

4. The Debtor hereby expressly renounces the benefits of the legal exceptions *non causa debiti, errore calculi*, the revision of accounts and no value received.
5. The Debtor agrees to the jurisdiction of the Magistrate's Court in terms of section 45 of Magistrate's Court Act 32 of 1944 for the recovery of any amount due in terms hereof.
6. The Principal Debt shall become due and payable immediately in the event of the insolvency of the Debtor, or if the Debtor commits an act of insolvency.
7. The Debtor shall pay the costs hereof as well as the stamp duty on demand. Should the Creditor incur costs in the collection of the Principal Debt, the Debtor shall pay such costs on the attorney-and-client scale as well as collection costs calculated at 10% (ten percent) of each and every payment made in reduction of the Principal Debt, interest and costs.
8. The Creditor shall be entitled to cede or pledge his interests herein or to trade therewith at his own discretion without the consent of the Debtor.
9. The Creditor may allocate any payment to capital, interest, costs or any other item as he deems fit despite any allocation made or deemed to be made by the Debtor. (1)

TOTAL: [100]

PROKUREURSEKSAMEN

DEEL 4
BOEKHOU

18 FEBRUARIE 2009

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. Kandidate mag sakrekenaars gebruik.
2. By beantwoording van vree moet die betrokke inskrywings duidelik geïdentifiseer, omskryf en uiteengesit word.
3. Asonderlike besighheids- en truskasboeke, asook klientegroofoekrekeninge moet geopen word en moet nie gekombineer word nie. Joernaalinskrywings moet behoorlik beskryf en geïdentifiseer word.
4. Skryf asseblief slegs in pen op die regterkantise bladsye.
5. Tensy daar 'n spesiale rede bestaan, word 'n kandidaat nie vir 'n mondeling in hierdie deel ingeroep as 50% en meer behaal is nie. Indien 'n kandidaat minder as 40% behaal sal hy/sy nie kwalifiseer vir 'n mondeling nie en sal hierdie deel druip.

ATTORNEYS' EXAMINATION

PART 4
BOOKKEEPING

18 FEBRUARY 2009

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. Candidates may use calculators.
2. In answering the questions you should ensure that the relevant entries are clearly identified, narrated and detailed.
3. 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.
4. Please write only in pen on the right-hand pages.
5. 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 [15] QUESTION 1 [15]

U moet 'n trust bankrekonstilasie staat vir u praktyk soos op 29 Februarie 2008 opstel. Die volgende inligting word voorsien:

You are required to prepare a trust bank reconciliation statement for your practice as at 29 February 2008. The following information is provided:

REKONSILIASIESTAAT OP 31 JANUARIE 2008 **RECONCILIATION STATEMENT AS AT 31 JANUARY 2008**

Balans soos per bankstaat Milj Uitsaander tjeks: 287 500 293 1 250 Plus: Uitsaande deposito Saldo soos per Kasboek	64 739 1 750 62 989 30 000 92 989	Balance as per Bank Statement Less Outstanding cheques 287 500 293 1 250 Add: Outstanding deposit Balance as per Cash Book	64 739 1 750 62 989 30 000 92 989
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TRUSTKASBOEK – FEBRUARIE 2008 **TRUST CASH BOOK – FEBRUARY 2008**

Saldo Deposito Deposito Deposito Deposito Saldo	92 989 6 843 18 809 2 17 8 639 Saldo	Tjek 294 Tjek 295 Tjek 296 Tjek 297 Tjek 298 Saldo	27 212 1 720 183 4 820 2 929 90 633 127 497	Balance Deposit Deposit Deposit Deposit Balance	92 989 6 843 18 809 2 17 8 639 Saldo	Cheque 294 Cheque 295 Cheque 296 Cheque 297 Cheque 298 Balance	27 212 1 720 183 4 820 2 929 90 633 127 497
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BANKSTAAT – FEBRUARIE 2008 **BANK STATEMENT – FEBRUARY 2008**

Saldo Tjek 295 Deposito Tjek 297 Deposito Tjek 294 Deposito Tjek 296 Tjek 293 Deposito VT Tjek	1 720 30 000 4 820 6 843 27 212 18 809 1 205 217 2 186	Balance Cheque 295 Deposit Cheque 297 Deposit Cheque 294 Deposit Cheque 296 Cheque 293 Deposit RD Cheque	1 720 30 000 4 820 6 843 27 212 18 809 1 205 217 2 186	64 739 93 019 88 199 95 042 67 830 86 639 85 251 83 282
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Additional Information:
 Tjek 293 is foutewylk in u kasboek as R1 250 aangeleken.
Additional Information:
 Cheque 293 was incorrectly entered in your cash book as R1 250.

