

MODULE CODE

MAY/JUNE 2018

FAC1501

RFA1501

STUDENT NUMBER									

IDENTITY NUMBER														

FOR USE BY EXAMINATION INVIGILATOR

Question No	Marks					
	Examiners					
	1	2	3			
Total						

Subject

Number of paper

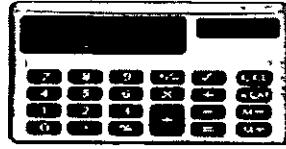
Date of examination

Examination centre

WARNING

- 1 A candidate who without authorisation takes into the examination venue any book, document or object which could assist him in the examination and does not hand over such material to the invigilator before the official commencement of the examination, will be guilty of *infringing* the University's examination regulations and will be liable to punishment as determined by Council
- 2 Rough work may be done only on the examination question paper and must be labelled as such
- 3 No notes may be made on any part of the body, such as the hands or on any garment
- 4 This page/paper is the property of the University and under no circumstances may the candidate retain it or take it out of the examination venue

NB PLEASE COMPLETE THE ATTENDANCE REGISTER ON THE BACK PAGE, TEAR OFF AND HAND TO THE INVIGILATOR


**FAC1501
RFA1501**

May/June 2018

INTRODUCTORY FINANCIAL ACCOUNTING

Duration 2 Hours

100 Marks

EXAMINATION PANEL AS APPOINTED BY THE DEPARTMENT

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 examination question paper consists of TWENTY-FOUR (24) pages including FIVE (5) pages for rough work (pp 20 – 24)

PLEASE NOTE:

- 1 This paper consists of FOUR (4) questions
- 2 Ensure that you are writing the correct examination paper
- 3 All questions must be answered on the relevant pages of the examination paper
- 4 Basic calculations, where applicable, must be shown
- 5 Please write legibly in blue or black ink only
- 6 PROPOSED TIMETABLE (try not to deviate from this)

QUESTION	TOPIC	MARKS	TIME (minutes)
1	Multiple choice questions	20	24
2	Accounting equation and inventory	25	30
3	Statement of profit or loss and other comprehensive income and statement of changes in equity	29	35
4	Bank Reconciliation	26	31
	TOTAL	100	120

[TURN OVER]

QUESTION 1 (20 marks)(24 minutes)

This question consists of ten (10) **MULTIPLE CHOICE QUESTIONS** of two (2) marks each. The questions are not related to each other. Only one option for each question is correct. Indicate the chosen option in your answer book next to the question number in brackets, for example Question 1 1 (1)

1 1 Minola Traders purchased inventory for R28 000 on credit from KKK Traders. Minola Traders uses the periodic inventory system. Which one of the following alternatives represents the correct accounts that will be debited and credited in the general ledger of Minola Traders?

- (1) The creditors control account will be debited and the inventory account will be credited
- (2) The creditors control account will be credited and the purchases account will be debited
- (3) The creditors control account will be credited and the inventory account will be debited
- (4) The creditors control account will be debited and the purchases account will be credited
- (5) The bank account will be credited and the purchases account will be debited

1 2 Which one of the following alternatives represents a correct classification of accrued expenses in the financial statements?

- (1) current assets
- (2) non-current liabilities
- (3) non-current assets
- (4) current liabilities
- (5) an expense

1 3 A tenant of PT Traders paid R7 000 for renting a part of the premises.

Which one of the following alternatives a correct effect in the general ledger account of PT Traders?

- (1) The bank account of PT Traders will decrease with R7 000
- (2) The rent expense account of PT Traders will increase with R7 000
- (3) The bank account of PT Traders will increase with R7 000
- (4) The rent income account of PT Traders will decrease with R7 000
- (5) The bank account will be not be affected

1 4 The following is a list of elements that makes up financial statements

- (a) Equity
- (b) Income
- (c) Assets
- (d) Liabilities
- (e) Expenses

Which one of the following alternatives represents a correct combination of elements that measure the profitability of an entity?

- (1) (c) and (d)
- (2) (b) and (d)
- (3) (a) and (c)
- (4) (b) and (e)
- (5) (a) and (b)

TURN OVER

QUESTION 1 (continued)

1 5 The following is a list of balances that appeared in the books of S Maroka as at 31 July 2017

	R
Furniture	80 000
Buildings	240 000
Debtors	40 000
Capital	300 000
Bank(debit)	100 000
Loan Capitec Bank	70 000
Other liabilities	?

Which one of the following alternatives represents a correct amount that will be disclosed as other liabilities in the statement of financial position of S Maroka as at 31 July 2017?

