education

Department:
Education
REPUBLIC OF SOUTH AFRICA

MARKING GUIDELINE

NATIONAL CERTIFICATE (VOCATIONAL)
NQF LEVEL 2

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FINANCIAL MANAGEMENT

This memorandum consists of 9 pages.

SECTION A

QUESTION 1

1.1	1.1.1	B ✓	(1)
	1.1.2	E ✓	(1)
	1.1.3	D✓	(1)
	1.1.4	F✓	(1)
	1.1.5	A✓	(1)
1.2	1.2.1	Debit order ✓✓	(2)
	1.2.2	Shrinkage ✓✓	(2)
	1.2.3	Periodic ✓✓	(2)
	1.2.4	Internet Banking (Electronic banking) ✓✓	(2)
	1.2.5	Receipt ✓✓	(2)
1.3	1.3.1	Teller ✓✓	(2)
	1.3.2	Mark-up✓✓	(2)
	1.3.3	Cost Price ✓✓	(2)
	1.3.4	Skills levy✓✓	(2)
	1.3.5	Start-up capital✓✓	(2)
			[25]

QUESTION 2

2.1	2.1.1	D ✓✓	(2)
	2.1.2	B✓✓	(2)
	2.1.3	D✓✓	(2)
	2.1.4	D✓✓	(2)
	2.1.5	A✓✓	(2)
	2.1.6	A✓✓	(2)
	2.1.7	D✓✓	(2)
	2.1.8	D✓✓	(2)
	2.1.9	D✓✓	(2)
	2.1.10	C✓✓	(2)
2.2	2.2.1	true✓	(1)
	2.2.2	true✓	(1)
	2.2.3	true✓	(1)
	2.2.4	true✓	(1)
	2.2.5	false✓	(1)
			[25]

SECTION B

QUESTION 3

3.1 3.1.1 Cheetah Services✓ (1)

3.1.2 The bank account/balance will increase ✓ by R2000 ✓ (2)

3.1.3 This is money that is paid directly into the bank account of a business by a customer. ✓✓
This can be done by making the deposit at a branch of the bank, or by depositing the money on the internet. ✓✓
The person depositing the money will confirm the deposit by faxing to the business the deposit slip or printout of the internet banking transaction. ✓✓ (6)

3.1.4 Cheque book =R45,00
Service Fees =R90,00
Bank charges =R135,00 ✓✓ (2)

3.1.5 Opening balance on 28 /9/2009 =R15635,00
+ interest on current account =R 180,00
=R 15815,00✓ ✓ (2)

3.1.6 Favourable ✓ (1)

3.1.7 The business can complete a debit order form, which instructs the bank ✓to transfer money from the bank account of the business✓ to a payee's bank account✓ on an agreed date each month. ✓ (4)

3.2
- Summary of a business's performance during a financial period ✓✓
- It measures performance by comparing the income of the business to its expenses. ✓✓
- Evaluates the profitability of a business ✓✓
- If the income exceeds the expenses, the business is operating at a profit and the income statement has to be prepared once a year at the end of the twelve-month financial period.
- A business can also prepare an income statement quarterly/half yearly for the financial management over the period

Any THREE (3 x 2) (6)

3.3
- Cash flow from operating activities✓✓
- Cash flow from investing activities✓✓
- Cash flow from financing activities✓✓

(6)

3.4 3.4.1 $= \frac{\text{Gross profit}}{\text{Sales}} \times \frac{100}{1}$ ✓

$= \frac{750\ 000}{1700\ 000} \times \frac{100}{1}$

= 44.12% ✓ (2)

3.4.2 $= \frac{\text{Net Profit}}{\text{Sales}} \times \frac{100}{1}$ ✓

$= \frac{356\ 300}{1534\ 000} \times \frac{100}{1}$

= 23,23% ✓ (2)

3.4.3 Tax
= 509 000 x 30%✓
= R152 700 ✓ (2)

3.4.4 $= \frac{510\ 000}{1} \times \frac{30}{100}$ ✓

= 153 000 ✓

Net profit after tax = 510 000 – 153 000 ✓
= 357 000 ✓ (4)

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QUESTION 4

4.1 4.1.1 Input VAT for
October 2009 $= \frac{660\ 000}{1} \times \frac{14}{114}$ ✓
= R81 052, 63 ✓ (2)

4.1.2 Output VAT for October 2009 $= \frac{950\ 000}{1} \times \frac{14}{114}$ ✓

= R 116 666, 67 ✓ (2)

