higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

MARKING GUIDELINE

NATIONAL CERTIFICATE

NOVEMBER EXAMINATION

FINANCIAL ACCOUNTING N4

8 NOVEMBER 2013

This marking guideline consists of 10 pages.

QUESTION 1	16
QUESTION 2	62
QUESTION 3	28
QUESTION 4	30
QUESTION 5	38
QUESTION 6	26
TOTAL	200
PERCENTAGE %	100

Note:
- Award marks for workings shown with brackets, if final answer is incorrect.
- ☑ Indicates method mark

Copyright reserved

QUESTION 1

1.1	1.1.1	B	(3)
	1.1.2	A	(2)
	1.1.3	A	(1)
1.2	1.2.1	D	(3)
	1.2.2	A	(1)
	1.2.3	A	(1)
	1.2.4	D	(2)
1.3	B		(1)
1.4	D		(1)
1.5	D		(1)
			[16]

Copyright reserved

QUESTION 2

FASHION RETAILERS
INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2013

Sales/Turnover (620 400 – 12 050)		608 350
Less: Cost of sales		250 600
Gross Profit		357 750
Add: Other Income		107 042
Bad debts recovered (1 850 + 285)	2 135	
Rent income (85 000 + 18 700)	103 700	
Commission income	1 000	
Trading stock surplus (28 800 – 28 760)	40	
Provision for bad debts adjustment	167	
Gross Income		464 792
Less: Operating Expenses/Losses		371 217
Bank charges	2 620	
Bad debts (630 + 690)	1 320	
Stationery	12 360	
Insurance	7 400	
Telephone	9 480	
Consumable stores (1 530 – 450)	1 100	
Salaries (191 800 – 27 400)	164 400	
Water	6 700	
Depreciation (72 450 + 93 387)	165 837	
Net Profit/Income for the year		93 575

(30)

QUESTION 2 (continued)

FASHION RETAILERS
BALANCE SHEET AS AT 30 JUNE 2013

ASSETS	**NOTES**		
NON-CURRENT ASSETS			911 243
Property, equipment, vehicles	1	671 243	
Other financial assets		240 000	
CURRENT ASSETS			
Stock	2	29 250	
Trade and other debtors	3	54 707	
Cash and cash equivalents	4	7 054	
TOTAL ASSETS			1 002 605

(7)

Copyright reserved

QUESTION 2 (continued)

Fashion retailers
ANNEXURES/NOTES TO THE BALANCE SHEET

1. PROPERTY, EQUIPMENT AND VEHICLES	**GROSS CARRYING AMOUNT**	**ACCUMULATED DEPRECIATION**	**NET CARRYING AMOUNT**
Vehicles	706 780	177 587	529 193
Equipment	365 000	222 950	142 050
	1 071 780	400 537	671 243
RECONCILIATION OF CARRYING AMOUNT		VEHICLES	EQUIPMENT
Balance at beginning of year		622 580	209 000
Additions at cost price		-	5 500
Depreciation for the year		(93 387)	(72 450)
Balance at the end of the year		529 193	142 050
2. STOCK			29 250
Trading stock		28 800	
Consumable stores on hand		450	
3. TRADE AND OTHER DEBTORS			54 707
Debtors control (9 750 – 690)	9 060		
Less provision for bad debts	453	8 607	
Accrued income		18 700	
Rent income	18 700		
Prepaid expense		27 400	
Salaries	27 400		
4. CASH AND CASH EQUIVALENTS			7 402
Bank (3 620 + 285)		3 905	
Cash float		2 000	
Petty cash		1 500	

(25)
[62]

Copyright reserved

QUESTION 3

CASH RECEIPTS JOURNAL OF HARMONY DEALERS - OCTOBER 2013

Doc. No.	Date	Details	Fol.	Bank	Sales	Debtors Control	Sundry Amount	Details of Sundry accounts
	31	Totals	b/f	21 865	14 080	2 785	5 000	
B/S		Build Ltd		2 000			2 000	Commission Income
B/S		New Era Bank		480			480	Interest on current a/c
B/S		Game Stores (cheque cancelled)		600			600	Creditors control
				24 945				

(6)

CASH PAYMENTS JOURNAL OF HARMONY DEALERS - OCTOBER 2013

Doc No	Day	Details	Fol.	Bank	Creditors Control	Purchases	Sundry Amount	Details of Sundry Accounts
	31	Totals	b/f	173 560	2 500	960	170 100	
B/S		Municipality (error)		100			100	Electricity
B/S		New Era Bank		435			435	Bank charges
B/S		New Era Bank		440			440	Interest on overdraft
B/S		Z Zungu (R/D)		800			800	Debtors control
B/S		Santam		2 600			2 600	Insurance
				177 935				

(10)

Copyright reserved

QUESTION 3 (continued)

