



higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

MARKING GUIDELINE

NATIONAL CERTIFICATE
NOVEMBER EXAMINATION
FINANCIAL ACCOUNTING N4

14 NOVEMBER 2014

This marking guideline consists of 14 pages.

MARK ALLOCATION

QUESTION 1	18
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QUESTION 4	33
QUESTION 5	24
QUESTION 6	22
TOTAL	200
PERCENTAGE %	100

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

QUESTION 1

No	General Ledger		A	O	L
	Account debited	Account credited			
1.1	Debtors control ✓	Sales ✓	+1 500	+1 500	0 ✓
	Cost of sales ✓	Trading stock ✓	-1 250	-1 250	0 ✓
1.2	Creditors control ✓	Bank ✓	-11 760	0	-11 760 ✓
	Creditors control ✓	Discount received ✓	0	+240	-240 ✓
1.3	Bank ✓	Fixed deposit: Nedbank ✓	+50 000 -50 000	0	0 ✓
1.4	Debtors control ✓	Interest income ✓	+175	+175	0 ✓

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A O L – All information correct to earn one mark

QUESTION 2

2.1 CASH BOOK OF MODERN FURNITURE STORE – AUGUST 2014

Debit side

Doc. no.	Date	Details	Fol.	Bank	Sales	Debtors Control	Sundry Accounts	
							Amount	Details
	1	Balance	b/d	72 058	✓		72 058	
199	31	Mega Packaging (cheq. cancelled)		252 922	✓		252 922	Creditors control ✓
B/S	.	N Nosipho		9 500	✓		9 500	Rent income ✓
B/S	.	Barclays Bank		269 900	✓		269 900	Fixed deposit: Barclays ✓
B/S	.	Barclays Bank		1 290	✓		1 290	Interest on current A/C ✓
229	.	MTN (error corrected)		1 800	✓		1 800	Subscription ✓
				607 470				
	Sept 1	Balance	b/d	584 688	<input checked="" type="checkbox"/>			

CASH BOOK OF MODERN FURNITURE STORE - AUGUST 2014							Credit side	
Doc No	Day	Payee	Fol.	Bank	Creditors Control	Debtors Control	Amount	Sundry Accounts Details
B/S	31	Insure		8 800	✓		8 800	Insurance ✓
B/S		R Mandy (R/D)		4 250	✓	4 250 ✓		
B/S		Barclays Bank		9 732	✓		3 732	Bank charges ✓
							5 980	Interest on overdraft ✓
		Balance	C/D	584 688				
				607 470				

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QUESTION 2 (continued)**2.2 BANK RECONCILIATION STATEMENT OF MODERN FURNITURE STORE
AS AT 31 AUGUST 2014**

	DR	CR
Cr balance as per bank statement		656 875 ✓
Cr outstanding deposit		408 771 ✓
Dr outstanding cheques		
No. 208	123 990 ✓	
209	332 900 ✓	
212	700 ✓	
218	12 700 ✓	
251	1 800 ✓	
266	300 ✓	
Dr deposit incorrectly credited	13 000 ✓	
Cr cheque no. 232 incorrectly debited		4 432 ✓
Dr balance as per Cash Book	584 688 <input checked="" type="checkbox"/>	
	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
	1 070 078	1 070 078

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QUESTION 3

3.1

GOLDFIELD TRADERS

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2014

Sales/Turnover for the year (413 700 - 7 250)		406 450 ✓ ✓
Less: Cost of sales		158 476 ✓
Opening stock	45 860	✓
Add purchases (143 500 - 825)	142 675	✓ ✓
Carriage on purchases	990	✓
Customs duty (10 400 + 550)	10 950	✓ ✓
	200 475	
Less: Closing stock	41 999	✓
Gross profit		247 974 ✓
Add: Other income		26 450 ✓
Rent income (12 000 + 12 000)	24 000	✓ ✓
Discount received	570	✓
Bad debts recovered	1 880	✓
Gross income for the year		274 424 ✓
Less: Operating expenses/losses		203 759 ✓
Discount allowed	6 540	✓
Bad debts (8 155 + 120)	8 275	✓ ✓
Sundry expenses (33 660 - 2 886)	30 774	✓ ✓
Salaries (99 000 + 15 180)	84 180	✓ ✓
Stationery	4 500	✓
Interest on loan (12 000 + 4 150)	16 150	✓ ✓
Carriage on sales	1 065	✓
Packing material (950 - 390)	560	✓ ✓
Depreciation (25 760 + 23 826)	49 586	✓ ✓ ✓ ✓
Provision for bad debts adjustment a/c	2 129	✓
Net Profit/Income for the year		70 665 ✓

