

COURT PROCEDURES / HOFPROSEDURES
PART 1 / DEEL 1

12 AUGUST / AUGUSTUS 2003

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

[13]

- 1.1 1.1.1-1.1.4 A cheque of which plaintiff is the legal holder dated 12 July 2003 for the sum of R300,000 drawn by defendant in favour of plaintiff on the Main Road Branch of Standard Bank, Seapoint, Cape Town which cheque was duly presented for payment by plaintiff but was dishonoured by the said bank/ returned by the said bank marked "Refer to Drawer" - which amount notwithstanding due demand Defendant has failed to pay plus interest thereon at the prescribed/ legal rate of 15.5% per annum from 12 July 2003 to date of payment. Notice of dishonour is dispensed with in terms of Section 48 of the Bills of Exchange Act No 34 of 1964 in that the said bank is under no obligation to pay the said cheque. (7)
- 1.2 Yes - ordinary/ simple summons or combined summons. (1)
- 1.3 The plaintiffs are Joseph Smith an adult businessman and Betty Smith an adult businesswoman, N N O as trustees for the time being of Joe's Business Trust (Registration No IT007) carrying on business as Joe's Accessories at 1 De Waal Drive, Cape Town. (2)
- 1.4 1.4.1 The Cape Provincial Division and the Transvaal Provincial Division. (1)
- 1.4.2 The defendant is Ace Computers CC (Registration No 07/12345/CK) a close corporation duly registered in terms of Laws of the Republic of South Africa with registered office at 204 Rhodes Building, Hamilton Street, Pretoria. (2)

QUESTION 2

[10]

- 2.1 The onus would rest on the Plaintiff to prove the actual monetary amount of the loan.
In the light of the admission by the Defendant that a lesser amount was borrowed, the onus would rest upon the Defendant to show that payment of the lesser sum was made. (2)
- 2.2 It is impossible to deal with the question of payment separately. Should the Court find that R500 000,00 was repaid on that basis, the Plaintiff would then either stand or fall by proving the amount in excess of R500 000,00. (2)

- 2.3 No. There is no concurrence between the parties regarding the facts and consequently this would be of no avail. (1)
- 2.4 None. (1)
- 2.5 The Plaintiff can, in terms of Rule 35 (3), obtain discovery of the cheque alternatively can decide not to do so. If not discovered, this may not be used at the trial of the action. (1)
- 2.6 You would discuss the matter with your colleague and ascertain whether there are any points on which agreement can be reached. (1)
- 2.7 You would advise your client to attempt to settle the matter. You would ask the Judge to stand down the matter, and make an offer on a "without prejudice" basis. (1)
- 2.8 You would approach your opponent, inform him of your difficulty and attempt to obtain his concurrence that the matter be postponed. Costs would obviously have to be tendered given the circumstances, alternatively if this fails, a formal Application would be launched to the presiding trial Judge with a view to obtaining postponement, again tendering costs. (1)

QUESTION 3

[2]

- 3.1 True (1/2)
- 3.2 False (1/2)
- 3.3 False (1/2)
- 3.4 False (1/2)

QUESTION 4

[10]

- 4.1 Apply for an administration order. (2)
- 4.2 Have a writ of execution against property issued against the employer. (2)
- 4.3 Have a garnishee order issued against the bank. (2)
- 4.4 Have a warrant of execution issued against movable property. (2)
- 4.5 Absolution from the instance. (2)

QUESTION 5**[15]**

- 5.1 Ensure defendant pleads timeously. He cannot apply for summary judgment. (2)
- 5.2 Apply for summary judgment. (2)
- 5.3 Serve a notice to plead. (2)
- 5.4 Request default judgment. (2)
- 5.5 Candidates may propose either issuing a writ against movables or apply in terms of Section 66[1] of the Act for leave to attach immovable property. (2)
- 5.6 Prescription on a bill of exchange is 6 years so file an exception. (2)
- 5.7 Arrest *tamquam suspectus de fuga*. (3)

