



higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

N560(E)(J11)H

NATIONAL CERTIFICATE

FINANCIAL ACCOUNTING N5

(4010175)

11 June 2018 (X-Paper)
09:00–12:00

This question paper consists of 8 pages and an answer book of 10 pages.

DEPARTMENT OF HIGHER EDUCATION AND TRAINING
REPUBLIC OF SOUTH AFRICA
NATIONAL CERTIFICATE
FINANCIAL ACCOUNTING N5
TIME: 3 HOURS
MARKS: 200

INSTRUCTIONS AND INFORMATION

1. Answer ALL the questions.
 2. Read ALL the questions carefully.
 3. Number the answers according to the numbering system used in this question paper.
 4. Financial statements must be according to the 2001 syllabus.
 5. Use only BLUE and BLACK ink.
 6. Show ALL your calculations in brackets where applicable.
 7. Write your EXAMINATION NUMBER and the CENTRE NUMBER on every page of the attached ANSWER BOOK.
 8. Tipp-Ex may NOT be used.
 9. Write neatly and legibly.
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QUESTION 1

The following trial balance has been taken from the accounting records of River Sand Traders, with partners R. River and S. Sand.

**PREADJUSTMENT TRIAL BALANCE OF RIVER SAND TRADERS
ON 31 OCTOBER 2017**

	DEBIT	CREDIT
BALANCE SHEET SECTIONS		
Capital: R. River		240 000
S. Sand		120 000
Drawings: R. River	66 500	
S. Sand	51 500	
Current account: R. River		9 000
S. Sand	9 700	
Land and buildings	46 800	
Vehicle	35 400	
Debtors control	30 200	
Creditors control		14 000
Trading stock	18 780	
Bank	10 900	
Loan: R. River (15%)		35 000
Fixed deposit: Unisex bank (6%)	24 000	
Provision for bad debts adjustment		1 680
Equipment	33 560	
Sales		372 000
Cost of sales	298 600	
Water and electricity	9 260	
Rent income		32 000
Salary and wages	86 700	
Salary: S. Sand	64 000	
Bad debts	2 090	
Interest on loan	4 800	
Consumable store	1 850	
Stationery	4 150	
Interest on fixed deposit		520
Telephone	5 940	
Insurance	10 800	
Property tax	18 600	
Staff expenses	2 070	
Advertisement	2 890	
Repairs	3 110	
	842 200	842 200

ADDITIONAL INFORMATION

1. According to stocktaking done at the end of the financial period, trading stock on hand was R17 200,00 and stationery on hand was R330,00.
2. R200,00 due by a debtor must be written off as uncollectable.
3. Provision for bad debts must be adjusted to 5% of good debts.
4. Repairs amounting to R320,00 have incorrectly been recorded in the salary and wages account.
5. Rent income includes an amount of R2 500,00 for the period of 31 October 2017.
6. According to the partnership agreement, the following must be brought into account:
 - 6.1 If a partner has made a loan to the partnership, interest on the loan must be calculated at the end of the financial period.
 - 6.2 Interest on capital and current accounts must be calculated at 15% per annum.
 - 6.3 Interest on drawings must be calculated at 20% per annum as if the drawing was for four months.
 - 6.4 R. River receives a salary of R7 000,00 at the end of the financial period.
 - 6.5 A bonus of R3 000,00 has been approved for S. Sand.
 - 6.6 Create a general reserve of R5 000,00.
 - 6.7 The remaining profit/loss must be distributed between the partners in the same ratio as their capital.

REQUIRED

Prepare the income statement and appropriation statement of River Sand Traders for the year ending 31 October 2017.

[50]

QUESTION 2

River Sand has an independent branch in Tzaneen. The branch keeps its own complete set of books. Use the summary of the transactions that occurred at 28 February 2017 to draw up the following accounts:

- 2.1 Head office account (8)
- 2.2 Bank (9)
- 2.3 Debtors control (4)
- 2.4 Creditors control (4)
- 2.5 Trading account (7)
- 2.6 Profit and loss (8)

Merchandise from head office to branch at cost	145 300
Merchandise purchased by branch: Cash	35 280
Credit	113 400
Sales of merchandise by branch: Cash	199 900
Credit	169 600
Payment to creditors	102 600
Operating expenditure paid by branch:	
Stationery	1 960
Telephone	108 200
Water and electricity paid by head office	11 760
Cash received from debtors	151 620
Cash advance received from head office	64 680
Branch salary paid by head office	192 300
Vehicle provided by head office	82 400
Cash settlements to head office	83 540
Bad debts written off	1 890
Discount received from creditors	2 520
Stock on hand by branch on 28 February 2017	18 600

[40]

QUESTION 3

Enter the following transaction on the stock card of River Sand Traders for June 2016:

- 3.1 LIFO (26)
- 3.2 Average cost price
- 1 Stock on hand: 168 units @ R12,00 each
- 5 Purchased 60 units @ R13,00 each
- 9 Sold 36 units @ R13,50
- 15 Sold 78 units @ R14,00 each
- 19 Purchased 53 units @ R14,50 each
- 27 Sold 18 units @ R15,00 each
- 30 Purchased 40 units @ R15,50 each (14)
- [40]**

QUESTION 4

- 4.1 On 28 March 2017, DD Distributors found that the following errors had been made during the month:

March 2017

- 14 The sale of stock for R500,00 to G. Hamese was posted to the account of J. Gameese.
- 25 The total invoice to K. Louw for goods sold on credit was R100,00 too low.

