

**FAC1501**

October/November 2013

INTRODUCTORY FINANCIAL ACCOUNTING

Duration 2 Hours

100 Marks

EXAMINERS

FIRST

MS L GOVENDER

MRS KA NKOME

MR D VON WELL

SECOND

MR RN NGCOBO

Use of a non-programmable pocket calculator is permissible.

Closed book examination

This examination question paper remains the property of the University of South Africa and may not be removed from the examination venue.

This question paper consists of **TWELVE (12)** pages.**PLEASE NOTE:**

- 1 This paper consists of **FOUR (4)** questions
- 2 Ensure that you are writing the correct examination paper
- 3 Ensure that you are handed the correct examination answer book (**BLUE**) by the invigilator
- 4 All questions must be answered
- 5 Basic calculations, where applicable, must be shown
- 6 The answer to each question must be commenced on a new (separate) page
- 7 Please use blue or black ink only
- 8 PROPOSED TIMETABLE (try not to deviate from this)

QUESTION	TOPIC	MARKS	TIME (minutes)
1	Trial Balance	20	20
2	Journals	25	30
3	Bank reconciliation statement	25	30
4	Financial statement	30	40
	TOTAL	100	120

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QUESTION 1 (20 marks) (20 minutes)

Commence this question on a new (separate) page.

J J Traders

List of general ledger accounts as at 30 April 2013

Accumulated depreciation Vehicles
 Advertising
 Bank charges
 Bank overdraft
 Electricity deposit paid
 Cost of sales
 Credit losses
 Debtors control
 Creditors control
 Land and buildings
 Prepaid expenses
 Interest on overdraft
 Inventory (Merchandise)
 Petty cash
 Income receive in advance
 Sales
 SARS – VAT payable
 Telephone expenses
 Mortgage bond
 Vehicles at cost

REQUIRED:

List each of the above general ledger accounts under one of the categories in the table below.

e.g: A machinery ledger account would be inserted under.....

ASSETS		EQUITY		LIABILITIES	
Non-current assets	Current assets	Income	Expenses	Non-current liabilities	Current liabilities
Machinery					

(20)

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QUESTION 2 (25 marks) (30 minutes)

Commence this question on a new (separate) page.

Sport Traders, which is buying and selling sport equipment, is registered as a VAT vendor and the applicable VAT rate is 14%

On 1 August 2013 the following debtors' balances appeared in the accounting records of Sport Traders

	R
Pretoria Soccer Club (Folio number - DL1)	5 000
Pretoria Tennis Club (Folio number - DL2)	8 000
Pretoria Rugby Club (Folio number - DL3)	4 000
Pretoria Golf Club (Folio number - DL4)	7 000

The following transactions took place during August 2013

Duplicate tax invoice

SPORT TRADERS				
111 Super Sport Street PRETORIA Tel (012) 341-5555		VAT registration number 4310203040		P O Box 123 PRETORIA 0001 Fax (012) 341-6666
Date:	3 August 2013	TAX INVOICE		No 270
To:	Pretoria Rugby Club 400 Loftus Street Pretoria VAT registration number 4312345678			Payment method Cheque/debit card Cash Credit card Account
Code	Description	Qty	Unit price (R)	Total price (R)
RB10	Rugby balls -10% discount	15	550-00	8 250-00 (825-00)
Subtotal				7 425-00
VAT @ 14%				1 039-50
Total				8 464-50
Amount tendered				0-00
Amount due				8 464-50
E & OE				

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QUESTION 2 (continued)**Original credit note**

GILBERT STORES				
40 Burger Street PRETORIA Tel (012) 350-4455		VAT registration number 4311223344		P O Box 321 PRETORIA 0001 Fax (012) 350-4456
Date:	4 August 2013	CREDIT NOTE		No 125
To:	Sport Traders 111 Super Sport Street Pretoria VAT registration number: 4310203040			
Product no	Description	Qty	Unit price (R)	Amount credited (R)
RB150	Rugby balls	20	450-00	9 000-00
Subtotal				9 000-00
VAT @ 14%				1 260-00
Total credit due				10 260-00
E & OE				

