



**higher education
& training**

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

MARKING GUIDELINE

NATIONAL CERTIFICATE (VOCATIONAL)

SUPPLEMENTARY EXAMINATION 2013

**FINANCIAL MANAGEMENT
NQF LEVEL 2**

4 MARCH 2013

This marking guideline consists of 8 pages.

QUESTION 1

1.1	1.1.1	B✓		
	1.1.2	B✓		
	1.1.3	A✓		
	1.1.4	D✓		
	1.1.5	B✓		
	1.1.6	C✓		
	1.1.7	B✓		
	1.1.8	C✓		
	1.1.9	C✓		
	1.1.10	C✓		
	1.1.11	A✓		
	1.1.12	D✓		
	1.1.13	A✓		
	1.1.14	D✓		
	1.1.15	A✓	(15 x 1)	(15)
1.2	1.2.1	Income statement✓		
	1.2.2	14%✓		
	1.2.3	Cash float✓		
	1.2.4	Dividend(s) ✓		
	1.2.5	Gross profit✓		
	1.2.6	Start-up capital✓		
	1.2.7	Bank statement✓		
	1.2.8	Overdraft✓		
	1.2.9	Bearer ✓		
	1.2.10	Business plan ✓	(10 x 1)	(10)

1.3	1.3.1	Companies		
	1.3.2	VAT input		
	1.3.3	Credit note		
	1.3.4	Aggressive advertising		
	1.3.5	Imprest system	(5 x 1)	(5) [30]

QUESTION 2

2.1	2.1.1	R10 115,00✓		(1)
	2.1.2	D/O Metropolitan✓ Cell C account ✓		(2)
	2.1.3	It is a direct deposit into the business's bank account by the client✓✓		(2)
	2.1.4	R60 ✓✓ (service fee R25 + credit card fee R35)		(2)
	2.1.5	Cheque or current account✓. The business made some of its payments by cheque. ✓✓		(3)
	2.1.6	It is the amount receivable by the business (it means that the VAT output was more than the VAT input)✓✓ It is an amount due to the business as the business paid more VAT than received on behalf of the Receiver of Revenue		(2)
2.2	2.2.1	$35\,000 \times \frac{10}{100}$ $= 3\,500$ ✓ Therefore: $35\,000 - 3\,500 = 31\,500$ ✓ is payable within 6 days		(2)
	2.2.2	$35\,000 \times \frac{5}{100}$ $= 1\,750$ ✓ Therefore: $35\,000 - 1\,750 = 33\,250$ is payable after 7 days but before 21 days✓ OR $35\,000 \times 90/100$		(2)
	2.2.3	The full amount of R35 000 is payable after 28 days ✓ ✓		(2)
2.3	2.3.1	Increase✓ ONE of the following: Total number of units sold increased✓✓ Aggressive advertising or marketing		(3)

$$2.3.2 \quad \frac{\text{Gross profit}}{\text{Sales}} \times \frac{100}{1}$$

$$\frac{7\,500}{15\,000} \times \frac{100}{1} \checkmark$$

50%✓

(2)

2.3.3 Negative ✓
Decrease in net profit

(1)

2.4

RECEIPT No. 123	Date: 5 July 2011 ✓
Received from: M. Maanda ✓	
The sum of: Three Hundred Rands	
Fifty ✓Cents	
R300,50 ✓	
For: Computer repairs ✓	
Student's signature ✓	
Signature	

(6)
[30]**QUESTION 3**

3.1

Labour R150 x 3	R450✓
Plus other variable costs per hour (R4 500/200)	
Thus: R22,50 x 3	R67,50✓
Plus fixed costs per hour (R1 200/200)	
Thus: R6 x 3	R18✓
Plus spare parts (5% added)	R126✓
Total cost (450 + 67,50 + 18 + 126)	R661,50
Plus profit 25%	R165,38
Total invoice amount	R826,88✓

(5)

