this year)		
Cash flow from operating activities		82 700.00
Cash received from customers and clients	441 750.00	
Cash paid to employees and suppliers	-343 960.00	
<i>Cash generated from operations</i>	97 790.00	
Interest received	750.00	
Interest paid	-15 840.00	
Drawings	0.00	
Cash flow from investing activities		-84 325.00
Addition to land and buildings	-26 825.00	
Addition to vehicles	-77 500.00	
Addition to equipment	-1 500.00	
Decrease in investment	21 500.00	
Cash flow from financing activities		0.00
Addition to capital	10 000.00	
Decrease in long-term loan	-10 000.00	
Net decrease in cash	-1 625.00	
Cash at beginning of the year		-3 500.00
Cash at the end of the year		-5 125.00

Notes to the statement of cash flow

Note 1: Cash received from customers and clients

Sales	450 000.00
Decrease in debtors	-8 250.00
	441 750.00
	441 750.00

Note 2: Cash paid to employees and suppliers

Sales	-450 000.00
Net profit for the year	46 100 .00
Expenses for the period	-403 900.00
Depreciation	41 500.00
Interest received	-750.00
Interest paid	15 840.00
Profit on sale of asset	-2 500.00
Decrease in stock	3 650.00
Increase in creditors	2 200.00
	-343 960.00
	-343 960.00

Note 3: Reconciliation of net profit

Net profit	46 100.00
Adjusted by:	
Increase in debtors	-8 250.00
Depreciation	41 500.00
Interest received	-750.00
Interest paid	15 840.00
Profit on sale of asset	-2 500.00
Decrease in stock	3 650.00
Increase in creditors	2 200.00
	97 790.00
	97 790.00



Activity 3.34

SB page 155

SOLUTION

MELODIOUS HARMONIES		
STATEMENT OF CASH FLOW		
FOR THE YEAR ENDED 28 FEBRUARY 20... (this year)		
Cash flow from operating activities		153 200.00
Cash received from customers and clients	143 800.00	
Cash paid to employees and suppliers	-3 000.00	
<i>Cash generated from operations</i>	<u>140 800.00</u>	
Interest paid	0.00	
Interest received	12 400.00	
Drawings	<u>0.00</u>	
Net decrease in cash		-21 700.00
Cash at beginning of the year		42 000.00
Cash at the end of the year		<u><u>20 300.00</u></u>
Notes to the statement of cash flow		
Note 1: Cash received from customers and clients		
Sales	158 000.00	
Increase in debtors	-14 200.00	
	<u>143 800.00</u>	
Note 2: Cash paid to employees and suppliers		
Sales	-158 000.00	
Net profit for the year	86 400.00	
Expenses for the period	-71 600.00	
Depreciation	10 500.00	
Interest received	-12 400.00	
Interest paid	0.00	
Loss on sale of asset	9 800.00	
Increase in stock	-13 300.00	
Increase in creditors	74 000.00	
	<u>-3 000.00</u>	

Note 3: Reconciliation of net profit

Net profit	86 400.00
Adjusted by:	
Increase in debtors	-14 200.00
Depreciation	10 500.00
Interest received	-12 400.00
Interest paid	0.00
Loss on sale of asset	9 800.00
Decrease in stock	-13 300.00
Increase in creditors	74 000.00
	<u>140 800.00</u>



Activity 3.35

SB page 156

SOLUTION

SYMPHONIC SOUNDS		
STATEMENT OF CASH FLOW		
FOR THE YEAR ENDED 28 FEBRUARY 20... (this year)		
Cash flow from operating activities		153 700.00
Cash received from customers and clients	114 000.00	
Cash paid to employees and suppliers	31 700.00	
<i>Cash generated from operations</i>	<u>145 700.00</u>	
Interest paid	0.00	
Interest received	8 000.00	
Drawings	<u>0.00</u>	
Net increase in cash		15 000.00
Cash at beginning of the year		3 400.00
Cash at the end of the year		<u><u>18 400.00</u></u>
Notes to the statement of cash flow		
Note 1: Cash received from customers and clients		
Sales	135 800.00	
Decrease in debtors	-21 800.00	
	<u>114 000.00</u>	
Note 2: Cash paid to employees and suppliers		
Sales	135 800.00	
Net profit for the year	72 600.00	
Expenses for the period	-63 200.00	
Depreciation	7 000.00	
Interest received	-8 000.00	
Interest paid	0.00	
Loss on sale of asset	8 600.00	
Decrease in stock	13 300.00	
Increase in creditors	74 000.00	
	<u>31 700.00</u>	

Note 3: Reconciliation of net profit

Net profit	72 600.00
Adjusted by:	
Increase in debtors	-21 800.00
Depreciation	7 000.00
Interest received	-8 000.00
Interest paid	0.00
Loss on sale of asset	8 600.00
Increase in stock	13 300.00
Increase in creditors	74 000.00
	<u>145 700.00</u>



Activity 3.36

SB page 157

SOLUTION

RAPPERS' DELITE		
STATEMENT OF CASH FLOW		
FOR THE YEAR ENDED 28 FEBRUARY 20... (this year)		
Cash flow from operating activities		17 700.00
Cash received from customers and clients	85 000.00	
Cash paid to employees and suppliers	-52 300.00	
<i>Cash generated from operations</i>	<u>32 700.00</u>	
Interest paid	-2 600.00	
Interest received	18 000.00	
Drawings	<u>-30 400.00</u>	
Cash flow from investing activities		-28 600.00
Addition to land and buildings	-48 000.00	
Proceeds from sale of vehicles	22 600.00	
Increase in investment	<u>-3 200.00</u>	
Cash flow from financing activities		13 600.00
Addition to capital	38 400.00	
Decrease in long-term loan	<u>-24 800.00</u>	
Net increase in cash		2 700.00
Cash at beginning of the year		-6 800.00
Cash at the end of the year		<u><u>-4 100.00</u></u>



Activity 3.37

SB page 158

SOLUTION

KETTLE DRUMS		
STATEMENT OF CASH FLOW		
FOR THE YEAR ENDED 31 MARCH 20... (this year)		
Cash flow from operating activities		-4 850
Cash received from customers and clients	90 000	
Cash paid to employees and suppliers	-85 000	
<i>Cash generated from operations</i>	<u>5 000</u>	
Interest paid	-4 000	
Interest received	4 000	
Drawings	<u>-9 850</u>	
Cash flow from investing activities		30 700
Addition to land and buildings	-7 300	
Proceeds from sale of equipment	35 000	
Decrease in investment	<u>3 000</u>	
Cash flow from financing activities		48 950
Addition to capital	50 000	
Decrease in long-term loan	<u>-1 050</u>	
Net increase in cash		74 800
Cash at beginning of the year		<u>5 000</u>
Cash at the end of the year		<u><u>79 800</u></u>



Activity 3.38

SB page 159

SOLUTION

Cash flow from:	Inflow of cash (+)	Outflow of cash (-)
Decrease in capital		X
Decrease in debtors	X	
Increase in stock		X
Increase in long-term loan	X	
Increase in creditors	X	
Depreciation		
Interest paid		X
Selling of fixed assets	X	
Decrease in investments	X	
Drawings by owner		X
Cash received from client	X	
Additions to fixed assets		X
Interest received	X	



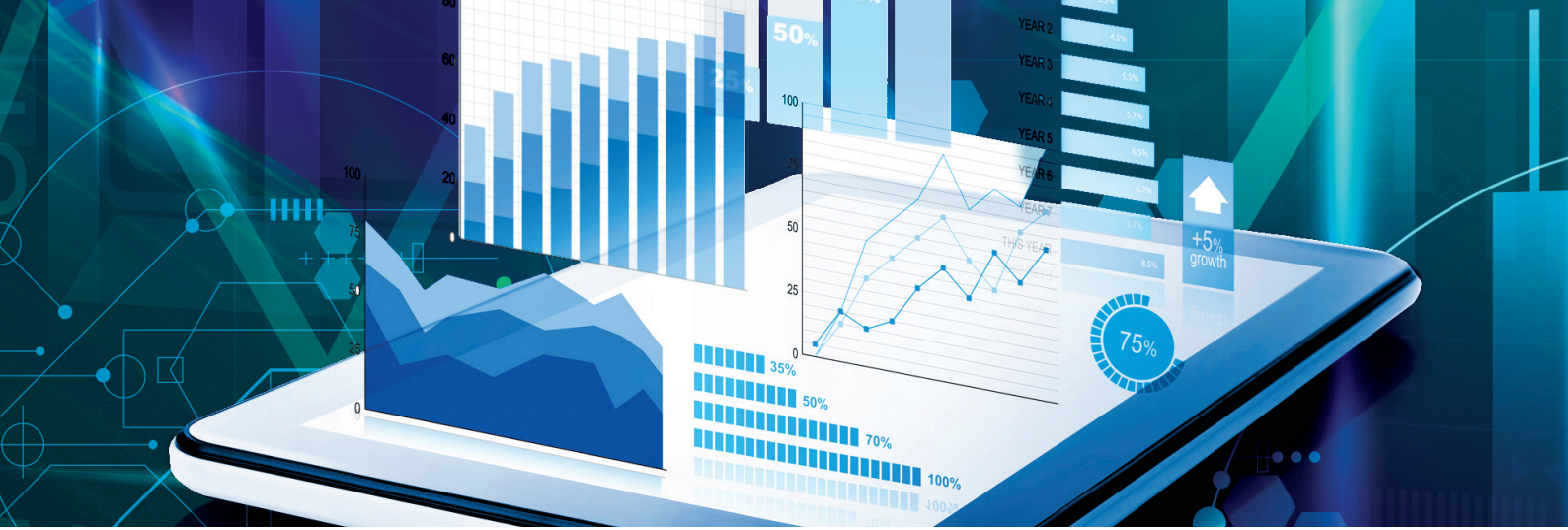
Summative assessment 3.4

SB page 160

SOLUTION

K-WAY		
STATEMENT OF CASH FLOW		
FOR THE YEAR ENDED 30 JUNE 20... (this year)		
Cash flow from operating activities		98 700
Cash received from customers and clients	526 000	
Cash paid to employees and suppliers	-398 100	
<i>Cash generated from operations</i>	<u>127 900</u>	
Interest expense	-35 950	
Interest income	20 500	
Drawings	<u>-13 750</u>	
Net increase in cash		6 200
Cash at beginning of the year		-9 750
Cash at the end of the year		<u><u>15 950</u></u>
Note 1: Cash received from customers and clients		
Sales	539 750	
Increase in debtors	-13 750	
	<u>526 000</u>	
Note 2: Cash paid to employees and suppliers		
Sales	539 750	
Net profit for the year	48 500	
Expenses for the period	-491 250	
Depreciation	61 250	
Interest income	-20 500	
Interest expense	35 950	
Loss on sale of asset	22 250	
increase in stock	-13 500	
Increase in creditors	7 700	
	<u>-398 100</u>	

Note 3: Reconciliation of net profit	
Net profit	48 500
Adjusted by:	
Increase in debtors	-13 750
Depreciation	61 250
Interest received	-20 500
Interest paid	35 950
Loss on sale of asset	22 250
Decrease in stock	-13 500
Increase in creditors	7 700
	127 900
	127 900



Module 4

Basic cost and management accounting applications on a spreadsheet (cost systems)



After completing this module, the student will be able to:

LEARNING CONTENT	LEARNING OUTCOMES
<p>4. Cost systems</p>	
<p>4.1 Draw up a Manufacturing Cost Statement report with the following information.</p> <ul style="list-style-type: none"> • Opening stock • Manufacturing cost <ul style="list-style-type: none"> Direct material cost Direct labour Overheads • Cost of work in process • Cost of stock losses • Total cost <p>Draw up a Manufacturing Cost Report with the following columns:</p> <ul style="list-style-type: none"> • Units Cost Unit Cost 	<p>4.1 Draw up a Manufacturing Cost Statement on spreadsheet with sections as indicated.</p>
<p>4.2 Draw up Manufacturing Statement of Comprehensive Income showing the following information:</p> <ul style="list-style-type: none"> • Sales • Cost of production (Material, labour and overheads) • Gross profit • Sales and administration costs • Net profit 	<p>4.2 Draw up a Manufacturing Statement of Comprehensive Income on spreadsheet with sections as indicated.</p>



Activity 4.1

SB page 169

SOLUTION

MOBILE MANUFACTURERS		
MANUFACTURING COST STATEMENT		
FOR THE YEAR ENDED 31 AUGUST 20... (last year)		
Manufacturing section		
Material used:		133 800
Opening stock	67 000	
Purchases	117 400	
Railage (raw materials)	12 400	
	196 800	
Less: Closing stock	-63 000	
Direct labour		57 000
Primary cost		190 800



Activity 4.2

SB page 170

SOLUTION

RICHMAN PRODUCERS		
MANUFACTURING COST STATEMENT		
FOR THE YEAR ENDED 30 JUNE 20... (last year)		
Manufacturing expenses		105 373
Salaries (factory supervisor)	35 500	
Depreciation on production equipment	11 875	
Electricity (factory)	7 800	
Rent (factory)	18 320	
Indirect labour	24 000	
Factory maintenance	7 878	



Activity 4.3

SB page 171

SOLUTION

EDWARD'S MANUFACTURERS		
MANUFACTURING COST STATEMENT		
FOR THE YEAR ENDED 28 FEBRUARY 20... (this year)		
Opening stock of raw material		15 000
Plus: Purchases		365 000
Plus: Customs (import) duty		12 000
		<hr/> 392 000
Less: Closing stock raw material		-44 000
Cost of raw material used		<hr/> 348 000
Plus: Direct labour		445 000
Prime cost		<hr/> 793 000
Plus: Manufacturing overheads		387 780
Indirect labour (salary of factory supervisor)	184 000	
Telephone	2 880	
Consumable stores	6 400	
Repairs and maintenance	23 500	
insurance	10 800	
Water and electricity	115 200	
Depreciation on machinery and plant	45 000	
Cost of goods manufactured		<hr/> <hr/> 1 180 780



Activity 4.4

SB page 172

SOLUTION

ON-BOARD MANUFACTURERS		
MANUFACTURING COST STATEMENT		
FOR THE YEAR ENDED 30 JUNE 20... (this year)		
Opening stock of raw material		27 230
Plus: Purchases		135 170
Plus: Carriage on purchases		5 005
		167 405
Less: Closing stock raw material		-29 435
Cost of raw material used		137 970
Plus: Direct labour		130 690
Prime cost		268 660
Plus: Manufacturing overheads		62 125
Rent (factory)	8 260	
Wages: indirect	4 480	
Electricity (factory)	6 160	
Insurance (factory)	4 620	
Maintenance (factory)	7 910	
Consumable stores (factory)	13 650	
Depreciation on factory plant	17 045	
Cost of goods manufactured		330 785
Plus: Opening inventory work in process		11 585
		342 370
Less: Closing inventory work in process		-9 345
Manufacturing cost of finished goods		333 025



Activity 4.5

SB page 173

SOLUTION

TOPSY MANUFACTURERS		
MANUFACTURING COST STATEMENT		
FOR THE YEAR ENDED 28 FEBRUARY 20... (this year)		
Opening stock of raw material		34 180.00
Plus: Purchases		47 520.00
Plus: Carriage on purchases		3 120.00
		84 820.00
Less: Closing stock raw material		-32 560.00
Cost of raw material used		52 260.00
Plus: Direct labour		36 600.00
Prime cost		88 860.00
Plus: Manufacturing overheads		22 192.00
Wages: indirect	2 720.00	
Electricity (factory)	6 724.00	
Insurance (factory)	1 760.00	
Maintenance (factory)	2 748.00	
Depreciation on factory plant	8 240.00	
Cost of goods manufactured		111 052.00
Plus: Opening inventory work in process		7 940.00
		118 992.00
Less: Closing inventory work in process		-6 600.00
Manufacturing cost of finished goods		112 392.00



Summative assessment 4.1

SB page 174

SOLUTION

VUVUZELA MANUFACTURERS	
MANUFACTURING COST STATEMENT	
FOR THE MONTH ENDED 31 MARCH 20... (last year)	
Opening stock of raw material	50 000.00
Plus: Purchases	270 000.00
Plus: Carriage on purchases	6 850.00
	326 850.00
Less: Closing stock raw material	0.00
Cost of raw material used	326 850.00
Plus: Direct labour	45 000.00
Prime cost	371 850.00
Plus: Manufacturing overheads	142 885.00
Rent (factory)	35 400.00
Electricity (factory)	6 800.00
Indirect material (factory)	8 800.00
Salary (factory supervisor)	32 500.00
Maintenance (factory)	7 875.00
Depreciation on factory plant	5 800.00
Indirect labour	24 000.00
Loss on sale of factory assets	890.00
Telephone	2 320.00
Insurance (factory)	18 500.00
Cost of goods manufactured	514 735.00



Activity 4.6

SB page 178

SOLUTION

EDWARD'S MANUFACTURERS			
MANUFACTURING COST REPORT			
FOR THE YEAR ENDED 28 FEBRUARY 20... (this year)			
	UNITS	COST	UNIT COSTS
Opening stock of raw material		15 000.00	
Plus: Purchases		365 000.00	
Plus: Customs (import) duty		12 000.00	
		<u>392 000.00</u>	
Less: Closing stock raw material		-44 000.00	
Cost of raw material used	8 000	<u>348 000.00</u>	43.50
Plus: Direct labour		<u>445 000.00</u>	55.63
Prime cost		793 000.00	99.13
Plus: Manufacturing overheads		387 780.00	48.47
Indirect labour (salary of factory supervisor)		184 000.00	
Telephone		2 880.00	
Consumable stores		6 400.00	
Repairs and maintenance		23 500.00	
Insurance		10 800.00	
Water and electricity		115 200.00	
Depreciation on machinery and plant		45 000.00	
Cost of goods manufactured		<u><u>1 180 780.00</u></u>	147.60



Activity 4.7

SB page 179

SOLUTION

THETA MANUFACTURERS			
MANUFACTURING COST REPORT			
FOR THE YEAR ENDED 31 JULY 20... (last year)			
	UNITS	COST	UNIT COSTS
Opening stock of raw material		8 000	
Plus: Purchases		42 000	
		<u>50 000</u>	
Less: Closing stock raw material		<u>-10 000</u>	
Cost of raw material used	4 500	40 000	8.89
Plus: Direct labour		<u>36 000</u>	8.00
Prime cost		76 000	16.89
Plus: Manufacturing overheads		12 000	2.67
Indirect labour (salary of factory supervisor)		3 000	
Electricity		2 000	
Insurance		1 800	
Depreciation on machinery and plant		5 200	
Cost of goods manufactured		<u><u>88 000</u></u>	19.56



Activity 4.8

SB page 180

SOLUTION

GLOBE MANUFACTURERS			
MANUFACTURING COST REPORT			
FOR THE YEAR ENDED 31 AUGUST 20... (this year)			
	UNITS	COST	UNIT COSTS
Opening stock of raw material		14 600	
Plus: Purchases		82 400	
Plus: Carriage on purchases of raw materials		2 800	
		<u>99 800</u>	
Less: Closing stock raw material		-12 200	
Cost of raw material used	12 000	<u>87 600</u>	7.30
Plus: Direct labour		<u>74 600</u>	6.22
Prime cost		162 200	13.52
Plus: Manufacturing overheads		30 600	2.55
Indirect wages		6 800	
Insurance		3 600	
Electricity		3 920	
Maintenance costs: factory		5 480	
Depreciation: factory plant		10 800	
Cost of goods manufactured		<u><u>192 800</u></u>	16.07



Summative Assessment 4.2

SB page 181

SOLUTION

LIMNOS MANUFACTURERS			
MANUFACTURING COST REPORT			
FOR THE YEAR ENDED 28 FEBRUARY 20... (this year)			
	UNITS	COST	UNIT COSTS
Opening stock of raw material		14 600.00	
Plus: Purchases		146 000.00	
Plus: Carriage on purchases of raw materials		8 950.00	
Plus: Freight on raw material		890.00	
		<u>170 440.00</u>	
Less: Closing stock raw material		-85 000.00	
Cost of raw material used	12 500	86 330.00	6.91
Plus: Direct labour		48 950.00	3.92
Prime cost		<u>135 280.00</u>	10.82
Plus: Manufacturing overheads		143 669.79	11.49
Indirect wages		46 850.45	
Water and electricity		44 567.84	
Rent expense (factory)		38 656.00	
Depreciation ofn factory machinery		11 565.50	
Rates and taxes		2 030.00	
Cost of goods manufactured		<u><u>278 949.79</u></u>	22.32



Activity 4.9

SB page 185

SOLUTION

STYLE AWHILE

MANUFACTURING STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 28 FEBRUARY 20... (current year)

<i>Raw materials used</i>		224740
Opening stock of raw material	49080	
Plus: Purchases	225268	
Plus: Carriage on purchases	10860	
	<u>285208</u>	
Less: Closing stock raw material	60468	
Plus: Direct labour		<u>64000</u>
<i>Prime cost</i>		288740
<i>Plus: Manufacturing overheads</i>		207586
Indirect labour	40860	
Depreciation on plant	21000	
Electricity: factory	64420	
Insurance: factory	31800	
Maintenance: factory	20642	
Telephone: factory	28864	
<i>Total cost of production</i>		496326
Plus: Opening stock work in process		<u>46248</u>
<i>Total work in process during the year</i>		542574
Less: Closing stock of work in process		<u>50900</u>
<i>Cost of production of finished goods</i>		491674
Plus: Opening stock of finished goods		<u>130916</u>
<i>Cost of goods available for sale</i>		622590
Less: Closing stock of finished goods		<u>133500</u>
<i>Cost of goods sold</i>		<u>489090</u>
Sales		700912
Less: Cost of sales (Cost of goods sold)		<u>489090</u>
Gross profit		211822
Less: Sales and administration costs		64248
Administration expenses	64248	
<i>Net profit</i>		<u><u>147574</u></u>



Activity 4.10

SB page 186

SOLUTION

SILKY CREAM MANUFACTURERS

MANUFACTURING STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 20... (current year)

<i>Raw materials used</i>		73374
Opening stock of raw material	14680	
Plus: Purchases	69120	
	83800	
Less: Closing stock raw material	10426	
Plus: Direct labour		49900
<i>Prime cost</i>		123274
<i>Plus: Manufacturing overheads</i>		100626
Indirect labour	26426	
Rent: factory	28800	
Electricity: factory	25000	
Insurance: factory	4600	
Factory equipment maintenance and repairs	4600	
Depreciation: factory equipment	11200	
<i>Total cost of production</i>		223900
Plus: Opening stock work in process		4426
<i>Total work in process during the year</i>		228326
Less: Closing stock of work in process		2900
<i>Cost of production of finished goods</i>		225426
Plus: Opening stock of finished goods		6400
<i>Cost of goods available for sale</i>		231826
Less: Closing stock of finished goods		6290
<i>Cost of goods sold</i>		225536
Sales		403372
Less: Cost of sales (Cost of goods sold)		225536
Gross profit		177836
<i>Less: Sales and administration costs</i>		88580
Insurance: office	3400	
Electricity: office	16000	
Salaries sales personnel	29120	
Salaries office personnel	20860	
Rent: office	19200	
<i>Net profit</i>		89256



Activity 4.11

SB page 187

SOLUTION

TABLE TOP

MANUFACTURING STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 28 FEBRUARY 20... (current year)

<i>Raw materials used</i>		83348
Opening stock of raw material	9136	
Plus: Purchases	75980	
Plus: Carriage on purchases	8700	
	93816	
Less: Closing stock raw material	10468	
Plus: Direct labour		86460
<i>Prime cost</i>		169808
<i>Plus: Manufacturing overheads</i>		175200
Indirect labour	24680	
Rent: factory	49000	
Electricity: factory	24640	
Insurance: factory	28500	
Telephone: factory	30860	
Depreciation: factory	17520	
<i>Total cost of production</i>		345008
Plus: Opening stock work in process		1596
<i>Total work in process during the year</i>		346604
Less: Closing stock of work in process		2468
<i>Cost of production of finished goods</i>		344136
Plus: Opening stock of finished goods		11280
<i>Cost of goods available for sale</i>		355416
Less: Closing stock of finished goods		15086
<i>Cost of goods sold</i>		340330
Sales		651758
Less: Cost of sales (Cost of goods sold)		340330
Gross profit		311428
<i>Less: Sales and administration costs</i>		143610
<i>Sales and administration costs</i>	47120	
Electricity: office	13000	
Rent: office	24640	
Insurance: office	20460	
Stationery: office	17530	
Telephone: office	20860	
<i>Net profit</i>		167818



Activity 4.12

SB page 188

SOLUTION

NYANGA MANUFACTURERS

MANUFACTURING STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 20... (current year)

<i>Raw materials used</i>		56400
Opening stock of raw material	17000	
Plus: Purchases	51200	
Plus: Carriage on purchases	2800	
	71000	
Less: Closing stock raw material	14600	
Plus: Direct labour		55600
<i>Prime cost</i>		112000
<i>Plus: Manufacturing overheads</i>		28120
Indirect labour	12800	
Electricity: factory	2460	
Insurance: factory	4800	
Maintenance: manufacturing equipment	3600	
Depreciation: manufacturing equipment	4460	
<i>Total cost of production</i>		140120
Plus: Opening stock work in process		11600
<i>Total work in process during the year</i>		151720
Less: Closing stock of work in process		13200
<i>Cost of production of finished goods</i>		138520
Plus: Opening stock of finished goods		22800
<i>Cost of goods available for sale</i>		161320
Less: Closing stock of finished goods		28200
<i>Cost of goods sold</i>		133120
Sales		221000
Less: Cost of sales (Cost of goods sold)		133120
Gross profit		87880
<i>Less: Sales and administration costs</i>		44800
Sales expenses	26600	
Administration expenses	18200	
<i>Net profit</i>		43080



Activity 4.13

SB page 189

SOLUTION

RUMSAM MANUFACTURERS

MANUFACTURING STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 20... (current year)

<i>Raw materials used</i>		113800
Opening stock of raw material	30200	
Plus: Purchases	112800	
Plus: Carriage on purchases	7200	
	150200	
Less: Closing stock raw material	36400	
Plus: Direct labour		82800
<i>Prime cost</i>		196600
<i>Plus: Manufacturing overheads</i>		55000
Indirect labour	7600	
Rent: factory	13200	
Electricity: factory	6600	
Insurance: factory	4400	
Maintenance: factory	8800	
Depreciation: factory	14400	
<i>Total cost of production</i>		251600
Plus: Opening stock work in process		16400
<i>Total work in process during the year</i>		268000
Less: Closing stock of work in process		10800
<i>Cost of production of finished goods</i>		257200
Plus: Opening stock of finished goods		40600
<i>Cost of goods available for sale</i>		297800
Less: Closing stock of finished goods		33000
<i>Cost of goods sold</i>		264800
Sales		411600
Less: Cost of sales (Cost of goods sold)		264800
Gross profit		146800
<i>Less: Sales and administration costs</i>		75400
Sales expenses	32600	
Administration expenses	39000	
Insurance: office	2200	
Maintenance: office	1600	
<i>Net profit</i>		71400



Activity 4.14

SB page 190

SOLUTION

CAMO MANUFACTURERS

MANUFACTURING STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 20... (current year)

<i>Raw materials used</i>		65062
Opening stock of raw material	16470	
Plus: Purchases	66700	
Plus: Carriage on purchases	1200	
	84370	
Less: Closing stock raw material	19308	
Plus: Direct: labour		75660
<i>Prime cost</i>		140722
<i>Plus: Manufacturing overheads</i>		34538
Indirect labour	4720	
Rates: factory	1788	
Water and electricity: factory	4930	
Insurance: factory	3368	
Consumable goods	4064	
Maintenance: factory	6268	
Depreciation: factory	9400	
<i>Total cost of production</i>		175260
Plus: Opening stock work in process		7530
<i>Total work in process during the year</i>		182790
Less: Closing stock of work in process		8270
<i>Cost of production of finished goods</i>		174520
Plus: Opening stock of finished goods		8880
<i>Cost of goods available for sale</i>		183400
Less: Closing stock of finished goods		9570
<i>Cost of goods sold</i>		173830
Sales		301300
Less: Cost of sales (Cost of goods sold)		173830
Gross profit		127470
<i>Less: Sales and administration costs</i>		38402
Sales and administration expenses	38402	
<i>Net profit</i>		89068



Activity 4.15

SB page 191

SOLUTION

	Factory overheads	Expenses	Income
Factory rent	X		
Credit losses		X	
Sales expenses		X	
General shop expenses		X	
Factory water and electricity	X		
Indirect wages	X		
Interest received			X
Factory insurance	X		
Depreciation on shop equipment		X	
Office rent		X	
Commission received			X
Shop repairs		X	
Factory repairs	X		
Shop telephone		X	



Summative Assessment 4.3

SB page 192

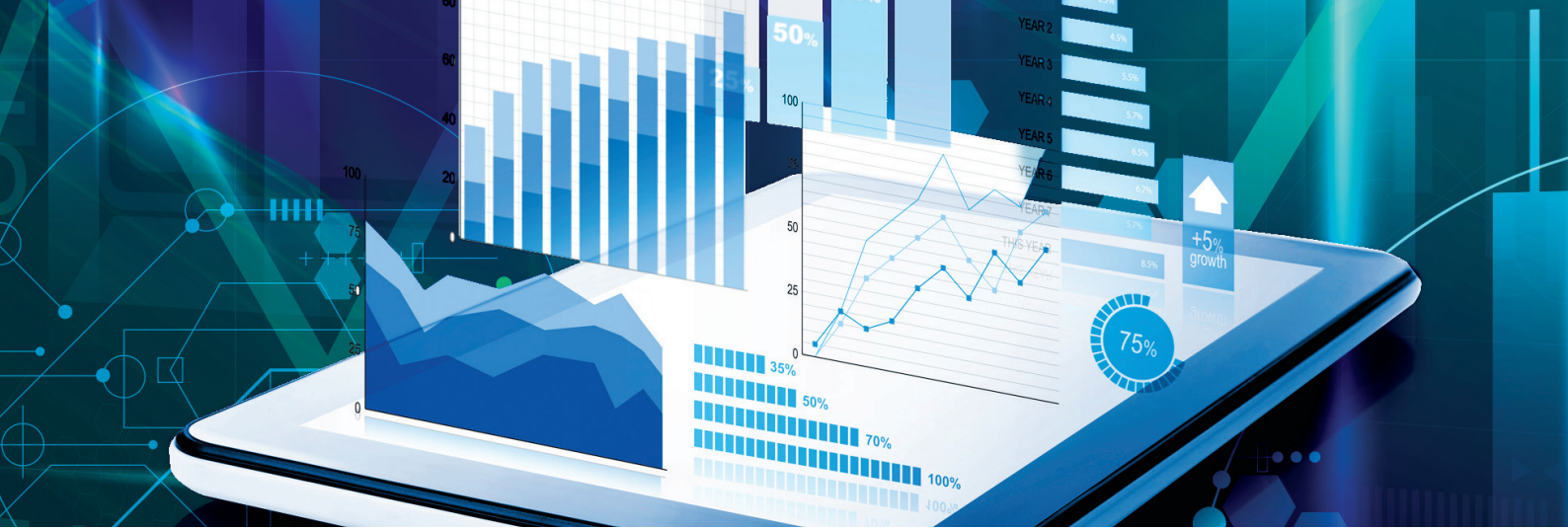
SOLUTION

JORDACHE MANUFACTURERS

MANUFACTURING STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 JUNE 20... (current year)

<i>Raw materials used</i>		186200
Opening stock of raw material	37600	
Plus: Purchases	192800	
	<u>230400</u>	
Less: Closing stock raw material	<u>44200</u>	
Plus: Direct labour		<u>202400</u>
<i>Prime cost</i>		388600
<i>Plus: Manufacturing overheads</i>		72800
Indirect labour	29600	
Depreciation of manufacturing equipment	26000	
Maintenance (manufacturing equipment)	8400	
Municipal expenses (manufacturing)	8800	
<i>Total cost of production</i>		<u>461400</u>
Plus: Opening stock work in process		<u>28600</u>
<i>Total work in process during the year</i>		490000
Less: Closing stock of work in process		<u>30800</u>
<i>Cost of production of finished goods</i>		459200
Plus: Opening stock of finished goods		<u>77200</u>
<i>Cost of goods available for sale</i>		536400
Less: Closing stock of finished goods		<u>42400</u>
<i>Cost of goods sold</i>		<u>494000</u>
Sales		922000
Less: Cost of sales (Cost of goods sold)		494000
Gross profit		428000
<i>Less: Sales and administration costs</i>		126460
Sales expenses	57200	
Administration expenses	68600	
Credit losses	660	
<i>Net profit</i>		<u><u>301540</u></u>



Module 5

Analysis and interpretation of financial statements on a spreadsheet



After completing this module, the student will be able to:

LEARNING CONTENT	LEARNING OUTCOMES
5.1 Use of financial statement interpretation.	5.1 Explain the importance of financial statements interpretation and why is it necessary.
5.2 Use data from the financial statements to determine the following: <ul style="list-style-type: none"> • Solvency ratio <ul style="list-style-type: none"> – Solvency ratio • Profitability ratios: <ul style="list-style-type: none"> – Gross profit percentage on turnover – Net profit percentage on turnover – Rate of return on owner's equity. • Liquidity ratios <ul style="list-style-type: none"> – Acid test ratio – Current ratio – Inventory turnover rate – Trade receivables collection period – Trade payables settlement period • Trade receivables <ul style="list-style-type: none"> – Turnover rate 	5.2 Use data obtained from financial statement to calculate and interpret the listed information.