QUESTION 6**[10]**

- 6.1 You are an ordinary passenger and as such you may claim special damages only in respect of your injuries, i.e. hospital and medical expenses and loss of income. (1)
- 6.2 Yes. You may claim no more than R25 000.00 in respect of special damages. (1)
- 6.3 No. The Act only covers damages suffered in respect of bodily injuries and not material damages. (2)
- 6.4 By not wearing your safety belt you were contributorily negligent (1) and the RAF would be able to apply an apportionment to whatever damages you are awarded. (1) (2)
- 6.5 Yes, provided it is proved that he was negligent ($\frac{1}{2}$), which seems to be the case. In the set of circumstances described in the question, you would be entitled to claim the material damages in respect of the watch and spectacles ($\frac{1}{2}$), as also your general damages ($\frac{1}{2}$). Should your special damages have exceeded R25 000.00 you would have been able to claim the excess ($\frac{1}{2}$). (2)
- 6.6 Yes, if you could prove that the other driver was negligent in any respects, then you are entitled to claim your full damages from the Fund because of the negligence of the other driver (1). In the present case, you could claim all your damages, except the material damages in respect of the watch and spectacles (1). (2)

QUESTION 7**[8]**

- 7.1 The letter must contain the following:
- 7.1.1 The employer must be advised that you are acting on behalf of their employee in regard to his claim for damages arising from the injuries he sustained in the motor accident. Details of the time and place of the accident should be furnished (½).
 - 7.1.2 The employer must be asked to furnish a certificate (½) confirming your client's employment with the company (1), advising of the length of his employment with them (½), the salary that your client earned over the 12 months preceding the accident (½), details of any "employment perks" he may have received, and his annual leave and sick leave entitlement (1½) and the period he was absent from work (½).
 - 7.1.3 The employer must be specifically asked what payments your client received whilst he was away from work recovering from his injuries (½). The employer must be asked to state whether these payments arose out of his conditions of employment (basically whether he was entitled to sick leave pay) (½) or whether the payment of salary was *ex gratia* (1). Full details must be furnished by the employer. (7)
- 7.2 He can claim the four weeks pay he received over and above his sick-leave entitlement because this was paid to him *ex gratia* by his employer. (1)

QUESTION 8**[2]**

- 8.1 By despatching the MMF.1 Claim Form and Annexures to the Fund by pre-paid registered post. (½)
- 8.2 On the day that the document is despatched by registered post. (½)
- 8.3 By delivering the MMF.1 Claim Form and Annexures to an office of the Road Accident Fund - a receipt from the Fund on service is recommended. (½)
- 8.4 By putting up a copy of the Post Office document, proving postage by pre-paid registered mail, or a receipt from the Fund. (½)

QUESTION 9**[5]**

- 9.1 Compensation Commissioner (½)
Road Accident Fund (½)
His co-employee (½) (1½)
- 9.2 From the Compensation Commissioner he can claim all his special damages, ie. R16 500.00 (½)

From the RAF R25 000.00 in respect of his general and special damages subject to the Fund being entitled to deduct the amount of the Compensation Commissioner's award. (1)

From his co-employee the balance of his damages that he is unable to recover from the Compensation Commissioner and the RAF. (1)

(2½)

9.3 No. The employer is not responsible for the negligence of employees in his employ against each other. He is absolved from liability by statute.

(1)

(Compensation for Occupational Injuries and Diseases Injuries Act - COIDA).

QUESTION 10

[17]

10.1 1. In terms of Section 60(1)(c) if the question of the possible release of the accused on bail is not raised by the accused or the prosecutor, the Court shall ascertain from the accused whether he or she wishes that question to be considered by the Court.

2. Reasons for any further detention of the accused in terms of Section 50(6)(a).

3. His right to legal representation.

(3)

10.2 10.2.1 Attempted murder on Mrs Badvibe;

10.2.2 Attempted murder on mother-in-law;

10.2.3 Attempted murder or assault G.B.H. on father-in-law

10.2.4 Housebreaking

(4)

10.3 Section 67 applies. Bail may be canceled if:

10.3.1 He fails to appear at the place and on the date and time appointed for his trial or;

10.3.2 Fails to appear at the place and on the date and the time to which the proceedings relating to the offence in respect of which the accused is released on bail or adjourned or;

10.3.3 Fails to remain in attendance at such trial or at such proceedings or;

10.3.4 Fails to comply with any conditions which the Court may have imposed on him when bail was initially granted eg. he may not go to certain places, contact certain persons etc.

