higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

NATIONAL CERTIFICATE (VOCATIONAL)

APPLIED ACCOUTING
NQF LEVEL 2

(3011002)

27 February 2020 (Y-paper)
13:00–16:00

Nonprogrammable calculators may be used.

This question paper consists of 18 pages and an answer book of 15 pages.

075Q1S2027

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TIME: 3 HOURS
MARKS: 200

INSTRUCTIONS AND INFORMATION

1. Answer all the questions.
2. Read all the questions carefully.
3. Number the answers according to the numbering system used in this question paper.
4. Show all calculations.
5. The table below shows how much time should be spent answering each question.
6. No pages may be removed from the ANSWER BOOK.
7. Write neatly and legibly.

QUESTIONS	TOPICS	MARKS	TIME
SECTION A			
1	Multiple-choice questions	20	18 minutes
2	Short theoretical questions	30	27 minutes
3	Calculations	30	27 minutes
SECTION B			
4	Journals	40	36 minutes
5	Posting to general ledger	30	27 minutes
6	Final accounts and balance sheet	30	27 minutes
7	Influence on accounting equation	20	18 minutes
	TOTAL	**200**	**3 hours**

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SECTION A

QUESTION 1

Various options are given as possible answers to the following questions. Choose the answer and write only the letter (A–D) next to the question number (1.1–1.20) in the ANSWER BOOK.

1.1 The general ledger consists of the … section.

A debit and credit
B trial and balance sheet
C double entry and balance
D balance sheet and nominal

1.2 Calculate the total assets using the information below:

Cash float R580; equipment R1 790; petty cash R450; furniture R3 800.

A R2 290
B R6 620
C R5 590
D R4 250

1.3 The journal entry for the purchase of an office chair on credit is …

A debit equipment and credit creditor's control.
B debit bank and credit equipment.
C debit creditor's control and credit equipment.
D debit equipment and credit creditors control.

1.4 An example of a business that renders a service is …

A a business producing and selling wooden products.
B a business buying fashion items and reselling these at a profit.
C an accounting firm providing a bookkeeping function for businesses.
D a supermarket that sells grocery, clothing and electronic items.

1.5 If a trading store with a positive bank balance of R2 430 receives R835 and pays out R490, it will be left with … in its bank account.

A R3 265
B R2 775
C R2 085
D R3 755

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1.6 Determine the selling price if a business purchases goods for R675 and sells it at a profit of 10%.

A R742,50
B R665,00
C R685,00
D R607,50

1.7 A … is an example of a non-current liability.

A mortgage bond
B trade creditors
C bank overdraft
D salaries

1.8 A debtors outstanding balance is R1 430. Calculate the total amount due on the debtor's statement after interest of 12% per annum is charged.

A R171,60
B R1 258,40
C R1 442,00
D R1 601,60

1.9 The owner's equity … when an expense is paid.

A increases
B decreases
C multiplies
D improves

1.10 A debtor's cheque that is returned by the bank marked R/D is entered into the … journal.

A cash receipts
B debtors'
C cash payments
D general

1.11 Receipts, cheque counterfoils and debit notes are examples of … documents.

A secondary
B supporting
C supplementary
D source

1.12 A … receives donations to run the organisation.

A public company
B non-profit organisation
C collective company
D corporation

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1.13 … can be defined as the sorting, recording, analysing and reporting of transactions in a business.

A Administration
B Accounting
C Management
D Supervision

1.14 Calculate the liabilities of a business is its assets are R105 750 and its owners equity is R65 450.

A R40 300.
B R171 200.
C R45 225.
D R89 300.

1.15 The double entry to record the owner taking trading stock for his own use is:

A Debit bank and credit drawings.
B Credit drawings and debit trading stock.
C Debit drawings and credit bank.
D Debit drawings and credit trading stock.

1.16 The total of the creditors control column in the cash payments journal of a business represents …

A payment received for stock purchases.
B payment made for the cash purchases of stock.
C payment made for stock previously purchased on credit.
D payment made for various items purchased.

