



**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.**

**QUESTION 1**

1.1	1.1.1	B✓		
	1.1.2	D✓		
	1.1.3	B✓		
	1.1.4	C✓		
	1.1.5	B✓		
	1.1.6	C ✓		
	1.1.7	C✓		
	1.1.8	D✓		
	1.1.9	B✓		
	1.1.10	A✓	(10 × 1)	(10)
1.2	1.2.1	D✓		
	1.2.2	F✓		
	1.2.3	B✓		
	1.2.4	A✓		
	1.2.5	C✓	(5 × 1)	(5)
1.3	1.3.1	Personnel/Staff✓		
	1.3.2	Retained income✓		
	1.3.3	VAT✓		
	1.3.4	Gross profit ✓		
	1.3.5	Capital✓	(5 × 1)	(5)
1.4	1.4.1	Creditors ✓		
	1.4.2	Cash flow statement✓		
	1.4.3	Fixed cost✓		
	1.4.4	Trial balance✓		
	1.4.5	Six ✓		
	1.4.6	Drawer ✓		
	1.4.7	Profit markup✓		
	1.4.8	VAT input✓		
	1.4.9	Duplicate ✓		
	1.4.10	Internal journal memo✓	(10 × 1)	(10)
				<b>[30]</b>

**QUESTION 2**

2.1

Sales	80 000	00	✓
<b>Less: Cost of sales</b>	<b>35 000</b>	<b>00</b>	✓
Gross profit	45 000	00	✓
<b>Add: Other income</b>	<b>3 975</b>	<b>00</b>	
Rent income	3 000	00	✓
Discount received	975	00	✓
Gross income	48 975	00	
<b>Less: Operating expenses</b>	<b>10 305</b>	<b>00</b>	
Telephone	895	00	✓
Water and electricity	1000	00	✓
Salaries	8 000	00	✓
Stationery	250	00	✓
Insurance	160	00	✓
Net profit/net income	38 670	00	✓✓

(12)

2.2 Positive effect ✓✓  
It will increase

(2)

2.3 Shrinkage – the loss of stock through theft ✓✓  
Goods go missing because it has been stolen

(2)

2.4 Cost per wardrobe ===R400,00 ✓  
Plus fixed cost per wardrobe  $(1200 + 750)/45$  ===R 43,00 ✓✓  
Total cost per wardrobe ===R443,00 ✓  
Plus 25% profit ===R110,75 ✓✓  
Selling price per wardrobe ===R553,75 ✓✓

(8)

2.5

PETTY CASH ACCOUNT									
Date		Details		Amount		Date		Details	Amount
2012 June	01	Bank		800	✓	2012 June	30	Total payments	450
June	30	Bank		450	✓	June	30	Balance	800
				1 250					1 250
2012 July	01	Balance		800	✓				

(5)

2.6 petty cash ✓

(1)

**[30]**

**QUESTION 3**

3.1 Gross profit margin 2011

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

$$\frac{150\,000}{300\,000} \times \frac{100}{1} \checkmark$$

50%✓

**Gross profit margin 2012**

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

$$\frac{200\,000}{385\,000} \times \frac{100}{1} \checkmark$$

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)

(6)

3.2 ABSA Bank Deposit slip

		Date 12/06/31✓	
Credit: Dembe Traders✓	Notes	1 200	00✓
Account no 331 501 805	Coins	61	50✓
Telephone no	Postal/Money orders		
Signature ✓	Total cash and postal/money orders	1 261	50
Cheque deposited (drawer's name)			
1. J Smith		5 150	00✓
2.			
Depositor name: M. Maanda	Total cheques	5 150	00
Reference			
Total		6 411	50✓

(7)

3.3 3.3.1 R30 000✓

(1)

3.3.2 R45 000✓

(1)

3.3.3 R225 000✓

(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.✓✓ (2)
- 3.3.6 Balance sheet – shows the financial position of a business✓✓ (2)
- 3.3.7 Yes, ✓ (long term: R90 000 + short term: R10 000) R100 000✓ (2)
- 3.4 3.4.1  $R65\,000 \times \frac{14}{114}$  ✓  
R7 982,45 ✓ or R7 982,46 (2)
- 3.4.2  $R35\,000 \times \frac{14}{100}$  ✓  
R4 900✓ (2)
- 3.4.3 Dembe Traders will have to pay SARS.✓  
The output VAT is more than the input VAT✓✓/The business collected more VAT than what it paid in VAT/VAT on sales exceeded VAT on purchases (3)
- [30]

**QUESTION 4**

- 4.1 Drawer ✓ – a person who has a current account and signs the cheque ✓  
Payee✓ – a person who receives the payment✓  
Drawee ✓ – the bank where the drawer has a current account and that has to pay the money to the payee. ✓ (6)
- 4.2 4.2.1 Selling price is the marked price ✓ on a product or the price for which a product is sold ✓ and is more than the cost price✓ (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✓ in the selling price✓ of a product or service and the item is offered on sale✓ (3)
- 4.3 A bank statement is a record of the business's banking transactions for a particular month ✓✓  
or  
A bank statement shows the deposits and withdrawals made from the account  
A bank statement shows the available amount of money in the account (2)



- 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	✓
Plus other variable cost per hour (R800/100)		
Thus: R8 x 2	R16,00	✓
Plus fixed cost per hour (R1 500/100)		
Thus: R15 x 2	R30,00	✓
Plus spare part (3% added)	R257,50	✓✓
Total cost (R160 + R16 + R30 + R257,50)	R463,50	✓
Plus profit 20%	R92,70	✓
Total invoice	R556,20	✓

(8)

**[30]****TOTAL: 150**