Activity 5.1

SB page 200

SOLUTION

Solvency ratio

Formula:

Solvency Ratio

$$= \frac{\text{Total assets}}{\text{Total liabilities}}$$

Calculation:

$$= \frac{(242\,400 + 61\,600)}{(120\,000 + 32\,000)}$$

$$= \frac{304\,000}{152\,000}$$

$$= 2 : 1$$

Comments:

The business is credit worthy.

The business can meet its total commitments.

The solvability of the business is good, as the assets are twice the amount of the liabilities.

The business has achieved the acceptable norm.



Activity 5.2

SB page 201

SOLUTION

Gross profit percentage on turnover

Formula:

$$= \frac{\text{Gross profit}}{\text{Turnover}}$$

$$= \frac{17\,314}{50\,920}$$

$$= 34\%$$

Comments:

The percentage tests whether the business was able to achieve its profit mark-up.

If the percentage is below the profit margin there various reasons.

Below the margin indicates theft, too much discount, errors in marking of prices.

Net profit percentage on turnover

Formula:

$$= \frac{\text{Net profit}}{\text{Turnover}}$$

$$= \frac{7\,152}{50\,920}$$

$$= 14\%$$

Comments:

The net profit percentage is more than one third of the gross profit percentage on turnover.

Control of expenses is managed well.

Methods of control are efficient.



Activity 5.3

SB page 202

SOLUTION

Gross profit on turnover

Formula

$$= \frac{\text{Gross profit}}{\text{Turnover}} \times \frac{100}{1}$$

Last year

$$= \frac{190\,000}{360\,000} \times \frac{100}{1}$$

$$= 53\%$$

This year

$$= \frac{182\,000}{340\,000} \times \frac{100}{1}$$

$$= 54\%$$

Comments:

Trend is stable. An increase of 1%.

An improvement is necessary and achievable.

Net profit on turnover

Formula

$$= \frac{\text{Net profit}}{\text{Turnover}} \times \frac{100}{1}$$

Last year

$$= \frac{96\,640}{360\,000} \times \frac{100}{1}$$

$$= 27\%$$

This year

$$= \frac{91\,480}{182\,000} \times \frac{100}{1}$$

$$= 50\%$$

Comments:

Trend is favourable.

An increase of 25% from last year to this year.

Expenses reduced significantly.

Expenses are being monitored and controlled.

Rate of return on owner's equity

Formula $\frac{\text{Net profit}}{\text{Average owner's equity}} \times \frac{100}{1}$

This year

= $\frac{91\,480}{(295\,240 + 224\,600)} \times \frac{100}{1}$

= $\frac{91\,480}{519\,840} \times \frac{100}{1}$

= 18%

Last year

= $\frac{96\,640}{295\,240} \times \frac{100}{1}$

= 33%

Assume that last year was first year of trading.

Comment:

Trend is favourable.



Activity 5.4

SOLUTION

SB page 203

Acid test ratio:			
Formula:	=	Current assets – Inventory	: Current liabilities
Calculation:	=	133 600 – 56 000	: 64 600
	=	77 600	: 64 600
	=	1.2	: 1

Current ratio			
Formula:	=	Current assets	: Current liabilities
Calculation	=	133 600	: 64 600
	=	2.07	: 1



Activity 5.5

SB page 204

SOLUTION

Inventory turnover rate	
Formula	= $\frac{\text{Cost of sales}}{\text{Average inventory}}$
Calculation	= $\frac{132\,500}{(20\,000 + 32\,500)/2}$
	= $\frac{132\,500}{26\,250}$
	= 5
	= 5 times
Comments:	Average inventory turnover rate for the industry is 5 times a year. Inventory turnover rate of the business is on par with industry.

Trade receivables collection period			
Formula	=	$\frac{\text{Average trade receivables}}{\text{Credit sales}} \times 365$	
Calculation	=	$\frac{(300\,075 + 44\,050)/2}{260\,000} \times 365$	
	=	$\frac{172\,063}{260\,000} \times 365$	
	=	0.66	X
	=	241.54	
	=	242 days	

Comments:
The average trade receivables collection period for the industry is 60 days.
The trend is unfavourable.
The trend is poorer than the industry benchmark.
Offer customers incentives to pay, such as discounts if accounts paid within the first month.
Charge interest on overdue accounts.

Trade payables settlement period				
Formula	=	Average trade payables	X	365
		Credit purchases		1
Calculation	=	(22 150 + 31 000)/2	X	365
		32 500		1
	=	26 575	X	365
		32 500		1
	=	0.81769	X	365
				1
	=	298.45		
	=	299		
Comments:				
The average trade payables settlement period for the industry is 35 days.				
The trend is unfavourable.				
Ratio is poor based on general norms and compared with industry averages.				
An improvement in trade payables period is necessary.				



Activity 5.6

SB page 205

SOLUTION

Gross profit percentage on turnover				
Formula	=	Gross profit	X	100
		Turnover		1
Calculation	=	Sales – (Opening inventory + Purchases – Closing inventory)	X	100
		Credit sales + Cash sales		1
	=	(124 800 + 8 400) – (13 080 + 63 000 – 17 370)	X	100
		124 800 + 8 400		1
	=	133 200 – 58 710	X	100
		133 200		1
	=	74 490	X	100
		133 200		1
	=	55.92%		
Comments:				
Trend is favourable.				

Trade receivables collection period				
Formula	=	Average trade receivables	X	365
		Credit sales		1
Calculation	=	31 200	X	365
		124 800		1
	=	0.25	X	365
				1
	=	91		
	=	91 days		

Comments:
The average trade receivables collection period for the industry is 60 days.
The trend is unfavourable.
The trend is poorer than the industry benchmark.
Offer customers incentives to pay, such as discounts if accounts paid within the first month.
Charge interest on overdue accounts.

Inventory turnover rate		
Formula	=	$\frac{\text{Cost of sales}}{\text{Average inventory}}$
Calculation	=	$\frac{(\text{Opening inventory} + \text{Purchases} - \text{Closing inventory})}{(\text{Opening inventory} + \text{Closing inventory})/2}$
	=	$\frac{(13\ 080 + 63\ 000 - 17\ 370)}{(13\ 080 + 17\ 370)/2}$
	=	$\frac{58\ 710}{15\ 225}$
	=	3.86
	=	3.86 times
Comments:		
Average inventory turnover rate for the industry is 5 times a year.		
Inventory turnover rate of the business is below the industry.		

Current ratio			
Formula	=	Current assets	: Current liabilities
Calculation	=	59 040	: 29 250
	=	59 040	: 29 250
		29 250	29 250
	=	2.02	: 1
	=	2	: 1
Comments:			
Ratio is favourable.			
Ratio meets the norm.			
Ratio shows that the business can meet its short-term commitments.			



Activity 5.7

SB page 206

SOLUTION

TRENDY DÉCOR

Gross profit percentage on turnover				
Formula	=	Gross profit	X	100
		Turnover		1
Calculation	=	1 700 000	X	100
		3 200 000		1
	=	0.531	X	100
		1		1
	=	53.1%		
Comment:				
Trend is favourable.				

Net profit percentage on turnover				
Formula	=	Net profit	X	100
		Turnover		1
Calculation	=	960 000	X	100
		3 200 000		1
	=	0.3	X	100
		1		1
	=	30%		
Comments:				
Trend is favourable.				
Percentage is more than one third of the percentage of gross profit on turnover.				
Good control of expenses.				

Inventory turnover rate			
Formula	=	Cost of sales	
		Average inventory	
Calculation	=	1 500 000	
		480 000	
	=	3.125	
	=	3.1 times	
Comments:	Average inventory turnover rate for the industry is 5 times a year.		
	Inventory turnover rate of the business is below industry.		

Trade receivables collection period				
Formula	=	Average trade receivables	X	12
		Credit sales		1
Calculation	=	400 000	X	12
		80% X 3 200 000		1
	=	400 000	X	12
		2 560 000		1
	=	1.9 months		
Comments:	The average trade receivables collection period for the industry is 60 days.			
	The trend is favourable.			

CLASSIC INTERIORS

Gross profit percentage on turnover				
Formula	=	Gross profit	X	100
		Turnover		1
Calculation	=	1 500 000	X	100
		2 400 000		1
	=	0.625	X	100
		1		1
	=	62.5%		
Comment:				
Trend is favourable.				

Net profit percentage on turnover				
Formula	=	Net profit	X	100
		Turnover		1
Calculation	=	700 000	X	100
		2 400 000		1
	=	0.29166	X	100
		1		1
	=	29.2%		
Comments:				
Trend is favourable.				
Percentage is more than one third of the percentage of gross profit on turnover.				
Control of expenses can be improved.				

Inventory turnover rate				
Formula	=	Cost of sales		
		Average inventory		
Calculation	=	2 400 000 – 1 500 000		
		280 000		
	=	900 000		
		280 000		
	=	3.2 times		
Comments:	Average inventory turnover rate for the industry is 5 times a year.			
	Inventory turnover rate of the business is below industry.			

Trade receivables collection period				
Formula	=	Average trade receivables	X	12
		Credit sales		1
Calculation	=	200 000	X	12
		80% X 2 400 000		1
	=	200 000	X	12
		1 920 000		1
	=	1.3 months		
Comments:	The average trade receivables collection period for the industry is 60 days.			
	The trend is favourable.			



Activity 5.8

SB page 207

SOLUTION

Solvency ratio			
Formula	=	Total assets	: Total liabilities
Calculation	=	26 550	: (26 550 – 7 500)
		26 550	: 19 050
	=	26 550	: 19 050
		19 050	19 050
	=	1.3937	: 1
	=	1.39	: 1
Comments:			
Ratio is favourable.			
Ratio meets the norm.			

Gross profit percentage on turnover				
Formula	=	Gross profit	X	100
		Turnover		1
Calculation	=	11 000	X	100
		24 000 + 6 000		1
	=	11 000	X	100
		30 000		1
	=	0.36666	X	100
		1		1
	=	36.67%		
Comments:				
The gross profit percentage is less than what it should be.				
Owner should investigate his sales and stock.				
Possible problems – theft, incorrect recordings, stock items marked incorrectly.				

Net profit percentage on turnover				
Formula	=	Net profit	X	100
		Turnover		1
Calculation	=	6 000	X	100
		24 000 + 6 000		1
	=	6 000	X	100
		30 000		1
	=	0.2	X	100
		1		1
	=	20%		
Comments:				
The net profit percentage is unfavourable.				
Investigate the expenses.				
Eliminate unnecessary expenses.				

Rate of return on owner's equity				
Formula	=	Net Profit	X	100
		Owner's equity		1
Calculation	=	6 000	X	100
		7 600		1
	=	0.0789	X	100
		1		1
	=	7.89%		
Comments:				
Trend in unfavourable.				
Return on capital invested is not worth the effort.				
Owner can get a higher interest rate if money is invested at financial institution.				
Owner should investigate reasons.				
Business is at risk and owner will soon need to decide whether it is profitable to run the business.				
Business is at risk of shutting down.				

Acid test ratio:				
Formula:	=	Current assets – Inventory	:	Current liabilities
Calculation:	=	(8 450 + 3 700 + 100) – 8 450	:	(4 800 + 250 + 2 000)
	=	3 800	:	7 050
		3 800	:	7 050
		7 050	:	7 050
	=	0.54	:	1
Comments:				
Trend is unfavourable.				
Standard norm is 1:1.				
Business liquidity is not sound.				
Short-term debts are not adequately covered.				

Current ratio			
Formula:	=	Current assets	: Current liabilities
Calculation	=	(8 450 + 3 700 + 100)	: (4 800 + 250 + 2 000)
	=	12 250	: 7 050
	=	12 250	: 7 050
		7 050	7 050
	=	1.74	: 1
Comments:			
Ratio is unfavourable.			
Commercial banks expect a ratio of 2:1 for overdraft facilities.			

Inventory turnover rate			
Formula	=	Cost of sales	
		Average inventory	
Calculation	=	24 000 + 6 000 – 11 000	
		(7 950 + 8 450)/2	
	=	19 000	
		8 200	
	=	2.32 times	
Comments:			
Average inventory turnover rate for the industry is 5 times a year.			
Inventory turnover rate of the business is below industry.			

Trade receivables collection period				
Formula	=	Average trade receivables	X	12
		Credit sales		1
Calculation	=	(3 950 + 3 700)/2	X	12
		24 000		1
	=	3 825	X	12
		24 000		1
	=	1.91		
Comments:				
The average trade receivables collection period for the industry is 60 days.				
The trend is favourable.				
Debt equity.				

Debt equity ratio				
Formula	=	Total liabilities	:	Owner's equity
Calculation	=	(12000+4800+250+2000)	:	(7500+6000)
	=	19050		13500
	=	19050	:	13500
		13500		13500
	=	1.41	:	1.00
Comments:				
The standard norm is 1 : 1.				
The trend is unfavourable since it is above 1.0				
The situation is not sound.				
There is a risk of bankruptcy.				



Activity 5.9

SB page 209

SOLUTION

Current ratio (last year)			
Formula:	=	Current assets	: Current liabilities
Calculation	=	480 000 + 300 000 + 60 000	: 400 000
	=	840 000	: 400 000
		2.1	: 1

Current ratio (last year)			
Formula:	=	Current assets	: Current liabilities
Calculation	=	140 000 + 120 000 + 100 000	: 200 000
	=	360 000	: 200 000
		1.8	: 1

Comments:	
The current ratio that is expected by financial institutions is 2:1.	
Last year the ratio reflects 2.1: 1 and this year reflects 1.8:1. There is a decrease.	
The trend not favourable.	
It is not a point of concern at this stage.	

Acid test ratio (last year)			
Formula:	=	Current assets – Inventory	: Current liabilities
Calculation:	=	840 000 – 480 000	: 400 000
	=	360 000	: 400 000
	=	360 000	: 400 000
		400 000	: 400 000
	=	0.9	: 1

Acid test ratio (this year)				
Formula:	=	Current assets – Inventory	:	Current liabilities
Calculation:	=	360 000 – 140 000	:	200 000
	=	220 000	:	200 000
		220 000	:	200 000
		200 000		200 000
	=	1.1	:	1
Comments:				
Trend is favourable.				
Standard norm is 1:1.				
Last year the ratio is reflected as 0.9:1 and this year as 1.1:1.				
There is an increase in the ratio.				
Business liquidity is sound.				
Short-term debts are adequately covered.				

Trade receivables collection period				
Formula	=	Average trade receivables	X	365
		Credit sales		1
Calculation	=	(180 000 + 300 000)/2	X	365
		200 000		1
	=	240 000	X	365
		200 000		1
	=	44 days		

Trade receivables collection period				
Formula	=	Average trade receivables	X	12
		Credit sales		1
Calculation	=	$(300\ 000 + 120\ 000)/2$	X	12
		1 200 000		1
	=	210 000	X	12
		1 200 000		1
	=	64 days		
Comments:				
The trend is unfavourable.				
Customers are taking longer to pay.				
There has been an increase from 44 days to 64 days.				

Trade payables settlement period (last year)				
Formula	=	Average trade payables	X	12
		Credit purchases		1
Calculation	=	$(300\ 000 + 400\ 000)/2$	X	12
		$(650\ 000 \times 80\%)$		1
	=	350 000	X	12
		520 000		1
	=	0.6730	X	12
				1
	=	8.076		
	=	8.1 months		

Trade payables settlement period (this year)				
Formula	=	Average trade payables	X	365
		Credit purchases		1
Calculation	=	(400 000 + 200 000)/2	X	12
		320 000		1
	=	300 000	X	12
		320 000		1
	=	0.9375	X	12
	=	11.25		
	=	11.3 months		
Comments:				
The trend is unfavourable.				
Ratio is poor based on general norms and compared with industry averages.				
There has been a delay in payment of creditors.				
Avoid interest being charged on accounts.				
Use early payment terms to your advantage.				

Inventory turnover rate (last year)				
Formula	=	Cost of sales		
		Average inventory		
Calculation	=	1 300 000		
		(100 000 + 480 000)/2		
	=	1 300 000		
		290 000		
	=	4.5 times		
Comments:				
Average inventory turnover rate for the industry is 5 times a year.				
Inventory turnover rate of the business is below industry.				

Inventory turnover rate (this year)			
Formula	=	Cost of sales	
		Average inventory	
Calculation	=	720 000	
		(480 000 + 140 000)/2	
	=	720 000	
		310 000	
	=	2.3 times	
Comments:			
Trend is unfavourable.			
There is a decrease from 4.5 times last year to 2.3 times this year.			

Gross profit percentage on turnover (last year)				
Formula	=	Gross profit	X	100
		Turnover		1
Calculation	=	(2 000 000 – 1 300 000)	X	100
		2 000 000		1
	=	700 000	X	100
		2 000 000		1
	=	35%		

Gross profit percentage on turnover (this year)				
Formula	=	Gross profit	X	100
		Turnover		1
Calculation	=	(1 200 000 – 720 000)	X	100
		1 200 000		1
	=	480 000	X	100
		1 200 000		1
	=	40%		
Comments:				
Trend is favourable.				
There is an increase from 35% to 40%.				

Net profit percentage on turnover (last year)				
Formula	=	Net profit	X	100
		Turnover		1
Calculation	=	Gross profit + Income – Expenditure	X	100
		2 000 000		1
	=	(700 000 + 80 000 – 400 000)	X	100
		2 000 000		1
	=	380 000	X	100
		2 000 000		1
	=	19%		

Net profit percentage on turnover (this year)				
Formula	=	Net profit	X	100
		Turnover		1
Calculation	=	Gross profit + Income – Expenditure	X	100
		Turnover		1
	=	480 000 + 75 000 – 380 000	X	100
		1 200 000		1
	=	175 000	X	100
		1 200 000		1
	=	14.6%		
Comments:				
Investigate expenses.				
Reduce expenses.				
Remove unnecessary expenses.				

Rate of return on owner's equity (last year)				
Formula	=	Net Profit	X	100
		Owner's equity		1
Calculation	=	380 000	X	100
		(Assets – Liabilities)		1
	=	380 000	X	100
		(480 000 + 300 000 + 60 000 – 400 000)		1
	=	380 000	X	100
		440 000		1
	=	86.4%		

Rate of return on owner's equity (This year)				
Formula	=	Net Profit	X	100
		Owner's equity		1
Calculation	=	175 000	X	100
		Assets – Liabilities		1
	=	175 000	X	100
		(140 000 + 120 000 + 100 000 – 200 000)		1
	=	175 000	X	100
		160 000		1
	=	109.4%		
Comments:				
Trend is favourable.				
Return on capital invested is worth the effort.				
Owner will not get a higher interest rate if money is invested at financial institution.				
Improvement from last year (86.4%) to 109.4% this year is exceptional.				



Activity 5.10

SB page 210

SOLUTION

ON GUARD SECURITY

1. Purchases for the year	
	= Cost of sales + Closing inventory – Opening inventory
	= (Sales – Gross profit) + Closing stock – Opening stock
Calculation:	= (365 000 + 130 000) + 34 000 – 36 000
	= 235 000 + 34 000 – 36 000
	= R233 000

2. Current ratio			
Formula:	=	Current assets	: Current liabilities
Calculation	=	Trade receivables + Closing inventory	: Trade payables + Bans
	=	80 000 + 34 000	: 45 000 + 6 000
		114 000	: 51 000
		2.24	: 1
Comments:			
The current ratio that is expected by financial institutions is 2 : 1.			
The trend not favourable.			
It is not a point of concern at this stage.			

3. Net profit percentage on turnover (last year)				
Formula	=	Net profit	X	100
		Turnover		1
Calculation	=	Gross profit – Total expenditure	X	100
		Turnover		1
	=	130 000 – 53 000	X	100
		356 000		1
	=	77 000	X	100
		356 000		1
	=	21.63%		
Comments:				
Investigate expenses.				
Reduce expenses.				
Remove unnecessary expenses.				

4. Inventory turnover rate (this year)				
Formula	=	Cost of sales		
		Average inventory		
Calculation	=	Sales – Gross profit		
		(Opening inventory + Closing inventory)/2		
	=	365 000 – 130 000		
		(36 000 + 34 000)/2		
	=	235 000		
		35 000		
	=	6.71 times		
Comments:				
Trend is unfavourable.				
Inventory turnover rate of times is regarded as good.				
Inventory turnover rate of the business is below industry.				

5. Trade receivables collection period				
Formula	=	Average trade receivables	X	12
		Credit sales		1
Calculation	=	(65 000 + 80 000)/2	X	12
		85% X 356 000		1
	=	145 000/2	X	12
		302 600		1
	=	72 500	X	12
		302 600		1
	=	0.23959	X	12
	=	2.88 months		
Comments:				
The average trade receivables collection period for the industry is 60 days.				
The trend is unfavourable.				

6. Trade payables settlement period				
Formula	=	Average trade payables	X	365
		Credit purchases		1
Calculation	=	(42 500 + 45 000)/2	X	365
		233 000		1
	=	87 500/2	X	365
		233 000		1
	=	43 750	X	365
		233 000		1
	=	69 days		
Comments:				
The expected trade payables settlement period is 90 days.				
The trend is favourable.				



Activity 5.11

SB page 211

SOLUTION

HIDES AND SKINS

1. Gross profit percentage on turnover (last year)				
Formula	=	Gross profit	X	100
		Turnover		1
Calculation	=	Sales – Cost of sales	X	100
		Turnover		1
	=	(91 800 + 258 200) – 237 200	X	100
		(91 800 + 258 200)		1
	=	112 800	X	100
		350 000		1
	=	32.23%		

Gross profit percentage on turnover (this year)				
Formula	=	Gross profit	X	100
		Turnover		1
Calculation	=	Sales – Cost of sales	X	100
		Turnover		1
	=	(126 000 + 242 000) – 276 400	X	100
		(126 000 + 242 000)		1
	=	91 600	X	100
		368 000		1
	=	24.89%		

Comments:

The gross profit percentage decreased from 32.23% last year to 24.89% this year.

Gross profit percentage decreased by .34%.

This situation is unfavourable.

Owner should investigate his sales and stock.

Possible problems – theft, incorrect recordings, stock items marked incorrectly.

2. Current ratio (last year)			
Formula:	=	Current assets	: Current liabilities
Calculation	=	97 000	: 58 000
	=	97 000	: 58 000
		58 000	58 000
	=	1.67	1

Current ratio (this year)			
Formula:	=	Current assets	: Current liabilities
Calculation	=	84 800	: 52 400
	=	84 800	: 52 400
		52 400	52 400
	=	1.62	: 1
Comments:			
Ratio is unfavourable in both years.			
Commercial banks expect a ratio of 2:1 for overdraft facilities.			

3. Trade receivables collection period (last year)				
Formula	=	Average trade receivables	X	365
		Credit sales		1
Calculation	=	(39 200 + 45 000)/2	X	365
		258 200		1
	=	84 200/2	X	365
		258 200		1
	=	42 100	X	365
		258 200		1
	=	60 days		

Trade receivables collection period (this year)				
Formula	=	Average trade receivables	X	365
		Credit sales		1
Calculation	=	(45 000 + 44 600)/2	X	365
		242 000		1
	=	89 600/2	X	365
		242 000		1
	=	44 800	X	365
		242 000		1
	=	68 days		
Comments:				
The average trade receivables collection period for the industry is 60 days.				
The trend was favourable and spot on last year.				
Period increased from 60 days last year to 68 days this year.				
Increased by 8 days.				
Trend is unfavourable this year.				
Encourage customers to pay regularly and on time.				
Provide incentives, e.g. discount for early payments.				
Charge interest on overdue accounts.				

4. Inventory turnover rate (last year)				
Formula	=	Cost of sales		
		Average inventory		
Calculation	=	237 200		
		(38 000 + 40 400)/2		
	=	237 200		
		78 400/2		
	=	237 200		
		39 200		
	=	6.05 times		

Inventory turnover rate (last year)		
Formula	=	Cost of sales
		Average inventory
Calculation	=	276 400
		(40 400 + 39 200)/2
	=	276 400
		79 600/2
	=	276 400
		39 800
	=	6.94 times
Comments:		
Average inventory turnover rate increased.		
Inventory turnover rate of the business is above industry rates.		
Trend is unfavourable.		
Situation to be improved upon.		
Debt equity.		

Debt equity ratio (last year)				
Formula	=	Total liabilities	:	Owner's equity
Calculation	=	(50000+58000)	:	82400
	=	108000	:	82400
	=	108000	:	82400
		82400		82400
	=	1.31	:	1.00
Comments:				
The standard norm is 1 : 1.				
The trend is unfavourable since it is above 1.0				
The situation is not sound.				
There is a risk of bankruptcy.				

Debt equity ratio (this year)				
Formula	=	Total liabilities	:	Owner's equity
Calculation	=	(52000+52400)	:	73800
	=	104400	:	73800
	=	104400	:	73800
		73800		73800
	=	1.41	:	1.00
Comments:				
The standard norm is 1 : 1.				
The trend is unfavourable since it is above 1.0				
The situation is not sound.				
There is a risk of bankruptcy.				
No improvement from previous year.				



Activity 5.12

SB page 213

SOLUTION

1. Net profit percentage on turnover (last year)				
Formula	=	Net profit	X	100
		Turnover		1
Calculation	=	41 000	X	100
		(94 800 + 253 200)		1
	=	41 000	X	100
		348 000		1
	=	11.78%		

Net profit percentage on turnover (this year)				
Formula	=	Net profit	X	100
		Turnover		1
Calculation	=	26 800	X	100
		(121 000 + 238 600)		1
	=	26 800	X	100
		359 600		1
	=	7.45%		
Comments:				
Decrease from 11.78% (last year) to 7.45% (this year).				
Net profit on turnover decreased by 4.33%.				
Situation unfavourable.				
Investigate expenses.				
Reduce expenses.				
Remove unnecessary expenses.				

