



Department:
Education
REPUBLIC OF SOUTH AFRICA

TIME: 2½ HOURS MARKS: 150
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INSTRUCTIONS AND INFORMATION

1. Answer ALL the questions.
2. Answer SECTION A on the attached ANSWER SHEET.
3. Show ALL your calculations.
4. Read ALL the questions carefully.
5. Number your answers according to the numbering system used in this question paper.
6. Use the table below to guide you in how much time to spend answering each question.
7. Write neatly and legibly.

QUESTION NUMBER	TOPIC	MARKS	RECOMMENDED TIME GUIDE
SECTION A			
1	Short questions	25	20 minutes
2	Short questions	25	20 minutes
SECTION B			
3	Manage finances for a new venture	40	40 minutes
4	Perform basic business calculations	25	30 minutes
5	Conduct basic financial transactions	15	15 minutes
6	Complete basic business calculations	20	25 minutes
	TOTAL	150	150 minutes

SECTION A**QUESTION 1**

- 1.1 Choose an item from COLUMN B that matches a description in COLUMN A. Write only the letter (A – G) next to the question number (1.1.1 – 1.1.5) on the attached ANSWER SHEET, for example 1.1.6 K.

COLUMN A		COLUMN B	
1.1.1	Taking money out of a bank account	A	gross profit
1.1.2	Balance Sheet and the Income Statement	B	withdrawal
1.1.3	A small amount of money that is made available in a business to buy small items	C	teller
1.1.4	Person who is required to be registered under the Value Added Tax Act (Act 89 of 1991)	D	petty cash
1.1.5	The profit before any costs are deducted	E	financial statements
		F	vendor
		G	selling price

(5 × 1)

(5)

- 1.2 Complete the following sentences by filling in the missing word(s). Write only the missing word(s) next to the question number (1.2.1 – 1.2.5) on the attached ANSWER SHEET.

- 1.2.1 A ... is an instruction given to a bank to take money off that person's or business' bank account. (2)
- 1.2.2 ... is the loss of stock through breakages, theft or other factors. (2)
- 1.2.3 In a ... stock/inventory system, cost of sales will only be calculated at the end of financial period when a physical stock take is done. (2)
- 1.2.4 Using the internet to pay money that you owe, is referred to as (2)
- 1.2.5 A document that confirms that payment has been made is called a/an (2)

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) on the attached ANSWER SHEET.

- 1.3.1 A (teller/drawer) is a person whose job is to receive and pay out money at a bank. (2)
- 1.3.2 (Mark-up/Mark-down) is the difference between the cost price and the selling price. (2)
- 1.3.3 The price that a retailer pays for an item is the (selling price/cost price). (2)
- 1.3.4 An amount of money that employers have to pay to the South African Revenue Services for training, is called (skills levy/income tax). (2)
- 1.3.5 The money used to start a business is (working capital/start-up capital). (2)
- [25]**

QUESTION 2

2.1 Various options are given as possible answers to the following questions. Choose the correct answer and write only the letter (A – D) next to question number (2.1.1 – 2.1.10) on the attached ANSWER SHEET, for example 2.1.11 A.

- 2.1.1 Which of the following is an example of current assets?
- A Stock
 - B Debtors
 - C Cash and cash equivalent
 - D All the above-mentioned
- (2)
- 2.1.2 A ... is a plastic card that you can use to pay for items:
- A debit order
 - B debit card
 - C stop sign
 - D bank charges
- (2)
- 2.1.3 The current percentage of VAT charged for services rendered in South Africa is ...
- A 10%.
 - B 12%.
 - C 15%.
 - D 14%.
- (2)

- 2.1.4 ... refer(s) to the agreement(s) that businesses offer to customers so that they can pay off their debt over a period of time.
- A Payment terms
 - B Accounts
 - C Instalment sale
 - D All the above-mentioned (2)
- 2.1.5 The system that most businesses use to control the petty cash, is called the ... system/method.
- A imprest
 - B straight
 - C continuous
 - D banking (2)
- 2.1.6 The ... is a piece of paper on which details of money that is put into or taken out of the petty cash box are written.
- A petty cash voucher
 - B deposit voucher
 - C income tax voucher
 - D None of the above-mentioned (2)
- 2.1.7 A business issues a ... as proof that a payment was made.
- A cheque
 - B cheque counterfoil
 - C deposit
 - D receipt (2)
- 2.1.8 ... is the income of a business before operating expenses are deducted.
- A Rent income
 - B Income accrued
 - C Discount received
 - D Gross income (2)
- 2.1.9 The following are methods a business can use to reduce shrinkage:
- A Warning signs indicating penalties for stealing
 - B Security tags
 - C Security guards
 - D All the above-mentioned (2)

2.1.10 A ... is issued when a business buys stock from the supplier.

- A credit note
- B receipt
- C tax invoice
- D debit note

(2)

2.2 Indicate whether the following statements are TRUE or FALSE. Write only 'true' or 'false' next to the question number (2.2.1 – 2.2.5) on the attached ANSWER sheet, for example 2.3.6 FALSE.

