



education

Department:
Education
REPUBLIC OF SOUTH AFRICA

NATIONAL CERTIFICATE (VOCATIONAL)

**FINANCIAL MANAGEMENT
NQF LEVEL 3**

SUPPLEMENTARY EXAMINATION 2009

(3011013)

**27 February (X-Paper)
09:00 – 12:00**

Non-programmable calculators may be used.

This question paper consists of 11 pages and a 14 page answer book.

TIME: 3 HOURS MARKS: 200

INSTRUCTIONS AND INFORMATION

1. This question paper consists of TWO sections.
2. Answer ALL the questions in both sections in the ANSWER BOOK.
3. Read ALL the questions carefully.
4. Number the answers correctly according to the numbering system used in this question paper.
5. Use the recommended TIME GUIDE to ensure how much time to spend on each question.
6. Show ALL calculations in order for part-marks to be allocated.
7. Use only black or blue ink.
8. Value Added Tax (VAT) is calculated at 14%.
9. Round off amounts to TWO decimals.
10. Write neatly and legibly.

QUESTION NUMBER	TOPIC	MARKS	RECOMMENDED TIME GUIDE
SECTION A			
1	SHORT QUESTIONS	25	20
2	SHORT QUESTIONS	25	20
SECTION B			
3	LONG QUESTIONS		
3	Calculate and record Value Added Tax transactions	40	35
4	Prepare Salaries and Wages Journals	20	20
5	Petty Cash system	20	20
6	Compile reconciliation statements	45	45
7	Basic administration of non-current assets manually	25	20
TOTAL		200	180 minutes

SECTION A**QUESTION 1**

- 1.1 Indicate whether the following statements are TRUE or FALSE. Write only 'true' or 'false' next to the question number (1.1.1 – 1.1.5) in the ANSWER BOOK.
- 1.1.1 Output VAT is the tax that a vendor collects on behalf of SARS from the customers when goods and services are sold.
- 1.1.2 VAT payments to SARS can be made in cash, by cheque or by using electronic funds transfers.
- 1.1.3 Petty Cash vouchers are numbered and filed according to the policy of the particular business.
- 1.1.4 Interest on credit bank balance, as indicated on the bank statement, is an expense for the business organisation.
- 1.1.5 During bank reconciliation, the Cash Receipt Journal and Cash Payments Journal are compared with the Bank Statement. (5 × 2) (10)
- 1.2 Choose the correct word(s) from those given in brackets. Write only the word(s) next to the question number (1.2.1 – 1.2.5) in the ANSWER BOOK.
- 1.2.1 (Cash float/Petty cash) is money consisting of notes and coins that are kept in a business organization to make cash payments.
- 1.2.2 The (attendance/asset) register is used to record all the important details about a particular asset from its purchase date to date of sale.
- 1.2.3 The (carrying value/depreciation) is the difference between the cost price and the accumulated depreciation of a non-current asset.
- 1.2.4 Items which appear in the credit column of the bank statement, but not reflected in the books of the business, are entered in the (cash receipts/cash payments) journal.
- 1.2.5 The stub that is kept by the drawer of a cheque for his/her own records is known as a (receipt/counterfoil). (5 × 2) (10)
- 1.3 Complete the following sentences by filling in the missing word(s). Write only the word(s) next to the question number (1.3.1 – 1.3.5) in the ANSWER BOOK.
- 1.3.1 ... salary is the amount an employee earns monthly after all the relevant deductions have been made.
- 1.3.2 A deposit of funds into the bank account is indicated on the bank statement as a/an ... entry.

- 1.3.3 A business must file and safely store all financial records and documents for ... years for VAT inspection and audit purposes.
- 1.3.4 Total assets minus total liabilities equals
- 1.3.5 When casual labourers are paid from petty cash, the ... account will be debited with the amount. (5 × 2)

(10)
[25]

QUESTION 2

- 2.1 Choose a/an item/word from COLUMN B that matches a description in COLUMN A. Write only the letter (A – G) next to the question number (2.1.1 – 2.1.5) in the ANSWER BOOK.

