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| **TERM 2 ACTIVITIES** |

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| **GRADE 10** |

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| **ACCOUNTING – 2020 TERM 2 BOOKLET** |

**VAT**

**Question 1 ( 14 marks, 07 minutes)**

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| --- | --- | --- |
| **1.1.** | **VAT**  Mr. South is the owner of SM Shoe Store. Some shoes are imported, so no VAT is included for these while others are purchased locally. Mr. South has asked for your advice on the following: |  |
|  | **REQUIRED:** |  |
| 1.1.1 | Should Mr South register for VAT if his turnover is R600 000 per annum?Motivate your answer. | (2) |
| 1.1.2 | What is the current VAT rate in South Africa? | (2) |
| 1.1.3 | Explain the difference between exempted items and zero-rated items and provide ONE example in each case. | (4) |
| 1.1.4 | Should he charge VAT on the shoes that he imports, even though he has not paid VAT on them? | (2) |
| 1.1.5 | To whom should VAT be paid? | (2) |
| 1.1.6 | If he does not register for VAT, is he entitled to keep the amount of VAT claimed from his customers? Motivate ONE reason for your answer. | (2) |

**Question 1**

**1.1 VAT**

|  |  |  |
| --- | --- | --- |
| **1.1.1** | **Should Mr South register for VAT if his turnover is R600 000 per annum? Motivate your answer.** |  |
|  |  | |  | | --- | |  | | **2** | |

|  |  |  |
| --- | --- | --- |
|  |  |  |
| **1.1.2** | **What is the current VAT rate in South Africa?** |  |
|  |  | |  | | --- | |  | | **2** | |

|  |  |  |
| --- | --- | --- |
| **1.1.3** | **Explain the difference between Exempted items and Zero-rated items and provide one example in each case.** |  |
|  | **Exempted items**  **Zero-rated items** | |  | | --- | |  | | **4** | |
|  |  |  |
| **1.1.4** | **Should he charge VAT on the shoes that he imports, even though he has not paid VAT on them?** |  |
|  |  | |  | | --- | |  | | **2** | |
|  |  |  |
| **1.3.5** | **To whom should VAT be paid?** | |  | | --- | |  | | **2** | |
|  |  |  |

|  |  |  |
| --- | --- | --- |
|  |  |  |
| **1.1.6** | **If he does not register for VAT, is he entitled to keep the amount of VAT claimed from his customers?** |  |
|  |  | |  | | --- | |  | | **2** | |

**QUESTION 2 VAT [ 14 marks ]**

REQUIRED:

|  |  |  |  |
| --- | --- | --- | --- |
| 2.1 | Answer the following questions | |  |
|  |  |  |  |
|  | 2.1.1 | Complete the following table in the answer book by placing the items listed below under the most appropriate column: | (4) |
|  |  |  |  |
| |  |  |  |  | | --- | --- | --- | --- | | VAT is not levied on this item | VAT is levied at the standard rate | Zero-rated item | Exempt item | |  |  |  |  | |  |  |  |  | | | | |
|  |  |  |  |
| |  | | --- | | List of items | | Brown bread | | Salaries and wages | | Financial services | | Electricity | | | | |
|  | 2.1.2 | Why do you think, the government decided to have Zero Rated goods. | (2) |
|  | 2.1.3 | Bojanala Traders is a business that has recently voluntarily registered as a VAT vendor. How much is the minimum voluntary VAT registration amount? | (2) |

|  |  |  |  |
| --- | --- | --- | --- |
| 2.2 | Use the information below to calculate VAT amount using the current VAT rate. | |  |
|  | 2.2.1 | Invoice total inclusive of VAT, R 9 775 | (2) |
|  | 2.2.2 | Invoice total : R 29 800 ( excluding VAT ) | (2) |
|  | 2.2.3 | Invoice total : R 37 490 ( including VAT ) and (excluding VAT) :  R 32 600 | (2) |

**Question 2**

**VAT**

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 2.1.1 | Complete the following table by placing the items listed below under the most appropriate column:   |  |  |  |  | | --- | --- | --- | --- | | VAT is not levied on this item | VAT is levied at the standard rate | Zero-rated item | Exempt item | |  |  |  |  | | |  | | --- | |  | | 4 | |
|  |  |  |
| 2.1.2 | Why do you think, the government decided not to impose VAT on certain goods | |  | | --- | |  | | 2 | |
|  |  |  |
| 2.1.3 | What information can you provide about the annual turnover of Bojanala Traders | |  | | --- | |  | | 2 | |

2.2. VAT Calculations

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | VAT amount | |  | | --- | |  | | 2 | |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | VAT amount on Invoice excluding VAT | |  | | --- | |  | | 2 | |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | VAT amount on Invoice including VAT | |  | | --- | |  | | 2 | |

**QUESTION 3: VAT (18 marks)**

Boxer Supermarket uses a mark-up of 40% on cost price at all times. Joyce realizes that she has paid VAT on certain items that she has purchased. She also finds out that any business of which the turnover is more than R200 000 per annum and less than R700 000 per annum, may register as a VAT vendor, however, it is not compulsory.

**INFORMATION:**

The business buys shower gel from the manufacturer at R30 each.

**REQUIRED:**

3.1 Joyce has decided to register as a tax vendor as she feels that this

Would allow her to charge 15% VAT on the shower gel (R4, 50) and this would lead to an extra profit of (R4, 50). Is this correct? Mention TWO

points to support your answer. (5)

3.2 Explain why many people feel that VAT is a fair system of taxation.

Provide TWO points. (4)

3.3 Calculate the selling price of the shower gel. VAT exclusive (3)

3.4 The total sales according to the cash register till slips for the year amounted to R2 311 800. This includes zero-rated items sold for R905 610.

