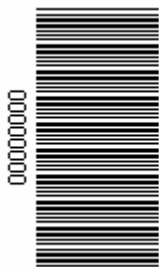education

Department:
Education
REPUBLIC OF SOUTH AFRICA

NATIONAL CERTIFICATE (VOCATIONAL)

FINANCIAL MANAGEMENT
NQF LEVEL 3

NOVEMBER 2009

(3011013)

19 November (Y-Paper)
13:00 – 16:00

Non-programmable calculators may be used.

This question paper consists of 13 pages and a 19-page answer book.

```
TIME:  3 HOURS
MARKS:  200
```

INSTRUCTIONS AND INFORMATION

1.   This question paper consists of TWO sections.

2.   Answer ALL the questions in both sections in the ANSWER BOOK provided.

3.   Read ALL the questions carefully.

4.   Show ALL calculations in order for marks to be allocated.

5.   Use only black or blue ink. Lead pencil answers will not be marked.

6.   Round off amounts to TWO decimals.

7.   Write neatly and legibly.

QUESTION NUMBER	TOPIC	MARKS	RECOMMENDED TIME GUIDE
SECTION A			
1	Short questions	25	20
2	Short questions	25	20
SECTION B			
3	Calculate and record value added tax transactions	40	35
4	Prepare Salaries and Wages Journals	20	20
5	The petty cash system	20	20
6	Compile Reconciliation Statements	45	45
7	Basic administration of non-current assets manually	25	20
	GRAND TOTAL	200	180 minutes

SECTION A

QUESTION 1

1.1   Various options are given as possible answers to the following questions. Choose the correct answer and write only the letter (A – D) next to the question number (1.1.1 – 1.1.5) in the ANSWER BOOK, for example 1.1.11 A

      1.1.1   VAT is charged on standard goods and services at …

            A   14%.
            B   10%.
            C   20%.
            D   30%.   (2)

      1.1.2   If the VAT inclusive selling price of an item is R1 280,00, what is the VAT amount that was charged?

            A   R157,19
            B   R179,20
            C   R145,92
            D   R128,00   (2)

      1.1.3   A list of balances of outstanding debtors is compiled from the … Ledger.

            A   Creditors'
            B   Debtors'
            C   General
            D   Normal   (2)

      1.1.4   The petty cash imprest amount was R700,00 and the petty cash on hand at the end of the month amounted to R27,00. How much would the petty cashier request to restore the imprest amount?

            A   R673,00
            B   R750,00
            C   R658,00
            D   R1 408,00   (2)

      1.1.5   Credits in the Bank Statement are normally recorded in the …

            A   Debtors' Journal.
            B   Cash Payments Journal.
            C   Creditors' Journal.
            D   Cash Receipts Journal.   (2)

1.2   Indicate whether the following statements are TRUE or FALSE. Choose the correct answer and write only 'true' or 'false' next to the question number (1.2.1 – 1.2.5) in the ANSWER BOOK.

       1.2.1   Zero-rated supplies are subject to VAT. (1)

       1.2.2   VAT payments to SARS can be made in cash, by cheque or by using electronic fund transfers. (1)

       1.2.3   Net salary is the amount after all deductions had been made from ones salary. (1)

       1.2.4   Amounts which do not appear on the Bank Statement must be entered in the Creditors' Journal. (1)

       1.2.5   A non-current asset is something that the business can keep only for a few days. (1)

1.3   Choose the correct word(s) from those given in brackets. Write only the word(s) next to the question number (1.3.1 – 1.3.5) in the ANSWER BOOK.

       1.3.1   (Output/Input) VAT is the tax that a vendor collects on behalf of SARS from the customers when goods are sold and/or services are rendered. (2)

       1.3.2   A VAT201 form is a return form for (remittance/admittance) of VAT which SARS gives to vendors for their submission of VAT. (2)

       1.3.3   The (carrying value/depreciation) is the difference between the cost price and the accumulated depreciation of a non-current asset. (2)

       1.3.4   The (daily/asset) register is a record of all the assets owned by an organisation. (2)

       1.3.5   Items which appear in the debit column of the Bank Statement but are not yet reflected in the books of the business are entered in the (Cash Payments/Cash Receipts) Journal. (2)

[25]

QUESTION 2

2.1 Choose an item/word from COLUMN B to match a description in COLUMN A. Write only the letter (A – F) next to the question number (2.1.1 – 2.1.5) in the ANSWER BOOK, for example 2.1.6 G.