2. Acid test ratio (last year)				
Formula:	=	Current assets – Inventory	:	Current liabilities
Calculation:	=	107 400 – 51 600	:	61 000
	=	55 800	:	61 000
	=	55 800	:	61 000
		61 000		61 000
	=	0.91	:	1

Acid test ratio (this year)			
Formula:	=	Current assets – Inventory	: Current liabilities
Calculation:	=	100 200 – 53 400	: 62 400
	=	46 800	: 62 400
		46 800	: 62 400
		62 400	: 62 400
	=	0.75	: 1
Comments:			
Trend is unfavourable.			
Standard norm is 1:1.			
Last year the ratio is reflected as 0.9:1 and this year as 0.75:1.			
There is an decrease in the ratio.			
Business liquidity is not sound.			
Short-term debts are not adequately covered.			

3. Trade payables settlement period			
Formula	=	Average trade payables	X 12
		Credit purchases	1
Calculation	=	(51 000 + 61 000)/2	X 12
		94 800 + 253 200 – 232 200 + 51 600 – 33 000	1
	=	112 000/2	X 12
		134 400	1
	=	56 000	X 12
		134 400	1
	=	5 months	

Trade payables settlement period				
Formula	=	Average trade payables	X	12
		Credit purchases		1
Calculation	=	(61 000 + 45 000)/2	X	12
		121 000 + 238 600 – 271 400 + 53 400 – 51 600		1
	=	106 000/2	X	12
		90 000		1
	=	53 000	X	12
		90 000		1
	=	7.1 months		
Comments:				
Increase from 5 months (last year) to 7.1 months (this year).				
An increase of 2.1 months.				
The expected trade payables settlement period is 90 days.				
The trend is unfavourable.				
Ratio is poor based on general norms and compared with industry averages.				
There has been a delay in payment of creditors.				
Avoid interest being charged on accounts.				
Use early payment terms to your advantage.				

4. Inventory turnover rate (last year)				
Formula	=	Cost of sales		
		Average inventory		
Calculation	=	232 200		
		(33 000 + 51 600)/2		
	=	232 200		
		42 300		
	=	5.49 times		

Inventory turnover rate (this year)		
Formula	=	Cost of sales
		Average inventory
Calculation	=	271 400
		(51 600 + 53 400)/2
	=	271 400
		52 500
	=	5.17 times
Comments:		
There is a decrease from 5.49 times last year to 5.17 times this year.		
Average inventory turnover rate for the industry is 5 times a year.		
Inventory turnover rate is above industry.		
Debt equity.		

Debt equity ratio (last year)				
Formula	=	Total liabilities	:	Owner's equity
Calculation	=	(55000+61000)	:	85400
	=	116000		85400
	=	116000	:	85400
		85400		85400
	=	1.36	:	1.00
Comments:				
The standard norm is 1 : 1.				
The trend is unfavourable since it is above 1.0				
The situation is not sound.				
There is a risk of bankruptcy.				

Debt equity ratio (this year)			
Formula	=	Total liabilities	: Owner's equity
Calculation	=	(57000+62400)	: 78800
	=	119400	: 78800
	=	119400	: 73800
		73800	73800
	=	1.62	: 1.00
Comments:			
The standard norm is 1 : 1.			
The trend is unfavourable since it is above 1.0			
The situation is not sound.			
There is a risk of bankruptcy.			
Situation deteriorated since previous year.			



Activity 5.13

SB page 215

SOLUTION

BIRTHDAY SURPRISE GIFT SHOP

1.1 Inventory turnover rate			
Formula	=	Cost of sales	
		Average inventory	
Calculation	=	700 000	
		(160 000 + 182 000)/2	
	=	700 000	
		170 000	
	=	4.1 times	
Comments:			
Trend is unfavourable.			
The inventory turnover rate is below industries' as a whole.			

1.2 Trade receivables collection period				
Formula	=	Average trade receivables	X	12
		Credit sales		1
Calculation	=	(90 000 + 105 000)/2	X	12
		1 050 000 X 60%		1
	=	97 500	X	12
		630 000		1
	=	44 800	X	12
		242 000		1
	=	1.9 months		
Comments:				
The average trade receivables collection period for the industry is 60 days.				
The trend was favourable.				

1.3 Acid test ratio (this year)				
Formula:	=	Current assets – Inventory	:	Current liabilities
Calculation:	=	105 000 + 25 000 + 1 000	:	60 000
	=	131 000	:	60 000
		131 000	:	60 000
		60 000	:	60 000
	=	2.2	:	1
Comments:				
Trend is favourable.				
Standard norm is 1:1.				
Business liquidity is sound.				
Short-term debts are adequately covered.				
Debt equity.				

Debt equity ratio (last year)			
Formula	=	Total liabilities	: Owner's equity
Calculation	=	(70000+90000)	: 600000
	=	160000	: 600000
	=	160000	: 600000
		600000	600000
	=	0.27	: 1.00
Comments:			
The standard norm is 1 : 1.			
Trend is favourable.			
The situation is sound.			
No risk of bankruptcy.			

Debt equity ratio (this year)			
Formula	=	Total liabilities	: Owner's equity
Calculation	=	(60000+85000)	: 647000
	=	145000	: 647000
	=	145000	: 647000
		647000	647000
	=	1.22	: 1.00
Comments:			
The standard norm is 1 : 1.			
Trend is favourable.			
The situation is sound.			
No risk of bankruptcy.			
Improvement from previous year.			



Activity 5.14

SOLUTION

JAMES BOND

1.1 Gross profit percentage on turnover				
Formula	=	Gross profit	X	100
		Turnover		1
Calculation	=	165 600	X	100
		310 000		1
	=	53%		
Comments:				
Trend is favourable.				

1.2 Net profit percentage on turnover (this year)				
Formula	=	Net profit	X	100
		Turnover		1
Calculation	=	97 600	X	100
		310 000		1
	=	31.5%		
Comment:				
Trend is favourable.				

1.3 Inventory turnover rate				
Formula	=	Cost of sales		
		Average inventory		
Calculation	=	144 400		
		(720 400 + 48 000)/2		
	=	144 400		
		60 200		
	=	2.39 times		
Comments:				
Trend is unfavourable.				
The inventory turnover rate is below industries' as a whole.				
Debt equity.				

Debt equity ratio			
Formula	=	Total liabilities	: Owner's equity
Calculation	=	8800	: (163600+97600-60000)
	=	8800	201200
	=	8800	: 201200
		201200	201200
	=	0.04	: 1.00
Comments:			
The standard norm is 1 : 1.			
Trend is favourable.			
The situation is sound.			
No risk of bankruptcy.			



Activity 5.15

SB page 217

SOLUTION

PARAGLIDE

1.1 Current ratio			
Formula:	=	Current assets	: Current liabilities
Calculation	=	17 300 + 700 + 12 600 + 134 900	: 8 800
	=	165 500	: 8 800
		8 800	8 800
	=	18.8	: 1
Comments:			
Ratio is favourable.			
Commercial banks expect a ratio of 2:1 for overdraft facilities.			

1.2 Acid test ratio			
Formula:	=	Current assets – Inventory	: Current liabilities
Calculation:	=	165 500 – 134 900	: 8 800
	=	30 600	: 8 800
		30 600	: 8 800
		8 800	8 800
	=	3.48	: 1
Comments:			
Trend is favourable.			
Standard norm is 1:1.			
Business liquidity is sound.			
Short-term debts are adequately covered.			



Summative assessment 5.1

SB page 218

SOLUTION

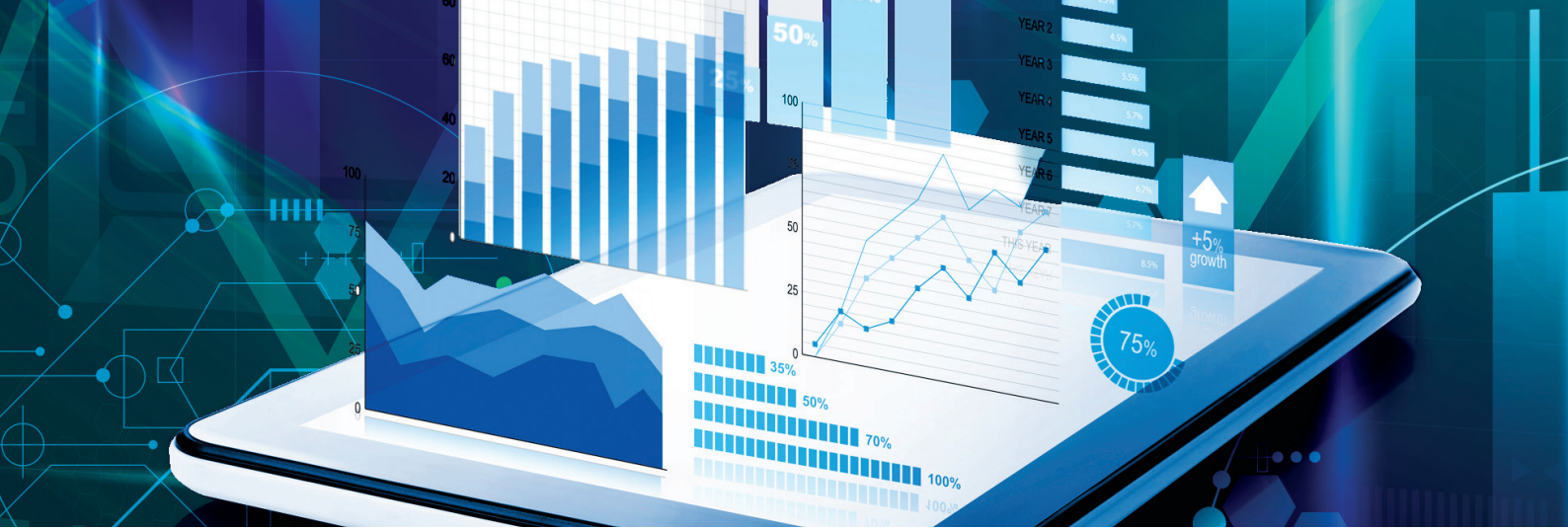
1.1 Net profit percentage on turnover (this year)				
Formula	=	Net profit	X	100
		Turnover		1
Calculation	=	Gross profit – Total expenses	X	100
		Turnover		1
	=	255 000 – 111 000	X	100
		800 000		1
	=	144 000	X	100
		800 000		1
	=	0.18	X	100
	=	18%		
Comments:				
Trend is unfavourable.				
Net profit returns are lower than that of the industry.				
Investigate expenses. It seems as if the soaring overhead costs are a problem for the business.				
Reduce expenses.				
Remove unnecessary expenses.				

1.2 Trade receivables collection period (this year)				
Formula	=	Average trade receivables	X	365
		Credit sales		1
Calculation	=	(135 000 + 165 000)/2	X	365
		(85% X 800 000)		1
	=	150 000	X	365
		680 000		1
	=	80.51 days		
Comments:				
The average trade receivables collection period for the industry is 60 days.				
Trend is unfavourable this year.				
Encourage customers to pay regularly and on time.				
Provide incentives, e.g. discount for early payments.				
Charge interest on overdue accounts.				

1.3 Inventory turnover rate				
Formula	=	Cost of sales		
		Average inventory		
Calculation	=	Sales – Gross profit		
		(87 000 + 62 000)/2		
	=	800 000 – 255 000		
		74 500		
	=	545 000		
		74 500		
	=	7.32 times		
Comments:				
Trend is favourable.				
The business inventory turns are in excess of the industries' as a whole.				
Could be attributed to an improved liquidity position.				
Average inventory turnover rate for the industry is 6 times a year.				
Inventory turnover rate is above industry.				

1.4 Trade payables settlement period			
Formula	=	Average trade payables	X 12
		Credit purchases	1
Calculation	=	(105 000 + 95 000)/2	X 12
		95% X (800 000 – 87 000 + 62 000 – 255 000)	1
	=	100 000	X 12
		494 000	1
	=	0.2024	X 12
	=	2.43 months	
Comments:			
The expected trade payables settlement period is 90 days.			
The trend is favourable.			
Ratio is good based on general norms and compared with industry averages.			
Continue the practice of paying debts before the end of the settlement period to avoid interest.			
Debt equity.			

Debt equity ratio			
Formula	=	Total liabilities	: Owner's equity
Calculation	=	(135000+105000)	: 498000
	=	240000	: 498000
	=	240000	: 498000
		498000	: 498000
	=	0.48	: 1.00
Comments:			
The standard norm is 1 : 1.			
The trend is favourable.			
The situation is sound.			
No risk of bankruptcy.			



Module 6

Financial reports (Report Writer) on an accounting package (Pastel Partner)



After completing this module, the student will be able to:

LEARNING CONTENT	LEARNING OUTCOMES
6.1 The setting of the necessary computer parameters for opening a new set of accounts	6.1 Create the required parameters for opening a new set of accounts.
6.2 The set-up of General Ledger accounts with codes and parameters	6.2 Create the necessary structure for General Journal with the relevant codes and parameters.
6.3 Creating of General Ledger accounts with codes and parameters	6.3 Identify relevant codes and parameters for accounts and do the input to these accounts.
6.4 Input of balances for General Ledger accounts	6.4 Process the take on balances from the given balances in the General journal.
6.5 Processing of General Journal and updating to the General Ledger	6.5 Process and print the General journal with contras, General Journal entry type details.
6.6 Input of standard parameters for compilation of financial and management reports on a General Ledger Report Writer of an accounting package	6.6 Input of standard parameters for compilation of financial and management reports on a General Ledger Report Writer of an accounting package.
6.7 Preparation and presentation of computerised financial and management reports	6.7 Prepare financial and management reports at the end of the accounting period. 6.7.1 Print (Run) the reports. 6.7.2 Create, Edit, Delete and Print the report format.
6.8 Export (transfer) of Report Writer data from an accounting package to spreadsheet	6.8 Export (transfer) Report Writer data from an accounting package to spreadsheet. 6.8.1 Edit and print the exported data.



Activity 6.1

SOLUTION

General Journal batch listing

Per	Date	GCS	Account	Reference	Description	Project	Debit	Credit	Contra
12	28/02/2023	G	5100/000 – Capital	GJ12	Balance			300 000.00	
12	28/02/2023	G	5200/000 – Retained Income	GJ12	Balance			48 360.00	
12	28/02/2023	G	5400/000 – Drawings	GJ12	Balance		37 478.00		
12	28/02/2023	G	6200/010 – Vehicles: Cost	GJ12	Balance		119 342.00		
12	28/02/2023	G	6200/020 – Vehicles: Accumulated Depreciation	GJ12	Balance			51 342.00	
12	28/02/2023	G	6300/010 – Equipment: Cost	GJ12	Balance		179 670.00		
12	28/02/2023	G	6300/020 – Equipment: Accumulated Depreciation	GJ12	Balance			71 956.00	
12	28/02/2023	G	7100/000 – Fixed Deposit: MY Bank (16% pa)	GJ12	Balance		96 000.00		
12	28/02/2023	G	7700/000 – Trading Stock	GJ12	Balance		89 856.00		
12	28/02/2023	G	8000/000 – Customers Control	GJ12	Balance		12 602.00		
12	28/02/2023	G	8400/000 – Bank	GJ12	Balance		31 868.00		
12	28/02/2023	G	8410/000 – Petty Cash	GJ12	Balance		986.00		
12	28/02/2023	G	9000/000 – Suppliers Control	GJ12	Balance			19 270.00	
12	28/02/2023	G	9200/000 – Loan: RSA Bank (21% pa)	GJ12	Balance			76 874.00	

ENTRY TYPE DETAILS

Entry Type Details: 01/02/23 to 28/02/23								
Date	Account	Name	Reference	Description	Tax	Typ	Tax	Amount
Contra Acc (if Available)	Batch ID (if Available)							
Entry Type 1 – General Journal								
28/02/23	5100/000	1	JNL12	Balance	00			-300 000.00
28/02/23	5200/000	1	JNL12	Balance	00			-48 360.00
28/02/23	5400/000	1	JNL12	Balance	00			37 478.00
28/02/23	6200/010	1	JNL12	Balance	00			119 342.00
28/02/23	6200/020	1	JNL12	Balance	00			-51 342.00
28/02/23	6300/010	1	JNL12	Balance	00			179 670.00
28/02/23	6300/020	1	JNL12	Balance	00			-71 956.00
28/02/23	7100/000	1	JNL12	Balance	00			96 000.00
28/02/23	7700/000	1	JNL12	Balance	00			89 856.00
28/02/23	8000/000	1	JNL12	Balance	00			12 602.00
28/02/23	8400/000	1	JNL12	Balance	00			31 868.00
28/02/23	8410/000	1	JNL12	Balance	00			986.00
28/02/23	9000/000	1	JNL12	Balance	00			-19 270.00
28/02/23	9200/000	1	JNL12	Balance	00			-76 874.00
Total for Entry Type 1 : General Journal								0.00



Activity 6.2
(TAPHENI)

QUESTION 4

LAST YEAR General Journal batch listing

Per	Date	GCS	Account	Reference	Description	Project	Debit	Credit	Contra
12	31/12/21	G	0001/000 – Sales	CB12	Closing Balance			262 300.00	
12	31/12/21	G	2700/000 – Discount Received	CB12	Closing Balance			630.00	
12	31/12/21	G	2750/000 – Interest Received	CB12	Closing Balance			1 300.00	
12	31/12/21	G	2800/000 – Commission Received	CB12	Closing Balance			22 100.00	
12	31/12/21	G	2850/000 – Rent Received	CB12	Closing Balance			18 000.00	
12	31/12/21	G	1050/000 – Opening Stock	CB12	Closing Balance		19 700.00		
12	31/12/21	G	2000/000 – Stock Purchases	CB12	Closing Balance		99 700.00		
12	31/12/21	G	2050/000 – Closing Stock	CB12	Closing Balance			30 400.00	
12	31/12/21	G	3450/000 – Depreciation	CB12	Closing Balance		1 500.00		
12	31/12/21	G	3650/000 – Water and Electricity	CB12	Closing Balance		15 900.00		
12	31/12/21	G	3850/000 – Insurance	CB12	Closing Balance		6 000.00		
12	31/12/21	G	4200/000 – Stationery	CB12	Closing Balance		11 000.00		
12	31/12/21	G	4300/000 – Rent Paid	CB12	Closing Balance		12 000.00		
12	31/12/21	G	4400/000 – Wages	CB12	Closing Balance		60 000.00		
12	31/12/21	G	4600/000 – Telephone	CB12	Closing Balance		12 700.00		
12	31/12/21	G	5100/000 – Capital	CB12	Closing Balance			275 370.00	
12	31/12/21	G	6300/000 – Equipment	CB12	Closing Balance		310 200.00		
12	31/12/21	G	7700/000 – Trading Stock	CB12	Closing Balance		30 400.00		
12	31/12/21	G	8400/000 – Bank	CB12	Closing Balance		31 000.00		

QUESTION 6

General Journal batch listing

Per	Date	GCS	Account	Reference	Description	Project	Debit	Credit	Contra
12	31/12/22	G	0001/000 – Sales	CB12	Closing Balance			278 200.00	
12	31/12/22	G	2700/000 – Discount Received	CB12	Closing Balance			920.00	
12	31/12/22	G	2750/000 – Interest Received	CB12	Closing Balance			2 400.00	
12	31/12/22	G	2800/000 – Commission Received	CB12	Closing Balance			12 900.00	
12	31/12/22	G	2850/000 – Rent Received	CB12	Closing Balance			24 000.00	
12	31/12/22	G	1050/000 – Opening Stock	CB12	Closing Balance		30 400.00		
12	31/12/22	G	2000/000 – Stock Purchases	CB12	Closing Balance		120 600.00		
12	31/12/22	G	2050/000 – Closing Stock	CB12	Closing Balance			35 800.00	
12	31/12/22	G	3450/000 – Depreciation	CB12	Closing Balance		1 500.00		
12	31/12/22	G	3650/000 – Water and Electricity	CB12	Closing Balance		17 400.00		
12	31/12/22	G	3850/000 – Insurance	CB12	Closing Balance		6 000.00		
12	31/12/22	G	4200/000 – Stationery	CB12	Closing Balance		15 900.00		
12	31/12/22	G	4300/000 – Rent Paid	CB12	Closing Balance		18 000.00		
12	31/12/22	G	4400/000 – Wages	CB12	Closing Balance		72 000.00		
12	31/12/22	G	4600/000 – Telephone	CB12	Closing Balance		9 400.00		
12	31/12/22	G	5100/000 – Capital	CB12	Closing Balance			5 000.00	
12	31/12/22	G	6300/000 – Equipment	CB12	Closing Balance		40 200.00		
12	31/12/22	G	7700/000 – Trading Stock	CB12	Closing Balance		5 400.00		
12	31/12/22	G	8400/000 – Bank	CB12	Closing Balance		22 420.00		

QUESTION 7

**INCOME STATEMENT FOR THE YEAR
ENDING 31/12/22**

	This year Rand	Last year Rand
Turnover for the year	314,000.00	292,700.00
Less: Cost of Sales	151,000.00	119,400.00
Opening Stock	30,400.00	19,700.00
Add: Stock Purchases	120,600.00	99,700.00
	151,000.00	119,400.00
Less: Closing Stock	<35,800.00>	<30,400.00>
GROSS PROFIT	163,000.00	173,300.00
Add: OTHER INCOME	40,220.00	42,030.00
Discount Received	920.00	630.00
Interest Received	2,400.00	1,300.00
Commission Received	12,900.00	22,100.00
Rent Received	24,000.00	18,000.00
GROSS INCOME	203,220.00	215,330.00
Less: EXPENSES	140,200.00	119,100.00
Depreciation	1,500.00	1,500.00
Water and Electricity	17,400.00	15,900.00
Insurance	6,000.00	6,000.00
Stationery	15,900.00	11,000.00
Rent Paid	18,000.00	12,000.00
Wages	72,000.00	60,000.00
Telephone	9,400.00	12,700.00
NET PROFIT FOR THE YEAR	63,020.00	96,230.00



Assignment 6.1
SOLUTION

SB page 255

REPORT WRITER: BALANCE SHEET

REPORT PRINTOUT

BALANCE SHEET
ENDING 28/02/23

	Note	This year Rand
ASSETS		
NON-CURRENT ASSETS		
		271,714.00
Vehicles, Equipment	1	175,714.00
Other Financial Assets	2	<u>96,000.00</u>
CURRENT ASSETS		
		135,312.00
Stock	3	89,856.00
Trade Receivables	4	12,602.00
Cash and -equivalents	5	<u>32,854.00</u>
TOTAL ASSETS		<u><u>407,026.00</u></u>
EQUITY AND LIABILITIES		
CAPITAL		
		310,882.00
NON-CURRENT LIABILITIES		
		76,874.00
Interest bearing Loans	7	<u>76,874.00</u>
CURRENT LIABILITIES		
		19,270.00
Trade Payables	8	<u>19,270.00</u>
TOTAL EQUITY + LIABILITES		<u><u>407,026.00</u></u>

REPORT FORMAT

Report Headings

1 BALANCE SHEET

2 ENDING #E

3

4

Index Description

BALANCE SHEET

Print Options

Omit Standard Headings N

Report Format

Report Type U

Decimals to Use No Rounding

Note Reference Column Y

Col	Amt	Typ	From	To	Heading 1	Heading 2	A/C	No.	Description
01	T	R	-11	0	This year	Rand	A		
Sk	Prt	DC	Sup	Description	Formula	Note	No.	Act	
1	R	D	N	ASSETS					
1	R	D	N	NON-CURRENT ASSETS	CT02+CT03			1	A
1	L	D	N	Vehicles, Equipment	CT02	1			
1	L	D	N	Other Financial Assets	CT03	2			
1	L	D	N	_SC					
1	R	D	N	CURRENT ASSETS	CT04			1	A
1	L	D	N	Stock	ACC7700000	3			
1	L	D	N	Trade Receivables	ACC8000000	4			
1	L	D	N	Cash and -equivalents	ACC8400000+ACC8410000	5			
1	L	D	N	_XC					
1	R	D	N	TOTAL ASSETS	TOT1				
1	R	D	N	_DC					
2	R	C	N	EQUITY AND LIABILITIES					
1	R	C	N	CAPITAL	CT01	6		2	A
2	R	C	N	NON-CURRENT LIABILITIES	CT05			2	A
1	L	C	N	Interest bearing Loans	ACC9200000	7			
1	L	C	N	_SC					
1	R	C	N	CURRENT LIABILITIES	CT06			2	A
1	L	C	N	Trade Payables	ACC9000000	8			
1	L	C	N	_XC					
1	R	C	N	TOTAL EQUITY + LIABILITIES	TOT2				
1	R	C	N	_DC					
1	R	C	N	_DL					

(TOYS)

QUESTION 1.1.3

Per	Date	GCS	Account	Reference	Description	Project	Debit	Credit	Contra
✓ 12	30/06/2022	G	0001/000 – Sales	GJ12	Balance			1 027 150.00	
✓ 12	30/06/2022	G	1050/000 – Opening Stock	GJ12	Balance	231 000.00			
✓ 12	30/06/2022	G	2000/000 – Stock Purchases	GJ12	Balance	540 000.00			
✓ 12	30/06/2022	G	2050/000 – Closing Stock	GJ12	Balance		166 250.00		
✓ 12	30/06/2022	G	2750/000 – Interest Income	GJ12	Balance		3 650.00		
✓ 12	30/06/2022	G	2800/000 – Rent Income	GJ12	Balance		90 000.00		
✓ 12	30/06/2022	G	3050/000 – Advertising	GJ12	Balance	22 250.00			
✓ 12	30/06/2022	G	3650/000 – Electricity and Water	GJ12	Balance	34 500.00			
✓ 12	30/06/2022	G	3850/000 – Insurance	GJ12	Balance	30 000.00			
✓ 12	30/06/2022	G	4200/000 – Printing and Stationery	GJ12	Balance	6 000.00			
✓ 12	30/06/2022	G	4300/000 – Rent Expense	GJ12	Balance	45 000.00			
✓ 12	30/06/2022	G	4600/000 – Telephone	GJ12	Balance	36 000.00			
✓ 12	30/06/2022	G	5100/000 – Capital	GJ12	Balance		467 650.00		
✓ 12	30/06/2022	G	5400/000 – Drawings	GJ12	Balance	115 500.00			
✓ 12	30/06/2022	G	6200/000 – Motor Vehicles	GJ12	Balance	550 000.00			
✓ 12	30/06/2022	G	7700/000 – Trading Stock	GJ12	Balance	166 250.00			
✓ 12	30/06/2022	G	8000/000 – Customer Control	GJ12	Balance	115 800.00			
✓ 12	30/06/2022	G	8400/000 – Bank	GJ12	Balance		58 000.00		
✓ 12	30/06/2022	G	9000/000 – Supplier Control	GJ12	Balance		79 600.00		
✓ 21	✓ 22			✓ 23	✓ 24				(24)

QUESTION 1.1.5

General Ledger Master Listing

Account	RW Cat	Default Tax Mode	Tax Code	Blocked	External Reference	No. of Notes		
Financial Category : B10 – Share Capital								
5100/000 Capital	1	No tax type Default	00	No		0		
5400/000 Drawings	1	No tax type Default	00	No		0	✓	1
Financial Category : B15 – Retained Income								
5200/000 Retained Income	1	No tax type Default	00	No		0	✓	2
Financial Category : B35 – Fixed Assets								
6200/000 Motor Vehicles	2	No tax type Default	00	No		0	✓	3
Financial Category : B50 – Inventory								
7700/000 Trading Stock	3	No tax type Default	00	No		0	✓	4
Financial Category : B55 – Accounts Receivable								
8000/000 Customers Control	2	No tax type Default	00	No		0	✓	5
Financial Category : B60 – Bank								
8400/000 Bank	3	No tax type Default	00	No		0	✓	6
Financial Category : B70 – Accounts Payable								
9000/000 Supplier Control	4	No tax type Default	00	No		0	✓	7
Financial Category : I10 – Sales								
0001/000 Sales	7	No tax type Default	00	No		0	✓	8
Financial Category : I15 – Cost of Sales								
1050/000 Opening Stock	5	No tax type Default	00	No		0		
2000/000 Purchases	5	No tax type Default	00	No		0		
2050/000 Closing Stock	5	No tax type Default	00	No		0	✓	9
Financial Category : I20 – Other Income								
2750/000 Interest Income	8	No tax type Default	00	No		0		
2800/000 Rent Income	8	No tax type Default	00	No		0	✓	10
Financial Category : I25 – Expenses								
3050/000 Advertising	6	No tax type Default	00	No		0		
3650/000 Electricity and Water	6	No tax type Default	00	No		0		
3850/000 Insurance	6	No tax type Default	00	No		0		
4200/000 Printing and Stationery	6	No tax type Default	00	No		0		
4300/000 Rent Expense	6	No tax type Default	00	No		0		
4600/000 Telephone	6	No tax type Default	00	No		0	✓	10
							✓	(11)

TOTAL: 35



Activity 6.3
(KARIEM)

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General Ledger Master Listing

