

# PROKUREURSEKSAMEN

## DEEL 4 BOEKHOU

28 FEBRUARIE 2008

14:00-16:15

Totaal: [100]

*Kandidate kry 15 minute om die vraestel deur te lees voor hulle begin skryf. Geen kandidaat mag tydens hierdie tyd in die antwoordboek begin skryf nie. Die eksamen van 2 uur volg dan.*

1. Die vrae mag in Afrikaans of Engels beantwoord word.
2. Kandidate mag sakrekenaars gebruik.
3. By beantwoording van vrae moet die betrokke inskrywings duidelik geïdentifiseer, omskryf en uiteengesit word.
4. Afsonderlike besigheids- en trustkasboeke, asook kliëntegrooboekrekeninge moet geopen word en moet nie gekombineer word nie. Joernaalinskrywings moet behoorlik beskryf en geïdentifiseer word.
5. Skryf assebliefslegs in pen op die regterkantse bladsye.
6. Tensy daar 'n spesiale rede bestaan, word 'n kandidaat nie vir 'n mondeling in hierdie deel ingeroep as 50% of meer behaal is nie. Indien 'n kandidaat minder as 40% behaal sal hy/sy nie kwalifiseer vir 'n mondeling nie en sal hierdie deel druipe.

# ATTORNEYS' EXAMINATION

## PART 4 BOOKKEEPING

28 FEBRUARY 2008

14:00-16:15

Total: [100]

*Candidates are allowed 15 minutes to peruse the paper before starting to answer the questions. No candidate may start writing in the answerbook during this period. The examination of 2 hours then follows.*

1. The questions may be answered in English or Afrikaans.
2. Candidates may use calculators.
3. In answering the questions you should ensure that the relevant entries are clearly identified, narrated detailed.
4. Separate business and trust cash books and clients' ledger accounts must be opened and are not to be combined. Journal entries must be properly identified and narrated.
5. Please write only in pen on the right-hand pages.
6. Except if a special reason exists, a candidate will not be required to do an oral in this part if 50% or more is attained. If a candidate achieves less than 40% he/she will not qualify for an oral and will have failed this section.

**VRAAG 1** [20]

U firma se besigheidskasboek toon 'n oortrokke saldo van R64 739 op 30 Junie 2006. Die bankstaatsaldo op dieselfde datum was R56 862 oortrokke. 'n Vergelyking van die bankstaat en die kasboek vir Junie 2006 toon dat:

- (a) rente op die oortrokke rekening van R928 is nie in die kasboek aangeteken nie.
- (b) trust en besigheids bankkoste van R558 en R394 respektiewelik is nie in die kasboek aangeteken nie.
- (c) tjeks ter waarde van R8 992 is nog nie by die bank vir betaling aangebied nie.
- (d) 'n deposito van R4 894 is nie op die bankstaat getoon nie.
- (e) 'n tjeek ter waarde van R1 443 wat op die trustbankrekening uitgereik was, verskyn op die bankstaat.
- (f) 'n onbetaalde tjeek ter waarde van R447 van 'n kliënt is "VT" gemerk deur die bank en teruggestuur.
- (g) aftrekorders vir assurance en motorpaaielemente ter waarde van R54 en R1 743 respektiewelik is nie in die kasboek aangeteken nie.
- (h) 'n deposito van R9 346 gemaak in die trustbankrekening is foutiewelik op die bankstaat getoon.

**U word gevra om:**

1. 'n aanvullende kasboek vir Junie 2006 op te stel, en
2. die bankrekonsiliasiestaat op 30 Junie 2006 op te stel.

**QUESTION 1** [20]

Your firm's business cash book reflects an overdraft balance at 30 June 2006 of R64 739. The bank statement balance on the same date was R56 862 overdrawn. A comparison of the bank statement and the cash book for June 2006 reveals that:

- (a) overdraft interest of R928 has not been recorded in the cash book.
- (b) trust and business account bank charges of R558 and R394 respectively, have not been recorded in the cash book.
- (c) cheques issued totaling R8 992 have not yet been presented for payment.
- (d) a deposit of R4 894 is not reflected on the bank statement.
- (e) a cheque for R1 443 drawn on the trust banking account appears on the bank statement.
- (f) an unpaid cheque of R447 from a client has been returned by the bank marked "RD".
- (g) insurance and motor lease stop orders of R54 and R1 743 respectively have not been entered in the cash book.
- (h) a deposit of R9 346 made to the trust banking account has been incorrectly reflected on the bank statement.

