higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

MARKING GUIDELINE

NATIONAL CERTIFICATE

FINANCIAL ACCOUNTING N4

13 October 2020

This marking guideline consists of 8 pages.

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QUESTION 1

No.	Source document	Account debited	Account credited	Assets	Owners' equity	Liabilities
1	Receipt✓	Bank✓	Capital✓	✓+150 000	✓+150 000	
2	Internal journal memo✓	Bad debts✓	Debtors control✓	✓-2 450	✓-2 450	
3	Cheque counter foil✓	Cash float✓	Bank ✓	✓+500 ✓-500		
4	Bank statement✓	Debtors control✓	Bank✓	✓+800 ✓-800		

[20]

QUESTION 2

2.1 **CASH RECEIPTS JOURNAL OF THEGU TRADERS ON 31 OCTOBER 2019**

Doc no	Day	Details	Fol	Bank	Creditors control	Sundry amount	Sundry details
	30	TOTALS	b/f	63 519			
		Ndume Suppliers		✓13 848	✓13 848		
		J Ratshilumela		✓35 400		35 400	Rent income✓
		Bank		✓1 086		1 086	Interest income✓
				✓113 853			

(7)

CASH PAYMENTS JOURNAL OF THEGU TRADERS ON 31 OCTOBER 2019

Doc no	Day	Payee	Fol	Bank	Debtors control	Sundry amount	Sundry details
	30	Totals	b/f	88 977			
		Bank		✓837		837	Bank charges✓
		V Mune		✓11 198	✓11 198		
		MYWAY		✓11 490		11 490	Insurance✓
		Vele Wholesalers		✓1 350		1 350	Trading stock✓
				✓113 852			

(9)

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2.2 **BANK ACCOUNT**

Date	Details	Fol	Amount	Date	Details	Fol	Amount
01	Balance	b/d	✓64 407	30	Total payments		✓113 852
30	Total receipts		✓113 853				
					Balance	c/d	✓64 405
			178 206				481 408
	Balance	b/d	✓64 408				

(5)

2.3 **BANK RECONCILIATION STATEMENT OF THEGU TRADERS ON 31 OCTOBER 2019**

	DR	CR
Debit balance as per bank statement	✓116 237	
Credit outstanding deposit		✓117 494
Credit postdated cheque		✓5 914
Debit outstanding cheques:		
No: 115	✓12 512	
No: 116	✓8 766	
Credit correction of error		✓78 515
Debit balance as per bank account	✓64 408	
	✓201 923	✓201 923

(9)
[30]

QUESTION 3

3.1 **BALANCE SHEET OF CINDY TRADING ENTERPRISE ON 30 JUNE 2019**

ASSETS	Fol		
NON-CURRENT ASSETS			✓648 588
Property, equipment and vehicle		✓600 588	
Financial assets		✓48 000	
CURRENT ASSETS			✓76 722
Stock (39 300 + 570)		✓✓39 870	
Trade and other debtors		✓34 452	
Cash and cash equivalent		✓2 400	
TOTAL ASSETS			✓725 310
EQUITY AND LIABILITIES			
Capital			✓592 065
NON-CURRENT LIABILITIES			87 000
Loan		✓87 000	
CURRENT LIABILITIES			✓46 245
Trade and other creditors (16 980 + 7 650)		✓✓24 630	
Bank overdraft		✓21 615	
TOTAL EQUITY AND LIABILITIES			✓725 310

(16)

3.2 3.2.1

PROPERTY, PLANT AND EQUIPMENT			
	Gross carrying amount	**Accumulated depreciation**	**Carrying value**
Land and building	✓294 000	–	✓294 000
Equipment	✓150 000	✓(42 732)	✓107 268
Vehicle	✓240 000	✓(40 680)	✓199 320
	✓684 000	✓(83 112)	✓600 588

(11)

RECONCILIATION OF CARRYING AMOUNT			
	Land and building	**Equipment**	**Vehicle**
Balance at the beginning of the year	✓294 000	✓✓124 080	✓✓39 920
Addition at cost	–	–	✓120 000
Disposal			✓ (39 000)
Depreciation	–	✓(16 812)	✓ (21 200)
Balance at the end of the year	294 000	107 268	199 320

(9)

3.2.2

TRADE AND OTHER RECEIVABLES			✓34 452
Trade debtor		✓21 000	
Provision for bad debts		✓ (900)	
Net trade		✓20 100	
Prepaid expenses		✓1 386	
Accrued income		✓12 966	

(6)

3.2.3

CAPITAL			✓592 065
Balance at the beginning of the year		✓570 000	
Net profit		✓28 365	
Less: Drawings		✓6 300	

(4)
[46]