10.3.5 Interferes with state witnesses.

(4)

**IN THE MAGISTRATE'S COURT FOR THE DISTRICT OF PORT ELIZABETH HELD
AT TODD CHAMBERS TODD STREET PORT ELIZABETH**

Case No. 114/02

In the matter between

THE STATE

and

MR BADVIBE

STATEMENT IN TERMS OF SECTION 112 (2)

I, Mr Badvibe do hereby declare that:

1. I am the accused in this matter and understand the nature of the charges against me.
2. I hereby tender a Plea of guilty to assault with the intent to do grievous bodily harm.
3. I admit that on the 28th of March 2002 and at the home of my father-in-law, Mr A., I wrongfully and unlawfully assaulted him by stabbing him with a knife.
4. I admit that my actions were wrongful, unlawful and intentional and I accordingly plead guilty to assault with the intent to commit grievous bodily harm.
5. I confirm that I make this statement freely and voluntarily and of my own free will.

DATED at PORT ELIZABETH on this the 22nd day of JULY 2002.

(6)

QUESTION 11

[8]

11.1 11.1.1 I will not apply for the discharge in terms of Section 174 even though the witness who was robbed did not positive identify the accused. The stolen item was found in the possession of the accused and he will be obliged to give an explanation as to how it came to be in his possession.

(2)

11.1.2 The defence case should not be closed as the Magistrate has only the version of the policeman and shop owner on record. Although the accused was not satisfactory identified there is the possibility of a conviction even on the main count if he does not give an explanation as to the possession of the watch.

(2)

11.1.3 The accused will have to be called to give evidence in order to advise the Court under oath as to how and where he came to be in possession of the watch. He will be led as far as his alibi is concerned and corroborating evidence of any person who could have been with him on the day of the robbery will be led. (2)

- 11.2
1. Theft (½)
 2. Assault (½)
 3. Possession of stolen property (Section 36) (½)
 4. Section 37 (½)
- (2)

ESTATES / BOEDEL'S
PART 2 / DEEL 2

12 AUGUST / AUGUSTUS 2003

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

[36]

RECAPITULATION STATEMENT	[3]		
Cash in estate	(1)		NIL
Liabilities	(1)	500 000,00	
Cash to be paid in by W	(1)		500 000,00
		500 000,00	500 000,00
INCOME AND EXPENDITURE ACCOUNT	[5]		
1. Rental paid on 1 February 2002	(2)		20 000,00
2. Executors remuneration @ 6% on R20 000,00	(1)	1 200,00	
3. Balance awarded to John	(2)	18 800,00	
		20 000,00	20 000,00
DISTRIBUTION ACCOUNT	[16]		
1. Balance for distribution (R2 900 000,00 - R500 000,00)	(1)		2 400 000,00
2. Awarded to JOHN HOLMES, major son of the deceased in terms of the redistribution agreement	(3)	900 000,00	
LESS cash paid in	(2)	450 000,00	
		450 000,00	
The award consists of the farm GOEDGEVONDEN 197, district Reitz	(1)		
3. Awarded to JAMES HOLMES, major son of the deceased in terms of the redistribution agreement	(3)	450 000,00	
The award comprises cash paid in by JOHN HOLMES	(1)		
		900 000,00	2 400 000,00

		900 000,00	2 400 000,00
4. Awarded to WINIFRED HOLMES, surviving spouse of the deceased, the residue of the estate in terms of the will (3)		1 500 000,00	
The award comprises:		2 400 000,00	2 400 000,00
Shares in ABC Ltd (1)	R2 000 000,00		
LESS cash paid in (1)	R500 000,00		
	1 500 000,00		
ESTATE DUTY	[12]		
Assets of joint estate (1)			2 900 000,00
LESS half share of surviving spouse (2)			1 450 000,00
			1 450 000,00
ADD assets deemed to be assets of the deceased (proceeds of policy paid to surviving spouse) (2)			750 000,00
			2 200 000,00
LESS half of liabilities (2)	250 000,00		
LESS section 4(q) deductions (3) [750 000,00 + (½ x R1 500 000,00)]		1 500 000,00	1 750 000,00
	NETT VALUE		450 000,00
LESS standard deduction (1)			1 500 000,00
	DUTIABLE AMOUNT (1)		NIL