VRAAG 2 [35] QUESTION 2 [35]

U word opdrag gegee deur u korespondent om R50 000 te verhaal van Ben Smith namens sy klient ABC Bpk. Met die uitvoer van die opdrag, word die volgende transaksies aangegaan:

You are instructed by your correspondent to recover R50 000 from Ben Smith on behalf of his client ABC Ltd. In executing the mandate the following transactions occur:

- U hef 'n opdrag fooi van R600 (BTW uitgesluit).
- U betaal 'n opsporingsagent R300 (ignoreer BTW implikasies).
- U reik 'n dagvaardiging uit en hef 'n fooi van R180 (BTW uitgesluit).
- Ben Smith betaal u R30 000 van die skuld.
- Maak voorsiening vir invorderingsfooie van R300 (uitsluitend BTW).

Met die debitering van die fooie waarop u geregtig is, moet voorsiening gemaak word vir BTW teen 14%. Die gewone $\frac{1}{3}$ toelaag op fooie is ook van toepassing.

In debiting the fees you are entitled to, provision should be made for VAT at 14%. The usual $\frac{1}{3}$ allowance is also applicable.

U moet: **Required**

Die bovermelde transaksies in u rekeningboeke aanteken en die bedrag verskuldig aan u korespondent betaal. Plaas die bedrag waarop u geregtig is oor na die besighedsrekening.

Record the above transactions in your books of account, pay the amount due to your correspondent and transfer what you are entitled to, to the business account.

VRAAG 3 [20] QUESTION 3 [20]

3.1 Watter rekening, jindien enige, mag wettiglik 'n debietsaldo in die trust-grootboek toon? (2)

3.1 Which accounts, if any, may legitimately reflect a debit balance in your trust ledger? (2)

3.2 Mag twee prokureurs ooreenkom: (1)
 3.2.1 op geen toelaag op fooie nie? (1)
 3.2.2 op 'n toelaag van 40% op fooie? (1)

3.2 May two attorneys agree: (1)
 3.2.1 not to grant any allowance on fees? (1)
 3.2.2 on an allowance of 40% on fees? (1)

DEEL 4 BOEKHOUD [100]	PART 4 BOOKKEEPING [100]
<p>3.3 Mag 'n prokureur die deponering van trustgeld weerhou om 'n trustkrediteur in kontant te betaal? (2)</p> <p>3.4 Hoe bereken 'n prokureur die bedrag oorplaasbaar vanaf die trust na die besighedsrekening? (3)</p> <p>3.5 Hoe betaal u borggeld in kontant as u geld op trust het vir 'n betrokke klient? (3)</p> <p>3.6 Wat is: 3.6.1 Inset BTW? (1) 3.6.2 Uitset BTW? (1)</p> <p>3.7 U het per abuis 'n trustkrediteur R1 000 betaal instede van R100. Hoe sal u die fout regstel? (4)</p> <p>3.8 Kan 'n prokureur sonder 'n trustrekening praktiseer? (2)</p>	<p>3.3 May an attorney withhold the banking of trust money to pay cash to a trust creditor? (2)</p> <p>3.4 How does an attorney determine the amount transferable from trust to business accounts? (3)</p> <p>3.5 How do you pay bail cash when you are holding trust funds for a specific client? (3)</p> <p>3.6 What is: 3.6.1 Input VAT? (1) 3.6.2 Output VAT? (1)</p> <p>3.7 You erroneously paid a trust creditor R1 000 instead of R100. How do you rectify the error? (4)</p> <p>3.8 Can an attorney operate without a trust account? (2)</p>
<p>VRAAG 4 [30]</p> <p>U verteenwoordig Mnr Verkoper in 'n eiendomstransaksie. Hy gee u opdrag om 'n verkoopsooreenkoms op te stel ingevolge waarvan hy sy eiendom aan Mnr Koper verkoop vir die bedrag van R300 000, wat soos volg betaalbaar is:</p> <ul style="list-style-type: none"> 'n kontantdeposito van R30 000 wat in trust gehou moet word totdat oordrag geneem word. die balans word verseker deur 'n eerste verband van R270 000 ten gunste van 'n bouvereniging. U is gemagtig om die deposito in 'n rentedraende trust-beleggingsrekening te belê vir voordeel van Mnr Koper. <p>Die ooreenkoms bepaal dat die koper die oordragkoste, insluitend hereregte en verbandkoste van R20 000 sal betaal.</p>	<p>QUESTION 4 [30]</p> <p>You act for Mr Seller in a property transaction. He instructs you to prepare a sale agreement in terms of which he sells his property to Mr Purchaser for R300 000 payable as follows:</p> <ul style="list-style-type: none"> a cash deposit of R30 000 to be held in trust pending transfer. the balance to be secured by a first mortgage bond in favour of a building society for R270 000. You are authorised to invest the deposit in an interest-bearing trust investment account for the benefit of Mr Purchaser. <p>The agreement provides for the conveyancing costs including transfer duty and bond costs of R20 000 to be paid by the Purchaser.</p>