- (1) R 90 000
- (2) R460 000
- (3) R170 000
- (4) R230 000
- (5) R320 000

1 6 Consider the following information relating to ABASA Traders

	Transactions	Account to be debited	Account to be credited
(a)	The owner deposited R60 000 into the business account as capital	Capital	Bank
(b)	J Jack, a debtor who owes R2 000 has been declared insolvent by the North Gauteng High Court and his account was written off as irrecoverable	Credit losses	J Jack/Debtors
(c)	Received a donation of R20 000 from the National lottery	Bank	Donation
(d)	The owner took inventory worth R15 000 and gave it to his mother-in-law as part of lobola	Inventory	Drawings

Assuming that this entity is not registered as a VAT vendor and uses the periodic inventory system, which of the following alternatives represents a correct combination of accounts to be credited and debited?

- (1) (a) and (b)
- (2) (a) and (c)
- (3) (b) and (d)
- (4) (c) and (d)
- (5) (b) and (c)

TURN OVER

QUESTION 1 (continued)

1 7 Which one of the following statements is correct?

- (1) VAT output is repaid by SARS
- (2) The debit balance of the VAT control account indicates the amount owed by SARS
- (3) VAT input is paid to SARS
- (4) VAT on services rendered by the entity is VAT input
- (5) Vat liability is the amount by which the Vat input amount exceed the Vat Output amount

1 8 The following information pertains to Zulu Traders

Totals of the amount columns in the cash receipts journal at 31 March 2017

	R
Sundries	12 830
Bank	38 452
Debtors control	?
Settlement discount granted	2 570
Sales	13 200
VAT output	1 848

Which one of the following alternatives represents the correct amount of the total of debtors control column in the cash receipts journal of Zulu Traders for March 2017?

- (1) R11 596
 - (2) R25 622
 - (3) R12 422
 - (4) R 8 004
 - (5) R10 574
- 1 9 B Bakang purchased inventory for R7 000 on credit from Sollyman Traders on 16 June 2017 and received a trade discount of 12% B Bakang will receive a further 5% cash discount if the account is settled within 30 days

Which one of the following alternatives represents the correct amounts to be recorded in the cash payments journal of B Bakang if the account is settled on 10 July 2017?

	Bank	Creditors Control	Settlement discount received
(1)	R5 852	R6 160	R308
(2)	R6 160	R5 852	R308
(3)	R6 160	R6 160	R0
(4)	R5 852	R5 852	R0
(5)	R6 160	R6 160	R0

TURN OVER

QUESTION 1 (continued)

- 1 10 Vavooma Traders sold goods on credit to High Riding Services for R5 600. The cost price of the goods was R4 900. Vavooma Traders uses the perpetual inventory system.

Which one of the following alternatives represents the accounts to be debited and credited in the general ledger of Vavooma Traders to record the above transaction?

	Account debited	Account credited
(1)	Creditors control Cost of sales	Sales Inventory
(2)	Debtors control Inventory	Sales Cost of sales
(3)	Sales Cost of sales	Debtors control Inventory
(4)	Debtors control Cost of sales	Sales Inventory
(5)	Inventory Cost of sales	Sales Debtors control

QUESTION 1 (20 marks)(24 minutes)

1 1	
1 2	
1 3	
1 4	
1 5	
1 6	
1 7	
1 8	
1 9	
1 10	

[20]**TURN OVER**

QUESTION 2 A (14 marks)(17 minutes)

Commence this question on a new (separate) page

Mawicks Traders entered into the following transactions during April 2017. The entity uses a periodic inventory system and is not registered as a VAT vendor.

- 1 Paid R3 890 to NISA institute, with a business cheque, for the owner's son's studies
- 3 K Loopie who owed R 7 800 paid R 7 350 on 15 March 2017 in full settlement of his account. The cheque was returned on 3 April 2017 marked R/D. No entries were made in the books to record the cheque returned.
- 6 Paid the telephone account of the entity by cheque, R960
- 14 Received a cheque from M Moyo, R2 400. His debt had previously been written off as irrecoverable.
- 15 Received an invoice from Moloto Suppliers for merchandise ordered, R2 700
- 18 Sold inventory on credit to B Bilankulu, R3 600

REQUIRED.