Account		RW Cat	Default Tax Mode	Tax Code	Blocked	External Reference	No. of Notes
Financial Category : B10 – Share Capital							
5100/000	Capital	10	No tax type Default	0	No		0
5400/000	Drawings	10	No tax type Default	0	No		0
Financial Category : B15 – Retained Income							
5200/000	Retained Income	10	No tax type Default	0	No		0
Financial Category : B25 – Long Term Borrowings							
9200/000	Loan: ABBA (22% pa)	11	No tax type Default	0	No		0
Financial Category : B35 – Fixed Assets							
6200/000	Vehicles	5	No tax type Default	0	No		0
6200/010	Vehicles: Cost	5	No tax allowed	0	No		0
6200/020	Vehicles: Accumulated Depreciation	5	No tax allowed	0	No		0
6300/000	Equipment	5	No tax type Default	0	No		0
6300/010	Equipment: Cost	5	No tax allowed	0	No		0
6300/020	Equipment: Accumulated Depreciation	5	No tax allowed	0	No		0
Financial Category : B40 – Investments							
7100/000	Fixed Deposit: MY Bank (19% pa)	6	No tax type Default	0	No		0
Financial Category : B50 – Inventory							
7700/000	Trading Stock	7	No tax type Default	0	No		0
7750/000	Consumable Goods on Hand	7	No tax type Default	0	No		0
Financial Category : B55 – Accounts Receivable							
8000/000	Customers Control	9	No tax type Default	0	No		0
8050/000	Prepaid Expenses	9	No tax type Default	0	No		0
8100/000	Income Receivable	9	No tax type Default	0	No		0
Financial Category : B60 – Bank							
8400/000	Bank	8	No tax type Default	0	No		0
8410/000	Petty Cash	8	No tax type Default	0	No		0
Financial Category : B70 – Accounts Payable							
9000/000	Suppliers Control	12	No tax type Default	0	No		0
9050/000	Expenses Payable	12	No tax type Default	0	No		0
9100/000	Income Received in Advance	12	No tax type Default	0	No		0
Financial Category : I10 – Sales							
0001/000	Sales	3	No tax type Default	0	No		0
Financial Category : I15 – Cost of Sales							
1050/000	Opening Stock	4	No tax type Default	0	No		0
2000/000	Purchases	4	No tax type Default	0	No		0
2050/000	Closing Stock	4	No tax type Default	0	No		0
Financial Category : I20 – Other Income							
2750/000	Interest Received	1	No tax type Default	0	No		0
2800/000	Interest on Fixed Deposit	1	No tax type Default	0	No		0
Financial Category : I25 – Expenses							
3050/000	Advertisements	2	No tax type Default	0	No		0
3450/000	Depreciation	2	No tax type Default	0	No		0
3550/000	Discount Allowed	2	No tax type Default	0	No		0
3600/000	Donations	2	No tax type Default	0	No		0
3650/000	Water and Electricity	2	No tax type Default	0	No		0
4200/000	Stationery	2	No tax type Default	0	No		0
4300/000	Rent Paid	2	No tax type Default	0	No		0
4400/000	Salaries and Wages	2	No tax type Default	0	No		0
4600/000	Telephone	2	No tax type Default	0	No		0

INSTRUCTION 1

General Journal batch listing

Per	Date	GCS	Account	Reference	Description	Project	Debit	Credit	Contra
12	28/12/23	G	0001/000 – Sales	JNL12	Balance			260 900.00	
12	28/12/23	G	2000/000 – Purchases	JNL12	Balance		140 970.00		
12	28/12/23	G	2750/000 – Interest Received	JNL12	Balance			2 620.00	
12	28/12/23	G	2800/000 – Interest on Fixed Deposit	JNL12	Balance			2 375.00	
12	28/12/23	G	3050/000 – Advertisements	JNL12	Balance		5 380.00		
12	28/12/23	G	3550/000 – Discount Allowed	JNL12	Balance		3 290.00		
12	28/12/23	G	3600/000 – Donations	JNL12	Balance		820.00		
12	28/12/23	G	3650/000 – Water and Electricity	JNL12	Balance		8 320.00		
12	28/12/23	G	4200/000 – Stationery	JNL12	Balance		890.00		
12	28/12/23	G	4300/000 – Rent Paid	JNL12	Balance		6 000.00		
12	28/12/23	G	4400/000 – Salaries and Wages	JNL12	Balance		64 530.00		
12	28/12/23	G	4600/000 – Telephone	JNL12	Balance		9 320.00		
12	28/12/23	G	5100/000 – Capital	JNL12	Balance			261 255.00	
12	28/12/23	G	5400/000 – Drawings	JNL12	Balance		30 730.00		
12	28/12/23	G	6200/010 – Vehicles: Cost	JNL12	Balance		250 000.00		
12	28/12/23	G	6200/020 – Vehicles: Accumulated Depreciation	JNL12	Balance			40 630.00	
12	28/12/23	G	6300/010 – Equipment: Cost	JNL12	Balance		89 770.00		
12	28/12/23	G	6300/020 – Equipment: Accumulated Depreciation	JNL12	Balance			16 170.00	
12	28/12/23	G	7100/000 – Fixed Deposit: MY Bank (19% pa)	JNL12	Balance		15 000.00		
12	28/12/23	G	7700/000 – Trading Stock	JNL12	Balance		16 600.00		
12	28/12/23	G	8000/000 – Customers Control	JNL12	Balance		13 700.00		
12	28/12/23	G	8400/000 – Bank	JNL12	Balance		20 310.00		
12	28/12/23	G	8410/000 – Petty Cash	JNL12	Balance		1 000.00		
12	28/12/23	G	9000/000 – Suppliers Control	JNL12	Balance			12 680.00	
12	28/12/23	G	9200/000 – Loan: ABBA (22% pa)	JNL12	Balance			80 000.00	

INSTRUCTION 3

Stock Journal batch listing

Per	Date	GCS	Account	Reference	Description	Project	Debit	Credit	Contra
1	01/03/22	G	1050/000 – Opening Stock	SJ12	Transfer of opening stock		16 600.00		7700/000
12	28/12/23	G	7700/000 – Trading Stock	SJ12	Transfer of closing stock		60 800.00		2050/000

INSTRUCTION 5

General Journal batch listing

Per	Date	GCS	Account	Reference	Description	Project	Debit	Credit	Contra
12	28/12/23	G	8100/000 – Income Receivable	ADJ12	15000*19% = 2850-2375		475.00		2800/000
12	28/12/23	G	7750/000 – Consumable Goods on Hand	ADJ12	Stationery on hand		580.00		4200/000
12	28/12/23	G	3600/000 – Donations	ADJ12	Donation to primary school		600.00		9050/000
12	28/12/23	G	8050/000 – Prepaid Expenses	ADJ12	R300 paid in advance		300.00		3050/000
12	28/12/23	G	4600/000 – Telephone	ADJ12	Not paid for period 12		1 100.00		9050/000
12	28/12/23	G	2750/000 – Interest Received	ADJ12	Received for next year		490.00		9100/000
12	28/12/23	G	3450/000 – Depreciation	ADJ12	(250000-40630)*10%=20937		20 940.00		6200/020
12	28/12/23	G	3450/000 – Depreciation	ADJ12	89770*8%=7181.60		7 180.00		6300/020
12	28/12/23	G	8050/000 – Prepaid Expenses	ADJ12	Storage room paid for March		1 000.00		4300/000

INSTRUCTION 7

FINANCIAL STATEMENTS ON 28/02/23

	Note	RAND
INCOME STATEMENT		
TURNOVER FOR THE YEAR		260,900.00
LESS: COST OF SALES		96,770.00
Opening Stock	16,600.00	
Purchases	140,970.00	
	157,570.00	
Closing Stock	60,800.00	
GROSS PROFIT		164,130.00
Add: OTHER INCOME		4,980.00
Interest Received	2,130.00	
Interest on Fixed Deposit	2,850.00	
GROSS INCOME		169,110.00
LESS: EXPENSES		126,490.00
Advertisements	5,080.00	
Depreciation	28,120.00	
Discount Allowed	3,290.00	
Donations	1,420.00	
Water and Electricity	8,320.00	
Stationery	310.00	
Rent Paid	5,000.00	
Salaries and Wages	64,530.00	
Telephone	10,420.00	
NET PROFIT FOR THE YEAR		42,620.00



Activity 6.4
(SHOPS)

GENERAL LEDGER ACCOUNTS LISTINGS

Account	Financial Category	RW Cat	Default Tax Mode	Tax Code	Blocked	External Reference	No. of Notes
General Ledger Master Listing							
Financial Category : B10 – Share Capital							
5100/000	Capital	1	No tax type Default	00	No		0
5200/000	Retained Income	1	No tax type Default	00	No		0
5400/000	Drawings	1	No tax type Default	00	No		0
Financial Category : B35 – Fixed Assets							
6350/000	Furniture	3	No tax type Default	00	No		0
6350/010	Furniture: Cost	3	No tax allowed	00	No		0
6350/020	Furniture: Accumulated Depreciation	3	No tax allowed	00	No		0
Financial Category : B40 – Investments							
7100/000	Fixed Deposit: Old Bank (8.5% pa)	4	No tax type Default	00			
Financial Category : B50 – Inventory							
7700/000	Inventory	5	No tax type Default	00	No		0
Financial Category : B55 – Accounts Receivable							
8000/000	Customers Control	5	No tax type Default	00	No		0
8050/000	Provision for Bad Debts	5	No tax type Default	00	No		0
Financial Category : B60 – Bank							
8400/000	Bank	5	No tax type Default	00	No		0
8410/000	Petty Cash	5	No tax type Default	00	No		0
Financial Category : B70 – Accounts Payable							
9000/000	Supplier Control	6	No tax type Default	00	No		0
9100/000	Accrued Expenses	6	No tax type Default	00	No		0
9200/000	Income Received in Advance	6	No tax type Default	00	No		0
Financial Category : 115 – Cost of Sales							
1050/000	Opening Stock	7	No tax type Default	00	No		0
2050/000	Closing Stock	7	No tax type Default	00	No		0

GENERAL JOURNAL

General Journal batch listing

Per	Date	GCS	Account	Reference	Description	Project	Debit	Credit	Contra
1	01/07/2022	G	5100/000 – Capital	GJ01	Balance			1 365 000.00	
1	01/07/2022	G	5200/000 – Retained Income	GJ01	Balance			998 325.00	
1	01/07/2022	G	5400/000 – Drawings	GJ01	Balance		308 700.00		
1	01/07/2022	G	6350/010 – Furniture: Cost	GJ01	Balance		1 080 750.00		
1	01/07/2022	G	6350/020 – Furniture: Accumulated Depreciation	GJ01	Balance			433 500.00	
1	01/07/2022	G	7100/000 – Fixed Deposit: Old Bank (8.5% pa)	GJ01	Balance		300 000.00		
1	01/07/2022	G	7700/000 – Inventory	GJ01	Balance		825 075.00		
1	01/07/2022	G	8000/000 – Customers Control	GJ01	Balance		134 100.00		
1	01/07/2022	G	8050/000 – Provision for Bad Debts	GJ01	Balance			12 000.00	
1	01/07/2022	G	8410/000 – Bank	GJ01	Balance		253 125.00		
1	01/07/2022	G	8410/000 – Petty Cash	GJ01	Balance		8 250.00		
1	01/07/2022	G	9000/000 – Suppliers Control	GJ01	Balance			74 850.00	
1	01/07/2022	G	9100/000 – Accrued Expenses	GJ01	Balance			11 475.00	
1	01/07/2022	G	9200/000 – Income Received in Advance	GJ01	Balance			14 850.00	

REPORT WRITER BALANCE SHEET

IDENTIFICATION NUMBER (#)
 MINI BALANCE SHEET ON 01/07/2022

	This year Rand
FIXED ASSETS	947,250.00
Furniture	
Furniture: Cost	1,080,750.00
Furniture: Accumulated Depreciation	<433,500.00>
Investment	<u>300,000.00</u>
 CURRENT ASSETS	 1,208,550.00
Inventory	825,075.00
Customers Control	134,100.00
Provision for Bad Debts	<12,000.00>
Bank	253,125.00
Petty Cash	<u>8,250.00</u>
 TOTAL ASSETS	 2,155,800.00
 OWNER'S EQUITY	 2,054,625.00
Capital	1,365,000.00
Retained Income	998,325.00
Drawings	<u><308,700.00></u>
 CURRENT LIABILITIES	 101,175.00
Suppliers Control	74,850.00
Accrued Expenses	11,475.00
Income Received in Advance	<u>14,850.00</u>
 TOTAL EQUITY AND LIABILITIES	 <u>2,155,800.00</u>

GENERAL JOURNAL

General Journal batch listing

Per	Date	GCS	Account	Reference	Description	Project	Debit	Credit	Contra
1	01/07/2022	G	1050/000 – Opening Stock	CT01	Transfer of opening stock		825 075.00		7700/000
1	01/07/2022	G	5200/000 – Retained Income	CT02	Transfer of net profit		998 325.00		5100/000
1	01/07/2022	G	5100/000 – Capital	CT03	Transfer of drawings		308 700.00		5400/000



Activity 6.5
(FASHION)

SB page 264

GENERAL LEDGER ACCOUNTS LISTINGS

Account	Financial Category	RW Cat	Default Tax Mode	Tax Code	Blocked	External Reference	No. of Notes
General Ledger Master Listing							
Financial Category : B10 – Share Capital							
5100/000	Capital	1	No tax type Default	00	No		0
5400/000	Drawings	1	No tax type Default	00	No		0
Financial Category : B15 – Retained Income							
5200/000	Retained Income	1	No tax type Default	00	No		0
Financial Category : B60 – Bank							
8400/000	Bank	2	No tax type Default	00	No		0
Financial Category : B70 – Accounts Payable							
9000/000	Suppliers Control	3	No tax type Default	00	No		0
Financial Category : I10 – Sales							
0001/000	Services Rendered	4	No tax type Default	00	No		0
Financial Category : I20 – Other Income							
2700/000	Discount Received	5	No tax type Default	00	No		0
2800/000	Commission Received	5	No tax type Default	00	No		0
Financial Category : I25 – Expenses							
3050/000	Advertising	6	No tax type Default	00	No		0
3350/000	Consumable Goods	6	No tax type Default	00	No		0
3650/000	Electricity and Water	6	No tax type Default	00	No		0
3850/000	Insurance	6	No tax type Default	00	No		0
4200/000	Printing and Stationery	6	No tax type Default	00	No		0
4300/000	Rent Paid	6	No tax type Default	00	No		0
4400/000	Salaries and Wages	6	No tax type Default	00	No		0
4600/000	Telephone	6	No tax type Default	00	No		0

GENERAL JOURNAL

General Journal batch listing

Per	Date	GCS	Account	Reference	Description	Project	Debit	Credit	Contra
12	30/06/23	G	5100/000 – Capital	BAL12	Balance			397 043.00	
12	30/06/23	G	5400/000 – Drawings	BAL12	Balance		142 600.00		
12	30/06/23	G	8400/000 – Bank	BAL12	Balance		437 000.00		
12	30/06/23	G	9000/000 – Suppliers Control	BAL12	Balance			107 180.00	
12	30/06/23	G	0001/000 – Services Rendered	BAL12	Balance			276 000.00	
12	30/06/23	G	2700/000 – Discount Received	BAL12	Balance			3 335.00	
12	30/06/23	G	2800/000 – Commission Received	BAL12	Balance			3 680.00	
12	30/06/23	G	3050/000 – Advertising	BAL12	Balance		11 742.00		
12	30/06/23	G	3350/000 – Consumable Goods	BAL12	Balance		29 900.00		
12	30/06/23	G	3650/000 – Electricity and Water	BAL12	Balance		15 456.00		
12	30/06/23	G	3850/000 – Insurance	BAL12	Balance		11 454.00		
12	30/06/23	G	4200/000 – Printing and Stationery	BAL12	Balance		4 100.00		
12	30/06/23	G	4300/000 – Rent Paid	BAL12	Balance		97 750.00		
12	30/06/23	G	4400/000 – Salaries and Wages	BAL12	Balance		35 426.00		
12	30/06/23	G	4600/000 – Telephone	BAL12	Balance		1 810.00		

REPORT WRITER PROFIT REPORT

Identification number (#)
 PROFIT REPORT
 ON 30/06/23

	Note	Actual This Year	Budget This Year	Budget Next Year
INCOME				
Services Rendered		-276000		
Discount Received		-3335		
Commission Received		-3680		
		<u>-283015</u>		
EXPENSES				
Advertising		11742		
Consumable Goods		29900		
Electricity and Water		15456		
Insurance		11454		
Printing and Stationery		4100		
Rent Paid		97750		
Salaries and Wages		35426		
Telephone		1810		
		<u>207638</u>		
NET PROFIT		-75377		

Question 7

	A	B	C
1	Identification number (#)		
2	PROFIT REPORT		
3	ON 30/06/23		
4		Note	Actual This Year
5			
6	INCOME		
7	Services Rendered	R	-276,000.00
8	Discount Received	R	-3,335.00
9	Commission Received	R	-3,680.00
10			
11		R	<u>-283,015.00</u>
12			
13	EXPENSES		
14	Advertising	R	11,742.00
15	Consumable Goods	R	29,900.00
16	Electricity and Water	R	15,456.00
17	Insurance	R	11,454.00
18	Printing and Stationery	R	4,100.00
19	Rent Paid	R	97,750.00
20	Salaries and Wages	R	35,426.00
21	Telephone	R	1,810.00
22			
23		R	<u>207,638.00</u>
24			
25	NET PROFIT	R	<u>-75,377.00</u>
26			

Identification number (#)
PROFIT REPORT
ON 30/06/23

	Note	Actual This Year
INCOME		
Services Rendered	R	-276,000.00
Discount Received	R	-3,335.00
Commission Received	R	-3,680.00
	R	-283,015.00
EXPENSES		
Advertising	R	11,742.00
Consumable Goods	R	29,900.00
Electricity and Water	R	15,456.00
Insurance	R	11,454.00
Printing and Stationery	R	4,100.00
Rent Paid	R	97,750.00
Salaries and Wages	R	35,426.00
Telephone	R	1,810.00
	R	207,638.00
NET PROFIT	R	-75,377.00



Activity 6.6

(VILLA)

SB page 270

GENERAL LEDGER ACCOUNTS LISTINGS

General Ledger Master Listing

Account		RW Cat	Default Tax Mode	Tax Code	Blocked	External Reference	No. of Notes
Financial Category : B10 – Share Capital							
5100/000	Capital	1	No tax type Default	00	No		0
5400/000	Drawings	1	No tax type Default	00	No		0
Financial Category : B15 – Retained Income							
5200/000	Retained Income	1	No tax type Default	00	No		0
Financial Category : B35 – Fixed Assets							
6200/000	Equipment	2	No tax type Default	00	No		0
Financial Category : B40 – Investments							
7100/000	Fixed Deposit (8% pa)	3	No tax type Default	00	No		0
Financial Category : B55 – Accounts Receivable							
8000/000	Customers Control	4	No tax type Default	00	No		0
8100/000	Prepaid Expenses	4	No tax type Default	00	No		0
8200/000	Accrued Income	4	No tax type Default	00	No		0
Financial Category : B60 – Bank							
8400/000	Bank	4	No tax type Default	00	No		0
Financial Category : B70 – Accounts Payable							
9000/000	Suppliers Control	5	No tax type Default	00	No		0
9100/000	Accrued Expenses	5	No tax type Default	00	No		0
9200/000	Income Received in Advance	5	No tax type Default	00	No		0
Financial Category : B80 – Other Current Liabilities							
9500/000	VAT Control	5	No tax type Default	00	No		0
Financial Category : I10 – Sales							
0001/000	Services Rendered	6	No tax type Default	00	No		0
0001/010	Services Rendered: Rooms	6	No tax type Default	00	No		0
0001/020	Services Rendered: Meals	6	No tax type Default	00	No		0
Financial Category : I15 – Cost of Sales							
2000/000	Costs	7	No tax type Default	00	No		0
2000/010	Costs: Rooms	7	No tax type Default	00	No		0
2000/020	Costs: Meals	7	No tax type Default	00	No		0
Financial Category : I20 – Other Income							
1000/000	Sundry Income	8	No tax type Default	00	No		0
2700/000	Interest on Fixed Deposit	8	No tax type Default	00	No		0
Financial Category : I25 – Expenses							
3050/000	Advertisements	9	No tax type Default	00	No		0
3650/000	Electricity and Water	9	No tax type Default	00	No		0
3850/000	Insurance	9	No tax type Default	00	No		0
4200/000	Stationery	9	No tax type Default	00	No		0
4400/000	Wages	9	No tax type Default	00	No		0
4600/000	Telephone	9	No tax type Default	00	No		0

GENERAL JOURNAL

General Journal batch listing

Per	Date	GCS	Account	Reference	Description	Project	Tx	Exclusive	Inclusive	Contra
12	31/12/22	G	0001/010 – Services Rendered: Rooms	OB12	Balance		00	2 235 000.00	2 235 000.00	C
12	31/12/22	G	0001/020 – Services Rendered: Meals	OB12	Balance		00	1 424 250.00	1 424 250.00	C
12	31/12/22	G	1000/000 – Sundry Income	OB12	Balance		00	12 000.00	12 000.00	C
12	31/12/22	G	2000/010 – Costs: Rooms	OB12	Balance		00	566 250.00	566 250.00	D
12	31/12/22	G	2000/020 – Costs: Meals	OB12	Balance		00	729 300.00	729 300.00	D
12	31/12/22	G	2700/000 – Interest on Fixed Deposit	OB12	Balance		00	6 000.00	6 000.00	C
12	31/12/22	G	3050/000 – Advertisements	OB12	Balance		00	11 625.00	11 625.00	D
12	31/12/22	G	3650/000 – Electricity and Water	OB12	Balance		00	47 100.00	47 100.00	D
12	31/12/22	G	3850/000 – Insurance	OB12	Balance		00	6 750.00	6 750.00	D
12	31/12/22	G	4200/000 – Stationery	OB12	Balance		00	8 250.00	8 250.00	D
12	31/12/22	G	4400/000 – Wages	OB12	Balance		00	255 750.00	255 750.00	D
12	31/12/22	G	4600/000 – Telephone	OB12	Balance		00	36 075.00	36 075.00	D
12	31/12/22	G	5100/000 – Capital	OB12	Balance		00	1 092 900.00	1 092 900.00	C
12	31/12/22	G	5400/000 – Drawings	OB12	Balance		00	135 000.00	135 000.00	D
12	31/12/22	G	6200/000 – Equipment	OB12	Balance		00	2 835 000.00	2 835 000.00	D
12	31/12/22	G	7100/000 – Fixed Deposit (8% pa)	OB12	Balance		00	82 500.00	82 500.00	D
12	31/12/22	G	8000/000 – Customers Control	OB12	Balance		00	4 650.00	4 650.00	D
12	31/12/22	G	8400/000 – Bank	OB12	Balance		00	66 000.00	66 000.00	D
12	31/12/22	G	9000/000 – Suppliers Control	OB12	Balance		00	14 100.00	14 100.00	C

GENERAL JOURNAL ADJUSTMENTS

General Journal batch listing

Per	Date	GCS	Account	Reference	Description	Project	Tx	Exclusive	Inclusive	Contra
12	31/12/22	G	3650/000 – Electricity and Water	ADJ/A	Outstanding for December		00	3 900.00	3 900.00	D 9100/000
12	31/12/22	G	8200/000 – Accrued Income	ADJ/B	82500*8%=6600-6000		00	600.00	600.00	D 2700/000
12	31/12/22	G	8100/000 – Prepaid Expenses	ADJ/C	(450*12)=5400-6750		00	1 350.00	1 350.00	D 3850/000
12	31/12/22	G	0001/010 – Services Rendered: Rooms	ADJ/D	Paid in advance		00	1 125.00	1 125.00	D 9200/000



Assignment 6.2
(TOYS)

SB page 273

REPORT: BALANCE SHEET

BOOKS OF TOYS	✓ 1			
Balance Sheet on 30/06/22	✓ 2			
Identification number (#)	✓ 3			
			Rand ✓ 4	
<hr/>				
				✓ 5
FIXED ASSETS	✓ 6		665,800.00	
Motor Vehicles	✓ 7 (2 accounts)	550,000.00		
Customer Control		<u>115,800.00</u>	✓ 8	
CURRENT ASSETS	✓ 9		282,050.00	
Trading Stock	✓ 10 (2 accounts)		166,250.00	
Bank				✓ 11 line
TOTAL ASSETS	✓ 12		<u><u>947,850.00</u></u>	✓ 13 line
OWNER'S EQUITY	✓ 14			
Capital	✓ 15 (4 accounts)		467,650.00	
Retained Income				
Drawings			✓ 16 <115,500.00>	
Net profit			<u>342,300.00</u>	✓ 17 line
			694,450.00	
CURRENT LIABILITIES	✓ 18		137,600.00	
Supplier Control	✓ 19 (2 accounts)	79,600.00		
Bank overdraft		<u>58,000.00</u>		✓ 20 line
TOTAL EQUITY AND LIABILITIES	✓ 12		<u><u>832,050.00</u></u>	✓ 13 line

(20)

REPORT FORMAT: BALANCE SHEET

Report Headings

1BOOKS OF TOYS

✓1 2Balance Sheet on #E

3Identification number (#)

4

Index Description

BALANCE SHEET

Print Options

Omit Y

Report Format

Report Type U

✓2 Decimals to Use No Rounding

Note Reference N

Column

Col	Amt	Typ	From	To	Heading 1	Heading 2	A/C	No.	Description
1	T	R	-11	0	Rand	✓3			
Sk	Prt	DC	Sup	Description	Formula	Note	No.	Act	
1	R	D	N	FIXED ASSETS	CT02		1	A	
1	L	D	N		CM02				
1	L	D	N	_SC					
2	R	D	Y	CURRENT ASSETS	ACC8000000+ACC7700000		1	A	
1	R	D	Y		CM03				
1	L	D	N	_XC					
1	R	D	N	TOTAL ASSETS	TOT1				
1	R	D	N	_DC					
4	R	C	N	OWNER'S EQUITY					
1	R	C	N		CM01		2	A	
1	R	C	N	Net profit	CT05+CT06+CT07+CT08		2	A	
1	R	C	N	_SC					
1	R	C	N		TOT2		3	A	
2	R	C	Y	CURRENT LIABILITIES	CT04+ACC8400000		3	A	
1	L	C	Y		CM04				
1	L	C	Y	Bank overdraft	ACC8400000				
1	L	C	N	_XC					
1	R	C	N	TOTAL EQUITY AND LIABILITIES	TOT3				
1	R	C	N	_DC					
✓4	✓5	✓6	✓7	✓8	✓9		✓10		

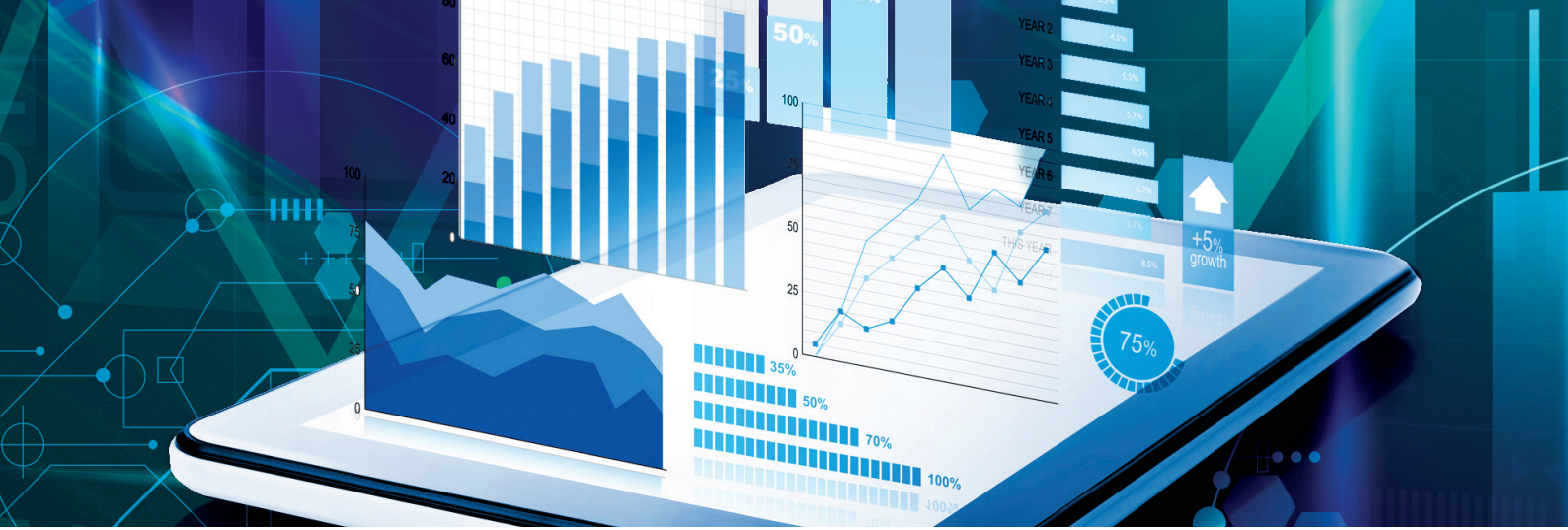
(10)
[30]

6.2.3

BALANCE SHEET

Today's date

	A	B	C	D	E
1	Educational No. TOYS ID number (#)				✓ Header: Today's date (left) and BALANCE SHEET (right)
2	BOOKS OF TOYS	✓✓✓ Lucida Calligraphy, 19, bold			✓ Print on landscape
3	Balance Sheet on 30 June 2022	✓✓ date format (dd/mmmm/yyyy)			✓✓ Row and column headings, gridlines
4	Identification number (#) Page: 1				✓ Column widths
6	✓✓ Elephant, 16		Rand		✓ Hide columns
7					
8	FIXED ASSETS			R 665,800.00	✓✓ Currency, 2 decimals
9	Motor Vehicles		R 550,000.00		
10	Customer Control		R 115,800.00		✓✓ Vertical & Horizontal lines
11					
12	CURRENT ASSETS			R 282,050.00	✓ Amount
13	Bank				✓ Sort alphabetically
14	Trading Stock			R 166,250.00	
16	TOTAL ASSETS			947,850.00	
17					
18	OWNER'S EQUITY				
19	Capital			R -467,650.00	
20	Retained Income				
21	Drawings			R 115,500.00	
22	Net Profit			R -342,300.00	
24				R -694,450.00	
25	CURRENT LIABILITIES			R -137,600.00	
26	Bank overdraft		R -58,000.00		✓ Sort alphabetically
27	Supplier Control		R -79,600.00		
29	TOTAL EQUITY AND LIABILITIES			R -832,050.00	
30					
31					(20)



Module 7

Budgets on an accounting package (Pastel Partner)



After completing this module, the student will be able to:

LEARNING CONTENT	LEARNING OUTCOMES
7.1 Set-up parameters for a budget system	7.1 Set-up parameters for a budget system on an accounting package.
7.2 Input of budget items	7.2 Input of budget items: 7.2.1 Current year or Next year budgets 7.2.2 Monthly budgets 7.2.3 Copy values
7.3 Percentage adjustments and rounding	7.3 To execute a yearly percentage adjustment and rounding on the budget.
7.4 Compare budget with actual figures	7.4 Compare budget with actual figures.
7.5 Export (transfer) of budget data from an accounting package to spreadsheet	7.5 Export (transfer) budgeted data from an accounting package to spreadsheet.



