higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

MARKING GUIDELINE

NATIONAL CERTIFICATE

JUNE EXAMINATION

FINANCIAL ACCOUNTING N5

10 JUNE 2013

This marking guideline consists of 8 pages.

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QUESTION 1

1.1 CURRENT: SHORT

Interest on drawings	3 000	Balance b/d	50 000
Drawings: Short	60 000	Interest on Capital	8 100
Balance c/d	32 800	Interest on current	3 000
		Appropriation	8 400
		Interest on loan	300
		Salary: Short	26 000
	95 800		95 800
		Balance b/d	32 800

(11)

1.2 CURRENT : TALL

Balance b/d	25 000	Interest on Capital	7 200
Interest on drawings	2 000	Appropriation	4 200
Interest on current	1 500	Balance c/d	33 100
Drawings: Tall	40 000	Bonus to partner	8 000
		Salary: Tall	16 000
	68 500		68 500
Balance b/d	33 100		

(10)

1.3 INTEREST ON CAPITAL

Current: Short	8 100	Appropriation	15 300
Current: Tall	7 200		
	15 300		15 300

(3)

1.4 INTEREST ON DRAWINGS

Appropriation	5 000	Current: Short	3 000
		Current: Tall	2 000
	5 000		5 000

(3)

1.5 INTEREST ON CURRENT ACCOUNTS

Current: Short	3 000	Current: Tall	1 500
		Appropriation	1 500
	3 000		3 000

(3)

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1.6 APPROPRIATION ACCOUNT

Interest on Capital	15 300	Profit and Loss	90 400
Interest on Current account	1 500	Interest on drawings	5 000
Current account: Short	8 400	General Reserve	4 000
Current account: Tall	4 200		
Salary: Short	30 000		
Salary: Tall	20 000		
Employee bonus fund	12 000		
Bonus to partners	8 000		
	99 400		99 400

(11)

1.7 BALANCE SHEET OF ST STORES ON 30 JUNE 2012

Equity:			362 700
Capital: Short	180 000		
Capital: Tall	160 000	340 000	
Current: Short	32 800		
Current: Tall	(33 100)	(300)	
General reserve		11 000	
Employee bonus fund		12 000	

(9)
[50]

QUESTION 2

2.1 BRANCH STOCK

Balance b/d	155 200	Goods to branch	13 600
Goods to branch	1 304 000	Branch Debtors	849 600
Branch adjustment	680	Bank	440 000
		Branch adjustment	3 880
		Balance c/d	143 200
		Branch adjustment (deficit)	9 600
	1 459 880		1 459 880
Balance b/d	143 200		

(9)

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2.2 BRANCH ADJUSTMENT

Balance b/d	36 000	Balance b/d	31 040
Goods to branch	800	Goods to branch	313 200
Branch stock	3 880	Branch stock	680
Branch stock (deficit)	9 600		
Branch Profit + loss	294 640		
	344 920		344 920
		Balance b/d	36 000

(10)

2.3 BRANCH DEBTORS

Balance b/c	75 200	Bank	788 000
Branch stock	849 600	Branch discount allowed	9 600
		Branch bad debts	8 800
		Balance c/d	118 400
	924 800		924 800
Balance b/d	118 400		

(6)

2.4 GOODS TO BRANCH

Branch adjustment	313 200	Branch stock	1 304 000
Branch stock	13 600	Branch adjustment	800
Head office trading account	978 000		
	1 304 800		1 304 800

(7)

2.5 BRANCH PROFIT AND LOSS

Branch discount allowed	9 600	Branch adjustment	194 640
Branch bad debts	8 800		
Branch salaries	109 800		
Branch rent	40 800		
Branch general expenses	30 200		
Head office profit and loss	95 440		
	194 640		194 640

(8)
[40]

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QUESTION 3

300	@ R36,20 =	10 860
900	@ R38,10 =	34 290
1230	@ R43,50 =	53 505
180	@ R45,20 =	8 136
2 610		106 791

106 791 / 2 610

= R40,92 x 370

= R15 140,40

(5 × 2) (10)