- 3.2 3.2.1 **ONE of the following:**
 Total number units sold were less than the previous year✓✓
 Supplier price increase
 Wrong calculation of stock
 Theft of cash
 High inflation in the country (2)
- 3.2.2 **Any TWO of the following:**
 Increase in sales✓✓
 Good marketing✓✓
 Decrease in supplier's price
 Better control of costs (expenses) (4)
- 3.2.3 Negative effect✓
 Decrease profit (1)
- 3.3 3.3.1 Payee = Thompson Garage✓
 Drawer = Mr Kennedy or Faranani Traders✓
 Drawee = Silverton Bank✓ (3)
- 3.3.2 Cheque counterfoil✓ (1)
- 3.3.3 A crossed cheque cannot be cashed✓ at a bank, but must be deposited into a bank account.✓ (2)
- 3.4 3.4.1
- | | |
|---------------------|-------------|
| Opening stock | R12 000,00✓ |
| Plus: Purchases | R 1 500,00✓ |
| | R13 500,00 |
| Less: Closing stock | R 4 000,00✓ |
| Cost of sales | R 9 500,00✓ |
| | |
- (4)
- 3.4.2
- | | |
|---------------------|-------------|
| Sales | R35 000,00✓ |
| Less: Cost of sales | R 9 500,00✓ |
| Gross profit | R25 500,00✓ |
- (3)
- 3.4.3
- | | |
|--------------------|-------------|
| Gross profit | R25 500,00✓ |
| Plus :Other income | |
| Rent income | R 3 000,00✓ |
| Gross income | R28 500,00✓ |
- (3)
- 3.4.4 R26 450✓✓ (2)
- [30]

QUESTION 4

- 4.1 4.1.1 Assets that can be used over a long period to produce income ✓✓
ONE of the following:
Land and building ✓
Vehicles
Equipment
Machinery (Any example) (3)
- 4.1.2 Long-term loans e.g. mortgage bond from a bank ✓✓
Short-term loans e.g. bank overdraft or other credit providers ✓✓
Purchasing stock on credit e.g. from suppliers/creditors (4)
- 4.1.3 Trading stock ✓
Cash in bank
Cash float on hand
Petty cash
Trade debtors/Accounts receivable (Any one example) (1)
- 4.1.4 Working capital is the money the organisation uses everyday to do
its business ✓✓
Start-up capital is all money, possessions and skills needed to start
a business ✓✓ (4)
- 4.2 4.2.1 $R5\,500 \times \frac{14}{114}$ ✓
R675,43 ✓ (2)
- 4.2.2 $R5\,500 \times \frac{25}{100}$
profit = R1 375 ✓ ✓✓
then: $R5\,500 + R1\,375 = R6\,875$ (3)
- 4.2.3 Total invoice = $R6\,875,00 \times \frac{14}{100} = R962,50$ (VAT) ✓ (2)

- 4.3
- | PETTY CASH VOUCHER | |
|---|---|
| | No: <u>003</u> ✓
Date: <u>15 June 2012</u> ✓ |
| Amount: <u>R35,00 (thirty five rands)</u> ✓ | |
| For: <u>Refreshments....</u> ✓ | |
| Petty cashier: <u>L. Mabel.....</u> ✓ | |
| Receiver/buyer: <u>S. Kate...</u> ✓ | |
| Authorised by: <u>K. Kennedy.</u> ✓ | |
- (7)
- 4.4
- Installing cameras so that shoplifting may be recorded ✓
 - Warning signs around the shop to warn customers of punishment if caught ✓
 - Security tags on clothing and other items ✓
 - Installing electronic security stalls at exits ✓
 - Visible security guards ✓
 - Changing shop layout so that there are no areas where customers may to conceal stolen items
 - Screening of potential employees by doing background checks on them
- (4)
[30]

QUESTION 5

- | | | | | |
|-----|-------|-----------------------------------|---------|-----|
| 5.1 | 5.1.1 | Cheque counterfoil ✓ | | |
| | 5.1.2 | Cash payments journal ✓ | | |
| | 5.1.3 | Credit Invoice ✓ | | |
| | 5.1.4 | Debtors journal ✓ | | |
| | 5.1.5 | Internal journal memo ✓ | | |
| | 5.1.6 | General journal ✓ | | |
| | 5.1.7 | Credit invoice ✓ | | |
| | 5.1.8 | Creditors journal ✓ | (8 x 1) | (8) |
| 5.2 | | Details of non-current assets ✓✓ | | |
| | | Current income statement ✓✓ | | |
| | | Two consecutive balance sheets ✓✓ | | (6) |

5.3	VAT input – the total amount of money charged when purchasing goods from suppliers✓✓ VAT output- the total amount of money charged when selling goods to customers✓✓	(4)
5.4	Reinvested ✓✓ Retained	(2)
5.5	Endorsement ✓✓	(2)
5.6	5.6.1 SITE - Standard income tax on employees✓✓	(2)
	5.6.2 PAYE - Pay as you earn✓✓	(2)
5.7	Debit order – can be defined as an instruction to the bank✓ authorising a third party✓ to withdraw from your bank account✓ on a regular basis*o ✓	(4)
		[30]
		TOTAL: 150