Duplicate tax invoice

SPORT TRADERS				
111 Super Sport Street PRETORIA Tel (012) 341-5555		VAT registration number 4310203040		P O Box 123 PRETORIA 0001 Fax (012) 341-6666
Date:	8 August 2013	TAX INVOICE		No 271
To:	Pretoria Tennis Club 20 Federer Street Pretoria VAT registration number: 4387654321			<u>Payment method</u> Cheque/debit card Cash Credit card <u>Account</u>
Code	Description	Qty	Unit price (R)	Total price (R)
TB30	Tennis balls	90	70-00	6 300-00
Subtotal				6 300-00
VAT @ 14%				882-00
Total				7 182-00
Amount tendered				0-00
Amount due				7 182-00
E & OE				

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QUESTION 2 (continued)**Original tax invoice**

SLAZENGER TRADERS				
83 Nadal Street PRETORIA Tel (012) 645-2040		VAT registration number 4378945612		P O Box 888 PRETORIA 0001 Fax (012) 645-2041
Date:	9 August 2013	TAX INVOICE		No 1345
To: Sport Traders 111 Super Sport Street Pretoria VAT registration number 4310203040			Payment method Cheque/debit card Cash Credit card Account	
Code	Description	Qty	Unit price (R)	Total price (R)
TB250	Tennis balls	100	50-00	5 000-00
Subtotal				5 000-00
VAT @ 14%				700-00
Total				5 700-00
Amount tendered				0-00
Amount due				5 700-00
E & OE				

Duplicate credit note

SPORT TRADERS				
111 Super Sport Street PRETORIA Tel (012) 341-5555		VAT registration number 4310203040		P O Box 123 PRETORIA 0001 Fax (012) 341-6666
Date:	9 August 2013	CREDIT NOTE		No 55
To: Pretoria Tennis Club 20 Federer Street Pretoria VAT registration number 4387654321				
Product no	Description	Qty	Unit price (R)	Amount credited (R)
TB30	Tennis balls	20	70-00	1 400-00
Subtotal				1 400-00
VAT @ 14%				196-00
Total credit due				1 596-00
E & OE				

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QUESTION 2 (continued)**Duplicate tax invoice**

SPORT TRADERS				
111 Super Sport Street PRETORIA Tel (012) 341-5555		VAT registration number 4310203040		P O Box 123 PRETORIA 0001 Fax (012) 341-6666
Date:	12 August 2013	TAX INVOICE		No 272
To: Pretoria Soccer Club 75 Radebe Street Pretoria VAT registration number 4398745601			Payment method Cheque/debit card Cash Credit card Account	
Code	Description	Qty	Unit price (R)	Total price (R)
SB20	Soccer balls	20	400-00	8 000-00
Subtotal				8 000-00
VAT @ 14%				1 120-00
Total				9 120-00
Amount tendered				0-00
Amount due				9 120-00
E & OE				

Duplicate credit note

SPORT TRADERS				
111 Super Sport Street PRETORIA Tel (012) 341-5555		VAT registration number 4310203040		P O Box 123 PRETORIA 0001 Fax (012) 341-6666
Date:	13 August 2013	CREDIT NOTE		No 56
To: Pretoria Soccer Club 75 Radebe Street Pretoria VAT registration number 4398745601				
Product no	Description	Qty	Unit price (R)	Amount credited (R)
SB20	Soccer balls	5	400-00	2 000-00
Subtotal				2 000-00
VAT @ 14%				280-00
Total credit due				2 280-00
E & OE				

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QUESTION 2 (continued)**Original tax invoice**

NIKE STORES				
645 Khumalo Street PRETORIA Tel (012) 988-0070		VAT registration number 4390807060		P O Box 186 PRETORIA 0001 Fax (012) 988-0071
Date:	18 August 2013	TAX INVOICE		No 1120
To: Sport Traders 111 Super Sport Street Pretoria VAT registration number: 4310203040			<u>Payment method</u> Cheque/debit card Cash Credit card Account	
Code	Description	Qty	Unit price (R)	Total price (R)
SB650	Soccer balls -10% discount	40	300-00	12 000-00 (1 200-00)
Subtotal				10 800-00
VAT @ 14%				1 512-00
Total				12 312-00
Amount tendered				0-00
Amount due				12 312-00
E & OE				

