|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Province of the  EASTERN CAPE  EDUCATION  **DIRECTORATE SENIOR CURRICULUM MANAGEMENT (SEN-FET)**  **HOME SCHOOLING SELF-STUDY QUESTIONS AND ANSWER BOOK**   |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | | **SUBJECT** | **ACCOUNTING** | **GRADE** | 10 | **DATE** |  | | **TOPIC** | **Term 1 Content (All topics)** | **REVISION** | | | | | **TIME ALLOCATION** | **1 week** | **TIPS TO KEEP HEALTHY**  1. **WASH YOUR HANDS** thoroughly with soap and water for at least 20 seconds. Alternatively, use hand sanitizer with an alcohol content of at least 60%.  2. **PRACTICE SOCIAL DISTANCING** – keep a distance of 1m away from other people.  3. **PRACTISE GOOD RESPIRATORY HYGIENE**: cough or sneeze into your elbow or tissue and dispose of the tissue immediately after use.  4. **TRY NOT TO TOUCH YOUR FACE.** The virus can be transferred from your hands to your nose, mouth and eyes. It can then enter your body and make you sick.  5. **STAY AT HOME.** | | | | | **INSTRUCTIONS** | **See Required Per Activity** | | | | |
| **NAME:** | **MARKS** |  | **40** |

**ETHICS, INTERNAL CONTROL AND GAAP**

**TOTAL MARKS: 40**

**QUESTION 1: ETHICS 20 MARKS**

**Underline the correct answer**

|  |  |  |  |
| --- | --- | --- | --- |
| 1.1 | Which of the following is not one the underlying principles of the Code of Practice? | | |
| A | acceptability | B | integrity |
| C | openness | D | accountability |

|  |  |  |  |
| --- | --- | --- | --- |
| 1.2 | Taking responsibility for your actions, to ensure that there are policies and procedures in place so that everything runs smoothly is known as | | |
| A | Fairness | B | Transparency |
| C | Accountability | D | Integrity |

|  |  |  |  |
| --- | --- | --- | --- |
| 1.3 | Commitment to behaviour | | |
| A | Conduct | B | Professionalism |
| C | Discipline | D | Independence |

|  |  |  |  |
| --- | --- | --- | --- |
| 1.4 | To balance the business interests is to display | | |
| A | Transparency | B | Fairness |
| C | Integrity | D | Independence |

|  |  |  |  |
| --- | --- | --- | --- |
| 1.5 | Often conveys a sole trader’s values, a commitment to standards, and communicates a set of ideals | | |
| A | Code of Conduct | B | Code of professionalism |
| C | Code of provisioning | D | Code of ethics |

|  |  |  |  |
| --- | --- | --- | --- |
| 1.6 | The abuse of public power for private benefit | | |
| A | Corruption | B | Fraud |
| C | Credo | D | Compliance |

|  |  |  |  |
| --- | --- | --- | --- |
| 1.7 | Freedom to act without control or influence from others, to be free to make decisions and act without external constraint | | |
| A | Independence | B | Discipline |
| C | Professionalism | D | Conduct |

|  |  |  |  |
| --- | --- | --- | --- |
| 1.8 | Making choices that are consistent with each other and with the stated and operative values one advocates. Striving for ethical congruence (similarity) in one's decisions. | | |
| A | Openness | B | Fairness |
| C | Integrity | D | Independence |

|  |  |  |  |
| --- | --- | --- | --- |
| 1.9 | Development that meets the needs of the present without compromising the ability of future generations to meet their own needs | | |
| A | Governance | B | Sustainability |
| C | Responsibility | D | Leadership |

|  |  |  |  |
| --- | --- | --- | --- |
| 1.10 | A sole trader must be objective and open in the way things are approached. | | |
| A | Transparency | B | Fairness |
| C | Integrity | D | Independence |

**QUESTION TWO: INTERNAL CONTROL 14 MARKS**

|  |  |
| --- | --- |
| 2.1 | What is the importance of internal controls? Name THREE points (3) |
|  |  |
| 2.2 | List 5 principles of internal control (5) |
|  |  |
| 2.3 | Explain TWO applications of the segregation (division) of duties. (6) |
|  |  |

