education

Department:
Education
REPUBLIC OF SOUTH AFRICA

SENIOR CERTIFICATE EXAMINATION – 2009

ACCOUNTING

STANDARD GRADE

MAY/JUNE 2009

MARKS: 300

TIME: 3 hours

This question paper consists of 17 pages and an answer book.

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INSTRUCTIONS AND INFORMATION

1. Answer ALL the questions.

2. A special ANSWER BOOK is provided in which to answer ALL the questions.

3. Show ALL the calculations in order for part-marks to be allocated.

4. Read the instructions carefully and follow them precisely.

5. Candidates will forfeit marks for:
   5.1 Important dates which are omitted
   5.2 Use of non-standardised abbreviations
   5.3 Over-writing on figures
   5.4 Superfluous entries/foreign items/errors of principle

6. Non-programmable calculators may be used.

7. No pages may be removed from the answer book. The answer book caters for alternative formats of financial statements.

8. Use the table below as a guide when answering the questions and try not to deviate from it.

QUESTION	TOPIC	MARKS	TIME GUIDE (MINUTES)
1	Bank Reconciliation	40	24
2	Budget	50	30
3	Partnership	70	43
4	Club	50	30
5	Company	50	30
6	Close Corporation	40	23
		300	180 minutes

QUESTION 1

BANK RECONCILIATION STATEMENT **(40 marks; 24 minutes)**

The information below has been taken from the books of Meshlo Stores. The business has a cheque account with Amot Bank.

REQUIRED:

1.1 Complete the Cash Receipts Journal and the Cash Payment Journal for April 2009. Total only the bank columns in the Cash Journals. (26)

1.2 Prepare the Bank Reconciliation Statement on 30 April 2009. (14)

INFORMATION:

1. Provisional totals in the Cash Journals for April 2009:

	CRJ	CPJ
Bank	36 785	30 860
Sundry accounts	36 785	30 860

2. The Bank Reconciliation Statement on 31 March 2009 showed the following:

Favourable balance per Bank Statement		3 670
Outstanding deposit		6 810
Outstanding cheques	No. 233	1 450
	No. 241	950
	No. 337	1 940
Favourable balance per bank account		6 140

3. A comparison of the Bank Reconciliation Statement for March 2009 with the Bank Statement for April 2009 showed the following:

- The outstanding deposit of R6 810 was credited by the bank.
- Cheque number 233 for R1 450 was paid by the bank.
- Cheque number 241 for R950 was issued as a donation to Vorster Bowls Club that has since been dissolved. The cheque must be cancelled.
- Cheque number 337 for R1 940 is still outstanding.

4. A comparison of the Bank Statement for April 2009 with the Cash Journals for April 2009 showed the following differences:

1. A tenant, P Masanga, deposited R1 400, his rent for April, directly into the bank account.

2. Two stop orders appeared on the Bank Statement:
   - R2 500 in favour of Security Bank for the monthly repayment of a loan.
   - R740 in favour of Jimmy Insurers for the delivery van's insurance.

3. The following cheques were not presented to the bank for payment:
   - No. 422: R693
   - No. 433: R345
   - No. 455: R642

4. A deposit of R9 340 made on 30 April does not appear on the Bank Statement.

5. The Bank Statement shows the following items:
   - Interest on favourable bank balance: R36
   - Service fees: R111
   - Cash handling fee: R222

6. A dishonoured cheque for R100, originally received from a debtor S Kennedy, appears on the Bank Statement.

7. The Bank Statement reflected a favourable balance of R5 058 at the end of the month.

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QUESTION 2

BUDGET **(50 marks; 30 minutes)**

The information below was taken from the books of Groenewald Computers.

REQUIRED:

2.1 Complete the Debtors' Collection Schedule for the period 1 July 2009 to 31 August 2009. (13)

2.2 Prepare the Cash Budget for the period 1 July 2009 to 31 August 2009. (31)

2.3 The fixed deposit with Kenny Bank matures on 31 August 2009. The owner of the business is unsure on how best this money can be used. Give TWO options other than keeping it in the current bank account. (6)

INFORMATION:

1. Actual and budgeted information:

	Actual		Budgeted	
	May R	**June R**	**July R**	**August R**
Total sales	200 000	220 000	240 000	260 000
Cash purchases	85 000	57 000	74 000	82 000
Credit purchases	95 000	123 000	126 000	168 000

2. 50% of the monthly sales are for cash.

3. Debtors pay their accounts as follows:
   - 50% within 30 days (i.e. in the same month as the sales transaction)
   - 45% after 30 days (i.e. in the first month following the sales transaction month)
   - 5% is irrecoverable

4. Creditors are paid in the month after the purchase is made, to take advantage of the 10% discount offered.

5. A campaign for the advertising of a new brand of software is planned for July 2009. R2 000 will be paid in July and R1 600 in August 2009.