**You are required to:**

1. Prepare a supplementary cash book for June 2006; and
2. Prepare the bank reconciliation statement at 30 June 2006.

**VRAAG 2** [60]

**QUESTION 2** [60]

U kliënt John Smith het die volgende transaksies met u in September 2006 aangegaan:

Your client John Smith had the following transactions with you during September 2006.

- (a) Smith het u opdrag gegee om 'n bedrag van R5 000 van 'n skuldenaar te verhaal. U skryf 'n aanmaningsbrief op 1 September 2006 en debiteer 'n fooi van R100. Op 6 September 2006 ontvang u betaling van R3 000 in kontant. U debiteer invorderingskommissie van R300.
- (b) Op 7 September 2006, verkoop Smith sy huis aan Black vir R750 000 en hy gee u opdrag om die transport te registreer. Die koper is verantwoordelik vir die transportkoste. Op dieselfde dag ontvang u R150 000 van die koper synde die deposito op rekening van die koopprys. Die balans van die koopprys is gewaarborg deur 'n bank. U ontvang skriftelike magtiging van Black om die deposito namens hom te belê tot registrasie van transport.
- (c) Op 8 September 2006 betaal u hereregte van R15 000 aan die Ontvanger van Inkomste.
- (d) Op 10 September 2006 betaal Black 'n bedrag van R15 000 aan u terug, tesame met 'n addisionele bedrag van R5 000, ten opsigte van u transportkoste in kontant.
- (e) Op 11 September 2006 konsulteer Smith met u oor sy egskeiding. Hy gee u magtiging om die gelde wat verhaal is van die skuldenaar te gebruik as gedeeltelike deposito op rekening van u fooie, en hy gee u 'n tjek van R1 000 uitgereik deur Green ten gunste van Smith en geëndoseer deur hom as addisionele deposito.

- (a) Smith had instructed you to collect an amount of R5 000 from a debtor. You write a letter of demand on 1 September 2006, debiting a fee of R100 and on 6 September 2006 you receive payment of R3 000 in cash. You debit R300 collection commission.
- (b) On 7 September 2006 Smith sells his house for R750 000 to Black and instructs you to pass the transfer, the purchaser being responsible for all costs of transfer. On the same day you received R150 000 from the purchaser being the deposit on account of the purchase price. The balance of the purchase price is guaranteed by a bank. You obtain written authority from Black to invest the deposit on his behalf until registration of transfer.
- (c) On 8 September 2006 you pay transfer duty of R15 000 to the Receiver of Revenue.
- (d) On 10 September 2006 Black repays you the sum of R15 000 together with a further R5 000 on account of your fees of transfer in cash.
- (e) On 11 September 2006 Smith sees you about a divorce. He agrees to leave the money collected from a debtor as part deposit on account of your fees and gives you a further cheque of R1 000 drawn by Green in favour of Smith and endorsed by him as an additional deposit.

- (f) Op 15 September 2006 gee u opdrag aan die advokaat en u ontvang die besonderhede van vordering in die egskeiding tesame met die advokaat se rekening van R570. U betaal die rekening, wat BTW teen 14% insluit.
- (g) Op 16 September 2006 stuur die bank die tjek van Green terug gemerk "VT".
- (h) Op 27 September 2006 is die transport aan Black geregistreer. U ontvang R600 000 synde die opbrengs van die bankwaarborg en u debiteer 'n fooi van R4 560 (insluitende BTW van R560), vir transport. U onttrek die trustbelegging en ontvang R1 500 rente daarop.
- (i) Op 29 September 2006 stel Smith u in kennis dat hy nie meer gaan skei nie. U sluit u lêer en debiteer 'n fooi van R500 en BTW daarop.
- (j) Op 30 September 2006 verreken u aan beide Smith en Black.