**QUESTION THREE 6 MARKS**

You are required to match the principle in the left-hand column with the appropriate concept in the right-hand column. Write down the letter only next to the number.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Principle** | | **Brief definition** | | **Answer** |
| 1 | Business entity | A | The assumption is that a business will continue for the foreseeable future. |  |
| 2 | Historical  cost | B | Any information that is important to the reader must be highlighted or reflected separately. |  |
| 3 | Going  concern | C | Expenses are offset against income generated by those expenses. Income and expense items are allocated to the correct time period. |  |
| 4 | Matching | D | The financial affairs of the business are kept entirely separate from those of the owner. |  |
| 5 | Prudence | E | Financial results are reflected on a conservative basis i.e. if in doubt, the pessimistic viewpoint is used. |  |
| 6 | Materiality | F | All assets are valued at their original cost. |  |

|  |  |  |  |
| --- | --- | --- | --- |
| **NAME:** | **MARKS** |  | **40** |

**ACCOUNTING CONCEPTS OF SOLE TRADERS**

**TOTAL MARKS: 40**

**QUESTION 1 15 MARKS**

**Underline the correct answer**

|  |  |  |  |
| --- | --- | --- | --- |
| 1.1 | The process of accounting is needed to  i take a holiday  ii assist in decision making  iii invest in start-up of a business  iv track money spent | | |
| A | i, ii and iii | B | i, ii and iv |
| C | i, iii and iv | D | ii, iii and iv |

|  |  |  |  |
| --- | --- | --- | --- |
| 1.2 | Which of the following principles assumes that a business will continue for a long time? | | |
| A | Historical cost | B | Periodicity |
| C | Objectivity | D | Going concern |

|  |  |  |  |
| --- | --- | --- | --- |
| 1.3 | Accountants use Generally Accepted Accounting Principles (GAAP) to make the financial information communicated  i relevant  ii reliable  iii comparable  iv profitable | | |
| A | i, ii and iii | B | i, ii and iv |
| C | i, iii and iv | D | ii, iii and iv |

|  |  |  |  |
| --- | --- | --- | --- |
| 1.4 | One of the detailed rules used to record business transaction is | | |
| A | Objectivity | B | Accruals |
| C | Double entry book keeping | D | Going Concern |

|  |  |
| --- | --- |
| 1.5 | Numbers 4 and 7 in the diagram represents |
| A | prepare a cheque and extract a Trial balance |
| B | extract a trial balance and prepare financial statements |
| C | prepare final reports and prepare a cheque |
| D | extract a trial balance and prepare a voucher |

|  |  |  |  |
| --- | --- | --- | --- |
| 1.6 | The elements of the accounting equation are  i Assets  ii Liabilities  iii Trial Balance  iv Capital | | |
| A | i, ii and iii | B | i, ii and iv |
| C | i, iii and iv | D | ii, iii and iv |

|  |  |  |  |
| --- | --- | --- | --- |
| 1.7 | Which of the following are assets?  i Cash float and bank  ii Land and buildings  iii Loans and creditors  iv Mortgage loans and debtors | | |
| A | i and ii | B | i and iii |
| C | i and iv | D | ii and iii |

|  |  |  |  |
| --- | --- | --- | --- |
| 1.8 | Valuable possessions of a business are known as: | | |
| A | Capital | B | Assets |
| C | Liabilities | D | Income |

|  |  |  |  |
| --- | --- | --- | --- |
| 1.9 | People who owe the business money are known as: | | |
| A | Creditors | B | Bankers |
| C | Wholesalers | D | Debtors |

|  |  |  |  |
| --- | --- | --- | --- |
| 1.10 | People to whom the business owes money are known as: | | |
| A | Creditors | B | Bankers |
| C | Wholesalers | D | Debtors |

|  |  |  |  |
| --- | --- | --- | --- |
| 1.11 | Drawings by a sole trader are | | |
| A | Items of office decoration | B | A liability |
| C | An appropriation of profit | D | An expense |

|  |
| --- |
|  |

|  |  |  |  |
| --- | --- | --- | --- |
| 1.12 | Trading Account, Profit and Loss Account and the Appropriation account which are drawn up to calculate the gross profit, net profit and the appropriation of profits respectively are known as | | |
| A | Nominal accounts | B | Balance Sheet accounts |
| C | Cash flow accounts | D | Final Accounts |

|  |  |  |  |
| --- | --- | --- | --- |
| 1.13 | Which of the following is not a current asset | | |
| A | Creditors | B | Cash |
| C | Trading stock | D | Debtors control |

|  |  |  |  |
| --- | --- | --- | --- |
| 1.14 | The difference between Assets and Liabilities is | | |
| A | Drawings | B | Capital |
| C | Net profits | D | Equity |

|  |  |  |  |
| --- | --- | --- | --- |
| 1.15 | Taxation paid on the consumption of goods and services is known as | | |
| A | Income Tax | B | Value Added Tax |
| C | Pay-As-You-Earn Tax | D | General Sales Tax |