COLUMN A	COLUMN B
2.1.1 A list of individual balances taken from the Creditors' Ledger	A bank statement
	B creditors' list
2.1.2 A document that a bank issues to a business at the end of every month that indicates every transaction that the bank has recorded for that business	C credit invoice (duplicate)
	D current assets
2.1.3 The source document used to record the credit sales of goods and services to customers	E credit note
	F gross salary
2.1.4 Assets that can be converted into cash at short notice	
2.1.5 Total remuneration before deductions	

(5 × 1)　　(5)

2.2 Give ONE word/term for each of the following descriptions by choosing a word/term from the list below. Write only the word/term next to the question number (2.2.1 – 2.2.5) in the ANSWER BOOK.

tax invoice; diminishing (reducing) balance method; bank statement; asset disposal; VAT vendor; bank charges; straight-line method

2.2.1 Fees that a client of a bank pays in exchange for services offered by the bank (2)

2.2.2 A document containing a list of goods or services that have been supplied to a business, together with prices (2)

2.2.3 The method of calculating depreciation as a percentage of the cost price of an asset (2)

2.2.4 A person or business that is registered with SARS for Value Added Tax (2)

2.2.5 The process of selling an older asset (2)

2.3   Complete the following sentences by filling in the missing word(s). Write only the missing word(s) next to the question number (2.3.1 – 2.3.5) in the ANSWER BOOK.

   2.3.1   … is the process to compare the Bank Statement with the Cash Receipts and Cash Payments Journal of a business.   (2)

   2.3.2   The adjustment in the value of a non-current asset to its net book value is called ….   (2)

   2.3.3   A business must file and safely store all financial records and documents for … years for VAT inspection and audit purposes.   (2)

   2.3.4   A … is the stub on which the details of an issued cheque are recorded by the drawer.   (2)

   2.3.5   A Petty Cash Journal is a … of first entry in which all petty cash transactions are recorded.   (2)

[25]

TOTAL SECTION A: 50

SECTION B

This section consists of FIVE questions. Answer ALL the questions.

QUESTION 3

You are provided with an invoice from Manhattan Traders. The business is owned by Gavin Van Rooyen and is registered as a VAT vendor that records VAT on an invoice basis.

3.1   Refer to the invoice below and calculate the following: (The unit price and totals are inclusive of VAT).

   3.1.1   The amount of VAT included in the total   (2)

   3.1.2   The amount of VAT per packet of oats breakfast cereal   (2)

   3.1.3   What does the 0% VAT rate mean on the invoice?   (2)

   INFORMATION:

   The following invoice is presented to you:

MANHATTAN TRADERS INVOICE			
Blue Ribbon B & B **Long Street** **East London** **5209**			**18 March 2009**
	VAT rate	**Unit Price**	**Total**
10 loaves brown bread	0%	6,30	R63,00
12 litres fresh milk	0%	5,99	71,88
20 packets of oats breakfast cereal	14%	14,99	R341,77
TOTAL			**R476,65**

3.2   Shoba Stores is a registered VAT vendor that records VAT at 14% on an invoice basis.

   NOTE: The business does not make use of a separate Input and Output Account, but rather posts directly to a VAT Control Account.

TRANSACTIONS:

March   3   Issued cheque no. 101 to pay the business telephone account at Telkom, R1 570,00 (inclusive of VAT).

         12   Cash sales according to cash register roll no. 56 amounted to R10 300,00, excluding VAT (cost of sales R8 500,00).

         13   Bought trading stock/inventory on credit from Wayside Wholesalers for R34 600,00, excluding VAT and received their credit invoice No. 231.

         15   Received credit note no. 34 from Wayside Wholesalers for R3 460,00, excluding VAT, for damaged trading stock/inventory returned to them.