TRADING ACCOUNT

Opening stock	57 600	Sales	211 650
Purchases	147 120	Closing stock	99 350
Import duties	30 480		
Profit and loss	75 800		
	311 000		311 000

(8)

Sale:

MP = 54 720 x 100 / 80
= 68 400

CP = 68 400 x 100 / 180
= 38 000

Profit = 54 720 - 38 000 = 16 720 (9)

Staff: Profit = 38 400 x 20 / 120 = 6 400 (3)

Sales: 211 650 - 54 720 - 38 400

118 530 x 80 / 180 = 52 680
75 800

Stock loss = 99 350 - 9 600 = 89 750

Claim: $\frac{\text{Insured amount}}{\text{Stock}}$ x Stock loss

$\frac{100\,000}{99\,350}$ x 89 750

R90 337,19 (30)
[40]

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QUESTION 4

BALANCE SHEET OF TM TRADERS ON 31 MARCH 2013:

ASSETS	Note		
NON-CURRENT ASSETS			151 260
Furniture and vehicles	1	151 260	
CURRENT ASSETS			62 320
Stock	2	36 650	
Trade and other debtors	3	23 180	
Cash and cash equivalents	4	2 490	
TOTAL ASSETS			213 580
EQUITY AND LIABILITIES			
Capital	5		104 720
NON-CURRENT LIABILITIES			84 000
Interest bearing liabilities	6	84 000	
CURRENT LIABILITIES			24 860
Trade and other creditors	7	24 860	
TOTAL EQUITY AND LIABILITIES			213 580

(10)

NOTES

Note 1: Furniture and vehicles

	Gross carrying amount	Accumulated depreciation	Nett carrying amount
Furniture	40 200	9 420	30 780
Vehicles	150 600	30 120	120 480
	190 800	39 540	151 260

(9)

Reconciliation of carrying amount:

	Furniture	Vehicles
Balance at beginning of year	34 200	
Additions at cost price		150 600
Depreciation for the year	(3 420)	(30 120)
Balance at year end	30 780	120 480

(5)

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Note 2: Stock

Stock			36 650
Trading stock		36 220	
Consumable stores on hand		430	
Stationery	430		

(2)

Note 3: Trade and other debtors

Trade and other debtors			23 180
Debtors control		24 400	
Less: Provision for bad debts		(1 220)	

(2)

Note 4: Cash and cash equivalents

Cash and cash equivalents			42 490
Petty cash		200	
Bank 68 600 + 353 640 – 419 950		2 290	

(1)

Note 5: Capital

Capital			104 720
Balance at beginning		90 600	
Add net profit for the year		32 120	
Less drawings		(18 000)	

(4)

Note 6: Interest bearing liabilities

Loan: Best Bank (12%)			84 000

(1)

Note7: Trade and other creditors

Trade and other creditors			24 860
Creditors control		18 700	
Accrued expenses		1 560	
Telephone	1 560		
Prepaid income		4 600	
Rent	4 600		

(3)
[40]

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QUESTION 5

5.1 Debtors collection period

$$\frac{\text{Average debtors}}{\text{Credit sales}} \times \frac{12}{1}$$

$$\frac{111\,000}{666\,000} \times \frac{12}{1}$$

1.1 months

Comment: This is a favourable situation, as debtors pay within the allowed 2 (two) months. (5)

5.2 Current ratio

Current assets : Current liabilities
396 000 : 330 000

1.2 : 1

Comment: Not acceptable as it should be at least 2 : 1 (5)

5.3 Multiple-choice questions:

5.3.1 C

5.3.2 B

5.3.3 D

5.3.4 A

5.3.5 C

(5 × 2) (10)

5.4 5.4.1 171 000

5.4.2 684 000

5.4.3 792 000

5.4.4 1 200 000

5.4.5 330 000

(5 × 2) (10)
[30]

TOTAL: 200

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