

Study & Master

Accounting

CAPS



Teacher's Guide

Elsabé Conradie • Derek Kirsch • Mandy Moyce

Grade

10

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Contents

Section 1	Introduction	1
Section 2	Planning	9
	Annual Teaching Plan	9
	Daily Teaching Plan	11
Section 3	Assessment tasks	23
	1. Presentations/reports	23
	2. Tests	31
	3. Projects	45
	4. Examinations	78
	5. Case studies	81
Section 4	Notes/tips for teachers	95
Section 5	Powerpoint®	
Section 6	Solutions to activities	111
	Chapter 1: Indigenous bookkeeping and informal businesses	111
	Chapter 2: Ethics	113
	Chapter 3: GAAP principles	115
	Chapter 4: Internal controls	115
	Chapter 5: Financial accounting of a sole trader	118
	Chapter 6: Bookkeeping of a sole trader – Revision of Grade 9 content	122
	Chapter 7: Bookkeeping of a sole trader – Debtors	139
	Chapter 8: Bookkeeping of a sole trader – Creditors	151
	Chapter 9: Bookkeeping of a sole trader	
	– Additional cash transactions and the Petty Cash Journal	164
	Chapter 10: Bookkeeping of a sole trader – The General Journal	191
	Chapter 11: Reconciliation of control accounts	
	and Debtors and Creditors Lists	207
	Chapter 12: Combined bookkeeping activities	212
	Chapter 13: Value-added tax (VAT)	228
	Chapter 14: Salaries and wages	231
	Chapter 15: Financial accounting of a sole trader	
	– Final accounts and year-end adjustments	248
	Chapter 16: Financial accounting of a sole trader – Financial statements	300
	Chapter 17: Financial accounting of a sole trader	
	– Interpretation of financial statements	319
	Chapter 18: Cost Accounting	325
	Chapter 19: Budgeting	329
	Chapter 20: Revision activities	331
Section 7	Moderation templates	343
Section 8	Documents	351

SECTION 1

INTRODUCTION

1. Subject objectives

It is essential that learners be made aware of the importance of Accounting and its relevant application in modern-day career choices where entrepreneurial skills are so vitally important. There should also be a concerted effort to nurture an interest and passion for this subject in every learner.

Every learner should have their individual talents and abilities taken into account so that this interest may be developed to each one's own full potential.

When teaching this subject, the following objectives should be achieved:

- To link the learners' prior knowledge to the new subject content through progression
- To approach the content in a meaningful manner with sufficient reference to real-life situations
- To present the content in such a way that learners understand the content, rather than just memorise subject matter
- To use a variety of presentation strategies
- To keep regular control over written work and to ensure that meaningful evaluations take place
- To provide regular homework tasks so that learners can consolidate and revise their work in this manner.

Moreover, it is our aim to convey to learners the knowledge and skills that will provide an appropriate basis from which to build a successful career or continue their studies in this subject area, so these three exercise books are adequate.

2. Books and portfolios

2.1 Exercise books

We recommend that learners should acquire the following exercise books for Grade 10 Accounting:

- A General Ledger
- An eight-column journal
- A three-column cash book.

A workbook is available in which all the columns for each activity are already drawn, and which will save considerable time, but not all learners will be able to afford this, so these three exercise books are adequate.

2.2 Learner portfolios

A B4 envelope will serve the purpose of a learner's portfolio very well. It takes up very little space in the classroom, is inexpensive and ensures that the assessment tasks of every learner are available for moderation in class in an ordered manner. The following information needs to appear on front of the envelope: name and surname of the learner; grade and section; learning area and grade; and subject teacher.

The portfolio also needs to contain the following divisions:

- Content/intervention page with statement of authenticity
- Control tests

- Examinations
- Case studies/presentations
- Project
- Informal assessments.

2.3 Intervention with learners

If a learner is repeatedly performing poorly or is creating problems, his or her parents or caregivers need to be contacted. Any interaction with the parents should be via letter or telephone. A record needs to be kept of all interaction and has to be forwarded to the relevant grade supervisor.

You should try to be available for extra classes for at least one hour per week – carefully record this as learner intervention.

The portfolios should never leave the classroom – the same applies to the worksheets once they have been placed in the portfolio. After every test or CASS activity, the learner intervention sheet (front page of the portfolio) needs to be sent to the parents for signature – this is to keep parents continually informed of the learner’s marks. Any intervention with the parent/learner should also be recorded on this sheet, if the parent should visit you during a parent evening.

2.4 Teacher portfolios

This portfolio should contain the following:

- Front page with relevant information
- Table of contents
- Subject guidelines
- Teacher timetable
- Mark sheets (the following information has to be indicated: subject/ learning area, grade, learner’s name and marks, date of completion for formal task, assessment sheet/subject of task/maximum mark that can be achieved)
- Assessment programmes
- Yearly planner and daily planner
- Proof of moderation (internal and external)
- Policy documents (NCS, NPA, Progression and promotion requirements)
- Sections for the following:
Accounting: Control tests, examinations, case studies, written reports, projects, informal assessments
The assessment matrix for both the exam paper and the marking memorandum should be included with each section.
- Learner information and interaction with parents/intervention
- Departmental information and circulars (Continuous Assessment Guidelines document and Learning Areas/Subject guidelines)
- Memoranda of subject meetings.

3. What is Accounting?

From CAPS document

Accounting focuses on measuring performance and processing and communicating financial information about economic sectors. The discipline ensures that principles such as ethical behaviour, transparency and accountability are adhered to. It deals with the logical, systematic and accurate selection and recording of financial information and transactions, as well as the compilation, analysis, interpretation and communication of financial statements and managerial reports for use by interested parties.

The subject encompasses accounting knowledge, skills and values with the focus on the financial accounting, managerial accounting and auditing fields. These fields cover a broad spectrum of accounting concepts and skills to prepare learners for a variety of career opportunities.

The table below indicates the main topics in the Accounting curriculum.

Curriculum	Topic
Financial accounting	1. Accounting concepts (terminology, definitions, double entry, and so on)
	2. GAAP principles
	3. Bookkeeping (source documents, journals, ledgers, Trial Balances, and so on)
	4. Accounting equation
	5. Final accounts and financial statements (including adjustments and ratios)
	6. Salaries and wages
	7. Value-added tax (VAT)
	8. Reconciliations (bank, debtors and creditors)
Managerial accounting	9. Cost accounting (manufacturing, and so on)
	10. Budgeting
Managing resources	11. Indigenous bookkeeping (Grade 10 only)
	12. Fixed assets
	13. Inventory
	14. Ethics
	15. Controls

4. The purpose of Accounting

From CAPS document

Accounting learners will be able to:

- record, analyse and interpret financial and other relevant data in order to make informed decisions
- present and/or communicate financial information effectively by using Generally Accepted Accounting Practices (GAAP) in line with current developments and legislation
- develop and demonstrate an understanding of fundamental accounting concepts
- relate skills, knowledge and values to real-life situations in order to ensure the balance between theory and practice, in order to enter the world of work and/or to move to higher education, and to encourage self-development
- organise and manage their own finances and activities responsibly and effectively
- apply principles to solve problems in a judicious and systematic manner in familiar and unfamiliar situations, thus developing the ability to identify and solve problems in the context of the various fields of Accounting
- develop critical, logical and analytical abilities and thought processes to enable learners to apply skills to current and new situations
- develop the following characteristics:
 - ethical behaviour
 - sound judgement
 - thoroughness

- orderliness
- accuracy
- neatness
- deal confidently with the demands of an accounting occupation manually and/or electronically.

5. Time allocation for Accounting on the timetable

From CAPS document

The teaching time for Accounting is 4 hours per week per grade on the timetable, that is, for Grades 10, 11 and 12.

6. Requirements to offer Accounting as a subject

From CAPS document

It is the responsibility of the school to provide the resources needed to offer Accounting as a subject.

6.1 Each learner should have:

- 6.1.1 A textbook
- 6.1.2 Accounting stationery or a workbook
- 6.1.3 A calculator.

6.2 The teacher should have:

- 6.2.1 A variety of textbooks to be used as references
- 6.2.2 Policies, for example a summary of the King Code III
- 6.2.3 A partnership agreement
- 6.2.4 Legislation, for example Companies Act No. 71 of 2008
- 6.2.5 Codes of professional bodies, for example SAICA and SAIPA Codes
- 6.2.6 SARS brochures
- 6.2.7 Bank brochures
- 6.2.8 Access to a computer and the Internet.

7. Overview and progression of topics

TOPIC	Grade 10	Grade 11	Grade 12
Indigenous bookkeeping systems	Comparison of bookkeeping systems of the informal and formal sectors	None	None
Ethics	Code of ethics and basic principles of ethics for businesses	Identification and analysis of ethical behaviour applicable to financial environments with reference to accountability, transparency and sustainability	<ul style="list-style-type: none"> • Role of professional bodies for accountants • Disciplinary and punitive measures for non-compliance with code of conduct • Policies governing ethical behaviour, viz. King Code III • Basic principles of the Companies Act
GAAP principles	Applicable to sole traders	Applicable to partnerships and non-profit organisations (clubs)	Applicable to companies
Internal control	Basic internal control processes	Demonstration of knowledge of internal audit processes, viz. division of duties, documentation, physical controls and internal audit	<ul style="list-style-type: none"> • Application of internal control and internal audit processes in a business environment • Understanding of the difference between the roles of internal and external auditors
Accounting concepts	Concepts related to sole traders	Concepts related to partnerships and clubs	Concepts related to companies and manufacturers
Bookkeeping	Bookkeeping process for sole traders	Unique entries and accounts for partnerships and clubs	Unique entries and accounts for companies

TOPIC	Grade 10	Grade 11	Grade 12
Reconciliations	Preparation of debtors and creditors lists to reconcile with the debtors and creditors control accounts	Preparation of reconciliation statements by reconciling to bank and creditors statements	Analysis and interpretation of bank, debtors and creditors reconciliations and age analysis
Accounting equation	Analysis of transactions of sole traders	Analysis of transactions of partnerships and clubs	Analysis of transactions of companies
Value-added tax	Concepts of Value-added tax	Calculations of Value-added tax	Ledger accounts of value-added tax
Salaries and wages	Explanation, calculation and recording of salary and wage scales, payments in the journals and posts to the ledger	None	None
Fixed assets	Calculation and recording of depreciation	Recording of acquisition and disposal of fixed assets	Interpretation and reporting on movement, valuation and control of fixed assets
Inventory	Perpetual inventory system, concepts and entries in books	Explanation of the differences between perpetual and periodic stock systems <ul style="list-style-type: none"> Recording of transactions using periodic inventory system 	Validation and valuation of inventories using perpetual and periodic stock systems: <ul style="list-style-type: none"> Specific identification (of cost price per unit) First-in First-out (FIFO) Weighted average
Final accounts and financial statements	<ul style="list-style-type: none"> Preparation of final accounts of sole traders Preparation, analysis and interpretation of financial statements of sole traders 	<ul style="list-style-type: none"> Preparation of final accounts of partnerships Preparation, analysis and interpretation of financial statements of partnerships Preparation of Statement of Receipts and Payments for clubs Preparation of the financial statements of clubs Differences in financial statements of partnerships and clubs 	<ul style="list-style-type: none"> Preparation of final accounts of companies Preparation, analysis and interpretation of financial statements of companies
Cost accounting	Cost concepts and basic calculations	Cost calculations and ledger accounts	Preparation, presentation, analysis and interpretation of Production Cost Statement and unit costs
Budgeting	Budget concepts	Preparation and presentation of cash budgets and Projected Income Statements of sole traders	Analysis, interpretation and comparison of cash budgets and Projected Income Statements of sole traders and companies

8. What is assessment?

From CAPS document

Assessment is a continuous planned process of identifying, gathering and interpreting information about the performance of learners, using various forms of assessment.

Assessment should be both formal and informal. In both cases, regular feedback should be provided to learners that enhance their learning experience.

8.1 Informal assessment

Informal assessment is a daily monitoring of a learner's progress. This is done through observations, discussions, practical demonstrations, learner-teacher conferences, informal classroom interactions, and so on. Informal assessment does not need to be recorded and learners or teachers can mark these assessment tasks.

Informal assessment is very important for learners to learn and reflect on their own performance and for teachers to identify learners who need support in certain areas of the work completed.

Informal assessment tasks are underlined in the Daily Teaching Plan in *Section 2: Planning* of this Teacher's Guide.

8.2 Formal assessment

All assessment tasks that make up a formal programme of assessment for the year are regarded as formal assessment. Formal assessment tasks are marked and formally recorded by the teacher for progression and certification purposes. All formal assessment tasks are subject to moderation.

A programme of assessment should be included in the Teacher's Portfolio.

Grade 10 programme of assessment

	Term 1		Term 2		Term 3		Term 4		
Assessment	Presentation/Report	Test	Project	Mid-year examination	Case study	Test	Year-mark	End-of-year examination	Total
Total marks	50	100	50	200	50	100		300	
Convert to a mark out of:	10 (50 ÷ 5)	20 (100 ÷ 5)	20 (50 ÷ 2,5)	20 (200 ÷ 10)	10 (50 ÷ 5)	20 (100 ÷ 5)	100	300	400

8.3 Forms of assessment

Different forms of assessment should be used as formal assessment tasks during the year.

Information regarding types of formal assessment tasks and when each should be completed are in bold text in the Daily Teaching Plan in *Section 2: Planning* of this Teacher's Guide.

Examples of formal assessment tasks are provided in *Section 3: Assessment* in this Teacher's Guide.

The following are examples of different forms of assessment.

8.3.1 Presentation

Presentations can be written or oral, but there must be evidence of the presentation. All criteria used to assess the presentation must be discussed with the learners prior to the commencement of the presentation. Where the resources are available, the use of electronic presentations should be encouraged.

8.3.2 Report

A report is generally the written evidence of a survey, analysis or investigation. This will usually be shorter than a project and is specific as to the topic. For example, a business has come to you for advice on whether the business is experiencing liquidity problems. Often it implies consulting with an expert for advice on some problem – therefore it links very closely with problem-solving.

8.3.3 Case study

Learners are presented with a real-life situation, problem or incident that relates to a particular topic. They are expected to assume a particular role in articulating the position. They draw on their own experience, the experience of peers or prior learning to interpret, analyse and solve the problem(s).

Newspaper articles, magazine articles, television or radio presentations provide for excellent case studies. Learners read and/or listen, digest the information and then make informed decisions. Questions can be from lower order – direct quotes from the article – to higher order, when they are asked to analyse comments and possibly make suggestions. Case studies are a very good way of keeping the subject up to date and relevant.

8.3.4 Test

Two tests, written under controlled conditions, are prescribed for Grade 10. These tests should adhere to the following.

- Tests are completed by all learners in the same grade on the same day.
- All learners write the same test.
- The tests are completed under examination conditions.
- Questions comply with year-end examination standards.
- Where there is more than one teacher, agreement is reached on the scope, as well as the date and time of the test.
- Duration of each of these tests is at least one hour for 100 marks.
- Tests cover the different cognitive levels, as in the case of examinations.
- Tests also include “problem-solving” skills.
- Tests cover a range of integrated topics, as determined by the work schedule and assessment plan.

The two tests should be written in Terms 1 and 3.

8.3.5 Project

The project is mandatory and only one project is recommended per year. When preparing a project, consider the following minimum requirements.

- Learners are given the necessary guidance prior to commencement of the project and progress is monitored.
- Certain aspects of the project are completed in class to enable teachers to monitor progress.
- All criteria used to assess project are discussed with learners.
- Generally, projects are given a longer period of time to complete as they involve some sort of research, consolidation and selection of relevant information and the preparation of a written document as evidence.
- Often projects can involve solving some form of problem.
- Research may form part of the project – the project is evidence of the research conducted. However, this may not always be the case. For example, the computerised accounting programme will not involve research but rather develop skills.

We suggest that the project is dealt with towards the end of the first term and handed in for submission during the second term.

8.3.6 Examinations

Examinations are dealt with extensively in *Section 2: Planning* of this Teacher’s Guide. However, here is some basic essential information with regards to examinations.

Problem-solving

Approximately 10% of all examinations should address problem-solving questions using critical and creative thinking. These include real-life problems within the context of the Accounting curriculum. The problem-solving questions must cover a range of cognitive skills (as discussed in Step 5 of How to set up an examination paper – *Section 3: Assessment tasks*). “Surface” problem-solving questions might involve recall or comprehension skills on familiar scenarios, while “deep” problem-solving questions will generally involve creative solutions in new and unfamiliar scenarios, all falling within the ambit of the Accounting curriculum.

While ratios and analysis can form very interesting problem-solving questions, the topic of problem-solving goes a lot further and should be integrated into all aspects of the curriculum as learners develop the skills to apply the knowledge acquired.

Here are some guidelines for dealing with “deep” problem-solving questions.

- Learners identify problems from the accounting information provided.
- Learners quote the relevant information to support their opinions on the problems.
- Learners provide valid and appropriate solutions.

SECTION 2

PLANNING

Accounting Grade 10 Summary of Annual Teaching Plan

TERM 1										
Topic	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10
	Indigenous bookkeeping Revision of accounting concepts covered in Grade 9	Indigenous bookkeeping Revision of accounting concepts covered in Grade 9	Ethics Revision of accounting concepts covered in Grade 9	GAAP principles Internal control	Record credit transactions with debtors and creditors – discount allowed and discount received and allowances (D), DAJ, CJ, CAJ) Source documents, Ledgers, Trial Balance, accounting equation	Record credit transactions with debtors and creditors – discount allowed and discount received and allowances (D), DAJ, CJ, CAJ) Source documents, Ledgers, Trial Balance, accounting equation	Petty Cash Journal and recording of new cash transactions (CRJ, CPJ) (loans, fixed deposit, interest on current account, interest on overdraft, bank charges, dishonoured cheques) Source documents, General Ledger, Trial Balance, accounting equation			Recording transactions in the General Journal (discount allowed cancelled, interest on overdue accounts, bad debts, withdrawal of goods by owner, correction of errors)
Assessment	Presentation		Informal		Test					
TERM 2										
Topic	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10
	Recording transactions in the General Journal (bad debts, withdrawal of goods by owner, correction of errors); Ledgers; Trial Balance; accounting equation Preparation of debtors and creditors lists to agree to control accounts Combined activities of CRJ, CPJ, DJ, DAJ, CJ, CAJ, PCJ, GJ; Ledgers; accounting equation	Recording transactions in the General Journal (bad debts, withdrawal of goods by owner, correction of errors); Ledgers; Trial Balance; accounting equation Preparation of debtors and creditors lists to agree to control accounts Combined activities of CRJ, CPJ, DJ, DAJ, CJ, CAJ, PCJ, GJ; Ledgers; accounting equation	VAT	Salaries and wages		Final accounts of a sole trader and year-end adjustments – depreciation	Final accounts of a sole trader and year-end adjustments – depreciation	Revision	Examinations	
Assessment	Project: bookkeeping		Informal							Mid-year examinations

TERM 3										
	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10
Topic	Final accounts – sole trader Year-end adjustments (prepaid and accrued expenses, income received in advance and accrued income, trading stock deficit and consumable stores on hand, bad debts, correction of errors), General Ledger, including final accounts section, accounting equation, Pre-adjustment Trial Balance, Post-adjustment Trial Balance, Post-closing Trial Balance, reversal of year-end adjustments				Financial statements – Income Statement, Balance Sheet, notes to financial statements Application of GAAP principles			Interpretation of financial statements – liquidity, solvency, profitability		Interpretation and Revision
Assessment	Case study and test									
TERM 4										
	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10
Topic	Cost accounting	Budgets	Revision and examination preparation		Examination					Administration and planning
Assessment	Informal Final examination									

Grade 10 Accounting

Daily Teaching Plan

TERM 1			
Week 1 (Indigenous bookkeeping and accounting concepts)			
Period 1	Indigenous bookkeeping	Discussion on informal and formal sectors. Do Case study 1.1 and Activity 1.1 in class. <u>Divide learners into groups for assessment task/ presentation.</u>	Textbook Chapter 1 pp. 1–6
Period 2	Indigenous bookkeeping Accounting concepts	<u>Assessment task 1: Presentation – 50 marks</u> <u>Give instructions for presentation on informal bookkeeping. Discuss questionnaire and the criteria that will be used to assess the presentation with learners. Chapter 1 pp. 6–8</u> Note to teacher: Do the presentation on indigenous bookkeeping and revision of accounting concepts simultaneously in order to assess which learners need support, and to prepare the learners for the new Grade 10 work. Discussion about accounting concepts: owner's equity (capital), assets, liabilities etc. Chapter 5 pp. 42–52. Do Activities 5.1–5.5 in class. Homework: Activity 5.6 (p. 53)	Textbook Chapter 1 pp. 6–8 or another variation in this Teacher's Guide Use PowerPoint®/ transparency to show rubric Textbook Chapter 5 pp. 42–52 Use PowerPoint®/ transparency
Period 3	Indigenous bookkeeping Accounting concepts	Discuss progress with presentation. Mark Activity 5.6. Discuss accounting concepts. Chapter 5 pp. 54–59. Do Activity 5.7 and Case study 5.4 orally in class. Homework: Activity 5.8	Textbook Chapter 5 pp. 54–59
Period 4	Accounting concepts – bookkeeping of a sole trader	Mark Activity 5.8. Discuss the accounting equation and double-entry principle. Chapter 6 pp. 61–63. Do Activities 6.1–6.2 in class (p. 64). Homework: Activities 6.3–6.4 (p. 66) <u>Monitor learners' progress with the presentation and answer questions. Discuss which learners are ready to do the presentation for the next lesson.</u>	Textbook Chapter 6 pp. 60–66
Week 2 (Indigenous bookkeeping and accounting concepts)			
Period 1	Indigenous bookkeeping Accounting concepts	Learners do <u>presentation</u> on questionnaire about informal bookkeeping (20 minutes). Mark Activities 6.3–6.4 (p. 66). Class discussion on process of determining selling price, cost of sales (p. 67) Homework: Activities 6.5–6.6 (p. 68)	PowerPoint® presentations/ <u>posters/other presentations by learners</u> Textbook Chapter 6 pp. 65–67
Period 2	Indigenous bookkeeping Accounting concepts	Learners do <u>presentation</u> on questionnaire about informal bookkeeping (20 minutes). Mark Activities 6.5–6.6 (p. 67). Discuss cash and credit transactions, source documents, journals, double-entry system, ledgers, etc. (pp. 68–76). Homework: Activities 6.7–6.8 (p. 77)	PowerPoint® presentations/ <u>posters/other presentations by learners</u> Textbook Chapter 6 pp. 67–77
Period 3	Indigenous bookkeeping Accounting concepts	Discuss progress with presentation. Learners do <u>presentation</u> on questionnaire about informal bookkeeping (20 minutes). Mark Activities 6.7–6.8 (p. 77). Discuss journals and posting to the ledgers. Homework: Activities 6.9 (p. 79) and 6.10 (p. 82)	PowerPoint® presentations/ <u>posters/other presentations by learners</u> Textbook Chapter 6 pp. 77–82

Period 4	Indigenous bookkeeping Accounting concepts	Learners do presentation on questionnaire about informal bookkeeping (20 minutes). Mark Activities 6.9–6.10. Discuss the Debtors Ledger and Creditors Ledger (p. 82). Do Activity 6.11 (p. 83) in class with learners. Homework: Informal assessment pp. 84–85	PowerPoint® presentations/posters/other presentations by learners Textbook Chapter 6 pp. 82–88
Week 3 (Ethics and accounting concepts)			
Period 1	Ethics and accounting concepts	Mark informal assessment on p. 84. Note to teacher: Do ethics and accounting concepts of Grade 9 content simultaneously. Explain the code of ethics applicable to all parties in the financial environment. Discuss basic principles of ethics: leadership, discipline, transparency, accountability, fairness, sustainability, responsible management with class (Chapter 2 pp. 9–13). Homework: Learners search for newspaper articles with regards to ethics. Activities 2.1–2.2 (pp. 13–14)	Textbook Chapter 6 pp. 84–88 and Textbook Chapter 2 on Ethics pp. 9–14 Use PowerPoint® presentation/transparencies on ethics
Period 2	Ethics and accounting concepts	Mark Activities 2.1–2.2 (p. 13). Discuss newspaper articles on ethics. Homework: Case study 2.1 on ethics (pp. 15–16), baseline tests 1–5 (pp. 88–91)	Textbook Chapter 6 pp. 88–91 Textbook Chapter 2 pp. 13–16 PowerPoint® presentation/transparencies on ethics Newspaper and magazine articles
Period 3	Ethics and accounting concepts	Mark Case study 2.1 (pp. 14–16). Mark baseline tests 1–5 (pp. 88–91). Discuss newspaper articles on ethics. Homework: Case study 2.2 on ethics (pp. 17–18), baseline tests 6–7 (pp. 92–94)	Textbook Chapter 6 pp. 92–94 Textbook Chapter 2 pp. 14–19 Newspaper and magazine articles
Period 4	Ethics and accounting concepts	Mark Case study 2.2 (pp. 17–18). Mark baseline tests 6–7 (pp. 92–94). Discuss Case study and newspaper articles on ethics. Homework: Baseline tests 8.1–8.2 (pp. 95–96)	Textbook Chapter 6 pp. 92–98 Textbook Chapter 2 pp. 17–19 Newspaper and magazine articles
Week 4 (GAAP principles and Internal control)			
Period 1	GAAP principles	Mark baseline tests 8.1–8.2 (pp. 95–96). Discuss GAAP (General Accepted Accounting practice). Give definition and explanation of GAAP principles: Historical cost, prudence, materiality, business entity rule, going concern and matching principle (pp. 20–25). Homework: Activity 3.1 (p. 26) Baseline assessment: Hand out informal test on accounting concepts to determine which learners need support in accounting concepts covered in Grade 9.	Textbook Chapter 6 pp. 95–96 Chapter 3 on GAAP principles pp. 20–26 PowerPoint® presentation/transparencies on GAAP principles
Period 2	GAAP principles Internal control	Mark Activity 3.1 (p. 26) Mark informal test. Discuss problem areas noticed when marking the class test. Do Activity 3.2 orally in class. Define and explain what is meant by internal control. Use school's tuck shop as an example.	Textbook Chapter 3 pp. 25–26 Chapter 4 on internal control p. 27 PowerPoint® presentation/transparencies on internal control