         20   Cash sales of trading stock/inventory according to the cash register roll no. 57 amounted to R12 400,00, excluding VAT (cost of sales, R10 200,00).

         24   Bought trading stock/inventory from Weirs Wholesalers for R23 200,00, VAT inclusive. Issued cheque no. 102.

         27   Sold stock/inventory on credit to Zweni Enterprise for R6 600,00, excluding VAT (cost of sales R4 800,00). Credit invoice no. 55 was issued.

         30   Zweni Enterprise returned goods which were not according to order. Issued credit note no. 12 for R756,00, VAT inclusive (cost of sales R550,00).

REQUIRED:

3.2.1   Record the transactions above in the appropriate subsidiary journals for March 2009. Total only the VAT columns in all the journals at the end of the month.   (26)

3.2.2   Post only to the VAT Account in the General Ledger. Balance the account.   (8)
                                                                                              [40]

QUESTION 4

Use the information given below and complete the Salaries Journal for Simons Trading Stores in the ANSWER BOOK.

M Walters and P Prakash are employees of Simons Trading Stores.

Salaries:	
• M Walters	R13 000,00 per month
• P Prakash	R14 500,00 per month
Dependents:	
• M Walters	Married with two dependents
• P Prakash	Single with no dependents
Deductions:	
• Medical Aid:	
o Single	R200,00 per month
o Married with one dependent	R680,00 per month
o Married with two dependents	R850,00 per month
o Married with more than three dependents	R1 100,00 per month
• Pension:	Both employees belong to Sanlam Health Fund and contribute 7% of their salary to the fund
• Income Tax:	Calculated at 18% of gross salary after deduction of pension
• UIF:	1% of salaries
Employer's contributions are as follows:	
• Pension:	R1 for every R1 contributed by staff
• Medical Aid:	One third of employee's amount
• UIF:	1% of salaries

[20]

QUESTION 5

Ashley Singh owns a motor cycle dealership. His business, Ash Motor Cycles is registered as a VAT vendor. The following petty cash transactions took place during February 2009. All the amounts are inclusive of VAT.

REQUIRED:

5.1   Complete a Petty Cash Journal for Ash Motor Cycles for February 2009.

DATE	DETAILS	PETTY CASH VOUCHER NUMBER	AMOUNT
1 Feb	Bought tea and coffee from Super Save Supermarket	201	R35,00
5 Feb	Bought stamps at the post office	202	R25,00
8 Feb	Paid wages for cleaning staff	203	R60,00
17 Feb	Fuel for business car	204	R100,00
23 Feb	Bought flowers for sick staff member	205	R75,00
28 Feb	Bought stationery from ABC shop	206	R130,00

Refer to the following table with regard to VAT:

ITEMS	IS VAT CHARGED?	
	YES	**NO**
Beverages	✓	
Flowers	✓	
Fuel		✓
Stationery	✓	
Stamps	✓	
Wages		✓

(14)

5.2   Ashley uses the imprest system. He calculates the amount that should be in the petty cash box by deducting the payments from the Petty Cash Journal from the opening balance. The opening balance was R500,00.

Calculate the amount that he should request to restore the opening balance.   (2)

5.3   Name the source document that must be completed to purchase small items in a business.   (2)

5.4   Give ONE reason for discrepancies in the petty cash system.   (2)

[20]

QUESTION 6

Use the information obtained from the books of Umlazi Traders to complete the following:

6.1 Make supplementary entries in the Cash Receipts Journal and Cash Payments Journal on 30 June 2009. Cast/Add ONLY the bank column totals in both journals on 30 June 2009. (8)

6.2 Post to the Bank Account in the General Ledger and balance the Bank Account. (7)

6.3 Prepare the Bank Reconciliation Statement on 30 June 2009. (9)

INFORMATON:

The Bank Account had an unfavourable balance of R15 800,00 on 1 June 2009.

A comparison of the Bank Statement with the Cash Receipts Journal and the Cash Payments Journal on 30 June 2009 revealed the following differences:

Item 1: The Bank Statement reflected an unfavourable balance of R14 300,00 on 30 June 2009.