<p>Op 4 Februarie 2008 teken die partye die ooreenkoms en Mnr Koper gee u twee tjekke ter waarde van R30 000 en R20 000 onderskeidelik vir die deposito en die pro-forma koste.</p> <p>Op 5 Februarie 2008 word die hereregte van R17 000 betaal.</p> <p>Op 8 Februarie 2008 stel u bank u in kennis dat mnr Koper se tjek van R30 000 betaal is, maar dat die tjek van R20 000 onteer is.</p> <p>Op 9 Februarie 2008 betaal mnr Koper R20 000 in kontant.</p> <p>Op 10 Februarie 2008 verskaf die bouvereniging se transportbesorgers aan u 'n waarborg vir R270 000.</p> <p>Op 15 Februarie 2008 word die oordrag geregistreer. U verrekens aan mnr Koper. Met die sluiting van die beleggingsrekening ontvang u rente van R120.</p>	<p>On 4 February 2008 the parties sign the agreement and Mr Purchaser gives you two cheques, for R30 000 and R20 000, for the deposit and pro-forma costs respectively.</p> <p>On 5 February 2008 transfer duty of R17 000 is paid.</p> <p>On 8 February 2008 your bank advises you that Mr Purchaser's cheque for R30 000 was paid, but the cheque of R20 000 was dishonoured.</p> <p>On 9 February 2008 Mr Purchaser pays you R20 000 cash.</p> <p>On 10 February 2008 the building society's conveyancers give you a guarantee of R270 000.</p> <p>On 15 February 2008 the transfer is registered. You account to Mr Seller. On closing the investment account you receive an additional R120 as interest.</p>
<p>U moet:</p> <p>Teken die bogemeelde transaksies aan in die kasboeke, grootboeke, foolejoernaal en oordragboernaal. Maak voorsiening vir BTW teen 14%.</p> <p>LW. Transaksiedatums moet getoon word.</p>	<p>Required:</p> <p>Record the above transactions in the cash book, ledgers, fees and transfer journals. Make provision for VAT at 14%.</p> <p>NB. Transaction dates must be reflected.</p>
<p>DIE EINDE</p>	<p>THE END</p>

ADMISSION EXAMINATION / TOELATINGSEKSAMEN
BOEKHOUDING / BOEKHOUD
PART 4 / DEEL 4
18 FEBRUARY / 18 FEBRUARIE 2009
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 1161

Supplementary Cash Book – February 2008			
Balance	90 633(1)	Error Cheque	1 205(1)
Error cheque	1 250(1)	Rd Cheque	2 186(1)
		Balance	88 492(1)
	91 883		91 883
			(6)

1.2

Bank Reconciliation Statement – February 2008			
Bank Reconciliation Statement – February 2008			(1)
Balance as per Bank Statement	287	500(1)	83 282(1)
Less Outstanding cheques	298	2 929(1)	3 429(1)
			79 853(1)
Add Outstanding deposit			8 639(1)
Balance as per Cash Book			88 492(1)
			(+1)
			(9)