1.17 A … is completed to record payment for expenses of a small monetary value.

A petty-cash voucher
B duplicate receipt
C cash-register roll
D tax invoice

1.18 The money supplied by the owner of a business is called …

A cash.
B capital.
C wealth.
D coinage.

1.19 … accounts are credited as they increase the owner's equity.

A Liability
B Income
C Asset
D Expense

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1.20 The main source of income for a sports club is …

A capital contributions.
B dividends received.
C membership fees.
D interest on a current account.

(20 × 1) **[20]**

QUESTION 2

Complete the sentences by writing down the missing word/s next to the question number (2.1.1–2.1.5) in the ANSWER BOOK.

2.1 2.1.1 A … company has a minimum of 2 shareholders.

2.1.2 The owners of a close corporation are called …

2.1.3 The name of a … company ends with (Pty) Ltd.

2.1.4 The personal assets of a … can be taken and sold to pay the debts of the business.

2.1.5 In a … the owners share the profit and the losses according to an agreement.

(5 × 1) (5)

2.2 Choose an item from COLUMN B that matches a description in COLUMN A. Write only the letter (A–G) next to the question number (2.2.1–2.2.5) in the ANSWER BOOK.

COLUMN A		COLUMN B	
2.2.1	Internal document indicating payment made for cash purchases	A	credit purchases invoice
2.2.2	Supporting document indicating withdrawals and deposits	B	credit sales invoice
2.2.3	Document used for damaged goods returned to the business	C	credit note
2.2.4	Duplicate document used by a business when selling goods on credit	D	cheque counterfoil
2.2.5	Original document received by business indicating goods bought on credit	E	journal voucher
		F	bank statement
		G	till slip

(5 × 1) (5)

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2.3 Briefly explain each of the terms below. Give ONE example of each term.

2.3.1 Current asset

2.3.2 Current liability

2.3.3 Non-current asset

(3 × 2) (6)

2.4 Briefly explain each of the following accounting terms:

2.4.1 Bad debts

2.4.2 Creditors' list

(2 × 2) (4)

2.5 Choose ONE word or term from the list below for each of the following descriptions and write it next to the question number (2.5.1–2.5.5) in the ANSWER BOOK.

cash payments journal; credit note; debit note; creditors ledger; credit limit; debtors allowances journal; trade discount; creditors journal; creditors allowances journal

2.5.1 A supplier can allow a business this reduction on an invoice.

2.5.2 Used to record all individual supplier transactions and balances.

2.5.3 Journal used to record returns of stock by customers.

2.5.4 Journal used to record payments to creditors.

2.5.5 Issued to a supplier as evidence that an item has been returned.

(5 × 1) (5)

2.6 Choose the correct term from those in brackets. Write only the answer next to the question number (2.6.1–2.6.5) in the ANSWER BOOK.

2.6.1 A purchases invoice is entered in the (debit/credit) column of the creditors' ledger.

2.6.2 A payment made to a creditor is entered in the (debit/credit) column of the creditors' ledger.

2.6.3 A discount is granted by a creditor, (increases/decreases) the creditor's account.

2.6.4 The creditors' column in the creditors' allowance journal is posted to the (debit/credit) side of the creditors' control account.

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2.6.5 A creditor is a (non-current/current) liability.

(5 × 1) (5)
[30]

QUESTION 3

3.1 Complete the following table by writing the missing information next to the question number (3.1.1–3.1.2) in the ANSWER BOOK. Show all your workings.

COST PRICE	*MARKUP PROFIT*	*SELLING PRICE*
3.1.1	25%	R4 225
R7 355	40%	**3.1.2**

(2 × 2) (4)

3.2 P. Petal, a debtor, has been declared insolvent and the business receives 60 cents in the rand from his estate. The balance is irrecoverable. The amount owing by P. Petal is R6 120.

