higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

N740**(E)**(J14)H

NATIONAL CERTIFICATE

INTRODUCTORY ACCOUNTING N4

(4010154)

14 June 2018 (X-Paper)
09:00–12:00

Calculators may be used.

This question paper consists of 8 pages and an answer book of 12 pages.

Copyright reserved

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 according to the numbering system used in this question paper.
4. Do NOT USE red or green ink.
5. Work neatly.

Copyright reserved

QUESTION 1

The following trial balance appeared in the books of SIYABONGA NKULU on 30 July 2017.

REQUIRED

1.1 Complete the trading account and profit and loss account in the general ledger of Siyabonga Nkulu for the year ending on 30 July 2017.

1.2 Draw up the balance sheet for the year ended 30 July 2017.

1.3 Show the notes to the balance sheet.

TRAIL BALANCE OF SIYABONGA NKULU ON 30 JULY 2016

BALANCE SHEET SECTION	**DEBIT**	**CREDIT**
Capital		201 000
Drawings	35 900	
Land and buildings	156 900	
Equipment	168 000	
Vehicles	123 560	
Trading stock (1 August 2016)	15 100	
Debtors' control	11 000	
Bank		49 000
Petty cash	1 300	
Cash float	700	
Creditors' control		48 000
Loan: ABSA Bank (22%)		65 000
NOMINAL ACCOUNT SECTION		
Sales		440 000
Purchases	353 100	
Carriage on purchases	9 900	
Carriage on sales	7 925	
Rent received		90 000
Salaries	70 820	
Import duties	3 000	
Interest received		55 000
Commission paid	9 355	
Sundry expenses	7 500	
Entertainment cost	8 000	
Discount received		35 000
Taxes and levies	940	
	983 000	**983 000**

ADDITIONAL INFORMATION

The merchandise was valued at R82 500 after a physical stock taking on 30 July 2017.

[54]

Copyright reserved

QUESTION 2

Use the following information and complete the wage envelopes for the week ended 28 October 2017 for SESSO employees V. Jerda and P. Cassia.

NOTE: ALL calculations must be rounded off to the nearest rand.

INFORMATION

- The normal hours are 45 hours for a week consisting of 6 days, Mondays to Fridays 8 hours per day and Saturdays 5 hours.
- V. Jerad worked the following hours: Monday 5 hours, Tuesday 7 hours, Wednesday 6 hours Thursday 11 hours and Friday 4 hours. (R12 per hour for normal time and R18 per hour for overtime.)
- P. Cassia worked the following hours: Monday 8 hours, Tuesday 9 hours, Wednesday 10 hours, Thursday 9 hours and Friday 9 hours. She arranged with Sesso, the owner, to use 5 hours of his overtime for Saturday. (R14 per hour for normal time and R21 per hour for overtime.)
- DEDUCTIONS

EMPLOYEE	DEPENDANTS	MEDICAL AID FUND	PENSION FUND	PAYE	UIF
V. Jerad P. Cassia	1 2	R150 for the member and R50 for each dependant	7% of normal wage	25% of gross wage after pension has been taken into account	1% of normal wage

ABBREVIATIONS

PAYE – Income tax

UIF – Unemployment insurance fund

[24]

QUESTION 3

The following transactions appeared in the books of BRAND NEW SHOES AND CLOTHING during June 2017.

REQUIRED

1. Enter the transactions in the cash receipts, cash payments and petty cash journals. Close off only the petty cash journal at the end of the month.
2. Draw up and balance the petty cash account in the general ledger of BRAND NEW SHOES AND CLOTHING.

ADDITIONAL INFORMATION

- On 1 JUNE 2017 the owner, Jovanille, appointed a petty cashier to deal with the petty cash payments. It was decided to work according to the imprest system.
- Money has deposited on 8, 12, 24 and 30 June 2017.

