



higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

MARKING GUIDELINE

NATIONAL CERTIFICATE

JUNE EXAMINATION

FINANCIAL ACCOUNTING N6

31 MAY 2013

This marking guideline consists of 6 pages.

Copyright reserved

EXAMINATION NUMBER:

CENTRE NUMBER:

QUESTION 1

1.1

1.1.1	D
1.1.2	D
1.1.3	A
1.1.4	B
1.1.5	A
1.1.6	B
1.1.7	A
1.1.8	B
1.1.9	A
1.1.10	C

(10 × 3) (30)

1.2

1.2.1	W
1.2.2	W
1.2.3	O
1.2.4	W
1.2.5	O

(5 × 2) (10)
[40]

Copyright reserved

EXAMINATION NUMBER:

CENTRE NUMBER:

QUESTION 2

Balance sheet of Kola Ltd on 31 December 2013

Assets		
Non-current assets		**3 016 000**
Property, Equipment, Vehicles (3 198 000√+1 300 000√ - 410 000√ + 400 000√ -184 000√)		2 706 000☑
Other financial assets (200 000√ + 110 000√)		310 000
Current assets		**3 288 250**
Inventory (790 000√ + 50 000√)		840 000
Trade and other debtors(9 500√ + 450 000√ - 11 250√)		448 250
Cash and cash equivalent		2 000 000√
Total Assets		**6 304 250**
Equity and liabilities		
Capital and reserves		**4 650 750**
Share capital (2 800 000√ + 400 000√)		3 200 000
Share premium		100 000√
Reserves		1 350 750√
Non-current liabilities		**750 000**
Loan		250 000√
6% debentures @R1 (600 000√ - 100 000√)		500 000
Current liabilities		**903 500**
Trade and other creditors (352 500√ + 6 000√+ 25 000√ + 30 000√)		413 500
SARS (income tax)		100 000√
Shareholders for dividends (10 000 + 280 000)		290 000√
Short term loan		100 000√
		6 304 250

RESERVES

Distributable:	
General reserve(200 000√ - 140 000√)	60 000
Reserve for increased replacement of machinery	340 000√
Retained income	950 750√
	1 350 750

[32]

Copyright reserved

EXAMINATION NUMBER:

CENTRE NUMBER:

QUESTION 3

Income statement of KNE CC for the year ended 31 December 2013

Sales(2 100 000√ - 16 875 √)	2 083 125
Cost of sales	710 955√
Gross profit	1 372 170☑
+Other Income	92 490
Rent income	92 400√
Provision for bad debts adjustment	90√
Gross operating income	1 464 660
Operating expenses	(1 173 852)
Wages	388 365√
Consumable stores (27 840√ -1 875√)	25 965
Salaries Kasich	165 000√
Bad debts(1 800√ + 1 245√)	3 045
Bank charges (	4 200√
Advertising(55 200√ -12 000√)	43 200
Water and electricity	131 490√
Rent expense (82 500√ + 7 500√)	90 000
Telephone	78 300√
Commission on sales	55 233√
Accounting officer remuneration	116 499√
Depreciation (10 000√ + 11 865√ + 1 500√ + 16 440√)	39 805
Trading stock deficit	750√
Loss on sale of asset	32 000√
Operating profit	290 808
Interest income(1800 + 1170)	2 970√
Profit before interest expense	293 778
Interest expense	98 813√
Net profit before tax	194 965
Income tax	70 500√
Net profit after tax for the year	124 465

[30]

Copyright reserved

EXAMINATION NUMBER:

CENTRE NUMBER:

QUESTION 4

Cash flow statement of Douglas Ltd for the year ended 30 June 2013

Cash flow from operating activities	**291 000**
Cash generated from operations	592 200
Interest expense	(43 200) √
Interest income	90 000√
Dividends paid (50 000√ - 100 000√ - 40 000√)	(240 000)
Taxation paid (150 000√ - 225 000√ - 125 000√)	(108 000)
Cash flow from investing activities	**(543 000)**
Replacement of machinery	(72 000) √
Replacement of vehicles	(180 000) √
Additions to machinery	(72 000) √
Additions to land and buildings	(120 000) √
Additions to Investment	(240 000) √
Proceeds from sale of machinery	30 000√
Proceeds from sale of vehicles	36 000√
Proceeds from sale of investment	75 000√
Cash flow from financing activities	**270 000**
Proceeds from issuing of shares capital	330 000√
Proceeds from long term loan	(60 000) √
Net decrease in cash and cash equivalent	**18 000√**
Cash and cash equivalent at the beginning of the year	162 000√
Cash and cash equivalent at the end of the year	**180 000√**

NOTE:

Reconciliation of net profit before tax with cash generated from operations

Profit before taxation	690 000√
Adjustment for:	
Provision for bad debts adjustment	6 000√
Profit on disposal of machinery	(9 000) √
Profit on disposal of vehicles	(12 000) √
Profit on disposal of investment	(15 000) √
Depreciation	159 000√
Interest expense	43 200√
Investment income	(90 000) √
Operating profit before working capital changes	772 200
Working capital changes	(180 000)
Increase in inventories (300 000√ - 240 000√)	(60 000)
Increase in debtors(	(60 000) √
Increase in creditors(300 000√ - 360 000√)	(60 000)
Net cash generated from operations	592 200

[34]

Copyright reserved

EXAMINATION NUMBER:

CENTRE NUMBER:

QUESTION 5

5.1	Balance	5.12	28 632
5.2	Hire purchases	5.13	40 032
5.3	Second hand trading account	5.14	Bank
5.4	40 032	5.15	51 204
5.5	902 400	5.16	15 012
5.6	60 048	5.17	2 448
5.7	364 464	5.18	181 200
5.8	279 936	5.19	426 048
5.9	Hire purchases debtors	5.20	Sales
5.10	902 400	5.21	233 040
5.11	364 464	5.22	Closing stock

(22 × 2) **[44]**

QUESTION 6

6.1	T
6.2	T
6.3	T
6.4	F
6.5	T
6.6	T
6.7	T
6.8	T
6.9	T
6.10	T

(10 × 2) **[20]**

TOTAL: 200

Copyright reserved