**QUESTION 2 25 MARKS**

**Match Column A with Column B. The first one is done for you.**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Column A** | | **Column B** | | **Answer** |
| **1** | Transaction | **A** | The amount of money the owner(s) contribute to the business | N |
| **2** | Sole Trader | **B** | Monies or other items taken from the business to be used personally by the owner |  |
| **3** | Debit | **C** | Is the owner’s interest in the business |  |
| **4** | Credit | **D** | Is someone that owes the business monies |  |
| **5** | Equity | **E** | Are the possessions that belong to the owner. |  |
| **6** | Capital | **F** | Are monies owed either over a short or long term period to other businesses, institutions or persons other than the owner. |  |
| **7** | Assets | **G** | Is someone that the business owes monies to. |  |
| **8** | Liabilities | **H** | All monies received or to be received by the business. |  |
| **9** | Ledger | **I** | Is a single owner business |  |
| **10** | Subsidiary Journals | **J** | An accounting entry made on the left hand side of the general ledger account. |  |
| **11** | Profit | **K** | principles or rules that must be followed so as to have uniformity in South Africa and globally |  |
| **12** | Loss | **L** | A reduction in the price of trading stock or reduction on the amount owing by the debtor or creditor |  |
| **13** | VAT | **M** | Documents that the enterprise use or receive to capture data of transactions entered into by the enterprise |  |
| **14** | Income | **N** | An exchange between two parties where monies are exchanged for a good or service |  |
| **15** | Expenses | **O** | These are books of first entry where all financial transactions are recorded |  |
| **16** | Discounts | **P** | A government department that is responsible for collecting taxes such as VAT, PAYE and Income Tax |  |
| **17** | Debtor | **Q** | All transactions must have a debit entry and a credit entry.  The one account becomes the details for the other account. |  |
| **18** | Creditor | **R** | The order in which accounting activities must take place |  |
| **19** | Drawings | **S** | 14% paid on goods and services consumed |  |
| **20** | SARS | **T** | Where the expenses of the business is greater than the income. |  |
| **21** | Accounting cycle | **U** | Consist of the Income Statement and the Balance Sheet. |  |
| **22** | Source Document | **V** | Is a recording book where the double entry principle is applied |  |
| **23** | GAAP principles | **W** | Is a system which is updated each time trading stock/inventory is purchased or sold. |  |
| **24** |  | **X** | Where the income of the business is greater than the expenses |  |
| **25** | Contra accounts | **Y** | An accounting entry made on the right hand side of the general ledger account. |  |
| **26** | Perpetual inventory | **Z** | These are amounts spends directly or indirectly in operating the business |  |

**SOLE TRADER – JOURNALS**

**TOTAL MARKS: 50**

**QUESTION 1**

|  |  |  |  |
| --- | --- | --- | --- |
| **1** | **JOURNALS** | |  |
|  |  | |  |
|  | You have been appointed by Melissa as the new accountant. She stated that the books for February 2016 are incomplete as the previous accountant has disappeared and cannot be found. The transactions for the month are given below. | |  |
|  |  | |  |
|  | **REQUIRED:** | |  |
| **1.2** | Complete the journals for February 2015 on the answer book. | | (50) |
|  |  | |  |
|  | **TRANSACTIONS FOR FEBRUARY 2015 (still to be completed)** | |  |
|  |  |  |  |
|  | 19 | Issued debit note to Paper Mate for incorrect stationery purchased, R110. |  |
|  |  |  |  |
|  | 20 | Issued credit note 140 to M Mandy (see 3 February 2016) for goods she received totally damaged. |  |
|  |  |  |  |
|  | 24 | Issued cheque 484 to Eskom in payment of the following:  Electricity (firm), R680.  Electricity (owner), R340. |  |
|  |  |  |  |
|  | 27 | Sold goods for R28 000, accepted credit card payment. |  |
|  |  |  |  |
|  | 28 | P Paddy, R1 800, is declared insolvent; received first and final dividend of 45 cents in the Rand; issued receipt 124. |  |
|  |  |  |  |
|  |  | Received R5 000 from J Randy for rent; issued receipt 125. |  |
|  |  |  |  |
|  |  | Purchased new delivery vehicle from New Motors for R240 000; paid 25% of purchase price per cheque 485. |  |
|  |  |  |  |
|  |  | Paid Tumi her salary by cheque 486, R5 600. |  |
|  |  |  |  |
|  |  | According to the bank statement from Fund Bank; the current account of  Rich Traders was debited by R48 service fees, R30 credit card levy and R22 cash handling fees. The bank statement was also credited with interest on current account, R124. |  |
|  |  |  |

