higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

NATIONAL CERTIFICATE

INTRODUCTORY ACCOUNTING N4

(4010154)

4 June 2021 (X-paper)
09:00–12:00

This question paper consists of 7 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 in the ANSWER BOOK.
2. Read all the questions carefully.
3. Number the answers according to the numbering system used in this question paper.
4. Start each question on a new page.
5. Use only a black or blue pen.
6. Write neatly and legibly.

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QUESTION 1 (36 minutes)

Use the following information and complete the wages journal of Choppies Supermarket for the week ended 28 July 2020.

NOTE: Round off all calculations to the nearest rand. Do not close off the wage journal.

Information:

- The normal hours are 40 hours for a week consisting of five days: Monday to Thursday 8,5 hours per day and 6 hours on Friday.
- Bella worked 9,5 hours on Monday, 10,5 hours on Tuesday, 12,5 hours on Wednesday, 8,5 hours on Thursday and on Friday she attended a workshop with the manager's approval (R20 per hour for normal time and R30 per hour for overtime).
- Kari worked 8,5 hours on Monday, 11,5 hours on Tuesday, 13,5 hours on Wednesday, 8,5 hours on Thursday and on Friday he attended a conference with no manager's approval (R16 per hour normal time and R24 per hour overtime).

Deductions:

Employees	Dependants	Medical aid fund	Pension fund	PAYE	UIF
Bella Kari	3 4	R68 for the member and R34 for each dependant	7,5% of normal wage	25% of gross wage after pension has been considered	1% of normal wage

Employer's contribution:

- Pension fund: 50% of the contribution of the employee
- UIF: R8,75 for each R6,45 contributed by the employee **[42]**

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QUESTION 2 (34 minutes)

The following information appeared in the books of Choppies Supermarket:

The bank account had a debit balance of R96 845 on 1 July 2020.

A comparison of the bank statement with the cash receipts and payments on 31 July 2020 revealed the following differences:

(a) The bank statement from UPK Bank showed an unfavourable balance of R163 897.

(b) The following cheques have not yet been presented for payment on 31 July 2020:

No. AA23	R34 000
No. AA24	R46 000
No. AA25	R65 430

(c) Cheque no. AA42 to the value of R91 400, sent to Passau traders as payment of the account, must be cancelled. This cheque got lost in the post.

(d) Fenella settled her account by depositing R45 000 directly into the current account of Choppies Supermarket.

(e) A credit entry of R23 500 on 9 July was in respect of a deposit that Choppies Bakery made into their account, but it appeared on the bank account of Choppies Supermarket.

(f) The current account of Choppies Supermarket was not yet credited with a deposit of R139 607 made on 31 July 2020.

(g) Carlos' cheque of R20 900 in payment of his account had been returned by the bank marked 'Refer to drawer insufficient funds'.

(h) A cheque to the value of R128 300, withdrawn by the head office out of their current account, appears on the business bank statement.

(i) The bank statement showed a monthly stop order of R11 000 in favour of Security TRC to pay the owner's alarm system account.

(j) The bank statement showed a debit order of R96 585 in favour of OUTsurance as payment of insurance as well as the bank charges of R58 400.

(k) Cheque no. AA46 for R17 930 was erroneously debited twice on the bank statement.

(l) Cheque no. AA43 was incorrectly entered in cash payments journal as R7 290 instead of R9 720.The cheque was issued to Cell C for a laptop.

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2.1 Make the supplementary entries in the cash receipts journal of Choppies Supermarket. (8)

2.2 Make the supplementary entries in the cash payments journals of Choppies Supermarket. (15)

2.3 Close off the journals on 31 July 2020 and post to the bank account in the general ledger. Balance the bank account. (5)

2.4 Compile a bank reconciliation statement on 31 July 2020 to reconcile the balance of the bank account with that of the bank statement. Choppies Supermarket uses UPK Bank. (9)

[37]

QUESTION 3 (65 minutes)

The following transactions occurred in the books of Choppies Supermarket during July 2020.