3.4.1 What is the difference between ‘’Zero-rated items’ and ‘VAT exempted items’? Give an example for each. (6)

**QUESTION 3 VAT (18marks)**

|  |  |
| --- | --- |
| **3.1.** | **Joyce has decided to register as a tax vendor as she feels that this would**  **allow her to charge 15% VAT on the shower gel (R8,20) and this would  lead to an extra profit of (R8,20).**  **(5)** |

|  |  |
| --- | --- |
| **3.2** | **Explain why many people feel that VAT is a fair system of taxation. Provide TWO points.**  **(4)** |
| **3.3** | **Calculate the selling price of the shower gel.**  **(3)** |
| **3.4.1** | **What is the difference between ‘’Zero-rated items’ and ‘VAT exempted  items’? Give two examples for each.**  **(6)** |

**SALARIES AND WAGES**

**Question 1**

**SALARIES AND INTERNAL CONTROL 50 MARKS**

**INFORMATION**

|  |
| --- |
| Maria Maseko was appointed manager of PP Traders on 1 March 2019 at a basic salary of R180 000 per annum.  **The conditions of her appointment included the following:**   * Medical aid contributions by PP Traders equal to R2 for every R1 contributed by Maria * Pension fund contributions by PP Traders equal R1,50 for every R1 contributed by Maria * UIF contributions by PP Traders equal to 1% of basic salary * An annual bonus of 80% of one month’s salary payable in each February   **Her monthly deductions from salary are:**   * PAYE (as per SARS scales) * Pension Fund – 8% of gross salary * Medical Aid – the **total premium** to be paid is R960 per month * UIF – 1% of basic salary |

**Income tax scales for 2018/2019**

|  |  |
| --- | --- |
| **ANNUAL SALARY** | **RATES OF TAX** |
| 0 – R80 000 | 18% of each R1 |
| R80 001 – R130 000 | R14 400 plus 25% of the amount above R80 000 |
| R130 001 – R180 000 | R26 900 plus 30% of the amount above R130 000 |
| R180 001 – R230 000 | R41 900 plus 35% of the amount above R180 000 |
| R230 001 – R300 000 | R59 400 plus 38% of the amount above R230 000 |
| R300 001 and above | R86 000 plus 40% of the amount above R300 000 |

**REQUIRED:**

1 The Salaries Journal for March 2019 reflects the totals for the month in your answer sheet.

Maria’s details were left out in error.

Complete the Salaries Journal for March 2019 by entering Maria’s details. (24)

2 It actually costs PP Traders more than only her salary to employ Maria.

Calculate the total “cost to company” remuneration per month of Maria. (6)

3 Post the information in the Salary Journal to the following accounts in the

General Ledger: (8)

Creditors for salaries

XYZ Pension Fund

Salaries

4. What will the amount of the **total remuneration** of Mariabe in

February 2019? (4)

**5 INTERNAL CONTROL**

As manager, Maria wants to introduce internal control procedures in the

company. Name FOUR internal control procedures Maria can introduce for

cash received. (8)

**Question 1**

**PP TRADERS**

**1. SALARIES JOURNAL FOR MARCH 2019 SJ1**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | | | | **EMPLOYEE DEDUCTIONS** | | | | |  |
| **Employee** | **Gross salary** | **Bonus** | **Gross**  **Salary** | **Pension**  **fund** | **Medical**  **aid** | **PAYE** | **UIF** | **Total**  **deduc-**  **tions** | **Net**  **salary** |
| **TOTALS** | **19 000** |  | **19 000** | **1 520** | **480** | **4 801,04** | **190** | **6 991,04** | **12 008,96** |
|  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |
|  | ***a*** | ***b*** | ***C*** | ***d*** | ***e*** | ***f*** | ***g*** | ***h*** | ***i*** |

|  |  |  |  |
| --- | --- | --- | --- |
| **EMPLOYER CONTRIBUTIONS** | | | |
| **Medical**  **aid** | **Pension fund** | **UIF** | **SDL** |
| **960** | **2 280** | **190** | **190** |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
| ***j*** | ***k*** | ***l*** | ***L*** |

|  |
| --- |
|  |
| **24** |

|  |
| --- |
| **Calculations**  **PAYE: Medical aid** |

**2.**

|  |  |
| --- | --- |
| **Calculate the total “cost to company” remuneration per month of Maria.** | |
|  | |
|  |
| **6** |

**3.**

**GENERAL LEDGER OF PP TRADERS**

**CREDITORS FOR SALARIES**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |

**XYZ PENSION FUND**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |

**SALARIES**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  |  |  |  |  |  |  | |
|  |  |  |  |  |  |  |  |  |  | |
|  |
| **8** |

**4.**

|  |  |
| --- | --- |
| **What will the total remuneration of Maria be in February 2019?** | |
|  | |
|  |
| **4** |

**5.**

|  |
| --- |
| **Name FOUR internal control procedures for cash received.** |
|  |
|  |
|  |
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| --- |
|  |
| **8** |

|  |
| --- |
|  |
| **50** |

|  |  |  |  |
| --- | --- | --- | --- |
| **QUESTION 2: SALARIES AND WAGES AND ACCOUNTING EQUATION**  **(37 marks; 25 minutes)** | | | |
|  |  | |  |
| 2.1 | Portia Moloi is employed at Cupido Outfitters as a receptionist. She started working on 1 July 2019 and was appointed at the following salary scale:   |  | | --- | | **105 600 x 9 360 – 133 680 x 13 320 – 173 640** | | |  |
|  |  |  |  |
|  | **REQUIRED:** | |  |
|  |  |  |  |
|  | Answer the following questions relating to Portia Moloi: | |  |
|  |  |  |  |
|  | 2.1.1 | What was Portia’s starting salary at the end of her first month of employment. | (3) |
|  |  |  |  |
|  | 2.1.2 | Calculate Portia’s monthly salary increase for the following year. | (5) |
|  |  |  |  |
|  | 2.1.3 | Her contract stipulates that she is entitled to a bonus of 90% of her salary. She only worked for six months in 2016 and can expect only 50% of her bonus on 31 December 2019. Calculate the bonus amount. | (4) |
|  |  |  |  |
|  | 2.1.4 | Do you think it is ethically correct for Cupido Outfitters to pay her only 50% of the bonus? Give reasons for your answer. | (3) |
|  |  |  |  |
|  |  |  |  |
| 2.2 | Nthabiseng has been appointed as Assistant Accountant Clerk at a firm ofAccountants. The details below were extracted from her letter of appointment. | |  |
|  |  |  |  |
|  | |  |  | | --- | --- | | **Gross salary per month** | **R12 000** | | **Deductions:** |  | | PAYE | 18% of gross salary | | Pension Fund | 8% of gross salary | | Medical Aid | R 720 per month | | UIF | 1% of gross salary | | Staff Social Fund | R 720 per annum | |  |  | | **Employer contributions:** |  | | Pension Fund | 11% of gross salary | | UIF | Rand– for–Rand | | |  |
|  | **REQUIRED:** | |  |
|  |  | |  |
|  | Answer the following questions relating to Nthabiseng. | |  |
|  |  |  |  |
|  | 2.2.1 | What does the abbreviation UIF stand for? | (2) |
|  |  |  |  |
|  | 2.2.2 | What is the purpose of the UIF? | (2) |
|  |  |  |  |
|  | 2.2.3 | Calculate the total deductions for the month. | (7) |
|  |  |  |  |
|  | 2.2.4 | Calculate Nthabiseng’s net salary per month. | (3) |
|  |  |  |  |
|  | 2.2.5 | State the double entry to record the employee’s contribution towards a medical aid. | (2) |
|  |  |  |  |
|  | 2.2.6 | State the double entry to record the payment of Nthabiseng’s salary for the month. | (2) |
|  |  |  |  |
|  | 2.2.7 | In certain industries and professions it is compulsory to belong to a trade union or association where the employee pays a membership fee. Give TWO important roles played by the Union on behalf of its members. | (4) |
|  |  |  |  |