Analyse the above transactions of Mawicks Traders in tabular format as follows:

Date	Account to be debited	Account to be credited	Effect on the basic accounting equation		
			Assets	Equity	Liabilities
			(+) or (-) Amount	(+) or (-) Amount	(+) or (-) Amount

PLEASE NOTE

- 1 The columns in respect of the accounting equation must NOT be totalled
- 2 Each amount MUST be preceded by a (+) sign for an increase or a (-) sign for a decrease
- 3 Show all calculations

TURN OVER

QUESTION 2A (14 marks)(17 minutes)

Date	Account to be debited	Account to be credited	Effect on the accounting equation		
			Assets	Equity	Liabilities
			R	R	R

[14]

TURN OVER

QUESTION 2 B (11marks)(13 minutes)

Commence this question on a new (separate) page

The following information was obtained from the records of Good Traders

Balances as at 31 May 2017

	R
Inventory (1 June 2016)	92 500
Sales	175 000
Purchases	132 500
Sales returns	1 400
Purchase returns	7 200
Freight charges on purchases	1 500
Freight charges on sales	2 600
Settlement discount granted	1 100
Settlement discount received	530

Additional information.

Inventory on hand on 31 May 2017, amounted to R90 000

REQUIRED

	Marks
(a) Calculate the cost of sales of Good Traders for the year ended 31 May 2017	6
(b) Calculate the gross profit of Good Traders for the year ended 31 May 2017	5
	[11]
Please note	
All calculations MUST be shown	

TURN OVER

QUESTION 2B (11 marks)(13 minutes)

(a) Cost of sales calculation

	R	R

(6)

(b) Gross profit calculation

	R	R

(5)

TURN OVER

QUESTION 3 (29 marks)(35 minutes)

Commence this question on a new (separate) page

The following information pertains to Muzunki Traders

MUZUNKI TRADERS
LIST OF BALANCES AS AT 30 JUNE 2017

	Debit	Credit
	R	R
Capital (1 May 2016)		216 000
Drawings	50 000	
Debtors control	202 560	
Allowance for credit losses		4 115
Vehicle (at cost)	351 830	
Accumulated depreciation Vehicles		105 700
Inventory (trading)	87 300	
Bank	56 520	
Mortgage		307 000
Sales		782 388
Cost of sales	461 889	
Commission income		18 000
Depreciation	55 000	
Insurance	8 575	
Packing material	88 000	
Rental income		65 000
Sales returns	1 860	
Settlement discount granted	2 465	
Telephone expenses	27 825	
Carriage on sales	15 690	
Repairs and maintenance	6 275	
Fuel	3 479	
Wages	64 115	
Water and electricity	7 820	
Interest on mortgage	7 000	
	1 498 203	1 498 203

Additional information

The following information must still be taken into account for the year ended 30 June 2017

- 1 A physical inventory count on 30 June 2017, revealed the following
 - Inventory on hand, R85 750
 - Packing material on hand, R12 600
- 2 Rental income for May 2017 and June 2017 is outstanding
- 3 Commission income of R3 600 is still outstanding

TURN OVER

QUESTION 3 (continued)

- 4 Water and electricity of R500 is still due
- 5 A debtor who owes the business R6 700 was declared insolvent and his account must be written off as irrecoverable
- 6 Muzunki Traders determined that the allowance for credit losses account should amount to R5 300 on 30 June 2017
- 7 The insurance amount includes the premiums for the months of July and August 2017

REQUIRED

		Marks
(a)	Prepare a statement of profit and loss and other comprehensive income for the year ended 30 June 2017	26
(b)	Prepare the statement of changes in equity as at 30 June 2017	3
		[29]
Please note:		
Your answer must comply with the requirements of International Financial Reporting Standards (IFRS) appropriate to the business of the sole trader		
All calculations MUST be shown		

QUESTION 3

**MUZUNKI TRADERS
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR
ENDED 30 JUNE 2017**

	R	R

TURN OVER

QUESTION 3 (continued)

**MUZUNKI TRADERS
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2017**

	R

(3)

[29]

TURN OVER

QUESTION 4 (26 marks)(30 minutes)

Commence this question on a new (separate) page.

The following bank reconciliation statement at 30 June 2017 was prepared in the accounting records of Bonang Services

Bank reconciliation statement as at 30 June 2017		
	Debit	Credit
	R	R
Credit balance as per bank statement		1 749
Credit outstanding deposit		1 010
Credit incorrect entry on bank statement		254
Debit outstanding cheques		
No 558 30/12/2016)	410	
No 821 (25/06/2017)	249	
Debit balance as per bank account	2 354	
	3 013	3 013

The following is a summary of the deposits and cheque payments recorded in the cash receipts journal and the cash payments journal for July 2017