6. Rent of R1 500 is received monthly and will increase by 10% on 1 August.

7. The fixed deposit with Kenny Bank of R20 000 matures on 31 August 2009.

8. Operating expenses amount to R48 000 for the year and are distributed evenly throughout the year.

9. New equipment of R55 000 will be bought for cash in July 2009.

10. The bank account is overdrawn by R3 300 on 1 July 2009.

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QUESTION 3

PARTNERSHIP **(70 marks; 43 minutes)**

3.1 BEREZI TRADERS

You are provided with information relating to Berezi Traders with partners B Bertie and E Ezilda on 28 February, the end of the financial year.

REQUIRED:

Use the information below to prepare the Income Statement of Berezi Traders for the financial year ended 28 February 2009. (45)

BEREZI TRADERS: PRE-ADJUSTMENT TRIAL BALANCE ON 28 FEBRUARY 2009

Balance Sheet Accounts Section	**Debit R**	**Credit R**
Capital: B Bertie		300 000
Capital: E Ezilda		400 000
Current account: B Bertie		55 000
Current account: E Ezilda	3 500	
Drawings: B Bertie	48 000	
Drawings: E Ezilda	32 500	
Land and building	401 000	
Vehicles	380 000	
Equipment	91 200	
Accumulated depreciation on vehicles (1/3/2008)		76 000
Accumulated depreciation on equipment (1/3/2008)		61 200
Fixed deposit: Kudu Bank	40 000	
Trading stock	76 500	
Debtors' control	16 000	
Provision for bad debts		800
Bank	3 541	
Creditors' control		47 302
Nominal Accounts Section		
Sales		850 800
Debtors' allowances	30 520	
Cost of sales	415 000	
Stationery	14 456	
Packing material	10 750	
Salaries and wages	187 400	
Rent income		26 000
Interest on fixed deposit		3 800
Bad debts	4 058	
Discount allowed	1 900	
Discount received		1 196
Insurance	17 084	
Bad debts recovered		704
Water and electricity	18 653	
Sundry expenses	10 730	
	1 802 802	1 802 802

ADJUSTMENTS AND ADDITIONAL INFORMATION

No entries have been made for the following:

1. Stock on hand according to a physical count on 28 February 2009:
   - Trading stock R76 000
   - Stationery R2 222

2. Write off the account of a debtor, N Ninnini, of R442 as a bad debt.

3. The provision for bad debts must be reduced by R75.

4. The water and electricity account for February 2009, R996, has not yet been paid.

5. The investment into the fixed deposit account was made on 1 March 2008 at an interest rate of 10% per year. Provide for the outstanding interest.

6. The rent was received for 13 months.

7. Insurance amounting to R725 was prepaid for the following financial year.

8. Received R180 from a debtor. J van Heerden, whose account was previously written off as irrecoverable.

9. Depreciation must be calculated as follows:
   - Equipment – 15% per annum on cost.
   - Vehicles – 10% per annum on the diminishing balance method.

10. The partners share remaining profits equally.

3.2 BASNOG TRADERS

Basnog Traders is owned by B Basjan and N Nogi. The following balances appeared in the Pre-adjustment Trial Balance on 28 February 2009, the end of the accounting period.

REQUIRED:

Prepare the note for the financial statements for Current Accounts for the year ended 28 February 2009. (25)

INFORMATION:

Extract from the Pre-adjustment Trial Balance on 28 February 2009:

		R
Capital: B Basjan		350 000
Capital: N Nogi		175 000
Drawings: B Basjan		95 000
Drawings: N Nogi		44 500
Current account: B Basjan (1/3/2008)	Cr	11 242
Current account: N Nogi (1/3/2008)	Dr	15 076

Additional information:

1. N Nogi increased his capital contribution in the business by R100 000 cash during the year. This has been recorded.

2. Interest on capital invested must be brought into account:
   - B Basjan, R42 000
   - N Nogi, R21 000

3. B Basjan and N Nogi are entitled to a monthly salary of R12 500 and R11 800 respectively.

4. The remaining profit must be divided between the partners in the ratio Basjan: Nogi = 2:1.

5. The net income as determined in the Profit and Loss Account amounted to R360 000.

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QUESTION 4

CLUB **(50 marks; 30 minutes)**

The information was taken from the records of Lebona Dance Club.

INSTRUCTIONS

4.1 Draw up a Membership Fees Account for the year ended 31 December 2008. (17)

4.2 Prepare the Statement of Receipts and Payments for the year ended 31 December 2008. (33)

INFORMATION:

Balances on 1 January 2008 included the following:

		R
Bank: Schiwetsha Bank	Dr	50 500
Loan from Municipality		15 000
Income received in advance / Deferred (Membership fees)		840
Accrued income / Payable (Membership fees)		600

Summary of transactions for the year ended 31 December 2008.

1. Entrance fees received from new members amounted to R2 100.

2. Membership fees are R120 per member per year.

3. Membership fees received during the year:

2007	-	R 360
2008	-	R13 200
2009	-	R 720
TOTAL		R14 280

4. Membership fees outstanding for 2007 must be written off.

5. Membership fees of three members were outstanding on 31 December 2008.

6. The secretary's honorarium is R2 400 per year. He has been paid only R2 200.

7. Bank charges for the year per bank statements, R390.

8. Refreshments were sold for R18 700. R500 of this amount is still owing to the club.

9. Refreshments were purchased for R16 400, of which R14 100 has been paid. The balance will be paid next year.

10. Purchased groceries for cash and donated them to Gomez Haven, R3 450.

11. A direct transfer was made from the current bank account on 31 December 2008 as part payment of the loan (R3 000) and interest on the loan (R2 250).