QUESTION 2

[14]

Balance for distribution		200 000,00	(1)
Awarded to: Anelle Queen Surviving spouse			(1)
One half in terms of the marriage in community of property	100 000,00		(2)
One half as sole heir in terms of section 1(1)(a) of the Intestate Succession Act 81/1987	100 000,00		(3)
	200 000,00	200 000,00	

The award consists of:			
Fixed property	120 000,00		
Movables	47 500,00		
Cash	32 500,00		
	200 000,00		(3)

Note:

The son is disqualified from inheriting, and because he has no descendants he cannot be represented in terms of section 1(7) of Act 81/1987.

(4)

QUESTION 3

[8]

CODICIL

I, the undersigned,

JOHN JONES,

widower of Bloemfontein, make the following codicil to my last will and testament dated 5 January 2003.

(1)

1.

I revoke paragraph 2.5 of my said will and substitute for it the following:

(2)

I bequeath R15 000,00 (fifteen thousand rand) in cash to THE DISASTER RELIEF FUND.

(1)

2.

My said will remains unaltered in all other respects.

(2)

Thus done and signed at Bloemfontein on 15 July 2003 by the testator and the undersigned witnesses, all being present at the same time.

(2)

AS WITNESSES:

1. _____

TESTATOR

2. _____

QUESTION 4**[9]**

In terms of Section 2C(2) of the Wills Act the descendants of a predeceased descendant are entitled to the latter's benefit per stirpes, whether the predeceased descendant would have been entitled to inherit as a member of a class, or not.

(3)

The three surviving children each inherit R250 000,00.

(2)

The two grandchildren each inherit R125 000,00.

(2)

The addition of the words "in equal shares" does not affect the answer.

(2)

QUESTION 5**[27]**

5.1 Death notice; Death certificate; Original Will; Ante-nuptial contract; Acceptance of trust as executor in duplicate; Section 9 (provisional) inventory

(7)

5.2 Take custody of the assets - Sect 26; Open an estate banking account - Section 28, if there is more than R100 cash on hand; Place a Section 29 notice; Final inventory - Section 27 and lodging of liquidation and distribution account - Section 35.

(5)

5.3 Within 6 months after the date of issue of the Letters of Executorship. Must apply in writing to the Master before the expiry of the period for an extension of time mentioning:

- 1) Why the account cannot be lodged in time
- 2) What steps have been taken to expedite the submission and the progress made in that regard;
- 3) What progress has been made in the liquidation of the estate
- 4) The amount of money on hand
- 5) Why an interim account cannot be lodged
- 6) Whether the estate is solvent

(10)

5.4 i) Government Gazette and local newspaper circulating in the area where the deceased was ordinarily resident during the 12 months which preceded his death.

ii) 21 days

iii) To give interested parties the opportunity to object to the account if necessary

(5)

QUESTION 6**[6]**

Should the testator be the first dying of us, we hereby mass our separate estates and leave the entire massed estate to our trustee in trust for the testatrix and our children, subject to the terms and conditions set out hereunder.