**QUESTION 2**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| 2.1.1 | **What was Portia’s starting salary at the end of her first month of employment.** | |  | | --- | |  | | 3 | |
| 2.1.2 | **Calculate Portia’s monthly salary increase for the following year**. | |  | | --- | |  | | 5 | |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| 2.1.3 | **Her contract stipulates that she is entitled to a bonus of 90% of her salary. She only worked for six months in 2019 and can expect only 50% of her bonus on 31 December 2019. Calculate the amount.** | |  | | --- | |  | | 4 | |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| 2.1.4 | **Do you think it is ethically right for Cupido Outfitters to pay her only 50% of the bonus? Give reasons for your answer.** | |  | | --- | |  | | 3 | |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| 2.2.1 | **What does the abbreviation UIF stand for?** | |  | | --- | |  | | 2 | |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| 2.2.2 | **What is the purpose of UIF?** | |  | | --- | |  | | 2 | |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| 2.2.3 | **Calculate the total deductions for the month.** | |  | | --- | |  | | 7 | |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| 2.2.4 | **Calculate the net salary per month.** | |  | | --- | |  | | 3 | |

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **QUESTION 3: WAGES AND CODE OF ETHICS (40 marks; 24 minutes)** | | | | | | | | |
|  |  | | |  | | | |  |
| Study the information of Cool Fruit Juice, as well as the information on the  Department of Labour. | | | | | | | |  |
|  | | | | | | | |  |
| **INFORMATION:** | | | | | | | |  |
|  | | | | | | | |  |
| The totals below appeared in the Wages Journal for the week ending 28 April  2019. All employees are paid the same rates (R7,20 an hour for the normal time  and R10,00 an hour for overtime). | | | | | | | |  |
|  |  | | |  | | | |  |
|  | |  |  | | --- | --- | | Total hours (normal time) | 2 680 hours | | Total hours (overtime) | ? | | Gross wages | R25 746 | | Total deductions | R1 984 | | Medical aid deductions | R440 | | PAYE deductions | R1 544 | | Medical aid contributions | R880 | | | | | | | |  |
|  | |  | | --- | | **Department of Labour**  Employees must, according to the law, deduct 1% of employees' wages for normal time for the Unemployment Insurance Fund (UIF). Employees are also compelled to make a further contribution equal to the deduction to this fund.  **Minimum wage for vulnerable groups**  Certain groups in the South African economy are regarded as vulnerable. This is why the Minister of Labour regularly announces regulations to ensure that the most vulnerable employees are protected by basic service conditions, and that they earn at least the prescribed minimum wage.  Under the Department of Labour's conditions of employment, the minimum wages for farm workers are as follows:  Wages effective from 1 March 2019:  Hourly R9,08  Monthly R1 769,00 | | | | | | | |  |
|  |  | |  | | | | |  |
|  | **REQUIRED:** | | | | | | |  |
|  |  |  | | | | | |  |
|  | 3.1 | What does *PAYE* stands for? | | | | | | (2) |
|  |  |  | | | | | |  |
|  | 3.2 | To whom do businesses pay PAYE? | | | | | | (2) |
|  |  |  | | | | | |  |
|  | 3.3 | What do you understand by the term *minimum wage*? | | | | | | (2) |
| 3.4 | | How much cash should be drawn by Cool Fruit Juice per week in order to pay its employees? | | | | | (3) | |
|  |  |  | | | | |  | |
| 3.5 | | Briefly describe the difference between *deductions* and *contributions*. | | | | | (4) | |
|  |  |  | | | | |  | |
| 3.6 | | Calculate the following: | | | | |  | |
|  |  |  | | |  | |  | |
|  |  | 3.6.1 | | | Amount for normal hours | | (4) | |
|  |  |  | | |  | |  | |
|  |  | 3.6.2 | | | Amount for overtime | | (3) | |
|  |  |  | | |  | |  | |
|  |  | 3.6.3 | | | Number of hours worked overtime | | (4) | |
|  |  |  | | |  | |  | |
| 3.7 | | The medical aid details remained the same for all four weeks in April 2019. Calculate the amount that should be paid over to the medical aid by Cool Fruit Juice at the end of April 2019. | | | | | (5) | |
|  |  |  | | | |  |  | |
| 3.8 | | To which General Ledger account will the amount of R1 544 be posted? | | | | | (2) | |
|  |  |  | | | |  |  | |
| 3.9 | | Should the account be debited or credited? | | | | | (2) | |
|  |  |  | | | |  |  | |
| 3.10 | | Which other important deduction, according to law, did Cool Fruit Juice not deduct from its employees? The business should also contribute to this expense. | | | | | (2) | |
|  |  |  | | | |  |  | |
| 3.11 | | Does Cool Fruit Juice follow the accepted code of ethics with regard to its payment of wages? Answer YES or NO and give TWO reasons to prove your answer. | | | | | (5) | |
|  |  |  | | | |  |  | |
|  |  |  | | | |  | **40** | |