|  |  |  |  |
| --- | --- | --- | --- |
| **NAME:** | **MARKS** |  | **50** |

**CASH RECEIPTS JOURNAL OF GLITTER FASHIONS FOR FEBRUARY 2016 CRJ2**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Doc.**  **No.** | **D** | **DETAILS** | **F** | **Analysis**  **Of Receipts** | **Bank** | **Sales** | **Cost**  **Of**  **Sales** | **Debtors Control** | **Discount Allowed** | **Sundry Accounts** | | | | |
| **Amount** | **F** | | | **Details** |
| **120** | **1** | **NB Bank** |  | **23 000** | **23 000** |  |  |  |  | **20 000** | |  | **Fixed Deposit: NB Bank** | |
|  |  |  |  |  |  |  |  |  |  | **3 000** | |  | **Interest on fixed deposit** | |
| **121** | **13** | **Wendy** | **D1** | **2 800** | **2 800** |  |  | **3 000** | **200** |  | |  |  | |
| **CRT369** | **16** | **Sales** |  | **36 000** | **36 000** | **36 000** | **28 800** |  |  |  | |  |  | |
|  |  |  |  |  |  |  |  |  |  |  | |  |  | |
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|  |  |  |  |  | **95 724** | **64 000** | **51 200** | **3 810** | **200** | **28 124** | |  | **20 MARKS** | |

**CASH PAYMENTS JOURNAL OF GLITTER FASHIONS FOR FEBRUARY 2016 CPJ2**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **DDoc**  **No.** | **D** | **DETAILS** | **F** | **Bank** | **Trading Stock** | **Wages** | **Debtors Control** | | | **Creditors Control** | **Discount**  **Received** | **Sundry Accounts** | | |
| **Amount** | **F** | **Details** |
| **479** | **2** | **Lend Bank** |  | **860** |  |  | |  |  | |  | **860** |  | **Interest on loan** |
| **480** | **5** | **Pine Furnishers** |  | **7 000** |  |  | |  |  | |  | **7 000** |  | **Equipment** |
| **481** | **9** | **Betty Traders** | **C1** | **17 000** |  |  | |  | **20 000** | | **3 000** |  |  |  |
| **482** | **12** | **Candy Traders** |  | **25 000** | **25 000** |  | |  |  | |  |  |  |  |
| **483** |  | **Fast Transport** |  | **1 000** | **1 000** |  | |  |  | |  |  |  |  |
| **BDN** | **17** | **P Paddy** | **D2** |  |  |  | | **1 500** |  | |  |  |  |  |
|  |  |  |  |  |  |  | |  |  | |  |  |  |  |
|  |  |  |  |  |  |  | |  |  | |  |  |  |  |
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|  |  |  |  | **117 580** | **26 000** |  | | **1 500** | **20 000** | | **3 000** | **74 580** |  | **19 MARKS** |

**DEBTORS JOURNAL OF GLITTER FASHIONS FOR FEBRUARY 2016 DJ1**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Doc.**  **No.** | **D** | **DETAILS** | **F** | **SALES** | **COST OF SALES** |
|
| **200** | **3** | **M Mandy** | **D3** | **2 800** | **2 240** |
| **201** |  | **S Sandy** | **D4** | **6 400** | **5 120** |
|  |  |  |  | **9 200** | **7 360** |

**DEBTORS ALLOWANCES JOURNAL GLITTER FASHIONS FOR FEBRURY 2016 DAJ5**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **Doc.**  **No.** | **D** | **DETAILS** | **F** | **DEBTORS ALLOWANCES** | **COST OF SALES** |
|
|  |  |  |  |  |  |

