



higher education
& training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA



SUBJECT: FINANCIAL MANAGEMENT

LEVEL: 2

MODULE: 8 (HOW TO CONDUCT BASIC BANKING TRANSACTIONS)

HOW TO CONDUCT BASIC BANKING TRANSACTIONS

After completing this topic, you will be able to:

- General guidelines for banking.
- Completing deposit slips and deposit books.
- Verifying cash and cheque deposits against the receipts book.
- Depositing cash at the bank.
- Filing deposit books and deposit slips.

FILING DEPOSIT BOOKS AND DEPOSIT SLIPS

- After returning from the bank, the person responsible for banking money will lock the deposit book away safely until the deposit occurs.
- If the business make use of loose deposit slips, will be filed away for future reference.
- If a deposit book is used and the deposit slips are completed in triplicate, one copy will stay in the deposit book and the other will be filed for future references.
- Although most businesses operate electronic bookkeeping systems, it is still necessary to keep a manual filing systems
- A filing system is needed to store bank deposit books or deposit slip for future refence.

ACTIVITY

- 1.1.1 After recording the transactions for June 2010 in their subsidiary journals, Timothy Maanda Traders provided you with their bank statement. You have to assist them with the reconciliation of the bank statement and the books of the business.
- Study the bank statement provided below and answer the questions that follow:

ACTIVITY

SILVERTON BANK BANK STATEMENT

Timothy Maanda Traders
23 Joubert Street
Sibasa
0950

Statement no. 20
Account no. 456 098 234
Date 30 June 2010

DATE	DETAILS	DEBIT	CREDIT	BALANCE
01/06/10	Balance b/f			R 8 500,00
03/06/10	Cheque no. 123	R9 000,00		-500,00
04/06/10	Direct deposit: T Lutendo		R1 450,00	
08/06/10	S/F	25,00		
14/06/10	D/O Insurance Old Mutual	300,00		
18/06/10	Credit card fees	35,00		
22/06/10	SARS		500,00	
24/06/10	Virgin Mobile account	145,00		
25/06/10	Cheque book	60,00		
28/06/10	Deposit		2 000,00	
29/06/10	Cheque no. 124	13 000,00		
30/06/10	Interest on current overdraft	50,00		
01/07/10	Balance carried forward			?

On 22 June 2010 the bank statement reflected an amount of R500,00 received from SARS.
Why is it indicated in the credit column? (2)

1.1.1 On 3 June 2010 Timothy Maanda Traders had a negative bank balance, indicated as –R500,00. What does this mean? (2)

1.1.2 Refer to the entry on 14 June 2010. Briefly explain what a Debit Order (D/O) is. (2)

1.1.3 What type of bank account does Timothy Maanda Traders have? (1)

1.1.4 Calculate the total amount that was credited to the account of Timothy Maanda Traders for June 2010? (2)

1.1.5 Calculate the closing balance that should reflect on the bank Statement of Timothy Maanda Traders at the end of June 2010. (2)

1.2 Timothy Maanda Traders uses cheques to pay for purchase from suppliers. They normally write the words 'not transferable' on their cheques.

1.2.1 Explain the meaning of the words 'NOT TRANSFERABLE' on a cheque. (2)

1.2.2 Timothy Maanda realizes that he made a mistake on the cheque by writing the wrong date. He corrects the cheque by drawing a line across the date and writes the correct date. He then signs next to the alteration. Is this a valid alteration? Give ONE reason for your answer. (2)

1.2.3 A cheque that was previously received from a client is returned by the bank with a note: R/D (Refer to Drawer): Insufficient Funds. Explain what this means. (2)

1.3 The selling price of sneakers at Timothy Maanda Traders is R600,00 per pair. They ~~decide to mark down the sneakers by 25% on the selling price.~~

Calculate the new selling price per pair of sneakers (excluding VAT). (3)