higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

MARKING GUIDELINE

NATIONAL CERTIFICATE

FINANCIAL ACCOUNTING N4

23 NOVEMBER 2018

This marking guideline consists of 8 pages.

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QUESTION 1

DEBTORS CONTROL

Doc no.	Day	Details	Fol	Amount		Doc	Day	Details	Fol	Amount
2017	01	Balance	b/d	✓16 175		2017	30	Bank and discount allowed✓	CRJ	✓4 500
Sept		Petty cash ✓	PCJ	✓450		SEPT		Debtors allowances✓	DAJ	✓1 688
		Bank ✓	CPJ	✓4 500				Journal debts	GJ	✓200
		Sales ✓	DJ	✓16 000				Balance	c/d	✓30 887
		Journal debits	GJ	✓150						
				37 275						37 275
	30	Balance	b/d	✓30 887						

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QUESTION 2

CASH RECEIPTS JOURNAL OF RINGANI TRADERS ON 31 AUGUST 2016

Doc no.	Day	Details	Fol	Bank	Sales	Debtors control	Sundry amount	Details of sundry
	31	Totals	b/f	318 428	60 600	15 953	241 875	
		M Muthambi		13 050			✓13 050	Trading stock/ creditors control✓
		Nedbank		1 312			✓1 312	Interest on current✓
		M Manugeni		6 600		✓6 600		
				✓339 390				

CASH PAYMENTS JOURNAL OF RINGANI TRADERS ON 31 AUGUST 2016

Doc no.	Day	Details	Fol	Bank	Creditors control	Trading stock	Sundry amount	Details of sundry
	31	Totals	b/f	91 303	4 313	8 700	78 293	
B/S		Traders		✓150		✓150		
B/S		Metropolitan		✓3 900			3 900	Insurance ✓
B/S		Bank		✓461			461	Bank charges✓
B/S		Makhuvele (R/D)		✓15 953			15 953	Debtors control✓
				✓111 767				

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GENERAL LEDGER OF RINGANI TRADERS
BALANCE SHEET ACCOUNTS SECTION

Dr **BANK ACCOUNT** Cr

1 Aug	Balance	b/d	✓71 325	31 Aug	Total payments		✓111 767
31	Total receipts		✓339 360		Balance	c/d	✓298 948
			410 715				410 685
1 Sept	Balance	b/d	✓298 948				

BANK RECONCILIATION STATEMENT OF RINGANI TRADERS AS AT 31 AUGUST 2016

	DR	CR
Credit balance as per Bank Statement		271 701✓
Credit outstanding deposit		16 875✓
Debit outstanding cheques:		
No. 23	2 250✓	
No. 30	750✓	
CR cheque no. 32 incorrectly debited		12 667✓
CR cheque no. 29 incorrectly debited		705✓
Debit balance as per Bank Account	298 948✓	
	301 948✓	301 948✓

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QUESTION 3

3.1 **INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2018**

Sales (374 213 - 78 757)		366 338✓✓
Cost of sales		(213 750)✓
Gross profit		213 750✓
Other income		66 148✓
Interest on fixed deposit (900 + 1 912)	✓✓2 812	
Discount received	✓4 200	
Rent income (48 750 + 10 238)	✓✓58 988	
Provision for bad debts adjustment (2 175 - 2 027)	✓✓148	
Gross operating profit		147 602✓
Expenses		(111 668)✓
Interest on loan (11 137 + 3 712)	✓✓14 850	
Water and electricity	✓7 087	
Bad debts (1 313 + 188)	✓✓1 501	
Consumable stores (776 - 64)	✓✓712	
Insurance (5 100 - 225)	✓✓4 875	
Salaries and wages 70 687	✓70 687	
Sundry expense	✓1 425	
Discount allowed	✓1 313	
Bank charges	✓817	
Trading stock deficit (30 375 – 30 263)	✓✓112	
Depreciation (3 810 + 225 + 4 200)	✓✓✓✓✓8 235	
		(35 934)✓

3.2 **BALANCE SHEET**

ASSETS			
NONCURRENT ASSETS			413 865✓
Property, plant and equipment	B1	376 365✓	
Other financial assets	B2	37 500✓	
CURRENT ASSETS			81 341✓
Stock	B3	30 325✓	
Trade and other debtors	B4	50 885✓	
Cash and cash equivalent	B5	131✓	
TOTAL ASSETS			495 206✓

NOTES

3.2.1

Property plant and equipment				
	Gross carrying amount	Accumulated depreciation	Carrying value	
Land and building	337 500✓		337 500✓	
Equipment	39 000✓	16 35✓	22 065✓	
Vehicle	66 000✓	49 200✓	16 800✓	
	442 500	66 135	376 365✓	