QUESTION 4

4.1 **CASH FLOW STATEMENT OF MADUKA TRADING ENTERPRISE**

CASH FLOW FROM OPERATING ACTIVITIES		✓(21 550)
Cash received from client	✓126 110	
Cash paid to suppliers	✓(124 590)	
Cash generated from operation	✓1 520	
Interest income	✓445	
Interest paid	✓ (515)	
Drawings	✓(23 000)	
CASH FLOW FROM INVESTING ACTIVITIES		✓(38 030)
Addition to equipment	✓(20 100)	
Addition to vehicle	✓(26 970)	
Proceeds on sale of vehicle	✓19 040	
Investment made	✓ (10 000)	
CASH FLOW FROM FINANCING ACTIVITIES		✓114 620
Capital contribution	✓264 620	
Repayment of loan	✓(150 000)	
Net changes in cash		✓55 040
Cash at the beginning of the year		✓(57 600)
Cash at the end of the year (2 720 – 2 560)		✓✓160

(19)

4.2 4.2.1 CALCULATION OF NET PROFIT

397 630 + 23 000 – 134 340 – 264 620 = 21 670 (4)

4.2.2

NOTE 1		
CASH RECEIVED FROM CLIENTS		✓126 110
SALES	✓124 000	
Decrease in debtor	✓2 110	

(3)

4.2.3

CASH PAID TO SUPPLIERS AND EMPLOYEES		✓(124 110)
Sale	✓124 000	
Profit for the year	✓(21 670)	
Expenses for the period	(102 330)	
Depreciation	✓7 290	
Interest income	✓(445)	
Interest paid	✓515	
Increase in stock	✓(21 280)	
Decrease in creditors	✓(7 700)	
Profit on sale of equipment	✓✓(640)	

(10)
[36]

QUESTION 5

5.1 **DEPARTMENTAL PURCHASES ACCOUNT**

Details	Microwave	Stoves	Total	Details	Microwave	Stoves	Total
Total	✓247 800	✓293 700	541 500	Purchases returns	✓8 700		8 700
Transfer	✓37 500		37 500	Correction		✓37 500	37 500
				Donations		✓12 750	12 750
				Drawings	✓5 250	✓9 750	15 000
				Balance c/d	✓280 050	✓233 700	513 750
	285 300	293 700	579 000		285 300	293 700	579 000
Balance b/d	280 050	233 700	513 750				

(10)

5.2 **DEPARTMENTAL INCOME STATEMENT**

	Total	Microwaves	Stoves
Sales (449 800 – 10 500) + (533 800 – 3 750)	969 350	✓✓439 300	✓✓530 050
Cost of sales	691 875	✓398 625	✓293 250
Opening stock	207 450	✓113 700	✓93 750
+ purchases	513 750	✓280 050	✓233 700
Carriage on purchases (22 875 + 4 800)	27 675	✓27 675	–
Less: Closing stock	57 000	✓22 800	✓34 200
Gross profit	277 475	40 675	236 800
Less: Expenses	161 475	✓76 129	✓85 346
Carriage on sales (3 750 – 750)	3 000	✓3 000	–
Insurance	12 600	✓10 080	✓2 520
Interest on loan	2 700	–	✓2 700
Administrative expenses	52 800	✓26 400	✓26 400
Salaries	78 000	✓31 200	✓46 800
Depreciation	7 500	✓3 750	✓3 750
Bad debts	1 125	–	✓1 125
Discount allowed	3750	✓1 699	✓2 051
Net profit/loss as per department	116 000	✓(35 454)	✓151 454

(30)
[40]

QUESTION 6

6.1

Dr **TRADING ACCOUNT** Cr

Doc	Day	Details	Fol	Amount	Doc	Day	Details	Fol	Amount
		Opening stock		✓2 066			Sales		✓41 230
		Purchases		✓28 334			Closing stock		✓4 260
		Income and expense		✓15 090					
				45 490					45 490

(5)

6.2

Dr **MEMBERSHIP FEES ACCOUNT** Cr

Doc	Day	Details	Fol	Amount	Doc	Day	Details	Fol	Amount
		Accrued income		✓1 000			Income in advance		✓1 250
		Income received in advance		✓500			Bank: 2018 : 2019 : 2020		✓750 ✓40 000 ✓500
		Refund (bank)		✓6 750					
		Income and expenditure		✓5 600			Membership fee written off (1 000 – 750)		✓250
							Accrued income (5 × 250)		✓1 250
				44 000					44 000

(10)

6.3 **INCOME AND EXPENDITURE**

Doc	Day	Details	Fol	Amount	Doc	Day	Details	Fol	Amount
	31	Rent expense		✓6 700		31	Bank		✓15 800
		Stationary		✓600			Membership fees		✓5 600
		Refreshments		✓4 800			Tuck shop surplus		✓15 090
		Honorarium		✓1 200			Interest on savings account (330 + 270)		✓✓600
		Insurance		✓4 480			Donations		✓✓1 167
		Accumulated funds		✓20 477					
				38 257					38 257

(13)
[28]

TOTAL: 200

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