COLUMN A		COLUMN B
2.1.1	Remuneration paid for time worked in excess of the normal hours stipulated in the employment contract	A bank statement B overtime C non-current assets D gross wages E Unemployment Insurance Fund F current assets G original tax invoice
2.1.2	The fund to which an amount is contributed to assist people during periods when they are not working	
2.1.3	The document received from a bank indicating the monetary transactions for the month	
2.1.4	The source document used to record the credit purchase of goods and services from a supplier	
2.1.5	Assets that a business plans to keep for longer than one year	

(5)

2.2 Various possible options are given as answers to the following questions. Choose the answer and write only the letter (A – D) next to the question number (2.2.1 – 2.2.5) in the ANSWER BOOK. Assume a standard VAT rate of 14%.

2.2.1 In which subsidiary journal would an entry on the bank statement 'bank charges', be entered?

- A Debtors Journal
- B Petty Cash Journal
- C Cash Receipts Journal
- D Cash Payments Journal

2.2.2 If the VAT-inclusive selling price of an item is R1 280,00, what is the VAT amount that was charged?

- A R157,19
- B R179,20
- C R145,92
- D R128,00

2.2.3 An office computer with a carrying value of R2 350,00 was sold, and a loss of R90,00 was realised. How much was it sold for?

- A R2 440,00
- B R2 350,00
- C R2 260,00
- D R4 700,00

2.2.4 The total petty cash payments for June, were R658,00. How much should the petty cashier's request be, at the end of the month, to restore the imprest amount of R750,00?

- A R92,00
- B R750,00
- C R658,00
- D R1 408,00

2.2.5 The VAT exclusive selling price of an item was R320,00. What was the VAT inclusive selling price?

- A R368,00
- B R364,80
- C R448,00
- D R371,20

(5 × 2) (10)

2.3 Give ONE word/term for each of the following descriptions. Write only the word/term next to the question number (2.3.1 – 2.3.5) in the ANSWER BOOK.

2.3.1 An internal statement used to hold the outstanding or unresolved items to be corrected by the bank.

2.3.2 The number of the form that is completed to file a VAT return to South African Revenue Services (SARS).

2.3.3 The method of calculating depreciation as a percentage of the carrying value of an asset.

2.3.4 A person or business that is registered with SARS for Value Added Tax.

2.3.5 A list of individual balances taken from the Debtors Ledger. (5 × 2) (10)
[25]

TOTAL SECTION A: 50

SECTION B

This section consists of FIVE questions. Answer ALL the questions in the financial ANSWER BOOK.

QUESTION 3

Rochester Traders is registered as a VAT vendor that records VAT at 14% on the invoice basis.

NOTE: The business does NOT make use of separate Input and Output VAT accounts, but posts directly to a VAT Control Account.

- | | | |
|----------|-----|---|
| 2008 Nov | 03 | Sold goods on credit to Sandy Page and issued a credit invoice no. 76 for R5 000,00 VAT inclusive (cost of sales R2 500,00). |
| | 05 | Issued a cheque no. 1121 to pay Telkom for the installation of the business ADSL line, R1 240,00 (VAT included) |
| | 12 | Cash sales according to the cash register roll no. 2302 amounted to R8 200,00 excluding VAT (cost of sales R4 1000) |
| | 13 | Bought trading stock/inventory on credit from Country Wholesalers for R41 800,00 excluding VAT and received their credit invoice no. 3707. |
| | 15 | Received a credit note no. 1234 from Country Wholesalers for R4 180,00 excluding VAT, for damaged trading stock/inventory returned to them. |
| | 20 | Bought trading stock/inventory from Metro Wholesalers for R18 400,00 VAT inclusive. Issued cheque no. 1122. |
| | 23 | Cash sales of trading stock/inventory as per cash register roll no. 2303 amounted to R9 210,00 inclusive of VAT (cost of sales R4 605,00). |
| | 24 | Sold trading goods on credit to Lebo Makonana for R4 500,00 excluding VAT (cost of sales R2 250,00). Credit note no. 77 was issued. |
| | 26. | Lebo Makonana returned goods which were not according to sample. Issued credit note 32, for R868,00 VAT inclusive (cost of sales R434,00). |

REQUIRED:

- | | | |
|-----|---|-------------|
| 3.1 | Record the transactions above in the appropriate subsidiary journals for November 2008. Total only the VAT columns in ALL the journals at the END of the month. | (32) |
| 3.2 | Post only to the VAT account in the General Ledger. Balance the account. | (8) |
| | | [40] |

QUESTION 4

The information below is from Cole's Cash Store that employs TWO staff members.

NOTE: Assume that the Medical Aid contribution have NO bearing on PAYE calculations.

