



higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

MARKING GUIDELINE

**NATIONAL CERTIFICATE
NOVEMBER EXAMINATION
FINANCIAL ACCOUNTING N4**

25 NOVEMBER 2016

This marking guideline consists of 13 pages.

QUESTION 1	15
QUESTION 2	64
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QUESTION 6	30
TOTAL	200
PERCENTAGE %	100

NOTE:

- Award marks for workings shown with brackets, if final answer is incorrect.
- Indicates a method mark.

QUESTION 1

No	General ledger		A	O	L
	Account debited	Account credited			
1.1	Bank ✓	Sales ✓	0	+ 7 500	- 7 500 ✓
	Cost of sales ✓	Trading stock ✓	- 6 250	- 6 250	0 ✓
1.2	Trading stock ✓	Creditors control ✓	+ 8 000	0	+ 8000 ✓
1.3	Debtors control ✓	Interest income ✓	+ 570	+ 570	0 ✓
1.4	Bank ✓	Bad debts recovered ✓	0	+ 500	- 500 ✓

(OAL should be correct to earn a mark.)**[15]**

QUESTION 2

2.1

**MORNINGSIDE CASH AND CARRY
INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2015**

Sales/Turnover for the year		✓ 803 250
Less: Cost of sales		☑ 487 200
Opening stock	68 400	✓
Add: Purchases (456 700 - 26 750)	429 950	✓ ✓
Carriage on purchases	9 650	✓
Custom duty	7 500	✓
	515 500	
Less: Closing stock	28 300	✓
Gross profit		☑ 316 050
Add: Other income		129 600
Rent income (36 000 + 39 600)	75 600	✓ ✓
Interest of fixed deposit (29 000 + 13 000)	42 000	✓ ✓
Discount received	11 500	✓
Decrease in provision for bad debts/ Provision for bad debts adjustment	500	✓ ✓
Gross income for the year		445 650
Less: Operating expenses/losses		☑ (681 225)
Interest on loan (11 600 + 88 300)	99 900	✓ ✓
Bad debts (18 450 + 3 220)	21 670	✓ ✓
Provision for discount allowed adjustment	1 900	✓ ✓
Insurance (12 000 - 2 400)	9 600	✓ ✓
Water & electricity	24 800	✓
Carriage on sales	8 400	✓
Salaries	292 500	✓
Consumable stores (6 460 - 1 780)	4 680	✓ ✓
Depreciation (139 400 + 78 375)	217 775	✓ ✓ ✓ ✓
(Two marks each for the depreciation on vehicles and equipment respectively)		
NET LOSS FOR THE YEAR		☑ (235 575)

(Provision for bad debts adjustment and discount allowed adjustments should have the word adjustment also to earn a mark.)

(Indicate 'less' or show brackets to earn the method mark.)

(35)

2.2

ANNEXURES/NOTES TO THE BALANCE SHEET

1. PROPERTY, EQUIPMENT AND VEHICLES	GROSS CARRYING AMOUNT	ACCUMULATED DEPRECIATION	NET CARRYING AMOUNT
Property	✓ 991 360	-	991 360
Equipment	✓ 780 000	<input checked="" type="checkbox"/> 222 400	557 600
Vehicles	✓ 645 000	<input checked="" type="checkbox"/> 177 875	467 125
	2 416 360	400 275	<input checked="" type="checkbox"/> 2 016 085
RECONCILIATION OF CARRYING AMOUNT	PROPERTY	EQUIPMENT	VEHICLES
Balance at beginning of year	✓ 991 360	✓ ✓ 697 000	✓ ✓ 300 500
Additions at cost price	-	-	✓ 245 000
Depreciation for the year	-	<input checked="" type="checkbox"/> (139 400)	<input checked="" type="checkbox"/> (78 375)
Balance at the end of the year	991 360	557 600	467 125

2. STOCK		30 080
Trading stock	✓ 28 300	
Consumable stores on hand	✓ 1 780	

3. TRADE AND OTHER DEBTORS		91 100
Debtors control	✓ 40 000	
Less: Provision for bad debts	✓ (2 000)	
Less: Provision for discount allowed	✓ (1 900)	
Accrued income	52 600	
Rent income	✓ 39 600	
Interest on fixed deposit	✓ 13 000	
Prepaid expense	2 400	
Insurance	✓ 2 400	

4. CASH AND CASH EQUIVALENTS		54 350
Bank	✓ 49 350	
Petty cash	✓ 5 000	

5. CAPITAL		1 631 425
Balance at the beginning of the year	✓ 2 000 000	
Less: Net loss	☑ (235 575)	
Less: Drawings	✓ (133 000)	