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QUESTION 3 (continued)

3.2

GOLDFIELD TRADERS**BALANCE SHEET AS AT 30 JUNE 2014**

ASSETS	NOTES		
NON-CURRENT ASSETS			306 254 <input checked="" type="checkbox"/>
Property, equipment, vehicles	1	306 254 <input checked="" type="checkbox"/>	
CURRENT ASSETS			236 426 <input checked="" type="checkbox"/>
Stock	2	42 389 <input checked="" type="checkbox"/>	
Trade and other debtors	3	55 337 <input checked="" type="checkbox"/>	
Cash and cash equivalents	4	138 700 <input checked="" type="checkbox"/>	
TOTAL ASSETS			542 680 <input checked="" type="checkbox"/>

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QUESTION 3 (continued)

ANNEXURES/NOTES TO THE BALANCE SHEET

1. PROPERTY, EQUIPMENT AND VEHICLES	GROSS CARRYING AMOUNT	ACCUMULATED DEPRECIATION	NET CARRYING AMOUNT
Equipment	152 000	✓ 48 960☑	103 040☑
Vehicles	258 840	✓ 55 626☑	203 214☑
	410 840	104 586	306 254☑
RECONCILIATION OF CARRYING AMOUNT		EQUIPMENT	VEHICLES
Balance at beginning of year		128 800	✓ ✓ 27 040 ✓ ✓
Additions at cost price		-	200 000 ✓
Depreciation for the year		(25 760)☑	(23 826) ☑
Balance at the end of the year		103 040	203 214
2. STOCK			42 389☑
Trading stock		41 999	✓
Consumable stores on hand		390	✓
3. TRADE AND OTHER DEBTORS			55 337☑
Debtors control (42 700 - 120)	42 580	✓ ✓	
Less provision for bad debts	2 129	✓ 40 451☑	
Accrued income:		12 000	
Rent income	12 000	✓	
Prepaid expense:		2 886	
Sundry expense	2 886	✓	
4. CASH AND CASH EQUIVALENTS			138 700☑
Bank		136 700 ✓	
Cash float		2 000 ✓	

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QUESTION 4

4.1

**CASH FLOW STATEMENT OF PAVILION SUPERMARKET FOR
THE YEAR ENDED 31 AUGUST 2014**

	NOTES	R	R
CASH FLOW FROM OPERATING ACTIVITIES			310 800 <input checked="" type="checkbox"/>
Cash received from clients	1	1 767 000	<input checked="" type="checkbox"/>
Cash paid to suppliers	2	(1 385 965)	<input checked="" type="checkbox"/>
Cash generated from operations		381 035	<input checked="" type="checkbox"/>
Interest paid		(52 860)	<input checked="" type="checkbox"/>
Interest received		2 625	<input checked="" type="checkbox"/>
Drawings		(20 000)	<input checked="" type="checkbox"/>
CASH FLOW FROM INVESTING ACTIVITIES			(337 300) <input checked="" type="checkbox"/>
Additions to buildings		(107 300)	<input checked="" type="checkbox"/>
Additions to vehicles		(310 000)	<input checked="" type="checkbox"/>
Additions to equipment		(6 000)	<input checked="" type="checkbox"/>
Proceeds from sale of asset		80 000	<input checked="" type="checkbox"/>
Proceeds from investments		6 000	<input checked="" type="checkbox"/>
CASH FLOW FROM FINANCING ACTIVITIES			0 <input checked="" type="checkbox"/>
Increase in capital contribution		40 000	<input checked="" type="checkbox"/>
Decrease in loan		(40 000)	<input checked="" type="checkbox"/>
Net decrease in cash			(26 500) <input checked="" type="checkbox"/>
Cash at the beginning of the year			6 000 <input checked="" type="checkbox"/>
Cash at the end of the year			(20 500) <input checked="" type="checkbox"/>