Employee Number	Employee Name	Annual salary	Pension fund	PAYE Tax Rate	Medical Aid contributions	Unemployment Insurance Fund
001	Amelia Adams	R112 512	7,5%	18%	R620,00	1%
002	John Lulubayi	R108 912	7,5%	18%	R580,00	1%

Employer contributes to the various funds as follows:

- Unemployment Insurance Fund contributions are done on a rand-for-rand basis:
- Medical Aid Fund contributions on a rand-for-rand basis.
- R2 for every R1 contributed by the employee to the Pension Fund.

REQUIRED:

4.1 Use the information below to prepare a Salaries Journal for November 2008.

4.2 Total up to the columns of the Salaries Journal on 30 November 2008, No posting is required.

[20]

QUESTION 5

You are the Petty Cashier at Dlamini's General Dealer. The business uses the varying balances Petty Cash system. On 1 October 2008 the amount of Petty Cash on hand, was R2 000,00. ALL Petty Cash payments include VAT, unless VAT is not applicable. The previous Petty Cash voucher which was issued was number PV20.

REQUIRED:

Compile the Petty Cash Journal for the month October 2008. Total ALL the columns. NO posting required.

2008 Oct	5	Purchased stamps for R88,50 from the local post office.
	8	Bought cool drinks for the staff canteen: R142,50.
	11	Paid R148,60 for printing paper for office use.
	15	Bought diesel for the delivery vehicle: R320,00
	20	Purchased a mobile phone for business use on the pay-as-you-go system: R585,95.
	25	Paid Thomas Nikani, a casual employee, wages for the day: R150,00.

27 The owner, Bonga Dlamini, took R200,00 for personal use.

30 Paid the Post Office R91,20 for same day courier service.

[20]

QUESTION 6

The information below is taken from the accounting records of Baker Street Traders on 31 October 2008.

Use the details to compile the following on 31 October 2008:

- (a) Cash Receipt Journal: bank column total is R4 100.
- (b) Cash Payments Journal: bank column total is R3 100.
- (c) The bank account in the General Ledger had a debit balance of R2 000,00 on 1 October 2008.
- (d) The Bank Reconciliation Statement on 31 October 2008, revealed the following:
 - A credit balance of R2 950,00 on 31 October 2008.
 - Interest income on the bank account had been paid directly into the bank account, R240,00.
 - A credit transfer from SARS for a VAT refund of R260,00 was paid directly into the bank account.
 - Bank charges levied on the bank account amounted to R130,00.
 - A direct debit of R70,00 in favour of the Automobile Association had been paid by the bank.
 - A debit order of R200,00 for a loan repayable has been paid by the bank.

ADDITIONAL INFORMATION:

- (e) Two cheques drawn in favour of two individual creditors have not yet been presented for payment:
 - Cheque 111 for R250 issued to T. Campbell.
 - Cheque 116 for R290 issued to F. Haddock.
- (f) Cheques and cash amounting to R690,00 were deposited into the bank on 31 October 2008 but have NOT yet been credited by the bank. (5)

REQUIRED:

- 6.1.1 Cash Receipt Journal (6)
- 6.1.2 Cash Payments Journal (8)
- 6.1.3 The bank account. (5)
- 6.1.4 The Bank Reconciliation Statement. (7)

- 6.2 The following information is taken from the books of Xolile Mboweni Cash Store. Ignore VAT for this question.

Balances taken from the Debtors' Ledger on 30 December 2008:

Lungile Mlangeni	R3 000,00
Samson Ngcobo	R3 750,00
Bernadette Prince	R1 100,00

The Debtors' Control Account in the General ledger has a debit balance of R7 850,00

After CLOSET investigation the following information was found on the Bank Statement, received on 31 December 2008:

- A cheque for R300,00 previously received from Lungile Mlangeni, was returned by the bank marked RD (Refer to Drawer). This transaction was NOT recorded.
- Bernadette Prince had deposited the full amount owing in settlement of her account on 29 December 2008. This entry has NOT yet been entered in the books of the business.

- 6.2.1 Make journal entries in the General Journal to give effect to transactions above. (Cash Receipt and Payments Journals not required). (6)
- 6.2.2 Record the entries in the Debtors' Control Account. (5)
- 6.2.3 Make the necessary entries in the Debtor's individual ledger accounts (4)
- 6.2.4 Compile a list of the Debtors on 31 December 2008 after the entries have been made. (4)

[45]

QUESTION 7

The following information is for Three Stars Enterprises. Ignore VAT for this question.