12. Wages for R500 per month were paid in cash to each of the part-time employees, P Piet and M Mike. P Piet was employed for the entire year at R500 per month. He was also given a 13th payment as a bonus. M Mike was employed on 1 October 2008. He received no bonus.

13. Equipment bought for cash, R10 000.

14. Old equipment with a book value of R950 was sold for cash.

15. Sundry operating expenses were paid, R12 400. A further R1 200 is owed.

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QUESTION 5

COMPANY **(50 marks; 30 minutes)**

The following information was taken from the books of Charles Limited. The company has an authorised share capital of 150 000 ordinary shares of R5 each.

REQUIRED:

Draw up the following notes to the Balance Sheet on 28 February 2009:

- Fixed assets (21)
- Trade and other receivables (11)
- Ordinary share capital (7)
- Trade and other payables (11)

These notes must be complete i.e. amounts for SARS, shareholders and current portion of loan must be included in the note and not directly in the Balance Sheet.

INFORMATION:

LIST OF SOME BALANCES TAKEN FROM THE GENERAL LEDGER ON 28 FEBRUARY 2009

	Debit (R)	**Credit** (R)
Ordinary share capital (28/2/2009)		600 000
Land and buildings	200 000	
Vehicles at cost (28/2/2009)	505 500	
Equipment at cost (28/2/2009)	293 600	
Accumulated depreciation on vehicles (28/2/2009)		171 600
Accumulated depreciation on equipment (28/2/2009)		74 900
Loan: Nicolene Bank		120 000
Debtors' control	30 600	
Provision for bad debts		1 430
Creditors' control		28 700
SARS – Income tax (provisional payments)	48 600	
Trading stock	76 570	
Cash float	750	
Bank	17 550	
Accrued expenses (payable)		4 670
Prepaid expenses	1 600	
Accrued income (receivable)	800	
Income received in advance (deferred)		2 400
Shareholders for dividends		24 000

ADDITIONAL INFORMATION:

The bookkeeper has already recorded the following figures (they are included in the figures presented above):

1. The Ordinary Share Capital account reflects that 20 000 new shares were issued on 31 March 2008 at par value.

2. The fixed assets comprise the following:
   - During the year new equipment was bought for R119 600. No equipment was sold.
   - Vehicles were sold at carrying value, R33 500.
   - Depreciation for the year on vehicles was calculated as R75 800 and on equipment as R22 300.

3. Final dividends declared have been entered.

The bookkeeper has not adjusted for the following:

4. Annual repayment of the loan amounts to R20 000 and is made on 30 September each year (this loan was received from Nicolene Bank on 1 March 2002).

5. A cheque for R6 500 was post-dated to 30 April 2009. This cheque was issued to Computronics CC and was originally recorded in the CPJ on 17 February 2009.

6. A new storeroom was built and completed on 28 February 2009. The cost of R40 000 has not yet been recorded.

7. Income tax for the whole year amounts to R41 600. No entry has been made.

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QUESTION 6

CLOSE CORPORATION **(40 marks; 23 minutes)**

D Dawie and F Fralize are members of Dawlize CC. Their financial year ends on 30 June each year.

REQUIRED:

Draw up the following Ledger Accounts, properly balanced or closed off on 30 June 2008:

6.1	Members' contributions	(6)
6.2	SARS – Income tax	(11)
6.3	Distribution payable to members	(7)
6.4	Loan to D Dawie	(6)
6.5	Appropriation Account	(10)

INFORMATION:

Balances on 1 July 2007:

Members' contributions	R168 000
Retained income	63 750
SARS – Income tax - (Cr)	22 200
Distribution payable to members	46 050

Transactions for the period July 2007 to June 2008:

July 2007:

28 Paid the amount due to members for profit distribution.

31 Paid the amount due for tax to SARS.

September 2007:

3 D Dawie gave a vehicle valued at R50 000 to the close corporation. The amount will form part of his members' contribution.

October 2007:

12 F Fralize gave her personal computer and printer valued at R16 200 to the close corporation for administration purposes. The amount will form part of her members' contribution.

December 2007:

29 Paid provisional tax to SARS, R60 300.

May 2008:

30 D Dawie borrowed R27 000 from the CC to buy a motorbike for his son. The loan is interest free and an amount of R2 250 will be deducted from his salary on the 25th of every month in order to repay the loan. The first deduction will be on 25 June.

June 2008:

25 The first deduction from D Dawie's salary was made (see 30 May).

28 Made a second provisional tax payment of R55 200.

30 Net income for the year, R342 000. The tax liability for the year was calculated by the accounting officer as R118 750.

The members decided to distribute R82 500 of the profit.

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TOTAL: 300

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