6. CREDITORS CONTROL		355 190
Trade creditors	✓ 266 890	
Accrued expense	88 300	
Interest on loan	✓ 88 300	

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[64]**QUESTION 3**3.1 **CASH FLOW STATEMENT OF SENZO WHOLESALERS
FOR THE YEAR ENDED 31 MAY 2015**

	NOTES	R	R
CASH FLOW FROM OPERATING ACTIVITIES			☑ 534 000
Cash received from clients		1 217 400	☑
Cash paid to suppliers and employees		(608 600)	☑
Cash generated from operations		608 800	
Interest paid		(8 600)	✓
Interest received		5 600	✓
Drawings		(71 800)	✓
CASH FLOW FROM INVESTING ACTIVITIES			☑ (164 000)
Additions to vehicles		(160 000)	✓ ✓
Additions to equipment		(28 000)	✓ ✓
Proceeds from sale of asset		4 000	✓ ✓
Proceeds from investments		20 000	✓ ✓

CASH FLOW FROM FINANCING ACTIVITIES			<input checked="" type="checkbox"/> (180 000)
Increase in capital		20 000	<input checked="" type="checkbox"/>
Decrease in long-term loan		(200 000)	<input checked="" type="checkbox"/>
Net increase in cash			<input checked="" type="checkbox"/> 190 000
Cash at beginning of year			<input checked="" type="checkbox"/> (140 000)
Cash at the end of the year			<input checked="" type="checkbox"/> 50 000

(21)

3.2 **NOTES TO CASH FLOW STATEMENT****CALCULATIONS**

	R	R
1. Cash received from clients/customers		<input checked="" type="checkbox"/> 1 217 400
Sales	<input checked="" type="checkbox"/> 1 240 000	
Increase in debtors	<input checked="" type="checkbox"/> (22 600)	
		<input checked="" type="checkbox"/>
2. Cash paid to suppliers and employees		(608 600)
Sales	<input checked="" type="checkbox"/> 1 240 000	
Less: Net profit	<input checked="" type="checkbox"/> (441 800)	
Expenses for the period	(798 200)	
Depreciation (56 000 + 26 800)	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> 82 800	
Loss on sale of asset	<input checked="" type="checkbox"/> 2 400	
Interest paid	<input checked="" type="checkbox"/> 8 600	
Interest received	<input checked="" type="checkbox"/> (5 600)	
Increase in stock	<input checked="" type="checkbox"/> (40 000)	
Increase in creditors	<input checked="" type="checkbox"/> 141 400	

(Brackets or 'less' should be shown in order to earn marks.)(13)
[34]

QUESTION 4

4.1

**GENERAL LEDGER OF KELSO STATIONERS cc
NOMINAL ACCOUNTS SECTION**

PURCHASES ACCOUNT N 07

DATE	DETAILS	TOTAL	STATIONERY	EQUIPMENT	DATE	DETAILS	TOTAL	STATIONERY	EQUIPMENT
June 30	Totals	274 210	✓ 99 210	✓ 175 000	June 30	Donations	4 750		✓ 4 750
	Interdepartmental transfer	9 120	✓ 9 120			Interdepartmental transfer	9 120		✓ 9 120
						Drawings	1 550	✓ 1 550	
						Departmental Trading a/c	267 910	✓ 106 780	✓ 161 130
		283 330	108 330	175 000			283 330	108 330	175 000

(Ignore dates. Do not mark negatively if dates are omitted.)

(8)

4.2 **KELSO STATIONERS CC**
DEPARTMENTAL TRADING STATEMENT FOR THE YEAR ENDED 30 JUNE 2015

	STATIONERY	EQUIPMENT
Sales for the year	420 000 ✓	606 750 ✓ ✓
Less : Cost of sales	(185 430) ✓	(350 420) ✓
Stock (01/07/2014)	115 320 ✓	250 000 ✓
Purchases	106 780 ✓	161 130 ✓
Carriage on purchases	9 300 ✓	24 780 ✓ ✓
Import duties	2 380 ✓	9 770 ✓
	233 780	445 680
Less: Stock (30/06/2014)	(48 350) ✓	(95 260) ✓
Gross profit	234 570 ✓	256 330 ✓

(Show 'less' or indicate brackets to earn marks.)