Activity 7.1
(APOLLIS)

SB page 279

GENERAL LEDGER ACCOUNTS LISTING

General Ledger Master Listing

Account	RW Cat	Default Tax Mode	Tax Code	Blocked	External Reference	No. of Notes
Financial Category : B10 – Share Capital						
5100/000 Capital	1	No tax type Default	00	No		0
Financial Category : B15 – Retained Income						
5200/000 Retained Income	1	No tax type Default	00	No		0
Financial Category : B35 – Fixed Assets						
6200/000 Vehicles	5	No tax type Default	00	No		0
Financial Category : B60 – Bank						
8400/000 Bank	4	No tax type Default	00	No		0
Financial Category : I10 – Sales						
1000/000 Current Income	2	No tax type Default	00	No		0
Financial Category : I20 – Other Income						
2750/000 Interest Received	2	No tax type Default	00	No		0
2800/000 Commission Received	2	No tax type Default	00	No		0
Financial Category : I25 – Expenses						
3200/000 Bank Charges	3	No tax type Default	00	No		0
3650/000 Municipality	3	No tax type Default	00	No		0
3850/000 Insurance	3	No tax type Default	00	No		0
4100/000 Fuel	3	No tax type Default	00	No		0
4150/000 Vehicle Expenses	3	No tax type Default	00	No		0
4200/000 Stationery	3	No tax type Default	00	No		0
4300/000 Rent Paid	3	No tax type Default	00	No		0
4400/000 Wages and Salaries	3	No tax type Default	00	No		0
4600/000 Telephone	3	No tax type Default	00	No		0

GENERAL JOURNAL (INSTRUCTION 2)

General Journal batch listing

Per	Date	GCS	Account	Reference	Description	Project	Debit	Credit	Contra
12	28/02/23	G	0001/010 – Current Income	GJ12	Balance			596 300.00	
12	28/02/23	G	2750/000 – Interest Received	GJ12	Balance			17 800.00	
12	28/02/23	G	2800/000 – Commission Received	GJ12	Balance			16 300.00	
12	28/02/23	G	3200/000 – Bank Charges	GJ12	Balance	700.00			
12	28/02/23	G	3650/000 – Municipality	GJ12	Balance	21 100.00			
12	28/02/23	G	3850/000 – Insurance	GJ12	Balance	30 000.00			
12	28/02/23	G	4100/000 – Fuel	GJ12	Balance	44 200.00			
12	28/02/23	G	4150/000 – Vehicle Expenses	GJ12	Balance	54 200.00			
12	28/02/23	G	4200/000 – Stationery	GJ12	Balance	6 400.00			
12	28/02/23	G	4300/000 – Rent Paid	GJ12	Balance	24 000.00			
12	28/02/23	G	4400/000 – Wages and Salaries	GJ12	Balance	98 200.00			
12	28/02/23	G	4600/000 – Telephone	GJ12	Balance	11 700.00			
12	28/02/23	G	5100/000 – Capital	GJ12	Balance			680 900.00	
12	28/02/23	G	6200/000 – Vehicles	GJ12	Balance	993 500.00			
12	31/12/22	G	8400/000 – Bank Charges	GJ12	Balance	27 300.00			

TRIAL BALANCE (PASTEL) (INSTRUCTION 5)

Trial Balance: 01/03/22 to 28/02/23

Budget	Account	DR	CR
-650,204.00	1000/000 Current income		596,300.00
-17,095.00	2750/000 Interest Received		17,800.00
-19,400.00	2800/000 Commission Received		16,300.00
900.00	3200/000 Bank Charges	700.00	
20,504.00	3650/000 Municipality	21,100.00	
32,004.00	3850/000 Insurance	30,000.00	
48,103.00	4100/000 Fuel	44,200.00	
55,402.00	4150/000 Vehicle Expenses	54,200.00	
5,798.00	4200/000 Stationery	6,400.00	
23,998.00	4300/000 Rent Paid	24,000.00	
88,403.00	4400/000 Wages and Salaries	98,200.00	
10,600.00	4600/000 Telephone	1,700.00	
-400,987.00	Nett Profit	339,900.00	
<u>0.00</u>		<u>630,400.00</u>	<u>630,400.00</u>
-400,987.00	Nett Profit		339,900.00
0.00	5100/000 Capital		680,900.00
0.00	6200/000 Vehicles	993,500.00	
0.00	8400/000 Bank	27,300.00	
<u>-400,987.00</u>		<u>1,020,800.00</u>	<u>1,020,800.00</u>

TRIAL BALANCE (EXCEL) (INSTRUCTION 6)

Trial Balance: 01/03/22 to 28/02/23

Budget		Account		DR	CR
R	-650,204.00	1000/000	Current income		R 596,300.00
R	-17,095.00	2750/000	Interest Received		R 17,800.00
R	-19,400.00	2800/000	Commission Received		R 16,300.00
R	900.00	3200/000	Bank Charges	R 700.00	
R	20,504.00	3650/000	Municipality	R 21,100.00	
R	32,004.00	3850/000	Insurance	R 30,000.00	
R	48,103.00	4100/000	Fuel	R 44,200.00	
R	55,402.00	4150/000	Vehicle Expenses	R 54,200.00	
R	5,798.00	4200/000	Stationery	R 6,400.00	
R	23,998.00	4300/000	Rent Paid	R 24,000.00	
R	88,403.00	4400/000	Wages and Salaries	R 98,200.00	
R	10,600.00	4600/000	Telephone	R 11,700.00	
R	-400,987.00		Nett Profit	R 339,900.00	
R	0.00			R 630,400.00	R 630,400.00
R	-400,987.00		Nett Profit		R 339,900.00
R	0.00	5100/000	Capital		R 680,900.00
R	0.00	6200/000	Vehicles	R 993,500.00	
R	0.00	8400/000	Bank	R 27,300.00	
R	-400,987.00			R 1,020,800.00	R 1,020,800.00

REPORT: BUDGET – NEXT YEAR (INSTRUCTION 7)

Budget Report – Next year							
	March September	April October	May November	June December	July January	August February	Annual Total
1000/000	0	0	0	0	0	0	
Current Income	0	0	0	0	0	-638000	-638000
2750/000	0	0	0	0	0	0	
Interest Received	0	0	0	0	0	-19000	-19000
2800/000	0	0	0	0	0	0	
Commission Received	0	0	0	0	0	-17400	-17400
3200/000	0	0	0	0	0	0	
Bank Charges	0	0	0	0	0	700	700
3650/000	0	0	0	0	0	0	
Municipality	0	0	0	0	0	22600	22600
3850/000	0	0	0	0	0	0	
Insurance	0	0	0	0	0	32100	32100
4100/000	0	0	0	0	0	0	
Fuel	0	0	0	0	0	47300	47300
4150/000	0	0	0	0	0	0	
Vehicle Expenses	0	0	0	0	0	58000	58000
4200/000	0	0	0	0	0	0	
Stationery	0	0	0	0	0	6800	6800
4300/000	0	0	0	0	0	0	
Rent Paid	0	0	0	0	0	25700	25700
4400/000	0	0	0	0	0	0	
Wages and Salaries	0	0	0	0	0	105100	105100
4600/000	0	0	0	0	0	0	
Telephone	0	0	0	0	0	12500	12500

----- End of Report -----



Activity 7.2

SB page 293

BUDGET (INSTRUCTION 1)

Budget Report – This year							
	January July	February August	March September	April October	May November	June December	Annual Total
0001/000	0	0	0	0	0	0	
Sales	0	0	0	0	0	-288530	-288530
1050/000	0	0	0	0	0	0	
Opening Stock	0	0	0	0	0	30400	30400
2000/000	0	0	0	0	0	0	
Stock Purchases	0	0	0	0	0	109670	109670
2050/000	0	0	0	0	0	0	
Closing Stock	0	0	0	0	0	-30000	-30000
2700/000	0	0	0	0	0	0	
Discount Received	0	0	0	0	0	-693	-693
2750/000	0	0	0	0	0	0	
Interest Received	0	0	0	0	0	-1690	-1690
2800/000	0	0	0	0	0	0	
Commission Received	0	0	0	0	0	-15470	-15470
2850/000	0	0	0	0	0	0	
Rent Received	0	0	0	0	0	-18500	-18500
3450/000	0	0	0	0	0	0	
Depreciation	0	0	0	0	0	1500	1500
3650/000	0	0	0	0	0	0	
Water and Electricity	0	0	0	0	0	15900	15900
3850/000	0	0	0	0	0	0	
Insurance	0	0	0	0	0	7000	7000
4200/000	0	0	0	0	0	0	
Stationery	0	0	0	0	0	13200	13200
4300/000	0	0	0	0	0	0	
Rent Paid	0	0	0	0	0	16000	16000
4400/000	0	0	0	0	0	0	
Wages	0	0	0	0	0	66000	66000
4600/000	0	0	0	0	0	0	
Telephone	0	0	0	0	0	12700	12700

-----End of Report-----

TRIAL BALANCE (INSTRUCTION 2)

Trial Balance: 01/01/22 to 31/12/22

Budget	Account	DR	CR
0.00	5100/000 Capital		280,370.00
0.00	5200/000 Retained Income		96,230.00
0.00	6300/000 Equipment	350,400.00	
0.00	7700/000 Trading Stock	35,800.00	
0.00	8400/000 Bank	53,420.00	
0.00	Nett Profit		63,020.00
0.00		439,620.00	439,620.00
0.00	Nett Profit	63,020.00	
-288,530.00	0001/000 Sales		278,200.00
30,400.00	1050/000 Opening Stock	30,400.00	
109,670.00	2000/000 Stock Purchases	120,600.00	
-30,000.00	2050/000 Closing Stock		35,800.00
-693.00	2700/000 Discount Received		920.00
-1,690.00	2750/000 Interest Received		2,400.00
-15,470.00	2800/000 Commission Received		12,900.00
-18,500.00	2850/000 Rent Received		24,000.00
1,500.00	3450/000 Depreciation	1,500.00	
15,900.00	3650/000 Water and Electricity	17,400.00	
7,000.00	3850/000 Insurance	6,000.00	
13,200.00	4200/000 Stationery	15,900.00	
16,000.00	4300/000 Rent Paid	18,000.00	
66,000.00	4400/000 Wages	72,000.00	
12,700.00	4600/000 Telephone	9,400.00	
-82,513.00		354,220.00	354,220.00



Activity 7.3

SB page 295

BUDGET VARIANCE REPORT (INSTRUCTION 1)

Budget Report – This year							
	January July	February August	March September	April October	May November	June December	Annual Total
0001/000	0	0	0	0	0	0	
Sales	0	0	0	0	0	-288530	-288530
1050/000	0	0	0	0	0	0	
Opening Stock	0	0	0	0	0	30400	30400
2000/000	0	0	0	0	0	0	
Stock Purchases	0	0	0	0	0	109670	109670
2050/000	0	0	0	0	0	0	
Closing Stock	0	0	0	0	0	-30000	-30000
2700/000	0	0	0	0	0	0	
Discount Received	0	0	0	0	0	-693	-693
2750/000	0	0	0	0	0	0	
Interest Received	0	0	0	0	0	-1690	-1690
2800/000	0	0	0	0	0	0	
Commission Received	0	0	0	0	0	-15470	-15470
2850/000	0	0	0	0	0	0	
Rent Received	0	0	0	0	0	-18500	-18500
3450/000	0	0	0	0	0	0	
Depreciation	0	0	0	0	0	1500	1500
3650/000	0	0	0	0	0	0	
Water and Electricity	0	0	0	0	0	15900	15900
3850/000	0	0	0	0	0	0	
Insurance	0	0	0	0	0	7000	7000
4200/000	0	0	0	0	0	0	
Stationery	0	0	0	0	0	13200	13200
4300/000	0	0	0	0	0	0	
Rent Paid	0	0	0	0	0	16000	16000
4400/000	0	0	0	0	0	0	
Wages	0	0	0	0	0	66000	66000
4600/000	0	0	0	0	0	0	
Telephone	0	0	0	0	0	12700	12700



Activity 7.4

SB page 296

GENERAL LEDGER ACCOUNTS LISTING

General Ledger Master Listing

Account		RW Cat	Default Tax Mode	Tax Code	Blocked	External Reference	No. of Notes
Financial Category : B10 – Share Capital							
5100/000	Capital	5	No tax type Default	00	No		0
5400/000	Drawings	5	No tax type Default	00	No		0
Financial Category : B15 – Retained Income							
5200/000	Retained Income	5	No tax type Default	00	No		0
Financial Category : B35 – Fixed Assets							
6300/000	Equipment	6	No tax type Default	00	No		0
Financial Category : B60 – Bank							
8400/000	Bank	7	No tax type Default	00	No		0
Financial Category : I10 – Sales							
0001/000	Services Rendered	1	No tax type Default	00	No		0
Financial Category : I20 – Other Income							
2750/000	Interest on Current Account	3	No tax type Default	00	No		0
2800/000	Commission Received	3	No tax type Default	00	No		0
Financial Category : I25 – Expenses							
3200/000	Bank Charges	4	No tax type Default	00	No		0
3250/000	Consumable Goods	4	No tax type Default	00	No		0
3650/000	Electricity and Water	4	No tax type Default	00	No		0
3850/000	Insurance	4	No tax type Default	00	No		0
4200/000	Printing and Stationery	4	No tax type Default	00	No		0
4300/000	Rent Paid	4	No tax type Default	00	No		0
4350/000	Rates and Taxes	4	No tax type Default	00	No		0
4400/000	Salaries	4	No tax type Default	00	No		0
4450/000	Wages	4	No tax type Default	00	No		0
4500/000	Refreshments	4	No tax type Default	00	No		0

ENTRY TYPE DETAILS: GENERAL JOURNAL (QUESTION 5)

Entry Type Details: 01/07/22 to 31/07/22

Date	Account	Name	Reference	Description	Tax Type	Tax	Amount
	Contra Acc (If Available)	Batch ID (If Available)	User Name				
Entry Type 1 – General Journal							
01/07/22	0001/000	Services Rendered	GJ01	Opening Balance	00		-23,600.23
		1 student					
01/07/22	2750/000	Interest on Current Account	GJ01	Opening Balance	00		-121.84
		1 student					
01/07/22	2800/000	Commission Received	GJ01	Opening Balance	00		-4,833.25
		1 student					
01/07/22	3200/000	Bank Charges	GJ01	Opening Balance	00		355.30
		1 student					
01/07/22	3250/000	Consumable Goods	GJ01	Opening Balance	00		4,530.58
		1 student					
01/07/22	3650/000	Electricity and Water	GJ01	Opening Balance	00		2,110.10
		1 student					
01/07/22	3850/000	Insurance	GJ01	Opening Balance	00		180.00
		1 student					
01/07/22	4200/000	Printing and Stationery	GJ01	Opening Balance	00		522.16
		1 student					
01/07/22	4350/000	Rates and Taxes	GJ01	Opening Balance	00		390.00
		1 student					
01/07/22	4400/000	Salaries	GJ01	Opening Balance	00		4,600.00
		1 student					
01/07/22	4450/000	Wages	GJ01	Opening Balance	00		5,200.00
		1 student					
01/07/22	4500/000	Refreshments	GJ01	Opening Balance	00		260.40
		1 student					
01/07/22	4300/000	Rent Paid	GJ01	Opening Balance	00		1,800.00
		1 student					
01/07/22	5100/000	Capital	GJ01	Opening Balance	00		-110,000.00
		1 student					
01/07/22	5400/000	Drawings	GJ01	Opening Balance	00		3,400.00
		1 student					
01/07/22	6300/000	Equipment	GJ01	Opening Balance	00		55,310.80
		1 student					
01/07/22	8400/000	Bank	GJ01	Opening Balance	00		59,895.98
		1 student					
Total for Entry Type 1: General Journal							0.00

TRIAL BALANCE (EXCEL) (QUESTION 6)

Identification number (#)

ACTIVITY 7.4 Q6

Today's date

Trial Balance for July 20..

Budget	Account		DR	CR
-	5100/000	Capital		110,000.00
-	5400/000	Drawings	3,400.00	
-	6300/000	Equipment	55,310.80	
-	8400/000	Bank	59,895.98	
-		Nett Profit		8,606.78
-			118,606.78	118,606.78
-		Nett Profit	8,606.78	
-25,000.00	0001/000	Services Rendered		23,600.23
-140.00	2750/000	Interest on Current Account		121.84
-4,000.00	2800/000	Commission Received		4,833.25
3,200.00	3200/000	Bank Charges	355.30	
3,400.00	3250/000	Consumable Goods	4,530.58	
2,300.00	3650/000	Electricity and Water	2,110.10	
180.00	3850/000	Insurance	180.00	
320.00	4200/000	Printing and Stationery	522.16	
1,800.00	4300/000	Rent Paid	1,800.00	
400.00	4350/000	Rates and Taxes	390.00	
4,600.00	4400/000	Salaries	4,600.00	
5,200.00	4450/000	Wages	5,200.00	
240.00	4500/000	Refreshments	260.40	
-7,500.00			28,555.32	28,555.32

Trial Balance for July 20..

Budget	Account		DR	CR
-	5100/000	Capital		110,000.00
-	5400/000	Drawings	3,400.00	
-	6300/000	Equipment	55,310.80	
-	8400/000	Bank	59,895.98	
-		Nett Profit		8,606.78
-			118,606.78	118,606.78
-		Nett Profit	8,606.78	
-25,000.00	0001/000	Services Rendered		23,600.23
-140.00	2750/000	Interest on Current Account		121.84
-4,000.00	2800/000	Commission Received		4,833.25
3,200.00	3200/000	Bank Charges	355.30	
3,400.00	3250/000	Consumable Goods	4,530.58	
2,300.00	3650/000	Electricity and Water	2,110.10	
180.00	3850/000	Insurance	180.00	
320.00	4200/000	Printing and Stationery	522.16	
1,800.00	4300/000	Rent Paid	1,800.00	
400.00	4350/000	Rates and Taxes	390.00	
4,600.00	4400/000	Salaries	4,600.00	
5,200.00	4450/000	Wages	5,200.00	
240.00	4500/000	Refreshments	260.40	
-7,500.00			28,555.32	28,555.32

INCOME STATEMENT (EXCEL) (QUESTION 7)

INCOME STATEMENT – Actual vs. Budget for July 20..

	Actual		Budget		Variance		
					Value	Percentage	
SALES							
Services Rendered	R	23,600.23	R	25,000.00	R	-1,399.77	-6
	R	23,600.23	R	25,000.00	R	-1,399.77	-6
GROSS PROFIT / (LOSS)	R	23,600.23	R	25,000.00	R	-1,399.77	-6
OTHER INCOME							
Interest on Current Account	R	121.84	R	140.00	R	-18.16	-13
Commission Received	R	4,833.25	R	4,000.00	R	833.25	21
	R	4,955.09	R	4,140.00	R	815.09	20
	R	28,555.32	R	29,140.00	R	-584.68	-2
EXPENSES							
Bank Charges	R	355.30	R	3,200.00	R	2,844.70	89
Consumable Goods	R	4,530.58	R	3,400.00	R	-1,130.58	-33
Electricity and Water	R	2,110.10	R	2,300.00	R	189.90	8
Insurance	R	180.00	R	180.00			
Printing and Stationery	R	522.16	R	320.00	R	-202.16	-63
Rent Paid	R	1,800.00	R	1,800.00			
Rates and Taxes	R	390.00	R	400.00	R	10.00	3
Salaries	R	4,600.00	R	4,600.00			
Wages	R	5,200.00	R	5,200.00			
Refreshments	R	260.40	R	240.00	R	-20.40	-9
	R	19,948.54	R	21,640.00	R	1,691.46	8
NET PROFIT / (LOSS) BEFORE TAX	R	8,606.78	R	7,500.00	R	1,106.78	15
NET PROFIT / (LOSS)	R	8,606.78	R	7,500.00	R	1,106.78	15

Identification number (#)

ACTIVITY 7.4 Q7

Today's date

INCOME STATEMENT – Actual vs. Budget for July 20..

	Actual		Budget		Variance		
					Value	Percentage	
SALES							
Services Rendered	R	23,600.23	R	25,000.00	R	-1,399.77	-6
	R	23,600.23	R	25,000.00	R	-1,399.77	-6
GROSS PROFIT / (LOSS)	R	23,600.23	R	25,000.00	R	-1,399.77	-6
OTHER INCOME							
Interest on Current Account	R	121.84	R	140.00	R	-18.16	-13
Commission Received	R	4,833.25	R	4,000.00	R	833.25	21
	R	4,955.09	R	4,140.00	R	815.09	20
	R	28,555.32	R	29,140.00	R	-584.68	-2
EXPENSES							
Bank Charges	R	355.30	R	3,200.00	R	2,844.70	89
Consumable Goods	R	4,530.58	R	3,400.00	R	-1,130.58	-33
Electricity and Water	R	2,110.10	R	2,300.00	R	189.90	8
Insurance	R	180.00	R	180.00			
Printing and Stationery	R	522.16	R	320.00	R	-202.16	-63
Rent Paid	R	1,800.00	R	1,800.00			
Rates and Taxes	R	390.00	R	400.00	R	10.00	3
Salaries	R	4,600.00	R	4,600.00			
Wages	R	5,200.00	R	5,200.00			
Refreshments	R	260.40	R	240.00	R	-20.40	-9
	R	19,948.54	R	21,640.00	R	1,691.46	8
NET PROFIT / (LOSS) BEFORE TAX	R	8,606.78	R	7,500.00	R	1,106.78	15
NET PROFIT / (LOSS)	R	8,606.78	R	7,500.00	R	1,106.78	15

NEXT YEAR'S BUDGET (QUESTION 9)

Budget Report – Next year							
	March September	April October	May November	June December	July January	August June	Annual Total
0001/000	-21000	-21000	-21000	-21000	-33000	-39000	
Services Rendered	-21000	-39000	-21000	-21000	-21000	-21000	-300000
2750/000	-118	-118	-118	-118	-185	-218	
Interest on Current Account	-118	-218	-118	-118	-118	-118	-1683
2800/000	-3360	-3360	-3360	-3360	-5280	-6240	
Commission Received	-3360	-6240	-3360	-3360	-3360	-3360	-48000
3200/000	2688	2688	2688	2688	4224	4992	
Bank Charges	2688	4992	2688	2688	2688	2688	38400
3250/000	2856	2856	2856	2856	4488	5304	
Consumable Goods	2856	5304	2856	2856	2856	2856	40800
3650/000	1932	1932	1932	1932	3036	3588	
Electricity and Water	1932	3588	1932	1932	1932	1932	27600
3850/000	151	151	151	151	238	281	
Insurance	151	281	151	151	151	151	2159
4200/000	269	269	269	269	422	499	
Printing and Stationery	269	499	269	269	269	269	3841
4300/000	1512	1512	1512	1512	2376	2808	
Rent Paid	1512	2808	1512	1512	1512	1512	21600
4350/000	336	336	336	336	528	624	
Rates and Taxes	336	624	336	336	336	336	4800
4400/000	3864	3864	3864	3864	6072	7176	
Salaries	3864	7176	3864	3864	3864	3864	55200
4450/000	4368	4368	4368	4368	6864	8112	
Wages	4368	8112	4368	4368	4368	4368	62400
4500/000	202	202	202	202	317	374	
Refreshments	202	374	202	202	202	202	2883

NEW BUDGET NEXT YEAR (QUESTION 10)

Budget Report – Next year							
	March September	April October	May November	June December	July January	August June	Annual Total
0001/000	-22050	-22050	-22050	-22050	-34650	-40950	
Services Rendered	-22050	-40950	-22050	-22050	-22050	-22050	-315000
2750/000	-123	-123	-123	-123	-192	-227	
Interest on Current Account	-123	-227	-123	-123	-123	-123	-1753
2800/000	-3494	-3494	-3494	-3494	-5491	-6490	
Commission Received	-3494	-6490	-3494	-3494	-3494	-3494	-49917
3200/000	2796	2796	2796	2796	4393	5192	
Bank Charges	2796	5192	2796	2796	2796	2796	39941
3250/000	2940	2940	2940	2940	4620	5460	
Consumable Goods	2940	5460	2940	2940	2940	2940	42000
3650/000	2009	2009	2009	2009	3157	3732	
Electricity and Water	2009	3732	2009	2009	2009	2009	28702
3850/000	142	142	142	142	224	264	
Insurance	142	264	142	142	142	142	2030
4200/000	280	280	280	280	439	519	
Printing and Stationery	280	519	280	280	280	280	3997
4300/000	1572	1572	1572	1572	2471	2920	
Rent Paid	1572	2920	1572	1572	1572	1572	22459
4350/000	329	329	329	329	517	612	
Rates and Taxes	329	612	329	329	329	329	4702
4400/000	3980	3980	3980	3980	6254	7391	
Salaries	3980	7391	3980	3980	3980	3980	56856
4450/000	4586	4586	4586	4586	7207	8518	
Wages	4586	8518	4586	4586	4586	4586	65517
4500/000	174	174	174	174	273	323	
Refreshments	174	323	174	174	174	174	2485



Activity 7.5

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BUDGET

Budget Report – This year

	July January	August February	September March	October April	November May	December June	Annual Total
7700/000	808600	0	0	0	0	0	
Inventory	0	0	0	0	0	0	808600
8000/000	134100	0	0	0	0	0	
Customers Control	0	0	0	0	0	0	134100
8050/000	-7500	0	0	0	0	0	
Provision for Bad Debts	0	0	0	0	0	0	-7500
8400/000	253125	0	0	0	0	0	
Bank	0	0	0	0	0	0	253125
8410/000	8250	0	0	0	0	0	
Petty Cash	0	0	0	0	0	0	8250

TRIAL BALANCE (EXCEL)

Educational No: SHOPS ID NUMBER (#) | Prepared by: Educational Pack

Trial Balance : 01/07/2022 to 31/07/2022

Budget		Account		DR	CR
R	0.00	5100/000	Capital		R 2,054,625.00
R	0.00	5200/000	Retained Income	R 308,700.00	
R	0.00	5400/000	Drawings		R 308,700.00
		6350/000	Furniture		
R	0.00	6350/010	Furniture: Cost	R 1,080,750.00	
R	0.00	6350/020	Furniture: Accumulated Depreciation		R 433,500.00
R	0.00	7100/000	Fixed Deposit: Old Bank (8.5% pa)	R 300,000.00	
R	808,600.00	7700/000	Inventory		
R	134,100.00	8000/000	Customers Control	R 134,100.00	
R	-7,500.00	8050/000	Provision for Bad Debts		R 12,000.00
R	253,125.00	8400/000	Bank	R 253,125.00	
R	8,250.00	8410/000	Petty Cash	R 8,250.00	
R	0.00	9000/000	Suppliers Control		R 74,850.00
R	0.00	9100/000	Accrued Expenses		R 11,475.00
R	0.00	9200/000	Income Received in Advance		R 14,850.00
R	-1,196,575.00		Nett Loss	R 825,075.00	
R	0.00			R 2,910,000.00	R 2,910,000.00
R	-1,196,575.00		Nett Loss		R 825,075.00
R	0.00	1050/000	Opening Stock	R 825,075.00	
R	0.00	2050/000	Closing Stock		
R	1,196,575.00			R 825,075.00	R 825,075.00



Activity 7.6

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BUDGET (QUESTION 2)

Budget Report – This year

	July January	August February	September March	October April	November May	December June	Annual Total
0001/000	0	0	0	0	0	0	
Services Rendered	0	0	0	0	0	-336000	-336000
2700/000	0	0	0	0	0	0	
Discount Received	0	0	0	0	0	-4028	-4028
2800/000	0	0	0	0	0	0	
Commission Received	0	0	0	0	0	-4575	-4575
3050/000	0	0	0	0	0	0	
Advertising	0	0	0	0	0	15015	15015
3350/000	0	0	0	0	0	0	
Consumable Goods	0	0	0	0	0	38835	38835
3650/000	0	0	0	0	0	0	
Electricity and Water	0	0	0	0	0	21000	21000
3850/000	0	0	0	0	0	0	
Insurance	0	0	0	0	0	11000	11000
4200/000	0	0	0	0	0	0	
Printing and Stationery	0	0	0	0	0	5665	5665
4300/000	0	0	0	0	0	0	
Rent Paid	0	0	0	0	0	127500	127500
4400/000	0	0	0	0	0	0	
Salaries and Wages	0	0	0	0	0	46200	46200
4600/000	0	0	0	0	0	0	
Telephone	0	0	0	0	0	2795	2795

REPORT (QUESTION 4)

Identification number (#)
 PROFIT REPORT
 ON 30/06/23

	Note	Actual This Year	Budget This Year	Budget Next Year
INCOME				
Services Rendered		276,000.00	336,000.00	386,400.00
Discount Received		3,335.00	4,028.00	4,600.00
Commission Received		3,680.00	4,575.00	5,300.00
		283,015.00	344,603.00	396,300.00
EXPENSES				
Advertising		11,742.00	15,015.00	17,300.00
Consumable Goods		29,900.00	38,835.00	44,700.00
Electricity and Water		15,456.00	21,000.00	24,200.00
Insurance		11,454.00	11,000.00	12,700.00
Printing and Stationery		4,100.00	5,665.00	6,500.00
Rent Paid		97,750.00	127,500.00	146,600.00
Salaries and Wages		35,426.00	46,200.00	53,100.00
Telephone		1,810.00	2,795.00	3,200.00
		207,638.00	268,010.00	308,300.00
NET PROFIT		75,377.00	76,593.00	88,000.00