Period 3	Internal control	Identify and explain basic internal control processes (pp. 27–34). Homework: Activity 4.1 (p. 35)	Textbook Chapter 4 pp. 27–35 PowerPoint® presentation/transparencies on internal control
Period 4	Internal control	Mark Activity 4.1 (p. 35). Discuss basic internal control processes. Do Activities 4.2–4.3 (pp. 35–36) in class and mark. Homework: Case study 4.1–4.2 (pp. 37–41)	Textbook Chapter 4 pp. 35–41 PowerPoint® presentation/transparencies
Week 5 (Debtors)			
Period 1	Debtors – discount allowed	Mark Case study 4.1–4.2 (pp. 37–41). Discuss credit sales and reasons for discount allowed (pp. 98–102). Do Activity 7.1 (p. 101) with learners in class on the writing board. Homework: Activity 7.2 journals (p. 102)	Textbook Chapter 4 pp. 37–41 Textbook Chapter 7 on Debtors pp. 98–102 Use PowerPoint® presentation/transparencies for discount allowed
Period 2	Debtors – discount allowed	Mark Activity 7.2 journals; do ledgers of Activity 7.2 with the learners in class. Show the effect of one of the transaction for discount allowed on the accounting equation. Homework: Activities 7.3–7.4 (pp. 103–104)	Textbook Chapter 7 pp. 102–104
Period 3	Debtors – debtors allowances	Mark Activities 7.3–7.4 (pp. 103–104). Discuss reasons for allowances and steps followed when returns take place (pp. 105–110). Do Activity 7.5 (pp. 110–111) with learners in class. Homework: Activity 7.6 (pp. 113–114) journals	Textbook Chapter 7 pp. 103–114
Period 4	Debtors – debtors allowances	Mark Activity 7.6. Show entries in General Ledger again. Do Activity 7.7 (p. 114) with learners in class. Homework: Activity 7.8 (p. 115)	Textbook Chapter 7 pp. 114–115
Week 6 (Debtors/Creditors)			
Period 1	Debtors	Mark Activity 7.8 (p. 115). Learners do Activity 7.9 in class and mark.	Textbook Chapter 7 pp. 116–119
Period 2	Debtors Internal control	Do informal assessment on p. 117 in class and mark to determine which learners need support. Discuss internal control over debtors (p. 112). Homework: Activity 7.10 (p. 118)	Textbook Chapter 7 pp. 112–118
Period 3	Creditors – discount received	Discuss reasons for discount received and source documents used (pp. 120–122). Do Activity 8.1 (p. 123) with learners in class. Homework: Activity 8.2 (pp. 124–125)	Textbook Chapter 8 pp. 119–125 PowerPoint® presentation/transparencies on creditors
Period 4	Creditors – discount received and creditors allowances	Mark Activity 8.2 (p. 124). Discuss allowances from creditors, source documents used and steps to be followed (pp. 125–128). Do Activity 8.3 (p. 129) in class with learners. Homework: Activity 8.4 (p. 129) – journals only	Textbook Chapter 8 pp. 124–129 PowerPoint® presentation/transparencies on creditors
Week 7 (Debtors/Creditors/Petty cash)			
Period 1	Creditors – discount received and creditors allowances	Mark Activity 8.4 (pp. 129–130) journals. Do ledgers with learners in class. Homework: Activity 8.5 (pp. 131–132)	Textbook Chapter 8 pp. 129–132

Period 2	Debtors and creditors	Mark Activity 8.5 (pp. 131–132). Homework: Activity 8.6 (p. 132) and 8.7 (pp. 133–135)	Textbook Chapter 8 pp. 131–135
Period 3	Debtors and creditors Accounting equation Internal control	Mark Activities 8.6–8.7. Discuss internal control over creditors (p. 128). Homework: Informal assessment (pp. 135–136)	Textbook Chapter 8 p. 128 and pp. 132–136
Period 4	Petty cash Internal control	Mark informal assessment on p. 135. Discuss petty cash procedure, imprest system for petty cash and internal control over petty cash on pp.137–139. Homework: Activity 9.1 (p. 140)	Textbook Chapter 8 p. 135 Textbook Chapter 9 pp. 137–140 PowerPoint® presentation on petty cash
Week 8 (Petty cash and additional cash transactions)			
Period 1	Petty cash	Mark Activity 9.1 (p. 140). Show examples pp. 140–143 in class. Discuss internal control for petty cash on p. 145. Homework: Activity 9.2 (p. 144) and informal assessment 9.1 (pp. 145–146)	Textbook Chapter 9 pp. 140–146
Period 2	Petty cash Additional cash transactions – dishonoured cheques	Mark Activity 9.2 and informal assessment 9.1. Discuss credit card transactions and dishonoured cheques (pp. 146–150). Do Activity 9.3 (p. 147) and Activity 9.4 (p. 150) with learners in class. Homework: Activity 9.5 (p. 151) and Activity 9.6 (p. 153)	Textbook Chapter 9 pp.144–153
Period 3	Additional cash transactions – interest on current account and overdraft, bank charges, stop orders & debit orders, GAAP	Mark Activities 9.5–9.6. Discuss interest on current account and overdraft, bank charges, stop orders and debit orders and GAAP principle of materiality (pp. 153–157). Do Activity 9.7 (p. 158) with learners in class. Homework: Activity 9.8 (pp. 158–159)	Textbook Chapter 9 pp. 151–159 PowerPoint® presentation/transparencies
Period 4	Additional cash transactions – carriage on purchases	Mark Activity 9.8 (p. 158). Discuss carriage on purchases (pp. 159–160). Do Activity 9.9 (p. 160) in class with learners. Homework: Activity 9.10 (p. 161)	Textbook Chapter 9 pp. 159–161
Week 9 (Additional cash transactions)			
Period 1	Additional cash transactions – fixed deposits and loans	Mark Activity 9.10. Discuss fixed deposits and loans (pp. 161–167). Do Activity 9.11 (p. 165) and Activity 9.13 (p. 168) with learners in class. Homework: Activity 9.12 (p.168) – journals only	Textbook Chapter 9 pp. 161–168 PowerPoint® presentation/transparencies
Period 2	Additional cash transactions – loans	Mark Activity 9.12 journals. Do ledger and accounting equation with learners. Discuss interest capitalised (p. 165 and p. 169). Homework: Activity 9.15 (p. 170) Give memo of Activities 9.14, 9.17, 9.18 and 9.19 to learners for enrichment.	Textbook Chapter 9 pp. 168–170
Period 3	Additional cash transactions – accounting equation	Mark Activity 9.15 (p. 170). Do Activity 9.16 (p. 173) in class and mark. Homework: Informal assessment 9.2 (p. 174)	Textbook Chapter 9 pp. 170–174

Period 4	Additional cash transactions – accounting equation	Mark informal assessment 9.2. Do informal assessment 9.3 (p. 176) and informal assessment 9.4 (p. 178) in class to determine which learners need support.	Textbook Chapter 9 pp. 174–180
Week 10 (General Journal)			
Period 1	General Journal – cancelling discount on dishonoured cheques, interest on overdue accounts	Discuss cancellation of discount on dishonoured cheques, interest on overdue accounts (pp. 182–188). Do Activity 10.1 (p. 188) with learners in class. Homework: Activity 10.2 (p. 189)	Textbook Chapter 10 pp. 182–189 PowerPoint® presentation/transparencies
Period 2	General Journal – bad debts	Mark Activity 10.2. Discuss bad debts pp. 190–194. Do Activity 10.3 (p. 195) in class. Homework: Activity 10.4 (p. 195) and Activity 10.5 (p. 196)	Textbook Chapter 10 pp. 189–196 PowerPoint® presentation
Period 3	General Journal – transactions with owner GAAP	Mark Activities 10.4–10.5. Discuss withdrawal of goods by owner pp. 197–200. Do Activity 10.6 (p. 200) with learners in class. Homework: Activity 10.7 (p. 201) Discuss GAAP principles applicable.	Textbook Chapter 10 pp. 195–201 PowerPoint® presentation
Period 4	General Journal – correction of errors	Mark Activity 10.7 (p. 201). Discuss correction of errors (pp. 202–203). Do Activity 10.8 (p. 204) with learners in class. Homework: Activities 10.9–10.10 (pp. 204–205)	Textbook Chapter 10 pp. 201–205
<p>Assessment task 2</p> <p>Write control test during March test series – 100 marks/1 hour</p> <p>See section on assessment tasks for an example.</p>			

TERM 2			
Week 1 (Debtors and creditors reconciliations)			
Period 1	General Journal Debtors and creditors	Mark Activities 10.9–10.10. Discuss internal control over debtors and creditors and procedures with regards to control accounts and subsidiary ledgers (pp. 208–210). Homework: Activity 11.1 (pp. 210–212)	Textbook Chapter 10 pp. 204–205 Chapter 11 reconciliation of debtors and creditors pp. 208–212 PowerPoint® presentation
Period 2	Debtors and Creditors control accounts and internal control	Mark Activity 11.1 (pp. 210–212). Hand out Assessment task 3: Project bookkeeping. Discuss minimum requirements and criteria that will be used for assessment with learners. Minimum 50 marks. Discuss control accounts and Debtors and Creditors Lists (pp. 212–215). Do Activity 11.2 (pp. 215–217) in class with learners. Homework: Activity 11.3 (pp. 217–219)	Textbook Chapter 11 pp. 210–219
Period 3	Debtors and creditors reconciliations	Mark Activity 11.3 (pp. 217–219). Homework: Activity 11.4 (pp. 220)	Textbook Chapter 11 pp. 217–220
Period 4	Debtors and creditors reconciliations	Mark Activity 11.4 (p. 220). Do Activity 11.5 (pp. 220–221) in class and mark. Homework: Activity 11.6 (pp. 221–222)	Textbook Chapter 11 pp. 220–222

Week 2 (Combined activities)			
Period 1	Debtors and creditors reconciliations	Mark Activity 11.6 (pp. 221–222). <u>Do informal assessment (p. 222) in class and mark – identify learners who need support.</u>	Textbook Chapter 11 pp. 221–223
Period 2	Combined activities	Monitor progress on Assessment task 3 project. Homework: Activity 12.1 (Journals) pp. 225–228	Textbook Chapter 12 pp. 225–228
Period 3	Combined activities	Mark Activity 12.1 (Journals) (pp. 225–228). Homework: Activity 12.1 (Ledgers and Trial Balance) (pp. 228–231)	Textbook Chapter 12 pp. 225–231
Period 4	Combined activities	Mark Activity 12.1 (Ledgers and Trial Balance) (pp. 228–231). Homework: Activities 12.3–12.4 (pp. 231–232)	Textbook Chapter 12 pp. 228–233
Week 3 (VAT)			
Period 1	VAT	Mark Activities 12.3–12.4 (pp. 231–233). Explain the basic concepts of VAT. Homework: Collect groceries till slips and mark zero-rated items. <u>Do informal assessment 12.1–12.3 (pp. 233–235).</u>	Textbook Chapter 12 pp. 231–235 Textbook Chapter 13 pp. 237–238
Period 2	VAT	Hand out memorandum for informal <u>assessment 12.1–12.3 – learners mark at home.</u> Discuss VAT concepts (need for VAT, purpose of VAT, VAT principles, Zero-rated and exempt items, Current VAT rate). Do Activity 13.1 (p. 239). Homework: Activities 13.2–13.3 (p. 241) in class	Textbook Chapter 13 pp. 237–241 PowerPoint® presentation about VAT
Period 3	VAT	Mark Activities 13.2–13.3 (p. 241). Discuss VAT calculations (pp. 243–244). Do Activities 13.4–13.6 (p. 245) in class and mark. Homework: Activity 13.7 (p. 246) and Case study 13.1 (p. 247) Learners to hand in project on bookkeeping.	Textbook Chapter 13 pp. 241–247 PowerPoint® presentation
Period 4	VAT	Mark Activity 13.7 (p. 246) and Case study 13.1 (p. 247). Discuss ethical issues with regards to VAT. <u>Do informal assessment on p.248 and mark.</u>	Textbook Chapter 13 pp. 241–248
Week 4 (Salaries and wages)			
Period 1	Salaries and wages Ethics	Discuss the difference between salaries and wages and salary scales. Discuss ethical issues with regards to contracts and payment in line with responsibilities. Do example with learners in class (p. 253). Homework: Activity 14.1 (p. 253)	Textbook Chapter 14 pp. 251–253 PowerPoint® presentation/transparencies
Period 2	Salaries and wages Ethics	Mark Activity 14.1 (p. 253). Discuss deductions (PAYE, pension fund, UIF, medical aid, union membership), employer's contributions (pension fund, UIF, medical aid, SDL) and ethical issues regarding wages and salaries and the role of unions (pp. 254–257). Do Activity 14.3 (p. 259) with learners in class. Homework: Activity 14.2 (p. 257), Activity 14.4 (p. 259)	Textbook Chapter 14 pp. 253–259 PowerPoint® presentation/transparencies
Period 3	Salaries and wages – journals	Mark Activity 14.2 (p. 257) and Activity 14.4 (p. 259). Discuss Wages Journal. Do Activity 14.5 (p. 261) with learners in class. Homework: Activity 14.6 (p. 262)	Textbook Chapter 14 pp. 257–262
Period 4	Salaries and wages – CPJ and posting to General Ledger	Mark Activity 14.6 (p. 262). Discuss CPJ and posting to the ledger (pp. 262–271). Do Activity 14.7 (p. 271) with learners in class. Homework: Activity 14.8 (p. 272)	Textbook Chapter 14 pp. 262–272

Week 5 (Salaries and wages)			
Period 1	Salaries and wages	Mark Activity 14.8 (p. 272). Discuss example (pp. 272–276). Homework: Activity 14.9 (pp. 276–277)	Textbook Chapter 14 pp. 272–277
Period 2	Salaries and wages	Mark Activity 14.9 (pp. 276–277). Discuss example (pp. 277–281). Homework: Activity 14.10 (p. 282)	Textbook Chapter 14 pp. 277–282
Period 3	Salaries and wages	Mark Activity 14.10 (p. 282). Do Activity 14.11 (p. 282) with learners in class. Homework: Activity 14.12 (p. 283)	Textbook Chapter 14 p. 282–283)
Period 4	Salaries and wages	Mark Activity 14.12 (p. 283). Discuss income tax calculations and ethics (pp. 284–287) and internal control (p. 289). Do Activity 14.13 (p. 286) in class and mark. <u>Homework: Case study 14.1 (p. 287), informal assessment 14.1 (p. 290) to determine which learners need support.</u>	Textbook Chapter 14 pp. 283–290
Week 6 (Final accounts: year-end adjustments)			
Period 1	Salaries and wages	Mark Case study 14.1 and informal assessment 14.1. Discuss accounting equation and salaries and wages. Homework: Case study 14.2 (p. 291)	Textbook Chapter 14 pp. 287–293
Period 2	Final accounts – accounting cycle and closing transfers	Mark Case study 14.2 (p. 291). Discuss the accounting cycle and closing transfers (pp. 299–306). Do Activity 15.1 (p. 206) with learners in class. Homework: Activity 15.2 (pp. 307–308)	Textbook Chapter 15 pp. 299–308 PowerPoint® presentation/ transparencies
Period 3	Final accounts – closing transfers	Mark Activity 15.2 (p. 307). Homework: Activity 15.3 (p. 308)	Textbook Chapter 15 pp. 307–309
Period 4	Final accounts – closing transfers	Mark Activity 15.3 (p. 308). <u>Do informal assessment 15.1 (p. 310) in class and mark.</u>	Textbook Chapter 15 pp. 308–310
Week 7 (Final accounts: year-end adjustments)			
Period 1	GAAP principles Year-end adjustments – depreciation	Discuss GAAP principles (p. 311). Do Activity 15.5 in class and mark. Introduction to depreciation, two methods (depreciation on cost price and on diminished balance) (pp. 313–314) Homework: Activity 15.6 (p. 314)	Textbook Chapter 15 pp. 311–314 PowerPoint® presentation/ transparencies
Period 2	Year-end adjustments – depreciation	Mark Activity 15.6 (p. 314). Do Activity 15.7 (p. 317) with learners in class. Discuss example (pp. 317–318). Homework: Activity 15.8 (p. 319)	Textbook Chapter 15 pp. 314–319
Period 3	Year-end adjustments – depreciation	Mark Activity 15.8 (p. 319). Do Activity 15.9 (p. 319) with learners in class. Homework: Activity 15.10 (p. 319)	Textbook Chapter 15 p. 319
Period 4	Year-end adjustments – depreciation GAAP	Mark Activity 15.10 (p. 319). Use Activity 15.11 in extra classes for learners who need support. Discuss GAAP flash (p. 320). Do Activity 15.12 (p. 320) with learners in class. Homework: Activity 15.13 (p. 321)	Textbook Chapter 15 pp. 319–321

Week 8 (Revision)			
Period 1	Year-end adjustments – depreciation Internal control	Mark Activity 15.13 (p. 321). Discuss internal control over fixed assets (p. 321). Do Activity 15.14 (p. 322) with learners in class. Homework: Activity 15.15 (p. 322)	Textbook Chapter 15 pp. 321–322
Period 2	Depreciation Revision	Mark Activity 15.15 (p. 322). Homework: Chapter 12 Activity 12.2 (p. 229)	Textbook Chapter 12 p. 229
Period 3	Revision	Mark Activity 12.2 (p. 229). Homework: Informal assessment 12.1 and 12.2 (pp. 233–234)	Textbook Chapter 12 pp. 233–234
Period 4	Revision	Mark informal assessment 12.1. Do informal assessment 12.3 in class and mark.	Textbook Chapter 12 pp. 233–245
Weeks 9–10			
<p>Assessment task 4: Mid-year examination – minimum of 200 marks</p> <p>The June exam paper should cover some of the following topics:</p> <ul style="list-style-type: none"> • GAAP principles • Internal control over debtors, creditors • Ethics • Journals (CRJ, CPJ, DJ, DAJ, CJ, CAJ, GJ, PCJ) and source documents • General Ledger, Debtors Ledger, Creditors Ledger • Accounting equation • Debtors and creditors reconciliations • VAT concepts • Salaries and wages • Final accounts and closing transfers (without any adjustments) • Depreciation – asset register or General Ledger accounts 			

TERM 3			
Week 1 (Debtors and creditors reconciliations)			
Period 1	June exam: Year-end adjustments – prepaid and accrued expenses GAAP	Discuss problem areas in June examination paper. Introduction to prepaid and accrued expenses – refer to materiality principle (pp. 323–326). Do Activity 15.16 (p. 326) in class with learners. Homework: Activity 15.17 (p. 327)	Textbook Chapter 15 pp. 323–327 PowerPoint® presentation/transparencies
Period 2	Year-end adjustments – income received in advance, accrued income	Mark Activity 15.17 (p. 327). Introduction to income received in advance and accrued income – materiality principle (pp. 327–331). Do Activity 15.18 (pp. 331–332) with learners in class. Homework: Activity 15.19 (p. 332)	Textbook Chapter 15 pp. 327–332 PowerPoint® presentation/transparencies
Period 3	Year-end adjustments	Mark Activity 15.19 (pp. 332). Homework: Activity 15.20 (pp. 333–334)	Textbook Chapter 15 pp. 332–334
Period 4	Year-end adjustments – trading stock deficit and consumable stores on hand Internal control	Mark Activity 15.20 (pp. 333–334). Introduce trading stock deficit and consumable stores on hand. Discuss internal control over stock (pp. 335–341). Do Activity 15.21 (p. 338) and Activity 15.22 (p. 341) with learners in class. Homework: Activity 15.23 (p. 342)	Textbook Chapter 15 pp. 333–342 PowerPoint® presentation/transparencies
Week 2 (Final accounts: tear-end adjustments)			
Period 1	Year-end adjustments	Mark Activity 15.23 (p. 342). <u>Do informal assessment 15.2 (pp. 342–343) in class in order to identify learners who need support.</u>	Textbook Chapter 15 pp. 342–343
Period 2	Year-end adjustments	<u>Discuss problem areas that arrived from informal assessment 15.2.</u> Homework: Activity 15.24 (pp. 343–345)	Textbook Chapter 15 pp. 343–345

Period 3	Final accounts and year-end adjustments	Mark Activity 15.24 (p. 343). Recap closing transfers and final accounts again. Homework: Activity 15.25 (pp. 345–346)	Textbook Chapter 15 pp. 343–346
Period 4	Final accounts and year-end adjustments	Mark Activity 15.25 (p. 345). Homework: Activity 15.26 (pp. 347–348)	Textbook Chapter 15 pp. 345–348
Week 3 (Final accounts and year-end adjustments)			
Period 1	Final accounts and year-end adjustments	Mark Activity 15.26 (p. 347). Homework: Activity 15.27 (pp. 348–350)	Textbook Chapter 15 pp. 347–350
Period 2	Final accounts and year-end adjustments	Mark Activity 15.27 (p. 348). Homework: Activity 15.28 (pp. 351–353)	Textbook Chapter 15 pp. 348–353
Period 3	Final accounts and year-end adjustments	Mark Activity 15.28 (p. 351). <u>Homework: Informal assessment 15.3 (p. 353)</u>	Textbook Chapter 15 pp. 351–354
Period 4	Final accounts and year-end adjustments	Mark informal assessment 15.3 in class – identify learners who need support. <u>Discuss problem areas.</u>	Textbook Chapter 15 pp. 353–354
Week 4 (Reversal of adjustments/financial statements)			
Period 1	Reversal of adjustments	Discuss reversal of adjustments. Do example with learners in class (pp. 355–358). Homework: Activity 15.29 (p. 358)	Textbook Chapter 15 pp. 355–358
Period 2	Reversal of adjustments	Mark Activity 15.29 (p. 358). Do Activity 15.30 (p. 359) in class and mark.	Textbook Chapter 15 pp. 358–359
Period 3	Assessment task 5	Case study: Final accounts and adjustments or on salaries and wages – see example under assessment tasks in Teacher’s Guide – Minimum of 50 marks.	Case study
Period 4	Financial statements of a sole trader	Discuss purpose of financial statements and accounting cycle (p. 363). Do Activity 16.2 (p. 375) with learners in class. Homework: Activity 16.3 (p. 377)	Textbook Chapter 16 pp. 363–377 PowerPoint® presentation/transparencies
Week 5 (Financial statements)			
Period 1	Financial statements of a sole trader – note for fixed assets	Mark Activity 16.3 (p. 377). Do Activity 16.4 (p. 378) in class and mark. Homework: Activity 16.5 (p. 386) – only adjustments and Income Statement	Textbook Chapter 16 pp. 377–387
Period 2	Financial statements of a sole trader	Mark adjustments and Income Statement of Activity 16.5 (p. 386). Homework: Activity 16.5 (p.3 86) Balance Sheet	Textbook Chapter 16 pp. 386–387
Period 3	Financial statements of a sole trader	Mark Activity 16.5 (p. 386) Balance Sheet. Homework: Activity 16.6 (p. 388) adjustments and Income Statement	Textbook Chapter 16 pp. 386–389
Period 4	Financial statements of a sole trader	Mark Activity 16.6 (p. 388) adjustments and Income Statement. Homework: Activity 16.6 (p. 388) Balance Sheet	Textbook Chapter 16 pp. 388–389
Week 6 (Financial statements)			
Period 1	Financial statements of a sole trader	Mark Activity 16.6 (p. 388) Balance Sheet. Homework: Activity 16.7 (p. 389) adjustments and Income Statement	Textbook Chapter 16 pp. 388–391
Period 2	Financial statements of a sole trader	Mark Activity 16.7 (p. 389) adjustments and Income Statement. Homework: Activity 16.7 (p. 389) Balance Sheet	Textbook Chapter 16 pp. 389–391
Period 3	Financial statements of a sole trader	Mark Activity 16.7 (p. 389) Balance Sheet. Homework: Case study 16.1 (p. 391) adjustments and Income Statement	Textbook Chapter 16 pp. 389–393