**U word gevra om:**

Alle bogenoemde transaksies soos hulle moet verskyn in u rekenkundige boeke aan te teken. Oorplasing van trustfondse na besigheidsrekening moet slegs een keer aan die einde van die maand gedoen word. Maak voorsiening vir BTW teen die gepaste koers waar van toepassing. Dit is nie nodig om verrekeningsstate op te stel nie. Duid die datums waarop u die fooie in die aktes aangeleentheid gedebiteer word, aan.

- (f) You brief counsel and on 15 September 2006 you receive particulars of claim in the divorce matter together with counsel's account for R570 which includes VAT at 14%, and you pay the account.
- (g) On 16 September 2006 the bank returns the cheque from Green marked "R/D".
- (h) On 27 September 2006 the transfer to Black is registered. You receive R600 000 on presenting the bank guarantee for payment and you debit a fee of R4 560 which includes VAT at 14% for the transfer. You withdraw the trust investment and receive R1 500 interest thereon.
- (i) On 29 September 2006 Smith tells you that he has become reconciled with his wife. You debit a fee for R500 plus VAT and close your file.
- (j) On 30 September 2006 you account to both Smith and Black.

**You are required to:**

Record all the transactions as they would appear in your books of account. Funds must be transferred from your trust to your business account only once namely at the end of the month. Make provision where applicable for VAT at the appropriate rates. It is not necessary to prepare accounting statements. Indicate the dates on which you debit the fees in the conveyancing matter.

**VRAAG 3**

**[20]**

- 3.1 Watter aksie behoort u te neem as gelde direk in die trustbankrekening gedeponeer is en die identiteit of bron daarvan onbekend is? Watter inskrywings, (indien enige), sal gemaak word in u rekeningkundige aantekeninge. Watter inskrywings sal gemaak word wanneer die identiteit vasgestel word en watter boek van eerste inskrywing (indien enige), sal gebruik word. (7)
- 3.2 Onder watter omstandighede mag besigheidsgelde in die trustbankrekening gedeponeer word en watter aksie moet daarna geneem word? (3)
- 3.3 Watter faktore sal u in oorweging neem as u besluit om 'n trustbelegging in terme van Art 78(2)(a) te maak. Beskryf volledig watter inskrywings gemaak moet word. Wanneer en aan wie moet die rente van so 'n belegging betaal word? (10)

**QUESTION 3**

**[20]**

- 3.1 What action should be taken if monies are directly deposited into the trust banking account and the identity or source thereof is unknown? State what entries, (if any), will be made in your accounting records. What entries will be made when the identity is established and state which book of prime entry (if any) will be used. (7)
- 3.2 Under what circumstances may business monies be deposited into the trust banking account and what action should be taken thereafter? (3)
- 3.3 State what factors you would take into consideration when deciding how much to invest in a Section 78(2)(a) trust investment account? Describe fully what bookkeeping entries should be made. When and to whom must any interest on such investment be paid? (10)

**DIE EINDE**

**THE END**

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

**28 FEBRUARY / 28 FEBRUARIE 2008**

**ANSWERS/ANTWOORDE**

**PLEASE NOTE THAT THE GUIDELINE ANSWERS TO PREVIOUS PAPERS MAY NOT BE A CORRECT REFLECTION OF THE LAW AND/OR PRACTICE AT THE MOMENT OF READING.**

**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 CASH BOOK**

Overdraft	68 863	Balance	64 739
		Interest	928
		Bank Charges – Trust	558
		Bank Charges – Business	394
		R/D Cheque	447
		Stop Order – Insurance	54
		Stop Order – Motor lease	1 743
	68 863		68 863

Overdraft as per Bank Statement	56 862
<u>Add:</u> Outstanding Cheques	8 992
	65 854
<u>Less:</u> Outstanding Deposit	4 894
	60 960
<u>Less:</u> Error (trust cheque)	1 443
	59 517
<u>Add:</u> Error (trust deposit)	9 346
	68 863
Overdraft as per Cash Book	<b>68 863</b>