2.2.1 Bank charges are an example of an operating expense.

(1)

2.2.2 Fixed costs are costs which remain unchanged (in total) regardless of the level of activity in a business.

(1)

2.2.3 A balance sheet indicates the financial position of a business enterprise on a specific date.

(1)

2.2.4 A building is an example of a non-current asset.

(1)

2.2.5 Managing the finances of a new venture is not important.

(1)

[25]

TOTAL SECTION A: 50

SECTION B**QUESTION 3**

3.1 Study the following Bank Statement and answer the questions that follow.

PROSPERITY BANK

BANK STATEMENT

CHEETAH SERVICES
155 Nelson Mandela Street
CAPE TOWN
0001

Statement No. 1
Cheque account No: 5876544040

DATE: 31 August 2009

DATE	DETAILS	DEBIT	CREDIT	BALANCE
01/08/2009	Balance brought forward			R6 500,00
05/08/2009	Direct deposit: M van Rooyen		2 000,00	8 500,00
07/08/2009	Cheque No.: 02	1 500,00		7 000,00
10/08/2009	Cheque No.: 04	700,00		6 300,00
14/08/2009	Deposit		6 700,00	13 000,00
17/08/2009	C/B	45,00		12 955,00
18/08/2009	Cheque No.: 03	1 000,00		11 955,00
20/08/2009	D/O: Old Mutual	230,00		11 725,00
22/08/2009	Cheque No.: 01	500,00		11 225,00
25/08/2009	Deposit		4 500,00	15 725,00
28/08/2009	S/F	90,00		15 635,00
30/08/2009	Interest on current account		180,00	?

D/O - Debit order for insurance premium paid directly to Old Mutual
 C/B - Cheque book charges/fees
 S/F - Monthly service fees charged

- 3.1.1 Name the client for whom this Bank Statement was prepared. (1)
- 3.1.2 How does the transaction on 5 August 2009 affect the bank balance? (2)
- 3.1.3 Briefly explain a *direct deposit* (transaction on 5 August 2009). (3 x 2) (6)
- 3.1.4 Calculate the total bank charges that the client paid during August 2009. (2)
- 3.1.5 Calculate the closing balance on the Bank Statement on 31 August 2009. (2)

- 3.1.6 Is the closing balance on the Bank Statement favourable or unfavourable? (1)
- 3.1.7 Explain the term *debit order*. (4)
- 3.2 Explain the purpose of financial statements. (3 x 2) (6)
- 3.3 Name the THREE parts/categories that a Cash Flow Statement is divided into. (6)
- 3.4 Study the following Bank Statement and answer the questions that follow.

**Extract from the Income Statement of Grasslands Stores for the year ended
28 February 2008**

ITEMS	2008	2009
Sales for the year	1 534 000	1 700 000
Less: Cost of sales	890 000	950 000
Gross profit for the year	644 000	750 000
Plus other income	15 000	10 000
Total gross income for the year	659 000	760 000
Less total operating expenses	150 000	250 000
Net profit for the year before tax	?	510 000
Less tax (30%)	?	?
Net profit after tax	356 300	?

Calculate the following: (Round off answers to TWO decimals where applicable.)

- 3.4.1 The gross profit percentage for 2009 (2)
- 3.4.2 The net profit percentage for 2008 (2)
- 3.4.3 The tax for 2008 (2)
- 3.4.4 The net profit for the year after tax of 2009 (4)

[40]

QUESTION 4

- 4.1 Nicolette de Lange provided you with the following information taken from the accounting records of her cellphone trading business. Nicolette is a registered VAT vendor and deals only with other registered VAT vendors.

Total purchases for October 2009, inclusive of VAT: R660 000

Total sales for October 2009, inclusive of VAT: R950 000

Calculate the following: (Show ALL your workings and round off answers to TWO decimal places.)

- 4.1.1 The input VAT for October 2009 (2)
- 4.1.2 The output VAT for October 2009 (2)
- 4.1.3 The amount of VAT payable to or refundable by the South African Revenue Services (SARS). Indicate whether the VAT is payable or refundable. (3)
- 4.2 Define the following terms:
- 4.2.1 Selling price (3)
- 4.2.2 VAT (3)
- 4.2.3 Cost price (3)
- 4.3 Melamu Manufacturers bought trading stock from Radebe Traders for R9 800 (VAT exclusive). Melamu Manufacturers calculates selling price by adding a profit mark-up of 10% to the cost price. The business sells all the stock bought from Radebe Traders to Susan Toolo. Answer the following questions:
- 4.3.1 What will Susan pay Melamu Manufacturers for the stock? (5)
- 4.3.2 Calculate the VAT payable to or refundable by SARS. (4)

[25]

QUESTION 5

5.1 Study the cheque below and answer the questions that follow.

KAYAMANDI BANK	
006-005	
DATE : <u>30 April 2009</u>	
STELLENBOSCH BRANCH	
PAY: <u>Maputla Services</u>	OR BEARER
THE SUM OF : <u>Ten Thousand Four Hundred and</u>	
	R. <u>10 450.00</u>
<u>Fifty rand only</u>	
BROWNS PHOTO STUDIO	
<u>S. Brown.</u>	
"105702 1: 20 22021:	200505772" 71