Period 4	Financial statements of a sole trader	Mark Case study 16.1 (p. 391) adjustments and Income Statement. Homework: Case study 16.1 (p. 391) Balance Sheet	Textbook Chapter 16 pp. 391–393
Week 7 (Financial statements)			
Period 1	Financial statements of a sole trader	Mark Case study 16.1 (p. 391) Balance Sheet. Homework: Activity 16.8 (p. 393)	Textbook Chapter 16 pp. 391–394
Period 2	Financial statements of a sole trader	Mark Activity 16.8 (p. 393). Homework: Activity 16.9 (p. 396) Balance Sheet	Textbook Chapter 16 p. 393
Period 3	Financial statements of a sole trader	Mark Activity 16.9 (p. 396) Balance Sheet. Homework: Informal assessment 16.1 (p. 395)	Textbook Chapter 16 p. 396
Period 4	Financial statements of a sole trader	<u>Mark informal assessment 16.1 (p. 395) to determine which learners need support with preparing financial statements.</u>	Textbook Chapter 16 p. 395
Week 8 (Interpretation of financial statements)			
Period 1	Interpretation of financial statements	Discuss interpretation of financial statements (gross profit on sales, gross profit on cost of sales, net profit on sales, operating expenses on sales, operating profit on sales, current ratio, acid-test ratio, solvency ratio, return on equity). Do example on interpretation of financial statements with learners in class. Homework: Activity 17.1 (p. 407)	Textbook Chapter 17 pp. 399–406
Period 2	Interpretation of financial statements	Mark Activity 17.1 (p. 407). Homework: Activity 17.2 (p. 409)	Textbook Chapter 17 pp. 407–409
Period 3	Interpretation of financial statements	Mark Activity 17.2 (p. 409). Homework: Activity 17.3 (p. 410)	Textbook Chapter 17 pp. 409–411
Period 4	Interpretation of financial statements	Mark Activity 17.3 (p. 410). Homework: Activity 17.4 (p. 411)	Textbook Chapter 17 pp. 410–411
Week 9 (Interpretation of financial statements)			
Period 1	Interpretation of financial statements	Mark Activity 17.4 (p. 411). Homework: Activity 17.5 (p. 412)	Textbook Chapter 17 pp. 411–413
Period 2	Interpretation of financial statements	Mark Activity 17.5 (p. 412). Homework: Activity 20.13 (p. 460)	Textbook Chapter 17 pp. 412–413, 460
Period 3	Interpretation of financial statements	Mark Activity 20.13 (p. 460).	Textbook Chapter 17 p. 460
Period 4	Interpretation of financial statements	<u>Do informal assessment 17.1 (p. 413) in class and mark to identify learners who need support.</u>	Textbook Chapter 17 p. 413
Week 10 (Interpretation of financial statements)			
Period 1	Revision	According to need of learners – see Chapter 20 for revision activities.	Textbook Chapter 20
Period 2	Revision	According to need of learners – see Chapter 20 for revision activities.	Textbook Chapter 20
Period 3	Revision	According to need of learners – see Chapter 20 for revision activities.	Textbook Chapter 20
Period 4	Revision	According to need of learners – see Chapter 20 for revision activities.	Textbook Chapter 20
Assessment task 6			
This should be done towards the end of the third term (September test series)			
Control test – 1 hour/100 marks – Financial statements and interpretation of financial statements			

TERM 4

Week 1 (Cost accounting)			
Period 1	Cost Accounting	Give definition and explanation of basic cost concepts – Direct labour, indirect labour, direct material, indirect materials, factory overhead costs, prime cost, variable cost, fixed cost, work-in-process. Do Activity 18.1 (p. 415) in class. Homework: Activities 18.2–18.3 (pp. 417–418)	Textbook Chapter 18 pp. 415–418 PowerPoint® presentation/transparencies
Period 2	Cost Accounting	Mark Activities 18.2–18.3 (pp. 417–418). Talk about prime cost and units costs. Do Activity 18.4 (p. 419) in class. Do example (p. 419) with learners. Homework: Activity 18.5 (p. 421)	Textbook Chapter 18 pp. 417–421 PowerPoint® presentation/transparencies
Period 3	Cost Accounting	Mark Activity 18.5 (p. 421). Do Activity 18.6 (p. 422) in class and mark. Class discussion on application of principles of internal control in cost accounting, as well as ethical behaviour related to a manufacturing business. Homework: Case study 18.1 (pp. 425–426)	Textbook Chapter 18 pp. 421–426 PowerPoint® presentation/transparencies
Period 4	Cost Accounting	Mark Case study 18.1 (pp. 425–426). <u>Do informal assessment 18.1 (p. 424) in class and mark. Identify learners who need support in cost accounting.</u>	Textbook Chapter 18 pp. 424–425 PowerPoint® presentation/transparencies
Week 2 (Budgeting)			
Period 1	Budgeting	Give definition and explanation of basic budgeting concepts – cash budget, zero-base budget, capital budget, long-term budget, medium-term budget. Homework: Activity 19.1 (p. 433)	Textbook Chapter 19 pp. 429–433 PowerPoint® presentation/transparencies
Period 2	Budgeting	Mark Activity 19.1 (p. 433). Discuss debtors collection schedule and creditors payment schedule (pp. 434–436). Do example (p. 435). Homework: Activities 19.2–19.3 (pp. 435–436)	Textbook Chapter 19 pp. 433–436 PowerPoint® presentation/transparencies
Period 3	Budgeting	Mark Activities 19.2–19.3 (pp. 435–436). Discuss Projected Income Statement (p. 436). Do example (p. 437) in class. Homework: Activities 19.4–19.5 (pp. 440–441)	Textbook Chapter 19 pp. 435–441 PowerPoint® presentation/transparencies
Period 4	Budgeting Internal control	Mark Activities 19.4–19.5 (pp. 440–441). Class discussion on how budgets can be used for internal control purposes	Textbook Chapter 19 pp. 440–441
Week 3 (Revision exercises)			
Period 1	Revision exercises	Accounting concepts and journals	Textbook Chapter 20 pp. 445–447
Period 2	Revision exercises	Accounting concepts – General Journal and General Ledger	Textbook Chapter 20 pp. 448–450
Period 3	Revision exercises	Accounting concepts – ledgers	Textbook Chapter 20 p. 451
Period 4	Revision exercises	Accounting concepts – accounting equation	Textbook Chapter 20 p. 452
Week 4 (Revision exercises)			
Period 1	Revision exercises	Accounting concepts – reconciliation of control accounts	Textbook Chapter 20 p. 453
Period 2	Revision exercises	Accounting concepts – salaries and wages	Textbook Chapter 20 p. 454

Period 3	Revision exercises	Internal control, ethics and GAAP principles	
Period 4	Revision exercises	Final accounts and adjustments	Textbook Chapter 20 pp. 455–457
Week 5 (Revision exercises)			
Period 1	Revision exercises	Financial statements	Textbook Chapter 20 pp. 457–459
Period 2	Revision exercises	Financial statements	Textbook Chapter 20 pp. 457–459
Period 3	Revision exercises	Interpretation of financial statements	Textbook Chapter 19 pp. 460–461
Period 4	Revision exercises	Cost calculations and VAT	Textbook Chapter 19 p. 461
Week 6 (Revision exercises)			
Period 1	Revision exercises	Budgets	Textbook Chapter 20 p. 462
Period 2	Revision exercises	Work out example papers	
Period 3	Revision exercises	Work out example papers	
Period 4	Revision exercises	Work out example papers	
Weeks 7–9			
<p>Assessment task 7</p> <p>End-of-year examination – 300 marks/3 hours</p> <p>The November exam paper should cover some of the following topics:</p> <ul style="list-style-type: none"> • GAAP principles • Internal control • Ethics • Journals and source documents • General Ledger, Debtors Ledger, Creditors Ledger • Accounting equation • Debtors and creditors reconciliations • VAT concepts • Salaries and wages • Final accounts and closing transfers • Year-end adjustments • Financial statements and interpretation • Cost Accounting • Budgets 			

	SECTION 3	
	ASSESSMENT TASKS	

	1. FORMS OF ASSESSMENT: PRESENTATIONS/REPORTS
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CHAPTER 1: Indigenous bookkeeping and informal businesses

Presentation

Presentations can be written or oral, but there must be evidence of the presentation. All criteria used to assess the presentation must be discussed with the learners prior to the commencement of the presentation. Where the resources are available, use of electronic presentations should be encouraged.

We suggest, however, that the teacher use a marking rubric to assess the presentation.

Report

A report is generally the written evidence of a survey, analysis or investigation. This will usually be shorter than a project and is specific to the topic. For example, when a business comes to you for advice on whether they are experiencing liquidity problems. Often it implies consulting with an expert for advice on some problem – therefore it links very closely with problem solving.

Learners can also be asked to write a report after a field trip, for example, after visiting a local factory.

Suggestions

- This assessment task should be done in the first term (during the first week).
- Learners can be divided in groups of two or three.
- The teacher should discuss the requirements and marking rubric with the learners when handing out the task.
- Learners can complete the presentation at home, but the teacher should monitor their progress.
- The minimum total for the presentation should be 50 marks.

Research and presentation (Options 1 and 2)

Notes to teacher

The learners are required to interview two owners of small businesses in their community. One business must be an informal business using an indigenous bookkeeping system, and the other a formal business using a formal bookkeeping system. Learners submit a written presentation to the teacher and present a five-minute oral to the class on their findings.

Encourage the learners, if possible, to identify two businesses selling the same type of product. Examples are flower sellers, fruit and vegetable sellers, and so on.

This task must be handed out to the learners during Week 1 of Term 1, and collected back from Week 2 of Term 1. Continually monitor learners' progress.

Prior knowledge

- Learners were exposed to entrepreneurship concepts in Grades 8 and 9.
- Basic budgeting and cost concepts were also covered in Grades 8 and 9.
- Learners may have access to informal traders in their communities.
- Parents are allowed to assist learners with information on formal traders.
- It is the teacher's responsibility to ensure that learners have access to the necessary information required for this presentation.

Teacher's instructions to learners

- Learners work in pairs or in groups of three or four.
- Allow the learners to use one lesson in which to prepare themselves for the task. Use this lesson to do the following:
 - Divide learners into their pairs or groups.
 - Give learners the presentation instructions.
 - Allow learners to read through the rubric and ask questions.
 - Give learners time to discuss the presentation and decide who will be doing what.
 - Ensure that learners are very clear on the instructions and the rubric guidelines.
- Learners will then gather the information for the presentation in their own time.
- Use a second lesson for learners to return and collate their information and prepare their written presentations.
- Set a due date for the written presentations.
- Allow a third lesson for the preparation of the oral presentation. This must be done once the written presentation has been completed.

Teacher's follow-up process

- The teacher needs to follow up with the learners to ensure that all members are contributing to the process.

Assessment of the presentation

- The teacher assesses the learners according to the rubric that was given to the learners at the beginning of the task.
- The teacher should assess all the learners according to the rubric and give the same mark to each group member.
- The teacher could, upon discussion with the group, deduct marks from a learner who did not pull his or her weight. Any problems with the learner must have been sorted out during the follow-up process.

Research and presentation (Option 1)

Formal Assessment task: Questionnaire and written and oral presentation on an informal business using indigenous bookkeeping system

Aim

The learners conduct an interview using a questionnaire and then make oral and written presentations about an informal business and its bookkeeping system.

Work in pairs or groups of three.

Required

1. Design a questionnaire

Your questionnaire must include all the aspects below.

2. Conduct an interview

Identify someone in your community who operates a small informal business, such as running a pavement stall or selling goods from home. This person must be involved in buying and selling goods.

Make an appointment with this person and explain the aim of your visit.

Use the questionnaire to gather information for both your written and oral presentations.

3. Written presentation

Your written presentation must include an introduction as well as a conclusion. It must not be longer than three typed pages (A4 size) excluding photographs, tables and graphs.

4. Oral presentation

Prepare an oral presentation of not longer than five minutes on the main points of your written presentation. Use visual aids such as posters or pictures or, if available, computer software.

Aspects to be included

Background of the business

- The type of goods supplied to clients
- Where the business operates from (and who owns the buildings)
- Why the person started the business
- How much capital was needed to start the business and where the person obtained the funds needed.

Buying and controlling stock

- Where the person buys goods or supplies
- Why this supplier is used.

Determining the selling price of the goods

- How the selling price is determined.

Handling financial information

- Whether financial information is recorded or not
- If financial information is recorded, how this is done (are source documents used, and if so, include an example).

Explanation of the costs or expenses

- Whether the person has employees and if so, how their wages are determined (if there is a partnership, investigate profit-sharing)
- What the main costs of the business are.

Budgeting and calculating profits

- Whether a budget is drawn up from time to time and, if so, how often and when
- How profit/loss is determined and how regularly it is calculated.

Competitors and other problems or challenges

- If there are competitors, who they are and how the person handles the situation
- The biggest problems/challenges for the business (such as safety) and how the person handles them
- Other interesting facts.

Criteria	9–10	6–8	3–5	0–2	Mark
The questionnaire	Questions are excellently structured and are understandable. Excellent use of language.	Questions are well structured and are understandable. Good use of language.	Questions are well structured and are understandable. Fair use of language.	Questions are well structured and but not understandable. Language used not acceptable.	
Background of the business	Excellent and comprehensive; interesting presentation	Good presentation of information; most information covered	Average presentation; some information not covered	None; weak attempt; information incomplete	
Buying and controlling stock	Comprehensive information given; interesting	Good presentation of information; most aspects covered well	Average presentation; a few aspects not covered	None; very little information given	
Determining the selling price of goods	Excellent and clear insight; supplied correct information; presented very well	Good understanding of determining price; information mostly correct	Satisfactory understanding; some information incorrect	None; partial understanding; some information questionable	
Handling financial information	Excellent understanding of accounting system; information correct and complete	Good understanding of accounting system; most information correct	Satisfactory understanding of accounting systems; some information incorrect/missing	None; poor understanding of accounting systems; some information questionable	
Explanation of the costs or expenses	Excellent understanding; information correct; presentation very good	Good understanding of costs and expenses; most information correct and acceptable	Satisfactory understanding of costs and expenses; some information incorrect	None; partial understanding of costs; some information questionable	
Budgeting and calculating profits	Excellent understanding; information is correct and presented very well	Good understanding; information presented well	Satisfactory understanding and explanations; some information incorrect/ misleading	None; poor explanations; some information questionable	
Competitors and other problems or challenges	Excellent and comprehensive reporting	Good reporting; most aspects covered	Satisfactory reporting; some aspects left out	None; poor reporting; only one or two aspects mentioned	
Introduction and conclusion			Good introduction and conclusion	None; satisfactory introduction and conclusion	
Technical presentation of report			Neat, attractive report	Handed in late/ not at all; untidy; unattractive	
Oral presentation	Excellent; key-note areas presented in an informative manner	Good presentation, but some areas either irrelevant or not informative	Only some areas are informative	Poor presentation	
Total:					/100

Research and presentation (option 2)

To be handed out to the learners

As part of your Grade 10 Accounting curriculum, you have to interview two small business owners in your community. In Grade 9 you were taught about entrepreneurship and the basic bookkeeping of a sole trader.

You are required to:

1. Work in pairs or groups of three or four.
2. Acquire the following information from the owners of the two different businesses: a formal and an informal business. Identify two businesses selling the same type of product, for example, flowers, vegetables and fruit, clothing, etc.
3. Make an appointment with the business owners/managers and conduct an interview with them.
4. Go to the interview prepared with a list of questions to ask the owner/manager. However, allow for other questions to arise as the interview proceeds.
5. After the interview, your teacher will allow you and your group members some time to collate your findings.
6. During this time, consolidate your information into a written presentation to be handed in to your teacher for marking.
7. Prepare a presentation on the major differences and similarities between the two businesses.
8. Present your findings to the rest of the class in a five-minute oral presentation, using visual posters and pictures or, if available, computer software.

Find out the following for your written presentation:

- A brief description of the background of the two businesses
- How each business budgets and controls its finances and whether it is registered with SARS as a VAT vendor
- How each business controls its stock and from where/who it buys its stock
- Any problems the business experiences with regards to stock purchases, sales and stock holding
- What each business's main overhead costs are
- How each business is managed on a day-to-day basis, and by whom
- How each business records its financial information
- Any other points of interest you discovered during the interview.

(35 marks)

Use the above information to compile a five-minute oral presentation, highlighting the similarities and differences between the two businesses.

(25 marks)

Total marks: 60

Assessment rubric for written presentation

Criteria	5	3-4	2	1	Mark
Background of the business	Excellent and comprehensive; interesting presentation	Good presentation of information; most information covered	Average presentation; some information not covered	None; weak attempt; information incomplete	
Budgeting and finance	Excellent understanding; information is correct and presented very well	Good understanding; information presented well	Satisfactory understanding and explanations; some information incorrect/ misleading	None; poor explanations; some information questionable	
Stock control and matters regarding stock	Comprehensive information given; interesting	Good presentation of information; most aspects covered well	Average presentation; a few aspects not covered	None; very little information given	
Explanation of the costs or expenses	Excellent understanding; information correct; presentation very good	Good understanding of costs and expenses; most information correct and acceptable	Satisfactory understanding of costs and expenses; some information incorrect	None; partial understanding of costs; some information questionable	
Management of the business	Excellent understanding of the way the businesses are managed	Good understanding of the way the businesses are managed	Satisfactory understanding of the way the businesses are managed	None; poor understanding of the way the businesses are managed	
Handling financial information	Excellent understanding of accounting system; information correct and complete	Good understanding of accounting system; most information correct	Satisfactory understanding of accounting systems; some information incorrect/ missing	None; poor understanding of accounting systems; some information questionable	
Points of interest	Found out relevant and interesting points of interest	Found out interesting points of interest	Found out points of interest but not relevant to the topic	Did not find out much, although some attempt was made	
Total					/35

Assessment rubric for oral presentation

Criteria	9–10	6–8	4–5	2–3	1	Mark
Similarities and differences	Interesting, excellent, clear and concise explanation of similarities and differences; accurate and valid information objectively communicated	Good and impartial explanation of similarities and differences; information appears to be mostly accurate and valid and objectively communicated	Satisfactory explanation of similarities and differences; information appears to be subjective and favoured one business	Poor explanation of similarities and differences; one-sided presentation	No understanding of the similarities and differences evident	
Presentation	Colourful, interesting, catchy, attention to detail; visuals clear and appropriate	Good visuals, colourful, some attention to detail	Satisfactory visuals, lacked colour and very little attention to detail	Had visuals but was not appropriate for the type of presentation	A poor presentation, no effort, no visuals	
Length of presentation			Pace of presentation adequate and complied with time frame given; all information covered	Presentation was rushed in order to comply with the time frame; not all information covered	Group struggled to get started; went overtime and was asked to stop/did not use up all the time allocated	
Total						/25

2. FORMS OF ASSESSMENT: TESTS

Two tests, written under controlled conditions, are prescribed for Grade 10. These tests should adhere to the following criteria:

- All classes in the same grade complete the tests on the same day.
- All learners write the same test and complete them under examination conditions.
- Questions must comply with year-end examination standards.
- Where there is more than one teacher, agreement must be reached on the scope, as well as the date and time of the test.
- Duration of each of these tests should be at least one hour.
- Total for the tests should be 100 marks.
- Tests should cover the different cognitive levels as in examinations.
- Tests should also include problem-solving questions.
- Test should cover a range of integrated topics.
- The two tests should be written in Terms 1 and 3.

The tests should cover some of the following topics:

Control test 1 – Term 1

- Ethics
- GAAP
- Internal control
- Journals – DJ, DAJ, CJ, CAJ, CPJ, CRJ, PCJ
- Source documents
- General Ledger, Creditors Ledger, Debtors Ledger
- Accounting equation

Control test 2 – Term 3

- Ethics
- GAAP
- Internal control
- Year-end adjustments
- Final accounts or financial statements

Assessment task: Control test 1

Accounting
Grade 10
Date: March

Total: 100 marks
Time: 1 hour



Question 1 General Ledger

(50 marks: 30 minutes)

Use the given information to complete the following accounts in the General Ledger of Overworked Traders:

Trading stock	(19)
Debtors Control	(11)
Creditors Control	(11)
Stationery	(9)

Information

Balances	1 March 2019	31 March 2019
Trading stock	15 000	18 400
Stationery	450	900
Debtors List:		
C Cape	770	620
G Gaut	1 030	1 700
Z Zulu	1 200	1 680
Creditors List:		
Son Suppliers	3 200	1 900
Lindwe Traders	1 800	2 000
Scriebs Stationers	2 200	1 500

- Profit mark-up:
 - on cash sales, $33\frac{1}{3}\%$
 - on credit sales, 60%.
- The total sales for the month ended 31 March 2019 amounted to R9 600. Sales are made up as follows:
 - $33\frac{1}{3}\%$ of total sales is on credit
 - $24\frac{2}{3}\%$ of total sales is for credit card sales
 - 42% of total sales is for cash.
- Purchases for the month ended 31 March 2019:

	For cash	On credit
Goods	4 300	6 000
Stationery	150	400
Sundry accounts	2 000	100

- Petty cash payments for March 2019:
 - Merchandise R200
 - Stationery R50
 - Sundry accounts R100.
- A cheque for R100 was received from a creditor as a refund on an overpayment made to them during February 2019.
- Returns and allowances:
 - Credit customers, R500. This amount includes R20 as an allowance made to the debtor for goods not being according to sample.

**Question 3 Accounting equation**

(28 marks: 17 minutes)

3.1 Complete the following spreadsheet by showing the effect on the accounting equation for each of the numbers. Use a + ; - or ± to show the effect.

Note: The bank balance is unfavourable for the following transactions.

No.	Account to debit	Account to credit	Amount	Assets	Owner's equity	Liabilities
1.	Trading Stock	Creditors Control	4 400			
2.	Creditors Control	Bank	2 280			
	Creditors Control	Discount Received	120			
3.	Bank	Sales	3 726			
	Cost of Sales	Trading Stock	4 140			
4.	Bank Charges	Bank	250			
5.	Petty Cash	Bank	513			
6.	Debtors Allowances	Debtors Control	150			
	Trading Stock	Cost of Sales	100			
7.	Creditors Control	Trading Stock	360			

(19)

3.2 Refer to the above spreadsheet to answer the following questions:

3.2.1 What percentage discount did the business receive in no. 2? (3)

3.2.2 Give a possible reason why the selling price is less than the cost price in no. 3. (2)

3.2.3 Name the source documents that would be used for the transactions. (4)

- 3.2.3.1 No. 1 _____
- 3.2.3.2 No. 4 _____
- 3.2.3.3 No. 6 _____
- 3.2.3.4 No. 7 _____

[28]

Total: 100 marks

Assessment task: Control test 1 – marking memorandum

Accounting
Grade 10
Date: March

Total: 100 marks
Time: 1 hour

» Question 1 General Ledger

(50 marks: 30 minutes)

General Ledger of Overworked Traders

Dr				Trading Stock				Cr			
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount	
2019 Mar	1	Balance	b/d	15 000	00	2019 Mar	31	Cost of sales ✓	CRJ	✓✓ 4 800	00
	31	Bank ✓	CPJ	✓ 4 300	00			Cost of sales ✓	DJ	✓✓ 2 000	00
		Petty cash ✓	PCJ	✓ 200	00			Creditors control ✓	CJ	✓✓ 600	00
		Creditors control ✓	CJ	✓ 6 000	00						
		Cost of sales ✓	DAJ	✓✓ 300	00			Balance	c/d	18 400	00
				25 800	00					25 800	00
2019 Apr	1	Balance	b/d	✓ 18 400	00						

(19)

Dr				Debtors Control				Cr			
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount	
2019 Mar	1	Balance	b/d	✓✓ 3 000	00	2019 Mar	31	Bank and discount allowed ✓	CRJ	✓ 1 700	00
	31	Sales ✓	DJ	✓✓ 3 200	00			Debtors allowances ✓	DAJ	✓✓ 500	00
								Balance	c/d	4 000	00
				6 200	00					6 200	00
2019 Apr	1	Balance	b/d	✓ 4 000	00						

(11)

Dr				Creditors Control				Cr			
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount	
2019 Mar	31	Bank and discount received ✓	CPJ	✓✓ 7 450	00	2019 Mar	1	Balance	b/d	✓ 7 200	00
		Total allowances ✓	CAJ	✓ 950	00		31	Total purchases ✓	CJ	✓ 6 500	00
		Balance	c/d	5 400	00			Bank ✓	CRJ	✓ 100	00
				13 800	00					13 800	00
						2019 Apr	1	Balance	b/d	✓ 5 400	00

(11)

Dr				Stationery				Cr			
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount	
2019 Mar	1	Balance	b/d	450	00	2019 Mar	31	Creditors control ✓	CAJ	✓ 150	00
	31	Bank ✓	CPJ	✓ 150	00						
		Petty cash ✓	PCJ	✓ 50	00						
		Creditors control ✓	CJ	✓ 400	00			Balance	c/d	900	00
				1 050	00					1 050	00
2019 Apr	1	Balance	b/d	✓ 900	00						

(9)

Debtors Ledger of Slap Stick

Big Book Store

D1

Date	Document number	Fol.	Debit		Credit		Balance	
	1	Account rendered	b/d				✓ 3 800 Dr	00
	3	Invoice ✓	DJ	✓ 1 600	00		✓ 5 400	00
	7	Credit note ✓	DAJ			✓ 160	00	✓ 5 240
	10	Receipt ✓	CRJ			✓ ✓ 3 420	00	✓ 1 820
		Receipt (discount) ✓	CRJ			✓ ✓ 380	00	✓ 1 440
	20	Invoice ✓	DJ	✓ 3 160	00		✓ 4 600	00
	29	Receipt ✓	CRJ			✓ ✓ 2 300	00	✓ 2 300

-1 mark if entry is on the 22nd

[22]

» Question 3 Accounting equation

(28 marks: 17 minutes)

No.	Account to debit	Account to credit	Amount	Assets	Owner's equity	Liabilities
1.	Trading Stock	Creditors Control	4 400	+ ✓		+ ✓
2.	Creditors Control	Bank	2 280			± ✓
	Creditors Control	Discount Received	120		+ ✓	- ✓
3.	Bank	Sales	3 726		+ ✓	- ✓
	Cost of Sales	Trading Stock	4 140	- ✓	- ✓	
4.	Bank Charges	Bank	250		- ✓	+ ✓
5.	Petty Cash	Bank	513	+ ✓		+ ✓
6.	Debtors Allowances	Debtors Control	150	- ✓	- ✓	
	Trading Stock	Cost of Sales	100	+ ✓	+ ✓	
7.	Creditors Control	Trading Stock	360	- ✓		- ✓

(19)

3.2 Refer to the above spreadsheet to answer the following questions.

3.2.1 What percentage discount did the business receive in no. 2?

$$R2\ 280 + 120 = R2\ 400 \checkmark$$

$$\frac{120}{2\ 400} \checkmark \times \frac{100}{1} = 5 \checkmark$$

5% discount was received.