3.2.1 Calculate the amount received from P. Petal's estate. (2)

3.2.2 Calculate the amount that will be written off as irrecoverable. (2)

3.3 Complete the following debtor's ledger for Photo Traders for June 2018 and write the answer next to the question number (3.3.1–3.3.5) in the ANSWER BOOK. Show all your workings.

Date	Details	Fol.	Debit	Credit	Balance
3	Account rendered	b/d			R8 355
7	Receipt 342	**3.3.1**		R3 300	**3.3.2**
13	Receipt 342 (discount)	CRJ		R55	**3.3.3**
22	Invoice 449	DJ	R780		R5 780
27	Credit note 74	**3.3.4**		R180	R5 600
30	Journal debit	GJ	R90		**3.3.5**

(8)

3.4 Complete the following creditors' age analysis of Feast.com on 30 April 2018 for the creditors below. Write only the answer next to the question number (3.4.1–3.4.3) in the ANSWER BOOK.

January	February	March	April	Balance	Creditor
90 days	*60 days*	*30 days*	*Current*		
0	R1 020	R3 210	**3.4.1**	R5 240	Bites CC
R420	0	R850	R170	**3.4.2**	Meat Stores
			Total	**3.4.3**	

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3.4.1 Calculate the current amount for Bites CC. (3)

3.4.2 Calculate the balance for Meat Stores. (3)

3.4.3 Calculate the total owing to all the creditors on 30 April 2018. (1)

3.5 Calculate the interest charged by a creditor on an overdue amount of R6 230 for five months. The interest rate is 21% per annum. Round off the answer to TWO decimals. (3)

3.6 Complete the following general ledger account for Equipment. Write only the answer next to the question number (3.6.1–3.6.4) in the ANSWER BOOK.

DR **GENERAL LEDGER OF CARNATION EVENTS** CR
EQUIPMENT **B5**

June 1	Balance	b/d	R148 000	June 30	Creditors control	CAJ	R2 999
30	Bank	**3.6.1**	R8 999		Balance	c/d	**3.6.2**
			3.6.3				**3.6.3**
July 1	Balance	b/d	**3.6.4**				

(4 × 1) (4)

[30]

TOTAL SECTION A: 80

SECTION B

QUESTION 4

Party Groove sells party accessories. S. Sparkle, the owner, uses the continuous stock system. A markup of 70% on the cost price is used. Use the information and source documents below to enter the details in the subsidiary journals for 31 March 2018. NO narrations are required for the general journal. Do NOT close off the journals.

4.1 Cash receipts journal (13)

4.2 Cash payments journal (11)

4.3 Debtors' journal (4)

4.4 Debtors' allowances journal (2)

4.5 Creditors' journal (5)

4.6 Creditors' allowances journal (2)

4.7 General journal (3)

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ORIGINAL CREDIT PURCHASE INVOICES

PARTY HATS, ETC.



Date: 2 March 2018 Tax invoice no. 542 Account no. PH12

To: PARTY GROOVE
Address: 15 Twinkle Park, Glimmertown

Quantity	Description	Price (each)	Amount
10 boxes	Tinsel decor	R150	R1 500
50	All-sorts party hats	R210	R10 500
100	Birthday banners	R50	R5 000
50	Balloons – silver and gold	R10	R500
		Total	R17 500



Tinsel Traders

Account no. TS 42 Date: 12 March 2018

Tax invoice no. 89

To: Party Groove
Address: 15 Twinkle Park, Glimmertown

Quantity	Description	Price (each)	Amount
10 boxes	Balloons – all colours	R160	R1 600
1	Helium balloon machine – business use	R6 340	R6 340
		TOTAL	R7 940

CASH-REGISTER ROLLS

Date : 11 March 2018	R	c
Cash-register roll no. 63	4 012	00

Date : 21 March 2018	R	c
Cash-register roll no. 64	11 101	00

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DUPLICATE RECEIPTS

PARTY GROOVE
Receipt no. 76 Date: 01-03-2018

	R	c
Received from: S. Sparkle **For**: Additional capital contribution **Amount**: Forty thousand rand only	40 000	00
Thank you - T Twinkles		