**ATTORNEY'S PRACTICE / PROKUREURSPRAKTYK
PART 3 / DEEL 3**

13 AUGUST / AUGUSTUS 2003

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

[30]

1.1 LANDLORD'S REMEDIES FOR BREACH

1. The landlord will be entitled to cancel this lease by written notice to the tenant if the latter:
 - 1.1.1 fails to make any payment in terms of this lease on due date and remains in default for 7 (seven) days after receiving written notice from the landlord to make the payment;
 - 1.1.2 commits any other breach of this lease and fails to remedy the breach within 14 (fourteen) days after receiving written notice from the landlord to do so.
2. Should the tenant, fail to make payment to a third person as required by the lease or fail to perform any other obligation due in terms of this lease, and remain in default for 7 (seven) days after receiving written notice from the landlord, to remedy the default the landlord may without prejudice to its rights under 1, make the payment or carry out the obligation and recover the amount paid or the cost of carrying out the obligation (as the case may be) from the tenant on demand.
3. The landlord's remedies under 1 and 2 are additional to any other remedies he may have.
4. Should the landlord cancel this lease and the tenant dispute the landlord's right to do so and remain in occupation of the premises then, pending the determination of the dispute:
 - 4.1 the tenant shall continue to make all payments in terms of this lease on their due dates.
 - 4.2 the landlord's acceptance of those payments will not in any manner affect his right to cancel this lease or any other remedy he may have;
5. Should the dispute between the landlord and the tenant be determined in favour of the landlord, the payments made in terms of 4.1 will be regarded as amounts paid by the tenant on account of the loss sustained by the landlord as a result of the holding over of the premises by the tenant.

(13)

1.2 MAINTENANCE

- 1.2.1 Throughout the period of this lease the tenant shall maintain the whole of the premises in good order and condition and carry out, at his own cost, any painting, repairs or replacement necessary for that purpose.
- 1.2.2 Within 7 (seven) days after commencement of this lease the tenant may notify the landlord in writing of any defects in the premises. Save in respect of defects indicated to the landlord in writing within this period, the premises will be deemed to have been in good order and condition at the commencement of this agreement.
- 1.2.3 The landlord or its agent will be entitled at all reasonable times to enter upon and inspect the premises.

(10)

1.3 RATES AND OTHER CHARGES

- 1.3.1 Subject to 1.1, the landlord shall pay any rates levied by the local authority on the premises.
- 1.3.2 Whenever the Rates are increased during the Lease Period, the Lessor may, by written notice to the Lessee, increase the Rent by the amount of the increase in Rates, calculated on a monthly basis. Every such increase in the Rent shall take effect on the first date of the month following that in which the Lessor's notice of the increase is received by the Lessee, or the date on which the increase in the Rates takes effect, whichever is the later.
- 1.3.3 The tenant will be liable for all other charges in respect of the premises, including charges for electricity, refuse removal, sanitation, sewerage and water. The tenant shall pay these amounts to the local authority directly.

(7)

QUESTION 2

[10]

1. The lessor gives the lessee an option to extend the lease contract for a further period of three years on condition that :
- i) a written notice of such exercising of the option reaches the lessor not later than three months before the termination of the lease period;
 - ii) the rental as prescribed in the lease agreement is increased by 10% in regard to every year of such extended lease period starting on the date when the extended lease period comes into operation;
 - iii) all the remaining provisions of the lease contract save the right to extend remain applicable to such extended lease period;
 - iv) this option is granted on the express condition that the lessee strictly and faithfully complies with the provisions of the contract.

QUESTION 3**[10]**

- 3.1 An option is a unilateral document granted by the owner of a property to a person giving a right to purchase the property within a specified time and at a fixed price. The seller is bound by the option document but the holder of the option becomes a party to the document and becomes legally bound only when he exercises the option and gives notice in writing that he exercises the option.
- 3.2 A right of pre-emption is also granted to a person by the owner but cannot be exercised by that person. Only in the event that the owner decides to sell the property is he required in the first place to offer it to the person who hold the right of pre-emption. The holder of the pre-emption must within a specified period decide whether he wishes to exercise the right of pre-emption.

QUESTION 4**[4]**

There are four characteristics or criteria of a partnership contract:

1. That each of the partners bring something into the partnership or bind themselves to bring something into it, whether it be money, labour or skill.
2. That the business should be carried on for the joint benefit of the partners.
3. That the object of the partnership should be to make a profit.
4. That the contract between the partners should be legitimate.