**3 MARKS**

**CREDITORS JOURNAL OF GLITTER FASHIONS FOR FEBRUARY 2016 CJ1**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Doc.**  **No.** | **D** | **DETAILS** | **F** | **CREDITORS CONTROL** | **TRADING STOCK** | **STATIONERY** | **EQUIPMENT** | **Sundry Accounts** | | |
| **Amount** | **F** | **Details** |
| **141** | **7** | **Betta Traders** | **C2** | **24 320** | **24 320** |  |  |  |  |  |
| **142** | **8** | **Fame Furnishers** | **C3** | **5 400** |  |  | **5 400** |  |  |  |
| **143** | **14** | **Great Mechanics** | **C4** | **1 500** |  |  |  | **1 500** |  | **Repairs** |
| **144** |  | **Paper Mate** | **C5** | **300** |  | **300** |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  | **211 520** | **24 320** | **300** | **5 400** | **181 500** |  | **6 MARKS** |

**CREDITORS ALLOWANCES JOURNAL OF GLITTER FASHIONS FOR FEBRUARY 2016 CAJ1**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Doc.**  **No.** | **D** | **DETAILS** | **F** | **CREDITORS CONTROL** | **TRADING STOCK** | **STATIONERY** | **EQUIPMENT** | **Sundry Accounts** | | |
| **Amount** | **F** | **Details** |
| **79** | **10** | **Betta Traders** | **C2** | **1 130** | **1 130** |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  | **1 240** | **1 130** | **110** |  |  |  | **3 MARKS** |

|  |  |  |  |
| --- | --- | --- | --- |
| **NAME:** | **MARKS** |  | **200** |

**QUESTION 2** **200 MARKS**

The following transactions took place in the books of WiFi Traders during May 2016. WiFi Traders use a mark-up percentage of 100% on cost.

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **TRANSACTION** | **JOURNAL (✓)** | | | | | | | **ACCOUNT DEBIT** | **ACCOUNT CREDIT** | **AMOUNT** | **EFFECT ON ACCOUNTING EQUATION** | | |
| **CRJ** | **CPJ** | **DJ** | **DAJ** | **CJ** | **CAJ** | **GJ** | **A =** | **E +** | **L** |
| The owner, Winnie Fikile, contributed R350 000 vehicle as capital. |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Received a loan for R200 000 from Dollar Bank at an interest rate of  11% per annum. Receipt 502 |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Cash sales as per register roll R32 600 |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Trading stock of R28 000 bought was entered incorrectly in the Equipment |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Sold goods on credit to M Makhaya R24 000. Invoice 401. |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Bought the following from Mandla Traders. Invoice 501(renumbered)  Trading stock R34 500  Stationery R 3 800 |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Paid Speedy Transport by cheque 602, R9 000 for trading stock delivery to the business |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **TRANSACTION** | **JOURNAL (✓)** | | | | | | | **ACCOUNT DEBIT** | **ACCOUNT CREDIT** | **AMOUNT** | **EFFECT ON ACCOUNTING EQUATION** | | |
| **CRJ** | **CPJ** | **DJ** | **DAJ** | **CJ** | **CAJ** | **GJ** | **A =** | **E +** | **L** |
| Credit card sales R5 060 |  |  |  |  |  |  |  |  |  |  |  |  |  |
| A debtor, L Late with a balance of R12 000, is insolvent. Received an amount of 60 cents in the Rand from his estate. The balance must be written off as irrecoverable |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Bought equipment and pay by cheque, R48 000. |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Paid Bakshi Stores R21 800 in settlement of account of R23 000 |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Received a cheque from Middy Traders in settlement of his account of R15 000 less 5% discount. |  |  |  |  |  |  |  |  |  |  |  |  |  |
| The Fixed Deposit at Dollar Bank of R100 000 matured today. R105 000 was deposited which included the interest for the year. |  |  |  |  |  |  |  |  |  |  |  |  |  |
| **TRANSACTION** | **JOURNAL (✓)** | | | | | | | **ACCOUNT DEBIT** | **ACCOUNT CREDIT** | **AMOUNT** | **EFFECT ON ACCOUNTING EQUATION** | | |
| **CRJ** | **CPJ** | **DJ** | **DAJ** | **CJ** | **CAJ** | **GJ** | **A =** | **E +** | **L** |
| M Makhaya requested an allowance of R1 500 for damaged goods bought. |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Mandla Traders forgot to allow 10% trade discount on goods bought. Issued  debit note to correct this. |  |  |  |  |  |  |  |  |  |  |  |  |  |
| The owner draws the following for personal use:  Trading stock R8 000  Cheque R5 000 |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Paid wages by cheque, R12 000 |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Drew a cheque for R850 to restore the petty cash imprest amount of R1 000. |  |  |  |  |  |  |  |  |  |  |  |  |  |
| The bank returned the cheque received from Middy Traders. Discount must be cancelled. |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Charged interest Middy Traders interest on his overdue account, R240 |  |  |  |  |  |  |  |  |  |  |  |  |  |
| Received the bank statement.  It showed an amount of R2 300 for interest on the favourable balance.  Bank charges of R1 600 |  |  |  |  |  |  |  |  |  |  |  |  |  |

**QUESTION 3 – POSTING TO GENERAL LEDGER**

Zenex Traders sell goods at 25% on cost.

