



**higher education  
& training**

Department:  
Higher Education and Training  
**REPUBLIC OF SOUTH AFRICA**

# **MARKING GUIDELINE**

**NATIONAL CERTIFICATE (VOCATIONAL)**

**NOVEMBER EXAMINATION 2011**

**FINANCIAL MANAGEMENT  
NQF LEVEL 2**

**18 OCTOBER 2011**

**This marking guideline consists of 8 pages.**

**QUESTION 1**

1.1	1.1.1	C ✓	(1)
	1.1.2	D ✓	(1)
	1.1.3	C ✓	(1)
	1.1.4	A ✓	(1)
	1.1.5	C ✓	(1)
	1.1.6	C ✓	(1)
	1.1.7	C ✓	(1)
	1.1.8	A ✓	(1)
	1.1.9	<del>A</del> ✓ <b>The answer must be R300. No option is given. Any option is correct to benefit the candidates.</b>	(1)
	1.1.10	C ✓	(1)
	1.1.11	A ✓	(1)
	1.1.12	B ✓	(1)
	1.1.13	<del>A</del> ✓ <b>This question is not in the subject/assessment guideline for level 2. Any option is correct to benefit the candidates.</b>	(1)
	1.1.14	A ✓	(1)
	1.1.15	B ✓	(1)
1.2	1.2.1	F ✓cheque counterfoil	(1)
	1.2.2	A ✓working capital	(1)
	1.2.3	H ✓stock rotation	(1)
	1.2.4	D ✓bank statement	(1)
	1.2.5	C ✓VAT( Value Added Tax)	(1)
1.3	1.3.1	positive ✓	(1)
	1.3.2	imprest ✓	(1)
	1.3.3	zero ✓	(1)
	1.3.4	shareholders ✓	(1)

	1.3.5	vouchers ✓	(1)
1.4	1.4.1	bank reconciliation ✓	(1)
	1.4.2	PAYE ✓	(1)
	1.4.3	gross wages ✓	(1)
	1.4.4	debtor ✓	(1)
	1.4.5	petty cash ✓	(1)
			<b>[30]</b>

**QUESTION 2**

2.1	2.1.1	Insurance ✓ Telkom Account ✓	(2)
	2.1.2	R 1 140.00 ✓✓	(2)
	2.1.3	Yes, ✓ at the beginning of the statement there was a balance carried forward indicated was negative, which means overdraft ✓	(2)
	2.1.4	Vat payable ✓, total VAT output was more than total VAT input ✓	(2)
	2.1.5	R40.00 ✓✓	(2)
	2.1.6	-R4 840,.00 ✓✓	(2)

## 2.2 ABSA Bank Deposit slip

		Date: 2011-05-18	
		Datum:	
Credit : Komoti Cleaning Services ✓		Notes	✓670 00
Account no...123 457890		Coins	✓54 00
Telephone no: (047) 670-1001		Postal/Money orders	
Signature: Chicky Maloti		Total cash and postal/money order	724 00
	Cheque deposited (drawer's name)		
	1.M Makgosi ✓		250 00
	2.		
Depositor name: C. Maloti		Total cheques	250 00
Total		✓974	00

(5)

2.3 2.3.1

Labour R80 x 3 hours	R240.00✓
Plus other variable cost per hour(R2 500 / 100) Thus: R25 x 3	R75.00✓
Plus fixed cost per hour (R1 200/100) Thus: R12 x 3	R36.00✓
Plus spare part(10% added)	R132.00✓
Total cost (240 + 75 + 36+ 132)	R483.00
Plus profit 25%	R120.75
Total invoice	R603.75✓

(5)

2.3.2 Yes✓, R120.75✓

(2)

2.4 2.4.1 More number of units were sold✓

Price per item increased✓

Better advertising

Aggressive marketing campaigns/ techniques

**Two of the above**

(2)

2.4.2 Net profit after tax and interest x 100  
Sales 1

$$\frac{165\,000}{950\,000} \times \frac{100}{1} \checkmark$$

17.37% ✓

(2)

2.4.3 Gross profit x 100  
Sales 1

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

50% ✓

(2)

**[30]**

**QUESTION 3**

3.1

Income statement of Komoti Cleaning Services 31 May 2011

Turnover		6,000.00✓
Less: Cost of sales		2,500.00✓
Gross profit		3,500.00✓✓
Add: other income		1,420.00✓✓
Discount received	620.00	
Rent received	800.00	
Gross income		4,920.00✓✓
Less: operating expenses		1,880.00✓✓
Salaries	1,000.00	
Stationery	250.00	
Telephone	150.00	
Fuel	305.00	
Insurance	175.00	
Net profit		3,040.00✓✓

(12)