The policy of the organisation is to depreciate ALL equipment at a rate of 15% per annum using the diminishing (reducing) balance method.

- 7.1 Use the page below from the Asset Register to complete the missing details (indicated with question marks) in the ANSWER BOOK.

3 Stars Enterprises

*

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Asset Register

Page 56

Assets description computer (Intel Core 2 Duo – HP Compaq) Desktop

General Ledger Account

Equipment

Bought from

Computer Inc.

Date purchased: 1 March 2006

Cost Price: R 6 300,00

Depreciation method 15% per annum on diminishing (reducing) balance method

Date sold:

Sold to:

Selling price:

Date	Cost	Depreciation	Accumulated Depreciation	Carrying Amount
1 March 2006	R 6 300,00			R6 300,00
31 Dec. 2006		R787,50	R787,50	R5 512,50
31 Dec. 2007		?	?	?
31 Dec. 2008		?	?	?

(12)

On 31 December 2008, an old office desk with a cost price of R4 300.00 and an accumulated depreciation of R1 660,00 was sold for R2 880,00 (VAT inclusive) to Office Suppliers for cash (Ignore VAT). NO other purchases or sales of equipment took place during the 2008 financial period.

- 7.2 Complete only the Assets Disposal Account in the General Ledger to give effect to the sale of the asset. Close off the Assets Disposal Account. (8)
- 7.3 Indicate whether a profit or a loss was made with the sale of the asset. (2)
- 7.4 Indicate the amount of the profit or loss on the sale of the asset. (1)
- 7.5 What is the effect of the disposal of the assets on the total non-current assets of the organisation? (2)

[25]

TOTAL SECTION A 150
GRAND TOTAL: 200

ANSWER BOOK

EXAMINATION NUMBER:

SECTION A

QUESTION 1

1.1	1.1.1			
	1.1.2			
	1.1.3			
	1.1.4			
	1.1.5		(5 × 1)	(5)
1.2	1.2.1			
	1.2.2			
	1.2.3			
	1.2.4			
	1.2.5		(5 × 2)	(10)
1.3	1.3.1			
	1.3.2			
	1.3.3			
	1.3.4			
	1.3.5		(5 × 2)	(10)
				[25]

QUESTION 2

2.1	2.1.1			
	2.1.2			
	2.1.3			
	2.1.4			
	2.1.5			(5)

ANSWER BOOK

EXAMINATION NUMBER:

2.2

1.1	A	B	C	D
1.2	A	B	C	D
1.3	A	B	C	D
1.4	A	B	C	D
1.5	A	B	C	D

(5 × 2) (10)

- 2.3
- 2.3.1

2.3.2

2.3.3

2.3.4

2.3.5
-

(5 × 2) (10)
[25]

TOTAL SECTION A: 50

ANSWER BOOK**EXAMINATION NUMBER:****SECTION B****QUESTION 3.1**

3.1.1 Cash Payments Journal of Rochester Traders – November 2008

CPJ11

Doc No	DATE	PAYEE	BANK	CREDITORS CONTROL	VAT 14%	TRADING STOCK	SUNDRY ACCOUNT	FOL.	DETAILS

3.1.2 Cash Receipts Journal of Rochester Traders – November 2008

CRJ11

Doc No	DATE	DETAILS	ANALYSIS	BANK	DEBTORS CONTROL	VAT 14%	SALES	COST OF SALES	SUNDRY ACCOUNT	FOL	DETAIL: SUNDRY ACCOUNT

ANSWER BOOK**EXAMINATION NUMBER:**

3.1.3 Debtors Journal of Rochester Traders – November 2008

DJ11

Doc No	DATE	DETAIL	DEBTORS CONTROL	VAT 14%	SALES	SUNDRY ACCOUNT	COST OF SALES	FOL	DETAILS

3.1.4 Creditors Journal of Rochester Traders – November 2008

CJ11

Doc No	DATE	DETAILS	CREDITORS CONTROL	VAT 14%	TRADING STOCK	SUNDRY ACCOUNT	FOL	DETAILS

ANSWER BOOK**EXAMINATION NUMBER:**

3.1.5 Debtors Allowances Journal of Rochester Traders – November 2008

DAJ11

Doc No	DATE	DETAILS	DEBTORS CONTROL	VAT 14%	TRADING STOCK	SUNDRY ACCOUNT	COST OF SALES	FOL	DETAILS

3.1.6 Creditors Allowances Journal of Rochester Traders – November 2008

CAJ11

Doc No	DATE	DETAILS	CREDITORS CONTROL	VAT 14%	TRADING STOCK	SUNDRY ACCOUNT	FOL	DETAILS

(32)