(18)
[26]

QUESTION 5**5.1 CASH RECEIPTS JOURNAL OF STARLIGHT FASHIONS FOR AUGUST 2015**

Doc No	Date	Details	Fol	Bank	Sales	Debtors control	Sundry accounts	
							Amount	Details
	31	Totals	b/f	32 500	21 780	6 800	3 920	
289	.	D. Dash		3 500	✓		3 500	Creditors control ✓
B/S	.	B. Bengu		6 500	✓		6 500	Rent income ✓
B/S	.	Castle Bank		25 000	✓		25 000	Fixed deposit: Castle Bank ✓
				<u>67 500</u>				

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CASH PAYMENTS JOURNAL OF STARLIGHT FASHIONS FOR AUGUST 2015

Doc No	Day	Details	Fol	Bank	Debtors control	Trading stock	Sundry accounts	
							Amount	Details
	31	Totals	b/f	17 050	6 980	7 840	2 230	
B/S	.	E- Bank		463	✓		98	Interest on overdraft ✓
							365	Bank charges ✓
B/S	.	N. Moodley		1 880	✓ 1 880			
B/S	.	Durban Metro		560	✓		560	Water ✓
B/S	.	Old Mutual Ltd		1 230	✓		1 230	Insurance ✓
				<u>21 183</u>				

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5.2 **GENERAL LEDGER OF STARLIGHT FASHIONS
BALANCE SHEET ACCOUNTS SECTION**

Dr		BANK ACCOUNT		B3		Cr	
2015 Aug 31	Total receipts		<input checked="" type="checkbox"/> 67 500	2015 Aug 31	Balance	b/d	✓ 6 820
					Total payments		<input checked="" type="checkbox"/> 21 183
					Balance	c/d	39 497
			67 500				67 500
Sept 1	Balance	b/d	<u>39 497</u>	<input checked="" type="checkbox"/>			

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5.3 **STARLIGHT FASHIONS
BANK RECONCILIATION STATEMENT AS AT 31 AUGUST 2015**

	DR	CR
Debit balance as per bank statement	✓ 17 800	
Credit deposit not yet credited by the bank/ Outstanding deposit		✓ 69 005
Dr Outstanding Cheques:		
No. Z106	✓ 9008	
Z121	✓ 4000	
Z266	✓ 500	
Z269	✓ 250	
Credit bank error - cheque		✓ 1 500
Debit bank error - deposit	✓ 750	
Credit bank error - cheque no. Z787		✓ 1 300
Debit balance as per bank account	<input checked="" type="checkbox"/> 39 497	
	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	71 805	71 805

(12)
[31]

QUESTION 6**GENERAL LEDGER OF GUESS SOCIAL CLUB**

6.1 Dr		TRADING ACCOUNT: TUCK SHOP		Cr	
2015 May 31	Stock	750 ✓	2015 May 31	Sales	7 230 ✓
	Purchases	2 895 ✓		Stock	470 ✓
	Income and expenditure	4 055 <input checked="" type="checkbox"/>			
		<u>7 700</u>			<u>7 700</u>

(5)

6.2 Dr		INCOME RECEIVED IN ADVANCE		Cr	
2014 Jun 1	Membership fees	3850 ✓	2014 Jun 1	Balance	3 850 ✓
2015 May 31	Balance c/d	3 300	2015 May 31	Membership fees	3 300 ✓
		<u>7 150</u>			<u>7 150</u>
			Jun 1	Balance b/d	3 300 <input checked="" type="checkbox"/>

(4)

6.3 Dr		ACCRUED INCOME		Cr	
2014 Jun 1	Balance	1 650 ✓	2014 Jun 1	Membership fees	1 650 ✓
2015 May 31	Membership fees	2 200 ✓	2015 May 31	Balance c/d	2 200
		<u>3 850</u>			<u>3 850</u>
Jun 1	Balance b/d	2 200 <input checked="" type="checkbox"/>			

(4)

6.4 **MEMBERSHIP FEES ACCOUNT**

2014 Jun 1	Accrued income	1 650 ✓	2014 Jun 1	Income received in advance	3 850 ✓
2015 May 31	Income received in advance	3 300 ✓	2015 May 31	Bank(550+11 000+ 3 300)	14 850 ✓ ✓ ✓
	Bank (refunds)	1 100 ✓		Membership fees written off/income and expenditure/bad debts	1100 ✓ ✓
	Income and expenditure account	15 950 ✓		Accrued income	2 200 ✓
		<u>22 000</u>			<u>22 000</u> (11)

6.5 **Dr HONORARIUM**

Dr			Cr		
2014 Jun 1	Prepaid expense	1450 ✓	2015 May 31	Income and expenditure account	2 650 ✓
2015 May 31	Bank	1200 ✓			
		<u>2 650</u>			<u>2 650</u> (3)

6.6 **Dr LEGACY: J.LEGEND**

Dr			Cr		
2015 May 31	Accumulated fund	3 300 ✓	2015 May 31	Bank	5 500 ✓
	Income and expenditure account	2 200 ✓			
		<u>5 500</u>			<u>5 500</u> (3)

[30]

TOTAL: 200