

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

**23 FEBRUARY / 23 FEBRUARIE 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**

**[20]**

SUPPLEMENTARY BUSINESS CASH BOOK FOR 30 JUNE 2005

|           |            |  |              |            |
|-----------|------------|--|--------------|------------|
| Overdraft | 104 717,00 |  | Balance      | 94 739,00  |
|           |            |  | Interest     | 1 428,00   |
|           |            |  | Bank Charges | 1 500,00   |
|           |            |  | R/D Cheque   | 4 050,00   |
|           |            |  | Stop Orders  | 1 000,00   |
|           |            |  | Stop Orders  | 2 000,00   |
|           | 104 717,00 |  |              | 104 717,00 |

BANK RECONCILIATION STATEMENT AS AT 30 JUNE 2005

|                                   |                          |
|-----------------------------------|--------------------------|
| Overdraft as per Bank Statement   | 32 177,00                |
| <u>Add:</u> Unpresented Cheque    | <u>8 900,00</u>          |
|                                   | 41 077,00                |
| <u>Less:</u> Deposit              | <u>14 000,00</u>         |
|                                   | 27 077,00                |
| <u>Less:</u> Error (trust cheque) | <u>12 360,00</u>         |
|                                   | 14 717,00                |
| <u>Add:</u> Error (trust deposit) | <u>90 000,00</u>         |
| Overdraft as per Cash Book        | <b><u>104 717,00</u></b> |

(10 for Supp Cash Bk)  
(10 for Bank Recon Statement)

TRUST CASH BOOK

|          |                            |                   |          |                      |                   |
|----------|----------------------------|-------------------|----------|----------------------|-------------------|
| 06/09/05 | Debtor (Zulu)              | 10 000,00         | 07/09/05 | Absa Bank            | 150 000,00        |
| 07/09/05 | Purchaser (Black)          | 150 000,00        | 15/09/05 | Counsel – Zulu (T)   | 570,00            |
| 10/09/05 | Purchaser (Black)          | 11 400,00         | 16/09/05 | Zulu R/D             | 5 000,00          |
| 11/09/05 | Zulu (T)                   | 5 000,00          |          | Purchaser (Black)    | 5 000,00          |
| 27/09/05 | Absa Bank - capital        | 150 000,00        | 30/09/05 | Transfer to business | 14 079,00         |
|          | Absa Bank - interest       | 5 000,00          |          | Zulu                 | 756 751,00        |
| 27/09/05 | Bank Guarantee – Black (T) | 600 000,00        |          |                      |                   |
|          |                            | <u>931 400,00</u> |          |                      | <u>931 400,00</u> |

BUSINESS CASH BOOK

|          |                     |           |          |                       |           |
|----------|---------------------|-----------|----------|-----------------------|-----------|
| 10/09/05 | Black (B)           | 50 000,00 | 08/09/05 | Transfer Duty (Black) | 50 000,00 |
| 30/09/05 | Transfer from trust | 14 079,00 |          |                       |           |

ZULU (TRUST)

|          |                      |                   |          |                    |                  |
|----------|----------------------|-------------------|----------|--------------------|------------------|
| 15/09/05 | Cash                 | 570,00            | 06/09/05 | Cash               | 10 000,00        |
| 16/09/05 | RD cheque            | 5 000,00          | 11/09/05 | Cash - divorce     | 5 000,00         |
| 30/09/05 | Transfer to business | 2 679,00          | 27/09/05 | Transfer from bank | 750 000,00       |
|          | Cash                 | 756 751,00        |          |                    |                  |
|          |                      | <u>765 000,00</u> |          |                    | <u>765 000,0</u> |

ZULU (BUSINESS)

|          |      |                 |                     |                 |
|----------|------|-----------------|---------------------|-----------------|
| 01/09/05 | Fees | 57,00           | Transfer from Trust | 2 679,00        |
|          | Fees | 342,00          |                     |                 |
| 29/09/05 | Fees | 2 280,00        |                     |                 |
|          |      | <u>2 679,00</u> |                     | <u>2 679,00</u> |

