NOVEMBER 2012 EXAMINATION

DATE: 14 NOVEMBER 2012

TIME: 14H00 – 16H30

TOTAL: 100 MARKS

DURATION: 2½ HOURS

PASS MARK: 40%

(QL-11 / AU-55)

BOOKKEEPING AND ACCOUNTING 1

THIS EXAMINATION PAPER CONSISTS OF 3 SECTIONS:

SECTION A: CONSISTS OF 5 TRUE OR FALSE QUESTIONS
ANSWER ALL THE QUESTIONS (10 MARKS)

SECTION B: CONSISTS OF 1 QUESTION
ANSWER THE QUESTION (10 MARKS)

SECTION C: CONSISTS OF 4 QUESTIONS
ANSWER ALL THE QUESTIONS (80 MARKS)

INSTRUCTIONS:

1. Read the following instructions carefully before answering the paper, as failure to act upon them will result in a loss of marks.
2. Write your answers in your answer book, which is provided in the exam.
3. Ensure that your name and student number are clearly indicated on your answer book.
4. Write your answers in either blue or black ink in your answer book.
5. Read each question very carefully before you answer it and number your answers exactly as the questions are numbered.
6. Begin with the question for which you think you will get the best marks.
7. Note the mark allocations for each question – give enough facts to earn the marks allocated. Don't waste time by giving more information than required.
8. You are welcome to use diagrams to illustrate your answers.
9. Please write neatly – we cannot mark illegible handwriting.
10. Any student caught cheating will have his or her examination paper and notes confiscated.
    The College will take disciplinary measures to protect the integrity of these examinations.
11. If there is something wrong with or missing from your exam paper or your answer book, please inform your invigilator immediately. If you do not inform your invigilator about a problem, the College will not be able to rectify it afterwards, and your marks cannot be adjusted to allow for the problem.
12. This paper may be removed from the examination hall after the examination has taken place.

NOTE: YOU ARE ALLOWED TO USE A NON-PROGRAMMABLE CALCULATOR.

Examiner: R Pretorius
SECTION A (10 MARKS)

ANSWER ALL THE QUESTIONS

TRUE OR FALSE QUESTIONS

Indicate whether the following statements are true or false. Motivate all your answers.

1. VAT or Value Added Tax was introduced after GST (General Sales Tax).
2. Since it was introduced, VAT has always been 14%.
3. VAT may be claimed even if the supplier is not a VAT vendor.
4. Petrol and diesel are treated as VAT exempt supplies.
5. The invoice amount for goods with a cost of R12 300 (excluding VAT) and 25% mark-up is R15 375. [5 × 2 = 10] [10]
SECTION B  
(10 MARKS)

ANSWER THE QUESTION

QUESTION 1

Complete the following table. Write only the number and your answer.
For example, (a) R21 000

Debtors Journal of Kips R Us

<table>
<thead>
<tr>
<th>Doc No.</th>
<th>Day</th>
<th>Details</th>
<th>Fol.</th>
<th>Debtors Control</th>
<th>VAT Output</th>
<th>Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td>Kool King</td>
<td></td>
<td>R20 000</td>
<td>(a)</td>
<td>(b)</td>
</tr>
<tr>
<td>5</td>
<td></td>
<td>Karakas</td>
<td>(c)</td>
<td>R2 000</td>
<td>(d)</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td></td>
<td>Kipper Klub</td>
<td>(e)</td>
<td>(f)</td>
<td>R12 000,00</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td></td>
<td>Krispy Krisps</td>
<td>(g)</td>
<td>(h)</td>
<td>R20 000,00</td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td></td>
<td></td>
<td>(i)</td>
<td>(j)</td>
<td>R59 085,71</td>
<td></td>
</tr>
</tbody>
</table>

[10]  

[10]
QUESTION 1

(a) Write out in full the abbreviations given below:

i. SARS
   (1)
ii. PAYE
     (1)
iii. UIF
    (1)
iv. SDL
   (1)

(b) Draw a diagram to demonstrate the accounting and bookkeeping cycle.
   (9)

(c) Below is a list of assets and liabilities for Zebo Trading for April 2012:

