



higher education
& training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

MARKING GUIDELINE

**NATIONAL CERTIFICATE
FINANCIAL ACCOUNTING N5**

21 NOVEMBER 2019

This marking guideline consists of 7 pages.

QUESTION 1

1.1

INCOME STATEMENT OF SUGAR FAIRY – 31 JULY 2018

Net profit		R210 330✓
Less: operating expenses		(R44 000)✓
Salary	R42 000✓✓	
Interest on loan (Late)	R2 000✓✓	
Net profit for the year		R166 330✓✓

APPROPRIATION STATEMENT

		Choc	Late	Total
Interest on capital		R9 750✓✓	R3 750✓✓	R13 500☑
Interest on current		(R690)✓✓	R1 242✓✓	R552☑
Interest on drawings		(R1 200)✓✓	(R1 683)✓✓	(R2 883) ☑
Salary		-	R54 000✓	R54 000☑
General reserve	R6 700✓	-	-	R6 700☑
Current account		R62 974✓	R31 487✓	R94 461☑
	R6 700✓	R70 834✓	R88 796✓	R166 330☑

NOTE: ☑ principle marking

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1.2

CURRENT ACCOUNT: CHOC

Balance b/d	R3 450✓	Interest on capital	R9 750✓
Interest on current	R690✓	Salary	R7 000✓
Drawings	R22 500✓	Appropriation	R62 974☑
Interest on drawings	R1 200✓		
Balance c/d	R51 884		
TOTALS	R79 724		R79 724
		Balance b/d	R51 884✓

CURRENT ACCOUNT: LATE

Drawings	R31 550✓	Balance b/d	R6 210✓
Interest on drawings	R1 683✓	Interest on current	R1 242✓
		Interest on capital	R3 750✓
		Interest on loan	R2 000✓
Balance c/d	R11 456	Appropriation	R31 87☑
TOTALS	R44 689		R44 689
		Balance b/d	R11 456✓

(8 + 8)

(16)
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QUESTION 2

2.1.

BRANCH STOCK

Balance b/d	R144 000✓	Goods to branch	R18 000✓
Goods to branch	R880 000✓	Branch bank	R240 000✓
Branch adjustment	R1 500✓	Branch debtors	R640 000✓
		Branch adjustment	R3 200✓
		Branch adjustment	R95 700✓
		Balance c/d	R28 600
	R1 025 500		R1 025 500
Balance b/d	R28 600✓		

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2.2

BRANCH ADJUSTMENT

Goods to branch	R6 750✓	Goods to branch	R330 000✓
Branch stock	R3 200✓	Balance b/d	R54 000✓
		Branch stock	R1 500✓
Branch stock	R95 700✓		
Balance c/d	R10 725		
Branch profit and loss	R269 125✓		
	R385 500		R385 500
		Balance b/d	R10 725✓

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2.3

BRANCH DEBTORS

Branch stock	R640 000✓	Branch bank	R356 000✓
		Branch discount	R4 800✓
		Branch bad debt	R276✓
		Balance c/d	R278 924
	R640 000		R640 000
Balance b/d	R278 924✓		

(5)

2.4

BRANCH BANK

Balance b/d	R1 000✓	Branch water and electricity	R5 808✓
Branch debtors	R356 000✓	Branch repairs	R560✓
Branch stock	R240 000✓	Branch fuel	R700✓
		Head office	R588 932✓
		Balance c/d	R1 000
	R597 000		R597 000
Balance b/d	R1 000✓		

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2.5

GOODS TO BRANCH

Branch stock	R18 000✓	Branch stock	R880 000✓
Branch adjustment	R330 000✓	Branch adjustment	R6 750✓
Head office trading account	R538 750✓		
	R88 6750		R88 6750

(5)

2.6

BRANCH PROFIT AND LOSS

Branch water and electricity	R6 336✓	Branch adjustment	R269 125✓
Branch repairs	R560		
Branch fuel	R700		
Branch salary	R65 400		
Branch telephone (6 773 + 231)	R7 004✓		
Branch stationery (2 472 – 389)	R2 083✓		
Branch bad debts	R276✓		
Head office profit and loss	R186 766		
	R269 125		R269 125

(5)
[40]**QUESTION 3**

3.1 3.1.1 LIFO method

Date	Receipts		Issued		Balances		
	Units	Totals	Units	Totals	Units	Totals	Totals
1					30 @ R10,80	R324	R324✓
4	45 @ R11,10	R499,50✓			30 @ R10,80	R324✓	
					45 @ R11,10	R499,50✓	R823,50✓
7			45 @ R11,10	R499,50✓			
			10 @ R10,80	R108✓	20 @ R10,80	R216✓	R216✓
18			15 @ R10,80	R162✓	5 @ R10,80	R54✓	R54✓
28	20 @ R13,50	R270✓			5 @ R10,80	R54✓	
					20 @ R13,50	R270✓	R324✓

