higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

MARKING GUIDELINE

NATIONAL CERTIFICATE

FINANCIAL ACCOUNTING N5

30 September 2020

This marking guideline consists of 9 pages.

QUESTION 1

1.1 CURRENT ACCOUNT :Sam

Drawings	✓80 000	Balance b/d	✓60 000
Interest on drawing	✓4 000	Interest on current	✓3 600
Balance c/d	14 692	Interest on capital	✓8 000
		Interest on loan	✓✓475
		Salary	✓✓8 000
		Appropriation	✓18 617
Totals	98 692		98 692
		Balance b/d	✓14 6 92

(11)

1.2 CURRENT ACCOUNT :Sanny

Balance b/d	✓30 000	Interest on capital	✓7 200
Interest on current	✓1 800	Salary	✓✓10 000
Drawings	✓60 000	Bonus	✓7 000
Interest on drawing	✓3 000	Appropriation	✓9 308
		Balance c/d	61 292
Totals	94 800		94 800
Balance b/d	✓61 292		

(10)

1.3 INTEREST ON CAPITAL ACCOUNT

Current: Sam	✓8 000	Appropriation✓	✓15 200
Current: Sanny	✓7 200		

(4)

1.4 APPROPRIATION ACCOUNT

Employee bonus fund	✓11 000	Net profit(-475)	✓✓109 925
Interest on capital	✓✓15 200	Interest on drawings	✓✓7 000
Interest on current	✓✓1 800	General reserve	✓✓5 000
Salary: Sam	✓30 000		
Salary: Sanny	✓36 000		
Current: Sam	✓18 617		
Current: Sanny	✓9 308		
Totals	**121 925**		**121 925**

(15)

1.5 EQUITY SECTION ON THE BALANCE SHEET

Capital, Current and Reserves			✓359 400
Capital:		✓✓380 000	
Sam	✓200 000		
Sanny	✓180 000		
Current account:		✓ (46 600)	
Sam	✓14 692		
Sanny	✓(61 292)		
General reserve		✓15 000	
Employee bonus fund		✓11 000	

(10)
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QUESTION 2

General Journal of Always Traders on 30 May 2018

2.1 2.1.1

Date	Details	Debit (R)	Credit (R)
5	Branch stock: Tzaneen✓	✓20 500	
	Polokwane✓	✓33 200	
	Goods to branch✓		✓53 700
	Goods to branch sent at cost price		

(6)

2.1.2

Date	Details	Debit (R)	Credit (R)
19	Branch stock: Tzaneen✓	✓15 700	
	Branch stock: Polokwane✓		✓15 700
	Stock transferred from Polokwane to Tzaneen		

(4)

2.1.3

Date	Details	Debit (R)	Credit (R)
20	Branch stationery✓	✓1 420	
	Branch telephone✓	✓320	
	Branch bank: Tzaneen✓		✓1 740
	Expenses paid by branch bank		

(6)

2.1.4

Date	Details	Debit (R)	Credit (R)
22	Branch vehicle✓	✓50 600	
	Head office bank✓		✓50 600
	Vehicle paid by head office on behalf of Polokwane branch		

(4)

General Ledger of ABC Dealers on 31 September 2018

2.2.1 HEAD OFFICE ACCOUNT

Details	Amount(R)	Details	Amount (R)
Merchandise from head office	✓12 500	Merchandise from head office	✓160 000
Bank	✓220 000	Insurance	✓13 400
Balance c/d	✓14 980	Property tax	✓6 780
		Vehicle	✓67 300
Totals	**247 480**		**247 480**
		Balance b/d	✓14 980

(9)

2.2.2 BANK ACCOUNT

Details	Amount(R)	Details	Amount (R)
Sales	✓587 400	Purchases	✓65 000
Rent received	✓96 000	Cash sales return	✓7 650
		donation	✓700
		Wages	✓10 250
		Stationery	✓2 600
		Head office	✓220 000
		Creditors	105 ✓700
		Balance c/d	271 500
Totals	**683 400**		**683 400**
Balance b/d	271 500		

(11)