(3)

3.2.2 Give a possible reason why the selling price is less than the cost price in no. 3.

Clearance sale

Damaged goods marked down

Any acceptable answer ✓✓

(2)

3.2.3 Name the source documents that would be used for the transactions.

3.2.3.1 No. 1 Original invoice ✓

3.2.3.2 No. 4 Bank statement ✓

3.2.3.3 No. 6 Credit note ✓

3.2.3.4 No. 7 Debit note ✓

(4)

[28]

Assessment task: Control test 2

Financial statements and concepts

Grade 10

Date: August

Total: 100 marks

Time: 1 hour

Amy Smith owns an exclusive ladies' dress boutique called Intimate Designs. Her bookkeeper has drafted an Income Statement for the year ended 28 February 2018, but has not taken certain adjustments into account.

Required

1. Correct the Income Statement to reflect the correct profit or loss for the year. Show your calculations in brackets so that you can earn marks for your adjustments. (25)
2. Prepare a Balance Sheet on 28 February 2018. You are not required to prepare all the notes to the financial statements so you have to show your calculations in brackets so that you can earn marks for your adjustments. (50)
3. Prepare the note to the financial statements for tangible assets (Note 3). (13)
4. Answer the questions that follow. (12)

Note: Where amounts have not changed, they are assumed correct.

Information

1. Intimate Designs

Draft Income Statement for year ended 28 February 2018

Sales	600 000
Cost of sales	(350 000)
Gross profit	250 000
Other operating income	17 000
Commission income	15 000
Discount received	2 000
Gross profit	267 000
Operating expenses	(160 000)
Salaries and wages	80 000
Telephone	5 000
Advertising	4 000
Rent expense	44 000
Motor vehicle expenses	23 000
Stationery	1 000
Bank charges	3 000
Operating profit	107 000
Interest income	2 000
Profit before interest expense	109 000
Interest expense	(11 000)
Net profit for the year	98 000

(25)

- 4.1 Briefly explain the “historical cost rule”. (3)
- 4.2 Briefly explain the ‘matching principle’ and why it is necessary to use this principle. (4)
- 4.3 Match the number in Column A with the correct letter in Column B. Write only your chosen letter selected from Column B next to the number on the answer sheet. (5)

Column A		Column B	
1.	Owner's equity	A.	All income earned by the business less all expenses consumed/incurred
2.	Gross profit	B.	Items owned by a business and used in order to generate an income
3.	Net profit	C.	The amount of money that the owner is entitled to
4.	Assets	D.	All income received by the business less all expenses paid
5.	Liabilities	E.	The net worth of a business OR The amount to which the owner is entitled
		F.	Items owned by a business that is sold in order to generate an income
		G.	Profit made by a business in the process of buying and selling stock
		H.	Amounts owed by the business to other persons or organisations

Assessment task – Control test 2: Answer sheets

Date: August

Time: 1 hour

Name:

100

1. Intimate Designs

Income Statement for the year ended 28 February 2018

Sales	
Cost of sales	
Gross profit	
Other operating income	
Commission income	
Discount received	
Gross income	
Operating expenses	
Salaries and wages	
Telephone	
Advertising	
Rent expense	
Motor vehicle expenses	
Stationery	
Bank charges	
Operating profit	
Interest income	
Profit before interest expense	
Interest expense	
Net profit for the year	

(25)

2. Intimate Designs

Balance Sheet as at 28 February 2018

ASSETS	
Non-current assets	
Tangible assets	
Financial assets	
Fixed deposits	
Current assets	
TOTAL ASSETS	
OWNER'S EQUITY AND LIABILITIES	
Owner's equity	
Non-current liabilities	
Loan from Credfin	
Current liabilities	
TOTAL EQUITY AND LIABILITIES	

(50)

3. Notes to the Financial Statements on 28 February 2018

Tangible assets	Land and buildings	Vehicles	Equipment	Totals
Cost				
Accumulated depreciation				
Carrying value on last day of previous year				
<i>Movements</i>				
Carrying value on last day of current year				
Cost				
Accumulated depreciation				

(13)

4.1 Briefly explain the "historical cost rule".

(3)

4.2 Briefly explain the "matching principle" and why it is necessary to use this rule/principle.

(4)

4.3

1.	
2.	
3.	
4.	
5.	

(5)

Marks
—
100

Assessment task: Control test 2 – marking memorandum

Financial statements and concepts

Total: 100 marks

Grade 10

Time: 1 hour

Date: August

1. Intimate Designs

Income Statement for the year ending 28 February 2018

Sales	600 000	
Cost of sales	(350 000)	
Gross profit	250 000	
Other operating income	18 500	
Commission income (15 000 + 1 500)	16 500	✓✓
Discount received	2 000	
Gross income	268 500	
Operating expenses	(190 912)	
Salaries and wages	80 000	
Telephone	5 000	
Advertising (4 000 – 600)	3 400	✓✓
Rent expense (44 000 + 4 000)	48 000	✓✓✓
Motor vehicle expenses	23 000	
Stationery (1 000 – 200)	800	✓✓
Bank charges (3 000 + 300)	3 300	✓✓
Trading stock deficit	5 800	✓✓✓
Bad debts	500	✓✓
Depreciation	21 112	✓✓
Operating profit	77 588	
Interest income (2 000 + 60)	2 060	✓✓
Profit before interest expense	79 648	
Interest expense (11 000 + 2 000)	(13 000)	✓✓✓
Net profit for the year	66 648	✓✓

(25)

2. Intimate Designs

Balance Sheet as at 28 February 2018

ASSETS	
Non-current assets	✓ 165 448
Fixed assets	✓ 141 448
Financial assets (60 000 ✓ – 36 000 ✓)	✓ 24 000
Current assets	✓ 243 340
Inventories ✓ (180 000 ✓ – 4 200 ✓ – 5 800 ✓ + 200 ✓✓)	✓ 170 200
Trade and other receivables ✓ (24 000 ✓ – 500 ✓ + 1 500 ✓ + 600 ✓)	✓ 25 600
Cash and cash equivalents ✓ (1 000 ✓ + 1 540 ✓ + 36 000 ✓)	✓ 38 540
TOTAL ASSETS	✓ 399 788
OWNER'S EQUITY AND LIABILITIES	
Owner's equity [200 000 ✓ – (44 000 ✓ + 4 200 ✓✓) + 66 648 ✓]	✓ 218 448
Non-current liabilities	✓ 100 000
Loan from Credfin	✓ 100 000
Current liabilities	✓ 81 340
Trade and other payables ✓ (35 100 ✓ + 8 000 ✓✓ + 2 000 ✓ + 4 000 ✓)	✓ 49 100
✓ Bank overdraft (32 000 ✓ + 300 ✓✓ – 60 ✓✓)	✓ 32 240
TOTAL EQUITY AND LIABILITIES	✓ 399 788

(50)

3. Notes to the Financial Statements on 28 February 2018

Fixed/Tangible assets	Vehicles	Equipment	Totals
Cost	170 000	29 000	199 000
Accumulated depreciation	(34 000)	(10 440)	(44 440)
Carrying value on last day of previous year	✓ 136 000	✓ 18 560	154 460
<i>Movements</i>			
Additions at cost		✓✓ 8 000	8 000
Depreciation for the year	✓ (17 000)	✓ (4 112)	(21 112)
Carrying value on last day of current year	119 000	22 448	141 448
Cost	✓ 170 000	✓✓ 37 000	207 000
Accumulated depreciation	✓✓ (51 000)	✓✓ (14 552)	(65 552)

(13)

4.1	<p>Briefly explain the “historical cost rule”.</p> <ul style="list-style-type: none"> • Assets recorded in the books at their original cost/cost price. ✓✓✓ 	(3)
4.2	<p>Briefly explain the “matching principle” and why it is necessary to use this rule/principle.</p> <ul style="list-style-type: none"> • Revenue items matched to correct time period or income matched against the expense incurred to generate the income. ✓✓ • Enables one time period to be compared to another. ✓✓ <p><i>Learner communicates effectively (impression)</i> <i>Alternative descriptions acceptable.</i></p>	(4)

4.3	<table border="1"> <tr> <td style="width: 10%;">1.</td> <td>E. ✓</td> </tr> <tr> <td>2.</td> <td>G. ✓</td> </tr> <tr> <td>3.</td> <td>A. ✓</td> </tr> <tr> <td>4.</td> <td>B. ✓</td> </tr> <tr> <td>5.</td> <td>H. ✓</td> </tr> </table>	1.	E. ✓	2.	G. ✓	3.	A. ✓	4.	B. ✓	5.	H. ✓	(5)
1.	E. ✓											
2.	G. ✓											
3.	A. ✓											
4.	B. ✓											
5.	H. ✓											

Marks
<hr style="width: 50px; margin: 0 auto;"/> 100

3. FORMS OF ASSESSMENT: PROJECTS

The project is mandatory and only one project is recommended. When preparing a project, consider the following minimum requirements:

- Learners should be given the necessary guidance prior to commencement of the project and progress must be monitored.
- Aspects of the project should be completed in class to enable the teacher to monitor progress.
- All criteria used to assess a project must be discussed with the learners.
- Generally, projects are given a longer period of time as they involve some sort of research, consolidation and selection of relevant information, and the preparation of a written document as evidence.
- Often projects can be around some form of problem.
- Research may form part of the project – the project is evidence of the research conducted. However, this is not always the case. For example, the computerised accounting programme will not involve research but rather develop skills.

Suggestions

- The project should be handed out and discussed with learners towards the end of the first term.
- Projects are to be handed in during the second term.
- The teacher should monitor progress during the term.

Bookkeeping project

Notes to teacher

This project is the assessment task for Term 2. It must be handed to the learners during Week 6 of Term 1 and must be received back from Week 1 of Term 2. This project covers all the work done in Term 1.

Prior knowledge

The learners should have done basic bookkeeping in Grade 9 and would have been taught additional bookkeeping in Grade 10.

Teacher's instructions to learners

- Learners must work on their own (this is an individual project).
- Class time will be allowed to partially complete this project, approximately four or five lessons (roughly 3–4 hours, depending on the length of each lesson).
- Learners will be given answer sheets on which to complete the bookkeeping section.

Assessment of the project

This project will be assessed by means of a memorandum and/or rubrics.

Question no.	Content	Instrument	Marks
1.	Bookkeeping process	Rubric/Memo	50 marks
2.	Double entry	Memo	20 marks
3.	Control over debtors	Memo	8 marks
4.	Control over cash and ethics	Memo	12 marks
5.	Designing an advert	Rubric	10 marks
Total			/100

How to mark Question 1

1. Mark the Trial Balance first. Do an inspection of the amounts and circle all incorrect amounts. Make a note of all the accounts that were not included in the Trial Balance.
2. Do an inspection in the General Ledger of all the accounts that were circled on the Trial Balance and circle the posting errors.
3. Now check the General Ledger for the following:
 - Opening balances – are they on the correct side?
 - Dates – were they entered correctly?
 - Contra references – especially the *Cost of Sales*, *Discount Allowed*, *Debtors Allowances* accounts, and so on.
 - Closing balances – were they done correctly?
 - Circle all application errors.
4. Do an inspection of the subsidiary journals and circle any incorrect applications (information in the incorrect journal). Circle all incorrect calculations.
5. Once you have finished the inspection, refer to the rubric and allocate marks accordingly.

The rest of the project is marked according to a memorandum, except for Question 5, which is marked according to a rubric. Please note that the answers provided for Questions 2 to 4 are just guidelines and you need to use your discretion while marking them.

Grade 10 Accounting

2nd term project

The bookkeeping process

[For the learner]

Instructions

This project exposes you to a realistic situation of doing the books of a business. You are required to complete the accounting cycle from transactions to Trial Balance for one month. There are further questions on controls and ethics after the bookkeeping process.

Note: You must answer Question 1 on the answer sheet provided.

Please read through the whole project before you begin, so that you have a good idea of what is expected from you. Read through rubrics carefully, because they outline what you have to do in order to achieve a good result. Your teacher will mark you strictly according to the rubrics.

Background information

Matshaya's Furniture was established on 1 August 2018 when the owner, Zandile Matshaya, contributed R1 000 000 to start the business. She registered her business with SARS and paid for her trading licence. She applied for a mortgage bond and bought a property from which to trade and started trading on 15 August 2018.

Zandile uses the perpetual inventory system for administering stock and makes payments by issuing cheques and making EFTs.

The information below relates to Matshaya's Furniture. They buy and sell furniture and use a profit mark-up of 150% on cost price.



Question 1 (Bookkeeping)

(50 marks)

- 1.1 Enter the transactions for February 2019 in the subsidiary journals:
 - Cash Receipts Journal: Analysis of receipts, Bank, Sales, Cost of Sales, Debtors Control, Discount Allowed and Sundry accounts
 - Cash Payments Journal: Bank, Trading Stock, Wages, Creditors Control, Discount Received, Debtors Control and Sundry accounts
 - Debtors Journal: Sales and Cost of Sales
 - Debtors Allowances Journal: Debtors Allowances and Cost of Sales
 - Creditors Journal: Creditors Control, Trading Stock, Stationery, Equipment, and Sundry accounts
 - Creditors Allowances Journal: Creditors Control, Trading Stock, Stationery, Equipment and Sundry accounts
 - Petty Cash Journal: Petty Cash, Postage, Stationery, Consumables, Sundry accounts
 - General Journal.
- 1.2 Open all the accounts with the appropriate opening balances in the General Ledger and post entries from all the journals.
- 1.3 Show the given accounts in the Debtors and Creditors Ledgers.
- 1.4 Prepare the Trial Balance for 28 February 2019.

Matshaya's Furniture
Trial Balance on 31 January 2019

	Fol.	Debit		Credit	
Balance Sheet accounts					
Capital	B1			1 000 000	00
Drawings	B2	70 540	00		
Land and buildings	B3	1 200 540	00		
Delivery vehicle	B4	195 000	00		
Equipment	B5	154 000	00		
Investment: Swift Bank (6% p.a.)	B6	61 500	00		
Trading stock	B7	87 630	00		
Debtors control	B8	20 460	00		
Bank	B9	281 660	00		
Petty cash	B10	380	00		
Cash Float	B11	1 800	00		
Mortgage loan: AB Bank (9% p.a.)	B12			500 000	00
Creditors control	B13			57 000	00
Nominal accounts					
Sales	N1			1 146 300	00
Debtors allowances	N2	520	00		
Cost of sales	N3	458 000	00		
Wages	N4	50 400	00		
Discount received	N5			452	00
Discount allowed	N6	1 063	00		
Interest on investment	N7			1 500	00
Interest on mortgage loan	N8	22 500	00		
Advertising	N9	19 750	00		
Water and rates	N10	15 321	00		
Electricity	N11	20 720	00		
Telephone and Internet	N12	16 887	00		
Insurance	N13	8 850	00		
Stationery	N14	12 355	00		
Repairs and maintenance	N15	7 000	00		
Interest on current account	N16			7 210	00
Interest on overdraft	N17	352	00		
Bank charges	N18	5 234	00		
		2 712 462	00	2 712 462	00

Balances from the Debtors Ledger

J Butler	D1	R2 140
H Colly	D2	R7 970
P Lujabe	D3	R10 350
M Smith	D4	R0

Balances from the Creditors Ledger

Furniture for All	C1	R32 640
The Lounge Company	C2	R24 360

Transactions for February 2019

- 01 J Butler settled her account of R2 140 and was allowed a discount of 5%.
Issued receipt no. 64.
Sales according to the cash register roll: Cash sales, R13 210; debit card sales, R6 600 and credit card sales, R21 500 (profit mark-up 150% on cost price).
Cashed cheque no. 65 for R620 to restore the petty cash imprest amount of R1 000.
- 03 Debtor M Smith had paid R912 (R48 discount was allowed) on his account in the previous month. However, this cheque was dishonoured and marked “refer to drawer”.
- 04 Made an EFT to Knysna Wood Furniture for the cash purchase of trading stock. The stock originally cost R15 600, but the business received a cash discount of 10%.
- 05 Paid Fast Couriers R320 out of petty cash for delivery of the above stock to our store.
- 06 Credit sales of merchandise as follows:
- J Butler for R3 210 (cost price, R1 284) (invoice no. 68)
 - P Lujabe for R1 840 (cost price, R736) (invoice no. 69)
- 07 The investment matured after six months. Interest was capitalised monthly for the past five months and was recorded. The interest for the last month has not yet been recorded. The investment of R60 000 as well as the interest for six months was paid into the current account on this day.
Transferred the wages by EFT into the employees’ accounts, R2 100.
- 09 Issued a cheque for R23 629 to The Lounge Company in settlement of the business’s account and received R731 discount.
P Lujabe was not completely satisfied with the stock delivered to her on the 6th. She requested an allowance of 5% of the invoice price. This request was approved and credit note no. 05 was issued to her.
- 10 Sales according to the cash register roll, R13 720 (cost price, R5 488).
Needed casual labour for the day. Paid the labourer R200 out of petty cash.
- 11 Renumbered the invoice received from Makro SA Ltd to no. 36 for the purchase of the following:
- stationery R224
 - equipment R1 465
- 14 Transferred the wages by EFT into the employees’ accounts, R2 100.
- 18 Bought the following on credit from Furniture for All:
- trading stock R7 930
 - chair for use in the office R429
- Bought tea, coffee and sugar (consumables) from petty cash, R186.
- 20 Trading stock was returned to Furniture for All, R920. Issued debit note no. 03.
- 21 Transferred the wages by EFT into the employees’ accounts, R2 500.
Workers received an increase.
Bought stationery from petty cash, R268.
- 23 Paid R20 000 by cheque to Furniture for All in part-payment of account and received R215 discount.
- 27 Issued a cheque to AB Bank to pay an instalment of R10 000 as well as one month’s interest on the mortgage loan of R500 000.
Received R7 524 from debtor P Lujabe, after she was allowed a 5% discount.

Transferred the wages by EFT into the employees' accounts, R2 500.
Posted accounts to debtors, R16. Paid the amount out of petty cash.
The owner took the following for own use:

- R15 000 transferred to her personal banking account
- Armchair with a cost price of 750

Cashed a cheque to restore the petty cash imprest amount.

28 Received a bank statement from AB Bank that showed the following:

Credits

- Debtor H Colly deposited the money directly into the current bank account, R5 000.
- Interest on current account, R400.

Debits

- Credit card levy, R23; cash handling fee, R256; service charges, R122; interest on overdraft, R225.
- Stop order to Allcover Insurance for R1 500. Of this, R850 covers the business's insurance and the rest is for the owner's vehicle.
- Debit orders: Municipality, R2 400 (water and rates and electricity shared in the ratio 2 : 1 respectively); and Telkom for the business Internet and telephone account of R1 468.

Other General Journal entries

- It was decided to write off M Smith's account as a bad debt.
- Charged H Colly's overdue account with interest of R92.
- It was discovered that repairs to the building of R540 was debited to the *Land and Buildings* account by mistake. Correct the error.

Rubric for Question 1

Assessment criteria	5	4	2–3	1	Mark
Subsidiary journals					
Accuracy of recording figures	All figures are correct	More than half the figures are correct	Some figures are correct	Very few figures are correct	
Accuracy of recording dates, source documents and folios	All dates, source documents and folios are correct	Most dates, source documents and folios are correct	Some dates, source documents and folios are correct	Most dates, source documents and folios are missing	
Accuracy of totalling (even if amounts are incorrect)	All journals were totalled	All the journals were totalled	Some totalling and took place	No totalling and took place	
General Ledger					
Opening balances	All opening balances are in on the correct side of account	All opening balances but some on incorrect side of account	Some opening balances	No opening balances	
Accuracy of recording figures	All figures are accurate	More than half the figures are accurate	Some accurate figures	Few accurate figures	
Double entries and contra accounts	All double entries are correct, shows total understanding. All contra accounts were correctly referenced	Most double entries are correct, shows some understanding. Most contra accounts were correctly referenced	Only a few double entries are correct, shows a little understanding. Some contra accounts were referenced	All double entries are incorrect, no understanding displayed. No contra referencing took place	
Balancing accounts (even if figures are incorrect)	Correct method used in balancing accounts. All accounts correctly balanced	Most of the accounts are correctly balanced	Some attempt made, most of the accounts are incorrectly balanced	No attempt at balancing	
Debtors and Creditors Ledgers					
Accuracy of recording figures	All figures are accurate	More than half the figures are accurate	Some accurate figures	Few accurate figures	
Format of the ledgers	Correct format used, correct use of columns	Format mostly correct, some columns were correctly used	Incorrect use of format, most columns incorrect	An attempt was made but ledger incorrect	
Trial Balances					
Accuracy and balancing figure	All amounts are accurate and balances are in the correct columns	Some accounts are incorrect, even though the Trial Balance balances	Some inaccuracies – Trial Balance does not balance	Many errors – Trial Balance does not balance	
Total					/50

» Question 2 Double entry

(20 marks)

Show how the following transactions affected the books by showing the account debited and account credited (double entry).

- 2.1 The owner, Z Matshaya, contributed R1 000 000 to start up the business.
- 2.2 Purchased the building from Propnet for R1 200 000. Received a mortgage bond from AB Bank, R500 000, to finance the property and paid the rest in cash, R800 000.
- 2.3 Invested R60 000 with Swift Bank for a period of six months.
- 2.4 The owner donated a lounge chair to a charity organisation. The cost price of the lounge chair was R620 and the selling price was R1 550.
- 2.5 Bought equipment from Office-quip, R24 600. Paid them a cash deposit of 10% of the purchase price and the remainder was taken on credit.

**Question 3 Control over debtors**

(8 marks)

- 3.1 The owner is concerned that she has already written off a debtor's account as a bad debt and she charged another debtor interest on his arrears. She realises that she needs to become stricter when allowing customers to buy on credit.
Explain to the owner how she should go about doing credit checks before approving new credit customers and which supporting documents she should expect them to submit when applying for credit. (4)
- 3.2 After allowing a customers to buy on credit, what internal control methods would you apply in order to maintain control over your debtors? (4)

**Question 4 Control over cash and ethics**

(12 marks)

It has come to the owner's attention that cash is not deposited regularly and that money is kept in the safe for up to two weeks.

- 4.1 What are the dangers of having too much cash on the business premises? (2)
- 4.2 List three control measures to ensure that cash is deposited regularly. (6)
- 4.3 The bookkeeper suggests that the available cash should not be banked but should be used to pay expenses. What are the dangers of this and why is it a good control measure to only make payments by cheque or EFT? (2)
- 4.4 A friend of Zandile's says that it is not necessary to bank all her cash and that she can take money or stock out of her business without recording it in the books. What advice would you give her? (2)

**Question 5 Design an advert**

(10 marks)

The business wants to attract new customers because their sales are decreasing. Design an advert for the business which will be placed in a local community newspaper. The advert must be designed on an A4 sheet of paper and can be computer-generated or drawn by hand. You have to use colour and your advert must be neatly drawn.