REPORT (EXCEL) (QUESTION 6)

Educational No: FASHION ID NUMBER (#)

Identification number (#)

PROFIT REPORT Date: 16/02/22

ON 30/06/23 Page: 1

	Note	Actual This Year	Budget This Year	Amount Variance	Budget Next Year
INCOME					
Services Rendered		R -276,000	R -336,000		R -386,400
Discount Received		R -3,335	R -4,028		R -4,600
Commission Received		R -3,680	R -4,575		R -5,300
		R -283,015	R -344,603		R -396,300
EXPENSES					
Advertising	Decreased	R 11,742	R 15,015	R -3,273	R 17,300
Consumable Goods	Decreased	R 29,900	R 38,835	R -8,935	R 44,700
Electricity and Water	Decreased	R 15,456	R 21,000	R -5,544	R 24,200
Insurance		R 11,454	R 11,000	R -454	R 12,700
Printing and Stationery	Decreased	R 4,100	R 5,665	R -1,565	R 6,500
Rent Paid	Decreased	R 97,750	R 127,500	R -29,750	R 146,600
Salaries and Wages	Decreased	R 35,426	R 46,200	R -10,774	R 53,100
Telephone	Decreased	R 1,810	R 2,795	R -985	R 3,200
		R 207,638	R 268,010		R 308,300
NET PROFIT		R -75,377	R -76,593		R -88,000



Activity 7.7

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BUDGET (QUESTION 1.2)

Budget Report – This year

	January July	February August	March September	April October	May November	June December	Annual Total
0001/010	0	0	0	0	0	0	
Services Rendered:	0	0	0	0	0	-2233875	-2233875
Rooms							
0001/020	0	0	0	0	0	0	
Services Rendered:	0	0	0	0	0	-1424250	-1424250
Meals							
1000/000	0	0	0	0	0	0	
Sundry Income	0	0	0	0	0	-12000	-12000
2000/010	0	0	0	0	0	0	
Costs: Rooms	0	0	0	0	0	566250	566250
2000/020	0	0	0	0	0	0	
Costs: meals	0	0	0	0	0	729300	729300
2700/000	0	0	0	0	0	0	
Interest on Fixed Deposit	0	0	0	0	0	-6600	-6600

TRIAL BALANCE (EXCEL) (QUESTION 4)

Educational No: VILLA ID NUMBER (#) | Prepared by: Educational Pack

Trial Balance: 01/01/22 to 31/12/22

Budget	Account		DR	CR
	0001/000	Services Rendered		
R -2,233,875	0001/010	Services Rendered: Rooms		R 2,233,875
R -1,424,250	0001/020	Services Rendered: Meals		R 1,424,250
R -12,000	1000/000	Sundry Income		R 12,000
	2000/000	Costs		
R 566,250	2000/010	Costs: Rooms	R 566,250	
R 729,300	2000/020	Costs: Meals	R 729,300	
R -6,600	2700/000	Interest on Fixed Deposit		R 6,600
R 11,249	3050/000	Advertisements	R 11,625	
R 53,553	3650/000	Electricity and Water	R 51,000	
R 5,667	3850/000	Insurance	R 5,400	
R 8,631	4200/000	Stationery	R 8,250	
R 268,499	4400/000	Wages	R 255,750	
R 37,876	4600/000	Telephone	R 36,075	
R -1,995,700		Nett Profit	R 2,013,075	
R 0			R 3,676,725	R 3,676,725
R -1,995,700		Nett Profit		R 2,013,075
R 0	5100/000	Capital		R 1,092,900
R 0	5400/000	Drawings	R 135,000	
R 0	6200/000	Equipment	R 2,835,000	
R 0	7100/000	Fixed Deposit (8% pa)	R 82,500	
R 0	8000/000	Customers Control	R 4,650	
R 0	8100/000	Prepaid Expenses	R 1,350	
R 0	8200/000	Accrued Income	R 600	
R 0	8400/000	Bank	R 66,000	
R 0	9000/000	Suppliers Control		R 14,100
R 0	9100/000	Accrued Expenses		R 3,900
R 0	9200/000	Income Received in Advance		R 1,125
R -1,995,700			R 3,125,100	R 3,125,100

Today's date

Educational No: VILLA ID NUMBER (#) | Prepared by: Educational Pack
 Trial Balance : 01/01/22 to 31/12/22

Budget	Account		DR	CR
	0001/000	Services Rendered		
R -2,233,875	0001/010	Services Rendered: Rooms		R 2,233,875
R -1,424,250	0001/020	Services Rendered: Meals		R 1,424,250
R -12,000	1000/000	Sundry Income		R 12,000
	2000/000	Costs		
R 566,250	2000/010	Costs: Rooms	R 566,250	
R 729,300	2000/020	Costs: Meals	R 729,300	
R -6,600	2700/000	Interest on Fixed Deposit		R 6,600
R 11,249	3050/000	Advertisements	R 11,625	
R 53,553	3650/000	Electricity and Water	R 51,000	
R 5,667	3850/000	Insurance	R 5,400	
R 8,631	4200/000	Stationery	R 8,250	
R 268,499	4400/000	Wages	R 255,750	
R 37,876	4600/000	Telephone	R 36,075	
R -1,995,700		Nett Profit	R 2,013,075	
R 0			R 3,676,725	R 3,676,725
R -1,995,700		Nett Profit		R 2,013,075
R 0	5100/000	Capital		R 1,092,900
R 0	5400/000	Drawings	R 135,000	
R 0	6200/000	Equipment	R 2,835,000	
R 0	7100/000	Fixed Deposit (8% pa)	R 82,500	
R 0	8000/000	Customers Control	R 4,650	
R 0	8100/000	Prepaid Expenses	R 1,350	
R 0	8200/000	Accrued Income	R 600	
R 0	8400/000	Bank	R 66,000	
R 0	9000/000	Suppliers Control		R 14,100
R 0	9100/000	Accrued Expenses		R 3,900
R 0	9200/000	Income Received in Advance		R 1,125
R -1,995,700			R 3,125,100	R 3,125,100



Summative assessment 7.1

GENERAL LEDGER ACCOUNTS LISTING (QUESTION 1.1.3)

General Ledger Master Listing ✓1 ✓3 RW Categories correct

Account	✓2 Print per financial	RW Cat	Default Tax Mode	Tax Code	Blocked	External Reference	No. of Notes
Financial Category : B10 – Share Capital							
5100/000 Capital		1	No tax type Default	00	No		0
5400/000 Drawings		1	No tax type Default	00	No		0
Financial Category : B15 – Retained Income							
5200/000 Retained Income		1	No tax type Default	00	No		0
Financial Category : B25 – Long Term Borrowings							
5500/000 Mortgage bond (15% pa)		2	No tax type Default	00	No		0
Financial Category : B35 – Fixed Assets							
6100/000 Land and Buildings		4	No tax type Default	00	No		0
Financial Category : B50 – Inventory							
7700/000 Trading Stock		5	No tax type Default	00	No		0
Financial Category : B55 – Accounts Receivable							
8000/000 Customer Control		5	No tax type Default	00	No		0
Financial Category : B60 – Bank							
8400/000 Bank		5	No tax type Default	00	No		0
8410/000 Petty Cash		5	No tax type Default	00	No		0
8420/000 Cash Float		5	No tax type Default	00	No		0
Financial Category : B70 – Accounts Payable							
9000/000 Supplier Control		3	No tax type Default	00	No		0
Financial Category : I10 – Sales							
0001/000 Sales		8	No tax type Default	00	No		0
Financial Category : I15 – Cost of Sales							
2050/000 Cost of Sales		6	No tax type Default	00	No		0
Financial Category : I20 – Other Income							
2700/000 Discount Received		9	No tax type Default	00	No		0
Financial Category : I25 – Expenses							
3050/000 Bank Charges		7	No tax type Default	00	No		0
3650/000 Electricity and Water		7	No tax type Default	00	No		0
3850/000 Insurance		7	No tax type Default	00	No		0
4400/000 Salaries and Wages		7	No tax type Default	00	No		0
4600/000 Wages		7	No tax type Default	00	No		0

✓ 4 Balance sheet accounts correct

✓ 5 Income statement accounts correct allocated

(5)

ENTRY TYPE GENERAL JOURNAL (QUESTION 1.1.7)

Entry Type Details: 01/02/22 to 28/02/22 ✓ 1

Date	Account Contra Acc (If Available)	Name Batch ID (If Available)	User Name	Reference	Description	Tax Type	Tax	Amount
Entry Type 1 – General Journal					✓ 2	✓ 3		
28/02/22	0001/000	Sales		BAL	Balance	00		-816,387.00 ✓ 4
		1	student					
28/02/22	2050/000	Cost of Sales		BAL	Balance	00		368,744.00 ✓ 5
		1	student					
28/02/22	2700/000	Discount Received		BAL	Balance	00		-975.00 ✓ 6
		1	student					
28/02/22	3050/000	Advertising		BAL	Balance	00		9,630.00 ✓ 7
		1	student					
28/02/22	3650/000	Electricity and Water		BAL	Balance	00		131,931.00 ✓ 8
		1	student					
28/02/22	3850/000	Insurance		BAL	Balance	00		27,000.00 ✓ 9
		1	student					
28/02/22	4400/000	Salaries and Wages		BAL	Balance	00		180,000.00 ✓ 10
		1	student					
28/02/22	4600/000	Telephone		BAL	Balance	00		22,245.00 ✓ 11
		1	student					
28/02/22	5100/000	Capital		BAL	Balance	00		-2,944,020.00 ✓ 12
		1	student					
28/02/22	5400/000	Drawings		BAL	Balance	00		38,180.00 ✓ 13
		1	student					
28/02/22	5500/000	Mortgage bond (15% pa)		BAL	Balance	00		-2,380,500.00 ✓ 14
		1	student					
28/02/22	6100/000	Land and Buildings		BAL	Balance	00		5,340,000.00 ✓ 15
		1	student					
28/02/22	7700/000	Trading Stock		BAL	Balance	00		30,750.00 ✓ 16
		1	student					
28/02/22	8000/000	Customer Control		BAL	Balance	00		15,527.00 ✓ 17
		1	student					
28/02/22	8400/000	Bank		BAL	Balance	00		-11,400.00 ✓ 18
		1	student					
28/02/22	8410/000	Petty Cash		BAL	Balance	00		750.00 ✓ 19
		1	student					
28/02/22	8420/000	Cash Float		BAL	Balance	00		1,125.00 ✓ 20
		1	student					
28/02/22	9000/000	Supplier Control		BAL	Balance	00		-12,600.00 ✓ 21
		1	student					
Total for Entry Type 1: General Journal							0.00	

(21)

BUDGET (QUESTION 1.2.2)

Budget Report – This year ✓ 1

✓ 3 Amounts for every period

✓ 2 Expenses only	March September	April October	May November	June December	July January	August February	Annual Total	
3050/000	937	937	937	937	937	937		
Advertising	937	937	937	937	937	942	11249	✓4
3650/000	12089	12089	12089	12089	12089	12089		
Electricity and Water	12089	12089	12089	12089	12089	12147	145126	✓5
3850/000	2474	2474	2474	2474	2474	2474		
Insurance	2474	2474	2474	2474	2474	2486	29700	✓6
4400/000	16493	16493	16493	16493	16493	16493		
Salaries and Wages	16493	16493	16493	16493	16493	16573	197996	✓7
4600/000	2037	2037	2037	2037	2037	2037		
Telephone	2037	2037	2037	2037	2037	2046	24453	✓8

(8)

REPORT: EXPENSES ANALYSIS (QUESTION 1.3.2)

Educational No: FINA ID NUMBER (#)
 Identification number (#)
 EXPENSE ANALYSIS OF FINA ✓ 1
 ON 01/02/2022 ✓ 1

	✓ 3	✓ 4	✓ 5	
	This Year	This Year	Variance	
	Actual	Budget	%	
EXPENSES				✓ 6
Advertising	9,630	11,280	14%+	✓ 7
Electricity and Water	131,930	145,140	9%+	✓ 8
Insurance	27,000	29,660	8%+	✓ 9
Salaries and Wages	180,000	197,960	9%+	✓ 10
Telephone	✓ 12 22,250	24,490	9%+	✓ 11
	✓ 14 370,810	408,530	9%+	✓ 13

(14)

TRIAL BALANCE (EXCEL) (QUESTION 1.4.5)

	A		B		C		D		E	
1	Educational No: FINA ID number (#) Prepared by: Educational Pack									
2	Trial Balance : 01/03/21 to 28/02/22									
3	Budget		Account				DR		CR	
4	R	0	5100/000	Capital					R	2,944,020
5	R	0	5200/000	Retained Income						
6	R	0	5400/000	Drawings	R 38,180				R	
7	R	0	5500/000	Mortgage bond (15% pa)					R	2,380,500
8	R	0	6100/000	Land and Buildings	R 5,340,000					
9	R	0	7700/000	Trading Stock	R 30,750					
10	R	0	8000/000	Customer Control	R 15,527					
11	R	0	8400/000	Bank					R	11,400
12	R	0	8410/000	Petty Cash	R 750					
13	R	0	8420/000	Cash Float	R 1,125					
14	R	0	9000/000	Supplier Control					R	12,600
15	R	0		Nett Profit					R	77,812
16	R	0			R 5,426,332		R 5,426,332			
17	R	0		Nett Profit	R 77,812					
18	R	0	0001/000	Sales					R	816,387
19	R	0	2050/000	Cost of Sales	R 368,744					
20	R	0	2700/000	Discount Received					R	975
21	R	11,249	3050/000	Advertising	R 9,630					
22	R	145,126	3650/000	Electricity and Water	R 131,931					
23	R	29,700	3850/000	Insurance	R 27,000					
24	R	197,996	4400/000	Salaries and Wages	R 180,000					
25	R	24,453	4600/000	Telephone	R 22,245					
26										
27	R	408,524			R 817,362		R 817,362			
28										

Educational No: FINA ID number (#) | Prepared by: Educational Pack

Trial Balance : 01/03/21 to 28/02/22

Budget	Account		DR	CR
R 0	5100/000	Capital		R 2,944,020
R 0	5200/000	Retained Income		
R 0	5400/000	Drawings	R 38,180	
R 0	5500/000	Mortgage bond (15% pa)		R 2,380,500
R 0	6100/000	Land and Buildings	R 5,340,000	
R 0	7700/000	Trading Stock	R 30,750	
R 0	8000/000	Customer Control	R 15,527	
R 0	8400/000	Bank		R 11,400
R 0	8410/000	Petty Cash	R 750	
R 0	8420/000	Cash Float	R 1,125	
R 0	9000/000	Supplier Control		R 12,600
R 0		Nett Profit		R 77,812
R 0			R 5,426,332	R 5,426,332
R 0		Nett Profit	R 77,812	
R 0	0001/000	Sales		R 816,387
R 0	2050/000	Cost of Sales	R 368,744	
R 0	2700/000	Discount Received		R 975
R 11,249	3050/000	Advertising	R 9,630	
R 145,126	3650/000	Electricity and Water	R 131,931	
R 29,700	3850/000	Insurance	R 27,000	
R 197,996	4400/000	Salaries and Wages	R 180,000	
R 24,453	4600/000	Telephone	R 22,245	
R 408,524			R 817,362	R 817,362

- Tahoma, 16 ✓✓ 1,2 Center (width) ✓ 3
- Bold ✓ 4 Center ✓ 5
- Column widths ✓ 6
- Lines ✓✓ 7, 8
- Currency ✓ 9
- No decimals ✓ 10
- Footer ✓ 11
- Row and column headings ✓ 12

(12)
[60]



Additional activity 1 (DUMA)

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GENERAL LEDGER ACCOUNTS LISTING

General Ledger Master Listing

Account	RW Cat	Default Tax Mode	Tax Code	Blocked	External Reference	No. of Notes
Financial Category : B10 – Share Capital						
5100/000 Capital	5	No tax type Default	00	No		0
5400/000 Drawings	5	No tax type Default	00	No		0
Financial Category : B15 – Retained Income						
5200/000 Retained Income	5	No tax type Default	00	No		0
Financial Category : B50 – Inventory						
7700/000 Trading Stock	7	No tax type Default	00	No		0
Financial Category : B60 – Bank						
8400/000 Bank	7	No tax type Default	00	No		0
8410/000 Cash Float	7	No tax type Default	00	No		0
Financial Category : I10 – Sales						
0001/000 Sales	1	No tax type Default	00	No		0
Financial Category : I15 – Cost of Sales						
2000/000 Cost of Sales	2	No tax type Default	00	No		0
Financial Category : I25 – Expenses						
3050/000 Advertising	4	No tax type Default	00	No		0
3650/000 Electricity and Water	4	No tax type Default	00	No		0
3850/000 Insurance	4	No tax type Default	00	No		0
4200/000 Printing and Stationery	4	No tax type Default	00	No		0
4300/000 Rent expense	4	No tax type Default	00	No		0
4400/000 Salaries	4	No tax type Default	00	No		0
4600/000 Telephone	4	No tax type Default	00	No		0

TRIAL BALANCE (1.1.10)

✓ 1	✓ 2			
Trial Balance:		01/03/21 to 28/02/22		
Budget	Account		DR	CR
0.00	5100/000	Capital		505,500.00
0.00	5200/000	Retained income	✓ 3 Balance sheet first	
0.00	5400/000	Drawings	340,800.00	
0.00	7700/000	Trading stock	63,300.00	
0.00	8400/000	Bank	145,650.00	
0.00	8410/000	Cash float	15,000.00	
0.00		Nett Profit		59,250.00
<hr/>				
00.0			564,750.00	564,750.00
<hr/>				
0.00		Nett Profit	59,250.00	
-1,445,787.00	0001/000	Sales		1,363,950.00
938,418.00	2000/000	Cost of sales	885,300.00	
16,218.00	3050/000	Advertising	15,300.00	
52,152.00	3650/000	Electricity and water	49,200.00	
12,720.00	3850/000	Insurance	12,000.00	
36,570.00	4200/000	Printing and stationery	34,500.00	
76,320.00	4300/000	Rent expense	72,000.00	
193,026.00	4400/000	Salaries	182,100.00	
57,558.00	4600/000	Telephone	54,300.00	
<hr/>				
-62,805.00			1,363,950.00	1,363,950.00
<hr/>				

✓ 4 – 12 – Budget amounts (mark for each account)

13 – 26 – Debit and Credit amount of account

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GENERAL JOURNAL (1.2.2)

General Journal batch listing

Per	Date	GCS	Account	Reference	Description	Project	Debit	Credit	Contra
12	28/02/22	G	5200/000 – Retained income ✓ 1	TRANS1	Transfer of net profit		59 250.00	✓ 2	5100/000 ✓ 3
12	28/02/22	G	5100/000 – Capital ✓ 4	TRANS2	Transfer of drawings		340 800.00	✓ 5	5400/000 ✓ 6
				✓ 8					(8)

REPORT (1.3.2)

Educational No: DUMA ID NUMBER (#)

Question 1.3

Nominal accounts – this year ✓ 1

ID number (#)

	✓ 2 This Year Rand	✓ 3 Budget Rand	✓ 4
NOMINAL ACCOUNTS			
Sales	1,363,950	1,445,790	✓ 6
Cost of sales	885,300	938,420	✓ 7
Advertising	15,300	16,220	✓ 8
Electricity and Water	49,200	52,150	✓ 9
Insurance ✓ 5 line spacing	12,000	12,720	✓ 10
Printing and stationery	34,500	36,570	✓ 11
Rent expense	72,000	76,320	✓ 12
Salaries	182,100	193,030	✓ 13
Telephone	54,300	57,560	✓ 14
			✓ 15
Net profit	59,250	62,800	✓ 16
Gross Profit	478,650	507,370	✓ 17
✓ 18 Capital at beginning	223,950	✓ 19	
			✓ 4

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BUDGET (QUESTION 1.1.10)

Educational No: DUMA ID number (#)
 Question 1.4 ✓ 3
 Nominal accounts – this year
 ID number (#)

✓✓ 1, 2 Printout in Excel

	This Year Rand	Budget Rand
NOMINAL ACCOUNTS		
Sales	-1363950	-1445790
Cost of sales	885300	938420
Advertising	15300	16220
Electricity and Water	49200	52150
Insurance	12000	12720
Printing and stationery	34500	36570
Rent expense	72000	76320
Salaries	182100	193030
Telephone	54300	57560
Net profit	-59250	-62800
Gross profit	-478650	-507370
Capital at beginning	-223950	

✓4 Column widths

✓5 Vertical lines

✓6 Horizontal lines

✓7 1 page portrait

(7)
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Additional activity 2

(STEVE)

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GENERAL LEDGER ACCOUNTS LISTING

General Ledger Master Listing

Account	RW Cat	Default Tax Mode	Tax Code	Blocked	External Reference	No. of Notes
Financial Category : B10 – Share Capital						
5100/000 Capital	1	No tax type Default	00	No		0
5400/000 Drawings	1	No tax type Default	00	No		0
Financial Category : B15 – Retained Income						
5200/000 Retained Income	1	No tax type Default	00	No		0
Financial Category : B35 – Fixed Assets						
6200/000 Vehicles	2	No tax type Default	00	No		0
6200/010 Vehicles: Cost	2	No tax allowed	00	No		0
6200/020 Vehicles: Accumulated Depreciation	2	No tax allowed	00	No		0
Financial Category : B50 – Inventory						
7700/000 Trading Stock	3	No tax type Default	00	No		0
Financial Category : B60 – Bank						
8400/000 Bank	3	No tax type Default	00	No		0
Financial Category : I10 – Sales						
0001/000 Sales	4	No tax type Default	00	No		0
Financial Category : I15 – Cost of Sales						
1050/000 Opening Stock	5	No tax type Default	00	No		0
2000/000 Stock Purchases	5	No tax type Default	00	No		0
2050/000 Closing Stock	5	No tax type Default	00	No		0
Financial Category : I20 – Other Income						
2750/000 Interest on Current Account	6	No tax type Default	00	No		0
2900/000 Sundry Incomes	6	No tax type Default	00	No		0
Financial Category : I25 – Expenses						
3050/000 Advertising	7	No tax type Default	00	No		0
3200/000 Bank Charges	7	No tax type Default	00	No		0
3450/000 Depreciation	7	No tax type Default	00	No		0
4200/000 Printing and Stationery	7	No tax type Default	00	No		0
4210/000 Rates and Taxes	7	No tax type Default	00	No		0
4400/000 Salaries and Wages	7	No tax type Default	00	No		0

GENERAL JOURNAL (QUESTION 1.1.4)

LAST YEAR General Journal batch listing

✓✓ 1,2

Per	Date	GCS	Account	Reference	Description	Project	Debit	Credit	Contra
12	30/06/21	G	0001/000 – Sales	TB12	Balance			1 980 300.00	
12	30/06/21	G	1050/000 – Opening Stock	TB12	Balance		990 200.00		
12	30/06/21	G	2000/000 – Stock Purchases	TB12	Balance		712 500.00		
12	30/06/21	G	2050/000 – Closing Stock	TB12	Balance			400 400.00	
12	30/06/21	G	2750/000 – Interest on Current Account	TB12	Balance			13 711.00	
12	30/06/21	G	2900/000 – Sundry Incomes	TB12	Balance			8 460.00	
12	30/06/21	G	3050/000 – Advertising	TB12	Balance		3 000.00		
12	30/06/21	G	3200/000 – Bank Charges	TB12	Balance		1 960.00		
12	30/06/21	G	3450/000 – Depreciation	TB12	Balance		38 692.00		
12	30/06/21	G	4200/000 – Printing and Stationery	TB12	Balance		33 700.00		
12	30/06/21	G	4210/000 – Rates and Taxes	TB12	Balance		72 800.00		
12	30/06/21	G	4400/000 – Salaries and Wages	TB12	Balance		94 400.00		
12	30/06/21	G	5100/000 – Capital	TB12	Balance			1 467 800.00	
12	30/06/21	G	5400/000 – Drawings	TB12	Balance		36 800.00		
12	30/06/21	G	6200/010 – Vehicles: Cost	TB12	Balance		168 460.00		
12	30/06/21	G	6200/020 – Vehicles: Accumulated Depreciation	TB12	Balance			65 600.00	
12	30/06/21	G	7700/000 – Trading Stock	TB12	Balance		400 400.00		
12	30/06/21	G	8400/000 – Bank	TB12	Balance		1 383 359.00		
✓21	✓ 22			✓ 23	✓ 24				

(24)

TRIAL BALANCE (1.2.7)

- ✓✓ 1,2 Printout in Exel
- ✓ 3
- ✓ 4 Balance sheet first
- ✓ 5
- ✓✓ 6,7
- ✓ 8
- ✓✓ 9,10
- ✓ 11
- ✓ 12
- ✓ 13
- ✓ 14
- ✓ 15
- ✓ 16
- ✓ 17
- ✓ 18

Educational No: Steve ID number (#) | Prepared by: Educational Pack

Trial Balance : 01/07/21 to 30/06/22

Budget	Account	DR	CR
R -	5100/000 Capital		R 1,467,800.00
R -	5200/000 Retained Income		R 455,619.00
R -	5400/000 Drawings	R 36,800.00	
	6200/000 Vehicles		
R -	6200/010 Vehicles: Cost	R 168,460.00	
R -	6200/020 Vehicles: Accumulated Depreciation		R 65,600.00
R -	7700/000 Trading Stock	R 400,400.00	
R -	8400/000 Bank	R 1,383,359.00	
R -	NO PROFIT OR LOSS		
R -	NO PROFIT OR LOSS	R 1,989,019.00	R 1,989,019.00
R -	0001/000 Sales		
R -2,109,020.00	1050/000 Opening Stock		
R 400,400.00	2000/000 Stock Purchases		
R 758,810.00	2050/000 Closing Stock		
R -392,390.00	2750/000 Interest on Current Account		
R -13,440.00	2900/000 Sundry Incomes		
R -8,830.00	3050/000 Advertising		
R 3,200.00	3200/000 Bank Charges		
R 2,090.00	3450/000 Depreciation		
R 41,210.00	4200/000 Printing and Stationery		
R 35,890.00	4210/000 Rates and Taxes		
R 77,530.00	4400/000 Salaries and Wages		
R 100,540.00			
R -1,104,010.00			

- ✓ 19 Header: IDENTIFICATION NUMBER (#) left
- ✓ 20 Vertical lines
- ✓ 21 Horizontal lines
- ✓ 22 Accounting
- ✓ 23 2 decimals
- ✓ 24 1 page A4-landscape (24)

ENTRY TYPE DETAILS GENERAL JOURNAL (QUESTION 1.3.3)

Entry Type Details: 01/07/21 to 31/07/21									
Date	Account	Name	Batch ID	Reference	Description	Tax Type	Tax	Amount	
	Contra Acc	(If Available)	(If Available)						
	(If Available)		User Name						
Entry Type 1 – General Journal ✓1									
Entry Type 1 – General Journal ✓2									
01/07/21	✓3	5100/000	Capital	TRANSFER	Transfer of drawings	00	✓4	36,800.00	
		2	student						
01/07/21	✓5	5200/000	Retained Income	TRANSFER	Transfer of net profit	00	✓6	455,619.00	
		2	student						
01/07/21	✓7	1050/000	Opening Stock	TRANSFER	Transfer of opening stock	00	✓8	400,400.00	
		2	student						
01/07/21	✓9	5400/000	Drawings	ZContras	Generated General Journal	00		-36,800.00	
		2	student						
01/07/21	✓10	5100/000	Capital	ZContras	Generated General Journal	00		-455,619.00	
		2	student						
01/07/21	✓11	7700/000	Trading Stock	ZContras	Generated General Journal	00		-400,400.00	
	✓12	2	student						
Total for Entry Type 1: General Journal								0.00	(12)

REPORT (1.4.2)

Identification number (#)	✓1			
BOOKS OF STEVE	✓2			
BALANCE SHEET ON 01/07/2021	✓3			
			✓4	
			Rand	
<hr/>				✓5
FIXED ASSETS			102,860.00	
Vehicles: Cost	✓6	168,460.00		
Vehicles: Accumulated Depreciation	✓7	<65,600.00>		
		<hr/>		✓8
	✓9			
CURRENT ASSETS			1,783,759.00	
Trading Stock	✓10			
Bank	✓11	1,383,359.00		
Trading Stock	✓12	400,400.00		
		<hr/>		✓13
TOTAL ASSETS			<u>1,886,619.00</u>	✓14
	✓15			
OWNER'S EQUITY			1,886,619.00	
Capital	✓16	1,886,619.00		
Retained Income	✓17			
Drawings	✓18			
		<hr/>		✓19
TOTAL EQUITY			<u>1,886,619.00</u>	✓20

(20)
[80]



Additional activity 3
(MPHO)

SB page 314

GENERAL LEDGER ACCOUNTS LISTING

General Ledger Master Listing

Account	RW Cat	Default Tax Mode	Tax Code	Blocked	External Reference	No. of Notes
Financial Category : B10 – Share Capital						
5100/000 Capital	1	No tax type Default	00	No		0
Financial Category : B15 – Retained Income						
5200/000 Retained Income	1	No tax type Default	00	No		0
Financial Category : B60 – Bank						
8400/000 Bank	2	No tax type Default	00	No		0
Financial Category : I10 – Sales						
0001/000 Sales	3	No tax type Default	00	No		0
Financial Category : I15 – Cost of Sales						
2000/000 Cost of Sales	4	No tax type Default	00	No		0
Financial Category : I25 – Expenses						
3000/000 Accounting Fees	6	No tax type Default	00	No		0
3300/000 Computer Expenses	6	No tax type Default	00	No		0
3350/000 Consulting Fees	6	No tax type Default	00	No		0
3400/000 Courier and Postage	6	No tax type Default	00	No		0
4150/000 Transport Expenses	6	No tax type Default	00	No		0
4450/000 Staff Training	6	No tax type Default	00	No		0
4600/000 Telephone	6	No tax type Default	00	No		0

