

higher education & training

Department: Higher Education and Training REPUBLIC OF SOUTH AFRICA

MARKING GUIDELINE

NATIONAL CERTIFICATE (VOCATIONAL)

NOVEMBER EXAMINATION 2012

FINANCIAL MANAGEMENT NQF LEVEL 2

9 NOVEMBER 2012

This marking guideline consists of 7 pages.

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-2-FINANCIAL MANAGEMENT L2

QUESTION 1

1.1	1.1.1 1.1.2 1.1.3 1.1.4 1.1.5 1.1.6 1.1.7 1.1.8 1.1.9	B√ D√ B√ C√ B√ C√ D√		(4.0)
	1.1.10	A✓	(10 × 1)	(10)
1.2	1.2.1 1.2.2 1.2.3	D√ F√ B√		
	1.2.4	A✓	<i>i</i> -	<i>(</i> _)
	1.2.5	C√	(5 × 1)	(5)
1.3	1.3.1 1.3.2 1.3.3 1.3.4 1.3.5	Personnel/Staff✓ Retained income✓ VAT✓ Gross profit ✓ Capital✓	(5 × 1)	(5)
1.4	1.4.1 1.4.2 1.4.3 1.4.4 1.4.5 1.4.6 1.4.7 1.4.8 1.4.9	Creditors ✓ Cash flow statement✓ Fixed cost✓ Trial balance✓ Six ✓ Drawer ✓ Profit markup✓ VAT input✓ Duplicate ✓		
	1.4.10	Internal journal memo√	(10 × 1)	(10)

QUESTION 2

2.1

Sales	80 000	00	\checkmark		
Less: Cost of sales	35 000	00	✓		
Gross profit	45 000	00	✓		
Add: Other income	3 975	00			
Rent income	3 000	00	\checkmark		
Discount received	975	00	\checkmark		
Gross income	48 975	00			
Less: Operating expenses	10 305	00			
Telephone	895	00	\checkmark		
Water and electricity	1000	00	\checkmark		
Salaries	8 000	00	\checkmark		
Stationery	250	00	✓		
Insurance	160	00	\checkmark		
_					
Net profit/net income	38 670	00	$\checkmark\checkmark$		(*
·	38 670	00	$\checkmark\checkmark$		(*
Positive effect ✓✓	38 670	00	√ √		
Positive effect ✓✓	38 670	00	~~		(*
·		00	<i>√ √</i>		
Positive effect ✓✓ It will increase Shrinkage – the loss of stock throu	igh theft √√	00	~		
Positive effect ✓✓ It will increase Shrinkage – the loss of stock throu Goods go missing because it has b	igh theft √√ been stolen				(
Positive effect ✓✓ It will increase Shrinkage – the loss of stock throu Goods go missing because it has t Cost per wardrobe	igh theft √√ been stolen ===F	R400	,00		(
Positive effect ✓✓ It will increase Shrinkage – the loss of stock throu Goods go missing because it has b Cost per wardrobe Plus fixed cost per wardrobe (1200	igh theft ✓✓ been stolen 0 + 750)/45 ===F	R400 R 43	,00	\checkmark	(
Positive effect ✓✓ It will increase Shrinkage – the loss of stock throu Goods go missing because it has b Cost per wardrobe Plus fixed cost per wardrobe (1200 Total cost per wardrobe	lgh theft √√ been stolen 0 + 750)/45 ===F ===F	R400 R 43 R443	,00 ,00 ,00	\checkmark	(
Positive effect ✓✓ It will increase Shrinkage – the loss of stock throu Goods go missing because it has b Cost per wardrobe Plus fixed cost per wardrobe (1200	lgh theft √√ been stolen 0 + 750)/45 ===F ===F	२400 २ 43 २443 २110	,00 ,00 ,00 ,75	\checkmark	(

2.5

2.2

2.3

2.4

				PET	T	Y CASH	H AC	COUNT	
Date		Details	Amount			Date		Details	Amount
2012	01	Bank	800	\checkmark		2012	30	Total	450 ✓
June						June		payments	
June	30	Bank	450	\checkmark		June	30	Balance	800 🗸
			1 250						1 250
2012	01	Balance	800	\checkmark					
July									

2.6 petty cash ✓

(1) **[30]**

(5)

QUESTION 3

3.1 Gross profit margin 2011

<u>Gross profit</u> x <u>100</u> Sales 1 <u>150 000</u> x <u>100</u>√ 300 000 1

50%√

Gross profit margin 2012

<u>Gross profit</u>	Х	<u>100</u>
Sales		1
200 000	x <u>1</u>	00√
385 000		1

52%✓ or 51,95

Stock was purchased at a lower cost ✓ Better marketing or aggressive advertising ✓ Larger number of units sold in 2012 than those of 2011 (Any TWO/Accept candidate's reasonable and appropriate responses)