4.1.3 Output VAT – input VAT ✓
= R 116 666, 67 – R 81 052, 63
= R 35 614, 04 ✓ VAT payable ✓ (3)

4.2 4.2.1 Selling price include all costs and the profit mark-up percentage ✓✓, excluding VAT ✓ (3)

4.2.2 Is an indirect tax and is known as value added tax (VAT) or VAT ✓ which is charged on all goods and services ✓, with the exception of a few basic foodstuffs and household products ✓ (3)

4.2.3 This amount represents the cost price of goods sold ✓ and is the price paid to a supplier for goods at the time of purchase ✓, excluding VAT ✓ (3)

4.3 4.3.1 Selling Price (VAT excl.) $= \text{Cost price} \times \frac{110}{100}$ ✓

$= \frac{R\ 9\ 800}{1} \times \frac{110}{100}$ ✓

$= R\ 10\ 780$ ✓

VAT calculation (VAT incl) $= \text{Selling price} \times \frac{114}{100}$

$= \frac{10\ 780}{1} \times \frac{114}{100}$ ✓

$= R\ 12\ 289{,}20$ ✓ (5)

4.3.2 Output VAT = R12 289,20 X 14% ✓
= R1 509, 20 ✓

LESS

Input VAT $= R9\ 800 \times \frac{14}{114}$ ✓
= R1 203,51 ✓

VAT Payable = R 1 509,20 - R 1 203,51
= R305,69 ✓ (5)

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QUESTION 5

5.1 5.1.1 Browns Photo Studio ✓ (1)
5.1.2 Maputla Services ✓ (1)
5.1.3 Kayamandi Bank ✓ (1)

5.1.4 **Not transferable**
-the cheque cannot be transferred to another person

Not negotiable
-when a cheque is made not negotiable, it cannot be Transferred to the legal ownership of another person

Account Payee (A/C payee)only
-A crossed cheque bearing across its face the word account payee, or ‘a/c payee’; with or without the addition of the word ‘only’ makes this cheque not transferable.

Crossing of Cheques
-A crossed cheque cannot be used to draw cash at a bank, but must be deposited into a bank account. Drawers therefore cross cheques as a measure of protection.

Any ONE (1 x 2) (2)

5.2

A & B Plumbing

RECEIPT **No 01**

Received from: Papi Madalane✓ **Date:** 13 May 2009✓

Amount	**One Thousand Nine Hundred, Fifty** ✓ **Only**	**Rand Cent**	**1950**	**00**

For: Services✓

With thanks:

R. Plaatjies ✓
....
Signature

(5)

5.3

	Total
200 X 4 =	800 ✓
100 X 11 =	1100 ✓
50 X 7 =	350 ✓
20 X 5 =	100 ✓
10 X 12 =	120 ✓
5 x 13 =	65 ✓
2 X 1 =	2 ✓
1 X 50 =	50 ✓
0, 50 X 110 =	55 ✓

Total R2642 ✓

(10/2) (5)
[15]

QUESTION 6

6.1 6.1.1 Earnings after interest but before tax
= R 2 550 000 – R777 000
= R1 773 000 ✓ (1)

6.1.2 Taxation for the year =
= R 1 773 000 X $\frac{30}{100}$ ✓
= R 531 900 ✓ (2)

6.1.3 Earnings after taxation
=R1 773 000 – R531 900 ✓
=R1 241 100 ✓ (2)

6.2 6.2.1 There was an increase in sales of R150 000 ✓ (1)

6.2.2 increase in expenses
= expenses in 2009 – expenses in 2008
= 168 000 - 145 000
= 23 000 ✓ (1)

6.2.3 The net profit has increased by R47 000 ✓ (1)

6.3 6.3.1 Interest on fixed deposit ✓
Rent income ✓ (2)

6.3.2 <u>Operating Expenses</u>

Telephone	4400	
Wages	140505	✓
Bank charges	550	✓
Insurance	5500	✓
Water and Electricity	17850	✓
	168805	

(5)

6.4 **Stock Rotation**
-A regular turnover of stock in a business is very important to make sure that shrinkage is minimized

Literal Shrinking
-One if the products that experiences literal shrinking is compost

Fire and Storms
-Both these occurrences are responsible for serious shrinkage of stock as both can destroy some of the stock or the entire business

Ageing
-Old stock can be sold; example is perishable food

Theft
-If stock is stolen it is completely lost to the business and obviously cannot be sold resulting in a reduced inflow of cash for the business

Breakages
-Stock breakages decrease the stock quantities as broken stock cannot be sold

Obsolete stock
Excess stock is stock that does not sell and then piles up in a business - seasonal items like clothing are especially prone to becoming obsolete

Any FIVE (5 x 1) (5)

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