



higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

MARKING GUIDELINE

NATIONAL CERTIFICATE (VOCATIONAL)

NOVEMBER 2010

**FINANCIAL MANAGEMENT
NQF LEVEL 2**

19 NOVEMBER 2010

This marking guideline consists of 7 pages.

QUESTION 1**1.1**

1.1.1	C ✓✓	(2)
1.1.2	A ✓✓	(2)
1.1.3	A ✓✓	(2)
1.1.4	B ✓✓	(2)
1.1.5	B ✓✓	(2)
1.1.6	C ✓✓	(2)
1.1.7	C /B ✓✓	(2)
1.1.8	B ✓✓	(2)
1.1.9	C ✓✓	(2)
1.1.10	A ✓✓	(2)

1.2

1.2.1	G ✓Fixed cost	(1)
1.2.2	E ✓Current account	(1)
1.2.3	C ✓VAT	(1)
1.2.4	D ✓Retained income	(1)
1.2.5	B ✓Business plan	(1)

1.3

1.3.1	Trial balance ✓	(1)
1.3.2	Partnership ✓	(1)
1.3.3	Profit mark-up ✓	(1)
1.3.4	Vat Input ✓	(1)
1.3.5	Dividends ✓	(1)

[30]

QUESTION 2

- 2.1 2.1.1 $\frac{\text{Gross profit}}{\text{Sales}} \times \frac{100}{1}$
 $\frac{790\,000}{1\,420\,000} \times \frac{100}{1} \checkmark\checkmark$
 55,63% \checkmark (3)
- 2.1.2 $\frac{\text{Profit after tax and interest}}{\text{Sales}} \times \frac{100}{1}$
 $\frac{579\,250}{1\,300\,000} \times \frac{100}{1} \checkmark\checkmark$
 44.56% \checkmark (3)
- 2.1.3 $\frac{\text{Total expenses}}{\text{Sales}} \times \frac{100}{1}$
 $\frac{28\,060}{1\,420\,000} \times \frac{100}{1} \checkmark\checkmark$
 1,98% \checkmark (3)
- 2.1.4 Yes, \checkmark
 Better advertising $\checkmark\checkmark$
 Aggressive marketing campaigns/ techniques $\checkmark\checkmark$
 Sell more units (and ANY ONE reason) (3)
- 2.1.5 Business will have more (or less) sales \checkmark and less(or more) expenses/costs \checkmark OR: (2)
 Mark-up could've changed OR Theft could've occurred
- 2.1.6 No progress made \checkmark AND
 Decrease in income \checkmark
 Increase in some expenses \checkmark (ANY ONE answer) (2)
- 2.2 To attract new customers $\checkmark\checkmark$
 To get rid of the slow moving stock $\checkmark\checkmark$
 To get rid of the seasonal stock
 To get money in a short period of time so that they can invest in new projects
 (ANY TWO answers) (4)
- 2.3 Drawer \checkmark
 Drawee \checkmark
 Payee \checkmark (3)
- 2.4 Imprest system \checkmark
 System of varying balance \checkmark (2)

- 2.5 Loss of stock through ...
 Theft ✓
 Breakage ✓
 Literal shrinking
 Obsolete stock
 Ageing
 Fires
 Storms (ANY TWO answers) (2)
- 2.6 $\frac{350}{100} \times 5$ ✓
 17,50 profit ✓
 350 + 17,50 = R367,50 selling price ✓ (3)
[30]

QUESTION 3

- 3.1
- 3.1.1 Yes✓, R15 000 ✓ (2)
- 3.1.2 R45 000 ✓✓ (2)
- 3.1.3 R50 000 ✓✓ (2)
- 3.1.4 A statement ✓ showing the financial position ✓ or what the business is worth on a specific date ✓ (3)
- 3.1.5 R15 000 ✓✓ (2)
- 3.1.6 total value of R37 400,00 ✓✓ (2)

3.2

Dr. PETTY CASH ACCOUNT Cr.									
Date		Details		Amount		Date		Details	Amount
2010						2010			
May	01	Bank		✓600	00	May	31	Total payments✓	✓405 00
	15	Bank		✓150	00			Balance	✓345 00
				750	00				750 00
2010									
June	01	Balance		✓345	00				

FINANCIAL MANAGEMENT

and re-issued ✓ **OR**

No✓, since 1 August 2001 it was agreed that altered cheque be returned to the drawer✓ (2)

- 4.2.3 The cheque cannot be cashed because the client (account holder) has insufficient funds/no money in his bank account ✓✓
 The cheque is dishonoured by the bank as there are no funds to pay the payee
 The cheque is not worth the amount written on it (2)

- 4.3 $R600 \times \frac{25}{100}$ ✓
 Discount= R150 ✓
 Selling price (R600 – R150) = R450,00 ✓ (3)

- 4.4 4.4.1 SITE Standard Income Tax on Employees ✓ **GIVE 1 MARK** (1)
 4.4.2 PAYE Pay As You Earn ✓ **GIVE 1 MARK** (1)

- 4.5 Brown bread✓: Milk✓: and fresh fruit and vegetables
 Public transport/ education
 (ANY TWO answers) (2)

- 4.6 Opening stock R 30 000 ✓
 Plus purchases R 23 000 ✓
 R 53 000 ✓
 Less closing stock R 15 000 ✓
 Cost of sales R 38 000 ✓✓ (6)
[30]

QUESTION 5

- 5.1 5.1.1 $2500 \times 10\% = 250$
 Therefore R2500 – R250 = R2 250 payment ✓✓ (2)
 5.1.2 $2\,500 \times 5\% = 125$
 Therefore R2 500 – R125 = R2375 payment ✓✓ (2)
 5.1.3 R2 500 ✓✓ (2)

5.2

PETTY CASH JOURNAL for June 2010

Doc	Date	Details	Fol.	Petty cash	Repairs	Postage	Stationery	Sundry accounts	
								Amount	Details
2	03	Cleaning		70,00✓				70,00✓	Wages✓/Cleaning
3	15	CC World/Repairs		89,00✓	89,00 ✓				
✓				159,00					

(6)

- 5.3 Details of non–current assets ✓✓
Two consecutive balance sheets ✓✓
Current income statement ✓✓

(6)

- 5.4 Source document: duplicate credit sales /tax invoice✓✓
Supporting document:original credit sales/tax invoice✓✓

(4)

- 5.5 Cash flow statement is a report showing the flow of money ✓ in and out of the business over the period of time. ✓

(2)

- 5.6 5.6.1 Negative or minus effect ✓,e.g. interest on loan, is treated as an expense which is an outflow of cash ✓

(2)

- 5.6.2 Negative or minus effect ✓it is the share of profit given to the shareholders; and reduces the net profit of the business ✓

(2)

- 5.6.3 Positive or plus effect✓, it represents the inflow of money and has to be added to the gross profit of the business. ✓

(2)

[30]**TOTAL: 150**