**Post to the following accounts in the General Ledger:**

1. Trading Stock (17)

2. Debtors Control (16)

3. Creditors control (13)

3. Stationery ( 4)

**[50 MARKS]**

**Ledger Balances/totals on 1 March 2016**:

|  |  |
| --- | --- |
| 1. Trading Stock R7 250 | 3. Creditors control 6 400 |
| 2. Debtors Control 4 690 | 4. Stationery 316 |

**COLUMN TOTALS OF JOURNALS ON 31 March 2016**

CASH RECEIPTS JOURNAL CRJ3

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| BANK | SALES | COST OF SALES | DEBTORS CONTROL | DISCOUNT ALLOWED | SUNDRY ACCOUNT |
| 8 847 | 3 804 | 3 040 | 1 310 | 105 | 3 838 |

CASH PAYMENTS JOURNAL CPJ3

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| BANK | TRADING STOCK | DEBTORS CONTROL | CREDITORS CONTROL | DISCOUNT RECEIVED | SUNDRY ACCOUNT |
| 7 821 | 4 606 | 185 | 2 610 | 230 | 650 |

DEBTORS JOURNAL DJ 3

|  |  |
| --- | --- |
| SALES | COST OF SALES |
| 5 500 | ? |

DEBTORS ALLOWANCES JOURNAL DAJ 3

|  |  |
| --- | --- |
| DEBTORS ALLOWANCES | COST OF SALES |
| 150 | ? |

CREDITORS CONTROL CJ 3

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| CREDITOR CONTROL | TRADING STOCK | EQUIPMENT | STATIONERY | SUNDRY ACCOUNT |
| 6 500 | 3 200 | 1 100 | 700 | 1 500 |

CREDITORS ALLOWANCES JOURNAL CAJ3

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| CREDITOR CONTROL | TRADING STOCK | EQUIPMENT | STATIONERY | SUNDRY ACCOUNT |
| 450 | 280 | 105 | 40 | 25 |

GENERAL JOURNAL GJ10

|  |  |  |  |
| --- | --- | --- | --- |
| DEBTORS CONTROL | | CREDITORS CONTROL | |
| DEBIT | CREDIT | DEBIT | CREDIT |
| 450 | 330 | 240 | 310 |

|  |  |  |  |
| --- | --- | --- | --- |
| **NAME:** | **MARKS** |  | **50** |

**QUESTION 3 – POSTING TO GENERAL LEDGER**

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **GENERAL LEDGER OF ZENEX TRADERS** | | | | | | | | | | | | |
| **BALANCE SHEET ACCOUNTS SECTION** | | | | | | | | | | | | |
| **Dr** | | **TRADING STOCK** | | | | | | | | **B8** | | **Cr** |
| **Date** | | | **Details** | **F** | **Amount** | **Date** | | **Details** | **F** | | **Amount** | | |
| **2016**  **Mar** | **1** | | **Balance** | **b/d** | **7 250** |  |  |  |  | |  | | |
|  |  | |  |  |  |  |  |  |  | |  | | |
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**17 MARKS**

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Dr** | | **DEBTORS CONTROL** | | | | | | | | **B9** | | **Cr** |
| **Date** | | | **Details** | **F** | **Amount** | **Date** | | **Details** | **F** | | **Amount** | | |
|  |  | |  |  |  |  |  |  |  | |  | | |
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**16 MARKS**

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Dr** | | **CREDITORS CONTROL** | | | | | | | | **B10** | | **Cr** |
| **Date** | | | **Details** | **F** | **Amount** | **Date** | | **Details** | **F** | | **Amount** | | |
|  |  | |  |  |  |  |  |  |  | |  | | |
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**13 MARKS**

|  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **NOMINAL ACCOUNTS SECTION** | | | | | | | | | | | | |
| **Dr** | | **STATIONERY** | | | | | | | | **N3** | | **Cr** |
| **Date** | | | **Details** | **F** | **Amount** | **Date** | | **Details** | **F** | | **Amount** | | |
| **2016**  **Mar** | **1** | | **Balance** | **b/d** | **316** |  |  |  |  | |  | | |
|  |  | |  |  |  |  |  |  |  | |  | | |
|  |  | |  |  |  |  |  |  |  | |  | | |

