higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

MARKING GUIDELINE

NATIONAL CERTIFICATE

FINANCIAL ACCOUNTING N4

4 June 2021

This marking guideline consists of 8 pages.

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QUESTION 1

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(10 × 2) (20)

1.2 1.2.1

CASH RECEIPTS JOURNAL OF MANYIKE TRADERS ON 30 APRIL 2019

DOC NO.	Day	Details	Fol.	Bank	Trade payable control	Sundry amount	Sundry details
	01	TOTALS	B/f	✓41 000			
		N. Mukoni		✓6 000		6 000	Rent income✓
		T. Manugeni		✓1 000		1 000	Rent income✓
				48 000			

(5)

CASH PAYMENTS JOURNAL OF MANYIKE TRADERS ON 30 APRIL 2019

DOC NO.	Day	Payee	Fol.	Bank	Trade receivable control	Sundry amount	Sundry details
	30	Totals	B/f	454 488			
		Thuthuka		✓4 000		4 000	Rent paid ✓
		Cash		✓3 200	✓3 200		
		Bank		8 600✓		8 600	Interest on bank overdraft✓
		Bank		✓8 600		8 600	Interest paid✓
		Virgin Mobile		✓800		800	Telephone ✓
		Bank		✓1 720		1 720	Bank charges✓
				✓481 408			

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1.2.2

Dr **BANK ACCOUNT** **Cr**

Date	Details	Fol.	Amount	Date	Details	Fol.	Amount
01	Balance	b/d	✓43 109	30	Total payments		481 408✓
30	Total receipts		✓48 000				
	Balance	c/d	✓390 299				
			481 408				481 408
					Balance	b/d	390 299✓

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1.2.3

BANK RECONCILIATION STATEMENT

	DR	CR
Debit balance as per bank statement	✓300 299	
Credit outstanding deposit		✓2 000
Debit outstanding cheques:		
No: 64	✓100 000	
Credit correction of error		✓8 000
Credit balance as per bank account		✓390 299
	✓400 299	✓400 299

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QUESTION 2

Notes to the statement of financial position as at 28 February 2019

1. Property, plant and equipment	Land and buildings	Equipment	Vehicles	**Total**
Carrying value at the beginning of the year		✓56 040	✓65 460	121 500
Cost		✓69 000	✓75 000	144 000
Accumulated depreciation		✓✓ (12 960)	✓ (9 540)	(22 500)
MOVEMENTS				
Addition at cost			✓60 000	60 000
Depreciation		✓ (8 406)	✓ (10 800)	19 206
Carrying value at the end of the year		✓47 634	✓114 660	162 294
Cost		✓69 000	✓135 000	204 000
Accumulated depreciation		✓ (21 366)	(20 340)✓	(41 706)

(16)

2. Trade and other receivables

Trade receivable control (9 810 – 810)	✓✓9 000
Allowances for credit losses	✓ (450)
	8 550
Accrued income	✓183
Prepaid expenses	✓693
	9 426

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3. Statement of change in equity

Balance at the beginning of the year	✓150 000
Net profit	✓13 980
Less: Drawings (13 200 + 93)	✓ (13 305)
Balance at the end of the year	✓**150 675**

(4)

4. Trade and other payables

Creditor's control (8 340 + 150)	✓✓8 490
Add: Income received in advance	✓3 150
Accrued expenses (1 125 + 2 700)	✓✓3 825
	15 465

(5)
[30]

QUESTION 3

Statement of Comprehensive Income of Chaka for the year ended on 28 February 2019

	R	R
Turnover (124 313 – 844 – 750) ✓✓		122 719
Less: Cost of sales		✓ (31 898)
Opening inventory	✓20 213	
Purchases (31 875 – 1 725)	✓✓30 150	
Carriage on purchases (840)	✓840	
Import tariffs	✓1 035	
Less: Closing stock	✓19 875	
Gross profit		90 821
Other income		12 172
Commission income	✓5 250	
Interest on fixed deposit (1575 – 315)	✓✓1 260	
Credit losses recovered	✓225	
Rent income	✓5 325	
Allowances for credit losses adjustment (750 – 638)	✓112	
Gross income		102 993
Less: Expenses		(47 2✓90)
Credit losses (135 + 1125)	✓✓1 260	
Motor vehicle expenses	2 250✓	
Sundry expenses	✓4 875	
Allowances for settlement discount granted	✓242	
Stationery (1 153 – 291)	✓862	
Depreciation (11 438 + 5 490)	✓✓16 928	
Discount allowed	✓488	
Wages	✓18 000	
Insurance (2 790 – 405)	✓✓2 385	
Less: Finance cost		(8 663)
Interest on loan (6 497 + 2 166)	✓8 663	
Net profit for the year		✓47 040