QUESTION 5**[16]**

- 5.1 Attorneys may legitimately negotiate fees with clients provided such negotiation does not constitute either overreaching or touting. Owing to the volume of work a reduction in charges may be justified and may be appropriate. (4)
- 5.2 Acting *pro amico* for staff members in general who by implication are unknown to the attorney would not be permitted. This would constitute some form of indirect touting. (2)
- 5.3 The same argument in 2 above about indirect touting would apply and so making an apartment available free of charge would be unacceptable. (2)
- 5.4 An attorney may well be regarded as touting by making such payment. However, if it is a genuine transaction the payment is made at the attorney's risk. It must be done out of his own funds. The deposit may not be utilized for this purpose. (4)
- 5.5 Clearly the intention of the new attorney in reducing fees is to attract more work and is not based on the attorney's financial structure which would permit reduction in fees. This could be construed as touting and such conduct is consequently improper. (4)

QUESTION 6**[25]**

- 6.1 An attorney is entitled to mark a brief beforehand but it is not advisable to do so. It will be more correct for the attorney to discuss a fee with counsel before instructing him. If he does so, however, counsel may accept or refuse the brief. (3)
- 6.2 The rules of the General Bar Council prohibit an advocate meeting in an attorney's office but nothing prohibits an advocate under appropriate circumstances seeking special permission to do so. (3)
- 6.3 An attorney or his representative must always be present when advocate consults with his client. It often happens that the attorney is not available and requests his candidate attorney to accompany his client to consult with counsel. (3)
- 6.4 It is the duty of the advocate and the attorney to discuss advocates fees at the earliest possible times. This often does not happen and the two assume that reasonable fees be charged. If this does not happen the attorney should do the following:
- 6.4.1 Arrange to discuss fees with counsel and endeavour to resolve the dispute;
 - 6.4.2 If this is not possible refer the matter to the ombudsman at the Bar who will endeavour to mediate.
 - 6.4.3 If this does not succeed lodge a complaint with the Secretary of the Bar Council who will arrange a proper hearing and debate the matter. (6)
- 6.5 A certificate issued in terms of the provisions of the attorney's act no 53 of 1979 (s42) to any practitioner practising for his own account and remains valid until 31 December of each year. (2)
- 6.6 It must be applied for to the Secretary of the Law Society concerned in the prescribed form and against payment of the prescribed fee furnishing the required information, by an attorney wishing to practise for his own account and before commencing to practise. Each practising attorney must be in possession of a valid fidelity fund certificate which must be renewed annually. (5)
- 6.7
1. He may not continue to practise nor charge fees for any services rendered.
 2. If he does he will be committing an offence under the rules of the Law Society.
 3. He may be suspended or removed from the Roll of practitioners.
 4. Note that clients retain their rights against the Fidelity Fund. (3)

QUESTION 7**[5]**

The general rule is that a practitioner is entitled to accept or refuse any work offered to him unless for special reasons there is some obligation to accept or refuse work. The attorney enjoys a *delictus personae* with respect to the client or clients. The attorney is accordingly free to choose either of the two mandates.

**BOOKKEEPING / BOEKHOU
PART 4 / DEEL 4**

13 AUGUST / AUGUSTUS 2003

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

[15]

1.1 SUPPLEMENTARY BUSINESS CASH BOOK FOR JUNE 2002 (½)

	R			R	
Telegraphic transfer	7 980	(1)	Balance	64 722	(1)
Deposit adjustment	144	(1)	RD Cheque	8 388	(1)
Balance	68 048	(1)	Bank charges	1 809	(1)
			Interest on overdraft	713	(1)
			Cheque adjustment	<u>540</u>	(1)
	<u>76 172</u>			<u>76 172</u>	

1.2 BANK RECONCILIATION STATEMENT AT 30 JUNE 2002 (½)

R

Balance as per bank statement		81 086		OD (1)
Less bank errors:	2 169		(1)	
	<u>7 301</u>	<u>9 470</u>	(1)	
		71 616		
Add: Outstanding cheques		<u>6 432</u>	(1)	
		78 048		
Less: Outstanding deposit		<u>10 000</u>	(1)	
Balance as per cash book		<u>68 048</u>		OD

NOTE TO EXAMINERS: *1 mark for neatness and presentation.*

QUESTION 2

[30]