REQUIRED

Make the necessary entries in the general journal (with narrations) to correct the errors. (6)

- 4.2 The following post of the closing trial balance of Sara's Store was submitted to you. Sara's Store did not keep accounting records during the year.

For the year ended 30 April 2017 she had the following balances:

BALANCES	DEBIT	CREDIT
Capital		384 950
Land and buildings	450 000	
Vehicles	85 500	
Accumulated depreciation on vehicles		15 500
Fixed deposit: Western Bank	35 600	
Inventory	46 200	
Bank	20 300	
Debtors	24 600	
Creditors		89 700
Mortgage bond		95 000

The following information for the year ending 30 April 2017 was available:

1. Depreciation of vehicles must be written off at 25% net carrying amount.
2. On 30 April 2017 debtors and creditors were R81 000,00 and R32 400,00 respectively.
3. Petty cash amounts to R950,00.
4. The amounts drawn by the owner totalled R46 200,00.
5. Rent income for R350,00 was not received yet.
6. Repairs for R1 880,00 were not paid and water and electricity of R1 500,00 were not paid.

REQUIRED

Draw up the balance sheet of Sara's Store on 30 April 2017.

(34)
[40]

QUESTION 5

The following information was obtained from the records of Wuma Enterprises on 30 September 2017:

	01-09-2016	31-10-2017
Capital	36 700	40 000
Debtors	14 900	16 600
Bank(dr)	17 450	20 000
Trading stock	10 000	12 000
Accrued expenses	-	5 000
Creditors	15 300	20 000
Long-term loan	-	15 000
Gross profit	37 000	40 000
Sales	54 000	80 000
Cost of sales	17 600	?
Operating expenses	9 000	14 800
Other income	-	1 800

ADDITIONAL INFORMATION

- The business maintains a gross profit margin of 25% on turnover.
- All sales were on credit.
- A good turnover rate for similar businesses in South Africa is three times.
- The business allowed 30 days credit to debtors and received 60 days from creditors.

REQUIRED

Calculate the following for 2017 (round off to one decimal):

- 5.1 Gross profit percentage
- 5.2 Net profit percentage
- 5.3 Current ratio
- 5.4 Acid-test ratio
- 5.5 Stock turnover rate
- 5.6 Solvency ratio

(6 × 5) **[30]**

TOTAL: 200

EXAMINATION NUMBER:

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CENTRE NUMBER:

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FINANCIAL ACCOUNTING N5

11 JUNE 2017

ANSWER BOOK

QUESTION 1	
QUESTION 2	
QUESTION 3	
QUESTION 4	
QUESTION 5	
TOTAL	
PERCENTAGE	

This answer book consists of 10 pages.

EXAMINATION NUMBER:

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CENTRE NUMBER:

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APPROPRIATION STATEMENT

		R. RIVER	S. SAND	TOTAL

(20)
[50]

QUESTION 2

2.1

HEAD OFFICE ACCOUNT

(8)

2.2

BANK ACCOUNT

(9)

EXAMINATION NUMBER:

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CENTRE NUMBER:

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2.3 **DEBTORS CONTROL**

(4)

2.4 **CREDITORS CONTROL**

(4)

2.5 **TRADING ACCOUNT**

(7)

2.6 **PROFIT AND LOSS ACCOUNT**

(8)

[40]

EXAMINATION NUMBER:

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CENTRE NUMBER:

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QUESTION 3

3.1 **LIFO METHOD**

DATE	RECEIPTS		ISSUED		STOCK ON HAND		TOTAL TO DATE
	UNITS @ R	AMOUNT	UNITS @ R	AMOUNT	UNITS @ R	AMOUNT	AMOUNT

(26)

3.2 **AVERAGE COST PRICE**

DATE	RECEIPTS		ISSUED		STOCK ON HAND	
	UNITS	AMOUNT	UNITS	AMOUNT	UNITS	AMOUNT

(14)
[40]

EXAMINATION NUMBER:

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CENTRE NUMBER:

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QUESTION 4

4.1

DATE	DETAILS	DEBIT	CREDIT

(6)

4.2

BALANCE SHEET OF SARA'S STORE ON 31 APRIL 2017

	Notes		
ASSETS			

(12)

EXAMINATION NUMBER:

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CENTRE NUMBER:

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NOTE 1

LAND AND BUILDINGS AND VEHICLES

	GROSS CARRYING AMOUNT	ACCUMULATED DEPRECIATION	NET CARRYING AMOUNT

(4)

RECONCILIATION OF CARRYING AMOUNT

	LAND AND BUILDINGS	VEHICLES

(4)

NOTE 2

TRADE AND OTHER RECEIVABLES

(4)

NOTE 3

CASH AND CASH EQUIVALENTS

(3)

NOTE 4

CAPITAL

(3)

EXAMINATION NUMBER:

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CENTRE NUMBER:

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NOTE 5

TRADE AND OTHER PAYABLES

(4)
[30]

QUESTION 5

5.1

5.2

EXAMINATION NUMBER:

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CENTRE NUMBER:

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5.3

5.4

EXAMINATION NUMBER:

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CENTRE NUMBER:

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5.5

5.6

(5 × 6) [30]

TOTAL: 200