**4 MARKS**

**QUESTION 4 – DEBTORS RECONCILIATION**

|  |  |  |
| --- | --- | --- |
| The following information was taken from the books of Zizi Traders. | | |
| **REQUIRED:** | | |
| 4.1 | Draw up the adjusted Debtors' Control account as on 30 April 2016, after the errors  have been taken into account | (14) |
| 4.2 | Calculate the correct total of the Debtors' List. Show all amounts | (13) |
| 4.3 | Answer the following questions: |  |
| 4.3.1 | Name two ways to encourage debtors to pay their accounts on time | ( 4) |
| 4.3.2 | Explain the difference between **Credit Terms** and **Credit Limit.** | ( 4) |
|  | **[35 MARKS]** | |

**INFORMATION**

**GENERAL LEDGER OF ZIZI TRADERS**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **DEBTORS CONTROL** | | | | | | | | | |
| 2016  Apr | 1 | Balance | b/d | 94 560 | 2016  Apr | 30 | Bank and discount | CRJ | 257 508 |
|  | 31 | Sales | DJ | 271 050 |  |  | Debtors' allowances | DAJ | 1 122 |
|  |  | Bank | CPJ | 270 |  |  | Journal credits | GJ | 936 |
|  |  | Journal debits | GJ | 624 |  |  | Balance | c/d | 106 938 |
|  |  |  |  | 366 504 |  |  |  |  | 366 504 |
| 2016  May | 1 | Balance | b/d | 106 938 |  |  |  |  |  |

**DEBTORS’ LIST 30 APRIL 2016**

|  |  |  |
| --- | --- | --- |
|  | **DEBIT** | **CREDIT** |
| C Condor | 17 960 |  |
| S Smith | 19 910 |  |
| W Williams | 18 202 |  |
| V Vula | 12 460 |  |
| B Baloyi | 17 382 |  |
| H Hlope | 14 404 |  |
| T Tladi |  | 180 |
|  | 100 318 | 180 |

|  |  |  |
| --- | --- | --- |
| **Additional information** | |  |
|  | |  |
| The total of the Debtors’ List did not agree with the balance in the Debtors’ Control account. The following errors were found: | |  |
|  |  |  |
| 1 | The Debtors' Journal was overcast by R6 000. |  |
| 2 | C Condor’s cheque for R270 was returned by the bank marked “insufficient funds”. This cheque was previously received to settle his debt of R300. No entry has been made to record the cancellation of the discount. |  |
| 3 | An entry of R230 in the Debtors' Allowance Journal was posted to W William’s account as R830 by mistake. |  |
| 4 | A receipt for R1 088 was issued to H Hlope in payment of his account. It was incorrectly recorded in the CRJ as R1 008 and posted to the ledger as such. |  |
| 5 | A debtor, T Thladi’s credit balance must be carried over to the Creditors’ Ledger. |  |
| 6 | The account of S Smith was undercast by R200. |  |
|  |  |  |

|  |  |  |  |
| --- | --- | --- | --- |
| **NAME:** | **MARKS** |  | **35** |

**QUESTION 4 – DEBTORS RECONCILIATION**

**GENERAL LEDGER OF ZIZI TRADERS**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **DEBTORS CONTROL** | | | | | | | | | |
| 2016  Apr | 1 | Balance | b/d |  | 2016  Apr | 30 | Bank and discount | CRJ |  |
|  | 31 | Sales | DJ |  |  |  | Debtors' allowances | DAJ |  |
|  |  | Bank | CPJ |  |  |  | Journal credits | GJ |  |
|  |  | Journal debits | GJ |  |  |  | Balance | c/d |  |
|  |  |  |  |  |  |  |  |  |  |
| 2016  May | 1 | Balance | b/d |  |  |  |  |  |  |

**14 MARKS**

**DEBTORS’ LIST 30 APRIL 2016**

|  |  |  |
| --- | --- | --- |
|  | **DEBIT** | **CREDIT** |
| C Condor 17 960 |  |  |
| S Smith 19 910 |  |  |
| W Williams 18 202 |  |  |
| V Vula 12 460 |  |  |
| B Baloyi 17 382 |  |  |
| H Hlope 14 404 |  |  |
| T Tladi (180) |  |  |
|  |  |  |