GENERAL JOURNAL (1.1.4)

General Journal batch listing

✓ 1

Per	Date	GCS	Account	Reference	Description	Project	Debit	Credit	Contra
1	01/03/21	G	8400/000 – Bank	GJ1	Capital Contribution			50 000.00	5100/000

✓ 7

✓ 2 ✓ 3

✓ 4

✓ 5

✓ 6

(7)

BUDGET (1.2.2)

Budget Report – This year ✓ 1

	March September	April October	May November	June December	July January	August February	Annual Total	
0001/000	-120000	0	0	0	0	0		
Sales	0	0	0	0	0	0	-120000	✓3
2000/000	100000	0	0	0	0	0		
Cost of Sales	0	0	0	0	0	0	100000	✓4
3000/000	500	0	0	0	0	0		
Accounting Fees	0	0	0	0	0	0	500	✓5
3300/000	10000	0	0	0	0	0		
Computer Expenses	0	0	0	0	0	0	10000	✓6
3350/000	1100	0	0	0	0	0		
Consulting Fees	0	0	0	0	0	0	1100	✓7
3400/000	900	0	0	0	0	0		
Courier and Postage	0	0	0	0	0	0	900	✓8
4150/000	700	0	0	0	0	0		
Transport Expenses	0	0	0	0	0	0	700	✓9
4450/000	1200	0	0	0	0	0		
Staff Training	0	0	0	0	0	0	1200	✓10
4600/000	400	0	0	0	0	0		
Telephone	0	0	0	0	0	0	400	✓11

✓ 2 Income & Expenses accounts

(11)

REPORT 1.3.2

Identification number (#)	✓1			
PROPOSED PROFIT FOR MPHO	✓2			
ON 31/03/21	✓3			
	Note ✓4		Budget ✓5	
			March ✓6	
<hr/>				
Sales			120,000.00	✓7
Less: Cost of Sales		✓9	<u>100,000.00</u>	✓8
Gross Profit			20,000.00	✓10
Less: Expenses			14,800.00	✓11
Accounting Fees		500.00	✓12	
Computer Expenses		10,000.00	✓13	
Consulting Fees		1,100.00	✓14	
Courier and Postage		900.00	✓15	
Transport Expenses		700.00	✓16	
Staff Training		1,200.00	✓17	
Telephone		400.00	✓18	✓19
✓20				
NET PROFIT		✓22	<u><u>5,200.00</u></u>	✓21

(22)
[40]



Additional activity 4

SB page 317

GENERAL LEDGER ACCOUNTS LISTING

General Ledger Master Listing

Account	RW Cat	Default Tax Mode	Tax Code	Blocked	External Reference	No. of Notes
Financial Category : B10 – Share Capital						
5100/000 Capital	1	No tax type Default	00	No		0
5400/000 Drawings	1	No tax type Default	00	No		0
Financial Category : B15 – Retained Income						
5200/000 Retained Income	1	No tax type Default	00	No		0
Financial Category : B50 – Inventory						
7700/000 Trading Stock	2	No tax type Default	00	No		0
Financial Category : B60 – Bank						
8400/000 Bank	2	No tax type Default	00	No		0
Financial Category : I10 – Sales						
0001/000 Sales	3	No tax type Default	00	No		0
Financial Category : I15 – Cost of Sales						
1050/000 Opening Stock	4	No tax type Default	00	No		0
2000/000 Stock Purchases	4	No tax type Default	00	No		0
2050/000 Closing Stock	4	No tax type Default	00	No		0
Financial Category : I20 – Other Income						
2750/000 Interest on Current Account	5	No tax type Default	00	No		0
2800/000 Bad debts recovered	5	No tax type Default	00	No		0
Financial Category : I25 – Expenses						
3650/000 Electricity and Water	6	No tax type Default	00	No		0
3900/000 Interest on overdraft	6	No tax type Default	00	No		0
4300/000 Rent paid	6	No tax type Default	00	No		0
4400/000 Salaries and wages	6	No tax type Default	00	No		0
4450/000 Staff training	6	No tax type Default	00	No		0
4600/000 Telephone	6	No tax type Default	00	No		0

GENERAL JOURNAL (1.1.3)

LAST YEAR General Journal batch listing ✓ 1

Per	Date	GCS	Account	Reference	Description	Project	Debit	Credit	Contra
12	28/02/21	G	5100/000 – Capital	FEB	Balance			806 400.00	
12	28/02/21	G	5400/000 – Drawings	FEB	Balance		530 000.00		
12	28/02/21	G	7700/000 – Trading stock	FEB	Balance		821 000.00		
12	28/02/21	G	8400/000 – Bank	FEB	Balance			21 000.00	
12	28/02/21	G	0001/000 – Sales	FEB	Balance			3 604 000.00	
12	28/02/21	G	1050/000 – Opening stock	FEB	Balance		986 000.00		
12	28/02/21	G	2000/000 – Stock purchases	FEB	Balance		2 300 000.00		
12	28/02/21	G	2050/000 – Closing stock	FEB	Balance			821 000.00	
12	28/02/21	G	2750/000 – Interest on current account	FEB	Balance			13 000.00	
12	28/02/21	G	2800/000 – Bad debts recovered	FEB	Balance			80 000.00	
12	28/02/21	G	3650/000 – Electricity and water	FEB	Balance		123 000.00		
12	28/02/21	G	3900/000 – Interest on overdraft	FEB	Balance		2 000.00		
12	28/02/21	G	4300/000 – Rent paid	FEB	Balance		240 000.00		
12	28/02/21	G	4400/000 – Salaries and wages	FEB	Balance		180 000.00		
12	28/02/21	G	4450/000 – Staff training	FEB	Balance		67 400.00		
12	28/02/21	G	4600/000 – Telephone	FEB	Balance		96 000.00		
				✓ 19	✓ 20				

✓ 18

(20)

ENTRY TYPE DETAILS (1.2.8)

Entry Type Details: 01/03/21 to 28/02/22										
Date	Account	Name	Batch ID	User Name	Reference	Description	Tax Type	Tax	Amount	
	Contra Acc	(If Available)	(If Available)							
Entry Type 1 – General Journal ✓1										
01/03/21	5100/000	Capital			TRANS01	Mark for debit and credit account	00	✓2	530,000.00	✓3
			2	student		Transfer of drawings				
01/03/21	5200/000	Retained Income			TRANS01	Transfer of net profit	00	✓4	523,600.00	✓5
			2	student						
01/03/21	5400/000	Drawings			ZContras	Generated General Journal	00	✓6	-530,000.00	
			2	student						
01/03/21	5100/000	Capital			ZContras	Generated General Journal	00	✓7	-523,600.00	
			2	student						
✓8										
Total for Entry Type 1: General Journal									0.00	
Entry Type 2 – Stock Journal ✓9										
01/03/21	1050/000	Opening stock			TRANS02	Transfer of opening stock	00	✓10	821,000.00	✓11
			3	student						
01/03/21	7700/000	Trading stock			ZContras	Generated Stock Journal	00	✓12	-821,000.00	✓13
			3	student						
28/02/22	7700/000	Trading stock			ADJ1	Transfer of closing stock	00	✓14	803,100.00	
			3	student						
28/02/22	2050/000	Closing stock			ZContras	Generated Stock Journal	00	✓15	-803,100.00	
			3	student						
✓16										
Total for Entry Type 2: Stock Journal									0.00	(16)

GENERAL JOURNAL (1.3.2)

General Journal batch listing

Per	Date	GCS	Account	Reference	Description	Project	Debit	Credit	Contra
12	28/02/22	G	0001/000 – Sales	FEB	Balance			3 964 400.00	
12	28/02/22	G	2000/000 – Stock purchases	FEB	Balance		2 530 000.00		
12	28/02/22	G	2750/000 – Interest on current account	FEB	Balance			14 300.00	
12	28/02/22	G	2800/000 – Bad debts recovered	FEB	Balance			88 000.00	
12	28/02/22	G	3650/000 – Electricity and water	FEB	Balance		135 600.00		
12	28/02/22	G	4300/000 – Rent paid	FEB	Balance		264 000.00		
12	28/02/22	G	4400/000 – Salaries and wages	FEB	Balance		198 000.00		
12	28/02/22	G	4450/000 – Staff training	FEB	Balance		74 140.00		
12	28/02/22	G	4600/000 – Telephone	FEB	Balance		105 600.00		
12	28/02/22	G	5400/000 – Drawings	FEB	Balance		583 000.00		
12	28/02/22	G	8400/000 – Bank	FEB	Balance		176 360.00		

BUDGET (1.3.9)

✓1

✓2

Budget Report – Next Year

✓3 Amount in March

	March September	April October	May November	June December	July January	August February	Annual Total	
1050/000	821000	0	0	0	0	0		
Opening stock	0	0	0	0	0	0	821000	✓5
2050/000	0	0	0	0	0	0		
Closing stock	0	0	0	0	0	-722790	-722790	✓✓6,7
2750/000	0	0	0	0	0	0		
Interest on current account	0	0	0	0	0	-15400	-15400	✓8
2800/000	0	0	0	0	0	0		
Bad debts recovered	0	0	0	0	0	-95000	-95000	✓9
3650/000	0	0	0	0	0	0		
Electricity and water	0	0	0	0	0	146400	146400	✓10
4300/000	0	0	0	0	0	0		
Rent paid	0	0	0	0	0	285100	285100	✓11
4400/000	0	0	0	0	0	0		
Salaries and wages	0	0	0	0	0	213800	213800	✓12
4450/000	0	0	0	0	0	0		
Staff training	0	0	0	0	0	80100	80100	✓13
4600/000	0	0	0	0	0	0		
Telephone	0	0	0	0	0	114000	114000	✓11

✓✓ 15, 16 Only income and expenses

✓ 17 Rounded to R100

(17)

REPORT: NET PROFIT (1.4.5)

- Educational No: PIRI ID NUMBER (#) ✓ 1 Printout in Excel
- PIRI ✓ 2
- NET PROFIT STATEMENT ✓ 3
- FOR THE YEAR ENDED 28/02/22 ✓ 4

	This year Actual	Next year Budget	✓ 5
Sales	-3,964,400.00		✓ 6
Cost of sales	2,547,900.00	98,200.00	✓ 7
Gross profit	-1,416,500.00	98,200.00	✓ 8
Other income	-102,300.00	-110,400.00	✓ 9
Expenses	777,300.00	839,400.00	✓ 10
Net profit	-741,500.00	827,200.00	✓ 11
<u>Note for expenses</u> ✓ 12 underline			
Interest on overdraft			
Rent paid	264,000.00	285,100.00	✓ 13
Salaries and wages	198,000.00	213,800.00	✓ 14
Electricity and water	135,600.00	146,400.00	✓ 15
Telephone	105,600.00	114,000.00	✓ 16
Staff training	74,100.00	80,100.00	✓ 17

- ✓ 18 Column widths
- ✓ 19 Amounts: 2 decimals and thousand separator
- ✓ 20 Sort actual expenses from high to low
- ✓ 21 Horizontal and vertical lines
- ✓ 22 Header: ID NUMBER (#) left; NET PROFIT (right)

(22)
[75]



Additional activity 5

SB page 322

GENERAL LEDGER ACCOUNTS LISTINGS

General Ledger Master Listing						
Account	RW	Default	Tax	Blocked	External	No. of
	Cat	Tax Mode	Code		Reference	Notes
Financial Category : B10 – Share Capital						
5100/000	1	No tax type Default	00	No		0
5400/000	1	No tax type Default	00	No		0
Financial Category : B15 – Retained Income						
5200/000	1	No tax type Default	00	No		0
Financial Category : B60 – Bank						
8400/000	2	No tax type Default	00	No		0
Financial Category : I20 – Other Income						
0001/000	3	No tax type Default	00	No		0
2900/000	3	No tax type Default	00	No		0
Financial Category : I25 – Expenses						
3100/000	4	No tax type Default	00	No		0
3350/000	4	No tax type Default	00	No		0
4200/000	4	No tax type Default	00	No		0
4250/000	4	No tax type Default	00	No		0
4300/000	4	No tax type Default	00	No		0
4400/000	4	No tax type Default	00	No		0
4600/000	4	No tax type Default	00	No		0

ENTRY TYPE DETAILS: CASH RECEIPTS AND CASH PAYMENTS JOURNAL (1.1.6)

✓ 1

Entry Type Details: 01/06/22 to 30/06/22

Date	Account Contra Acc (If Available)	Name Batch ID (If Available)	User Name	Reference	Description	Tax Type	Tax	Amount
Entry Type 2: 8400/000 – Bank – Cash Receipt Journal ✓2								
01/06/22	5100/000	Capital		204	Receipt	00	-2,000,000.00	✓5
		2	student					
15/06/22	0001/000	Current income: Services Rendered		205	Receipt	00	-50,200.00	✓6
		2	student					
28/06/22	2900/000	Commission received		206	Receipt	00	-3,465	✓7
		2	student					
29/06/22	0001/000	Current income: Services Rendered		207	Receipt	00	-88,400.00	✓8
		2	student	✓ 3 Reference				
29/06/22	8400/000	Bank		ZContras	Generated Cash Receipt Journal	00	2,142,065.00	
✓ 4 dates		2	student					
Total for Entry Type 2: 8400/000 – Bank – Cash Receipt Journal							0.00	

Entry Type 3: 8400/000 – Bank – Cash Payment Journal ✓9

03/06/22	3350/000	Consumable goods		4007	Payment	00	12,550.00	✓12
		1	student					
05/06/22	4300/000	Rent paid		4008	Payment	00	8,000.00	✓13
		1	student					
08/06/22	4200/000	Stationery		4009	Payment	00	2,800.00	✓14
		1	student					
11/06/22	3100/000	Audit fees		4010	Payment	00	3,200.00	✓15
		1	student					
17/06/22	3350/000	Consumable goods		4011	Payment	00	22,100.00	✓16
		1	student					
20/06/22	4400/000	Salaries and wages		4012	Payment	00	9,000.00	✓17
		1	student					
22/06/22	5400/000	Drawings		4013	Payment	00	700.00	✓18
		1	student					
27/06/22	4250/000	Rates and taxes		4014	Payment	00	3,750.00	✓19
		1	student					
29/06/22	4600/000	Telephone		4015	Payment	00	3,210.00	✓20
		1	student					
29/06/22	8400/000	Bank		✓ 10	Generated Cash Payment Journal	00	-65,310.00	
✓ 11 dates		1	student					
Total for Entry Type 3: 8400/000 – Bank – Cash Payment Journal							0.00	

(20)

TRIAL BALANCE (1.2.8)

Educational No: ALI ID NUMBER (#) | Prepared by: Educational Pack

Trial Balance : 01/07/21 to 30/06/22

✓ 1

Budget	Account		DR	CR
-	5100/000	Capital		2,000,000
-	5200/000	Retained income		
-	5400/000	Drawings	700	
-	8400/000	Bank	2,076,755	
-			2,077,455	2,077,455
-140,000 ✓ 2	0001/000	Current income: Services Rendered		138,600
-3,500 ✓ 3	2900/000	Commission received		3,465
3,400 ✓ 4	3100/000	Audit fees	3,200	
35,000 ✓ 5	3350/000	Consumable goods	34,650	
3,600 ✓ 6	4250/000	Rates and taxes	3,750	
10,000 ✓ 7	4300/000	Rent paid	8,000	
9,000 ✓ 8	4400/000	Salaries and wages	9,000	
2,500 ✓ 9	4200/000	Stationery	2,800	
3,000 ✓ 10	4600/000	Telephone	3,210	
-77,000			142,065	142,065

✓ 11

✓ 12

- ✓ 13 Print zero items
- ✓ 14 Print balance sheet accounts first
- ✓ 15 Column widths
- ✓✓ 16, 17 Sort expenses alphabetically
- ✓✓ 18, 19 Hide row 8 & 10 (Net Profit)
- ✓ 20 Amounts: integers
- ✓ 21 Amounts: thousand separator
- ✓ 22 Horizontal lines
- ✓ 23 Vertical lines
- ✓ 24 Footer: ID NUMBER (#) left; TRIAL BALANCE right
- ✓ 25 1 page landscape

(25)

FINANCIAL REPORT (1.3.2)

IDENTIFICATION NUMBER (#) ✓ 1

ALI ✓ 2

FINANCIAL REPORT FOR THE YEAR ENDED 30/06/22 ✓ 3

		Rand	
<hr/>			
INCOME STATEMENT	✓ 6		
Total Incomes		142,065	✓ 7
Less: Total Expenses	✓ 9	64,610	✓ 8
Net Profit		77,455	✓ 10
<hr/>			
	✓ 11		✓ 5
BALANCE SHEET	✓ 12		
Capital		2,000,000	✓ 13
Drawings		<700>	✓ 14
Net Profit	✓ 9	77,455	✓ 15
Total Equity	✓ 17	2,076,755	✓ 16
Bank	✓ 9	2,076,755	✓ 18
Total Assets		2,076,755	✓ 19
<hr/>			
			✓ 20

(20)
[65]

EXEMPLAR PAPER 1

QUESTION 1

Required:

- 1.1 Create a new workbook and key in the spreadsheet as provided below.
- 1.2 Complete the stock sheet for Stormy Tea Cup according to the instructions.

INVENTORY SHEET FOR FEBRUARY (insert this year)							
DATE	QUANTITY				COST PRICE		
FEBRUARY	RECEIVED	ISSUED	STOCK ON HAND	AVERAGE PRICE	RECEIVED	ISSUED	STOCK ON HAND
1 Feb	0	0	160	R75.00	R0.00	R0.00	?
5 Feb			190	?	?		?
8 Feb		?	120	?		?	?
11 Feb	?		140	?	?		?
14 Feb		?	80	?		?	?
17 Feb	?		100	?		?	?
20 Feb		?	60	?	?		?

- 1.3 The stock controller discovered that no record was kept of stock items that were purchased. Correct any errors that you identify.

Purchase price for stock bought:

Date	Quantity	Price
5 Feb	?	R78.00
11 Feb	?	R80.50
17 Feb	?	R85.00

Instructions:

- 1.1 Create the spreadsheet.
- 1.2 Provide the stock sheet with a suitable heading. Use bold and italics.
- 1.3 Use applicable formulas to calculate the stock purchased or sold during February.
- 1.4 Complete the 'received' column by using the purchase price per unit that is provided.
- 1.5 Complete the cost of sales and the stock on hand columns by using the average price.
- 1.6 Display the figures in the received, issued and on-hand (in the cost price) columns as currency (rand value).
- 1.7 Display the figures in the quantities column as integers.
- 1.8 Calculate the missing quantities.
- 1.9 Adjust the column widths.
- 1.10 Insert vertical and horizontal lines.
- 1.11 Insert name (and work station number) in a header (left).
- 1.12 Insert PRINTOUT 1 in a header (right).
- 1.13 Use A4 paper (portrait orientation).
- 1.14 Save the spreadsheet.
- 1.15 Print the spreadsheet.

SOLUTION

STORMY TEA CUP							
INVENTORY SHEET FOR FEBRUARY 20... (this year)							
DATE	QUANTITY				COST PRICE		
FEBRUARY	RECEIVED	ISSUED	STOCK ON HAND	AVERAGE PRICE	RECEIVED	ISSUED	STOCK ON HAND
01 Feb	0	0	160	R75.00	R0.00	R0.00	R12 000.00
05 Feb	30		190	R75.47	R2 264.21		R14 340.00
08 Feb		70	120	R75.47		R5 283.16	R9 056.84
11 Feb	20		140	R76.19	R1 523.83		R10 666.84
14 Feb		60	80	R76.19		R4 571.50	R6 095.34
17 Feb	20		100	R77.95	R1 559.07		R7 795.34
20 Feb		40	60	R77.95		R3 118.14	R4 677.20

QUESTION 2

The following balances appeared in the books of Saxon Stores on 28 February (last year).

Land and buildings	560 000
Vehicles	260 000
Equipment	130 000
Accumulated depreciation on vehicles	123 500
Accumulated depreciation on equipment	52 000

Additional information:

- 2.1 A new delivery vehicle, cost price R100 000, was purchased on 30 November (last year).
- 2.2 New equipment, cost price R20 000, was purchased on 31 December (last year).
- 2.3 Depreciation on cost price:
 - Vehicles: 20%
 - Equipment: 25%

Required:

Prepare the note to the Statement of Financial Position on 31 March (this year) that gives the details of property, plant and equipment.

Instructions:

- 2.1 Create the spreadsheet.
- 2.2 Insert a suitable heading for the note.
- 2.3 Determine and enter formulas to do the necessary calculations.
- 2.4 Adjust the column widths to fit the spreadsheet on one page.
- 2.5 Insert your name (and work station number) in a header (left).
- 2.6 Insert PRINTOUT2 in a header (right).
- 2.7 Use A4 paper, portrait orientation.
- 2.8 Display all the figures with two decimal places.
- 2.9 Enhance the quality of the work by drawing horizontal and vertical lines.
- 2.10 Use A4 paper, portrait orientation.
- 2.11 Save the spreadsheet as PRINTOUT2.
- 2.12 Print the spreadsheet.

SOLUTION

SAXON STORES				
NOTES TO THE STATEMENT OF FINANCIAL POSITION				
Note1: PROPERTY, PLANT AND EQUIPMENT				
	Land and buildings	Vehicles	Equipment	Total
Cost	560 000.00	260 000.00	130 000.00	950 000.00
Accumulated depreciation	0.00	-123 500.00	-52 000.00	-175 500.00
Carrying value	560 000.00	136 500.00	78 000.00	774 500.00
Additions at cost	0.00	100 000.00	20 000.00	1 125 500.00
Disposals	0.00	0.00	0.00	0.00
Depreciation for the year	0.00	-57 000.00	-33 333.33	-90 333.33
Carrying value at end		179 500.00	64 666.67	1 809 666.67
Cost	560 000.00	360 000.00	150 000.00	1 070 000.00
Accumulated depreciation	0.00	180 500.00	55 333.33	235 833.33

QUESTION 3

The following information is taken from the accounting records of Tombolo Manufacturers on 30 June (this year).

Information	R
Stock on hand on 1 July (last year)	
Raw material	65 400
Work in process	8 000
Purchases of raw material	312 000
Carriage on purchases of raw material	25 800
Rent of factory	90 000
Wages: direct	148 000
Wages: indirect	32 600
Consumable stores of factory	9 000
Insurance: factory	14 500
Insurance: offices	8 600
Electricity: factory	41 000
Electricity: offices	18 800
Maintenance: factory	5 400
Depreciation of factory plant	55 500
Sales expenses	86 300
Stock on hand on 30 June (this year)	
Raw material	43 200
Work in process	3 000

Additional information:

During the year, 50 000 units were completed.

Required:

Use the information provided above to draw up a Manufacturing Cost Statement for the year ended 30 June (this year).

Instructions:

- 3.1 Create the spreadsheet.
- 3.2 Provide the report with a suitable heading. Use bold print.
- 3.3 Insert formulas to complete all calculations.
- 3.4 Insert the following costs in a separate column:
 - Direct material cost per unit
 - Direct labour cost per unit
 - Manufacturing overheads per unit
 - Total manufacturing cost per unit
 - Display costs per unit as currency with two decimal places.
- 3.5 Display all other figures as integers.
- 3.6 Adjust the column widths.
- 3.7 Insert vertical and horizontal lines.
- 3.8 Insert name (and work station number) in a header (left).
- 3.9 Insert PRINTOUT 3 in a header (right).
- 3.10 Use A4 paper (portrait orientation).
- 3.11 Save the spreadsheet a PRINTOUT3.
- 3.12 Print the spreadsheet.

SOLUTION

TOMBOLO MANUFACTURERS			
MANUFACTURING COST STATEMENT ON 30 JUNE 20... (this year)			
Opening stock		65 400	
Plus: Purchases		312 000	
Plus: Carriage on purchases		25 800	
		403 200	
Less: Closing stock		-43 200	
Cost of raw material		360 000	R7.20
Direct wages		148 000	R2.96
Prime cost		508 000	
Manufacturing overheads		248 000	R4.96
Indirect wages	32 600		
Rent of factory	90 000		
Consumable stores	9 000		
Insurance: factory	14 500		
Electricity: factory	41 000		
Maintenance: factory	5 400		
Depreciation of factory plant	55 500		
Total cost of production		756 000	
Plus: Work in process on 1 July		8 000	
		764 000	
Less: Work in process on 30 June		-3 000	
Manufacturing cost of finished goods		761 000	R15.22

QUESTION 4

Amabolobolo Traders is a sole tradership, owned by Peter Ndzo.

Required:

Study the information that is provided below, and then answer the questions that follow.
Provide short concise answers.

Information:

The following figures appeared in the financial statements for the year ended 28 February (this year).

<i>From the Statement of Financial Position</i>	This year	Last year
Capital at the end of the year	120 000	100 000
Current assets	260 000	210 000
Inventories (all trading stock)	125 000	105 000
Accounts receivable (Trade debtors)	85 000	75 000
Cash and cash equivalents	50 000	30 000
Current liabilities	60 000	80 000
Accounts payable	60 000	80 000

<i>From the Statement of Comprehensive Income</i>	This year	Last year
Sales/Turnover/Revenue (all on credit)	400 000	450 000
Cost of sales	300 000	360 000
Credit losses	8 000	3 000
Other expenses	52 000	36 000
Net profit	40 000	51 000

<i>The following financial indicators were calculated last year</i>	
	Last year
Net profit on turnover	11.3%
Current ratio	2.6 : 1
Acid test ratio	1.3 : 1
Debtors average collection period	57 days
Creditors average payment period	30 days
Return on average owner's equity	51%

Questions:

- 4.1 4.1.1 Should Peter be satisfied with his turnover for this year?
Comment briefly.
- 4.1.2 Provide two possible reasons for the change in turnover over the past year.
- 4.2 4.2.1 Calculate the percentage net profit on turnover for this year.
- 4.2.2 Compare this percentage to that of last year and provide a comment.
- 4.3 4.3.1 Calculate the current ratio for this year.
Show the formula and workings.
- 4.3.2 Calculate the acid-test ratio for this year.
Show the formula and workings.
- 4.4 4.4.1 Calculate the average trade receivables collection period in days.
Show the formula and workings.
- 4.4.2 Compare this period to that calculated for the previous year, comment on your findings and state what advice you would offer Peter.

Instructions:

- 4.1 Create the spreadsheet.
- 4.2 Key in the answers to the questions.
- 4.3 Number your answers correctly.
- 4.4 Adjust the column widths.
- 4.5 Insert name (and work station number) in a header (left).
- 4.6 Insert PRINTOUT 4 in a header (right).
- 4.7 Use A4 paper (portrait orientation).
- 4.8 Save the spreadsheet as PRINTOUT4.
- 4.9 Print the spreadsheet.

SOLUTION

4.1.1	No, Peter should not be satisfied with his turnover for this year.
	His turnover has reduced by R50 000.
	This means that he has a shrinking business.
	It is the general perception that business owners expect an increase in turnover.
	(Accept any other possible answer.)
4.1.2	Competitor in are has "stolen" some of the clients (sales).
	Amabolobolo Traders is selling a "dying" product, e.g. tape recorder, floor polisher, etc.
	Amabolobolo Traders is selling products for which there is no demand.
	Amabolobolo Traders is trying to charge prices that are too high.
	The market is in a downturn stage i.e. fewer people buying.

4.2.1	Net profit on turnover = (Net profit / Turnover) x 100 / 1
	= 40 000/400 000 x 100/1
	= 10%
4.2.2	Not a favourable position.
	Percentage dropped from 11.3% last year to 10% this year.
	Percentage dropped by 1.3%.
	Possible reasons:
	Turnover decreasing.
	Increase in credit losses from R3 000 (last year) to R8 000 (this year). Increase of R5 000.
	Increase in other expenses from R36 000 (last year) to R52 000 (this year). Increase of R16 000.
4.3.1	Current ratio = Current assets : Current liabilities
	R260 000 : R60 000
	4.33 : 1
4.3.2	Acid test ratio = Current assets – stock : Current liabilities
	R260 000 – R125 000 : R60 000
	2.25 : 1
	The ratios improved significantly.
	This is a favourable position.
	The business has no liquidity problems.
	The ratios are double the expected norms of 2 : 1 and 1 : 1 respectively.
	I would suggest that the owner uses some of the available cash for his own use.
	I would suggest that the owner uses some of the available cash to invest in a new initiative.
4.4.1	Debtors average collection period = Average debtors / Credit sales x 365/1
	= ((85 000 + 75 000)/2)/400 000 x 365/1
	= 73 days
4.4.2	Collection period has increased from 57 days (last year) to 73 days (this year).
	An increase of 16 days.
	Not a favourable position.
	Debtors are taking longer to pay their debts.
	Advisable to reduce to 30 days.
	The owner should initiate early payment terms.
	The owner should initiate early settlement discounts.
	The owner should initiate a charge of interest on overdue accounts.

QUESTION 5

5.1 Create a new set of accounts name GREEN.

DO NOT use the setup assistant.

Select File/New

New Company Name: GREEN

Click on START NEW COMPANY

Create

Go to Setup Company Parameters (Ctrl+Shift+T) GREEN Identification number (workstation number).

Untick 'Use Multi-Currency'.

REPORT WRITER CATEGORIES

- 1 Capital
- 2 Current Assets
- 3 Income
- 4 Expenses

ENTRY TYPES: General Journal (D)

FINANCIAL PERIOD: 1 July 20.. (this year) – 30 June 20.. (next year)

This year periods: Only set up period 1 (01/07/20.. – 31/07/20..) and then select 'Use end date' and click on 'Create'

Last year periods: Only set up period 12 (01/06/20.. – 30/06/20..) enter, OK

TAX: Do not use tax.