PARTY GROOVE
Receipt no. 77 Date: 19-03-2018

	R	c
Received from: JK Flash **For**: Account settlement – 10% discount granted **Amount**: Four thousand two hundred and thirty rand only	4 230	00
Thank you - T. Twinkles		

PARTY GROOVE
Receipt no. 78 Date: 29-03-2018

	R	c
Received from: Mrs Shimmer **For**: Rental received **Amount**: Thirty thousand rand only	30 000	00
Thank you - T. Twinkles		

DEPOSIT SLIPS

Date	Amount
11 March 2018	R44 012
29 March 2018	R45 331

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DUPLICATE CREDIT SALES INVOICES



PARTY GROOVE

Address: 15 Twinkle Park, Glimmertown.
Invoice no. 987 Date: 10 March 2018

To: G. Glamour Address: 18 Flicker Way, Sparkle Estates

Qty	Description	Unit price	Amount
1 box	21st party hats	R490	R490
1	21st banner	R95	R95
1 box	Napkins	R180	R180
		Total	R765



PARTY GROOVE

Address: 15 Twinkle Park, Glimmertown.
Invoice no. 988 Date: 24 March 2018

To: S. Sequins Address: 4a River View, Rainbow City

Qty	Description	Unit price	Amount
50	Silver balloons	R12	R600
5	Party theme outfits	R390	R1 950
		Total	R2 550

DUPLICATE CREDIT NOTE

Date	Details	Debtor	Amount	Reason
12 March 2018	CN. 43 – 21st party hats	G. Glamour	R272	Sizing incorrect

DUPLICATE DEBIT NOTE

Date	Details	Creditor	Amount	Reason
4 March 2018	DN. 112 - birthday banners	Party hats etc.	R440	Incorrect colours

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CHEQUE COUNTERFOILS

02/03/2018		
To: Cash		
For: Cash float		
	R	C
Balance		
This cheque	500	00
		No. 262

10/03/2018		
To: Hats and Props CC		
For: Inventory – party accessories		
	R	C
Balance		
This cheque	1 170	00
		No. 263

17/03/2018		
To: Cell Universe		
For: Telephone – R1 120 Owner's personal – R310		
	R	C
Balance		
This cheque	1 430	00
		No. 264

19/03/2018		
To: Glass Hire Ltd		
For: Settlement of account of R2 340. Discount – 5%		
	R	C
Balance		
This cheque	?	
		No. 265

29/03/2018		
To: XYZ Municipality		
For: Trading license		
	R	C
Balance		
This cheque	530	00
		No. 266

JOURNAL VOUCHERS:

PARTY GROOVE

JOURNAL VOUCHER NO. 44

Date: 18/03/2018

To: Accounts clerk From: S. Sparkle

Discount of R189 must be cancelled on F. Dreary's account as the cheque was dishonoured by the bank.

[40]

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QUESTION 5

The following balances and totals appeared in the books of Comedy Mask Traders on 30 April 2018:

Debtors' control	R8 450	Sales	R15 580
Trading stock	R41 000	Rent income	R1 000
Bank (unfavourable)	R7 220	Cost of sales	R4 300

The following totals appeared in the subsidiary journals on 30 April 2018:

General journal of Comedy Mask Traders – April 2018	**GJ**
Journal debits (debtors' control)	R560
Journal credits (creditors' control)	R820

Debtors' journal of Comedy Mask Traders – April 2018	**DJ**
Debtors' control	R15 300
Sales	R15 300
Cost of sales	R10 200

Debtors' allowances Journal of Comedy Mask Traders – April 2018	**DAJ**
Debtors' control	R4 800
Debtors' allowances	R4 800
Cost of Sales	R3 200

Cash receipts journal of Comedy Mask Traders – April 2018	**CRJ**
Bank	R42 510
Sales	R19 440
Cost of sales	R12 960
Debtors' control	R6 320
Discount allowed	R1 250
Rent income	R18 000