Rubric for Question 5 – advert design

Criteria	5	4	2-3	1	Mark
Appropriateness	Suitable newspaper advert, contains all relevant information	Suitable newspaper advert, information not all relevant	Not suitable for newspaper although information is relevant	Not suitable for newspaper but attempt was made	
Creativity	Very creative, colourful and neat	Some colour used and neat	Very little colour used, but neat	No colour used but an attempt was made	
Total					/10

Grade 10 Accounting

2nd term project

The bookkeeping process

Answer booklet

Name of learner:			
Content		Maximum marks	Mark obtained
Question 1	Bookkeeping process	50 marks	
Question 2	Double entry	20 marks	
Question 3	Control over debtors	8 marks	
Question 4	Control over cash and ethics	12 marks	
Question 5	Designing an advert	10 marks	
Learner's mark			
		Percentage:	%

Dr				Delivery Vehicle				B4				Cr			
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount			

Dr				Equipment				B5				Cr			
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount			

Dr				Investment: Swift Bank				B6				Cr			
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount			

Dr				Trading Stock				B7				Cr			
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount			

Dr				Debtors Control				B8				Cr			
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount			

Dr				Bank				B9				Cr			
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount			

Dr		Petty Cash				B10		Cr	
Date	Details	Fol.	Amount	Date	Details	Fol.	Amount		

Dr		Cash Float				B11		Cr	
Date	Details	Fol.	Amount	Date	Details	Fol.	Amount		

Dr		Mortgage Loan: AB Bank				B12		Cr	
Date	Details	Fol.	Amount	Date	Details	Fol.	Amount		

Dr		Creditors Control				B13		Cr	
Date	Details	Fol.	Amount	Date	Details	Fol.	Amount		

Nominal accounts

Dr		Sales				N1		Cr	
Date	Details	Fol.	Amount	Date	Details	Fol.	Amount		

Dr		Debtors Allowances				N2		Cr	
Date	Details	Fol.	Amount	Date	Details	Fol.	Amount		

Dr		Cost of Sales				N3		Cr	
Date	Details	Fol.	Amount	Date	Details	Fol.	Amount		

Dr				Wages				N4				Cr	
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount	

Dr				Discount Received				N5				Cr	
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount	

Dr				Discount Allowed				N6				Cr	
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount	

Dr				Interest on Investment				N7				Cr	
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount	

Dr				Interest on Mortgage Loan				N8				Cr	
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount	

Dr				Advertising				N9				Cr	
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount	

Dr				Water and Rates				N10				Cr	
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount	

Dr		Electricity						N11		Cr
Date	Details	Fol.	Amount	Date	Details	Fol.	Amount			

Dr		Telephone and Internet						N12		Cr
Date	Details	Fol.	Amount	Date	Details	Fol.	Amount			

Dr		Insurance						N13		Cr
Date	Details	Fol.	Amount	Date	Details	Fol.	Amount			

Dr		Stationery						N14		Cr
Date	Details	Fol.	Amount	Date	Details	Fol.	Amount			

Dr		Repairs and Maintenance						N15		Cr
Date	Details	Fol.	Amount	Date	Details	Fol.	Amount			

Dr		Interest on Current Account						N16		Cr
Date	Details	Fol.	Amount	Date	Details	Fol.	Amount			

Dr		Interest on Overdraft						N17		Cr
Date	Details	Fol.	Amount	Date	Details	Fol.	Amount			

Dr						Bank Charges		N18		Cr	
Date	Details		Fol.	Amount	Date	Details		Fol.	Amount		

Dr						Bad Debts		N19		Cr	
Date	Details		Fol.	Amount	Date	Details		Fol.	Amount		

Dr						Interest Received		N20		Cr	
Date	Details		Fol.	Amount	Date	Details		Fol.	Amount		

Dr						Postage		N21		Cr	
Date	Details		Fol.	Amount	Date	Details		Fol.	Amount		

Dr						Consumables		N22		Cr	
Date	Details		Fol.	Amount	Date	Details		Fol.	Amount		

Debtors Ledger of Matshaya's Furniture

J Butler						D1	
Date	Details		Fol.	Sales	Cost of Sales	Balance	

H Colly						D2	
Date	Details		Fol.	Sales	Cost of Sales	Balance	

P Lujabe						D3	
Date	Details		Fol.	Sales	Cost of Sales	Balance	

Date	Details	Fol.	Sales	Cost of Sales	Balance

Debtors List on 28 February 2019

Debtor	Fol.	Balance
Should be equal to your <i>Debtors Control</i> account balance		

Creditors Ledger of Matshaya's Furniture

Furniture for All

C1

Date	Details	Fol.	Debit	Credit	Balance

The Lounge Company

C2

Date	Details	Fol.	Debit	Credit	Balance

Makro SA

C3

Date	Details	Fol.	Debit	Credit	Balance

Creditors List on 28 February 2019

Creditor	Fol.	Balance
Should be equal to your <i>Creditors Control</i> account balance		

Grade 10 Accounting

2nd term project

The bookkeeping process

Marking memorandum

Rubric for Question 1

Assessment criteria	5	4	2-3	1	Mark
Subsidiary journals					
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Trial Balance					
Accuracy and balancing figure	All amounts are accurate and balances are in the correct columns	Some accounts are incorrect, even though the Trial Balance balances	Some inaccuracies – Trial Balance does not balance	Many errors – Trial Balance doesn't balance	
Total					/50



Memorandum for Question 1

1.1 Cash Receipts Journal of Matshaya's Furniture for February 2019

CRJ7

Doc. no.	Day	Details	Fol.	Analysis of receipts	Bank		Sales		Cost of sales		Debtors control		Discount allowed		Sundry accounts			
													Amount	Details	Fol.			
64	1	J Butler	D1	2 033 00							2 140 00		107 00					
CRR		Sales		41 310 00	43 343 00		41 310 00	16 524 00										
BS	7	Swift Bank			61 800 00										61 800 00	Fixed deposit: Swift Bank	B6	
CRR	10	Sales		13 720 00	13 720 00		13 720 00	5 488 00										
65	27	P Lujabe	D3	7 524 00	7 524 00						7 920 00		396 00					
BS	28	H Colly	D2	5 000 00							5 000 00							
		AB Bank		400 00	5 400 00										400 00	Interest on current account	N16	
					131 787 00		55 030 00	22 012 00			15 060 00		503 00		62 200 00			
					B9		N1	B7/N3			B8		N6					

Cash Payments Journal of Matshaya's Furniture for February 2019

CPJ7

Doc. no.	Day	Name of payee	Fol.	Bank		Trading stock		Wages		Debtors control		Creditors control		Discount received		Sundry accounts		
														Amount	Details	Fol.		
65	1	Cash		620 00											620 00	Petty cash		
D/N	3	M Smith (cheque dishonoured)	D4	912 00						912 00								
EFT	4	Knysna Wood Furniture		14 040 00	14 040 00													
EFT	7	Employees		2 100 00			2 100 00											
66	9	The Lounge Company	C2	23 629 00							24 360 00		731 00					
EFT	14	Employees		2 100 00			2 100 00											
EFT	21	Employees		2 500 00			2 500 00											
67	23	Furniture for All	C1	20 000 00							20 215 00		215 00					
68	27	AB Bank		13 750 00											10 000 00	Mortgage loan: AB Bank	B12	
															3 750 00	Interest on mortgage loan	N8	
EFT		Z Matshaya		15 000 00											15 000 00	Drawings	B2	
EFT		Employees		2 500 00			2 500 00											
69		Cash		990 00											990 00	Petty cash	B10	
BS	28	AB Bank		401 00											401 00	Bank charges	N18	
				225 00											225 00	Interest on overdraft	N17	
		Allcover Insurance		1 500 00											850 00	Insurance	N13	
															650 00	Drawings	B2	
		Municipality		2 400 00											1 600 00	Water and rates	N10	
															800 00	Electricity	N11	
		Telkom		1 468 00											1 468 00	Telephone and Internet	N12	
					104 135 00	14 040 00	9 200 00	912 00	44 575 00	946 00	36 354 00							
					B9	B7	N4	B8	B13	N5								

Debtors Journal of Matshaya's Furniture for February 2019

Doc. no.	Day	Debtor	Fol.	Sales	Cost of sales
68	6	J Butler	D1	3 210 00	1 284 00
69		P Lujabe	D3	1 840 00	736 00
				5 050 00	2 020 00
				B8/N1	B7/N3

Creditors Journal of Matshaya's Furniture for February 2019
CJ7

Doc. no.	Day	Creditor	Fol.	Creditors control		Trading stock		Stationery		Equipment		Sundry accounts			
				Amount	Fol.	Amount	Fol.	Amount	Fol.	Amount	Fol.	Amount	Details	Fol.	
36	11	Makro SA	C3	1 689	00			224	00	1 465	00				
37	18	Furniture for All	C1	8 359	00	7 930	00				429	00			
				10 048	00	7 930	00	224	00	1 894	00				
				B13		B7		N11		B4					

Petty Cash Journal of Matshaya's Furniture for February 2019
PCJ7

Doc. no.	Day	Name of payee	Fol.	Petty cash		Postage		Stationery		Consumables		Sundry accounts			
				Amount	Fol.	Amount	Fol.	Amount	Fol.	Amount	Fol.	Amount	Details	Fol.	
28	5	Fast Couriers		320	00							320	00	Trading stock	
29	10	Casual labour		200	00							200	00	Wages	
30	18	Coffee, tea, sugar		186	00					186	00				
31	21	Stationery		268	00			268	00						
32	27	Postage		16	00	16	00								
				990	00	16	00	268	00	186	00	520	00		

Creditors Allowances Journal of Matshaya's Furniture for February 2019
CAJ7

Doc. no.	Day	Creditor	Fol.	Creditors control		Trading stock		Stationery		Equipment		Sundry accounts			
				Amount	Fol.	Amount	Fol.	Amount	Fol.	Amount	Details	Fol.			
3	20	Furniture for All	C1	920	00	920	00								
				920	00	920	00								
				B13		B7									

Debtors Allowances Journal of Matshaya's Furniture for February 2019
DAJ7

Doc. no.	Day	Debtor	Fol.	Debtors allowances		Cost of sales	
				Amount	Fol.	Amount	Fol.
5	9	P Lujabe	D3	92	00	–	–
				92	00	–	–
				B8/N2			

1.2

**General Ledger of Matshaya's Furniture
Balance Sheet accounts**

Dr				Capital				B1				Cr	
Date	Details		Fol.	Amount		Date	Details		Fol.	Amount			
						2019 Feb	1	Balance	b/d	1 000 000	00		

Dr				Drawings				B2				Cr	
Date	Details		Fol.	Amount		Date	Details		Fol.	Amount			
2019 Feb	1	Balance	b/d	70 540	00								
	27	Bank	CPJ7	15 000	00								
		Trading stock	GJ7	750	00								
	28	Bank	CPJ7	650	00								
				86 940	00								

Dr				Land and Buildings				B3				Cr	
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount	
2019	Feb	1	Balance	b/d	1 200 540	00	2019	Feb	28	Repairs and maintenance	GJ7	540	00
										Balance	c/d	1 200 000	00
					<u>1 200 540</u>	<u>00</u>						<u>1 200 540</u>	<u>00</u>
2019	Mar	1	Balance	b/d	1 200 000	00							

Dr				Delivery Vehicle				B4				Cr	
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount	
2019	Feb	1	Balance	b/d	195 000	00							

Dr				Equipment				B5				Cr	
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount	
2019	Feb	1	Balance	b/d	154 000	00							
		28	Creditors control	CJ7	1 894	00							
					<u>155 894</u>	<u>00</u>							

Dr				Investment: Swift Bank				B6				Cr	
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount	
2019	Feb	1	Balance	b/d	61 500	00	2019	Feb	7	Bank	CRJ7	61 800	00
			Interest on investment	GJ7	300	00							
					<u>61 800</u>	<u>00</u>						<u>61 800</u>	<u>00</u>

Dr				Trading Stock				B7				Cr	
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount	
2019	Feb	1	Balance	b/d	87 630	00	2019	Feb	27	Drawings	GJ7	750	00
		5	Petty cash	PCJ7	320	00			28	Cost of sales	CRJ7	22 012	00
		28	Bank	CPJ7	14 040	00				Cost of sales	DJ7	2 020	00
			Creditors control	CJ7	7 930	00				Creditors control	CAJ7	920	00
										Balance	c/d	84 218	00
					<u>109 920</u>	<u>00</u>						<u>109 920</u>	<u>00</u>
2019	Mar	1	Balance	b/d	84 218	00							

Dr				Debtors Control				B8				Cr	
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount	
2019	Feb	1	Balance	b/d	20 460	00	2019	Feb	28	Bank	CRJ7	15 060	00
		28	Sales	DJ7	5 050	00				Debtors allowances	DAJ7	92	00
			Bank	CPJ7	912	00				Journal credits	GJ	960	00
			Journal debits	GJ7	140	00				Balance	c/d	10 450	00
					<u>26 562</u>	<u>00</u>						<u>26 562</u>	<u>00</u>
2019	Mar	1	Balance	b/d	10 450	00							

Dr				Bank				B9				Cr	
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount			
2019						2019							
Feb	1	Balance	b/d	281 660	00	Feb	28	Total payments	CPJ7	104 135	00		
	28	Total receipts	CRJ7	131 787	00			Balance	c/d	309 312	00		
				413 447	00					413 447	00		
2019													
Mar	1	Balance	b/d	309 312	00								

Dr				Petty Cash				B10				Cr	
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount			
2019						2019							
Feb	1	Balance	b/d	380	00	Feb	28	Total payments	PCJ7	990	00		
		Bank	CPJ7	620	00			Balance	b/d	1 000	00		
	27	Bank	CPJ7	990	00								
				1 990	00					1 990	00		
2019													
Mar	1	Balance	b/d	1 000	00								

Dr				Cash Float				B11				Cr	
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount			
2019													
Feb	1	Balance	b/d	1 800	00								

Dr				Mortgage Loan: AB Bank				B12				Cr	
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount			
2019						2019							
Feb	27	Bank	CPJ7	10 000	00	Feb	1	Balance	b/d	500 000	00		
	28	Balance	c/d	490 000	00								
				500 000	00					500 000	00		
						2019							
						Mar	1	Balance	b/d	490 000	00		

Dr				Creditors Control				B13				Cr	
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount			
2019						2019							
Feb	28	Bank and discount received	CPJ7	44 575	00	Feb	1	Balance	b/d	57 000	00		
		Total returns	CAJ7	920	00		28	Total purchases	CJ7	10 048	00		
		Balance	c/d	21 553	00								
				67 048	00					67 048	00		
						2019							
						Mar	1	Balance	b/d	21 553	00		

Nominal accounts

Dr				Sales				N1				Cr	
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount			
						2019							
						Feb	1	Balance	b/d	1 146 300	00		
							28	Bank	CRJ7	55 030	00		
								Debtors control	DJ7	5 050	00		
										1 206 380	00		

Dr				Debtors Allowances				N2				Cr	
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount	
2019	Feb	1	Balance	b/d	520	00							
		28	Debtors control	DAJ7	92	00							
					<u>612</u>	<u>00</u>							

Dr				Cost of Sales				N3				Cr	
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount	
2019	Feb	1	Balance	b/d	458 000	00							
		28	Trading stock	CRJ7	22 012	00							
			Trading stock	DJ7	2 020	00							
					<u>482 032</u>	<u>00</u>							

Dr				Wages				N4				Cr	
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount	
2019	Feb	1	Balance	b/d	50 400	00							
		10	Petty cash	PCJ7	200	00							
		28	Bank	CRJ7	9 200	00							
					<u>59 800</u>	<u>00</u>							

Dr				Discount Received				N5				Cr	
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount	
							2019	Feb	1	Balance	b/d	452	00
									28	Creditors control	CPJ7	946	00
												<u>1 398</u>	<u>00</u>

Dr				Discount Allowed				N6				Cr	
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount	
2019	Feb	1	Balance	b/d	1 063	00	2019	Feb	3	Debtors control/M Smith	GJ7	48	00
		28	Debtors control	CRJ7	503	00			28	Balance	c/d	1 518	00
					<u>1 566</u>	<u>00</u>						<u>1 566</u>	<u>00</u>
2019	Mar	1	Balance	b/d	1 518	00							

Dr				Interest on Investment				N7				Cr	
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount	
							2019	Feb	1	Balance	b/d	1 500	00
									7	Investment: Swift Bank	GJ7	300	00
												<u>1 800</u>	<u>00</u>

Dr				Interest on Mortgage Loan				N8				Cr	
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount	
2019	Feb	1	Balance	b/d	22 500	00							
		27	Bank	CPJ7	3 750	00							
					<u>26 250</u>	<u>00</u>							

Dr				Advertising				N9				Cr
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount		
2019												
Feb	1	Balance	b/d	19 750	00							

Dr				Water and Rates				N10				Cr
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount		
2019												
Feb	1	Balance	b/d	15 321	00							
	28	Bank	CPJ7	1 600	00							
				<u>16 921</u>	<u>00</u>							

Dr				Electricity				N11				Cr
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount		
2019												
Feb	1	Balance	b/d	20 720	00							
	28	Bank	CPJ7	800	00							
				<u>21 520</u>	<u>00</u>							

Dr				Telephone and Internet				N12				Cr
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount		
2019												
Feb	1	Balance	b/d	16 887	00							
	28	Bank	CPJ7	1 468	00							
				<u>18 355</u>	<u>00</u>							

Dr				Insurance				N13				Cr
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount		
2019												
Feb	1	Balance	b/d	8 850	00							
	28	Bank	CPJ7	850	00							
				<u>9 700</u>	<u>00</u>							

Dr				Stationery				N14				Cr
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount		
2019												
Feb	1	Balance	b/d	12 355	00							
	28	Creditors control	CJ7	224	00							
		Petty cash	PCJ	268	00							
				<u>12 847</u>	<u>00</u>							

Dr				Repairs and Maintenance				N15				Cr
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount		
2019												
Feb	1	Balance	b/d	7 000	00							
	28	Land and Buildings	GJ7	540	00							
				<u>7 540</u>	<u>00</u>							

Dr				Interest on Current Account				N16				Cr
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount		
						2019						
						Feb	1	Balance	b/d	7 210	00	
							7	Bank	CRJ7	400	00	
										<u>7 610</u>	<u>00</u>	

Dr		Interest on Overdraft				N17				Cr
Date		Details	Fol.	Amount	Date		Details	Fol.	Amount	
2019										
Feb	1	Balance	b/d	352 00						
	28	Bank	CPJ7	225 00						
				<u>577 00</u>						

Dr		Bank Charges				N18				Cr
Date		Details	Fol.	Amount	Date		Details	Fol.	Amount	
2019										
Feb	1	Balance	b/d	5 234 00						
	28	Bank	CPJ7	401 00						
				<u>5 635 00</u>						

Dr		Bad Debts				N19				Cr
Date		Details	Fol.	Amount	Date		Details	Fol.	Amount	
2019										
Feb	28	Debtors control/M Smith	GJ7	960 00						

Dr		Interest Received				N20				Cr
Date		Details	Fol.	Amount	Date		Details	Fol.	Amount	
					2019					
					Feb	28	Debtors control/H Colly	GJ7	92 00	

Dr		Postage				N21				Cr
Date		Details	Fol.	Amount	Date		Details	Fol.	Amount	
2019										
Feb	28	Petty cash	PCJ7	16 00						

Dr		Consumables				N22				Cr
Date		Details	Fol.	Amount	Date		Details	Fol.	Amount	
2019										
Feb	28	Petty cash	PCJ7	186 00						

1.3 Debtors Ledger of Matshaya's Furniture

J Butler

D1

Date		Details	Fol.	Sales	Cost of sales	Balance
2019						
Feb	1	Account rendered				2 140 00
		Receipt no. 64	CRJ7		2 033 00	107 00
		Receipt no. 64 (Discount allowed)	CRJ7		107 00	
	6	Invoice no. 68	DJ	3 210 00		3 210 00

H Colly

D2

Date		Details	Fol.	Sales	Cost of sales	Balance
2019						
Feb	1	Account rendered				7 970 00
	28	Bank statement no. 7 – Direct deposit	CRJ7		5 000 00	2 970 00
		Interest received	GJ7	92 00		3 062 00
	6	Invoice no. 68	DJ	3 210 00		3 210 00

P Lujabe**D3**

Date		Details	Fol.	Sales		Cost of sales		Balance	
2019									
Feb	1	Account rendered						10 350	00
	6	Invoice no. 69	DJ7	1 840	00			12 190	00
	9	Credit note no. 5	DAJ7			92	00	12 098	00
		Receipt no. 64	CRJ7			7 524	00	4 574	00
		Receipt no. 64 (Discount allowed)	CRJ7			396	00	4 178	00

M Smith**D4**

Date		Details	Fol.	Sales		Cost of sales		Balance	
2019									
Feb	1	Account rendered						–	–
		Dishonoured cheque	CPJ7	912	00			912	00
		Discount cancelled	GJ7	48	00			960	00
	6	Bad debts	GJ7	–	–	960	00	–	–

List of debtors on 28 February 2019

J Butler	D1	R3 210
H Colly	D2	R3 062
P Lujabe	D3	R4 178
Debtors Control	B8	R10 450

Creditors Ledger of Matshaya's Furniture**Furniture for All****C1**

Date		Details	Fol.	Debit		Credit		Balance	
2019									
Feb	1	Account rendered						32640	00
	18	Invoice no. 37	CJ7			8 359	00	40 999	00
	20	Debit note no. 3	CAJ	920	00			40 079	00
	23	Cheque no. 67	CPJ7	20 000	00			20 079	00
		Cheque no. 67 (Discount received)	CPJ7	215	00			19 864	00

The Lounge Company**C2**

Date		Details	Fol.	Debit		Credit		Balance	
2019									
Feb	1	Account rendered						24 360	00
	9	Cheque no. 66	CPJ	23 629	00			731	00
		Cheque no. 66 (Discount received)	CPJ	731	00				

Makro SA**C3**

Date		Details	Fol.	Debit		Credit		Balance	
2019									
Feb	11	Invoice no. 36				1 689	00	1 689	00

List of creditors on 28 February 2019

Furniture for All	C1	R19 864
The Lounge Company	C2	R0
Makro SA	C3	R1 689
Creditors Control	B13	R21 553

1.4 Trial Balance of Matshaya's Furniture at 28 February 2019

	Fol.	Debit		Credit	
Balance Sheet accounts					
Capital	B1			1 000 000	00
Drawings	B2	86 940	00		
Land and buildings	B3	1 200 000	00		
Delivery vehicle	B4	195 000	00		
Equipment	B5	155 894	00		
Trading stock	B7	84 218	00		
Debtors control	B8	10 450	00		
Bank	B9	309 312	00		
Petty cash	B10	1 000	00		
Cash Float	B11	1 800	00		
Loan: AB Bank	B12			490 000	00
Creditors control	B13			21 553	00
Nominal accounts					
Sales	N1			1 206 380	00
Debtors allowances	N2	612	00		
Cost of sales	N3	482 032	00		
Wages	N4	59 800	00		
Discount received	N5			1 398	00
Discount allowed	N6	1 518	00		
Interest on investment	N7			1 800	00
Interest on loan	N8	26 250	00		
Advertising	N9	19 750	00		
Water and rates	N10	16 921	00		
Electricity	N11	21 520	00		
Telephone and internet	N12	18 355	00		
Insurance	N13	9 700	00		
Stationery	N14	12 847	00		
Repairs and maintenance	N15	7 540	00		
Interest on current account	N16			7 610	00
Interest on overdraft	N17	577	00		
Bank charges	N18	5 635	00		
Bad debts	N19	960	00		
Interest received	N20			92	00
Postage	N21	16	00		
Consumables	N22	186	00		
		2 728 833	00	2 728 833	00

General Journal of Matshaya's Furniture of February 2019

Day	Details	Fol.	Debit		Credit		Debtors Control		Creditors Control	
							Debit	Credit	Debit	Credit
3	M Smith	D4	48	00			48	00		
	Discount allowed				48	00				
	Discount on dishonoured cheque cancelled									
7	Investment: Swift Bank		300	00						
	Interest on investment				300	00				
	Interest on investment capitalised									
27	Drawings		750	00						
	Trading stock				750	00				
	The owner took stock for own use									
28	Bad debts		960	00						
	M Smith	D4			960	00		960	00	
	Wrote off the account of Smith as bad									
28	H Colly	D2	92	00			92	00		
	Interest received				92	00				
	Charged interest on Colly's overdue account									
28	Repairs and maintenance		540	00						
	Land and buildings				540	00				
	Correction of error									
							140	00	960	00

» Question 2

(20 marks)

No.	Account debit	Account credit	Amount
2.1	Bank ✓	Capital ✓	✓ 1 000 000
2.2	Land and buildings ✓	Mortgage Loan: AB Bank ✓	✓ 500 000
		Bank ✓	✓ 800 000
2.3	Investment: Swift Bank ✓	Bank ✓	✓ 60 000
2.4	Donation ✓	Trading Stock ✓	✓ 620
2.5	Equipment ✓	Creditors Control ✓	✓✓ 22 140
		Bank ✓	✓ 2 460

» Question 3

(8 marks)

- 3.1 • Ask the customer to fill out an application form.
- Call their place of employment to check if they really work there.
 - Do reference checks to establish to whom they owe money.
 - Check if they are black-listed with any credit bureau.

The following documents should be requested:

- Identification documents
- Proof of residence (where they live), i.e. an account showing the residential address, and which is not more than three months old
- Proof of income (salary slip, letter from accountant)
- Bank statements.

- 3.2 • The business should draw up credit policy.
- Debtors accounts should be monitored regularly to ensure that they do not go into arrears.