**QUESTION 3**

**WAGES AND CODE OF ETHICS**

|  |  |  |
| --- | --- | --- |
| **3.1** | **What does PAYE stands for?** |  |
|  |  | |  | | --- | |  | | **2** | |
|  |  |  |
| **3.2** | **To whom do businesses pay PAYE?** |  |
|  |  | |  | | --- | |  | | **2** | |
|  |  |  |
| **3.3** | **What do you understand by the term minimum wage?** |  |
|  |  | |  | | --- | |  | | **2** | |
|  |  |  |
| **3.4** | **How much cash should be drawn by Cool Fruit Juice per week in order to pay its employees.** |  |
|  |  | |  | | --- | |  | | **3** | |
|  |  |  |
| **3.5** | **Briefly describe the difference between deductions and contributions.** |
|  |  | |  | | --- | |  | | **4** | |
| **3.6** | **Calculate the following:** |  |
|  | **3.6.1 Amount for normal hours**  **3.6.2 Amount for overtime**  **3.6.3 Number of hours worked overtime** | |  | | --- | |  | | **11** | |
|  |  |  |
| **3.7** | **The medical aid details remained the same for all four weeks of April 2019. Calculate the amount that should be paid over to the medical aid by Cool Fruit Juice at the end of April 2019.** |  |
|  |  | |  | | --- | |  | | **5** | |
| **3.8** | **To which general ledger account will the amount of R1 544 be posted?** |  |
|  |  | |  | | --- | |  | | **2** | |
|  |  |  |
| **3.9** | **Should the account be debited or credited?** |  |
|  |  | |  | | --- | |  | | **2** | |

|  |  |  |
| --- | --- | --- |
| **3.10** | **Which other important deduction, according to law, did Cool Fruit Juice not deduct from its employees? The business should also contribute to this expense.** |  |
|  |  | |  | | --- | |  | | **2** | |
|  |  |  |
| **3.11** | **Does Cool Fruit Juice follow the accepted code of ethics with regard to its payment of wages? Answer YES or NO and give TWO reasons to prove your answer.** |  |
|  |  | |  | | --- | |  | | **5** | |

|  |
| --- |
|  |
| **40** |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **QUESTION 4: Salaries and Wages (40 marks; 25 minutes)** | | | | | | | | | | | | | | | | | | |
|  |  | | | | | |  | | | | | | | | |  |
| 4.1 | **Calculating Wages** | | | | | | | | | | | | | | |  | | |
|  |  | | | | | | | | | | | | | | |  | | |
|  | A. Mona works in Yum Yum Ltd, a chocolate factory. | | | | | | | | | | | | | | |  | | |
|  |  | | | | | | | | | | | | | | |  | | |
|  | **REQUIRED:** | | | | | | | | | | | | | | |  | | |
|  |  |  | | | | | | | | | | | | | |  | | |
|  | 4.1.1 | Calculate Mona’s net wage for the week. Show all workings. | | | | | | | | | | | | | | (15) | | |
|  |  |  | | | | | | | | | | | | | |  | | |
|  | 4.1.2 | Calculate the amount due to the GW Medical on behalf of A. Mona for the week ending 25 October 2019. | | | | | | | | | | | | | | (5) | | |
|  |  |  | | | | | | | | | | | | | |  | | |
|  | 4.1.3 | Complete the posting to the CF Pension Fund account in the General Ledger. Take into account that a cheque to settle the amount due was issued on the 21 October 2019. | | | | | | | | | | | | | | (8) | | |
|  |  |  | | | | | | | | | | | | | |  | | |
|  | **INFORMATION: Details of A. Mona for the week ending 25 October 2019.** | | | | | | | | | | | | | | |  | | |
|  | **A. Mona - Hours worked for the week** | | | **Normal time**  **(hours per week)** | | | | **Normal time rate (per hour)** | | | | **Overtime rate**  **(per hour)** | | | |  | | |
|  | 52 | | | 40 | | | | R78,50 | | | | R117,50 | | | |  | | |
|  | | | | | | | | | | | | | | | | | | |
|  |  | | | | **Employee deductions** | | | | **Employer’s contribution** | | | | | | |  | | |
|  | SARS – PAYE | | | |  | 18 % of gross | | |  | - | | | | | |  | | |
|  | CF Pension Fund | | | |  | 8 % of basic | | |  | 10% of basic | | | | | |  | | |
|  | GW Medical aid | | | |  | R320 | | |  | R1,20 for every R1 | | | | | |  | | |
|  | Unemployment Insurance | | | |  | 1% of basic | | |  | 1% of basic | | | | | |  | | |
|  | Staff Fund | | | |  | R12 per week | | |  | - | | | | | |  | | |
|  | Skills Development | | | |  | - | | |  | 1% of basic | | | | | |  | | |
|  |  | | | | | | | | | | | | | | |  | | |
| 4.2 | **Analysing Salary Information** | | | | | | | | | | | | | | |  | | |
|  | The salary information of Jim Curry, a sales assistant, is presented below. | | | | | | | | | | | | | | |  | | |
|  |  | | | | | | | | | | | | | | |  | | |
|  | **REQUIRED:** | | | | | | | | | | | | | | |  | | |
|  |  | |  | | | | | | | | | | | | |  | | |
|  | 4.2.1 | | Calculate Jim’s basic monthly salary in his first year of employment? | | | | | | | | | | | | | (3) | | |
|  |  | |  | | | | | | | | | | | | |  | | |
|  |  | |  | | | | | | | | | | | | |  | | |
|  | 4.2.2 | | Jim receives a sales commission of 4% of the monthly sales. Calculate the total sales amount for October 2019. | | | | | | | | | | | | | (4) | | |
|  |  | |  | | | | | | | | | | | | |  | | |
|  | 4.2.3 | | Calculate the total amount that the business pays with regards to Jim’s employment (including his gross salary). | | | | | | | | | | | | | (5) | | |
|  |  | |  | | | | | | | | | | | | |  | | |
|  |  | |  | | | | | | | | | | |  | | | |
|  | **INFORMATION:** | | | | | | | | | | | | |  |
|  | A. | Jim’s salary scale: **117 600 x 8 160 – 142 080 x 12 240 – 166 560** | | | | | | | | | | | |  |
|  |  |  | | | | | | | | | | | |  |
|  | B. | Information from Jim’s October salary advice: | | | | | | | | | | | |  |
|  |  | Basic monthly salary | | | | | | | | | R11 160 | |  |  | | | |
|  |  | Sales commission | | | | | | | | | R4 240 | |  |  | | | |
|  |  | Total deductions from employee’s salary | | | | | | | | | R5 120 | |  |  | | | |
|  |  | Net salary | | | | | | | | | R10 280 | |  |  | | | |
|  |  | Employer’s contributions | | | | | | | | | R6 200 | |  |  | | | |
|  |  | Total cost to business | | | | | | | | | ? | |  |  | | | |