Cash payments journal of Comedy Mask Traders – April 2018	**CPJ**
Bank	R28 570
Trading stock	R12 470
Wages	R7 590
Creditors' control	R8 400
Discount received	R1 130
Telephone	R1 240

Creditors' journal of Comedy Mask Traders – April 2018	**CJ**
Creditors' control	R4 010
Trading stock	R2 840
Printing and stationery	R1 170

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Creditors' allowances journal of Comedy Masks Traders – April 2018	CAJ
Creditors' control	R1 410
Trading stock	R990
Printing and stationery	R420

Use the above information to complete the following general ledger accounts for Comedy Mask Traders on 30 April 2018. Balance/close off only the accounts as indicated.

5.1	Bank (balance the account)	(5)
5.2	Trading stock	(7)
5.3	Debtors' control	(8)
5.4	Printing and stationery (close off the account)	(5)
5.5	Rent income (close off the account)	(5)
		[30]

QUESTION 6

Use the following trial balance of Occasion Events Traders to prepare the following on 31 May 2018, in the ANSWER BOOK:

6.1	Trading account	(4)
6.2	Profit and loss account for the year ending 31 May 201	(12)
6.3	Balance sheet	(11)
	Show only the CASH AND CASH EQUIVLENTS note to the balance sheet.	(3)
		[30]

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TRIAL BALANCE OF OCCASION EVENTS TRADERS ON 31 MAY 2018			
	Fol.	**Debit**	**Credit**
Balance sheet section			
Capital	B1		275 000
Drawings	B2	70 900	
Land and buildings	B3	250 000	
Vehicles	B4	100 000	
Equipment	B5	80 700	
Trading stock	B6	13 250	
Debtors' control	B7	56 650	
Bank	B8	49 660	
Petty cash	B9	1 500	
Cash float	B10	500	
Creditors' control	B11		28 000
Nominal accounts section			
Sales	N1		525 375
Cost of sales	N2	129 700	
Debtors' allowance	N3	2 400	
Interest income	N4		1 125
Water and electricity	N5	7 470	
Wages	N6	22 500	
Stationery	N7	1 470	
Salaries	N8	55 400	
Fuel	N9	5 300	
Insurance	N10	3 200	
Telephone	N11	2 900	
Rent income	N12		24 000
		853 500	**853 500**

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QUESTION 7

Eco Cups sell party cups to consumers. The continuous stock system is used and the stock markup is 30% on the cost price.

Analyse the source documents below from the books of Eco Cups. Show the account to be debited and the account to be credited in the General Ledger. Show the effects on the elements of the accounting equation. Show an increase with +, and a decrease with – and no effect with 0.

Use the table in the ANSWER BOOK to analyse the transactions.

EXAMPLE:

Cheque no. 678 was issued to District Municipality, for R1 230, to pay for rates.

Subsidiary journal	*General ledger a/c*		*Assets*	*Owner's equity*	*Liabilities*
	Account debited	*Account credited*			
Cash payments journal	Rates	Bank	-1 230	-1 230	0

7.1

Date : 03 June 2018	R	c
Cash register roll no. 589	2 314	00

7.2



ECO CUPS LTD

JOURNAL VOUCHER NO. 55

Date: 16/06/2018

To: Accountant	From: S. Shine
A debtor, Straws CC was incorrectly credited instead of Bio Straws CC for R920. Correct the error.	

7.3

25/06/2018

To: The Factory CC

For: Full settlement of account

	R	c
Balance		
This cheque	1 285	00

No. 872

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7.4



ECO CUPS LTD

Receipt no. 76 Date: 30-06-2018

	Rand	c
Received from: Décor Design **For**: Rental of office premises **Amount**: Five thousand rand only	5 000	00
Thank you - *S. Shine*		

[20]

TOTAL SECTION B: 120
GRAND TOTAL: 200

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