ANSWER BOOK

EXAMINATION NUMBER:

QUESTION 3.2

Ledger of Rochester Traders:

DR				VAT CONTROL ACCOUNT				CR	
DATE	DETAILS	FOL	AMOUNT		DATE	DETAILS	FOL	AMOUNT	

(8)
[40]

ANSWER BOOK**EXAMINATION NUMBER:**

QUESTION 4

Salaries Journal of COLE'S Cash store for November 2008

SJ11

NR.	NAME	GROSS SALARY	DEDUCTIONS				TOTAL DEDUCTIONS	NET SALARY	EMPLOYER CONTRIBUTIONS		
			PENSION FUND	PAYE	UIF	MEDICAL Aid			PENSION	UIF	MEDICAL Aid

[20]

ANSWER BOOK

EXAMINATION NUMBER:

QUESTION 5

Petty Cash Journal Of Dlamini General Dealer-October 2008

PV21

Day	Doc	Details	Petty Cash		Staff Expenses		Wages		Postage & Stationery		VAT		Sundry Account		Fol	Details Of Sundry Account

[20]

ANSWER BOOK**EXAMINATION NUMBER:****QUESTION 6.1**

6.1.1 Cash Receipt Journal of Baker Street Traders - October 2008

KOJ1

Doc No	DATE	DETAILS	ANALYSIS	BANK	DEBTORS CONTROL	VAT 14%	SALES	SUNDRY ACCOUNT	COST OF SALES	FOL	DETAILS

(6)

6.1.2 General Journal of Baker Street Traders - October 2008

KBJ1

Doc No	DATE	PAYEE	BANK	CREDITORS CONTROL	VAT 14%	TRADING STOCK	SUNDRY ACCOUNT	FOL.	DETAILS

(8)

ANSWER BOOK**EXAMINATION NUMBER:**

6.1.3

General Ledger Baker Street Traders:

DR

Bank Account

CR

DATE	DETAILS	FOL	AMOUNT		DATE	DETAILS	FOL	AMOUNT	

(5)

6.1.4 Bank Reconciliation Statement of Baker Street Traders - October 2008

BRS1

DATE	DETAILS	DEBIT	CREDIT

(7)

ANSWER BOOK**EXAMINATION NUMBER:****QUESTION 6.2**

6.2.1 General Journal of Xolile Mboweni Cach Store for - December 2008

GJ12

ACCOUNT	DETAILS	GENERAL LEDGER DR		GENERAL LEDGER CR		DEBTORS CONTROL DR		DEBTORS CONTROL CR	

(6)

6.2.2

General Ledger of Xolile Mboweni Cach Store
Debtors' control account

Dt

Kt

DATE	DETAILS	FOL	AMOUNT		DATE	DETAILS	FOL	AMOUNT	

(5)

ANSWER BOOK

EXAMINATION NUMBER:

6.2.3

Lungile Mlangeni

D1

		DEBIT		CREDIT		BALANCE	

Samson Ngcobo

D2

		DEBIT		CREDIT		BALANCE	

Bernadette Prince

D3

		DEBIT		CREDIT		BALANCE	

(4)

6.2.4

Debtors List		

(4)

[45]

ANSWER BOOK**EXAMINATION
NUMBER:****QUESTION 7****3 Stars Enterprises******
******Asset Register**

Page 56

Assets description computer (Intel Core 2 Duo – HP Compaq) Desktop

General Ledger Account Equipment Bought from Computer Inc.

Date purchased: 1 March 2006 Cost Price: R 6 300,00

Depreciation method 15% per annum on diminishing (reducing) balance method

Date sold: Sold to: Selling price:

Date	Cost	Depreciation	Accumulated Depreciation	Carrying Amount
1 March 2006	R 6 300,00			R6 300,00
31 Dec. 2006		R787,50	R787,50	R5 512,50
31 Dec. 2007				
31 Dec. 2008				

(12)

TOTAL SECTION B: 150
GRAND TOTAL: 200