**13 MARKS**

|  |  |  |
| --- | --- | --- |
| 4.3.1 | Name two ways to encourage debtors to pay their accounts on time | ( 4) |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
| 4.3.2 | Explain the difference between **Credit Terms** and **Credit Limit.** | ( 4) |
|  |  |  |
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**QUESTION 5**

**5.1 CREDITORS’ RECONCILIATION**

|  |  |  |
| --- | --- | --- |
| The following information was extracted from the financial records of Muzi Traders on  30 September 2015. The net total of the Creditors’ list did not correspond with the balance of the Creditors’ Control account. | | |
|  | | |
| **REQUIRED:** | | |
|  |  |  |
| 5.1.1 | Complete the Creditors’ Control account and the Creditors’ list, taking into account the information provided | (40) |
| 5.1.2 | When Muzi Traders signs an agreement with a new supplier, what should they take into account regarding payments and stock? Name ONE point | (2) |
| 5.1.3 | Why is it better for a business to extend the period for the payments made to creditors? | (2) |

**44 marks**

**INFORMATION**

**GENERAL LEDGER OF MUZI TRADERS**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **CREDITORS CONTROL** | | | | | | | | | |
| 2015  Sep | 30 | Total allowances | CAJ | 213 240 | 2015  Sep | 1 | Balance | b/d | 504 260 |
|  |  | Bank and discount received | CPJ | 956 400 |  | 30 | Sundry purchases | CJ | 1 281 000 |
|  |  | Journal debits | GJ | 105 600 |  |  | Journal credits | GJ | 39 000 |
|  |  | Balance | c/d | 549 020 |  |  |  |  |  |
|  |  |  |  | 1 824 260 |  |  |  |  | 1 824 260 |
|  |  |  |  |  | 2015  Oct | 1 | Balance | b/d | 549 020 |

**CREDITORS’ LIST**

|  |  |  |
| --- | --- | --- |
|  | **DEBIT** | **CREDIT** |
| Mandla Traders |  | 173 300 |
| SAN Stores |  | 48 860 |
| ZAN Traders |  | 179 940 |
| Bongi Stores |  | 195 520 |
| Pearl Traders | 8 000 |  |
|  | 8 000 | 597 620 |

**Additional information**

|  |  |  |  |
| --- | --- | --- | --- |
| 1 | Invoice 990 for R 7 000 received from SAN Stores was posted to the account of ZAN Traders in the Creditors’ Ledger. | |  |
| 2 | Goods to the value of R20 000 were returned to Bongi Stores. It was correctly recorded in the Creditors’ Allowance Journal, but posted as a credit purchase in the account of Bongi Stores. |  | | |
| 3 | Muzi Traders buys goods from and sells goods to Mandla Traders. The debit balance of R6 000 on their account in the Debtors’ Ledger must be transferred to their account in the Creditors’ Ledger. No entry has been made. | |  | | |
| 4 | Muzi Traders decided to transfer the account of Pearl Traders, who is a debtor and creditor, to the Debtors’ Ledger. No entry has been made. | |  | |
| 5 | The total of the Creditors’ Allowance Journal was overcast by R600. | |  | |
| 6 | An invoice for R45 000 for goods bought on account from Mandla Traders was incorrectly entered in the Creditors’ Journal as R54 000. | |  | |

|  |  |  |  |
| --- | --- | --- | --- |
| **NAME:** | **MARKS** |  | **44** |

**QUESTION 5**

**5.1 CREDITORS’ RECONCILIATION**

**CREDITORS CONTROL**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
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|  |  |  |  |  |  |  |  |  |  |
| **22 MARKS** | |

**CREDITORS’ LIST**

|  |  |  |
| --- | --- | --- |
|  | **DEBIT** | **CREDIT** |
| Mandla Traders |  |  |
| SAN Stores |  |  |
| ZAN Traders |  |  |
| Bongi Stores |  |  |
| Pearl Traders |  |  |
|  |  |  |
| **18 MARKS** |

|  |  |
| --- | --- |
| **5.2.1 When Muzi Traders signs an agreement with a new supplier, what should they take into account regarding payments and stock? Name ONE point** | |
|  | |
| * + 1. **Why is it better for a business to extend the period for the payments made to creditors?** | |
|  | |
| **4 MARKS** |