higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

T750**(E)**(N25)H

NOVEMBER EXAMINATION

NATIONAL CERTIFICATE

INTRODUCTORY ACCOUNTING N4

(4010154)

25 November 2016 (X-Paper)
09:00–12:00

Nonprogrammble calculators may be used.

This question paper consists of 7 pages and an answer book of 10 pages.

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DEPARTMENT OF HIGHER EDUCATION AND TRAINING
REPUBLIC OF SOUTH AFRICA

NATIONAL CERTIFICATE
INTRODUCTORY ACCOUNTING N4
TIME: 3 HOURS
MARKS: 200

INSTRUCTIONS AND INFORMATION

1. Answer ALL the questions.
2. Read ALL the questions carefully.
3. Number the answers correctly according to the numbering system used in this question paper.
4. Use only blue or black pens.
5. Write neatly and legibly.

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QUESTION 1

Use the following information and complete the wage journal of the supplier Sabatha and Sons for the week ended 30 April 2016.

NOTE: All calculations must be rounded to the nearest rand. Do NOT close the journal.

INFORMATION

It was agreed that the total normal hours of both employees will be 40 hours. All hours beyond that will be overtime.

EMPLOYEES	HOURS WORKED	NORMAL RATE PER HOUR	OVERTIME RATE PER HOUR
Mr Brown	49	R60.00	R90.00
Mrs Angel	53	R58.00	R77.14

DEDUCTIONS

- P AYE (income tax): 18% on gross wages
- Medical : Mr Brown R75.00 per week
  Mrs Angel R45.00 per week
- Pension fund: 7.5% of normal wage
- UIF: 1% of normal wage

EMPLOYER'S CONTRIBUTION

- Pension fund: R2 for every R1 contributed by the employee
- UIF: R1 for R1 contributed by the employee
- Medical: Half of what the employee contributed

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QUESTION 2

The following trial balance appeared in the books of Sabatha and Sons on 30 April 2016

REQUIRED

- Draw up the income statement for the year ended 30 April 2016. (29)
- Show the notes to the balance sheet. (14)

	DEBIT (R)	**CREDIT (R)**
Balance Sheet Section		
Capital		779 450.00
Drawings	49 600.00	
Land and buildings	400 000.00	
Equipment	183 650.00	
Vehicles	222 000.00	
Trading stock (1April 2015)	100 200.00	
Debtors' control	41 400.00	
Bank	39 600.00	
Petty cash	750.00	
Cash float	400.00	
Credit control		28 950.00
Loan: Germs Bank (18%)		200 000.00
Nominal Account Section		
Sales		437 550.00
Purchases	243 300.00	
Carriage on purchases	6 850.00	
Carriage on sales	9 300.00	
Customs duties	6 400.00	
Interest received		7 200.00
Salaries	125 450.00	
Commission received		6 250.00
Rent paid	12 550.00	
Water and electricity	31 600.00	
Bank charges	9 650.00	
Insurance	16 700.00	

ADDITIONAL INFORMATION

The merchandise was valued at R100 000.00 after a physical stocktaking on 30 April 2016.

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QUESTION 3

The following transactions occurred in the books of Sabatha and Sons during the month of April 2016:

REQUIRED

Enter the transactions in the cash receipts and cash payments journal.

ADDITIONAL INFORMATION

Money was deposited on 3, 11, 15, 22 and 30 April 2016.

TRANSACTIONS

April 2016:

1 Cash sales of R12 500 according to cash register

2 Bought stationery at Sandton Suppliers, paid cash R650.00, cheque no.09

3 Cash received from Peter for settling his account of R3 000.00, receipt no.001

5 Received goods from Treasure Company for R35 000.00, issued cheque no.10

7 Paid the weekly wages of R8 000.00 per cheque no.11

8 The owner, Mathemba, contributed R45 000.00 to increase his capital, receipt 002

10 Bought stock from TCT Traders for R8 900.00, cheque no.12

11 R 500.00 cash sales according to the total of cash register roll

15 Commission received of R6 000.00 for services rendered to SSS Foundation, receipt no.003

19 Cheque no.13 for R3 500.00 for cash register machine bought from Zerox Ltd

20 Sent cheque no.14 for R6 500.00 in settlement of account to Credo Suppliers

22 Received cheque from Jakkie for R1 250.00 in settlement of her account, receipt no 004

23 Issued cheque no.15 to Themba Municipality for R4 500.00 for water and electricity.

26 Received R8 000.00 for stock sold according to duplicate receipt no.005

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27 Cheque no.16 for salary of R4 500.00 paid to a receptionist

28 Received goods of R15 000.00 from Buyers' World, issued cheque no.17

30 Goods of R1 325.00 sold according to cash register roll

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QUESTION 4

The following transactions occured in the books of Sabatha and Sons during the month of April 2016:

REQUIRED

4.1 Enter the transactions in the petty cash journal. (14)

4.2 Draft the petty cash account for 30 April 2016 (8)

ADDITIONAL INFORMATION

The owner decided to use the imprest system for the petty cash account. The balance at the beginning of the month is R900.00.

TRANSACTIONS

April 2016:

01 Bought printing paper of R125.00 for office, voucher no.01

02 Bought stamps from post office for R55.00, voucher no.02

05 Paid R65.00 for juice and cake bought for office visitors, voucher no.03

07 Paid wages of R120.00 for cleaning of office windows, voucher no.04

10 Sent parcel by mail and paid R55.00, voucher no. 05

12 Bought flowers for R50.00 for sick staff member, voucher no.06

13 Paid R35.00 for cleaning of office curtains, voucher no.07

15 Paid R150.00 for office envelopes, voucher no.08

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QUESTION 5

Use the information extracted on 30 April 2016 from the books of Sabatha and Sons to complete the following:

5.1 Make the supplementary entries in the cash receipts journal and the cash payments journal on 30 April 2016. Close only bank column totals in both journals on 30 April 2016. (19)

5.2 Post to the bank account in the general ledger and balance the bank account. (6)

5.3 Prepare the bank reconciliation statement on 30 April 2016. (20)

INFORMATION

1 The bank statement reflected a credit balance on 30 April 2016 of R41 368.50

2 Deposits of R5 945 and R905 recorded in the cash receipts journal have not yet been recorded by the bank.

3 Cheques of R165.00 received from S Lebo and R550 received from T Lerumo were dishonoured by the bank due to insufficient funds

4 Diamond Bank charged the current account of Sabatha and Sons with the following amounts:

Cost of cheque book	R55.00
Service fees	R60.00
Tax levies	R37.50
Sundry debits	R25.00

5 Diamond Bank credited the business account with R102.50 for interest on the current account.

6 The bank statement reflected a monthly debit order of R445.00 in favour of One Life Direct. This was for insurance.

7 The following cheques had not yet been presented to the bank for payment:

No 12	R288.50
No 15	R1 261.50
No 18	R283.00
No 25	R617.00

8 Total of cash receipts journal (bank column): R76 647.50
Total of cash payments journal (Bank column): R44 582.50

9 The bank account reflected a debit balance of R14 935.50.

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TOTAL: 200

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