- Documents should be properly entered and recorded in the journals and posted to the General Ledger and the subsidiary ledgers.
- The debtors' accounts must be balanced and reconciled against the Debtors List every month.
- Accounts to debtors should be sent out regularly, at least once a month.
- Allow discounts to debtors if they settle their accounts early.
- Follow up arrears with phone calls and reminder letters.
- Charge interest if debtors don't pay their accounts on time.



Question 4

(12 marks)

- 4.1 • Cash can go missing.
- There is a danger of the business being robbed.
 - When cash needs to be banked, the person going to the bank will have to carry large sums of money with them.
 - The bank statement will not be able to be compared with the cash journals because money is not deposited regularly.
- 4.2 • Separate the duties of staff member who receives money and the one who pays money.
- All cash received must be banked on a daily basis as far as possible.
 - Unused (blank) cheques must be kept in a safe place.
 - Receipts and cheques must be recorded into the journals and posted as soon as the transaction takes place.
 - Journals must be totalled at the end of the month and reconciled to the bank statement.
 - Separate the duties of the person who writes out the cheque and the person who signs the cheque.
 - Quotations must be received for expensive items and the cheques written out should contain two signatures.
- 4.3 • All money received by the business should be banked so that the business can declare its income. There needs to be a paper trail of money received and money paid. In doing so, fraud can be prevented, receipts are issued and CRRs can be referenced against the bank statement.
- Cheque payments and EFTs ensure that the money is paid to the people or business that the payment is intended for. Because cheques and EFTs must go through a bank account, the business can ensure that the correct payee receives the money.
- 4.4 • It would be unethical of Zandile to do so. All transactions must be recorded so that the business can comply with the ethical code laid down by the King Code. Zandile also wants to comply with the GAAP principles as she is a registered business.

Rubric for Question 5 – Advert design

Criteria	5	4	2-3	1	Mark
Appropriateness	Suitable newspaper advert, contains all relevant information	Suitable newspaper advert, information not all relevant	Not suitable for newspaper although information is relevant	Not suitable for newspaper but attempt was made	
Creativity	Very creative, colourful and neat	Some colour used and neat	Very little colour used, but neat	No colour used but an attempt was made	
Total					/10

4. FORMS OF ASSESSMENT: EXAMINATIONS

Step-by-step process on how to set up an examination paper

Step 1 Know the total value of the examination paper:

For mid-year examinations

	Number of papers	Time allocation	Marks	Topics
Grade 10	1	2 hours	200 marks	In proportion to time devoted to each topic (as indicated in the work schedule)
Grade 11	1	3 hours	300 marks	
Grade 12	1	3 hours	300 marks	

For trial examination (Grade 12 only)

	Number of papers	Time allocation	Marks	Topics
Grade 12	1	3 hours	300 marks	Full scope

Final examination

	Number of papers	Time allocation	Marks	Topics
Grade 10	1	3 hours	300 marks	Full scope Externally set
Grade 11	1	3 hours	300 marks	
Grade 12	1	3 hours	300 marks	

Step 2 Know the content that is stipulated for the grade you are setting the examination paper for:

Content stipulated specifically for the grade	80%
Content stipulated in previous grades, which impacts on the assessment of subsequent grades	20%

For example, when setting a Grade 11 examination paper, 80% must be examined on Grade 11 work and the other 20% on Grade 10 work (only the work that impacts on Grade 11).

Step 3 Determine the weighting of the curriculum. The exam must be set according to this weighting:

Accounting curriculum	Weighting	Approximate mark of exam paper
Financial accounting	50–60%	150–180 marks
Managerial accounting	20–25%	60–75 marks
Managing resources	20–25%	60–75 marks

The table below indicated the main topics in the Accounting curriculum:

Curriculum	Topic
Financial accounting	1. Accounting concepts (terminology, definitions, double entry, etc.)
	2. GAAP principles
	3. Bookkeeping (source documents, journals, ledgers, Trial Balances, etc.)
	4. Accounting equation
	5. Final accounts and financial statements (including adjustments and ratios)
	6. Salaries and wages
	7. Value-added tax (VAT)
	8. Reconciliations (bank, debtors and creditors)
Managerial accounting	9. Cost accounting (manufacturing, etc.)
	10. Budgeting
Managing resources	11. Indigenous bookkeeping (Grade 10 only)
	12. Fixed assets
	13. Inventory
	14. Ethics
	15. Internal controls

Please note that while some of the topics are examined independently, topics such as Ethics and Internal Controls must be integrated throughout.

Step 4 Determine which topics can be examined independently, and then determine the nature of each question; in other words, should it be factual, data response, critical evaluation, problem solving, application of knowledge, real-life situations, etc.

Step 5 Consider the cognitive levels when setting questions. Your examination paper must cater for a range of cognitive levels and learner abilities as shown below:

Cognitive level	Skill	Percentage of examination paper
Knowledge and comprehension	Basic thinking skills <ul style="list-style-type: none"> Factual recall Low-level comprehension Low-level application 	30% of the paper
Application and analysis	Moderately high thinking skills <ul style="list-style-type: none"> More advanced application Interpretation Low-level analysis 	40% of the paper
Synthesis and evaluation	Higher order thinking skills <ul style="list-style-type: none"> Advanced analytical skills Evaluation Creative problem-solving 	30% of the paper

An average of 10% of all examination papers should address problem-solving questions using critical and creative thinking.

Step 6 Use the following table to help you set your examination paper according to the different cognitive levels. Fill in the marks to make up the range of abilities.

Question	Low	Medium	High
Q1			
Q2			
Q3			
Q4			
Q5			
Q6			
Q7			
Q8			
Total mark			
Desired mark	30% = 90 marks	40% = 120 marks	30% = 90 marks

Step 7 Decide on the structure of each question according to the above cognitive level requirements. Your question should contain there “action” words.

Knowledge	Comprehension	Application	Analysis	Synthesis	Evaluation
Define	Explain	Draw up	Compare	Interpret	Comment
Identify	Distinguish	Construct	Analyse	Do	Recommend
Demonstrate	Interpret	Post		Report on	Motivate
List		Prepare		Discuss	
Name		Calculate		Compare	
		Determine		Advise	
		Apply			

Step 8 Draw up the question and the memorandum simultaneously. Once you memorandum is complete, compile an answer book for the examination paper.

Step 9 Have the question and memorandum moderated before you have it printed. Ensure that the mark allocation for each question is correct, that there is enough space for the answers and that the numbering agrees with the examination paper.

Use the following table to assist you in ensuring that your examination paper was set according to the guidelines as in the CAPS document:

Question	Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8
Topic	Marks							
Financial accounting								
Managerial accounting								
Managing resources								
Total								
								/300

5. FORMS OF ASSESSMENT: CASE STUDIES

CHAPTER 14: Wages and salaries

Learners are presented with a real-life situation, a problem or an incident-related topic. They are expected to assume a particular role in articulating the position. They will draw on their own experience, the experience of their peers or prior learning to interpret, analyse and solve problems.

Newspaper articles, magazine articles, television or radio presentations form excellent case studies. Learners have to read and/or listen, digest the information and then make informed decisions. Questions can be from lower order – direct quotes from the article – to higher order when they are asked to analyse comments and possibly make suggestions.

Case studies are a very good way of keeping the subject relevant and up to date.

These case studies should adhere to the following:

- A total of 50 marks (minimum)
- A marking rubric should be used if possible.
- Learning can work in small groups or by themselves.
- It can be done in class or at home.
- The case study should be done in Term 1 or Term 3.

Assessment task: Case study 1

Salaries and wages

Total: 100 marks

Time: 1 hour

MJ Clothing is a business in Uitenhage that manufactures sport clothes. The owner is Marjorie Johnston. You are the bookkeeper of MJ Clothing. Marjorie has employed a new marketer and she asked some questions with regards to wages. The following wage advice slips were issued to the employees of MJ Clothing, all of whom have been employed by the business for over a year, and all are under the age of 65:

WAGE ADVICE SLIP				
Name: NEEDEDA LATIEF				
Week ending: 28 January 2017				
Job title: CUTTER				
Earnings				
	Normal time	Overtime	Double time	
Hours worked	40	4		
Rate	R19	R28,50		
Earnings	R760	R114		
Gross wage	R874			
Deductions			Employer's contributions	
PAYE		R0	Provident fund (4%)	R34,96
Provident fund (4%)		R34,96	SDL (1%)	R8,74
UIF (1%)		R8,74	UIF (1%)	R8,74
Bargaining Council levy (0,37%)		R3,23	Bargaining Council levy (0,47%)	R4,11
SACTWU fee		R10,54	SACTWU fee	R10,54
Total deductions		R57,47	Total contributions	R67,09
Net wage	R 816,53			

WAGE ADVICE SLIP				
Name: MARIAAN SEPTEMBER				
Week ending: 28 January 2017				
Job title: MACHINIST				
Earnings				
	Normal time	Overtime	Double time	
Hours worked	40	6		
Rate	R16	R		
Earnings				
Gross wage	R			
Deductions			Employer's contributions	
PAYE		R0	Provident fund (4%)	R
Provident fund (4%)		R	SDL (1%)	R
UIF (1%)		R	UIF (1%)	R
Bargaining Council levy		R	Bargaining Council levy	R
SACTWU fee		R	SACTWU fee	R
Total deductions		R	Total contributions	R
Net wage	R			

Note: Mariaan's child fell ill during the week and Mariaan could not come to work on Tuesday. She provided the business with a doctor's certificate. Therefore her normal work hours are still 40 hours.

WAGE ADVICE SLIP				
Name: Ancha Rosenberg				
Week ending: 28 January 2017				
Job title: CLEANER				
Earnings				
	Normal time	Overtime	Double time	
Hours worked	32	1		
Rate	R14	R21		
Earnings	R448	R21		
Gross wage	R469			
Deductions			Employer's contributions	
PAYE		R0	Provident fund (4%)	R18,76
Provident fund (4%)		R18,76	SDL (1%)	R4,69
UIF (1%)		R4,69	UIF (1%)	R4,69
Bargaining Council levy		R1,74	Bargaining Council levy	R2,20
SACTWU fee		R8,10	SACTWU fee	R8,10
Total deductions		R33,29	Total contributions	R38,44
Net wage	R 435,71			

Note: Ancha did not come to work on Monday. She did not provide a doctor's certificate and did not give Marjorie a reason for being absent. Therefore her normal time is only 32 hours.

Contract of employment of MJ Clothing

Job description	Duties	Wage for normal time
Cutter	An employee responsible for laying out patterns and cutting the material accordingly	R19 per hour
Machinist	An employee who performs by sewing machine any operation in the making of clothing	R16 per hour
Cleaner	An employee engaged in cutting or trimming off loose ends of cotton or cloth left on garments or embroidery by previous operators	R14 per hour

Hours of work: Monday to Friday 8:00–17:00, with a one-hour lunch break (40 hours per week)

Wages: The employee shall be paid in cash each Friday during working hours.

Overtime: Overtime will be paid at the rate of one-and-a-half times the rate for normal time.

Double time: Employees will be paid double the normal rate when they work on Sundays or public holidays.

Annual leave: Employees will be entitled to three weeks' leave per calendar year (which excludes all public holidays and weekends).

Sick leave: Employees are entitled to 10 days' sick leave per calendar year. Employees are requested to present a doctor's certificate for every day/s absent.

Remuneration	Annual equivalent	PAYE		
		Under 65	65-74	Over 75
R0-R1 151	R59 826	R0	R0	R0
R1 152-R1 157	R60 138	R1	R0	R0
R1 158-R1 167	R60 658	R3	R0	R0

Labour department

Minimum wages for vulnerable groups: Certain sectors of the South African economy are considered to be vulnerable. The Minister of Labour therefore regularly announces sector determinations so that vulnerable workers can benefit from both the basic conditions of employment, as well as a prescribed basic minimum wage.

The following table shows the new employment conditions and minimum wages for textile workers:

Job title	Metro area	Non-metro area	In the magisterial districts of Camperdown, uMzinto, Paarl, Stellenbosch and Uitenhage
Cleaner	R14,35 per hour	R11 per hour	R12,70 per hour
Machinist	R14,88 per hour	R11,90 per hour	R14,10 per hour
Cutter	R18,73 per hour	R14,56 per hour	R17,80 per hour

Deductions

The National Bargaining Council for the Clothing Manufacturing Industry demands the following deductions and contributions.



Council levies	SACTWU	Provident fund	UIF
Payable by the employee: Calculate at 0,37% of gross wage by means of a deduction	Payable by the employee: 1% of each individual's wage plus an additional R1,80 per week towards the SACTWU funeral scheme with a minimum of R8,10 per week and a maximum of R13,40 per week	Payable by the employee: 4% of the wage of each employee by means of a deduction (provided this is confirmed in a plant level ballot)	Payable by the employee: 1% of each individual's wage
Payable by the employer: Calculate 0,47% of gross wage	Payable by the employer: 1% of each individual's wage plus an additional R1,80 per week towards the SACTWU funeral scheme with a minimum of R8,10 per week and a maximum of R13,40 per week	Payable by the employer: 4% of the wage of each employee	Payable by the employer: 1% of each individual's wage

All employees of MJ Clothing are members of SACTWU (South African Clothing and Textile Workers Union).



The employer must also pay a levy to the National Bargaining Council for each employee earning less than R6 000 per month. The National Bargaining Council serves as mediator between the employer and workers' unions. The National Bargaining Council will also ensure that all employers comply with legislation with regards to wages.



Questions

1. Why are there no tax (PAYE) deducted from the employees? Quote figures. (4)
2. What does the abbreviation SACTWU stand for? (1)
3. What is the difference between the union SACTWU and the National Bargaining Council? (4)
4. Is Marjorie treating all her employees fairly and did she comply with the minimum wage legislation? Quote figures to support your answer. (6)
5. One of the employees, Mariaan, is getting paid full time even though she was absent for a day, while Ancha is not getting paid for being absent for a day. Is this ethical and fair? (6)
6. Marjorie is trying to convince her employees to open bank accounts so that she can deposit their wages in their bank account instead of paying them in cash. State two points to support her. (4)
7. Why is it important to have a contract of employment for each employee? Give two reasons. (4)
8. When the factory has too much work to finish in normal hours, Marjorie prefers her employees to work overtime, rather than working on Sundays and public holidays. Why does she prefer this? (2)
9. Complete the wage advice slip for Mariaan September. (15)
10. Complete the Wages Journal of MJ Clothing for the week ended 28 January 2017. (32)
11. Post the Wages Journal for the week ended 28 January 2017 to the General Ledger. (22)

[100]

Assessment task: Case study 1 – Answer sheet

<u>100</u>

Name:

1. Why are there no tax (PAYE) deducted from the employees?
Quote figures.

	4
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2. What does the abbreviation SACTWU stand for?

	1
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3. What is the difference between the union SACTWU and the National Bargaining Council?

	4
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4. Is Marjorie treating all her employees fairly and did she comply with the minimum wage legislation? Quote figures to support your answer.

	6
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5. One of the employees, Mariaan, is getting paid full time even though she was absent for a day, while Anche is not getting paid for being absent for a day. Is this ethical and fair?

	6
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6. Marjorie is trying to convince her employees to open bank accounts so that she can deposit their wages in their bank account instead of paying them in cash. State two points to support her.

	4
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7. Why is it important to have a contract of employment for each employee? Give two reasons.

	4
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8. When the factory has too much work to finish in normal hours, Marjorie prefers her employees to work overtime, rather than working on Sundays and public holidays. Why does she prefer this?

	2
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9.

WAGE ADVICE SLIP					
Name: Mariaan September					
Week ending: 28 January 2017					
Job title: MACHINIST					
Earnings					
	Normal time	Overtime	Double time		
Hours worked	40	6			
Rate	R16	R	R		
Earnings					
Gross wage	R				
Deductions			Employer's contributions		
PAYE			R0	Provident fund (4%)	R
Provident fund (4%)			R	SDL (1%)	R
UIF (1%)			R	UIF (1%)	R
Bargaining Council levy			R	Bargaining Council levy	R
SACTWU fee			R	SACTWU fee	R
Total deductions			R	Total contributions	R
Net wage	R				

	15
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10. **Wages Journal for the week ended 28 January 2017**

WJ4

Employee	Normal time			Overtime			Gross wage	Deductions					Total deductions	Net wage	Employer's contribution							
	Hours	Rate	Amount	Hours	Rate	Amount		PAYE	Provident fund	Bargaining Council fund	UIF	Union fund			Provident fund	Bargaining Council fund	UIF	SDL	Union fund			
H Latief																						
M September																						
A Rosenberg																						

	32
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11.

General Ledger of MJ Clothing

Dr	Wages															Cr						

	2
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Provident Fund

	4
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Unemployment Insurance Fund

	4
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Skills Development Levy

	2
--	----------

National Bargaining Council

	4
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SACTWU

	4
--	----------

Creditors for Wages

	2
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Assessment task: Case study 1 – Memorandum

100

1. Why are there no tax (PAYE) deducted from the employees?
Quote figures.

The employees are not earning enough to pay tax. ✓✓

They will only start paying tax once they earn more than R1 151 per week. ✓✓

	4
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2. What does the abbreviation SACTWU stand for?

South African Clothing and Textile Workers Union ✓

	1
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3. What is the difference between the union SACTWU and the National Bargaining Council?

SACTWU acts in the best interest of the workers to ensure that they are treated fairly. ✓✓

The National Bargaining Council is the middleman between SACTWU and the employer. ✓✓

	4
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4. Is Marjorie treating all her employees fairly and did she comply with the minimum wage legislation? Quote figures to support your answer.

Yes, ✓ she is treating them fairly, as she is paying more than the minimum wage required. ✓✓

Cutter: Minimum wage is R17,80 per hour and she is paying R19 per hour. ✓

Machinist: Minimum wage is R14,10 per hour and she pays R16 per hour. ✓

Cleaner: Minimum wage is R12,70 per hour and she pays R14 per hour. ✓

	6
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5. One of the employees, Mariaan, is getting paid full time even though she was absent for a day, while Anche is not getting paid for being absent for a day. Is this ethical and fair?

Yes. ✓✓

Mariaan showed a doctor's certificate for being absent. ✓✓

Anche gave no reason for being absent – no work no pay. ✓✓

	6
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6. Marjorie is trying to convince her employees to open bank accounts so that she can deposit their wages in their bank account instead of paying them in cash. State two points to support her.

a. *It is more time effective for both Marjorie and her employees if she pays them through the Internet and not in cash. 33*

b. *It is much safer – they don't have to walk home carrying a lot of cash. 33*

	4
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7. Why is it important to have a contract of employment for each employee? Give two reasons.

a. *So that there are no misunderstandings with regards to job descriptions 33*

b. *So that there are no misunderstandings with regards to wages, leave etc. 33*

	4
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8. When the factory has too much work to finish in normal hours, Marjorie prefers her employees to work overtime, rather than working on Sundays and public holidays. Why does she prefer this?

When they work overtime, she needs to pay 1,5 times normal time, whereas if they work on Sundays and public holidays, she has to pay double the normal rate. ✓

If she pays double time, the production cost will increase and thus profit will decrease. ✓

	2
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- 9.

WAGE ADVICE SLIP				
Name: Mariaan September				
Week ending: 28 January 2017				
Job title: MACHINIST				
Earnings				
	Normal time	Overtime	Double time	
Hours worked	40	6		
Rate	R16	R24		
Earnings	R640 ✓	R144 ✓		
Gross wage	R784 ✓			
Deductions			Employer's contributions	
PAYE		R0	Provident fund (4%)	✓ R31,36
Provident fund (4%)		✓ R31,36	SDL (1%)	✓ R7,84
UIF (1%)		✓ R7,84	UIF (1%)	✓ R7,84
Bargaining Council levy		✓ R2,90	Bargaining Council levy	✓ R3,68
SACTWU fee		✓ R9,64	SACTWU fee	✓ R9,64
Total deductions		✓ R51,74	Total contributions	✓ R60,36
Net wage	✓ R732,26			

	15
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10. Wages Journal for the week ended 28 January 2017

WJ4

Employee	Normal time			Overtime			Gross wage	Deductions					Total deductions	Net wage	Employer's contribution				
	Hours	Rate	Amount	Hours	Rate	Amount		PAYE	Provident fund	Bargaining Council fund	UIF	Union fund			Provident fund	Bargaining Council fund	UIF	SDL	Union fund
H Latief	40	19	760	4	28,50	144	✓ 874	0	✓ 34,96	3,23	✓ 8,74	✓ 10,54	57,47	✓ 816,53	✓ 34,96	✓ 4,11	✓ 8,74	✓ 8,74	✓ 10,54
M September	40	16	640	6	24,00	144	✓ 784	0	✓ 31,36	2,90	✓ 7,84	✓ 9,64	51,74	✓ 732,26	✓ 31,36	✓ 3,68	✓ 7,84	✓ 7,84	✓ 9,64
A Rosenburg	32	14	448	1	21,00	21	✓ 469	0	✓ 28,76	1,74	✓ 4,69	✓ 8,10	33,29	✓ 435,71	✓ 28,76	✓ 2,20	✓ 4,69	✓ 4,69	✓ 8,10
							2 127	0	85,08	7,87	21,28	28,28		1 984,50	85,08	9,99	21,27	21,27	28,28

	32
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11. General Ledger of MJ Clothing

Wages

Dr				Cr			
Date	Details	Fol.	Amount	Date	Details	Fol.	Amount
2017 Jan 28	Gross wages ✓	WJ	✓ 2 127 00				

	2
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Provident Fund

Dr				Cr			
Date	Details	Fol.	Amount	Date	Details	Fol.	Amount
				2017 Jan 28	Wages ✓	WJ	✓ 85 08
					Provident fund contribution ✓	WJ	✓ 85 08

	4
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Unemployment Insurance Fund

Dr				Cr			
Date	Details	Fol.	Amount	Date	Details	Fol.	Amount
				2017 Jan 28	Wages ✓	WJ	✓ 21 27
					UIF contribution ✓	WJ	✓ 21 27

	4
--	---

Skills Development Levy

Dr				Cr			
Date	Details	Fol.	Amount	Date	Details	Fol.	Amount
				2017 Jan 28	SDL contribution ✓	WJ	✓ 21 27

	2
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National Bargaining Council													
Dr					Cr								
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount	
								2017 Jan	28	Wages ✓	WJ	✓7	87
										National Bargaining Council contribution ✓	WJ	✓9	99
													4

SACTWU													
Dr					Cr								
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount	
								2017 Jan	28	Wages ✓	WJ	✓28	28
										SACTWU contribution ✓	WJ	✓28	28
													4

Creditors for Wages													
Dr					Cr								
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount	
								2017 Jan	28	Wages ✓	WJ	✓1984	50
													2

SECTION 4

NOTES/TIPS FOR TEACHERS

CHAPTER 1: Indigenous bookkeeping and informal businesses

Progression of this topic

Grade 10: Comparison of bookkeeping systems of the informal and formal sectors

Grade 11: None

Grade 12: None

Requirements for this chapter

- Know the differences between informal and formal bookkeeping.
- Identify the different ways that resources such as capital, fixed assets, stock and money are managed.
- Be aware of how selling price, cost price, labour costs, income and expenses are determined.

Difficulties often experienced with this chapter

- Finding relevant information with regards to indigenous bookkeeping systems
- Topic is seen as theory-based
- Business owners do not want to be interviewed
- Finding the right business owner to interview
- Finding a business owner who will answer the required questions to complete the presentation.

Suggestions, tips and tricks for teaching this chapter and overcoming difficulties of learners

- Try to use “real” examples where possible when teaching this topic.
- Invite a business owner to come and speak to the learners and allow them to ask questions.
- Find some business owners in the community and explain to them the importance of this assessment task. Get their support.
- You will need the following resources in order to teach this section effectively:
 - Newspaper articles of interviews with business owners
 - Samples of questionnaires
 - Access to owners of informal businesses.
- Suggested methods of teaching this chapter:
 - Group or class discussion
 - Interviews
 - Case studies
 - Newspaper articles.

CHAPTER 2: Ethics

Progression of this topic

Grade 10: Code of ethics and basic principles of ethics for businesses

Grade 11: Identification and analysis of ethical behaviour applicable to financial environments with reference to accountability, transparency and sustainability

- Grade 12:**
- Role of professional bodies for accountants
 - Disciplinary and punitive measures for non-compliance with code of conduct
 - Policies governing ethical behaviour, viz. King Code III
 - Basic principles contained in Companies Act.

Requirements of this chapter

- Explain the code of ethics.
- Understand the basic principles of ethics.
- Understand the primary characteristics of good and ethical leadership.
- Integrate ethics with other topics.

Difficulties often experienced by learners with this chapter

- Comprehension and understanding of new terminology
- Introduction of many new concepts
- Difficulty in relating to the practical application of these concepts

Suggestions, tips and tricks for teaching this chapter and overcoming difficulties of learners

- In this chapter, new terminology and many new concepts are introduced, so it may take a while for learners comprehend this section. We suggest that you pay special attention to explanations and practical examples in order to help the learners understand the new terms and become comfortable with the new concepts.
- Suggested methods of teaching this chapter:
 - Role play
 - Group or class discussion
 - Practical activities (such as those outlined in the projects at the end of the chapter)
 - Case studies
 - Newspaper articles.
- Integration – This topic is integrated with other topics in the Learner's Book, so many of the concepts discussed in this chapter will be reinforced later in the year. These concepts should become clearer once they are dealt with in relation to other topics in later chapters.