TRANSACTIONS

JUNE 2017

1. Withdrew R2 300, cheque no. 111 as an advance for petty cashier

3. Total cash sales according cash register roll R83 000

4. Stamps bought from the post office, R110, petty-cash voucher no. 001

5. R8 000 received from Victoria for rental of part of the building, receipt no. 201

6. Leather jackets bought from Pure Leather, R90 000 paid by cheque no. 112

7. Withdrew R700, cheque no. 113. Used as cash float

8. Total cash sales according to cash register roll R70 500

10. Candles bought for R120 and paid R95. Petty-cash voucher no. 002

11. A cheque of R100 000 from owner, Jovanille, to increase her capital. Receipt no. 202

12. Total cash sales according to cash register roll R83 000. Cheque no. 114 to Green Cross as partial payment of account, R50 800

13. Cash cheque no. 115 for wages, R73 000

15. Tissues bought for a reception, R150. Petty-cash voucher 003 issued. Petty cashier received cheque no. 116 from chief cashier, R1 370.

16. Issued cheque no. 117 for salary to Munich, a salesman, R43 000

Copyright reserved

18. Total cash sales according to cash register roll, R27 000

19. Received a cheque of R6 600 from Yul in settlement of account. Receipt no. 203

20. Donated R96 000 to Katgi Orphanage, cheque no. 118

21. Paid owner's electricity account, R8 750. Petty-cash voucher no. 004

22. Total cash sales according to cash register roll, R58 900

23. Paid Trade Centre for stock bought, cheque no. 119, R1 500

24. Paid Telkom, R31 600, cheque no. 120. Total cash sales according to cash register roll, R80 700

25. Bought ladies' sandals for R69 800 from Kay and Stay Plaza, cheque no. 120

26. Received R23 500 from ABSA Bank for interest on fixed deposit. Receipt no. 204 issued.

27. Issued cheque no. 122 to Incredible Connection for new laptop, R46 000

28. Buy pens and pencils for R100. Petty-cash voucher 005 is issued.

29. Received R6 000 from Cecina for commission on products sold. Receipt no. 204 issued

30. Paid Eskom, R12 900, cheque no. 123

30. Total cash sales according to cash register roll, R31 900

30. Drew cheque no.124 to restore imprest amount of petty cash

[87]

Copyright reserved

QUESTION 4

Use the information obtained from the books of TRUSCOTT BAKERY to compete the following:

4.1 Make the supplementary entries in the cash receipts journal and cash payments journal of Truscott Bakery on 30 June 2017. Close off only the bank column totals in both journals on 30 June 2017.

4.2 Prepare the bank account in the general ledger of Truscott, properly balanced, on 30 June 2017.

4.3 Prepare the bank reconciliation statement of Truscott Bakery on 30 June 2017.

Prepare the bank reconciliation statement of Truscott Bakery on 30 June 2017.

1. Totals of the cash journals as on 30 June 2017:
   Cash receipts journal R46 720
   Cash payments journal R22 900

2. A comparison of the bank statement with the cash book on 30 June 2017 revealed the following differences:

2.1
- The bank statement from Capitec Bank showed a credit balance of R12 450
  The bank account had a debit balance of R1 880.

2.2 The following cheques had not yet been presented for payment:

No. 56	R12 000
No. 63	R14 100
No. 70	R10 300

2.3 Cheque no. 970 to the value of R2 950, issued to the creditor Filton Dealers on 1 January 2017 has become stale. A new cheque will be posted on 3 July 2017.

2.4 A cheque issued by Turcoman Traders, another client of the bank, to the value of R31 000 appears on the business bank statement.

2.5 Capitec Bank debited the current account of Truscott Bakery with the following amounts:

Cost of cheque book	R800
Service fees	R470
Tax levies	R2 240
Interest on overdraft	R3 600

Copyright reserved

2.6 A credit on 17 June 2017 of R16 700 was in respect of a deposit that Truscon Bakery made directly on their account, but it appeared on the business bank statement.

2.7 The bank statement showed a debit order of R8 700 in favour of clientele in payment of the business monthly insurance.

2.8 The bank had not yet credited a deposit of R38 000 which was made on 30 September 2017.

2.9 The bank statement showed a monthly stop order for R23 000 in favour of Samba. This was to pay the account of the owner's wife.

2.10 A review of the bank statement for June 2017 showed that a deposit of R5 500 was made by another client of the bank.

2.11 A cheque for R3 300 during June 2017 as payment for cash purchases was recorded in the cash payment journal as R330.

This error must be rectified.

2.12 Katella deposited R11 200 directly into the current account of the business in payment of his rent and R8 710 in payment of his account.

2.13 A cheque of R31 745, received from the debtor Victor, had been dishonoured on account of insufficient funds.

[35]

TOTAL: 200

Copyright reserved