GENERAL LEDGER OF HARMONY DEALERS

BALANCE SHEET ACCOUNTS SECTION

DR **BANK ACCOUNT** **B3** **CR**

2013 Oct 1	Balance	b/d	218 395	2013 Oct 31	Total Payments		177 935
31	Total Receipts		24 945		Balance	c/d	65 405
			243 340				243 340
Nov 1	Balance	b/d	65 405				

(4)

BANK RECONCILIATION STATEMENT OF HARMONY DEALERS AS AT 31 OCTOBER 2013

	DR	CR
Cr balance as per bank statement		107 890
Cr outstanding deposit		5 000
Dr outstanding cheques		
No. 613	28 400	
614	17 600	
605	365	
Dr deposit incorrectly credited	1 850	
Cr cheque no. 705 incorrectly debited		730
Dr balance as per bank a/c	65 405	
	113 620	113 620

(8)
[28]

Copyright reserved

QUESTION 4

CASH-FLOW STATEMENT OF BEYONCE FASHION FOR THE YEAR ENDED 31 AUGUST 2013

	NOTES	R	R
CASH-FLOW FROM OPERATING ACTIVITIES			15 000
Cash received from clients	1	824 800	
Cash paid to suppliers	2	(786 100)	
Cash generated from operations		38 700	
Interest paid		(17 450)	
Interest received		3 750	
Drawings		(10 000)	
CASH-FLOW FROM INVESTING ACTIVITIES			(29 500)
Additions to vehicles		(36 000)	
Additions to equipment		(7 500)	
Proceeds from sale of asset		8 000	
Proceeds from investments		6 000	
CASH-FLOW FROM FINANCING ACTIVITIES			(2 500)
Increase in capital contribution		500	
Decrease in loan		(3 000)	
Net decrease in cash			(17 000)
Cash at the beginning of the year			15 000
Cash at the end of the year			(2 000)

(18)

Copyright reserved

QUESTION 4 (continued)

NOTES TO CASH-FLOW STATEMENT	**R**	**R**
1. Cash received from clients/customers		824 800
Sales	860 000	
Increase in debtors	(35 200)	
2. Cash paid to suppliers and employees		(786 100)
Sales	860 000	
Profit	(22 100)	
Expenses for the year	(837 900)	
Loss on sale of asset	2000	
Interest paid	17 450	
Loss on sale of asset	17 500	
Rent paid	(3 750)	
Depreciation	12 600	
Interest Income/Received	6 000	

(12)
[30]

Copyright reserved

QUESTION 5

GOLDEN ENTERPRISES
DEPARTMENTAL INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2013

	MENSWEAR DEPT	SPORTS EQUIPMENT DEPT
Sales	964 000	425 000
Less: Cost of Sales	(556 800)	(256 700)
Trading stock (01/07/12)	316 500	170 000
Purchases	317 300	160 200
Carriage on purchases	18 000	9 000
	651 800	339 200
Less stock (30/06/2013)	(95 000)	(82 500)
Gross profit	407 200	168 300
Add other income		
Discount received	1 500	800
Gross income	408 700	169 100
Less : Expenses	(323 100)	(419 350)
Carriage on sales	16 600	25 800
Salaries	176 000	264 000
Rent expense	47 200	70 800
Advertising	22 500	22 500
Sundry expenses	18 000	14 000
Bad debts	1 300	-
Depreciation	39 000	18 000
Bonus	2 500	4 250
Net Profit/Loss	85 600	(250 250)

[38]

QUESTION 6

GENERAL LEDGER OF SUNDOWNS RECREATIONAL CLUB

Dr BAR TRADING ACCOUNT F1 Cr

2013 May 31	Opening stock	11 100	2013 May 31	Sales		89 200
	Purchases	41 800		Closing Stock		17 410
	Income and expenditure	53 710				
		106 610				106 610

(4)

DR MEMBERSHIP FEES ACCOUNT N6 CR

2012 June 1	Accrued income	1 500	2012 June 1	Income received in advance	500
2013 May 31	Income received in advance	2 500	2013 May 31	Bank (500 + 9 500 + 2 500)	12 500
	Bank (refunds)	3 500		Membership fees written off	1 000
	Income and expenditure account	8 500		Accrued income	2 000
		16 000			16 000

(9)

QUESTION 6 (continued)

DR INCOME AND EXPENDITURE ACCOUNT N5 CR

2013 May 31	Honorarium (460 + 375 + 550)	1 385	2013 May 31	Bar trading account	53 710
	Salary	56 550		Entrance fees (12 000 – 3 000)	9 000
	Insurance	6 130		Interest on fixed deposit	4 000
	Property tax	6 400		Function proceeds	17 900
	Function expenses	5 100		Membership Fees	8 500
	Membership fees written off	1 000			
	Accumulated fund (surplus)	16 545			
		93 110			93 110

(13)
[26]

TOTAL: 200

Copyright reserved