3.2 Negative Influence✓✓ or  
It will decrease the net profit.

(2)

3.3 Checking deliveries for quantity and quality✓✓  
Regular stocktaking✓✓

(4)

3.4

PETTY CASH ACCOUNT									
Date		Details	Amount		Date		Details	Amount	
2011 June	01	<b>Balance</b>	✓800	00	2011 June	<b>30</b>	Total payments	✓555	00
		Bank	✓✓555	00		30	Balance	✓800	00
			1 355	00				1355	00
2011 July	01	Balance	✓800	00					

(6)

3.5 3.5.1 The original price does not include VAT that is why it less than the amount after VAT has been included✓✓

$$R1\ 250,00 \times 14\% \text{ or } R1\ 250,000 \times \frac{14}{100} \checkmark$$

$$\text{VAT} = R175,00$$

$$R1\ 250,00 + R175,00 = R1\ 425,00 \checkmark$$

(4)

3.5.2 VAT input✓✓

(2)

**[30]**

**QUESTION 4**

No.	Assets =	Owners' Equity +	Liabilities	
1	-R100,00	-R100,00	0	✓✓
2	+R1 200,00	+R1 200,00	0	✓✓
3	-R1 350,00	-R1 350,00	0	✓✓
4	+R10 000,00	0	+R10 000,00	✓✓

**This is unfair and not in the subject guidelines for Financial Management L2. Candidates should be given 8 marks.**

(8)

Start-up capital	Working capital
Needed to start the business.✓✓	Needed to pay✓ for everyday expenses.✓

(4)

- 4.3 Debtors control ✓  
Trading stock  
Cash and cash equivalent  
**One of the above** (1)

- 4.4 **Two of the following**  
To attract new customers ✓✓  
To get rid of the slow moving stock ✓✓  
To get rid of the seasonal stock  
To get money in a short period of time so that they can invest in new projects (4)

- 4.5 **Vendor-** Any person having a business with sales of more than R1 million✓ within the period of 12 months.✓ (2)

- 4.6 4.6.1 Insufficient fund in the account✓✓  
Completed incorrectly ✓✓  
Alteration on the cheque which makes it invalid  
The account is closed/does not exist  
The amount in words differs from figures  
Cheque is post-dated  
Cheque is older than 6 months/stale  
( any two answers ) (4)

- 4.6.2 To make sure that the cheque can only be cashed ✓by the person whose name appears on the cheque.✓ (2)

- 4.7 The loss of trading stock/merhandise✓ due to theft, ✓ fraud✓, faulty accounting procedures, breakages, actual shrinking material.  
**(accept any correct answer)** (3)

- 4.8 The money retained is going to be used for re-investment✓ or for expanding the business. ✓ (2)

**[30]**

**QUESTION 5**

- 5.1      5.1.1      To show the summary of inflow and outflow✓ of money and supplies information for decision making. ✓  
Or  
To show the source of funds and application of funds within the business (2)
- 5.1.2      Cash Flow from: Operating activities✓✓  
Investing activities✓✓  
Financing activities✓✓ (6)
- 5.1.3      Notes on the balance sheet✓✓  
Current year income statement ✓✓  
Two years consecutive balance sheet ✓✓ (6)
- 5.1.4      To reflect✓✓ the income and expenditure of the business for a particular period  
Or  
To provide them with the summary of a business performance during the financial year✓✓  
Or  
It shows how profitable is the business by calculating the net profit  
To calculate the net profit or net loss for the financial period  
Or  
To determine the operating profit and net profit or loss (2 x 1) (2)
- 5.1.5      The income statement will reflect a loss ✓or deficit if the business experiences continuous losses. It may become insolvent✓  
The business may be unable to pay off its debts. (2)

- 5.2
- Date: 31 May 2011✓

To : Smith Enterprises ✓

For : On Account✓

Amount :R850,00. ✓
- (4)

- 5.3      ~~Continuous/perpetual stock system✓~~  
~~Periodic stock system✓~~ (2)

**Candidates were asked two stock trading systems, which is not in the subject guidelines. Two marks must be given. Or the memo must be changed to cash sales or credit sales.**

5.4 ~~The business plan must describe the following:~~

~~Type of business you intend to open✓~~

~~Name of the business✓~~

~~Objectives or goals of the business✓~~

~~When you intend to start the business✓~~

~~Your strong and weak points (SWOT)✓~~

~~Cash flow projections✓~~

~~Motivation why your business idea will succeed~~

(6)

**This question is for Financial Management Level 4 or Entrepreneurship L2. It is not in the guidelines. Unfair question. Candidates must be given 6 marks.**

[30]

**TOTAL: 150**

**Comments and suggested accepted – Make changes as indicated.**

**UC Jegels 19.10.2011**