



**QUESTION 1**

1.1

**KAYCO STORES INCOME STATEMENT FOR THE YEAR ENDED  
29 FEBRUARY 2016**

	Debit	Credit	
Sales		432 210	(1)
Cost of sales		(270 130)	(1)
Gross profit		162 080	
Other income		35 940	
Rent income	34 200		(2)
Discount received	1 740		(1)
Gross income		198 020	(1)
Expenses		(164 173)	
Bad debts	2 227		(2)
Depreciation	12 406		(1)
Stationery	6 810		(2)
Loss due to burglary	6 000		(2)
Trading stock deficit (71 010 – 24 000 – 45 210)	1 800		(2)
Insurance	6 980		(1)
Interest on loan (3 650 + 4 760)	8 410		(2)
Salary: Corrie	72 000		(1)
Salaries and wages	34 080		(1)
Water and electricity	13 460		
Net profit		33 847	(1)

**APPROPRIATION STATEMENT FOR THE YEAR ENDED  
29 FEBRUARY 2016**

	Kayt	Corrie	Total	
Interest on capital	21 120	14 080	35 200	(3)
Interest on current account	(591)	765	174	(3)
Salary	90 000		90 000	(2)
Current account	(61 018)	(30 509)	(91 527)	(3)
Net profit			33 847	(1)

1.2

**NOTE TO THE BALANCE SHEET FOR CURRENT ACCOUNTS  
OF PARTNERS**

	Kayt	Corrie	
Balance at beginning	(7 880)	10 200	(2)
Interest on capital	21 120	14 080	(2)
Interest on current account	(591)	765	(2)
Interest on loan		8 410	(2)
Salaries	30 000	12 000	(4)
Drawings	(6 880)	(19 310)	(2)
Appropriation	(61 018)	(30 509)	(2)
Balance at end of year	(25 249)	(4 364)	(1)

**[50]**

**QUESTION 2**

2.1

**GENERAL LEDGER OF HEAD OFFICE**

2.1.1

**BRANCH STOCK**

Balance b/d	3 520	✓	Goods to branch	280	✓
Goods to branch	11 280	✓	Branch bank	7 840	✓
Branch debtors	240	✓	Branch debtors	13 780	✓
Branch profit and loss	10 130	✓	Balance c/d	3 270	
	25 170			25 170	
Balance b/d	3 270	✓			

(8)

2.1.2

**BRANCH DEBTORS**

Balance b/d	8 080	✓	Branch bank	13 800	✓
Branch stock	13 780	✓	Branch stock	240	✓
			Branch discount allowed	310	✓
			Balance c/d	7 510	
	21 860			21 860	
Balance b/d	7 510	✓			

(6)

2.1.3

**BRANCH BANK**

Balance b/d	12 060	✓	Branch wages	600	✓
Branch stock	7 840	✓	Branch telephone	3 690	✓
Branch debtors	13 800	✓	Branch municipal expenses	4 270	✓
			Head office bank	14 640	✓
			Balance c/d	10 500	
	33 700			33 700	
Balance b/d	10 500	✓			

(8)

2.1.4

**GOODS TO BRANCH**

Branch stock	280	✓	Branch stock	11 280	✓
Head office trading account	11 000	✓			
	11 280			11 280	

(3)

## FINANACIAL ACCOUNTING N5

2.1.5

**BRANCH PROFIT AND LOSS**

Branch wages	600	✓	Branch stock	10 130	✓
Branch telephone	3 690	✓	Head office profit and loss	12 240	✓
Branch municipal expenses	4 270	✓			
Branch salaries	9 800	✓			
Branch sundry expenses	3 700	✓			
Branch discount allowed	310	✓			
	22 370			22 370	

(8)

2.2

**BRANCH ACCOUNT**

	Balance b/d	60 800	✓	Bank	88 200	✓
	Equipment	2 400	✓			
	Goods to branch	43 200	✓			
	Bank	32 600	✓			
	Profit and loss	5 500	✓	Balance c/d	56 300	
		144 500			144 500	
	Balance b/d	56 300	✓			

(7)

**[40]**

**QUESTION 3**

3.1

**FIFO**

Dt	Receipt		Issues		Balance on hand			
	Units@R	Amount	Units@R	Amount	Units@R	Amount	Total	
1					180@R28.80	R5 184	R5 184	(1)
8	560@R28.80	R16 520			180@R28.80	R5 184		(1)
					560@R29.50	16 520	R21 704	(2)
12					50@R28.80	R1 440		(1)
			130@R28.80	R3 744	560@R29.50	R16 520	R17 960	(2)
16			50@R28.80	R1 440				(1)
			320@R29.50	R9 440	240@R29.50	R7 080	R7080	(2)
22	660@R30.80	R23 256			240@R29.50	R7 080		(1)
					760@R30.60	R23 256	R30 336	(2)
25			140@R29.50	R4 110	100@R29.50	R2 950		(1)
					760@R30.60	R23 256	R26 206	(2)
26			100@R29.50	R2 950				(1)
			430@R30.60	R13 158	3300@R30.60	R10 098	R10 098	(3)