Item 2   A deposit of R5 400,00 which was recorded in the Cash Receipts Journal has not been recorded by the bank yet.

Item 3: The following cheques have not been presented to the bank for payment yet:

- No. 290 R2 500,00
- No. 303 R3 200,00

Item 4: A cheque of R700,00 received from a debtor, S Miller, which has been recorded in the Cash Receipts Journal, has been dishonoured by the bank on account of insufficient funds.

Item 5: Smart Bank charged the current account of Umlazi Traders with the following amounts:

- Cost of cheque book   R40,00
- Service fees   R370,00
- Tax levies   R90,00
- Interest on overdraft   R200,00

Item 6: The Bank Statement reflected a monthly debit order for R1 900,00 in favour of Out Sure. This was for insurance.

Item 7: A Fritz (a debtor) deposited R1 100,00 directly into the current account of the business in payment of his account.

Item 8: The Bank Statement showed a debit order of R800,00 in favour of Health Med as payment of the business's monthly membership fee.

Item 9 A cheque to the value of R4 700,00, withdrawn by the owner out of his account, appears on the business Bank Statement.

6.4 The following information is taken from the books of Bruynwave Projects. ignore VAT for this question.

Balances taken from the Debtors' Ledger on 28 February 2009:

Thandi Mvuna	R3 000,00
Ronaldo Brown	R5 950,00
Elizabeth Mfazwe	R1 300,00

The Debtors' Control Account in the General Ledger has a debit balance of R10 250,00.

On closer investigation the following information was found in the Bank Statement, received on 28 February 2009:

A cheque for R250,00 was received from Thandi Mvuna, and recorded in the Cash Receipts Journal. However, it was returned by the bank marked R/D (Refer to Drawer). This transaction was not recorded.

Ronaldo Brown deposited the full amount owing in settlement of his account on 27 February 2009. This has not been entered in the books of the business yet.

REQUIRED:

Use the information above and make the appropriate entries in the ANSWER BOOK.

6.4.1 Make journal entries in the General Journal to give effect to the transactions above. (Cash Receipts and Payments Journals not required.) (6)

6.4.2 Record the entries in the Debtors' Control Account and balance the account on 28 February 2009. (7)

6.4.3 Make the necessary entries in the debtors' individual Ledger Accounts. (5)

6.4.4 Compile a list of the debtors on 28 February 2009 after the entries have been made. (3)

[45]

QUESTION 7

The following information is for Office Com. Ignore VAT for this question.

The policy of the organisation is to depreciate all equipment at a rate of 10% per annum using the straight-line method (cost price).

7.1   Use the information to complete the Asset register of Office Com.

Asset description:	Futitshu Siemens Laptop
Bought from:	Incredible Connections
Serial number:	FST4567
Date purchased:	1 September 2007
Cost price:	R12 000,00

(10)

7.2   Calculate the depreciation from the date of purchase to February 2009.

On 30 June 2009, a red Toyota bakkie with a cost price of R65 500,00 and an accumulated depreciation of R9 750,00 was sold for R45 000,00 to Amalinda Main Street Motors for cash.

No other purchases or sales of vehicles took place during the 2009 financial period. (3)

7.3   Complete only the Asset Disposal Account in the General Ledger of Mahamba Car Dealers to give effect to the sale of the asset. Close off the Asset Disposal Account. (6)

7.3.1   Indicate whether a profit or a loss was made on the sale of the asset. (2)

7.3.2   In which financial statement will this profit or loss be recorded? (1)

7.3.3   What is the effect of the disposal of the asset on the total non-current assets of the organisation? (3)

[25]

TOTAL SECTION B: 150
GRAND TOTAL: 200

EXAMINATION NUMBER:

CENTRE NUMBER:
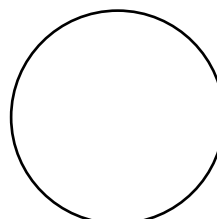
ANSWER BOOK

NATIONAL CERTIFICATE (VOCATIONAL)
NOVEMBER
2009

FINANCIAL MANAGEMENT LEVEL 3

QUESTION	MARKS	FOR MODERATORS USE ONLY
1		
2		
3		
4		
5		
6		
7		
TOTAL		

PERCENTAGE:

ANSWER BOOK   **EXAMINATION NUMBER:**

SECTION A

QUESTION 1

1.1   Write the letter next to the question number.

1.1.1 _____

1.1.2 _____

1.1.3 _____

1.1.4 _____

1.1.5 _____

                                                    (5 × 2)   (10)

1.2   Indicate TRUE or FALSE.

1.2.1 _____

1.2.2 _____

1.2.3 _____

1.2.4 _____

1.2.5 _____

                                                    (5 × 1)   (5)

1.3   Choose the correct word in brackets.

1.3.1 _____

1.3.2 _____

1.3.3 _____

1.3.4 _____

1.3.5 _____

                                                    (5 × 2)   (10)
                                                                [25]

ANSWER BOOK   **EXAMINATION NUMBER:**

QUESTION 2

2.1   Matching items: Write only the letter.

2.1.1 _____

2.1.2 _____

2.1.3 _____

2.1.4 _____

2.1.5 _____

                                                                    (5 × 1)   (5)

2.2   Give ONE word/term for each description.

2.2.1 _____

2.2.2 _____

2.2.3 _____

2.2.4 _____

2.2.5 _____

                                                                    (5 × 2)   (10)

2.3   Fill in the missing word.

2.3.1 _____

2.3.2 _____

2.3.3 _____

2.3.4 _____

2.3.5 _____

                                                                    (5 × 2)   (10)
                                                                                 [25]

                                                    TOTAL SECTION A: 50

ANSWER BOOK   **EXAMINATION NUMBER:**

QUESTION 3

3.1
3.1.1 _____

_____

_____
                                                                          (2)

3.1.2 _____

_____

_____
                                                                          (2)

3.1.3 _____

_____

_____
                                                                          (2)

ANSWER BOOK   **EXAMINATION NUMBER:**

CASH PAYMENTS JOURNAL OF SHOBA STORES – MARCH 2009   **CPJ11**

Doc. No.	Day	Payee	Bank	Creditors' control	VAT 14%	Trading stock/ inventory		Sundry account	Fol.	Details of sundry accounts

(7)

ANSWER BOOK   **EXAMINATION NUMBER:**

QUESTION 3

CASH RECEIPTS JOURNAL OF SHOBA STORES – MARCH 2009   **CRJ 11**

Doc.	Day	Details	Analysis	Bank	Debtors' control	VAT 14%	Sales	Sundry amount	Fol.	Details of sundries	Cost of sales

(7)

ANSWER BOOK   **EXAMINATION NUMBER:**

QUESTION 3

DEBTORS' JOURNAL OF SHOBA STORES – MARCH 2009   **DJ11**

Doc.	Day	Details	Debtors' control	VAT 14%	Sales	Cost of sales

(4)

ANSWER BOOK   **EXAMINATION NUMBER:**

CREDITORS' JOURNAL OF SHOBA STORES – MARCH 2009   **CJ11**

Doc.	Day	Details	Creditors' control	VAT 14%	Trading stock/ inventory	Sundry accounts	Fol.	Details of sundry

(4)

ANSWER BOOK   **EXAMINATION NUMBER:** [   ]

QUESTION 3

DEBTORS' ALLOWANCES JOURNAL OF SHOBA STORES - MARCH 2008   **DAJ11**

Doc.	Day	Details	Debtors' control	VAT 14%	Sales	Cost of sales

(4)

CREDITORS' ALLOWANCES JOURNAL OF SHOBA STORES – MARCH 2009   **CAJ11**

Doc.	Day	Details	Creditors' control	VAT 14%	Trading stock/ inventory	Sundry accounts	Fol.	Details of sundry accounts

(2)

ANSWER BOOK   **EXAMINATION NUMBER:**

QUESTION 3.2

GENERAL LEDGER OF SHOBA STORES

Dr   VAT CONTROL ACCOUNT   **Cr**

Date	Detail	Fol.	Amount		Date	Detail	Fol.	Amount	

(6)