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

**TRUST CASH BOOK – SEPTEMBER 2006**

6	Smith (Debtor)	3 000	7	ABSA Bank	150 000
7	Purchaser – Deposit	150 000	15	Smith (T) (Counsel)	570
10	Purchaser	5 000	16	Smith (T) R/D – Green	1 000
11	Smith – Green	1 000	30	Purchaser	1 940
27	Black ABSA Bank - Capital	150 000	30	Transfer to business	4 560
27	Black ABSA Bank - Interest	1 500	30	Transfer to business	1 026
27	Bank Guarantee	600 000	30	Smith	750 000
			30	Smith	1404
		<u>810 500</u>			<u>810 500</u>

**BUSINESS CASH BOOK – SEPTEMBER 2006**

10	Black (B) Cash	15 000	8	Black (B) - Transfer Duty	15 000
30	Transfer from Trust	4 560			
30	Transfer from Trust	1 026			

**SMITH (TRUST)**

Sept 2006	15	Bank – Pd Counsel	570	Sept 2006	6	Bank – Debtor	3 000
	16	Bank – RD Green	1 000		11	Bank – Green	1 000
	30	Transfer to business	1 026				
	30	Bank – self	1 404				
			<u>4 000</u>				<u>4 000</u>

**SMITH (BUSINESS) – SEPTEMBER 2006**

1	Fees + VAT – Letter of demand	114	30	Transfer	1 026
6	Fees + VAT – Collection	342			
29	Fees + VAT – Divorce	570			
		<u>1 026</u>			<u>1 026</u>

**PURCHASER BLACK (TRANSFER) – TRUST**

Sept 2006	30	Smith (T)	750 000	Sept 2006	7	Bank – Deposit	150 000
	30	Bank – Self	1 940		10	Bank – Self	5 000
	30	Transfer to Business	4 560		27	Bank – Interest	1 500
					27	Bank – Guarantee	600 000
			<u>756 500</u>				<u>756 500</u>

**PURCHASER – BLACK (BUSINESS)**

Sept 2006	8	SARS – Transfer duty	15 000	Sept 2006	10	Bank	15 000
	26	Fees + VAT	4 560		30	Transfer from Trust	4 560
			<u>19 560</u>				<u>19 560</u>

**TRUST INVESTMENT ABSA S78 (2) (A) – BLACK PURCHASER**

Sept 2006	7	Bank	150 000	Sept 2006	27	Bank	150 000
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**FEEES**

2006	1	Smith – Letter of demand	100
	6	Smith – Collection	300
	26	Black – Transfer	4 000
	29	Smith – Divorce	500

**VAT**

2006	1	Smith (B) – Letter of demand	14
	6	Smith (B) – Collection	42
	26	Black (B) – Transfer	560
	29	Smith (B) – Divorce	70

**FEEES JOURNAL**

2006 Sept	1	Smith (B) Fees VAT Letter of demand fees	114	100 14
2006 Sept	6	Smith (B) Fees VAT Collection fees	342	300 42
2006 Sept	26	Black – Purchaser (B) Fees VAT Transfer fees	4 560	4 000 560
2006 Sept	29	Smith (B) Fees VAT Divorce fees	570	500 70

**TRANSFER JOURNAL**



2006 Sept 30

Smith Trust  
Black Trust  
Black Business  
Smith Business  
Transfer fees

1 026

4 560

4 560

1 026

(60 Marks)

(2 marks for Journal)

(1 mark for each entry)

**Note to examiners: the question calls for dates in the conveyancing matter to be reflected and appropriate penalties should be imposed at your discretion.**

**QUESTION 3**

**[20]**

- 3.1 Contact the bank and all staff members to try and establish the source and identity of the funds received.
- (a) Debit Trust Cash Book and Credit Suspense Trust Ledger account.
- (b) Debit Suspense Trust Ledger account and Credit Identified Clients Trust Ledger Account using the Trust Journal as a book of prime entry. (7)
- 3.2 When the Business monies are part of mixed monies (Trust and Business). Thereafter, using the Transfer Journal the Business monies are transferred from Trust to Business. (3)
- 3.3 Determine how much Trust Money is not required immediately. Credit the Trust Cash Book and Debit Trust Ledger Account – Section 78(2)(a) – Fidelity Fund. Interest earned is paid to the Fidelity Fund with proof of the Investment when the Investment closed and monies returned to Trust Account. (10)