

Question 1 (36 marks) (43 minutes)

Buntu Traders

Statement of profit or loss and other comprehensive income for the year ended 28 February 2018

Revenue (649 000 - 3 800)	645 200
Cost of sales	(325 500)
Inventory (1 Mar 2017)	15 500
Purchases	320 000
Inventory (28 Feb 2018)	(10 000)
Gross profit	319 700
Other income	11 325
Profit on sale of equipment	2 250
Interest on loan to partners	9 075
Distribution admin and other expenses	(70 318)
Salaries	0
Loss on fair value adjustment: Listed investment	12 000
Water and electricity	4 700
Stationery	5 000
Telephone expense	6 208
Insurance	8 000
Freight on sales	3 200
Depreciation	31 210
Finance costs	(2 450)
Interest on loan from partners	2 450
Profit for the year	258 257
Other comprehensive income	0
Total comprehensive income for the year	<u>258 257</u>

Calculations:

Veh: $98\,000 \times 25\% =$	24 500
Equip: $(94\,000 - 29\,400) \times 10\% =$	6 460
Sold equip (given)	<u>250</u>
Total depr:	<u>31 210</u>

Question 2 (24 marks) (29 minutes)

a) Bayede Consulting CC

Statement of cash flows for the year ended 31 December 2017

Cash flows from operating activities

Cash paid to suppliers and employees (1)	960 000
Cash flows from operating activities (2)	<u>(730 925)</u>
Cash generated from operations	229 075
Interest paid (8 000 + 0 - 4 000)	(4 000)
Dividends received	525
Distributions (26 800 + 10 000 - 30 000)	(6 800)
Tax paid (45 900 + 70 000 - 30 000)	<u>(85 900)</u>
Net cash flows from operating activities	<u><u>132 900</u></u>

(1) Sales	950 000	(2) Purchases	522 025
Net Debtors (open)	52 500	(500 000 - 52 000 + 74 025)	
(close)	<u>(42 500)</u>	Marketing expenses	100 000
	<u><u>960 000</u></u>	Admin expenses	115 000
		Creditors (open)	35 000
		(close)	(42 500)
		Prepaid wages (open)	(3 600)
		(close)	<u>5 000</u>
			<u><u>730 925</u></u>

b) Proceeds on sale of vehicle

Cost price	60 000
Accum depr (50 000 + ? No method given)	<u>(50 000)</u>
Carrying amount	10 000
Loss	<u>(500)</u>
Proceeds	<u><u>9 500</u></u>

Question 3 (22 marks) (26 minutes)

Tyaks CC

Statement of financial position as at 30 June 2018

Assets

Non-current assets	265 681
Property, plant and equipment (100 000 + 89 000 + 108 000 - 24 119 - 7 200)	265 681
Current assets	310 720
Inventory	38 520
Trade and other receivables	35 800
Prepayments (6 000 x 6/12)	3 000
SARS (Income tax refund)	10 400
Loans to members	38 000
Other financial assets (37 000 x R5)	185 000
Total assets	576 401

Equity and liabilities

Owners' equity	302 587
Members contributions (122 000 + 122 000)	244 000
Retained earnings (given)	58 587
Non-current liabilities	42 000
Long-term loan (50 000 - 8 000)	42 000
Current liabilities	206 354
Trade and other payables	20 054
Bank overdraft (12 700 - 6 000 - 185 000)	178 300
Short-term portion of long-term loan	8 000
Total equity and liabilities	550 941

This question does not balance, it is out by R25 460.

This question left out the income tax for the year (R25 460) in the additional information.

Which would mean tax payable is R15 060, and then this statement would balance.

Question 4 (18 marks) (22 minutes)

1. Goodwill:

Cap: Sipho (120 000 + 30 000 + 54 000)	204 000
Cap: Bafo (90 000 + 20 000 + 36 000)	146 000
Cap: Vuyo (75 000 + 15 000)	<u>90 000</u>
	440 000

Fair value of business as a whole:	450 000
90 000/ 0.2 (20%)	<u> </u>
Goodwill = 450 000 - 440 000 =	<u><u>10 000</u></u>

Calculations:

Valuation			
Debtors	20 000	Land & build	130 000
Inventory	20 000	(680 000 - 550 000)	
(50 000 - 30 000)			
Profit	90 000		
Cap: Sipho (3/5)	54 000		
Cap: Bafo (2/5)	36 000		
	<u>R 130 000</u>		<u><u>R 130 000</u></u>