QUESTION 2 1361

Correspondent (B)	684.00	600.00
Fees		84.00
Output VAT		
Instruction fees ABC/Ben Smith		
Fees	200.00	
Output VAT	28.00	
Correspondence (B)		228.00
1/3 Allowance ABC/Ben Smith		
Correspondent (B)	205.20	
Fees		180.00
Output VAT		26.20
Summons fees ABC/Ben Smith		
Fees	60.00	
Output VAT	8.40	
Correspondent (B)		68.40
1/3 Allowance ABC/Ben Smith		

Correspondent (B)	342.00	300.00
Fees		42.00
Output VAT		
Collection commission ABC/Ben Smith		
Fees	100.00	
Output VAT	14.00	
Correspondent (B)		114.00
1/3 Allowance ABC/Ben Smith		
Correspondent (B)	1 120.80	
Correspondent (B)		1 120.80
Transfer fees and disbursements ABC/Ben Smith		

Business cash book			
Trust account	1 120.80	Tracing agent	300.00
		Correspondent (B)	
Instruction fees	684.00	One third allowance	228.00
Tracing agent	300.00	One third allowance	68.40
Summons fees	205.20	One third allowance	114.00
Collection commission	342.00	Transfer ex trust	1 120.80
	1 531.20		1 531.20

Fees	
One third allowance	200.00
One third allowance	60.00
One third allowance	100.00
Correspondent	600.00
Correspondent	180.00
Correspondent	300.00

Output VAT	
One third allowance	28.00
One third allowance	8.40
One third allowance	14.00
Correspondent	84.00
Correspondent	25.20
Correspondent	42.00

Trust cash book	
Ben Smith	30 000.00
Business account	1 120.80
Correspondent	28 879.20

Correspondent (T)	
Transfer to business	1 120.80
Paid self	28 879.20
Ben Smith	30 000.00

Note to examiner: Ledger entries ½ mark each
Journal entries 3 marks each

QUESTION 3 [20]

- 3.1 Trust Investment Account S78(2)(A), S78(2)(a). (2)
- 3.2 3.2.1 Yes
3.2.2 No (2)
- 3.3 No (2)
- 3.4 Compare business debit balance of a client with the trust credit balance, and transfer the business debit balance if it equals or is less than the trust credit balance. If the business debit balance is more than the trust credit balance then transfer the trust credit balance. (3)
- 3.5 Draw business cash cheque – cash and pay bill. Transfer amount from trust to business banking accounts. (3)
- 3.6 3.6.1 Tax paid by vendor.
3.6.2 Tax charged by vendor. (2)
- 3.7 Transfer R900 from business account to trust account and make client a business debtor for R900. (4)

- 3.8 No. You cannot receive into business account any trust money. Section 78(1) requires an attorney to open a separate trust banking account. (2)

QUESTION 4 [30]

Trust cash book – February 2008	
4 Purchaser - Deposit	30 000
4 ABC Bank	30 000
Purchaser - Costs	20 000
8 Unpaid cheque	20 000
9 Purchaser - Costs	3 000
15 Seller	300 000
15 Guarantee	270 000
Business account	3 120
ABC Bank	30 120
	<u>353 120</u>

Purchaser (T)	
2008	2008
Feb 8 Unpaid cheque	20 000
Feb 15 Paid Seller	300 000
Transfer to business	3 120
	<u>323 120</u>
2008	2008
Feb 4 Deposit	30 000
Costs	20 000
9 Costs	3 000
15 Interest	120
Proceeds guarantee	270 000
	<u>323 120</u>

Trust Investment in terms of Section 78(2A) – Purchaser	
2008	2008
Feb 4 ABC Bank	30 000
Feb 15 ABC Bank	30 000

Business cash book – February 2008	
9 Purchaser	17 000
15 Trust account	3 120
15 Rec. of Revenue trif duty	17 000

Output VAT	
2008	2008
Feb 15 Purchaser	420

Purchaser (B)	
2008	2008
Feb 5 Transfer duty	17 000
15 Fees	3 420
15 Bank self	17 000
15 Transfer ex trust	3 120

Fees	
2008	2008
Feb 15 Purchaser	3 000

Purchaser (B)	3 420	
Fees		3 000
Output VAT		420
Transfer & bond fees		
Purchaser (T)	3 120	
Purchaser (B)		3 120
Transfer fees due		

Note to examiner: 1 mark for each entry

The above solution has split the R20 000 received in cash on 9 February 2008 between trust and business. An alternative procedure would be to deposit the full R20 000 into the trust banking account. The trust transfer would then be R20 120.