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QUESTION 4

4.1 **STATEMENT OF CASH FLOW OF CITY TRADERS ON 28 FEBRUARY 2019**

Cash effects from operating activities		✓33 615
Cash received from client	✓119 997	
Cash paid to supplies	✓(60 025)	
Cash generated from operation	✓59 972	
Interest income	✓6 813	
Interest paid	✓(3 170)	
Drawings	✓(30 000)	
Cash effects of investing activities		✓ (42 925)
Purchase of non-current assets (10 625 + 31 250)	✓✓41 815	
Proceeds on sale of non-current assets	✓2 075	
Investment made	✓ (3 125)	
Cash effects of financing activities		✓ (2 500)
Capital contribution	-	
Repayment of loan	✓✓ (2 500)	
Net changes in cash and cash equivalent		✓ (11 810)
Cash and cash equivalent at the beginning of the year		✓5 449
Cash and cash equivalent at the end of the year		✓ (6 300)

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4.2

NOTE 1		
CASH RECEIVED FROM CLIENTS		✓119 997
Turnover	✓112 404	
Decrease in debtors	✓7 593	
CASH PAID TO SUPPLIERS AND EMPLOYEES		✓ (60 025)
Turnover	✓112 404	
Profit for the year	✓(5 814)	
Expenses for the period	(106 590)	
Depreciation	✓11 550	
Interest income	✓(6 813)	
Interest paid	✓3 170	
Decrease in inventory	✓13 846	
Increase in payables	✓(25 187)	
Profit on sale of equipment	✓(375)	

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[30]

QUESTION 5

5.1 **Dr** **Sales Account** **Cr**

Details	Flowers	Gifts	Total	Details	Flowers	Gifts	Total
Sales return	✓13 500	✓18 750	32 250	Totals	✓879 600	1 018 ✓050	1 897 650
				Debtor's control	✓7 800	✓2 000	9 800
Balance c/d	✓873 900	✓1 001 300	✓1 875 200				
	887 400	1 020 050	1 907 450		887 400	1 020 050	1 907 450
				Balance b/d	✓873 900	✓1 001 300	✓1 875 200

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5.2 **Dr** **Purchases Account** **Cr**

Details	Flowers	Gifts	Total	Details	Flowers	Gifts	Total
Total	✓357 000	✓530 250	887 250	Purchase returns	✓22 950	✓18 225	41 175
Addition	✓5 000	7 000✓	12 500	Correction	-	✓250	250
Transfer	✓2 500			Donations	✓800	-	800
				Drawings	✓500	-	500
				Trading account✓	✓339 750	✓518 772	✓858 525
	364 000	537 250	901 250		364 000	537 250	901 250
Balance b/d	✓339 750	✓518 772	✓858 525				

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QUESTION 6

6.1 **Dr** **TRADING ACCOUNT** **Cr**

Doc	Day	Details	Fol.	Amount	Doc	Day	Details	Fol.	Amount
		Opening inventory		✓6 640			Turnover		✓12 782
		Purchases		✓13 200			Closing inventory		✓4 200
							Income and expense		✓2 858
				19 840					19 840

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6.2 **Dr** **SUBSCRIPTION FEES** **Cr**

DOC	DAY	DETAILS	FOL.	AMOUNT	DOC	DAY	DETAILS	FOL.	AMOUNT
		Accrued income		✓1 350			Income in advance		900
		Income received in advance		✓2 700			Bank: 2018 2019 2020		✓900 ✓5 850 ✓2 700
		Refund (bank)		✓1 800					
		Income and expenditures		✓7 200			Member-ship fee written off (1 350 – 900)		✓✓450
							Accrued income (7 × 450)		✓✓2 250
				13 050					13 050

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6.3

STATEMENT OF PROFIT AND LOSS		
	R	**R**
INCOME		**✓16 390**
Subscription fees	✓7 200	
Gate takings	✓6 760	
Entrance fees	**✓2 300**	
Interest on fixed deposit	**✓130**	
EXPENSES		**✓6 808**
Subscription written off	**✓450**	
Deficit on tuck shop	**✓2 858**	
Stationery	**✓250**	
Water and electricity	**✓1 050**	
Honorarium	**✓700**	
Salaries	**✓1 500**	
Net profit		**✓9 582**

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TOTAL: 200

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