**QUESTION 1 RECONCILIATIONS**

**1.1 BANK RECONCILIATION**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
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| **1.1.1** | **Calculate the correct totals for the Cash Receipts Journal and the Cash Payments Journal for October 2019 by completing the table provided.**

|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
| **CRJ** | **59 035** |  | **CPJ** | **50 760** |  |
| Stale cheque |  8 400 |  | H Zikho | 1 500 |  |
| Rent  |  12 400 |  | Insurance |  1 400 |  |
|  |  |  | Loss of cash | 5 400 |  |
|  |  |  | Bank charges | 620 |  |
|  | 79 835 |  | Both totals | 59 680 |  |

 | **8** |

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| **1.1.2** | **Calculate the correct balance in the Bank Account on 31 October 2019. State whether this balance is favourable or unfavourable.**4 070  + 79 835 🗹 ‒ 59 680 🗹 = 24 225 🗹 (one part correct)  Favourable 🗹 | **5** |

 **1.1.3 Prepare the Bank reconciliation statement on 31 October 2019.**

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| **Bank reconciliation statement on 31 October 2019** |  |
|  | **Debit** | **Credit** |  |
| Favourable/Credit balance as per statement |  | 🗹 14 335 |  |
| Credit outstanding deposit |  |  18 000 |  |
| Debit outstanding cheques |  |  |  |
|  Nr. 1134 |  7 500 |  |  |
|  Nr. 1194 |  3 610 |  |  |
|  Nr. 1226 |  13 000 |  |  |
| Credit unknown/fraudulent debits (8 000 + 8 000) |  |  16 000 |  |
| Debit balance as per bank account **see 1.1.2** | ☑ 24 225 |  | **8** |
|  | 48 335 | 48 335 |  |

Foreign entries ‒1 (‒2 max)

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| **1.1.4** | **Refer to information E. Explain TWO internal control measures the business should implement to prevent such incidents in the future.** Any other acceptable answer**  Award part marks for partial answers*** Let the bank/cash in transit company collect the money
* Use a drop box safe that only the bank can open
* Keep money hidden/out of sight.
 | **4** |

**1.2 CREDITORS RECONCILIATION**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
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| **1.2.1** |

|  |  |  |
| --- | --- | --- |
|  | **Creditor’s Ledger** | **Creditor’s Reconciliation statement** |
| **Balance** | **32 535** | **41 440** |
| **i** |  |   + 1 215 |
| **ii** |  |  ‒ 4 410 |
| **iii** |  ‒ 630  ‒ 630(or 2 marks for ‒ 1 260)  |  |
| **iv** |  ‒ 20 250 |  |
| **v** |  |  ‒ 27 220(or ‒ 2 220 one mark and ‒ 25 000 one mark) |
| **Total** | 🗹 11 025(one part correct)(balance should be incl.) | 🗹 11 025(one part correct)(balance should be incl.) |
|  |  |  |

  | **10** |

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| **TOTAL****MARKS** |
|  |
| **35** |