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QUESTION 4 (continued)

4.2

NOTES TO CASH FLOW STATEMENT	R	R
1. Cash received from clients/customers		1 767 000 ✓
Sales	1 800 000	✓
Increase in debtors	(33 000)	✓
2. Cash paid to suppliers and employees		(1 385 965) ✓
Sales	1 800 000	✓
Profit	(184 400)	✓
Expenses for the year	(1 615 600)	
Depreciation (6 000 + 160 000)	166 000	✓ ✓
Profit on sale of asset	(10 000)	✓
Interest paid (360 + 52 500)	52 860	✓ ✓
Interest income/received	(2 625)	✓
Decrease in stock	14 600	✓
Increase in creditors	8 800	✓

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QUESTION 5

**5.1 GENERAL LEDGER OF FREE STATE GENERAL DEALERS
NOMINAL ACCOUNTS SECTION
DEPARTMENTAL PURCHASES ACCOUNT N 07**

DATE	DETAILS	FOL.	TOTAL	BUTCHERY	GROCERIES	DATE	DETAILS	FOL.	TOTAL	BUTCHERY	GROCERIES
June 30	Totals	b/f	165 450	75 550 ✓	89 900 ✓	June 30	Drawings		625	-	625 ✓
	Inter-departmental transfer		120	120 ✓	-		Donations		1 750	1 750 ✓	-
							Inter-departmental transfer		120	-	120 ✓
							Departmental trading a/c		163 075	73 920 ✓	89 155 ✓
			165 570	75 670	89 900				165 570	75 670	89 900

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QUESTION 5 (continued)

5.2

FREE STATE GENERAL DEALERS**DEPARTMENTAL TRADING STATEMENT FOR
THE YEAR ENDED 30 JUNE 2014**

	BUTCHERY DEPT	GROCERIES DEPT
Sales for the year	274 370 ✓	154 000 ✓
Less : Cost of sales	(148 230) ✓	(38 355) ✓
Stock (01/03/2013)	127 900 ✓	119 800 ✓
Purchases	73 920 ✓	89 155 ✓
Carriage on purchases	12 490 ✓ ✓	11 100 ✓
Import duties	12 800 ✓	-
	227 110	220 055
Less: Stock (30/06/2014)	(78 880) ✓	(181 700) ✓
Gross Profit	126 140 ✓	115 645 ✓

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[24]**QUESTION 6****GENERAL LEDGER OF CHIEFS FOOTBALL CLUB**

Dr		REFRESHMENT TRADING ACCOUNT				Cr	
2014 May 31	Stock	6 150 ✓	2014 May 31	Sales		13 200 ✓	
	Purchases	8 550 ✓		Stock		2 470 ✓	
	Income and expenditure	970 ✓					
		15 670				15 670	

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MEMBERSHIP FEES ACCOUNT

2013 June 1	Accrued income	2 400 ✓	2013 June 1	Income received in advance	800 ✓
2014 May 31	Income received in advance	4 000 ✓	2014 May 31	Bank (800 + 15 200 + 4 000)	20 000 ✓ ✓ ✓
	Bank (refunds)	1 600 ✓		Membership fees written off	1 600 ✓ ✓
	Income and expenditure account	17 600 ✓		Accrued income	3 200 ✓
		25 600			25 600

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PREPAID EXPENSE

2013 June 1	Balance	245 ✓	2013 June 1	Insurance		245 ✓

(2)

INSURANCE

2013 June 1	Prepaid expense	245 ✓	2014 May 31	Income and expenditure account		7 275 <input checked="" type="checkbox"/>
2014 May 31	Bank	6 130 ✓				
	Accrued expense	900 ✓				
		7 275				7 275

(4)
[22]

TOTAL: 200