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|  |  | **40** |

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| **QUESTION 4** | |  |
|  | |  |
| 4.1 | **Calculating wages** |  |
| 4.1.1 | **Calculate Mona’s net wages for the week** | |  | | --- | |  | | **15** | |
|  | |  |  |  | | --- | --- | --- | | **Gross wage** |  |  | | **Deductions** |  |  | |  |  |  | |  |  |  | |  |  |  | |  |  |  | |  |  |  | |  |  |  |   \* One part correct |
|  |  |  |
| 4.1.2 | **Amount due to Medical Aid for the week ending:** | |  | | --- | |  | | **4** | |
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| **CF PENSION FUND (B12)** | | | | | | | | | |
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| --- | --- | --- |
| 4.2 | **Analysing salary information** |  |
| 4.2.1 | **Calculate Jim’s basic monthly salary in his first year of employment** | |  | | --- | |  | | **3** | |
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| --- | --- | --- |
|  |  |  |
| 4.2.2 | **Calculate the total Sales amount for October 2019.** | |  | | --- | |  | | **4** | |
|  |  |
|  |  |  |
| 4.2.3 | **Total amount paid by the business with regards to Jim’s employment** | |  | | --- | |  | | **4** | |
|  |  |

**FINAL LEDGER ACCOUNTS**

**QUESTION 1: ACCOUNTING CONCEPTS, GENERAL JOURNAL AND**

**FINAL ACCOUNTS (68 marks; 40 minutes)**

|  |  |
| --- | --- |
| 1.1 | Choose an explanation from COLUMN B that matches a concept in  COLUMN A. Write only the letter ( A – J) next to the question number  (1.1.1 – 1.1.10) in the ANSWER BOOK. |

|  |  |
| --- | --- |
| **COLUMN A** | **COLUMN B** |
| 1.1.1 Assets  1.1.2 Capital  1.1.3 Matching principle  1.1.4 Business entity rule/concept  1.1.5 Historical cost  concept  1.1.6 Trial Balance  1.1.7 Balance Sheet  1.1.8 Non-Current liability  1.1.9 Retailer  1.1.10 Manufacturer | A Assets are valued and reflected in the businesses books at the price originally paid for it  B A mortgage loan that is used to acquire property  C Coopers Bakery and Trendy Clothing Factories produce goods for the community's needs  D Items of value acquired or owned by a person or business  E The cash and other tangible assets that the owner invests into the business  F The personal affairs of the owner of the business are kept separate from the financial transactions of the business  G An Accounting tool that ensures the double-entry rule has been applied correctly  H Choppies (Pty) Ltd obtains trading stock at cost price and sells it at a profit to its customers  I A prepared statement that reflects the value of the business on a specified date  J Income and expenses are deducted from one another during a specific time period |

(10)

|  |  |  |  |
| --- | --- | --- | --- |
| 1.2 | The Pre-adjustment Trial Balance of Biki Traders on 30 June 2019, the end of the accounting period is given. | |  |
|  |  | |  |
|  | **REQUIRED:** | |  |
|  |  |  |  |
|  | 1.2.1 | Show the Journal entries of adjustments 1, 2, 4 and 5. (No need  to write journal narrations.) | (16) |
|  |  |  |  |
|  | 1.2.2 | Prepare the Trading Account on 30 June 2019. | (5) |
|  |  |  |  |
|  | 1.2.3 | Prepare the Profit and Loss Account on 30 June 2019. | (37) |

**INFORMATION:**

**BIKI TRADERS**

**PRE-ADJUSTMENT TRIAL BALANCE ON 30 JUNE 2019**

|  |  |  |
| --- | --- | --- |
| **BALANCE SHEET SECTION** | **DEBIT** | **CREDIT** |
| Capital |  | 316 210 |
| Drawings | 28 680 |  |
| Land and buildings | 280 000 |  |
| Vehicles | 60 000 |  |
| Equipment | 26 400 |  |
| Accumulated depreciation on vehicles |  | 36 000 |
| Accumulated depreciation on equipment |  | 4 720 |
| Fixed deposit: Tima Bank | 12 000 |  |
| Trading stock | 38 440 |  |
| Debtors' Control | 12 900 |  |
| Bank | 11 455 |  |
| Cash float | 350 |  |
| Petty cash | 180 |  |
| Mortgage Loan: Sefo Bank |  | 22 000 |
| Creditors' Control |  | 13 290 |
| **NOMINAL ACCOUNTS SECTION** |  |  |
| Sales |  | 880 960 |
| Cost of sales | 626 000 |  |
| Debtors allowances | 4 560 |  |
| Rates | 2 630 |  |
| Wages and Salaries | 164 545 |  |
| Stationery | 1 980 |  |
| Packing material | 5 250 |  |
| Bad debts | 920 |  |
| Rent income |  | 22 100 |
| Interest on fixed deposit |  | 560 |
| Insurance | 3 660 |  |
| Telephone | 5 790 |  |
| Interest on Mortgage loan | 3 300 |  |
| Water and electricity | 5 825 |  |
| Discount Allowed | 2 500 |  |
| Discount Received |  | 1 525 |
|  | 1 297 365 | 1 297 365 |

**ADJUSTMENTS:**

|  |  |  |
| --- | --- | --- |
| 1 | A part of the building has been let for the past two years at R1 700 per month. |  |
|  |  |  |
| 2 | Interest on the fixed deposit at 7% per annum is still receivable for 4 months. |  |
|  |  |  |
| 3 | Debtor P. Tseke's account of R200 must be written off as irrecoverable |  |
|  |  |  |
| 4 | Insurance includes an annual premium of R1 440 that was paid on 1 November 2018. |  |
|  |  |  |
| 5 | An amount of R525 is still owing for repairs. |  |
|  |  |  |
| 6 | Depreciation:   * Vehicles at 15% p.a. on the cost price * Equipment at 10% p.a. on the diminishing balance method   **Note:** Equipment with a cost price of R12 000 was purchased on  1 November 2018and recorded correctly. |  |
|  |  |  |
| 7 | Interest on loan is only paid for 11 months. |  |
|  |  |  |
| 8 | The following was on hand according to physical stocktaking done on 30 June 2019:   * Trading stock R36 990 * Stationery R218 |  |
|  |  |  |
|  |  | **68** |
|  |  |  |