CHAPTER 3: GAAP principles

Progression of this topic

Grade 10: GAAP principles applicable to sole traders

Grade 11: GAAP principles applicable to partnerships

Grade 12: GAAP principles applicable to companies

Requirements of this chapter

- Define and explain Generally Accepted Accounting Practice (GAAP) principles.
- Integrate GAAP with other topics.

Difficulties often experienced by learners with this chapter

- Comprehension and understanding of new terminology
- Introduction of many new concepts
- Difficulty in relating to the practical application of these concepts, particularly since the learners have limited accounting knowledge at this stage.

Suggestions, tips and tricks for teaching this chapter and overcoming difficulties of learners

- In this chapter, new terminology and many new concepts are introduced, so it may take a while for learners comprehend this section. We suggest that you pay special attention to explanations and practical examples in order to help the learners understand the new terms and become comfortable with the new concepts.
- Suggested methods of teaching this chapter:
 - Role play
 - Group or class discussion
- Integration – this topic is integrated with other topics in the Learner’s Book, particularly in the chapter dealing with final accounts and adjustments. The learners should gain a better understanding of the fundamental principles of GAAP once they are dealt with in this context. Look out for these GAAP references, which are labelled under the heading “GAAP FLASH”, in the chapters to follow.

CHAPTER 4: Internal controls

Progression of this topic

Grade 10: Basic internal control processes

Grade 11: Demonstration of knowledge of internal audit processes, viz. division of duties, documentation, physical controls and internal audit

Grade 12:

- Application of internal control and internal audit processes in a business environment
- Understanding the difference between the roles of internal and external auditors.

Requirements of this chapter

- Define and explain what is meant by internal control.
- Identify and explain basic internal control processes.
- Integrate internal control with other topics.

Difficulties often experienced by learners with this chapter

- Comprehension and understanding of many new concepts
- Difficulty in relating to the practical application of these concepts with limited accounting knowledge.

Suggestions, tips and tricks for teaching this chapter and overcoming difficulties of learners

- In this chapter many new concepts are introduced, so it may take a while for learners comprehend this section. We suggest that you pay special attention to explanations and practical examples in order to help the learners understand and become comfortable with the new concepts.
- Suggested methods of teaching this chapter:
 - Role-play
 - Group or class discussion – in these discussions the learners can think about the potential consequences for a business if each of the various control procedures were not in place.
 - Case studies.
- Integration – This topic is integrated with other topics in the Learner’s Book, so many of the concepts discussed in this chapter will be reinforced later in the year. These concepts should become clearer once they are dealt with in relation to other topics in later chapters.

CHAPTER 5: Financial accounting of a sole trader

Progression of this topic

Grade 10: Terminology and concepts relating to sole traders

Grade 11: Terminology and concepts relating to partnerships and clubs

Grade 12: Terminology and concepts relating to companies and manufacturing.

Requirements for this chapter

- Understand and use (communicate) financial language.
- Distinguish between and identify different types of assets.
- Know what incomes and expenses are.
- Know what liabilities are.
- Understand what the profit motive is.
- Know who the users of accounting information are.
- Know why accounting is important to a business.
- Know the steps in the accounting cycle.
- Know that there are two bookkeeping systems: the perpetual and periodic bookkeeping systems.
- Be able to distinguish between financial and managerial accounting.

Difficulties often experienced with this chapter

- Learners should have acquired some of the requirements for this chapter in Grades 8 and 9. Yet this is often not the case and learners struggle with these key concepts, which then have to be re-taught.
- The pacesetter does not allow enough time to re-teach these key concepts and terminology that should have been taught in Grades 8 and 9, so the teacher has to be very creative in addressing the backlog.

Suggestions, tips and tricks for teaching this chapter and overcoming difficulties of learners

- Learners must memorise the accounting terms, key concepts and definitions. Give the learners short, informal tests to ensure that they study the key concepts and accounting terminology.
- It is very important to go through the section on the perpetual inventory system and financial and managerial accounting, because this is all new work.
- You will need the following resources in order to teach this section effectively:
 - Accounting textbooks
 - PowerPoint® presentations
 - Posters.
- Suggested methods of teaching this chapter:
 - Worksheets
 - Informal tests.

CHAPTER 6: Bookkeeping of a sole trader – Revision of Grade 9 content

Progression of this topic

Grade 10: Bookkeeping process for sole traders

Grade 11: Unique entries and accounts for partnerships and clubs

Grade 12: Unique entries and accounts for companies.

Requirements for this chapter

- Understand the relationship between assets, owner's equity and liabilities as it is expressed in the accounting equation.

- Classify accounts in terms of assets, owner's equity and liabilities.
- Understand the double-entry principle.
- Calculate cost price, selling price and profit mark-up for a trading business.
- Identify source documents and know when to use them.
- Prepare the cash journals for a trading business.
- Prepare the credit journals for a trading business.
- Post the cash and credit journals for a trading business to the General Ledger.
- Prepare the Trial Balance.
- Understand internal control measures over cash and credit transactions.
- Understand ethics concerning cash and credit transactions.
- Apply the entries according to the perpetual inventory system.

Difficulties often experienced with this chapter

- Learners should have acquired some of the requirements for this chapter in Grades 8 and 9. Yet this is often not the case and learners struggle with these key concepts, which then have to be re-taught.
- The pacesetter does not allow enough time to re-teach these key concepts that should have been taught in Grades 8 and 9, so the teacher has to be very creative in addressing the backlog.

Suggestions, tips and tricks for teaching this chapter and overcoming difficulties of learners

- Do baseline assessments before you start with this chapter in order to determine what the learners understand.
- Do consolidated activities in order for them to grasp this section quickly.
- You will need the following resources in order to teach this section effectively:
 - Blank source documents
 - Accounting textbooks
 - Printed source documents for bookkeeping project
 - Examples of furniture store brochures or adverts
 - Computerised accounting software (optional).
- Suggested methods of teaching this chapter:
 - Combined activities on CRJ, CPJ, DJ and CJ
 - Posting the CRJ, CPJ, DJ and CJ to the General Ledger
 - Set lots of activities, but try not to use class time – rather give homework on this chapter.

CHAPTER 7: Bookkeeping of a sole trader – Debtors

Progression of this topic

- This topic is only dealt with in Grade 10, yet these topics should have been covered in Grade 9:
 - Basic terminology pertaining to credit sales
 - Source document for credit sales – the invoice
 - Credit sales to debtors
 - Money received from debtors, in part-payment and in settlement of account
 - Debtors Ledger
 - Accounting equation

Requirements for this chapter

- Integrate money received from debtors and discount allowed to them in the Cash Receipts Journal.

- Understand the flow of goods returned by debtors to the business.
- Complete a credit note.
- Prepare the Debtors Allowances Journal.
- Post the Debtors Allowances Journal to the General Ledger and Debtors Ledger.
- Understand internal control measures with regard to debtors.
- Understand ethics concerning debtors.
- Apply the entries according to the perpetual inventory system.

Difficulties often experienced with this chapter

Learners should have acquired some of the requirements for this chapter in Grade 9. You would have revised sales to debtors and basic payments from debtors in Chapter 5. The Debtors Ledger and the accounting equation pertaining to debtors should have also been revised. If the learners do not understand these concepts they will struggle.

Suggestions, tips and tricks for teaching this chapter and overcoming difficulties of learners

- The only new aspects to this work are discount allowed and debtors allowances. While you teach these new concepts, reinforce the Debtors Journal again.
- The Cash Receipts Journal will be dealt with again when discount allowed is taught.
- You will need the following resources in order to teach this section effectively:
 - Accounting stationery
 - Accounting textbooks
 - Credit application form from a business
 - Blank source documents
 - Completed source documents.
- Suggested methods of teaching this chapter:
 - Class activities
 - Worksheets.

CHAPTER 8: Bookkeeping of a sole trader – Creditors

Progression of this topic

- This topic is only dealt with in Grade 10, yet these topics should have been covered in Grade 9:
 - Basic terminology pertaining to credit purchases
 - Source document for credit purchases – the invoice
 - Credit purchases from creditors
 - Payments made to creditors, in part-payment and in settlement of account
 - Creditors Ledger
 - Accounting equation.

Requirements for this chapter

- Integrate payments to creditors and discounts received from them into the Cash Payments Journal.
- Understand the flow of goods returned to creditors.
- Complete a debit note.
- Prepare the Creditors Allowances Journal.
- Post the Creditors Allowances Journal to the General Ledger and Creditors Ledger.
- Combine previously acquired knowledge and complete the accounting cycle.
- Understand internal control measures with regard to creditors.

- Understand ethics concerning creditors.
- Apply the entries according to the perpetual inventory system.

Difficulties often experienced with this chapter

Learners should have acquired some of the requirements for this chapter in Grade 9. You would have revised purchases from creditors and basic payments to creditors in Chapter 5. The Creditors Ledger and the accounting equation pertaining to creditors should have also been revised. If the learners do not understand these concepts they will struggle.

Suggestions, tips and tricks for teaching this chapter and overcoming difficulties of learners

- The only new aspects to this work are discount received and creditors allowances. While you teach these new concepts, reinforce the Creditors Journal.
- The Cash Payments Journal will be dealt with again when discount received is taught.
- You will need the following resources in order to teach this section effectively:
 - Accounting stationery
 - Accounting textbooks
 - Credit application form from a business
 - Blank source documents
 - Completed source documents.
- Suggested methods of teaching this chapter:
 - Class activities
 - Worksheets.

CHAPTER 9: Bookkeeping of a sole trader – Additional cash transactions and the Petty Cash Journal

Progression of this topic

- This topic is only dealt with in Grade 10.

Requirements of this chapter

- Petty Cash Journal:
 - Do entries in the Petty Cash Journal and know the source documents used.
 - Understand the imprest system.
 - Post to the General Ledger and complete the accounting equation.
- Additional cash transactions:
 - Understand credit card transactions.
 - Know how to deal with dishonoured cheques.
 - Know how to record interest on current account, interest on overdrawn bank account, bank charges, stop orders and debit orders.
 - Understand carriage on purchases.
 - Understand fixed deposits.
 - Understand loans.
- When introducing the new cash transactions, the teacher should explain and integrate the following accounting concepts:
 - How to use source documents
 - Principles of the double-entry system
 - Effect on the accounting equation
 - Journals used
 - Posting to the General, Debtors and Creditors Ledgers
 - Trial Balance
 - Internal control and GAAP principles.

Difficulties often experienced by learners with this chapter

- The effect of the transactions on the accounting equation
- The double-entry system and contra accounts.

Suggestions, tips and tricks for teaching this chapter and overcoming difficulties of learners

- We suggest that the teacher introduce the new terminology by using a PowerPoint® presentation, but that the first activity of a new section should be done, with the learners, on the blackboard, step by step. After that the learners can do the next activity by themselves for homework.
- Suggested methods of teaching this chapter:
 - Introduce new terminology and examples – PowerPoint® presentation
 - First activity on new section – teacher does activity with learners in class, step by step.
 - Learners do activities for homework – repetition is important for learners to build confidence.
- Integration – It is important to refer to internal control methods with regards to cash and GAAP principles, such as the materiality principle throughout this chapter, so that learners can learn these new concepts.

CHAPTER 10: Bookkeeping of a sole trader – the General Journal**Progression of this topic**

- This topic is only dealt with in Grade 10.

Requirements of this chapter

- Know how to do these transactions in the General Journal:
 - Cancellation of discount allowed due to dishonoured cheques
 - Interest on overdue accounts of debtors and creditors
 - Bad debts written off
 - Bad debts recovered
 - Withdrawal of goods by the owner
 - Correction of errors
 - Capitalising interest on loan and fixed deposit.
- When introducing the transactions of the General Journal, the teacher should explain and integrate the following accounting concepts:
 - How to use source documents
 - Principles of the double-entry system
 - Effect on the accounting equation
 - Journals used
 - Posting to the General, Debtors and Creditors Ledgers
 - Trial Balance
 - Internal control and GAAP principles.

Difficulties often experienced by learners with this chapter

- The concept that only non-cash transactions are written in the General Journal
- The effect of the transactions on the accounting equation
- The double-entry system and contra accounts.

Suggestions, tips and tricks for teaching this chapter and overcoming difficulties of learners

- Repeat often that it is only non-cash transactions that are entered in the General Journal.
- Once again, we suggest that the teacher introduce the new terminology by using a PowerPoint® presentation, but that the first activity of a new section should be done, with the learners, on the blackboard, step

by step. After that the learners can do the next activity by themselves for homework.

- Suggested methods of teaching this chapter:
 - Introduce new terminology and examples – PowerPoint® presentation
 - First activity on new section – teacher does activity with learners in class, step by step.
 - Learners do activities for homework – repetition is important for learners to build confidence.
- Integration – It is important to refer to internal control methods over debtors and creditors and GAAP principles, such as the prudence principle and the business entity concept, throughout this chapter so that learners can learn these new concepts.

CHAPTER 11: Reconciliation of control accounts and Debtors and Creditors Lists

Progression of this topic

Grade 10: Preparation of debtors and creditors lists to reconcile with the *Debtors Control* and *Creditors Control* accounts

Grade 11: Preparation of reconciliation statements by reconciling to bank and creditors statements

Grade 12: Analysis and interpretation of bank, debtors and creditors reconciliations and age analysis.

Requirements of this chapter

- Prepare the Debtors and Creditors Lists to reconcile with the *Debtors Control* and *Creditors Control* accounts (including correction of errors and omissions).
- When introducing this chapter, the teacher should explain and integrate the following:
 - Procedures when posting to the control accounts
 - Procedures when posting to the subsidiary ledgers
 - Comparing the control accounts with the Debtors and Creditors Lists
 - Possible differences, errors and omissions
 - Internal control over debtors and creditors.

Difficulties often experienced by learners with this chapter

- Learners often find this work very difficult.
- They often battle to identify the mistake that was made and how to correct it.

Suggestions, tips and tricks for teaching this chapter and overcoming difficulties of learners

- Suggested methods of teaching this chapter:
 - Start by making sure that all the learners know what a *Debtors Control* account, *Creditors Control* account, Debtors Ledger and Creditors Ledger look like.
 - Make them repeat what source documents are entered in which journals and which journals are then posted to which control accounts and subsidiary ledgers. For example: the DJ, DAJ, CRJ, CPJ and GJ are used to do the Debtors Ledger and *Debtors Control* account.
- Integration – It is important to refer to internal control methods over debtors and creditors.

CHAPTER 12: Combined bookkeeping activities

Progression of this topic

- This topic is only dealt with in Grade 10.

Requirements for this chapter

- The learners should have completed the bookkeeping process up to this point.
- All the journals will be covered, namely:
 - Cash Payments Journal
 - Cash Receipts Journal
 - Debtors Journal
 - Creditors Journal
 - Debtors Allowances Journal
 - Creditors Allowances Journal
 - Petty Cash Journal
 - General Journal.
- The learners should know how to post to the ledgers, namely:
 - Debtors Ledger
 - Creditors Ledger
 - General Ledger.
- Trial Balance entries were also covered in previous chapters.
- This chapter covers the entire accounting cycle, as well as transaction analysis and the accounting equation.

Difficulties often experienced with this chapter

If learners struggled with the previous chapters, they will struggle with this one.

Suggestions, tips and tricks for teaching this chapter and overcoming difficulties of learners

- This is a good chapter to use to reinforce the previous chapters. The learners don't have to do all the activities but encourage them to do some of the activities for their own revision.
- Self-study should be encouraged but the teacher must make the answers available to the learners to mark their own work.
- You will need the following resources in order to teach this section effectively:
 - Worksheets
 - Answers to the activities
 - Study guides.
- Suggested methods of teaching this chapter:
 - Self-study
 - Group work
 - Peer teaching.

CHAPTER 13: Value-added tax (VAT)

Progression of this topic

Grade 10: Concepts of Value-added tax

Grade 11: Calculations of Value-added tax

Grade 12: Ledger accounts of Value-added tax.

Requirements of this chapter

- Understand the basic concepts of VAT.
- Understand the difference between VAT-exempt items and zero-rated items.

- Know the difference between input tax and output tax.
- Perform basic VAT calculations.

Difficulties often experienced by learners with this chapter

- Comprehension and understanding of many new concepts
- Understanding how VAT is collected at each stage of the production and distribution chain
- Some learners may have difficulty performing the VAT calculations.

Suggestions, tips and tricks for teaching this chapter and overcoming difficulties of learners

- In this chapter, new terminology and many new concepts are introduced, so it may take a while for learners comprehend this section. We suggest that you pay special attention to explanations and practical examples in order to help the learners understand the new terms and become comfortable with the new concepts.
- Suggested methods of teaching this chapter:
 - Role-play – For example, put learners into groups representing each stage of a production and distribution chain. They can then pretend to buy and sell products along the chain and calculate the input tax, output tax and the amount of VAT payable to SARS by each member of the chain.
 - Practical activities – For example, collect actual cash slips and invoices from real shops and then check that the VAT that is listed has been calculated correctly. Also, check the cash slips and invoices to see if there are any zero-rated items.
- Any learners who are having difficulty performing the VAT calculations should do additional practice examples. Remember to get them to perform both types of calculations, namely:
 - calculating the price inclusive of VAT from the price exclusive of VAT; and
 - calculating the price exclusive of VAT from the price inclusive of VAT.

CHAPTER 14: Salaries and wages

Progression of this topic

Grade 10: Explanation, calculation and recording of salary and wage scales, payments in the journals and posting to the General Ledger

Grade 11: None

Grade 12: None.

Requirements of this chapter

- Understand the difference between salaries and wages.
- Understand the meaning of deductions and employer's contributions.
- Record salary and/or wage scales and payments in the journals.
- Post from the Salaries Journal and the Wages Journal to the General Ledger.

Difficulties often experienced by learners with this chapter

- Comprehension and understanding of new terminology and concepts
- Understanding the difference between deductions and employer's contributions
- Posting from the Salaries Journal and the Wages Journal to the General Ledger can be challenging for some learners.

Suggestions, tips and tricks for teaching this chapter and overcoming difficulties of learners

- In this chapter, new terminology and many new concepts are introduced, so it may take a while for learners to comprehend this section. We suggest that you pay special attention to explanations and practical examples in order to help the learners understand the new terms and become comfortable with the new concepts.
- In dealing with the difference between deductions and employer's contributions, it should be stressed that deductions are a component of the gross salary (wage) expense, while employer's contributions are **additional** expenses to the business.
- When explaining the posting from the Salaries Journal (or Wages Journal) to the General Ledger, it should be emphasised that this process involves debiting the expense accounts (*Salaries* and any contribution accounts) and crediting the liabilities (*Creditors for Salaries*, *SARS (PAYE)*, *UIF*, *Medical Aid*, *Pension Fund* etc. accounts). It should be shown that the total of these liabilities matches the total of the employment-related expenses (*Salaries* and any contribution accounts). The final point that needs to be stressed is that when payment is made and recorded in the Cash Payments Journal, it is the liabilities (and not the expenses) that are being paid.

CHAPTER 15: Financial accounting of a sole trader – final accounts and year-end adjustments

Progression of this topic

Grade 10: Preparation of final accounts of sole traders

Grade 11: Preparation of final accounts of partnerships and clubs

Grade 12: Preparation of final accounts of companies.

Requirements of this chapter

- Prepare the final accounts and closing transfers for the following accounts:
 - *Trading* account
 - *Profit and Loss* account
- Perform year-end adjustments using the following accounts:
 - Trading stock deficit/surplus
 - Consumable stores on hand
 - Depreciation (on cost price/straight line and on diminishing balance)
 - Accrued income (receivable) and income received in advance (deferred)
 - Expenses prepaid and accrued expenses (payable)
 - Bad debts
 - Correction of errors and omissions.
- Draw up a Pre-adjustment Trial Balance, Post-adjustment Trial Balance and Post-closing Trial Balance.
- Reverse certain year-end adjustments at the beginning of the next financial period, i.e. accruals, income received in advance and prepayments.
- When introducing the financial accounting of a sole trader with regards to year-end adjustments and final accounts, the teacher should explain and integrate the following accounting concepts:
 - The accounting cycle
 - Application of GAAP principles
 - Accounting equation
 - Internal control and ethics.

Difficulties often experienced by learners with this chapter

- The learners often find the adjustments very difficult.
- The necessity of doing closing transfers and adjustments must be emphasised.

Suggestions, tips and tricks for teaching this chapter and overcoming difficulties of learners

- Start by showing them the bigger picture using the accounting cycle (PowerPoint®).
- Do all the different GAAP principles at the beginning of the chapter.
- Let them learn steps for the closing transfers – the learners understand better when given steps to follow.
- When introducing adjustments like accrued income, show the writing back of the adjustment as well – do this step by step on the board, not on transparency, using different colour pens to write in balances, adjustments and closing transfers.
- Use T-accounts and time-lines when explaining adjustments.
- Do the first activity of each new adjustment with them on the board and then give the next activity for homework – once again, repetition is important.
- When showing learners the short cuts to do adjustments on the Pre-adjustment Trial Balance, show it on a transparency; do not only tell them, show them.
- Integration:
 - All the GAAP principles should be integrated and are often mentioned throughout this chapter.
 - Internal control over stock can be integrated when doing trading stock deficit, and control over assets when doing depreciation.

CHAPTER 16: Financial accounting of a sole trader – financial statements

Progression of this topic

Grade 10: Preparation of financial statements of sole traders

Grade 11: Preparation of financial statements of partnerships and clubs

Grade 12: Preparation of financial statements of companies.

Requirements of this chapter

- Prepare the financial statements of a sole trader:
 - Income Statement
 - Balance Sheet.
- Process year-end adjustments for the following:
 - Trading stock deficit/surplus
 - Consumable stores on hand
 - Depreciation (on cost price/straight line and on diminishing balance methods)
 - Accrued income (receivable) and income received in advance (deferred)
 - Expenses prepaid and accrued expenses (payable)
 - Bad debts
 - Correction of errors and omissions.
- When introducing the financial statements, the teacher should explain and integrate the following accounting concepts:
 - The accounting cycle
 - Application of GAAP principles
 - Accounting equation
 - Internal control and ethics.

Difficulties often experienced by learners with this chapter

- The learners often find the adjustments very difficult.
- The format of the Income Statement and Balance Sheet.

Suggestions, tips and tricks for teaching this chapter and overcoming difficulties of learners

- Start by showing them the bigger picture using the accounting cycle (PowerPoint®).
- Do the first Income Statement and Balance Sheet on the board with them, step by step.
- After that you can use transparencies or PowerPoint® presentations.
- Use T-accounts and time lines to explain the adjustments.
- Integration:
 - All the GAAP principles should be integrated and are often mentioned throughout this chapter.
 - Internal control over stock, assets, debtors and creditors can be integrated throughout this chapter.

CHAPTER 17: Financial accounting of a sole trader – interpretation of financial statements**Progression of this topic**

Grade 10: Analysis and interpretation of financial statements of sole traders

Grade 11: • Analysis and interpretation of financial statements of partnerships

- Differences in financial statements of partnerships and clubs

Grade 12: Analysis and interpretation of financial statements of companies.

Requirements of this chapter

- Analyse and interpret financial statements and notes for the following:
 - Gross profit on sales
 - Gross profit on cost of sales
 - Net profit on sales
 - Operating expenses on sales
 - Operating profit on sales
 - Current ratio
 - Acid test ratio
 - Solvency ratio
 - Return on equity.
- When introducing the financial statements, the teacher should explain and integrate the following accounting concepts:
 - The accounting cycle
 - Application of GAAP principles
 - Internal control and ethics.

Difficulties often experienced by learners with this chapter

- Giving comments on the results found
- When to use which financial indicator.

Suggestions, tips and tricks for teaching this chapter and overcoming difficulties of learners

- Use the PowerPoint® presentation or write on the board and a transparency simultaneously to show the learners where to get the information they need to do the analysis.
- When talking about the comments on results found, give learners different scenarios on which they might need to comment.

- Give learners a summary of the different formulas/ ratios and let them write a class test so that they can learn these.
- Integration – Internal control over stock, assets, debtors and creditors can be integrated throughout this chapter.

CHAPTER 18: Cost accounting

Progression of this topic

Grade 10: Cost concepts and basic calculations

Grade 11: Cost calculations and ledger accounts

Grade 12: Preparation, presentation, analysis and interpretation of Production Cost Statement and unit costs.

Requirements of this chapter

- Define and explain basic cost concepts.
- Perform basic cost calculations.
- Integrate cost accounting with internal control and ethics.

Difficulties often experienced by learners with this chapter

- Comprehension and understanding of new terminology and concepts
- Understanding the difference between direct and indirect costs
- Understanding the difference between fixed and variable costs.

Suggestions, tips and tricks for teaching this chapter and overcoming difficulties of learners

- In this chapter, new terminology and many new concepts are introduced, so it may take a while for learners comprehend this section. We suggest that you pay special attention to explanations and practical examples in order to help the learners understand the new terms and become comfortable with the new concepts.
- Suggested methods of teaching this chapter:
 - Role-play – For example, put learners into groups and let each group choose a product that is manufactured. The groups must then identify examples of each of the different types of costs involved in the manufacturing process for that product.
 - Practical activities (such as those outlined in the projects at the end of the chapter).
- If possible, arrange an outing to a local factory so that the learners can get a real sense of the different types of costs involved in the manufacturing environment.