Duplicate tax invoice

SPORT TRADERS				
111 Super Sport Street PRETORIA Tel (012) 341-5555		VAT registration number 4310203040		P O Box 123 PRETORIA 0001 Fax (012) 341-6666
Date:	22 August 2013	TAX INVOICE		No 273
To: Pretoria Golf Club 1 Woods Street Pretoria VAT registration number: 4321324354			<u>Payment method</u> Cheque/debit card Cash Credit card Account	
Code	Description	Qty	Unit price (R)	Total price (R)
GB40	Golf balls	30	250-00	7 500-00
Subtotal				7 500-00
VAT @ 14%				1 050-00
Total				8 550-00
Amount tendered				0-00
Amount due				8 550-00
E & OE				

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QUESTION 2 (continued)**Duplicate credit note**

SPORT TRADERS				
111 Super Sport Street PRETORIA Tel (012) 341-5555		VAT registration number 4310203040		P O Box 123 PRETORIA 0001 Fax (012) 341-6666
Date:	25 August 2013	CREDIT NOTE		No 57
To:	Pretoria Golf Club 1 Woods Street Pretoria VAT registration number 4321324354			
Product no	Description	Qty	Unit price (R)	Amount credited (R)
GB40	Golf balls	4	250-00	1 000-00
Subtotal				1 000-00
VAT @ 14%				140-00
Total credit due				1 140-00
E & OE				

REQUIRED:

- 2 1 Record the appropriate above transactions in the following subsidiary journals of Sport Traders for August 2013
- 2.1 1 Sales journal (columns for Doc no, Day, Details Fol, VAT output, Sales and Debtors) (12)
- 2 1 2 Sales returns journal (columns for Doc no, Day, Details, Fol, VAT output, Sales returns and Debtors) (9)
- 2 2 Prepare the debtors list of Sport Traders as at 31 August 2013 with the abovementioned balances and transactions (4)

**Note: You don't have to close off the journals at the end of the month.
Show all your calculations**

QUESTION 3 (25 marks) (30 minutes)

Commence this question on a new (separate) page.

You have been employed as an assistant bookkeeper at RG Traders as from 1 July 2013. The bookkeeper of RG Traders gave you the following information on 31 July 2013:

BANK STATEMENT OF RG TRADERS FOR JULY 2013				
Address 123 Bank Street Tshwane 0003				
Date	Details	Debits R	Credits R	Balance R
01/07/2013	Balance	-	-	56 000
02/07/2013	Debit order PG Insurers.....	2 000	-	54 000
	Debit order Tshwane Municipality.....	6 500	-	47 500
05/07/2013	Deposit.....	-	17 000	64 500
	Direct deposit Mr P Davids.....	-	20 000	84 500
08/07/2013	Cheque no 219.....	500	-	84 000
	Deposit.....	-	10 000	94 000
09/07/2013	Service fees.....	100	-	93 900
12/07/2013	Cheque no 220.....	1 600	-	92 300
	Cheque no 221.....	3 000	-	89 300
15/07/2013	Direct deposit Mrs C Peters.....	-	15 000	104 300
	Deposit.....	-	30 000	134 300
17/07/2013	Unpaid cheque Mrs S Singh.....	800	-	133 500
19/07/2013	Cheque no 224.....	3 700	-	129 800
	Deposit.....	-	16 000	145 800
22/07/2013	Service fees.....	100	-	145 700
24/07/2013	Deposit.....	-	10 000	155 700
26/07/2013	Cheque no 226.....	500	-	155 200
29/07/2013	Deposit.....	-	6 000	161 200
	Cheque no 228.....	900	-	160 300
31/07/2013	Interest.....	-	190	160 490

RG Traders**CASH RECEIPTS JOURNAL (Bank column only) - JULY 2013**

CRJ07

Date	Details	Bank R
05/07/2013	Cash sales.....	17 000
08/07/2013	Cash sales.....	10 000
09/07/2013	Mr P Fenn.....	5 000
12/07/2013	Mrs O Khumalo.....	4 000
15/07/2013	Cash sales.....	30 000
19/07/2013	Cash sales.....	16 000
24/07/2013	Cash sales.....	10 000
29/07/2013	Cash sales.....	6 000
		98 000