3.2 ABSA Bank Deposit slip

					Date 12/06	6/31√
Credit: Dembe Traders	\checkmark	Not	Notes		1 200	00√
Account no 331 501 805		Coi	าร		61	50√
Telephone no		Pos	tal/Mone	у		
		ord	ers	-		
Signature ✓		Tota	al cash	and	1 261	50
		pos	tal/mone	y		
		ord	ers			
	Cheque depos	ited (drawer's			
	name)					
	1. J Smith				5 150	00√
	2.					
Depositor name: M. Maanda			Total		5 150	00
			cheque	3		
Reference			-			
			Total		6 411	50√

3.3

- 3.3.1 R30 000√
- 3.3.2 R45 000√
- 3.3.3 R225 000√

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(7)

(1)

(1)

(1)

	3.3.4	R200 000✓	(1)
	3.3.5	Fixed assets are bought by the business to be used for a long period of time for the purpose of producing income. $\checkmark \checkmark$	(2)
	3.3.6	Balance sheet – shows the financial position of a business \checkmark \checkmark	(2)
	3.3.7	Yes, ✓ (long term: R90 000 + short term: R10 000) R100 000✓	(2)
3.4	3.4.1	R65 000 x <u>14</u> ✓ 114 R7 982,45 ✓ or R7 982,46	(2)
	3.4.2	R35 000 x <u>14</u> 100√ R4 900√	(2)
	3.4.3	Dembe Traders will have to pay SARS. \checkmark The output VAT is more than the input VAT $\checkmark \checkmark$ /The business collected more VAT than what it paid in VAT/VAT on sales exceeded VAT on purchases	(3)

QUESTION 4

4.1 Drawer $\sqrt{-}$ a person who has a current account and signs the cheque $\sqrt{-}$

Payee \checkmark – a person who receives the payment \checkmark

Drawee \checkmark – the bank where the drawer has a current account and that has to pay the money to the payee. \checkmark (6)

- 4.24.2.1Selling price is the marked price \checkmark on a product or the price for
which a product is sold \checkmark and is more than the cost price \checkmark (3)
 - 4.2.2 Price markup is the difference ✓ between the cost price ✓ and the selling price ✓ of products or services
 The percentage profit that the business adds to the cost price of products/services in order to determine the selling price (3)
 - 4.2.3 Price markdown is a reduction or decrease \checkmark in the selling price \checkmark of a product or service and the item is offered on sale \checkmark
- 4.3 A bank statement is a record of the business's banking transactions for a particular month $\checkmark \checkmark$

A bank statement shows the deposits and withdrawals made from the account A bank statement shows the available amount of money in the account (3)

[30]

-6-FINANCIAL MANAGEMENT L2

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4.4	4.4.1	R20 000 x <u>10</u> √ 100 = R2 000√ Then: R20 000 – R2 000	OR 20 000 X <u>90</u> 100√√	
		= R18 000 payable ✓	= R18 000 ✓	(3)
	4.4.2	R2 000√√		(2)
	4.4.3	account $\checkmark \checkmark$ Cash sales to customers boos To reward customers for the c	y for cash rather than on credit/on at the business's cash flow position ash purchases g to the agreed terms of payment	(2)
4.5	Aggressi More unit	arketing techniques√√ ve or widespread advertising√√ ts sold than previously bulk sales discount	(Any 2 or accept relevant answers)	(4)
4.6	•	oenses√√ expenses		(2) [30]

QUESTION 5

5.1	Two consecutive balance sheets ✓ ✓ The current income statement ✓ ✓ Details of non-current assets ✓ ✓		(6)
5.2	Dividends are the portion of a company's shareholders. $\checkmark\checkmark$	profit that is divided among the	(2)
5.3	Dividends are payable to the shareholders.	$\langle \checkmark$	(2)
5.4	The purpose of an income statement is to the business for a certain financial period. The income statement is used to calculate a particular financial period.	· √	(2)
5.5	Theft of stock ✓ ✓ Embezzlement of cash ✓ ✓ Wrong calculations Number of units sold decreased Lower (decreased) mark-up percentage Increased cost price of goods	(Any 2 other relevant answers)	(4)
5.6	To prevent fraudulent transactions \checkmark		(2)

-7-FINANCIAL MANAGEMENT L2

5.7 Installing cameras so that shoplifting may be recorded ✓ ✓
 Warning signs around the shop to warn customers of consequences if caught ✓ ✓
 Security tags on clothing and other items
 Visible security guards
 Changing shop layout so that there are no areas where customers may conceal stolen items

Screening of potential employees by doing background checks on them

(Any 2 appropriate responses) (4)

5.8

Labour R80 x 2	R160,00	\checkmark
Plus other variable cost per		
hour (R800/100)		
Thus: R8 x 2	R16,00	\checkmark
Plus fixed cost per hour		
(R1 500/100)		
Thus: R15 x 2	R30,00	\checkmark
Thus: R15 x 2 Plus spare part (3% added)	R30,00 R257,50	✓ ✓ ✓
	,	$\frac{\checkmark}{\checkmark\checkmark}$
Plus spare part (3% added)	R257,50	$\frac{\checkmark}{\checkmark\checkmark}$
Plus spare part (3% added) Total cost (R160 + R16 + R30	R257,50	
Plus spare part (3% added) Total cost (R160 + R16 + R30 + R257,50)	R257,50 R463,50	

(8)

[30]

TOTAL: 150