Cash receipts journal				Cash payments journal			
Doc No	Date	Details	Bank (amount deposited)	Doc No	Date	Details	Bank (amount paid)
			R				R
	7	Deposit	982	823	3	Telephone	410
	16	Deposit	2 042	824	6	Purchases	4 448
	20	L Good	470	825	11	Insurance	294
	27	Deposit	2 202	826	16	Wages	302
	30	Deposit	1 152	827	20	F Andy	452
				SO	25	Salaries	2 000
				828	27	Water and electricity	84
				CU		K Dandy	142
				829	30	G Bush	761
			6 848				8 893

Abbreviations

SO = Stop order

CU = Cheque previously deposited, unpaid (R/D)

TURN OVER

QUESTION 4 (continued)

The bank statement received for July 2017 was as follows

BONANG SERVICES 1421 MOFOLO STREET OLIEVENHOUTBOSCH CENTURION 0187		ABASA BANK CENTURION PO BOX 2017 PRETORIA 0001		
CHEQUE ACCOUNT NUMBER 3000009				
Cheque Account Statement 1 July – 31 July 2017				
Date	Transactions	Debit	Credit	Balance
		R	R	R
1	Balance			1 749 Cr
	Error corrected		254	2 003 Cr
2	Deposit		1 010	3 013 Cr
	Cash deposit fee	21		2 992 Cr
7	Cheque No 821	249		2 743 Cr
	Deposit		982	3 725 Cr
	Cash deposit fee	21		3 704 Cr
12	Deposit		290	3 994 Cr
	Cash deposit fee	6		3 988 Cr
16	Cheque No 823	410		3 578 Cr
20	Cheque No 824	4 248		670 Dr
	Deposit		2 042	1 372 Cr
	Cash deposit fee	40		1 332 Cr
	Deposit		470	1 802 Cr
	Cash deposit fee	6		1 796 Cr
	Management fee	90		1 706 Cr
25	Cheque No 825	294		1 412 Cr
27	Cheque No 826	302		1 110 Cr
	Stop order	2 000		890 Dr
	Deposit		2 202	1 312 Cr
	Cash deposit fee	75		1 237 Cr
	Unpaid cheque (K Dandy)	142		1 095 Cr
	Cheque fees	25		1 070 Cr
	Interest on overdraft	12		1 058 Cr

TURN OVER

QUESTION 4 (continued)**Additional information:**

- 1 The correct amount of cheque number 824 is R4 248 and not R4 448
- 2 Cheque no 828 was mislaid by the municipality and the bank was notified to stop payment. No entries were made to record this

REQUIRED.

	Marks
(a) Finalise the cash journals for July 2017 (Commence with the totals)	12
(b) Open and complete the bank account for July 2017 in the general ledger of Bonang Services	7
(c) Prepare the bank reconciliation statement as at 31 July 2017	7
	[26]
Please note:	
All calculations MUST be shown	

QUESTION 4 (continued)

**BONANG SERVICES
CASH RECEIPTS JOURNAL (BANK COLUMN ONLY) – JULY 2017**

CRJ05

Details	Bank R

**BONANG SERVICES
CASH PAYMENTS JOURNAL (BANK COLUMN ONLY) – JULY 2017**

CPJ05

Details	Bank R

(12)

TURN OVER

QUESTION 4 (continued)

**BONANG SERVICES
GENERAL LEDGER**

Dr		Bank				Cr	
Date	Details	Fol	R	Date	Details	Fol	R

(7)

**BONANG SERVICES
BANK RECONCILIATION STATEMENT AS AT 31 JULY 2017**

	Debit R	Credit R

(7)
[26]

ROUGH WORK

A large, empty rectangular box with a thin black border, occupying most of the page. It is intended for students to show their rough work during an exam. A vertical dashed line runs through the center of the page, passing through the box.

TURN OVER

ROUGH WORK

A large, empty rectangular box with a thin black border, occupying most of the page. It is intended for students to show their rough work during the exam.