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QUESTION 3

3.1 Weighted average cost method

Date	Receipts		Issued		Balance on hand	
	Units	Totals(R)	Units	Totals(R)	Units	Totals(R)
01					200u@ R45	✓9 000
02	200u@R46	✓9200			400u@R45.50	✓18 200
08			100u@R45.50	4 550	300@R45.5	✓13 650
10			✓ 200u@R45.50	✓12 740	100u@R45.50	✓4 550
15	150u@R48.	✓7 200			250u@R47	✓11 750
16			50@R47	✓2 350	200u @R45.82	✓9 400
22	120u@R50	✓6 000			320u@R48.13	✓15 401.60
28			170u@R48.13	✓8 182.10	150u@R48.13	✓7 219.50
29	100u@R51	✓5 100			250u@R49.29 250u@R49.28	✓12 322.50 123 20
30			30@R49.29✓ 30@R49.28	✓1 478.70 1478.40	220u@R49.29 220u@R49.28	✓ 10 843.80 10841.60

(20)

3.2.1 R277 900✓ – R98 300✓ – R72 640✓ = R106 960✓ (4)

3.2.2 R98 300✓ × 25/125✓ = R19 660✓✓ (4)

3.2.3 R72 640✓ × 10/110✓ = R6 604✓✓ (4)

3.2.4 R24 683✓+ R19 660 ✓+ R6 604✓ = R50 947✓✓ (5)

3.2.5 R260 870✓ – R11 780✓ = R249 090✓ (3)

[40]

QUESTION 4

4.1 Balance sheet of T. Ugly -30 September 2018

ASSETS	Notes		
NON-CURRENT ASSETS			207 420
Land, building and equipment	1.1	✓207 420	
CURRENT ASSETS			✓165 561
Trading stock/inventory	1.2	✓29 400	
Trade and other receivables	1.3	✓87 700	
Cash and cash equivalent		✓48 461	
TOTAL ASSETS			✓372 981
EQUITY AND LIABILITIES			
Owner's equity			✓249 531
Capital	1.4	✓249 531	
NON-CURRENT LIABILITIES			✓69 000
Mortgage bond		✓69 000	
CURRENT LIABILITIES			✓54 450
Trade and other payables	1.5	✓54 450	
TOTAL EQUITY AND LIABILITIES			✓372 981

(13)

NOTES:

4.1.1

	Gross carrying	Accumulated	Net carrying
Land & buildings	✓158 140	-	✓158 140
Equipment	✓86 000	✓(36 720)	✓49 280
	244 140	(36 720)	207 420

Reconciliation of carrying amount

	Land & buildings	Equipment
Balance at the beginning	158 140	✓56 000
Depreciation	-	✓✓(6 720)
	158 140	49 280

(8)

4.1.2	Trading stock		✓R29 400	
	Stock	✓R26 000		
	Consumable stores on hand	✓3 400		
	Stationery	✓3 400		(4)
4.1.3	Trade and other receivables		✓R87 700	
	Debtors control	✓86 000		
	Less: bad debts	✓(5 300)		
	Add: Accrued income	✓✓7 000		
	Rent income (R3 500 × 2) =	7 000		(5)
4.1.4	Capital		✓R249 531	
	Balance at the beginning	✓83 000		
	Add: Net profit	✓174 391		
	Less: Drawings	✓(7 860)		(4)
4.1.5	Trade and other payables		✓R54 450	
	Creditors control	✓52 200		
	Add: Expenses accrued	✓650		
	Water and electricity	✓650		
	Add: Income received in advance	✓1 600		
	Commission income	✓1 600		(6)

[40]

QUESTION 5

5.1 Debtors collection period in months

2017	2018	
Average debtors × 12✓	Average debtors × 12✓	
Credit sales	Credit sales	
= 342 400/622 400 × 12✓✓	= 614 200/913 600 × 12✓✓	
= 6.6 months✓✓	= 8.07 months✓✓	(10)

5.2 Stock turnover rate

Cost of sales✓	Cost of sales✓	
Average stock	Average stock	
	(31 000 + 63 000)/2	
= 389 000/31 000✓✓	= 508 000/47 000✓✓	
= 12.55 times✓✓	= 10.81 times✓✓	(10)

5.3 Creditors collection periods in months

Average creditors × 12✓	Average creditors × 12✓	
Credit purchases	Credit purchases	
	Average creditors (210 000 + 400 000)/2	
= 210 000/336 00 × 12✓✓	= 305 000/432 000 × 12✓✓	
= 7.5 months✓✓	= 8.47 months✓✓	(10)
		[30]

TOTAL: 200

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