PURCHASER (TRUST) – BLACK

|          |                      |                   |          |                      |                   |
|----------|----------------------|-------------------|----------|----------------------|-------------------|
| 27/09/05 | Transfer to Zulu     | 750 000,00        | 07/09/05 | Cash – deposit       | 150 000,00        |
|          | Cash - Self          | 5 000,00          | 10/09/05 | Cash – Transfer fees | 11 400,00         |
| 30/09/05 | Transfer to business | 11 400,00         | 27/09/05 | Interest - ABSA      | 5 000,00          |
|          |                      | <u>766 400,00</u> | 27/09/05 | Cash                 | 600 000,00        |
|          |                      |                   |          |                      | <u>766 400,00</u> |

PURCHASER (BUSINESS) - BLACK

|          |                     |                  |          |          |                  |
|----------|---------------------|------------------|----------|----------|------------------|
| 08/09/05 | BCB - Transfer duty | 50 000,00        | 10/09/05 | Cash     | 50 000,00        |
| 27/09/05 | Fees                | 10 000,00        | 30/09/05 | Transfer | 11 400,00        |
| 27/09/05 | VAT                 | 1 400,00         |          |          |                  |
|          |                     | <u>61 400,00</u> |          |          | <u>61 400,00</u> |

ABSA S78 (2) (A) – PURCHASER

|          |      |            |          |      |                   |
|----------|------|------------|----------|------|-------------------|
| 07/09/05 | Cash | 150 000,00 | 27/09/05 | Cash | <u>150 000,00</u> |
|----------|------|------------|----------|------|-------------------|

Fees

|          |           |           |
|----------|-----------|-----------|
| 01/09/05 | Zulu (B)  | 50,00     |
|          | Zulu (B)  | 300,00    |
| 29/09/05 | Purchaser | 2 000,00  |
| 27/09/05 | Black (B) | 10 000,00 |

VAT

|          |          |          |
|----------|----------|----------|
| 01/09/05 | Zulu (B) | 7,00     |
|          | Zulu (B) | 42,00    |
| 29/09/05 | Zulu     | 280,00   |
| 27/09/05 | Black    | 1 140,00 |

### Fees Journal

|          |  |           |                       |
|----------|--|-----------|-----------------------|
| 01/09/05 | Zulu (B)<br>Fees<br>VAT<br>Letter of demand fee                | 57,00     | 50,00<br>7,00         |
|          | Zulu (B)<br>Fees<br>VAT<br>Collection commission               | 342,00    | 300,00<br>42,00       |
| 29/09/05 | Zulu (B)<br>Fees<br>VAT<br>Transfer fees and disbursements     | 2 280,00  | 2 000,00<br>280,00    |
| 27/09/05 | Purchaser – Black (B)<br>Fees<br>VAT<br>Property transfer fees | 11 400,00 | 10 000,00<br>1 400,00 |

### Transfer Journal

|          |   |           |           |
|----------|---|-----------|-----------|
| 30/09/05 | Zulu (Trust) (1)<br>Zulu (Business) (1)<br>Transfer fees                              | 2 679,00  | 2 679,00  |
| 30/09/05 | Black (Trust) (1)<br>Black (Business) (1)<br>Property transfer fees and disbursements | 11 400,00 | 11 400,00 |

### Trust Journal

|          |  |            |            |
|----------|--|------------|------------|
| 27/09/05 | Black (Trust) (2)<br>Zulu (Trust)<br>Transfer purchase price (2) | 750 000,00 | 750 000,00 |
|----------|--|------------|------------|

2 marks for Journal  
1 mark for each entry

**QUESTION 3****[20]**

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- 3.1 Investments in terms of Section 78 (2) (a) and Section 78 (2) (A) (2)
- 3.2 3.2.1 Yes  
3.2.2 No (2)
- 3.3 No (2)
- 3.4 Compare the debit balances in the Business ledger account of client with the credit balance in Trust ledger account. (3)
- 3.5 Draw a business cheque payable to cash and transfer the amount from Trust to Business. (3)
- 3.6 3.6.1 VAT that is paid for services by VAT vendor  
3.6.2 VAT that is charged for services by VAT vendor (2)
- 3.7 Transfer the sum of R900 from Business to Trust to make up shortfall in Trust and make client a business debtor for R900. (4)
- 3.8 No (2)