Trust Cash Book

Correspondent	1 336	Black	1 154
		Transfer to business	182

Business Cash Book

Transfer from trust	182		
---------------------	-----	--	--

Correspondent - Trust Account

Black	1 800	Cash	1336
Transfer to business	182	Black	646
	<u>1 982</u>		<u>1 982</u>

Black - Trust Account

Correspondent	646	Correspondent	1 800
Cash - Self	1 154		
	<u>1 800</u>		<u>1 800</u>

Correspondent - Business Account

1/3 Allowance	182	Transfer from Trust	182
---------------	-----	---------------------	-----

Fee

		Correspondent - 1/3 Alice	160
--	--	---------------------------	-----

VAT

		Correspondent - 1/3 Alice	22
--	--	---------------------------	----

NOTE TO EXAMINERS: *1 mark for each entry including journal narrations.
2 marks for neatness and presentation.*

TRUST JOURNAL

Black - Trust Account	646	
Correspondent - Trust Account		646
Correspondent fees and disbursements		
Correspondent - Trust Account	1 800	
Black - Trust Account		1 800
Transfer collection ex White		

FEES JOURNAL

Correspondent - Business Account	182	
Fees		160
VAT Output		22
1/3 Allowance Black vs. White		

TRANSFER JOURNAL

Correspondent - Trust Account	182	
Correspondent - Business Account		182
Transfer 1/3 Allowance		

QUESTION 3

[25]

Trust cash book

David (½)	5 000	Transfer to business (½)	3 600
		David (½)	1 400

David (T)

Transfer to business (½)	3 600	Deposit (½)	5 000
Bank self (½)	1 400		

Business cash book

Transfer ex trust (½)	3 600		
-----------------------	-------	--	--

David (B)

Revenue stamps (½)	180	Transfer ex trust (½)	3 600
Fees (½)	3 420		

Fees

		David (½)	3 000
--	--	-----------	-------

Revenue stamps

	David (½)	180
--	-----------	-----

VAT Output

	David (½)	420
--	-----------	-----

FEES JOURNAL

David (B)	3 420	
Fees		3 000
VAT Output		420
Fees in respect of registration of trust and preparation of estate plan		

(4)

REVENUE STAMP JOURNAL

David (B)	180	
Revenue stamps		180
Stamps issued for registration of trust		

(3)

TRANSFER JOURNAL

David (T)	3 600	
David (B)		3 600
Transfer fees and disbursements		

(3)

ACCOUNTING STATEMENT

David		
re: Registration of trust and preparation of estate plan		
Deposit received		5 000
Revenue stamps	180	
Our fees	3 000	
VAT at 14%	420	
Cheque herewith	1 400	
	5 000	5 000

(6)

NOTE TO EXAMINERS: 2½ marks for neatness, presentation and layout

QUESTION 4

[30]

4.1

Trust Cash Book

Reddy	40 000	Building Society	40 000
van der Merwe	100 000	Nedbank	150 000
Ngubane	68 500	Seller	50 000
Adams	30 000	Attorneys Fidelity Fund	1 500
Khoza	50 000	Reddy	2 200
Nedbank	151 500	Balance	238 500
Building Society	42 200		
	4 882 200		4 882 200

S78(2)(a) Nedbank

Cash	150 000	Cash	151 500
Cash	1 500		
	151 500		151 500

TRUST LEDGER

Reddy

		Cash	40 000
--	--	------	--------

Van der Merwe

		Cash	100 000
--	--	------	---------

Building Society S78(2)(A) (Reddy)

Cash	40 000	Cash	42 200
Reddy	2 200		

Ngubane

		Cash	68 500
--	--	------	--------

Adams

		Cash	30 000
--	--	------	--------

Khoza

Seller	50 000	Cash	50 000
--------	--------	------	--------

NOTE TO EXAMINERS: 1 mark each

4.2 **Trust Liabilities**

Reddy	40 000
Van der Merwe	100 000
Ngubane	68 500
Adams	<u>30 000</u>
	<u>238 500</u>

Trust funds available

Trust cash book	238 500
-----------------	---------