Reconciliation of carrying amount				
	Land and building	Equipment	Vehicles	Total
Balance at the beginning of the year	337 500✓	22 965✓✓	21 000✓✓	
Addition at cost		900✓		
Depreciation		(4 035)✓	94 200)✓	
Balance at the end of the year	337 500	22 065	16 800	

3.2.2

Stock			
Trading stock		302 63✓	
Consumable		64✓	
		30 327✓	

3.2.3

Trade and other receivables			
Trade debtor (40 725 – 188)		40 537✓✓	
Provision for bad debts		(2 27)✓	
Net trade		38 510✓	
Accrued income (1 912 – 10 238)		12 150✓✓	
Prepaid expenses		225✓	
		50 885✓	

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QUESTION 4

CASH FLOW STATEMENT

CASH FLOW FROM OPERATING ACTIVITIES		405 652✓
Cash received from client	613 425✓	
Cash paid to supplies	(164 325) ✓	
Cash generated from operation	449 100✓	
Interest income	11 700✓	
Interest paid	(17 648)✓	
Drawings	(37 500) ✓	
CASH FLOW FROM INVESTING ACTIVITIES		(122 250)✓
Addition to equipment	(21 000)✓	
Addition to vehicle	(120 000)✓	
Proceed on equipment	3 750✓	
Proceed from fixed deposit	15 000✓	
CASH FLOW FROM FINANCING ACTIVITIES		126 127✓
Capital contribution	23 873✓	
Repayment of loan	(150 000)✓	
Net changes in cash		157 275✓
Cash and cash beginning of the year		(119 775)✓
Cash and cash end of the year		37 500✓

NOTE 1		
CASH RECEIVED FROM CLIENTS		613 425
SALES	630 375✓	
Increase in debtor	(16 950)✓	
CASH PAID TO SUPPLIERS AND EMPLOYEES		(164 325)
Sale	630 375✓	
Profit for the year	322 478✓	
Expenses	(307 897)✓	
Interest in time	(11 700)✓	
Interest paid (697 +16 950)	17 647✓✓	
Depreciation (16 875 + 24 600)	41 475✓	
Increase in stock	(30 000)✓	
Increase in creditors	125 100✓	
Loss on sale of equipment	1 050✓	

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QUESTION 5

5.1 **PURCHASES ACCOUNT**

DETAILS	CLOTHES	TOYS	TOTAL	DETAILS	CLOTHES	TOYS	TOTAL
Balance	330 000✓	235 000 ✓	565 000	Purchases returns	800✓		800
Transfer	(40 000)✓	40 000✓	-	Donations	-	2 500✓	2 500
				Drawings	300✓		300
				Balance c/d	288 900✓	272 500 ✓	561 400
	290 000	275 000	565 000		290 000	275 000	565 000
Balance b/d	288 900✓	272 500 ✓	561 400				

5.2 **DEPARTMENTAL TRADING STATEMENT**

	TOTAL	CLOTHES	TOYS
Sales	1 538 350	669 550✓	868 800✓
Cost of sales	(436 900)	(216 927)✓	(182 500)✓
Opening stock	315 000	185 000✓	130 000✓
Purchases	561 400	288 900✓	272 500✓
Carriage on purchases	35 500	15 000✓	150 000✓
Import duties	7 527	7 527✓	-
	911 900	541 927	377 500
Less closing stock	475 000	280 000✓	195 000✓
Gross profit	1 101 450	407 623✓	686 300✓

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QUESTION 6

6.1 **MEMBERSHIP FEES**

DOC	DAY	DETAILS	FOL	AMOUNT	DOC	DAY	DETAILS	FOL	AMOUNT
		Accrued income		2 000✓			Income received in advance		3 200✓
		Income received in advance		2 400✓			Bank :2015 :2016 :2017		800✓ 96 000✓ 2 400✓
		Income and expenditure		100 800 ✓			Membership fees written off (2 000 - 800)		1 200✓✓
							Accrued income (4 × 400)		1 600✓
				105 200					105 200

6.2 **STATEMENT OF INCOME AND EXPENDITURE**

INCOME		123 300✓
Membership fees	100 800✓	
Interest on fixed deposit (4 000 + 5 000)	9 000✓✓	
Entrance fee	3 300✓✓	
Gate takings	10 200✓	
LESS: EXPENDITURE		15 960✓
Membership written off (2 000 – 800)	1 200✓✓	
Insurance (680 + 400)	1 080✓✓	
Stationary (720 – 250)	470✓✓	
Interest on loan (2 000 + 2 650)	4 650✓	
Depreciation	3 600✓	
Water and electricity	800✓	
Sundry expense	3 660✓	
Refreshments	500✓	
Net surplus for the year		107 340✓✓

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TOTAL: 200

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