**FINAL LEDGER ACCOUNTS**

**QUESTION 1**

**CONCEPTS**

|  |  |  |
| --- | --- | --- |
| **1.1** | **Match the explanation with the concept.** |  |
|  |  |  |
|  | |  |  | | --- | --- | | 1.1.1 |  | | 1.1.2 |  | | 1.1.3 |  | | 1.1.4 |  | | 1.1.5 |  | | 1.1.6 |  | | 1.1.7 |  | | 1.1.8 |  | | 1.1.9 |  | | 1.1.10 |  | | |  | | --- | |  | | **10** | |
|  |  |  |

**1.2.1 GENERAL JOURNAL OF BIKI TRADERS – JUNE 2019**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **DATE** | **DETAILS** | **FOL** | **DEBIT** | **CREDIT** |
| 30 |  |  |  |  |
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| **16** |

**1.2.2 FINAL ACCOUNTS**

**GENERAL LEDGER OF BIKI TRADERS**

**Dr TRADING ACCOUNT F1 Cr**

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **DATE** | | **DETAILS** | **F** | **AMOUNT** | **DATE** | | **DETAILS** | **F** | **AMOUNT** |
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**1.2.3 Dr PROFIT AND LOSS F2 Cr**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **DATE** | | **DETAILS** | **F** | **AMOUNT** | **DATE** | | **DETAILS** | **F** | **AMOUNT** |
| 2019  June | 30 | Rates |  | 2 630 | 2019  June | 30 | Trading account |  |  |
|  |  | Wages and Salaries |  | 164 545 |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |
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| **37** |

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| **68** |

**QUESTION 2 (60 marks; 36 minutes)**

**GAAP PRINCIPLES & FINAL ACCOUNTS**

The following information was taken from the financial records of PK Traders on 30 June 2019, the end of the financial year.

**REQUIRED:**

**2.1 Multiple choice questions**

|  |  |  |  |
| --- | --- | --- | --- |
| 2.1.1 | The GAAP principle that is used when stationery not used during the financial year is deducted from the stationery account at the end of the financial year | |  |
|  | A | The historical cost principle |  |
|  | B | The materiality principle |  |
|  | C | The matching principle |  |
|  | D | The business entity rule principle | (2) |
|  |  |  |  |
| 2.1.2 | The GAAP principle that says that assets purchased by the business are entered at cost price in the accounting records of the business: | |  |
|  | A | The historical cost principle |  |
|  | B | The materiality principle |  |
|  | C | The matching principle |  |
|  | D | The business entity rule principle | (2) |
|  |  |  |  |
| 2.1.3 | The GAAP principle that says the financial affairs of a business are kept entirely separate from the financial affairs of the owner: | |  |
|  | A | The historical cost principle |  |
|  | B | The materiality principle |  |
|  | C | The matching principle |  |
|  | D | The business entity rule principle | (2) |
|  |  |  |  |
| 2.1.4 | The GAAP principle that says financial statements are prepared on the assumption that business will continue operating for the foreseeable future: | |  |
|  | A | The historical cost principle |  |
|  | B | The materiality principle |  |
|  | C | The matching principle |  |
|  | D | The going concern principle | (2) |
|  |  |  |  |
| 2.1.5 | The GAAP principle that covers the disclosure of items which are of importance to the readers of financial statements: | |  |
|  | A | The historical cost principle |  |
|  | B | The materiality principle |  |
|  | C | The matching principle |  |
|  | D | The business entity rule principle | (2) |

|  |  |  |
| --- | --- | --- |
| 2.2.1 | Prepare the Trading account on 31 May 2019. | (6) |
|  |  |  |
| 2.2.2 | Prepare the Profit and Loss account on 31 May 2019. | (40) |
|  |  |  |
| 2.3 | Calculate the mark up percentage that PK Traders uses. | (4) |

**INFORMATION**

**1. PK TRADERS**

**PRE-ADJUSTMENT TRIAL BALANCE ON 31 MAY 2019**

|  |  |  |
| --- | --- | --- |
| **BALANCE SHEET SECTION** | **DEBIT** | **CREDIT** |
| Capital |  | 291 800 |
| Drawings | 30 201 |  |
| Land and buildings | 300 000 |  |
| Vehicles | 60 000 |  |
| Equipment | 20 000 |  |
| Accumulated depreciation on vehicles |  | 18 000 |
| Accumulated depreciation on equipment |  | 2 360 |
| Fixed deposit: Saamstaan Bank | 4 900 |  |
| Trading stock | 50 030 |  |
| Debtors’ Control | 13 213 |  |
| Bank | 8 410 |  |
| Cash float | 300 |  |
| Loan: Wise Bank |  | 8000 |
| Creditors’ Control |  | 16 234 |
| **NOMINAL ACCOUNTS SECTION** |  |  |
| Sales |  | 972 036 |
| Cost of sales | 640 000 |  |
| Debtors allowances | 12 036 |  |
| Wages and Salaries | 158 800 |  |
| Stationery | 1 830 |  |
| Packing material | 2 551 |  |
| Bad debts | 1 235 |  |
| Rent income |  | 17 050 |
| Interest on fixed deposit |  | 100 |
| Insurance | 6 480 |  |
| Telephone | 7 243 |  |
| Interest on loan | 900 |  |
| Water and electricity | 6 331 |  |
| Advertising | 2 000 |  |
| Bad debts recovered |  | 980 |
|  | 1 326 560 | 1 326 560 |