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3.1.2 Average weighted method

Date	Receipts		Issued		Balances	
	Units	Totals	Units	Totals	Units	Totals
1					30 @ R10,80✓	R324✓
4	45 @ R11,10	R499,50✓			75 @ R10,98✓	R823,50✓
7			55 @ R10,98	R603,90✓	20 @ R10,98✓	R219,60✓
18			15 @ R10,98	R164,70✓	5 @ R10,98✓	R54,90✓
28	20 @ R13,50	R270✓			25 @ R13✓	R325✓

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3.2 Gross profit: Normal sales
 $R1\ 384\ 500 \times 60/160 = R519\ 187,50✓✓✓$ (3)

Gross profit: Wholesalers
 $R485\ 000 \times 45/145 = R150\ 517,24✓✓✓$ (3)

Gross profit: Staff
 $R910\ 500 \times 10 / 110 = R82\ 772,73✓✓✓$ (3)

Total gross profit = R752 477,47✓ (1)

[40]

QUESTION 4

4.1

BALANCE SHEET OF ZENANI TRADERS – 28 FEBRUARY 2018

	Notes		
ASSETS			
Noncurrent assets			R229 920☑
Land, buildings and vehicles	1	R229 920✓✓	
Current assets			
Inventory	2	R23 680✓✓	
Debtor control		R 9 443✓	
Cash and cash equivalent	3	R12 627✓✓	
Total assets			R275 670☑
EQUITY AND LIABILITIES			
Owners' equity			R262 788☑
Capital	4	R262 788	
Noncurrent liabilities			
Current liabilities			R12 882☑
Creditors	5	R12 882	
TOTAL EQUITY AND LIABILITIES			R275 670☑

(12)

4.2 **Notes:**1. **Land, buildings and vehicles**

	Gross carrying amount	Accumulated depreciations	Net carrying amount
Land and buildings	R200 000✓	-	R200 000✓
Vehicles	R41 600✓✓	(R11 680)✓✓	R29 920✓
	R241 600	(R11 680)	R229 920

(7)

Reconciliation of carrying amount

	Land and buildings	Vehicles
Balance at the beginning	R200 000✓	R26 200☑
Addition at cost price	-	R9 600☑
Depreciation for the year	-	(R5 880)☑
Balance at the end	R200 000✓	R29 920☑

(6)

2.	INVENTORY			R23 680✓	
	Trading stock		R22 560✓		
	Consumable stores		R1 120✓		
	Packaging	R 976 ✓			
	Stationery	R144✓			(5)
3.	CASH AND CASH EQUIVALENTS			R12 627✓	
	Bank	R12 477✓			
	Petty cash	R150✓			(3)
4.	CAPITAL			R262 788✓	
	Balance the beginning	R221 414✓			
	Plus: Net profit	R81 594✓			
	Less: Drawings	(R40 220)✓			(4)
5.	CREDITORS			R12 882✓	
	Balance		R12 470✓		
	Add: expenses accrued		R412✓		(3)

[40]

QUESTION 5

5.1 Gross profit percentage on cost of sales

$$\frac{\text{Gross profit}}{\text{Cost of sales}} \times 100\%$$

$$= \frac{R191\,140\checkmark}{R262\,500\checkmark} \times 100$$

$$= 72,82\%\checkmark\checkmark$$

5.2 Net profit percentage on sales

$$\frac{\text{Net profit}}{\text{Sales}} \times 100\%$$

$$= \frac{R91\,890\checkmark}{R520\,000\checkmark} \times 100$$

$$= 17,67\%\checkmark\checkmark$$

5.3 Stock turnover rate

$$\frac{\text{Cost of sales} \checkmark}{\text{Average stock}}$$

$$= \frac{\text{R262 500} \checkmark}{\text{R52 500} \checkmark (\text{R40 000} + \text{R65 000})/2}$$

$$= 5 \text{ times} \checkmark \checkmark$$

5.4 Solvency ratio

$$\text{Total assets:Total liabilities} \checkmark$$

$$895 100 \checkmark : 44 300 \checkmark$$

$$20.21:1 \checkmark \checkmark$$

5.5 Debtors collection period (in days)

$$\frac{\text{Average debtors} \times 365 \checkmark}{\text{Credit sales}}$$

$$= \frac{\text{R74 125} \checkmark \times 365 (\text{R60 150} + \text{R88 100})/2}{\text{R520 000} \checkmark}$$

$$= 52,03 \text{ days} \checkmark \checkmark$$

5.6 Acid-test ratio

$$\text{Current assets – inventory:Current liabilities} \checkmark$$

$$153 100 - \text{R65 000} \checkmark : 44 300 \checkmark$$

$$88 100:44 300$$

$$1,99:1 \checkmark \checkmark$$

(6 × 5) [30]

TOTAL: 200