TURN OVER

ROUGH WORK

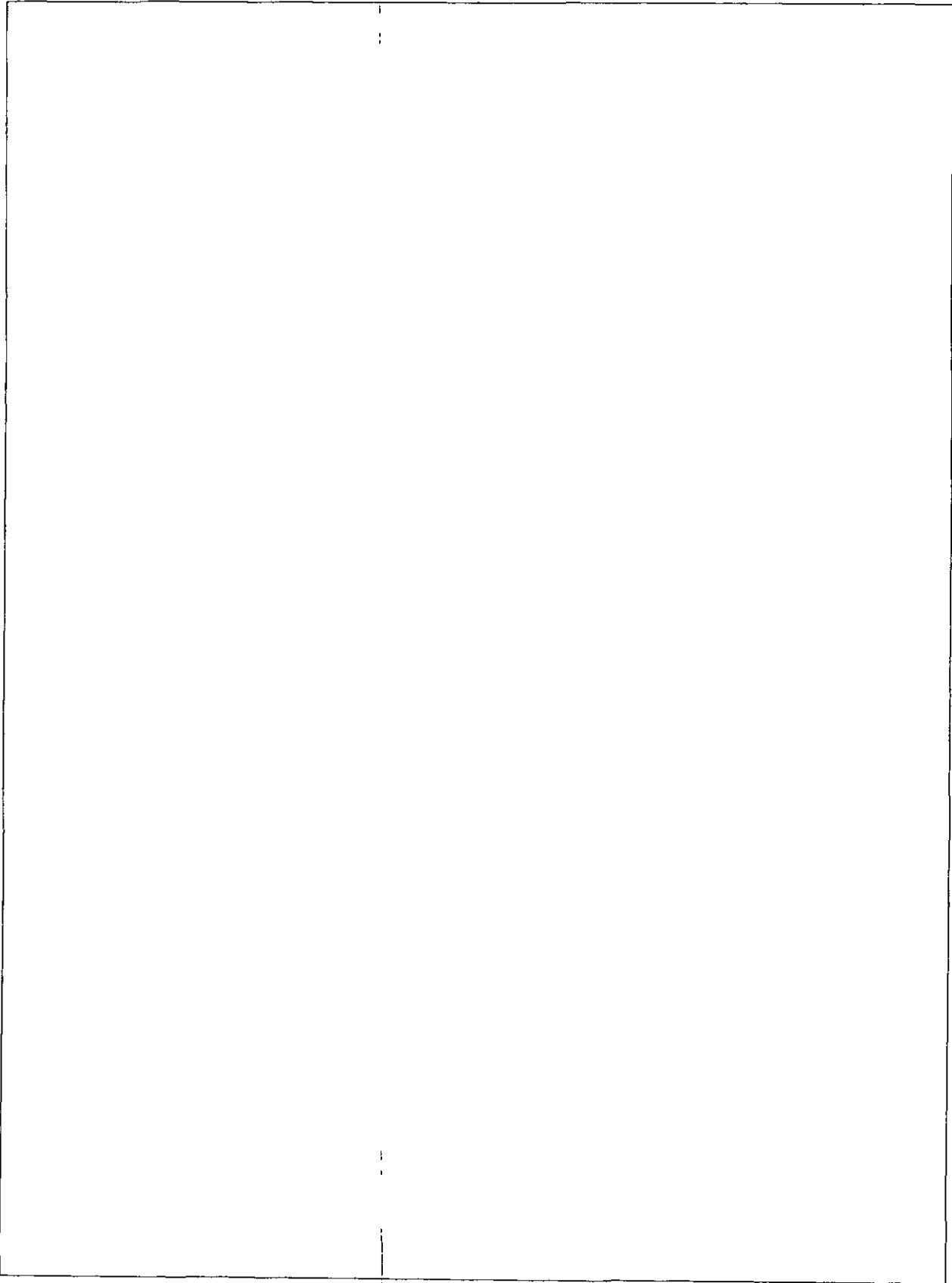
A large, empty rectangular box with a thin black border, occupying most of the page. It is intended for students to show their rough work during the exam.

TURN OVER

ROUGH WORK

A large, empty rectangular box with a thin black border, occupying most of the page. It is intended for students to show their rough work during the exam.

ROUGH WORK.



Tear

UNISA
University of South Africa
attendance register
(university copy)

Fill-in/MCQ



Examination period

Student number

Surname

First Names

Subject

Code of paper

Number of paper

Centre

Date

This is to certify that I have read the rules governing the examinations as set out on the inside cover of this examination answer book and in the examination instructions

That the information supplied by me in this answer book is correct and valid

I undertake to adhere to the procedures rules and regulations of the University of South Africa as published in the official brochures

Signature of candidate

Batch No
28092015MCQ

ID Number

Signature of invigilator

UNISA invigilator's personnel number

NOTE Not a valid document if not completed by the Invigilator

Tear

UNISA
University of South Africa
attendance register
(student copy)

Fill-in/MCQ



Examination period

Student number

Surname

First Names

Subject

Code of paper

Number of paper

Centre

Date

This is to certify that I have read the rules governing the examinations as set out on the inside cover of this examination answer book and in the examination instructions

That the information supplied by me in this answer book is correct and valid

I undertake to adhere to the procedures rules and regulations of the University of South Africa as published in the official brochures

Signature of candidate

Batch No
28092015MCQ

ID Number

Signature of invigilator

UNISA invigilator's personnel number

NOTE Not a valid document if not completed by the Invigilator