[40]

ANSWER BOOK   **EXAMINATION NUMBER:**

QUESTION 4

SALARIES JOURNAL OF SIMON TRADING STORES FOR JULY 2009   **SJ 11**

No.	Name	Gross salary	Deductions				Total deductions	Net salary	Employer Contributions		
			Pension fund	PAYE	UIF	Medical aid			Pension	UIF	Med aid

[20]

ANSWER BOOK   **EXAMINATION NUMBER:**

QUESTION 5

5.1

PETTY CASH JOURNAL OF ASH MOTOR CYCLES – FEBRUARY 2009														
Day	Doc.	Details	Petty cash		Staff expenses		Wages		Postage & stationery		VAT		Sundry accounts		Fol.	Details of sundry accounts

(14)

ANSWER BOOK   **EXAMINATION NUMBER:**

5.2 _____

    _____

    _____

    _____   (2)

5.3 _____

    _____

    _____   (2)

5.4 _____

    _____

    _____

    _____   (2)

[20]

ANSWER BOOK   **EXAMINATION NUMBER:**

QUESTION 6

6.1 CASH RECEIPTS JOURNAL OF UMLAZI TRADERS – JUNE 2009   **CRJ1**

Doc.	Day	Details	Analysis	Bank	Debtors' control	Sales	Fol.	Amount	Details of sundries
	30	Totals		39 200,00					

(2)

6.1 CASH PAYMENTS JOURNAL OF UMLAZI TRADERS – JUNE 2009   **CRJ 1**

Doc.	Day	Details	Bank	Creditors' control	Trading stock	Debtors' control	Wages	Fol.	Amount	Details of sundries
	30	Totals	30 300,00							
										(6)

ANSWER BOOK　　　　　　**EXAMINATION NUMBER:**

6.2

GENERAL LEDGER OF UMLAZI TRADERS

Dr　　　　　　　　　　　　　　　　　　　　　　　　　　　　　　　　　　　**Cr**

Bank

Date	Details	Fol.	Amount	Date	Details	Fol.	Amount

(7)

6.3

BANK RECONCILIATION STATEMENT OF UMLAZI TRADERS ON 30 JUNE 2009	Debit	Credit
		(9)

ANSWER BOOK   **EXAMINATION NUMBER:**

QUESTION 6.4.1

GENERAL JOURNAL OF BRUYNWAVE PROJECTS FOR FEBRUARY 2009 GJ 12		General Ledger Dr	General Ledger Cr	Debtors' Control Dr	Debtors' Control Cr

(6)

QUESTION 6.4.2

Dr   **DEBTORS' CONTROL ACCOUNT**   **Cr**

Date	Details	Fol.	Amount	Date	Details	Fol.	Amount

(7)

ANSWER BOOK   **EXAMINATION NUMBER:**

QUESTION 6.4.3

Thandi Mvuna		Debit	Credit	Balance

Ronaldo Brown		D2		

Elizabeth Mfazwe		D3		

(5)

QUESTION 6.4.4

DEBTORS' LIST

(3)

[45]

ANSWER BOOK   **EXAMINATION NUMBER:**

QUESTION 7.1 and 7.2

<div style="border:1px solid">

OFFICE COM

Asset Register

Page 13

Asset description: _____

Bought from: _____

Date purchased: _____

Cost price: _____

Depreciation method: **10% p.a. on the straight-line basis**

Date sold: _____

Sold to: _____

Selling price: _____

Date	Cost	Depreciation	Accumulated depreciation	Carrying amount
1 September 2007	R12 000,00			
28 February 2008				
28 February 2009				

</div>

(13)

Please turn over

QUESTION 7.3

<div align="center">

LEDGER OF MAHAMBA CAR DEALERS

</div>

Dr   **Asset Disposal Account**   **Cr**

Date	Details	Fol.	Amount	Date	Details	Fol.	Amount
							(6)

7.3.1 _____ (2)

7.3.2 _____ (1)

7.3.3 _____ (3)

_____ **[25]**