3.2

**AVERAGE COST PRICE**

<b>Dt</b>	<b>Receipt</b>		<b>Issues</b>		<b>Balance on hand</b>		
	<b>Units@R</b>	<b>Amount</b>	<b>Units@R</b>	<b>Amount</b>	<b>Units@R</b>	<b>Total</b>	
1					180@R28.80	R5 184	(2)
8	560@R28.80	R16 520			740@R29.33	R21 704.20	(3)
12			130@R29.33	R3 812.90	610@R29.33	R17 891.30	(3)
16			370@R29.33	R10 852.10	240@R29.33	R7 039.20	(3)
22	760@R30.80	R23 256			1000@R30.30	R30 300	(3)
25			140@R30.30	R4 242	860@R30.30	R26 058	(3)
26			530@R30.30	R16 059	300@R30.30	R9 999	(3)

**[40]**

**QUESTION 4**

4.1

**BALANCE SHEET OF PRIME STORES ON 29 FEBRUARY 2016**

<b>ASSETS</b>				
Non-current assets			310 125	
Vehicles		310 125		(1)
Current assets			351 530	
Stock		200 680		(1)
Trade and other debtors		74 550		(1)
Cash and cash equivalents		76 300		(1)
Total assets			661 655	(1)
<b>EQUITY AND LIABILITIES</b>				
Capital			509 415	(1)
Non-current liabilities			98 000	
Interest bearing liabilities		98 000		(1)
Current liabilities			54 240	
Trade and other creditors		54 240		(1)
Total equity and liabilities			661 655	(1)

4.2 **NOTES TO THE BALANCE SHEET**

<b>NOTE 1: Vehicles</b>	<b>Gross carrying value</b>	<b>Accumulated depreciation</b>	<b>Net carrying value</b>	
Vehicles	430 000	119 875	310 125	(4)
Reconciliation of carrying value				
		Vehicles		
Balance at beginning of year		168 000		(2)
Addition at cost		190 000		(1)
Depreciation for the year (36 000 + 11 875)		(47 875)		(2)
Balance at end of year		310 125		(1)
<b>NOTE 2: Stock</b>			200 680	
Trading stock		200 300		(1)
Consumable stores on hand		380		(1)
<b>NOTE 3: Trade and other debtors</b>			74 550	
Debtors control	71 000			(1)
Less: Provision for bad debts	(3 550)	67 450		(2)
Accrued income		4 600		(1)
Prepaid expenses		2 500		(2)
<b>NOTE 4: Cash and cash equivalents</b>				
Bank			76 300	(2)
<b>NOTE 5: Capital</b>			509 415	(1)
Balance at the beginning of year	383 600			(2)
Plus net profit	131 815			(1)
Less drawings		(6 000)		(1)
<b>NOTE 6: Interest bearing liabilities</b>				
Loan: My Bank (12%)			98 000	(1)
<b>NOTE 7: Trade and other creditors</b>				
Creditors control (49 900 + 2 900)			54 240	
Accrued expenses		52 800		(2)
Income received in advance		980		(2)
Vehicles		460		(1)

**[40]**

**QUESTION 5**

5.1 5.1.1 Net profit percentage on turnover

$$\frac{\text{Net profit} \times 100}{\text{Turnover}} \times \frac{1}{1}$$

$$= \frac{48\,000}{1\,140\,000/80 \times 100} \times \frac{100}{1}$$

$$= \frac{48\,000}{1\,425\,000} \times \frac{100}{1}$$

$$= 3,37\%$$

5.1.2 Average payment period to creditors (days)

$$\frac{\text{Average creditors} \times 365}{\text{Credit purchases}} \times \frac{1}{1}$$

$$= \frac{(54\,000 + 39\,000)/2}{116\,000/20 \times 80} \times \frac{365}{1}$$

$$= \frac{46\,500}{464\,000} \times \frac{365}{1}$$

$$= 36,58 \text{ days}$$

(5 × 2) (10)

5.2 5.2.1 B  
5.2.2 C  
5.2.3 D  
5.2.4 A  
5.2.5 C

(5 × 2) (10)

5.3 5.3.1 R285 000  
5.3.2 R580 000  
5.3.3 R192 000  
5.3.4 R849 000  
5.3.5 R80 000

(5 × 2) (10)  
**[30]****TOTAL: 200**