

**ADMISSION EXAMINATION / TOELATINGSEKSAMEN  
BOOKKEEPING / BOEKHOUD  
PART 4 / DEEL 4**

**31 AUGUST / 31 AUGUSTUS 2006**

**ANSWERS/ANTWOORDE**

**NOTE TO EXAMINER:** *This guideline records the views of the drafters. There may be justifiable variations in practice which are brought out in the answers. When this happens the examiner should apply his discretion in marking the answer.*

**QUESTION 1**

**[40]**

**TRUST CASH BOOK**

To Minnie (Correspondent)	3 000,00	By agent (Correspondent)	413,80
		By Transfer to Business	<u>2 586,20</u>

**BUSINESS CASH BOOK**

To Transfer ex Trust	2 586,20	By Sheriff (Mickey)	90,00
		By Counsel	750,00
		By Stamp	80,00
		By Sheriff	<u>150,00</u>

**TRUST LEDGER - CORRESPONDENT**

To cash	413,80	By cash debtor	3 000,00
To Business transfer	<u>2 586,20</u>		

**BUSINESS LEDGER - FEES**

To Correspondent	265,00	By Correspondent	795,00
To Correspondent	400,00	By Correspondent	<u>1 200,00</u>

**BUSINESS LEDGER – CORRESPONDENT**

To paid Sheriff	90,00	By Fee allowance	302,10
To fees & VAT	906,30	By Fee allowance	456,00
To fees & VAT	1 368,00	By trust transfer	2 586,20
To paid Counsel	750,00		
To paid Stamp	80,00		
To paid Sheriff	150,00		
	<u>3 344,30</u>		<u>3 344,30</u>

**VAT OUTPUT**

To Correspondent	37,10	By Correspondent	111,30
To Correspondent	56,00	By Correspondent	168,00

**BUSINESS JOURNAL**

Correspondent (B)	906,30	
Fees		795,00
VAT (output)		111,30
<b>To fees &amp; disbursements + VAT in matter with Minnie</b>		
Fees	265,00	
VAT (output)	37,10	
Correspondent (B)		302,10
<b>Being 1/3 allowance + VAT</b>		
Correspondent (B)	1 368,00	
Fees		1 200,00
VAT		168,00
<b>Being fees in divorce matter</b>		
Fees	400,00	
VAT	56,00	
Correspondent (B)		456,00
<b>Being 1/3 allowance + VAT</b>		

**TRANSFER JOURNAL**

Correspondent (T)	2 586,20	
Correspondent (B)		2 586,20
<b>Being transfer of fees &amp; disbursements</b>		

*1 mark each for ledger and cash book entries  
 2 marks each for journal entries  
 2 discretionary marks for neatness and layout*

**QUESTION 2**

**[10]**

<u>Trust liabilities</u>			643712.93	
As per schedule				(1)
<u>Trust funds available</u>				
As per trust cash book	(1)	422803.52		
Trust investment in terms of section 78(2)(a)	(1)	200000.00		
Trust investment in terms of Section 78(2A)	(1)	100000.00	722803.52	(1)
<u>Trust surplus (1)</u>			29090.59	(2)
(available for transfer)				

*2 discretionary marks for neatness and layout*

**QUESTION 3****[20]****Trust cash book**

Deposit Client (T)	10000	Paid Counsel Client (T)	3000
Transfer from business	3000	Unpaid cheque	10000
Client	7000		

**Client trust account**

Counsel	3000	Deposit	10000
Unpaid cheque	10000	Transfer from business	3000
		Bank	7000

**Client business account**

Transfer to trust	3000	Bank	3000
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**Business cash book**

Client	3000	Transfer to trust	3000
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**Transfer journal**

Client business account	3000	
Client trust account		3000
Reverse transfer		

*1 mark for all cash book entries**3 marks for the transfer journal**3 discretionary marks for neatness and layout***QUESTION 4****[30]****Trust Cash Book**

1. Romeo (T)	40 000	1. Second Bank - Romeo	40 000
2. Second Bank	10 000	2. Counsel - Romeo (T)	6 000
3. Samantha (T)	250 000	4. Third Bank - Samantha	100 000
5. Various clients (T)	150 000	5. First Bank	100 000
6. Samantha (T)	15 000	6. Rec of Revenue -Transfer duty Samantha (T)	10 000
7. First Bank	101 200	7. Law Society	1 200
		Balance	309 000
	<u>566 200</u>		<u>566 200</u>

Romeo – Trust Account			
2. Counsel	6000	1. Bank	40 000
Trust Investment 78 (2A) - Romeo			
1. Second Bank	40 000	2. Second Bank	10 000
Samantha – Trust Account			
6. Rec of Revenue	10 000	3. Bank - Deposit	250 000
		6. Bank - Costs	15 000
Trust Investment Samantha – 78(2A)			
4. Third Bank	10 000		
Various clients – Trust Accounts			
		5. Bank	150 000
Section 78(2)(a) Trust Investment			
5. First Bank	<u>100 000</u>	7. First Bank	<u>100 000</u>
Fidelity Fund			
7. Law Society	<u>1 200</u>	7. First Bank	<u>1 200</u>

*1 mark for each entry*

*2 discretionary marks for neatness & layout*

**TOTAL: [100]**