- | | | |
|-------|--|-----|
| 5.1.1 | Identify the drawer of the cheque. | (1) |
| 5.1.2 | Identify the payee of the cheque. | (1) |
| 5.1.3 | Identify the drawee of the cheque. | (1) |
| 5.1.4 | Name ONE restrictive expression, word or marking that can be used in a cheque. Explain its effect. | (2) |

5.2 Ray Plaatjies is a plumber who opened a plumbing business called A&B Plumbing recently. He receives R1 950 on 13 May 2009 from his first client, Papi Madalane, for services rendered.

Use the receipt provided on the attached ANSWER SHEET to record the transaction. (5)

- 5.3 Thabo is the owner of T&T Stores. He banks his daily income at the end of each day. On Friday 15 March 2009 he sorted out his cash receipt to go to the bank.

Use the quantity of the different notes and coins indicated in the table below to determine how much money was deposited into Thabo's bank account.

NOTES AND COINS	QUANTITY
R200,00	4
R100,00	11
R50,00	7
R20,00	5
R10,00	12
R5 coins	13
R2 coins	1
R1 coins	50
R0,50 coins	110

(5)
[15]

QUESTION 6

- 6.1 Use the information provided in the table below to answer the questions that follow.

Earnings before interest and tax (EBIT)	2 550 000
Interest on loan	777 000
Earnings after interest but before tax	?
Less: Taxation (30%)	?
Earnings after taxation	?

- 6.1.1 Calculate the earnings after interest but before tax (1)
 6.1.2 Calculate the taxation for year (2)
 6.1.3 Calculate earnings after taxation (2)

- 6.2 Study the extract from Income Statement of Yellow Wood Traders for the 2008 and 2009 financial years provided below and answer the questions that follow.

	2008	2009
Sales	600 000	750 000
Gross profit	180 000	250 000
Expenses	145 000	168 000
Net profit	35 000	82 000

- 6.2.1 Compare the sales for the 2008, 2009 financial years. Indicate whether there was an increase or a decrease in the sales total and provide the amount. (1)
- 6.2.2 Compare the operating expenses (excluding cost of sales) for the two years and calculate the difference in rand value. (1)
- 6.2.3 State whether the net profit has increased or decreased from 2008 to 2009. Indicate the amount with which it has increased or decreased. (1)

6.3 Use the information provided below to answer questions that follow.

Summary of Ledger Account totals taken from the books of Mandela View Stores

Telephone	R4 400
Wages	R140 505
Bank charges	R550
Insurance	R5 500
Water and electricity	R17 850
Interest on fixed deposit	R12 900
Rent received	R36 000

- 6.3.1 In addition to the sale of goods, Mandela View Stores derived income from other sources. Name the sources. (2)
- 6.3.2 Calculate the total operating expenses incurred by his business. Show ALL your calculations. (5)
- 6.4 List and explain FIVE examples of shrinkage that will have an effect on the profit of a business. (5)

[20]

TOTAL SECTION B: 100
GRAND TOTAL: 150

ANSWER SHEET**EXAMINATION NUMBER:****CENTRE NUMBER:**

SECTION A**QUESTION 1**

- | | | | |
|-----|-------|-------|-------------|
| 1.1 | 1.1.1 | _____ | (1) |
| | 1.1.2 | _____ | (1) |
| | 1.1.3 | _____ | (1) |
| | 1.1.4 | _____ | (1) |
| | 1.1.5 | _____ | (1) |
| 1.2 | 1.2.1 | _____ | (2) |
| | 1.2.2 | _____ | (2) |
| | 1.2.3 | _____ | (2) |
| | 1.2.4 | _____ | (2) |
| | 1.2.5 | _____ | (2) |
| 1.3 | 1.3.1 | _____ | (2) |
| | 1.3.2 | _____ | (2) |
| | 1.3.3 | _____ | (2) |
| | 1.3.4 | _____ | (2) |
| | 1.3.5 | _____ | (2) |
| | | | [25] |

ANSWER SHEET

EXAMINATION NUMBER:

CENTRE NUMBER:

QUESTION 2

2.1	2.1.1		(2)
	2.2.2		(2)
	2.2.3		(2)
	2.2.4		(2)
	2.2.5		(2)
	2.2.6		(2)
	2.2.7		(2)
	2.2.8		(2)
	2.2.9		(2)
	2.2.10		(2)
2.2	2.2.1		(1)
	2.2.2		(1)
	2.2.3		(1)
	2.2.4		(1)
	2.2.5		(1)
			[25]

ANSWER SHEET

EXAMINATION NUMBER:

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CENTRE NUMBER:

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QUESTION 5.2

A & B Electrical

RECEIPT

No. 01

Received from:

Date:

Amount

**Rand
Cent**

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For:

With thanks:

.....
Signature

(5)