- 5.2 Create the following General Ledger accounts. Use the given account numbers and link each account to the correct report writer category.

Account	Description	Balance
5100	Capital	R? (calculate)
5200	Retained Income	
5400	Drawings	R42 000
8400	Bank	R52 000
0001	Services Rendered	R370 000
2800	Commission Received	R25 000
3200	Bank Charges	R3 500
3650	Electricity and Water	R21 500
3850	Insurance	R16 000
4200	Printing and Stationery	R4 000
4400	Salaries	R260 000
4600	Telephone	R21 600

- 5.2.1 Use the General Journal to capture the balances given above on 30 June 20.., period 12 of this year. Use OBI2 as reference and Balance B/F as description. Create and use Balance Control (account number 9990/000) as a balancing account, if necessary. Do not use Tax in this journal.
- 5.2.2 Do not print the General Journal.
- 5.2.3 Update (post) the General Journal to the General Ledger.
- 5.2.4 Make a printout of the General Journal Entry Type with balances on 30 June 20.. (this year). (18)

- 5.3 Draw up a budget for INCOME and EXPENSES for this year.
- 5.3.1 Enter the individual amounts for individual accounts.

ACCOUNT	BUDGET AMOUNT
Services Rendered	R350 500
Electricity and Water	R22 000
Insurance	R15 000
Printing and Stationery	R4 500
Bank Charges	R2 000
Salaries	R220 000
Telephone	R22 000

- 5.3.2 Round amounts to R100.
- 5.3.3 Make a printout of the TRIAL BALANCE on 30 June 20.. (this year), compare with the budgeted amounts. Show zero items – YES. Print Balance Sheet accounts first. (24)

- 5.4 Draw up a budget for INCOME and EXPENSES for next year.
- 5.4.1 Copy this year's budgeted figures to next year's budget.
- (a) Adjust with 8%. No rounding.
- (b) The budgeted amount for Commission Received for next year is R25 000.
- 5.4.2 Make a printout of the budget for INCOME and EXPENSES for next year.
Print zero items – YES. (12)
- 5.5 Create the following report by means fo the REPORT WRITER.

REPORT HEADINGS

SUMMARISED INCOME STATEMENT
FOR THE YEAR
ENDING #E

Index Description: SHORT STATEMENT
Report Type: Multi-columns (M)
Rounding: R100
Note Reference column: No
Omit Standard Headings No

REPORT COLUMNS

Col	Amount	Type	From	To	Heading 1	Heading 2
1	This Year	Runtime Periods	-11	0	ACTUAL	THIS YEAR
2	This Year Budget	Runtime Periods	-11	0	BUDGET	THIS YEAR
3	Future Budget	Fixed Periods	1	12	BUDGET	NEXT YEAR

REPORT LINES

Sk	Prt	DC	Sup	Description	Formula	Note	No.	Act
1	Y	C	N	INCOME	CT03			
1	Y	C	N		CM03			
1	Y	C	N	_SC				
1	Y	D	N	EXPENSES	CT04			
1	Y	D	N		CM04			
1	Y	D	N	_SC				
1	Y	C	N	NET PROFIT	CT03 + CT04			
1	Y	C	N	_DL				

Save the report.

- 5.5.1 Make a printout of the REPORT FORMAT created above. (6)
- 5.5.2 Make a printout of the SHORT STATEMENT with amounts for period 12 (this year).
Show zero lines – NO. (15)

SOLUTION

5.2.4

Entry Type Details: 01/06/23 to 30/06/23									
Date	Account	Name	Reference	Description	Tax Type	Tax	Amount		
	Contra Acc (If Available)	Batch ID (If Available)	User Name						
Entry Type 1 – General Journal				Line transaction: account & amount					
30/06/23	5100/000	1	Capital student	OB12	Balance B/F	00	-25,600.00	✓	
30/06/23	5400/000	1	Drawings student	OB12	Balance B/F	00	42,000.00	✓	
30/06/23	8400/000	1	Bank student	OB12	Balance B/F	00	52,000.00	✓	
30/06/23	0001/000	1	Services Rendered student	OB12	Balance B/F	00	-370,000.00	✓	
30/06/23	2800/000	1	Commission Received student	OB12	Balance B/F	00	-25,000.00	✓	
30/06/23	3200/000	1	Bank Charges student	OB12	Balance B/F	00	3,500.00	✓	
30/06/23	3650/000	1	Electricity and Water student	OB12	Balance B/F	00	21,500.00	✓	
30/06/23	3850/000	1	Insurance student	OB12	Balance B/F	00	16,000.00	✓	
30/06/23	4200/000	1	Printing and Stationery student	OB12	Balance B/F	00	4,000.00	✓	
30/06/23	4400/000	1	Salaries student	OB12	Balance B/F	00	260,000.00	✓	
30/06/23	4600/000	1	Telephone student	OB12	Balance B/F	00	21,600.00	✓	
				✓	✓	✓			
Total for Entry Type 1: General Journal							0.00		

(18)

5:3:3

✓ ✓ ✓

Trial Balance: 01/07/22 to 30/06/23

Budget	Account		DR	CR
0.00	5100/000	Capital		25,600.00
0.00	5200/000	Retained Income	✓ All accounts	
0.00	5400/000	Drawings	42,000.00	
0.00	8400/000	Bank	52,000.00	
0.00		Nett Profit		68,400.00
<hr/>			<hr/>	<hr/>
0.00			94,000.00	94,000.00
			<hr/>	<hr/>
0.00		Nett Profit	68,400.00	
✓✓ -350,500.00	0001/000	Services Rendered		370,000.00
✓✓ 0.00	2800/000	Commission Received		25,000.00
✓✓ 2,000.00	3200/000	Bank Charges	3,500.00	
✓✓ 22,000.00	3650/000	Electricity and Water	✓ All accounts	21,500.00
✓✓ 15,000.00	3850/000	Insurance	16,000.00	
✓✓ 4,500.00	4200/000	Printing and Stationery	4,000.00	
✓✓ 220,000.00	4400/000	Salaries	260,000.00	
✓✓ 22,000.00	4600/000	Telephone	21,600.00	
<hr/>			<hr/>	<hr/>
-65,000.00			395,000.00	395,000.00
<hr/>			<hr/>	<hr/>

✓✓ Amounts rounded to R100

✓ Print zero items

(24)

5.4.2

Budget Report – Next year ✓

✓

	March September	April October	May November	June December	July January	August February	Annual Total
0001/000	0	0	0	0	0	0	
Services Rendered	0	0	0	0	0	-378,540	-378,540 ✓
2800/000	0	0	0	0	0	0	
Commission Received	0	0	0	0	0	-25,000	-25,000 ✓
3200/000	0	0	0	0	0	0	
Bank Charges	0	0	0	0	0	2,160	2,160 ✓
3650/000	0	0	0	0	0	0	
Electricity and Water	0	0	0	0	0	23,760	23,760 ✓
3850/000	0	0	0	0	0	0	
Insurance	0	0	0	0	0	16,200	16,200 ✓
4200/000	0	0	0	0	0	0	
Printing and Stationery	0	0	0	0	0	4,860	4,860 ✓
4400/000	0	0	0	0	0	0	
Salaries	0	0	0	0	0	237,600	237,600 ✓
4600/000	0	0	0	0	0	0	
Telephone	0	0	0	0	0	23,760	23,760 ✓

(12)

5.5.1

Report Format Printout: File – ACCREP09.DAT

Report Headings

- 1 SUMMARISED INCOME STATEMENT
- 2 FOR THE YEAR ✓
- 3 ENDING #E
- 4

Index Description

SHORT STATEMENT ✓

Print Options

Omit Standard Headings N ✓

Report Format

Report Type M
 Decimals to Use 100 ✓
 Note Reference Column N

Col	Amt	Typ	From	To	Heading 1	Heading 2	A/C	No.	Description
01	T	R	-11	0	ACTUAL	THIS YEAR	A		
02	B	R	-11	0	BUDGET	THIS YEAR	A	✓	
03	F	F	1	12	BUDGET	NEXT YEAR	A		

Sk	Prt	DC	Sup	Description	Formula	Note	No.	Act
1	Y	C	N	INCOME	CT03			
1	Y	C	N		CM03			
1	Y	C	N	_SC		✓		
1	Y	D	N	EXPENSES	CT04			
1	Y	D	N		CM04			
1	Y	D	N	_SC				
1	Y	C	N	NET PROFIT	CT03+CT04			
1	Y	C	N	_DL				

(6)

5.5.2

SUMMARISED INCOME STATEMENT ✓
 FOR THE YEAR
 ENDING 30/06/23 ✓

	ACTUAL THIS YEAR	BUDGET THIS YEAR	BUDGET NEXT YEAR
INCOME ✓	395,000	350,500	403,500
Services Rendered	370,000	350,500	378,500 ✓
Commission Received	25,000		25,000 ✓
			✓
EXPENSES ✓	326,600	285,500	308,500
Bank Charges	3,500	2,000	2,200 ✓
Electricity and Water	21,500	22,000	23,800 ✓
Insurance	16,000	15,000	16,200 ✓
Printing and Stationery	4,000	4,500	4,900 ✓
Salaries	260,000	220,000	237,600 ✓
Telephone	21,600	22,000	23,800 ✓
NET PROFIT ✓	68,400	65,000	95,000 ✓

(15)
[75]

EXEMPLAR PAPER 2

QUESTION 1

The following stock items were on hand on 31 March (this year) in the books of Konfyt Producers

STOCK CODE	DESCRIPTION	COST PRICE	QUANTITY
Apri	Apricot	R38.95	250
Peach	Peaches	R72.85	48
Melon	Melon and ginger	R42.00	32
Straw	Strawberry	R49.90	60

Additional information:

The selling price (exclusive) for all inventory items is calculated by adding 75% on the cost.

Required:

Create the gross profit stock report on 31 March (insert this year).

Instructions:

- 1.1 Create the spreadsheet.
- 1.2 Provide the report with a suitable heading. Use bold print.
- 1.3 Use the following column headings:
 - Stock code
 - Description
 - Quantity
 - Cost price
 - Selling price (VAT exclusive)
 - VAT 15%
 - Selling price (VAT inclusive)
 - Gross profit per unit
 - Gross profit percentage on cost
 - Stock on hand
- 1.4 Centre the column headings. Use bold print. Change all column headings to italics.
- 1.5 Insert formulas in cells where calculations are necessary.
- 1.6 Use absolute cell referencing where necessary.
- 1.7 Display figures in the quantity column as integers.
- 1.8 Display all other amounts with two decimals.
- 1.9 Display gross profit percentage on cost with a percentage sign.
- 1.10 Adjust the column widths.
- 1.11 Insert vertical and horizontal lines.
- 1.12 Display column totals.
- 1.13 Insert name (and work station number) in a header (left).
- 1.14 Insert PRINTOUT 1 in a header (right).
- 1.15 Use A4 paper (landscape orientation).
- 1.16 Save the spreadsheet a PRINTOUT1.
- 1.17 Print the spreadsheet.

SOLUTION

KONFYT PRODUCERS									
GROSS PROFIT STOCK REPORT ON 31 MARCH 20... (this year)									
<i>STOCK CODE</i>	<i>DESCRIPTION</i>	<i>QUANTITY</i>	<i>COST PRICE</i>	<i>SELLING PRICE (VAT EXCLUSIVE)</i>	<i>VAT 15%</i>	<i>SELLING PRICE (VAT INCLUSIVE)</i>	<i>GROSS PROFIT PER UNIT</i>	<i>GROSS PROFIT PERCENTAGE ON COST</i>	<i>STOCK ON HAND</i>
Apri	Apricot	250	38.95	68.16	10.22	78.39	29.21	75%	9 737.50
Peach	Peaches	48	72.85	127.49	19.12	146.61	54.64	75%	3 496.80
Melon	Melon and ginger	32	42.00	73.50	11.03	84.53	31.50	75%	1 344.00
Straw	Strawberry	60	49.90	87.33	13.10	100.42	37.43	75%	2 994.00
TOTAL		390	203.70	356.48	53.47	409.95	152.78		17 572.30

QUESTION 2

The following information appeared in the books of Papilio Traders on 28 February (this year).

<i>Figures that are reflected in the Statement of Comprehensive Income on 28 February</i>		
	Last year	This year
Turnover	65 000	79 000
Gross profit	43 000	62 000
Interest income	4 800	6 200
Rent expense	7 000	7 000
Loss on sale of asset	3 200	4 900
Depreciation	4 000	5 250
Operating expenses	6 300	8 100
Net profit transferred to capital	32 700	43 200

<i>Figures that are reflected in the Statement of Financial Position on 28 February</i>		
	Last year	This year
Current assets	72 800	118 400
Inventory	42 700	49 350
Debtors control	41 250	48 350
Cash	2 100	10 150
Current liabilities		
Creditors control	41 000	78 000

Required:

Use the information that is provided above and draft the Statement of Cash Flow for Operating Activities for the period ended 28 February (insert this year).

Instructions:

- 2.1 Create the spreadsheet.
- 2.2 Provide the statement with a suitable heading.
- 2.3 Use applicable formulas to do the necessary calculations.
- 2.4 Show the following notes to the operating activities:
 - 2.4.1 Cash received from clients
 - 2.4.2 Cash paid to employees and suppliers
 - 2.4.3 Reconciliation of profit.
- 2.5 Display all amounts with two decimals and rand sign.
- 2.6 Adjust the column widths.
- 2.7 Insert vertical and horizontal lines.
- 2.8 Insert name (and work station number) in a header (left).
- 2.9 Insert PRINTOUT 2 in a header (right).
- 2.10 Use A4 paper (portrait orientation).
- 2.11 Save the spreadsheet as PRINTOUT2.
- 2.12 Print the spreadsheet.

SOLUTION

PAPILIO TRADERS		
STATEMENT OF CASH FLOW		
FOR THE YEAR ENDED 28 FEBRUARY 20... (this year)		
Cash flow from operating activities		R76,600.00
Cash received from customers and clients	R71,900.00	
Cash paid to employees and suppliers	-R1,500.00	
<i>Cash generated from operations</i>	R70,400.00	
Interest income	R6,200.00	
Notes to the statement of cash flow		
Note 1: Cash received from customers and clients		
Sales	R79,000.00	
Increase in debtors	-R7,100.00	
	R71,900.00	
Note 2: Cash paid to employees and suppliers		
Sales	R79,000.00	
Net profit for the year	R43,200.00	
Expenses for the period	-R35,800.00	
Depreciation	R5,250.00	
Interest income	-R6,200.00	
Loss on sale of asset	R4,900.00	
Increase in stock	-R6,650.00	
Increase in creditors	R37,000.00	
	-R1,500.00	
Note 3: Reconciliation of net profit		
Net profit	R43,200.00	
Adjusted by:		
Increase in debtors	-R7,100.00	
Depreciation	R5,250.00	
Interest received	-R6,200.00	
Loss on sale of asset	R4,900.00	
Increase in stock	-R6,650.00	
Increase in creditors	R37,000.00	
	R70,400.00	

QUESTION 3

The following Trial Balance appeared in the books of Mpekwani Stores on 30 April 20... (this year).

MPEKWANI STORES POST ADJUSTMENT TRIAL BALANCE ON 30 APRIL (this year)		
	DEBIT	CREDIT
Balance Sheet accounts section		
Capital		773 060
Drawings	22 000	
Land and buildings	700 000	
Equipment	160 000	
Vehicles	112 000	
Accumulated depreciation on vehicles		62 450
Accumulated depreciation on equipment		53 120
Trade receivables control	35 200	
Trade payables control		30 000
Bank	36 000	
Petty cash	200	
Inventory (1 May last year)	66 600	
Provision for credit losses		2 480
Long-term loan: ABC Bank (15%)		40 000
Consumables on hand	1 720	
Income receivable	6 200	
Nominal accounts section		
Sales		422 440
Purchases	95 400	
Sales returns	4 000	
Purchases returns		16 800
Wages and salaries	59 200	
Insurance	20 800	
Credit losses	2 000	
Water and electricity	11 900	
Carriage on purchases	4 000	
Telephone	4 500	
Import duties	6 000	
Interest on loan	7 200	
Packing materials	4 000	
Settlement discount allowed	8 100	
Settlement discount received		7 440
Stationery	5 280	
Rent income		5 000
Provision for credit losses adjustment	520	
Depreciation	39 970	
	1 412 790	1 412 790

Additional information:

After a stock evaluation at the end of the financial period, the merchandise on hand was valued at R30 000.

Required:

Use the information that is provided above and draft the Statement of Comprehensive Income for the year ended 30 April (insert this year).

Instructions:

- 3.1 Create the spreadsheet.
- 3.2 Provide the statement with a suitable heading.
- 3.3 Use applicable formulas to do the necessary calculations.
- 3.4 Display all amounts as integers.
- 3.5 Adjust the column widths.
- 3.6 Insert vertical and horizontal lines.
- 3.7 Insert name (and work station number) in a header (left).
- 3.8 Insert PRINTOUT 3 in a header (right).
- 3.9 Save the spreadsheet as PRINTOUT3.
- 3.10 Print the spreadsheet.

SOLUTION

MPEKWENI STORES		
STATEMENT OF COMPREHENSIVE INCOME		
FOR THE YEAR ENDED 30 APRIL 20... (this year)		
Turnover		410,340
Less: Cost of sales		125,200
Opening inventory	66,600	
Add: Purchases	78,600	
Carriage on purchases	4,000	
Import duty	6,000	
Goods available for sale	155,200	
Less: Closing inventory	30,000	
Gross profit		285,140
Add: Other income		12,440
Settlement discount received	7,440	
Rent income	5,000	
Gross income		297,580
Less: Distribution, administrative and other expenses		148,170
Wages and salaries	59,200	
Insurance	20,800	
Credit losses	2,000	
Water and electricity	11,900	
Telephone	4,500	
Packing materials	4,000	
Stationery	5,280	
Provision for credit losses adjustment	520	
Depreciation	39,970	
Operating profit		149,410
Less: Finance cost		7,200
Interest on loan	7,200	
Net profit		142,210
Other comprehensive income		0
Net profit transferred to capital		142,210

QUESTION 4

The following information appeared in the financial statements of Wiggle Waggle Dealers for the periods ending 30 June.

Statement of Comprehensive Income	Last year	This year
Sales (Credit 80%)	2 150 100.00	2 350 000.00
Other income	75 500.00	89 555.00
Operating expenses	535 750.00	598 750.00
Inventory purchases (Credit 75%)	455 500.00	501 100.00

Statement of Financial Position	Last year	This year
Sales (Credit 80%)	385 000.00	197 600.00
Other income	195 000.00	145 500.00
Operating expenses	87 500.00	73 250.00
Inventory purchases (Credit 75%)	201 400.00	199 750.00

Required:

- 4.1 Calculate the following ratios for this year. Round off to one decimal.
- 4.1.1 Current ratio
 - 4.1.2 Gross profit percentage
 - 4.1.3 Inventory turnover rate
 - 4.1.4 Average trade payables payment period (months)
 - 4.1.5 Rate of profitability on owner's equity
- 4.2 Provide comments/recommendations to motivate/substantiate your answers.

Instructions:

- 4.1 Use the information that is provided above.
- 4.2 Show the accounting formulas.
- 4.3 Show the calculations.
- 4.4 Display all amounts as integers.
- 4.5 Adjust the column widths.
- 4.6 Insert name (and work station number) in a header (left).
- 4.7 Insert PRINTOUT 4 in a header (right).
- 4.8 Save the spreadsheet as PRINTOUT4.
- 4.9 Print the spreadsheet.

SOLUTION

4.1.1 Current ratio:

$$\begin{aligned}
 &= \text{Current assets} && : && \text{Current liabilities} \\
 &= 297\,600 + 145\,500 + 73\,250 && : && 199\,750 \\
 &= && 516\,350 && 199\,750 \\
 &= \frac{516\,350}{199\,750} && : && \frac{199\,750}{199\,750} \\
 &= && 2.58 && 1
 \end{aligned}$$

Comments:

Ratio is favourable.

Ratio meets the norm of 2 : 1.

Ratio indicates that the business will be able to meet its short-term commitments.

Business will be able to pay creditors.

4.1.2 Gross profit percentage on turnover				
Formula	=	Gross profit	X	100
		Turnover		1
Calculation	=	Sales – (Opening inventory + Purchases – Closing inventory)	X	100
		Sales		1
	=	2 350 000 – (385 000 + 501 100 – 297 600)	X	100
		2 350 000		1
	=	1 761 500	X	100
		2 350 000		1
	=	75.00%		
Comment:				
Trend if favourable.				

4.1.3 Inventory turnover rate				
Formula	=	Cost of sales		
		Average inventory		
Calculation	=	(Opening inventory + Purchases – Closing inventory)		
		(Opening inventory + Closing inventory)/2		
	=	(385 000 + 501 100 – 297 600)		
		(385 000 + 297 600)/2		
	=	588 500		
		341 300		
	=	1.7 times		
Comments:				
Unfavourable				
Average inventory turnover rate for the industry is 4 times a year.				
Inventory turnover rate of the business is below the industry.				

4.1.4 Trade payables settlement period (this year)				
Formula	=	Average trade payables	X	12
		Credit purchases		1
Calculation	=	(201 400 + 199 750)/2	X	12
		375 825		1
	=	200 575	X	12
		375 825		1
	=	6.4 months		
Comments:				
The trend is unfavourable.				
Ratio is poor based on general norms and compared with industry averages. Trend is in 3 months. Ratio shows that it is more than double the expected period.				
There has been a delay in payment of creditors.				
Avoid interest being charged on accounts.				
Use early payment terms to your advantage.				

4.1.5 Rate of return on owner's equity (This year)				
Formula	=	Net Profit	X	100
		Average Owner's equity		1
Calculation	=	1 252 305	X	100
		391 350		1
	=	320.0%		
Comments:				
Trend Is favourable.				
Return on capital invested is worth the effort.				
Owner will not get a higher interest rate if money is invested at financial institution.				

QUESTION 5

Required:

5.1 Create a new set of accounts name MAX.

DO NOT use the setup assistant.

Select File/New

New Company Name: MAX

Click on START NEW COMPANY

Create

Go to Setup Company Parameters (Ctrl+Shift+T) MAX Identification number (workstation number).

Untick 'Use Multi-Currency'.

REPORT WRITER CATEGORIES

- 1 CAPITAL
- 2 CURRENT ASSETS
- 3 CURRENT LIABILITIES
- 4 INCOME
- 5 EXPENSES
- 6 SALES
- 7 COST OF SALES

ENTRY TYPES: General Journal (D)

FINANCIAL PERIOD: 1 March 20.. (this year) – 28/29 February 20.. (next year)

This year periods: Only set up period 1 (01/03/20.. – 31/03/20..) and then select 'Use end date' and click on 'Create'

Last year periods: Only set up period 12 (01/02/20.. – 28/29/02/20..) enter, OK

TAX: Do not use tax.

- 5.2 Create the following General Ledger accounts. Use the given account numbers and link each account to the correct report writer category.

Account	Description	Balance
5100	Capital	143 300
5200	Retained Income	
5400	Drawings	111 400
7700	Trading Stock	152 600
8000	Customer Control	
8100	Prepaid Expenses	
8400	Bank	86 000
9000	Supplier Control	
9100	Accrued Expenses	
0001	Sales	500 000
2000	Cost of Sales	200 000
2700	Interest Received	15 000
3050	Advertising	11 800
3650	Electricity and Water	19 600
3850	Insurance	14 300
4200	Printing and Stationery	16 200
4300	Rent Paid	24 000
4600	Telephone	22 400

- 5.2.1 Use the General Journal to capture the balances given above on 28/29 February 20..., period 12 of this year. Use PER12 as reference and Balance as description. Create and use Balance Control (account number 9990/000) as a balancing account, if necessary. Do not use Tax in this journal.
- 5.2.2 Do not print the General Journal.
- 5.2.3 Update (post) the General Journal to the General Ledger.
- 5.2.4 Make a printout of the Trial Balance on 28/29 February 20.. (this year). Do not print zero items. Print Income Statement accounts first. (22)
- 5.3 Draw up a budget for EXPENSES for next year.
- 5.3.1 Copy this year's actual figures to next year's budget.
- 5.3.2 Adjust with 6%. No rounding.
- 5.3.3 Edit budgeted amounts of individual accounts as follows:
- The budgeted amount for advertising is the same amount as this year's actual figure.
 - The budget for stationery for next year is R14 000.
 - Rent paid will be increased from period 1 next year to R2 200 per month.
- 5.3.4 Round amounts to the nearest R10.
- 5.3.5 Make a printout of next year's budget for expenses. Show zero items – No. (15)

- 5.4 Journalise the following adjustments on 28/29 February 20.. (this year) in the General Journal.
- 5.4.1 Type a short description for each transaction. Use ADJ12 as reference.
- (a) The telephone account for February 20.. has not been paid yet, R2 100.
- (b) One month's insurance was paid for March 20.. next year.
- 5.4.2 Make a printout of the General Journal Batch Listing (adjustments) with contras. (10)
- 5.4.3 Update (post) the General Journal to the General Ledger.
- 5.5 Use the following report format to create an EXPENSE REPORT on 28/29 February 20.. (this year).

REPORT HEADINGS

Identification number (workstation number)
 EXPENSES/BUDGET
 ON #E

Index Description: EXPENSES/BUDGET
 Report Type: Multi-columns (M)
 Rounding: R10
 Note Reference column: No
 Omit Standard Headings No

REPORT COLUMNS

Col	Amount	Type	From	To	Heading 1	Heading 2
1	This Year	Runtime Periods	-11	0	ACTUAL	THIS YEAR
2	Future Budget	Fixed Periods	1	12	BUDGET	NEXT YEAR
3	Column Variance	Percentage Variance	1	2	VARIANCE	%

REPORT LINES

Sk	Prt	DC	Sup	Description	Formula	Note	No.	Act
1	Y	D	N	EXPENSES				
1	Y	D	N		CM05			
1	Y	D	N	_SC				
1	Y	D	N	TOTAL EXPENSES	CT05			
1	Y	D	N	_DC				

Save the report.

- 5.5.1 Make a printout of the EXPENSES REPORT with amounts on 28/29 February 20.. (this year). Show zero lines – NO. (18)
 [65]

SOLUTION

5.2.4

✓ ✓
 Trial Balance: 01/03/22 to 28/02/23

Last Year	Account	DR	CR
0.00	0001/000 Sales accounts first	✓✓ Income Statement	500,000.00 ✓
0.00	2000/000 Cost of Sales	200,000.00 ✓	
0.00	2700/000 Interest Received		15,000.00 ✓
0.00	3050/000 Advertising	11,800.00 ✓	
0.00	3650/000 Electricity and Water	✓✓ I/S accounts 19,600.00 ✓	
0.00	3850/000 Insurance	14,300.00 ✓	
0.00	4200/000 Printing and Stationery	16,200.00 ✓	
0.00	4300/000 Rent Paid	24,000.00 ✓	
0.00	4600/000 Telephone	22,400.00 ✓	
0.00	Nett Profit	206,700.00 ✓	
0.00		515,000.00	515,000.00
0.00	Nett Profit		206,700.00
0.00	5100/000 Capital		143,300.00 ✓
0.00	5400/000 Drawings	111,400.00 ✓	
0.00	7700/000 Trading Stock	152,600.00 ✓	
0.00	8400/000 Bank	✓✓ B/S accounts 86,000.00 ✓	
0.00		350,000.00	350,000.00

(22)

5.3.5

✓
Budget Report – Next Year ✓

	March September	April October	May November	June December	July January	✓ August February	Annual Total	
3050/000	0	0	0	0	0	0		
Advertising	0	0	0	0	0	11,800	11,800	✓✓
3650/000	0	0	0	0	0	0		
Electricity and Water	0	0	0	0	0	20,780	20,780	✓
3850/000	0	0	0	0	0	0		
Insurance	0	0	0	0	0	15,160	15,160	✓
4200/000	0	0	0	0	0	0		
Printing and Stationery	0	0	0	0	0	14,000	14,000	✓✓
4300/000	0	0	0	0	0	0		
Rent Paid	0	0	0	0	0	26,400	26,400	✓✓
4600/000	0	0	0	0	0	0		
Telephone	0	0	0	0	0	23,740	23,740	✓

✓ Round to R10

- ✓ No zero items
- ✓ Only expenses

(15)

5.4.2

General Journal batch listing for user student – Pre Update Printout ✓

(10)

Per	Date	GCS	Account	Reference	Description	Project	Debit	Credit	Contra
12	28/02/23	G	4600/000 – Telephone	ADJ12 ✓	February 20.. outstanding	✓	2 100.00	✓	9100/000
12	28/02/23	G	8100/000 – Prepaid Expenses	ADJ12 ✓	Insurance paid for March	✓	1 000.00	✓	3850/000
12	28/02/23	G	9100/000 – Accrued Expenses	ZContras	Generated General Journal			2 100.00	
12	28/02/23	G	3850/000 – Insurance	ZContras	Generated General Journal			1 100.00	

✓

5.5

Identification number (#) ✓

EXPENSES/BUDGET ✓

ON 28/02/23 ✓

✓✓ Only expenses	ACTUAL THIS YEAR	BUDGET NEXT YEAR	VARIANCE %	✓ ✓
EXPENSES ✓				
Advertising	11,800	11,800		✓
Electricity and Water	19,600	20,780	5%+	✓
Insurance	13,200	15,160	12%+	✓
Printing and Stationery	16,200	14,000	15%−	✓
Rent Paid	24,000	26,400	9%+	✓
Telephone	24,500	23,740	3%−	✓
TOTAL EXPENSES ✓	109,300	111,880	2%+	✓

(18)
[65]