1. An amount of R9 790 was given to the chief cashier as an advance. Cheque no. 900 was issued.
2. Commission received from Credo on cake flower sold R5 100. Receipt no. 400.
3. Bought new shelves for the business costing R98 000 from Fieri Design. Issued cheque no. 901.
4. Bought pencils, pens and rulers for Choppies' kids from CNA, R112. Petty cash voucher no. A1.
5. The owner, Choppies, deposited an amount of R249 600 into the business bank account as his capital contribution. Receipt no. 401.
6. Bought 50 boxes of 1 kg hand-wash soap sunlight from Markell Ltd and paid R2 150 per box. Issued cheque no. 902.
7. Paid the salary of the assistant manager, Mr Krisel, R32 720. Cheque no. 903.
8. Paid Dulux R425 for painting the owner's doors. Petty cash voucher no. A2.
9. Bought a new delivery van for the business from Dassin Motors. Cheque no. 904.
10. Withdrew R740 for petty cash. Cheque no. 905.
11. Sent a parcel by PostNet and paid R108. Petty cash voucher no. A3.
12. Cash sales according to the total of the cash register roll, R81 300.
13. Received trading stock for R200 000 from Bela Belay Ltd. Cheque 906.

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14. Cash sales according to the total of the cash register roll, R245 800.

15. Received goods from Holman Traders for R260 500. Cheque 907.

16. The owner, Choppies, decided to increase his capital by 25% on the amount deposited on 5 July. Receipt no. 402.

17. An amount of R650 was given to the chief cashier. Cheque no. 908 was issued.

18. A donation was made to the Mandela community, R520. Petty cash voucher no. A4.

19. Cash sales according to the total of the cash register roll, R148 150.

20. The owner bought his son a new PlayStation 5 from Dion Stores, R7 900. Cheque no. 909.

21. Bought 300 cans of cold drink from Coca Cola and paid R7,85 each. Cheque no. 910.

22. Drew cheque no. 911 for cash float, R2 000.

23. A bank statement received from Standard Bank reflected an interest income of R305. Receipt no. 403.

24. Bought petrol from Engen, R3 450. Cheque no. 912.

25. Petty cash voucher no. A5 was required for the owner's house key replacement, R235.

26. Bought stamps for R120 which was for the owner himself, petty cash voucher no. A6.

27. Paid Standard Bank interest of R123. Issued cheque no. 913.

29. A direct deposit of R515 was made by Despina Ltd, a debtor, in settlement of her outstanding balance. Receipt no. 404.

30. The petty cashier received an amount from the chief cashier to restore the imprest. Cheque no. 914.

Additional information:

Money is deposited daily. The owner decided to use the imprest system.

3.1 Enter the transactions in the cash receipts journal. (24)

3.2 Enter the transactions in the cash payments journal. (28)

3.3 Enter the transactions in the petty cash journal. (12)

3.4 Close off only the petty cash journal at the end of July 2020 and post to the general ledger account. (7)

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QUESTION 4 (45 minutes)

The following trial balance appeared in the books of Choppies Supermarket on 31 July 2020:

TRIAL BALANCE OF CHOPPIES SUPERMARKET ON 31 JULY 2020

BALANCE SHEET SECTION	DEBIT	CREDIT
Capital		2 400 000
Drawings	90 500	
Land and buildings	655 000	
Equipment	791 000	
Vehicles	360 800	
Trading stock (1 August 2019)	75 000	
Debtors control	46 000	
Bank		80 000
Petty cash	1 130	
Cash float	990	
Creditors control		52 000
Loan: UPK Bank (19%)		90 000
NOMINAL ACCOUNT SECTION		
Sales		885 000
Purchases	690 000	
Carriage on purchases	13 490	
Carriage on sales	19 000	
Import duties	16 110	
Wages and salaries	825 000	
Rent income		40 000
Interest received		30 000
Commission received		27 000
Donation	5 270	
Licences	5 700	
Interest paid	3 200	
Postage	3 750	
Insurance	2 060	
	3 604 000	**3 604 000**

Additional information:

The merchandise was valued at R175 100 after a physical stocktaking on 31 July 2020.

4.1 Draw up the income statement of Choppies Supermarket on 31 July 2020. (23)

4.2 Draw up the balance sheet for the year ended on 31 July 2020. Only the equity and liability sections are required. (9)

4.3 Show all the notes to the balance sheet. (18)
[50]

TOTAL: 200

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