higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

MARKING GUIDELINE

NATIONAL CERTIFICATE

JUNE EXAMINATION

FINANCIAL ACCOUNTING N4

5 JUNE 2013

This marking guideline consists of 12 pages.

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TOTAL	200
PERCENTAGE %	100

NOTE:

- Award marks for calculations shown within brackets only if final answer is incorrect.
- ☑ Indicates method mark
- Indicates ½ mark

QUESTION 1

1.1 R110 620 (2)

1.2 This balance must be equal to the creditors' list total as at 31 March 2013. (2)

1.3 Total purchases/Sundry accounts (1)

1.4 Discount received (1)

1.5 CAJ 1 and GJ 1 (2)

1.6
- ➢ Transfer of balances (from debtors' and creditors' ledger)
- ➢ Correction of error (2)

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1.7
- Correction of error
- Transfer of balances (from debtors and creditors ledger)
- Interest charged on overdue account (Any 2 × 2) (4)

1.8. 1.8.1 Original invoice

1.8.2 Journal voucher/narration (2 × 1) (2)
[16]

QUESTION 2

CASH BOOK OF NIKE TRADERS FOR MAY 2013 **Debit side**

Doc. no.	Date	Details	Fol	Bank	Sales	Debtors' control	Sundry accounts	
							Amount	Details
	1	Balance	b/d	15 100				
899	31	Telkom (cheq. cancelled)		7 921			7 921	Telephone
B/S		Rihanna		10 500			10 500	Rent income
B/S		Capital Bank		179 000			179 000	Fixed deposit: Capi Bank
B/S		Belkom (error corrected)		500			500	Telephone
				213 021				
June	1	Balance	b/d	202 904				

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CASH BOOK OF NIKE TRADERS FOR MAY 2013 — Credit side

Doc no.	Day	Payee	Fol	Bank	Creditors' control	Debtors' control	Sundry Accounts	
							Amount	Details
B/S	31	Stansure		5 800			5 800	Insurance
B/S		M.Mantashe (R/D cheque)		1 880		1 880		
B/S		Capital Bank		1 430			1 430	Bank charges
B/S		Capital Bank		1 007			1 007	Interest on overdraft
		Balance	c/d	202 904				
				213 021				

(18)

BANK RECONCILIATION STATEMENT OF NIKE TRADERS AS AT 31 MAY 2013

	DR	CR
Dr balance as per bank statement	698 000	
Cr outstanding deposit		997 259
Dr outstanding cheques		
No. 908	23 900	
909	42 600	
912	10 700	
918	2 700	
922	675	
Dr deposit incorrectly credited	16 000	
Cr cheque no. 932 incorrectly debited		220
Dr balance as per cash book	202 904	
	997 479	997 479

(10)
[28]

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QUESTION 3

LEISURE SUPPLIERS
INCOME STATEMENT FOR THE YEAR ENDED 28 FEBRUARY 2013

Sales/Turnover for the year		527 152
Less: Cost of sales		371 300
Opening stock	65 800	
Add purchases (350 000 – 17 250)	332 750	
Carriage on purchases	1 990	
Customs duty	10 400	
	410 940	
Less closing stock	39 640	
Gross profit		155 852
Add: Other income		129 060
Rent income (100 000 + 21 000)	121 000	
Discount received	560	
Interest on fixed deposit (6 890 + 610)	7 500	
Gross income for the year		284 912
Less: Operating expenses/losses		263 767
Discount allowed	6 540	
Bad debts (8 155 + 2 625)	10 780	
Sundry expenses (33 660 – 2 310)	31 350	
Salaries (99 000 + 9 000)	108 000	
Stationery	14 500	
Interest on loan (20 000 + 3 750)	23 750	
Carriage on sales (3 057 + 250)	3 307	
Packing material (1 050 - 990)	60	
Depreciation (36 000 + 28 020)	64 020	
Provision for bad debts adjustment a/c	1 460	
Net profit/income for the year		21 145

(36)

QUESTION 3 (continued)

ANNEXURES/NOTES TO THE BALANCE SHEET

1. PROPERTY, EQUIPMENT AND VEHICLES	**GROSS CARRYING AMOUNT**	**ACCUMULATED DEPRECIATION**	**NET CARRYING AMOUNT**
Equipment	230 000	71 220	158 780
Vehicles	450 000	67 800	382 200
	680 000	139 020	540 980
RECONCILIATION OF CARRYING AMOUNT		**EQUIPMENT**	**VEHICLES**
Balance at beginning of year		186 800	218 200
Additions at cost price		-	200 000
Depreciation for the year		(28 020)	(36 000)
Balance at the end of the year		158 780	382 200
2. STOCK			40 630
Trading stock		39 640	
Consumable stores on hand		990	
3. TRADE AND OTHER DEBTORS			51 660
Debtors' control (32 700 - 3 500)	29 200		
Less provision for bad debts	1 460	27 740	
Accrued income:		21 610	
Rent income	21 000		
Interest on fixed deposit	610		
Prepaid expense:		2 310	
Sundry expense	2 310		
4. CASH AND CASH EQUIVALENTS			2 000
Cash float		2 000	