**Adjustments**:

|  |  |  |
| --- | --- | --- |
| A | The water and electricity account, R520, and the telephone account, R407, for May 2019 have been received, but not yet paid. |  |
|  |  |  |
| B | A part of the building has been let since 1 August 2017. The rent for June 2019 has already been received |  |
|  |  |  |
| C | Write off the account of W. Wian as irrecoverable, R360. |  |
|  |  |  |
| D | No entry has been made of trading stock, cost price R200, which was donated to the local children’s home. |  |
|  |  |  |
| E | The following were on hand according to the physical stock take on 31 May 2019: |  |
|  | * Trading stock R48 120 * Stationery R365 |  |
|  |  |  |
| F | The fixed deposit was made on 1 July 2017. Interest is capitalised. A statement is received from Saamstaan Bank revealed the following:   |  |  | | --- | --- | | Balance 01/06/2018 | R4 900 | | Interest | ? | | Balance 31/05/2019 | R5 100 |   Provide for outstanding interest. |  |
|  |  |  |
| G | An advertising contract of R1 700 was signed with the radio station from 1 March 2019 to 31 July 2019. |  |
|  |  |  |
| H | The loan was increased by R2 000 on 30 November 2018. This transaction was properly recorded. Provide for outstanding interest on loan is 18% p.a. |  |
|  |  |  |
| I | Depreciation on vehicles is 15% p.a. on the diminishing balance, and on equipment at 10% p.a. on the cost price.  **Note:** Equipment with a cost price of R6 000 was purchased on  1 October 2018 and recorded correctly |  |

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| **60** |

**QUESTION 2**

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **2.1** | **Choose a concept from the list that matches an explanation.**   |  |  | | --- | --- | | **Colum A** | **Colum B** | | 2.1.1 |  | | 2.1.2 |  | | 2.1.3 |  | | 2.1.4 |  | | 2.1.5 |  | |  |  | | |  | | --- | |  | | **10** | |

**FINAL ACCOUNTS SECTION**

**2.2.1 Trading Account F1**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| 2019 May | 31 | Cost of sales |  | 2019 May | 31 | Sales |  |
|  |  |  |  |  |  |  |  |
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| **2.2.2 Profit and Loss** | | | | | | | | | |
| 2019 May | 31 | Wages and salarie |  |  | 2019 May | 31 |  |  |  |
|  |  | Stationery |  |  |  |  |  |  |  |
|  |  | Consumable stors |  |  |  |  |  |  |  |
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| **2.3** | **Calculate the mark up percentage that PK Traders uses?** | |  | | --- | |  | | **4** | |

|  |
| --- |
| **TOTAL MARKS** |
|  |
| **60** |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **QUESTION 3: GAAP AND INCOME STATEMENT** | | **(50 marks; 40 minutes)** | | |
| **3.1** | **GAAP PRINCIPLES** | | (6) |
|  | Choose a term from COLUMN B that matches the description in COLUMN A. Write Only the letter (A–E) next to the question number (3.1.1–3.1.6) in your ANSWER BOOK, for example 3.1.7 G. | |  |
|  | |  |  | | --- | --- | | **COLUMN A** | **COLUMN B** | | 3.1.1 Information that is important to the  reader of the financial statements must  be clearly shown as a separate item.  3.1.2 In making adjustments in the books,  accountants must regard events of a  financial nature in a pessimistic light.  3.1.3 Unless otherwise stated, the business is expected to continue for the foreseeable future.  3.1.4 The financial affairs of the owners are  kept separate from the financial affairs of the business.  3.1.5 Expenses that are related to income  earned must be recorded in the same  financial period.  3.1.6 Unless otherwise stated, assets are  recorded at their original cost price. | A Business entity  B Historical cost  C Matching  D Prudence  E Materiality  F Going-concern | | |  |

|  |  |  |
| --- | --- | --- |
| **3.2** | The financial year of Menlo Traders ends annually on the last day of February. The following is an extract from the Pre-adjustment trial balance on 28 February 2018. |  |
|  | **REQUIRED:** |  |
|  | Prepare the Trading Account and Profit & Loss Account. | (44) |
|  | **MENLO TRADERS**  **EXTRACT FROM THE PRE-ADJUSTMENT TRIAL BALANCE ON**  **28 FEBRUARY 2018** |  |
|  | |  |  |  | | --- | --- | --- | | **Balance sheet accounts section** | **Debit** | **Credit** | | Land and buildings | 880 500 |  | | Vehicles | 176 000 |  | | Equipment | 45 700 |  | | Accumulated depreciation on vehicles |  | 18 900 | | Accumulated depreciation on equipment |  | 11 700 | | Trading stock | 87 300 |  | | Debtors control | 14 385 |  | | Bank | 13 650 |  | | Creditors control |  | 3 540 | | Fixed deposit: WP Bank | 45 000 |  | | Loan: ABSA |  | 85 000 | | **Nominal accounts section**  Sales |  | 930 000 | | Cost of sales | 739 520 |  | | Debtors allowances | 5 600 |  | | Interest on savings account |  | 3 900 | | Rental income |  | 115 710 | | Bad debts recover |  | 920 | | Interest on fixed deposit |  | 850 | | Interest on arrear accounts of debtors |  | 190 | | Advertising | 14 900 |  | | Salaries | 64 900 |  | | Packaging | 3 890 |  | | Insurance | 18 700 |  | | Bad debts | 1 897 |  | | Interest on loan | 5 700 |  | | Donations | 3 000 |  | | Bank charges | 1 678 |  | | Discount allowed | 1 900 |  | |  |
|  |  |  |
|  |  |  |
|  | **ADJUSTMENTS AND ADDISIONAL INFORMATION:** |  |
| **(a)** | Merchandise was donated to the local primary school at cost price,  R4 600. No entry has been made. |  |
| **(b)** | No entry was made of an invoice received from Gert Suppliers. The invoice contains the following data:   |  |  | | --- | --- | | Trading stock bought | R9 200 | | Trading discount (10%) | 920 | |  | 8 280 | | Carriage on purchases | 220 | |  | 8 500 | |  |
| **(c)** | Stock taking on 28 February 2018 by means of a physical stock taking determined:   |  |  | | --- | --- | | Trading stock | 90 000 | | Packaging | 890 | |  |
|  |  |  |
| **(d)** | Insurance includes an annual premium of R9 960, paid on 1 May of each year. |  |
| **(e)** | C. van der Merwe, a debtor whose debt was previously written off, paid on 23 February 2018 the amount of R800. The following entry was made in the books:   |  |  |  | | --- | --- | --- | | **Cash receipts journal for February 2018** | | | | **Details** | **Bank** | **Debtors control** | | C. vd Merwe | 800 | 800 | |  |
|  |  |  |
| **(f)** | No entry was made for the following information which appeared on the bank statement for February 2018:   * + Cash handling fees R 56   + Service fees 34   + Interest on savings account 65   + The dishonoured cheque of a debtor, N. Britz, R230. She has paid her debt of R250 with this cheque. |  |
| **(g)** | The overdue account of R. Persie, a debtor for R1 500, has to be charged with 13% interest for 4 months. |  |
| **(h)** | Advertising includes an amount of R8 500 which was paid to Delia Designs for the design of an advertisement which will appear in  March 2018. |  |
| **(i)** | A section of our building has been let since 1 January 2015. The rent is increased as from 1 January 2018 with 10%. The rent for March 2018 has already been received. |  |
|  |  |  |
| **(j)** | Depreciation to be calculated as follows: |  |
|  | * On vehicles at 20% p.a. on cost price method. |  |
|  | * On equipment at 15% p.a. on diminishing balance method. |  |
|  | NOTE: New equipment was bought on 1 July 2017 for R5 000. |  |
|  | No entry was made in the books for this. |  |