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QUESTION 3 (continued)

RG Traders

CASH PAYMENTS JOURNAL (Bank column only) - JULY 2013

CPJ07

Date	Cheque number	Name of payee	Bank R
08/07/2013	219	AP Stationers.....	500
12/07/2013	220	DG Stores.....	1 600
	221	Tellycome.....	3 000
15/07/2013	222	COG Stores.....	9 000
16/07/2013	223	Petro Traders.....	2 500
19/07/2013	224	XWY Wholesalers.....	3 700
22/07/2013	225	HR Steelworks.....	5 000
26/07/2013	226	KS Sweets.....	500
29/07/2013	227	Cash.....	200
	228	ST Garden Maintenance.....	900
			26 900

Additional Information

- a) The unpaid cheque in the bank statement on 17 July 2013 is a dishonoured cheque. The cheque was dishonoured due to insufficient funds in Mrs S Singh's, a client of RG Traders, account.
- b) The balance of the bank account in the general ledger of RG Traders as at 1 July 2013 had a favourable balance of R56 000.

REQUIRED:

- 3.1 Complete the cash receipts journal and the cash payments journal for July 2013 (Details and bank column only) **(9)**
- 3.2 Prepare the properly balanced / closed off bank account for July 2013 in the general ledger of RG Traders **(6)**
- 3.3 Prepare the bank reconciliation statement of RG Traders as at 31 July 2013 **(10)**

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QUESTION 4 (30 marks) (40 minutes)

Commence this question on a new (separate) page.

Selepe Traders**Pre-adjustment trial balance as at 31 July 2013**

	Debit R	Credit R
Capital	-	500 000
Drawings	25 000	-
Mortgage ABC Bank	-	300 000
Land and buildings at cost	350 000	-
Vehicles at cost	145 000	-
Equipment at cost	85 000	-
Accumulated depreciation Vehicles	-	29 000
Accumulated depreciation Equipment	-	17 000
Inventory (Merchandise) (1 August 2012)	125 000	-
Debtors control	115 450	-
Bank	49 600	-
Petty cash	5 000	-
Creditors control	-	95 690
SARS – VAT	14 235	-
Allowance for credit losses	-	7 300
Sales	-	732 615
Purchases	365 000	-
Freight on purchases	45 000	-
Sales returns	35 415	-
Import tariffs	9 300	-
Custom duties	6 750	-
Salaries	225 000	-
Advertisements	12 300	-
Rental income	-	21 450
Settlement discount received	-	5 210
Settlement discount granted	3 300	-
Interest on fixed deposit	-	3 410
Profit on sale of non-current asset	-	15 500
Motor expenses	18 945	-
Credit losses recovered	-	9 300
Interest on mortgage	28 750	-
Consumable stores (Purchased during the year)	16 000	-
Telephone expenses	19 600	-
Insurance	9 000	-
Water and electricity	27 830	-
	1 736 475	1 736 475

Additional information

- 1 Selepe Traders is a sole proprietor and uses the periodic inventory system

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QUESTION 4 (continued)

- 2 Inventories on hand at 31 July 2013 according to actual physical inventory count
- | | |
|--------------------|----------|
| Merchandise, | R185 000 |
| Consumable stores, | R 8 300 |
- 3 Selepe Traders determined that the allowance for credit losses should amount to R8 500 as at 31 July 2013
- 4 The credit losses to be written off amounted to R1 500 for the year
- 5 Selepe Traders paid R9 000 for insurance on 1 August 2012 and this insurance was to cover a period of 18 months
- 6 The total amount of rental income received amounted to R21 450 during the year. The tenant is charged R1 650 rent per month
- 7 Provide for depreciation as follows
- | | |
|-----------|--|
| Vehicles | 20% on the reducing/diminishing balance method |
| Equipment | 20% on the straight-line method |
- 8 The water and electricity account amounting to R2 756 for July 2013 was paid during August 2013

REQUIRED:

- 4.1 Show the cost of sales calculation **(7)**
(In your answer please show all calculations, **not** just one final figure)
- 4.2 Prepare the statement of profit or loss and other comprehensive income of Selepe Traders for the year ended 31 July 2013 **(23)**