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QUESTION 3 (continued)

5. CAPITAL			508 645
Balance at the beginning of the year		500 000	
Add: Net profit		21 145	
Less: Drawings		(12 500)	
6. CREDITORS' CONTROL			76 625
Trade creditors		27 800	
Bank overdraft (36 700 + 875)		35 825	
Accrued expense:		13 000	
Salaries	9 000		
Interest on loan	3 750		
Carriage on sales	250		

(36)
[72]

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QUESTION 4

CASH-FLOW STATEMENT OF HILLCREST TRADERS FOR THE YEAR ENDED 28 FEBRUARY 2013

	NOTES	R	R
CASH-FLOW FROM OPERATING ACTIVITIES			300 300
Cash received from clients	1	612 200	
Cash paid to suppliers and employees	2	(238 800)	
Cash generated from operations		373 400	
Interest paid		(16 000)	
Interest received		12 900	
Drawings		(70 000)	
CASH FLOW FROM INVESTING ACTIVITIES			(270 000)
Additions to buildings		(200 000)	
Additions to equipment		(25 000)	
Additions to vehicles		(50 000)	
Proceeds from sale of equipment		7 000	
Proceeds from sale of vehicle		18 000	
Increase in investments		(20 000)	
CASH FLOW FROM FINANCING ACTIVITIES			(20 000)
Decrease in long-term loan		(20 000)	
Net increase in cash			10 300
Cash at beginning of year			10 900
Cash at the end of the year			21 200

(19)

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QUESTION 4 (continued)

NOTES TO CASH-FLOW STATEMENT	**R**	**R**
1. Cash received from clients/customers		612 200
Sales	600 000	
Decrease in debtors	12 200	
2. Cash paid to suppliers and employees		(238 800)
Sales	600 000	
Less net profit	(323 900)	
Expenses for the period	(276 100)	
Interest paid	16 000	
Interest received	(12 900)	
Depreciation	48 600	
Loss on sale of asset	2 000	
Increase in stock	(21 800)	
Increase in creditors	8 900	
Profit on sale of asset	(3 500)	

(13)
[32]

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QUESTION 5

GENERAL LEDGER OF FASHION FITTERS
NOMINAL ACCOUNTS SECTION
PURCHASES ACCOUNT N 07

DATE	DETAILS	FOL	TOTAL	CLOTHING	SHOES	DATE	DETAILS	FOL	TOTAL	CLOTHING	SHOES
Dec 31	Totals	b/f	782 500	520 000	262 500	Dec 31	Donations		7 780	5 280	2 500
							Drawings		760	-	760
							Purchases Returns		1 250	1 250	-
							Departmental Trading a/c		772 710	513 470	259 240
			782 500	520 000	262 500				782 500	520 000	262 500

(8)

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QUESTION 5 (continued)

FASHION FITTERS

DEPARTMENTAL TRADING STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2012

	CLOTHING DEPT	SHOES DEPT
Sales for the year	770 000	554 000
Less : Cost of sales	391 570	228 090
Stock (2012:01:01)	195 300	202 500
Purchases	513 470	259 240
Carriage on purchases	25 300	16 000
Import duties	-	8 900
	734 070	486 640
Less: Stock (2012:12:31)	342 500	258 550
Gross profit	378 430	325 910

(16)
[24]

QUESTION 6

6.1 GENERAL LEDGER OF PIRATES SPORTS CLUB

DR **MEMBERSHIP FEES ACCOUNT N6** **CR**

2012 March 1	Accrued income	1 200	2012 March 1	Income received in advance	3 600
2013 Feb 28	Income received in advance	1 800	2013 Feb 28	Bank (600+18 000+1 800)	20 400
	Bank (refunds)	2 400		Membership fees written off	600
	Income and expenditure account	22 200		Accrued income	3 000
		27 600			27 600

(11)

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QUESTION 6 (continued)

6.2 PIRATES SPORTS CLUB

STATEMENT OF INCOME AND EXPENDITURE FOR THE YEAR ENDED 28 FEBRUARY 2013		
	R	R
INCOME		49 940
Gate takings	12 590	
Entrance fees (22 500-7 500)	15 000	
Membership fees	22 200	
Interest on current account	150	
Less EXPENDITURE		(40 752)
Membership fees written off	600	
Interest on loan (2 000 + 952)	2 952	
Wages	425	
Water and electricity	550	
Sundry expenses	775	
Rent expense (37 500 - 2 500)	35 000	
Honorarium	450	
Surplus transferred to accumulated fund	9 188	

(17)
[28]

TOTAL: 200

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