**QUESTION 3**

|  |  |
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| **Colum A** | **Colum B** |
| 3.1.1 |  |
| 3.1.2 |  |
| 3.1.3 |  |
| 3.1.4 |  |
| 3.1.5 |  |
| 3.1.6 |  |

**GENERAL LEDGER OF MENLO TRADERS**

**Dr TRADING ACCOUNT F1 Cr**

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**Dr PROFIT AND LOSS F2 Cr**

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| **DATE** | | **DETAILS** | **F** | **AMOUNT** | **DATE** | | **DETAILS** | **F** | **AMOUNT** |
| 2018  Feb | 28 |  |  |  | 2018  Feb | 28 | Trading account |  |  |
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| **QUESTION 4: FINAL LEDGER ACCOUNTS(45 marks; 35 minutes )** | | |  |
|  |  |  |  |
| The information is from the books of Andrews Traders. The financial year ended on 28 February 2018. | | |  |
|  |  |  |  |
| **REQUIRED:** | | |  |
|  |  |  |  |
| Prepare Trading Account and Profit & Loss Account on the 28 February 2018. | | | (45) |
|  |  |  |  |

**EXTRACT FROM THE TRIAL BALANCE ON 28 FEBRUARY 2018**

|  |  |  |
| --- | --- | --- |
|  | **Debit** | **Credit** |
| **BALANCE SHEET SECTION** |  |  |
| Capital |  | 865 500 |
| Fixed Deposit: ABBA Bank (7% p.a.) | 80 000 |  |
| Trading stock | 123 400 |  |
| Bank | 87 500 |  |
| Loan: FNB Bank (14% p.a.) |  | 150 000 |
| **NOMINAL ACCOUNT SECTION** |  |  |
| Sales |  | 1 280 000 |
| Cost of sales | 640 000 |  |
| Debtors allowances | 12 400 |  |
| Rent income |  | 154 900 |
| Interest on fixed deposit |  | 4 200 |
| Discount received |  | 3 100 |
| Water and electricity | 35 400 |  |
| Advertising | 30 000 |  |
| Bad debts | 11 300 |  |
| Salaries | 184 000 |  |
| Telephone | 17 500 |  |
| Stationery | 23 200 |  |
| Insurance | 44 000 |  |
| Interest on loan | 14 000 |  |
| Discount allowed | 3 800 |  |
| Bank charges | 2 300 |  |

|  |  |  |
| --- | --- | --- |
| **Adjustments and additional information:** | |  |
|  |  |  |
| A. | No entry was made for a credit note issued to debtor, K. Lebona, for stock returned, R3 000 (cost of goods returned, R2 000). |  |
|  |  |  |
| B. | On the last day of the financial year, a physical stock taking revealed the  following:  Trading stock R119 000  Stationery R 1 400 |  |
|  |  |  |
| C. | A debtor, R. Groenewald, who owes R800 must be written off as irrecoverable. |  |
|  |  |  |
| D. | The telephone account for February 2018 has been received but not yet paid, R2 200. |  |
|  |  |  |
| E. | An annual insurance premium of R7 200 was paid on 30 September 2017. |  |
|  |  |  |
| F. | The Fixed Deposit was invested on 1 March 2017 at ABBA Bank. The interest was received for 9 months only. Provide for the outstanding interest. |  |
|  |  |  |
| G. | The bank statement received on 28 February 2018 reflected the following: |  |
|  |  |  |
|  | Bank charges - R 400 |  |
|  |  |  |
|  | A cheque for R1 300 from debtor, J. Taylor, dishonoured due to insufficient funds. This cheque was received in settlement of his account of R1 600. |  |
|  |  |  |
|  | P Bezuidenhout, a debtor whose account was previously written off as irrecoverable, deposited R900 into the business bank account. |  |
|  |  |  |
| H. | A spare office has been rented out to a tenant since 1 March 2017. The tenant paid the March 2018 rent in advance, during February 2018. Note the rent was increased by R1 800 per month from 1 January 2018. |  |
|  |  |  |
| I. | The long term loan is repaid annually on 1 September with an instalment of  R30 000. This amount has been properly recorded. Provide for interest owing at 14% p.a**.** |  |
|  |  |  |
| J. | Provide for depreciation of R47 500 for the year. |  |
|  |  |  |
| K. | An employee has been omitted from the Salaries Journal of February 2018. His details are as follows: |  |
|  | |  |  |  |  | | --- | --- | --- | --- | | Gross Salary | Deductions | \*Contributions | Net Salary | | ? | 6 000 | 3 000 | 13 000 | |  |
|  | \* Employer’s contributions are recorded as Salaries and wages. |  |
|  |  | **45** |

**QUESTION 4**

**GENERAL LEDGER OF ANDREWS TRADERS**

**Dr TRADING ACCOUNT F1 Cr**

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**Dr PROFIT AND LOSS F2 Cr**

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| **DATE** | | **DETAILS** | **F** | **AMOUNT** | **DATE** | | **DETAILS** | **F** | **AMOUNT** |
| 2018  Feb | 28 |  |  |  | 2018  Feb | 28 | Trading account |  |  |
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