<table>
<thead>
<tr>
<th>Asset/ Liability</th>
<th>Amount (R)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Equipment</td>
<td>336 000</td>
</tr>
<tr>
<td>Debtors Control</td>
<td>67 200</td>
</tr>
<tr>
<td>Petty Cash</td>
<td>11 200</td>
</tr>
<tr>
<td>Bank overdraft</td>
<td>5 600</td>
</tr>
<tr>
<td>Vehicles</td>
<td>504 000</td>
</tr>
<tr>
<td>Creditors Control</td>
<td>84 000</td>
</tr>
<tr>
<td>Fixed Property</td>
<td>1 120 000</td>
</tr>
<tr>
<td>Mortgage Loan</td>
<td>700 000</td>
</tr>
<tr>
<td>Cash Float</td>
<td>2 800</td>
</tr>
<tr>
<td>Trading Inventory</td>
<td>42 000</td>
</tr>
<tr>
<td>Loan from bank</td>
<td>347 200</td>
</tr>
</tbody>
</table>

You are required to:

Calculate the total:

i. Non-current assets                   (4)
ii. Current liabilities                  (3)  [20]
QUESTION 2

The following data is a list of petty cash expenses for Fred Ferret, owner of Solman Solutions.

<table>
<thead>
<tr>
<th>Date</th>
<th>Details</th>
<th>Doc No</th>
<th>Reason / Additional information</th>
<th>TOTAL AMOUNT (R)</th>
</tr>
</thead>
<tbody>
<tr>
<td>02-Nov</td>
<td>TumTum's Stationers</td>
<td></td>
<td>Postage Stamps</td>
<td>112,00</td>
</tr>
<tr>
<td>05-Nov</td>
<td>Joe's Service Station</td>
<td></td>
<td>Fuel for Fred Ferret private vehicle</td>
<td>220,00</td>
</tr>
<tr>
<td>10-Nov</td>
<td>Grever Grocers</td>
<td></td>
<td>Beverages for staff room</td>
<td>71,22</td>
</tr>
<tr>
<td>20-Nov</td>
<td>TumTum's Stationers</td>
<td></td>
<td>2 reams of paper – one for owner's use</td>
<td>50,00</td>
</tr>
<tr>
<td>26-Nov</td>
<td>Joe's Service Station</td>
<td></td>
<td>Fuel for delivery vehicle</td>
<td>300,00</td>
</tr>
<tr>
<td>29-Nov</td>
<td>Themba Sono</td>
<td></td>
<td>Casual Wages</td>
<td>500,00</td>
</tr>
<tr>
<td>30-Nov</td>
<td>Sports Warehouse</td>
<td></td>
<td>Goods for resale</td>
<td>485,00</td>
</tr>
</tbody>
</table>

You are required to:

Prepare the petty cash journal with additional columns for postage and stationery, staff refreshments and VAT. [20]

QUESTION 3

(a) Describe the benefits a business derives by allowing customers to buy products on a ‘buy now pay later’ basis. (5)

(b) Define what a creditor is. (2)

(c) Describe the recording process for a credit purchase. (2)

(d) Draw a diagram of a Debtors / Debtors Allowances journal with all the necessary column headings. (10)

(e) Name one of the two main discounts used in bookkeeping. (1) [20]
QUESTION 4

(a) The following purchases were made by Lodewyk Agencies from two suppliers:

4 Nov: bought from ABC 5 000 units and paid R4 500, VAT included, paid by cheque.
7 Nov: bought from XYZ 1 010 units and paid R2 020, VAT included, by cheque.

You are required to:

Use the periodic inventory system to record the above transactions in the cashbook. (8)

(b) What will the difference be if the perpetual inventory system is used to record the above transactions in the cash book and why? (2)

(c) List at least five of the different accounts a bank offers to its clients. (5)

(d) John Dempsey returned goods which he withdrew for personal use on 6 November 2012. Cost price is R200 excluding VAT. Use the perpetual inventory system and draw up a general journal with appropriate narration. (4)

(e) What will be different if the periodic inventory system was used to record the above transaction? (1) [20]

[80]

Section A: 10 marks
Section B: 10 marks
Section C: 80 marks
TOTAL: 100 MARKS