CHAPTER 19: Budgeting

Progression of this topic

Grade 10: Budget concepts

Grade 11: Preparation and presentation of cash budgets and Projected Income Statements of sole traders

Grade 12: Analysis, interpretation and comparison of cash budgets and Projected Income Statements of sole traders and companies.

Requirements of this chapter

- Define and explain basic budgeting concepts.
- Understand the difference between a cash budget and Projected Income Statement.
- Perform basic forecasting calculations.

Difficulties often experienced by learners with this chapter

- Comprehension and understanding of new terminology and concepts
- Learners often get confused when switching between the cash budget and the Projected Income Statement.

Suggestions, tips and tricks for teaching this chapter and overcoming difficulties of learners

- In this chapter, new terminology and many new concepts are introduced, so it may take a while for learners comprehend this section. We suggest that you pay special attention to explanations and practical examples in order to help the learners understand the new terms and become comfortable with the new concepts.
- Suggested methods of teaching this chapter:
 - Role-play – For example, put learners into groups and each group must choose a simple small business idea. They must then identify how the business will generate income and make a list of all the expected expenses for their business. They should then perform research into the costs involved and use the information gathered to draw up a basic Projected Income Statement for their business idea.
 - Practical activities (such as the project at the end of the chapter).
- As mentioned above, learners often get confused when switching between the cash budget and the Projected Income Statement. Although budgets are dealt with more extensively in Grade 11, possibly that most critical aspect that should be achieved in Grade 10 understands the fundamental difference between these two types of budget. It is important to emphasise that the cash budget is used to forecast the future **cash** position of a business and thus only involves expected cash transactions; whereas the Projected Income Statement is used to predict the future **profitability** of a business, and thus deals with expected **income** and **expenses**.

SECTION 6

SOLUTIONS TO ACTIVITIES

CHAPTER 1

Indigenous bookkeeping and informal businesses

» Case study 1.1

LB page 4

1. He received two containers, and some tools and bikes from BEN (Bicycle Empowerment Network).
2. Pure hard work and a passion for bicycles
3. Cassiem is responsible, and he unpacks and repacks his stock every day.
4. The repair work done to the customers' bicycles
5. Some customers went to other repair shops in the area and he lost income due to stiff competition from hardware stores in the area.
6. Encourage him to either get a person to help him when he is away fetching stock, or to ask someone to collect his stock. When he is away, he loses income because his shop stays closed.

» Activity 1.1

LB page 5

1. Indigenous bookkeeping is easy to administer. The system is generally designed by the business owner according to the needs of the business. Recording documentation is simple and recordkeeping is minimal. Formal bookkeeping has a more structured approach as it complies with the principles of GAAP and is governed by accounting norms and standards.
2. a. A, B b. B c. A d. A e. B
f. B g. B h. A, B i. B j. B
k. B l. A m. A n. B o. A

» Formal assessment task brief

LB page 6

Notes to teacher

1. Designing the questionnaire

Allow learners time in class in which to design their questionnaires. This should take you about two lessons. Use one lesson to explain how to put together a questionnaire and then give learners the time to design it.

Some tips: A questionnaire must be easy to read and the questions must be understandable. They must not include open-ended questions and must be specific about what they are asking. The different sections must be separated so that the respondent can know which questions they are answering.

2. Conducting the interview

It would be beneficial if the learners could conduct an actual interview with the business owner. However, where this is not possible, the questionnaire must be designed in such a way that the business owner has enough space to answer the questions. The questions must also be easy and understandable.

3. The written presentation

Where possible, allow learners to work on their own for this section. Even if they conducted the interview in pairs, let them use the same questionnaire to individually extract the information. You should not expect or accept identical answers, although it would be similar. Each learner will interpret the questionnaire differently.

Rubric for assessing questionnaire and presentation

Criteria	9–10	6–8	3–5	0–2	Mark
The questionnaire	Questions are excellently structured and are understandable. Excellent use of language.	Questions are well structured and are understandable. Good use of language.	Questions are well structured and are understandable. Fair use of language.	Questions are well structured and but not understandable. Language used not acceptable.	
Background of the business	Excellent and comprehensive; interesting presentation	Good presentation of information; most information covered	Average presentation; some information not covered	None; weak attempt; information incomplete	
Buying and controlling stock	Comprehensive information given; interesting	Good presentation of information; most aspects covered well	Average presentation; a few aspects not covered	None; very little information given	
Determining the selling price of goods	Excellent and clear insight; supplied correct information; presented very well	Good understanding of determining price; information mostly correct	Satisfactory understanding; some information incorrect	None; partial understanding; some information questionable	
Handling financial information	Excellent understanding of accounting system; information correct and complete	Good understanding of accounting system; most information correct	Satisfactory understanding of accounting systems; some information incorrect/missing	None; poor understanding of accounting systems; some information questionable	
Explanation of the costs or expenses	Excellent understanding; information correct; presentation very good	Good understanding of costs and expenses; most information correct and acceptable	Satisfactory understanding of costs and expenses; some information incorrect	None; partial understanding of costs; some information questionable	
Budgeting and calculating profits	Excellent understanding; information is correct and presented very well	Good understanding; information presented well	Satisfactory understanding and explanations; some information incorrect/ misleading	None; poor explanations; some information questionable	
Competitors and other problems or challenges	Excellent and comprehensive reporting	Good reporting; most aspects covered	Satisfactory reporting; some aspects left out	None; poor reporting; only one or two aspects mentioned	
Introduction and conclusion			Good introduction and conclusion	None; satisfactory introduction and conclusion	
Technical presentation of report			Neat, attractive report	Handed in late/ not at all; untidy; unattractive	
Oral presentation	Excellent; key-note areas presented in an informative manner	Good presentation, but some areas either irrelevant or not informative	Only some areas are informative	Poor presentation	
Total:					/100

CHAPTER 2

Ethics

» Activity 2.1

LB page 13

Learners can check each other's answers with the help of the text on pages 10 and 11 in the Learner's Book.

» Activity 2.2

LB page 13

¹ C	O	² D	E	O	F	E	T	H	I	³ C	S			⁴ S
O		U								A				U
N		E			⁵ M		⁶ F	A	I	R	N	E	S	S
F					O					E				T
⁷ I	N	T	E	G	R	I	T	Y						A
D					A									I
E			⁸ P	O	L	I	T	E			⁹ O			N
N		¹⁰ U			S						B			A
T		N									J			B
I		B		¹¹ K	I	N	G	C	O	D	E			I
A		I									C			L
¹² L	E	A	D	E	R	S	H	I	P		T			I
I		S								¹³ R	I	G	H	T
T		E									V			Y
Y		¹⁴ D	I	S	C	I	P	L	I	N	E			

Across

1. code of ethics
6. fairness
7. integrity
8. polite
11. King code
12. leadership
13. right
14. discipline

Down

1. confidentiality
- 2, 3 due care
4. sustainability
5. morals
9. objective
10. unbiased



1. Kgalema Motlanthe is the Deputy President of South Africa (at the time the article was written).
2. Our conscience is our inherent sense of right and wrong and that we should follow this when we make decisions or take actions.
3. “There will be no one to do business with in the near future.”
4. BP – responsible for a massive oil spill in the Gulf of Mexico; this has had a devastating impact on the local environment.
Fidentia – commodity price-fixing – prices were determined by the monopolies and not through the laws of supply and demand.
5. The codes of ethics needed to be enforceable.
6. The political sphere
7. This means that unethical leadership no longer adheres to the principles of accountability and, as such, these leaders do not assume responsibility for their actions, duties and decisions or the results thereof.



1. Parents and school (teachers)
2. “just not right”
3. a. Having a code of ethics is not enough – the main problem lies with the implementation of the code of ethics, in terms of application and education.
b. Ethics education and training
4. The net profit of the business (as shown in the bottom line of the Income Statement)
5.
 - **Legal costs** – unethical behaviour could lead to the business being sued and incurring expensive legal costs.
 - **Discourage investment** – investors avoid investing in businesses with a reputation for unethical practices.
 - **Bureaucratic regulation** – businesses that have a reputation for behaving unethically may have to comply with extra government regulations.
 - **Lost trust of suppliers** – businesses that have a reputation for behaving unethically may find that suppliers and potential business partners do not trust them and will not do business with them.
 - **Public exposure** – if a business is found to be behaving unethically, the media will expose it and the public will react by boycotting the business. The business will lose customers.
 - **Employee behaviour** – a business that behaves ethically sets a good example to its employees, who will hopefully respond by also behaving ethically. An unethical business should expect unethical staff.
 - **Quality of staff** – highly qualified professionals will not want to work for a business with a reputation of being unethical.
6. They need to improve the ethical culture of their organisations.
7. The employees should be consulted before the code is finalised to assure its credibility and ensure it is written in a manner that is easily understood by everyone in the organisation.

CHAPTER 3

GAAP principles

» Activity 3.1

LB page 26

1. C.
2. E.
3. F.
4. B.
5. A.
6. D.

» Activity 3.2

LB page 26

1. Generally Accepted Accounting Practice
2. GAAP is a collection of rules, procedures and guidelines for accountants to follow when recording and reporting financial information. The statements of GAAP aim to ensure that financial information is accurate, relevant and reliable; and that financial statements are recorded in a consistent, uniform and meaningful manner.
3.
 - a. The business entity concept provides that a business functions as a separate financial entity from its owners, or from any other business or organisation.
 - b. The historical cost concept provides that assets should be valued at historical cost.
 - c. The going concern concept provides that the financial statements of a business should be prepared based on the assumption that the business will continue to operate for the foreseeable future.
 - d. The matching concept provides that income and expenses are recognised and recorded in the correct time period.
 - e. The materiality principle provides that all significant information must be included in the financial statements, while items which are not significant need not be shown separately in the financial statements.
 - f. The prudence concept provides that accountants should be conservative in the preparation of financial statements and should take care not to overstate assets or income and not to understate liabilities and expenses.

CHAPTER 4

Internal controls

» Activity 4.1

LB page 35

1. False, internal controls are extremely important when payments are made by cheque, in order to avoid fraud, over-payment, and so on.
2. True
3. False, these duties should be separated.
4. False, access to petty cash should be limited to one person.

5. False, bank reconciliation statements should be drawn up monthly.
6. True
7. False, blank cheques should never be signed.
8. False, cash receipts should preferably be stored in a safe and should be deposited in the bank within 24 hours.
9. True
10. False, only certain employees of a business should be able to buy assets for the business and the acquisition must be properly authorised and approved.
11. False, it is a preventive control.
12. False, strict controls should be implemented in order to accurately record the time worked by employees.
13. False, petty cash should be restored by drawing a cash cheque.
14. True
15. False, these duties should be separated.



Activity 4.2

LB page 35

1. D.
2. A.
3. E.
4. B.
5. C.



Activity 4.3

LB page 36

1. Value of the “missing” trading stock = $R420 - R344 = R76$
2. Value of the “missing” cash = $R230 - R158 = R72$
3. Profit = Sales – Cost of sales
= $R400 - R250 = R150$
4. Profit = $R150 - R76 - R72 = R2$
5. a. Any **three** of the following:
 - Anyone at the school could have stolen the trading stock or cash from the cupboard as it was not locked.
 - Any of the five Accounting learners could have stolen trading stock or cash while transporting it to and from the tuckshop.
 - Anyone at the school could have stolen trading stock or cash from the tuckshop counter when nobody was looking.
 - Any of the five Accounting learners, while serving behind the tuckshop counter, could have stolen trading stock or cash when the others were not looking.
 - Any of the five Accounting learners, while serving behind the tuckshop counter, could have stolen trading stock or cash by covering it up through fraudulently understating the transaction on the cash slip.
 - Any other reasonable scenario.
- b. Any **four** of the following:
 - The cupboard used to store the trading stock and cash should be locked at all times in order to safeguard against theft.
 - One person should be responsible for keeping the key to the cupboard (possibly the Accounting teacher).
 - The cash float should be kept in a locked cash box.
 - The transporting of the trading stock and cash box to and from the tuckshop should be more strictly controlled in order to

safeguard against theft. The stock should be kept in one or two closed boxes to prevent easy access. All five Accounting learners should transport the stock and cash together in a group, so as to reduce any opportunities to steal.

- The tuckshop arrangement also needs to be more strictly controlled in order to safeguard against theft. The stock and cash should not be placed on the counter as it is highly exposed and can easily be taken by a learner (customer) while nobody was looking. They should try to create an enclosed area with limited access and then keep the stock and cash out of reach of the learners (customers).
- One or two learners should record the transactions while the others serve. Besides reducing the chance of errors occurring, this separation of duties should also help to prevent any fraudulent cash slip entries used to cover up theft.
- Accounting controls need to be implemented in order to detect any shortages on a daily basis. Possibly, the stock and cash could be counted daily and then reconciled with the records from that day's cash slips.
- Any other relevant control measure.



Case study 4.1

LB page 38

1. The employees of a business pose the greatest threat.
2. Previous employment records and qualifications should be checked before someone is employed. This would be classified as a preventive control, since it is implemented in order to prevent the business from employing people who have previously committed fraud or are dishonest about their employment history or qualifications.
3. Documentation of internal control policies and procedures is important so that there are written guidelines informing the employees of the type of conduct that is not acceptable in the business.
4. Pilfering means stealing. It is usually used to describe petty theft, for example taking home office stationery.
5.
 - Passwords can be used to restrict access to files that contain confidential information.
 - Firewalls can be used to restrict access to the network via the Internet or other networks.
 - Encryption can be used to prevent unauthorised people from reading confidential information by encoding it.
 - Audit software can be used to detect and respond to suspicious or threatening computer transactions.
6. This is an important control that is used to prevent an employee from paying money into a fictitious vendor account.
7. Bank reconciliation
8. This is a corrective control. Insurance can be taken out so that the financial loss due to fraud may be recovered, thus correcting the effect of fraud.
9. Employees will be less likely to behave fraudulently if they feel that a business is serious about detecting fraud and is also intolerant of those who commit fraud.



1. The consumption of expired food
2. Some of the food had expired in 2007
3. Expired items should be disposed of safely once the expiry date is reached.
4. The expired food should have been safely disposed of at a proper dump site (the Stellenbosch landfill site).
5. Vomiting, skin rashes, cramps and a runny tummy (diarrhoea)
6. Any of the following:
 - Some of the food had been expired for over two years and was only being disposed of now. This shows a lack of due care on the part of Simply Value Factory Food Shop, who should have been more responsible and diligent when disposing expired food.
 - Henry Hearn should have acted more responsibly and with integrity by insisting that the driver and casual take the food to the dump, as this is what Simply Value Factory Food Shop had commissioned him to do.
 - The driver and the casual showed a lack of professional competence and due care by not carrying out their duties as instructed.
 - Furthermore, the casual wanting to open a spaza shop and sell the expired food is completely and utterly immoral.
 - Ultimately Simply Value Factory Food Shop should be held accountable for the safe disposal of the expired food as it was their responsibility to ensure that this was properly carried out by a reliable contractor.
 - Over and above the food poisoning, not disposing of the expired food in the proper manner also has a negative impact on the environment and this could also lead to further disease in the Pholile Park informal settlement.

CHAPTER 5

Financial accounting of a sole trader



Activity 5.1

1. Learner's own answers

Cash sales of stock to customers	
Advantages	Disadvantages
<ul style="list-style-type: none"> • Get your money immediately • Will have money to buy more stock • Easy and cheap to administer 	<ul style="list-style-type: none"> • Could have fewer customers

Credit sales of stock to customers	
Advantages	Disadvantages
<ul style="list-style-type: none"> • Could have more customers • Can charge customers interest 	<ul style="list-style-type: none"> • Must wait longer for your money to be paid back • Customers could refuse to pay • Difficult and often expensive to administer; administration costs are high • Must send customers statements regularly

Description	Correct accounting term	Tangible asset	Current asset
Cars, vans, motorcycles, and so on	Vehicles	✓	
Money in the till used as change	Cash float		✓
People who buy on credit	Debtors		✓
Stock bought for resale	Trading stock		✓
Money used to make small payments	Petty cash		✓
Computers, printers, office furniture, and so on	Equipment	✓	
Money in the business's banking account	Bank		✓
A building that was bought to trade out of	Land and buildings	✓	

ASSETS	=	OWNER'S EQUITY	+	LIABILITIES
NON-CURRENT ASSETS – Land and buildings – Vehicles – Equipment Investments – Fixed deposit CURRENT ASSETS – Trading stock – Debtors – Bank – Cash Float – Petty cash		Capital Drawings Income – Sales – Current Income – Rent Income Expenses – Cost of sales – Stationery – Wages – Advertising – Postage – Salaries – Trading licence – Packaging – Telephone – Rent expense – Rates		NON-CURRENT LIABILITIES – Mortgage bond – Loans CURRENT LIABILITIES – Creditors – Bank overdraft

1. Capital; this is money contributed to the business by the owner, so that the business can have its own bank account and assets.
2. The owner wants to make a profit.
(Selling price – cost price = gross profit)
3. For the business to maintain a positive cash flow, it is important to collect money that is owed by debtors so that the creditors can be paid.
4. Learners can mention any expense, for example trading licence, water, wages and salaries, stationery, etc.
5. Cost price
6. Selling price
7. Gross profit

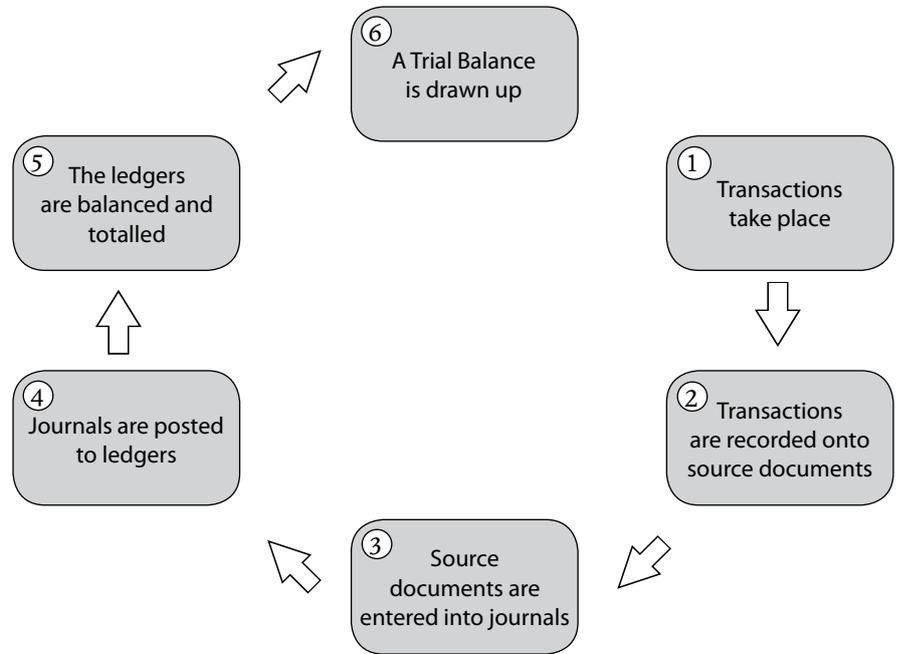
Column A		Column B	
1.	Money the owner gives to start up a business	C.	Capital
2.	The owner and his business are seen as separate	G.	Entity rule
3.	The owner's interest in his business	H.	Owner's equity
4.	Money received by business for rendering a service or selling stock	F.	Income
5.	Their value changes continually and can easily be converted into cash	A.	Current assets
6.	Money acquired from a commercial bank in order to buy property	D.	Mortgage bond
7.	Outsiders to whom the business owes money for stock purchased	K.	Creditors
8.	Outsiders who owe the business money for stock sold	J.	Debtors
9.	The primary reason why an entrepreneur would start a business	B.	Profit motive
10.	Assets that have a reasonably long lifespan	E.	Fixed/Tangible assets
11.	Converting current assets into cash in order to pay current liabilities	I.	Liquidity

- Profit
- Trading stock, Debtors, Cash
- Transaction
- Non-current liability
- Loss
- Land and buildings, Vehicles and Equipment
- Net worth/ Owner's interest
- Drawings
- Current liability
- Expenses
- Investment/ Fixed deposit

- Identify the type of account by placing a tick in the correct column.

	Fixed asset	Current asset	Income account	Expense account	Non-current liability	Current liability
Vehicles	✓					
Salaries				✓		
Petty cash		✓				
Advertising				✓		
Trading stock		✓				
Sales			✓			
Equipment	✓					
Cash Float		✓				
Debtors		✓				
Trading licence				✓		
Bank overdraft						✓
Cost of sales				✓		
Stationery				✓		
Mortgage bond					✓	
Telephone				✓		
Creditors						✓
Land and buildings	✓					
Bank		✓				
Maintenance and repairs				✓		

2.



» Activity 5.7

LB page 57

Learners' answers will differ. They may need your help.

Possible answers include:

- It is impossible to calculate the cost price of all the stock at point of sale.
- Records are not available at point of sale.
- Too many items are sold.
- Different items may be marked up differently

» Case study 5.4

LB page 58

Learners present their business proposals to the class. Allow for class discussion after each presentation and allow learners to question the group on their proposal. Allow only for constructive comments. Use one of the rubrics from the introduction and hand them out, so that the different groups can assess another group's work. The proposal should go into the learners' portfolios.

» Activity 5.8

LB page 59

1. **Financial accounting** is the collection of financial information, throughout the year, in order to determine the financial result and the financial position of the business at the end of the financial year.
Managerial accounting focuses on the future of the business, rather than on its past. It involves applying various accounting techniques to assist managers in their decision-making and control functions. It involves cost control, budgeting, cash-flow control and profit planning.
2. A. Financial accountant: a, d, e, f, g, i, j, m, n
B. Managerial accountant: b, c, h, i, j, k, l, n

CHAPTER 6

Bookkeeping of a sole trader – Revision of Grade 9 content

» Activity 6.1

LB page 64

No.	Accounts involved	Type of account	+ or –	Debit or credit	Amount
1.	Bank	Current asset	+	Debit	R18 750
	Capital	Owner's equity	+	Credit	
2.	Equipment	Asset	+	Debit	R11 200
	Bank	Current asset	–	Credit	
3.	Rent Expense	Expense	–	Debit	R3 560
	Bank	Current asset	–	Credit	
4.	Electricity	Expense	–	Debit	R800
	Bank	Current asset	–	Credit	
5.	Vehicles	Tangible asset	+	Debit	R147 000
	Creditors Control	Liability	+	Credit	R132 300
	Bank	Current asset	–	Credit	R14 700
6.	Salaries	Expense	–	Debit	R7 500
	Bank	Current asset	–	Credit	
7.	Drawings	Owner's equity	–	Debit	R670
	Bank	Current asset	–	Credit	
8.	Debtors Control	Asset	+	Debit	R2 250
	Sales	Income	+	Credit	
	Cost of Sales	Expense	–	Debit	R1 250
	Trading Stock	Asset	–	Credit	
9.	Stationery	Expense	–	Debit	R420
	Creditors Control	Liability	+	Credit	

» Activity 6.2

LB page 65

No.	Assets		Owner's equity		Liabilities	
	Effect	Reason	Effect	Reason	Effect	Reason
1.	+18 750	Bank increases	+18 750	Capital contribution		
2.	–11 200	Bank decreases				
	+11 200	Equipment increases				
3.	–3 560	Bank decreases	–3 560	Rent – expense		
4.	–800	Bank decreases	–800	Electricity – expense		
5.	–14 700	Bank decreases			+132 300	Creditors increase
	+147 000	Vehicles increase				
6.	–7 500	Bank decreases	–7 500	Salaries – expense		
7.	–670	Bank decreases	–670	Drawings by owner		
8.	+2 250	Debtors control increases	+1 000	Profit gained		
	–1 250	Trading stock decreases				
9.			–420	Stationery – expense	+420	Creditors increase

» Activity 6.3

LB page 65

- The double entry states that for every debit entry there must be a credit entry.
- Assets = Owner's equity + Liabilities

3. a. Owner's equity = Assets – Liabilities
b. Liabilities = Assets – Owner's equity
4. a. $R120\ 000 + 55\ 000 - 23\ 000 - 15\ 000 - 1\ 500 = R135\ 500$
b. $R354\ 000 + 53\ 100 + 67\ 000 - 20\ 000 - 8\ 000 = R446\ 100$
5. a. $R850\ 000 + 102\ 000 + 210\ 000 - 395\ 000 - 54\ 000 = R713\ 000$
b. $R308\ 000 + 68\ 000 + 83\ 000 + 195\ 000 - 64\ 000 - 24\ 000 = R566\ 000$

» Activity 6.4

LB page 66

No.	Account to be debited	Account to be credited	Assets	Owner's equity				Liabilities
				Cap.	Draw.	Inc.	Exp.	
1.	Trading Licence	Bank	–				–	
2.	Rent Expense	Bank	–				–	
3.	Wages	Bank	–				–	
4.	Bank	Sales	+			+		
	Cost of Sales	Trading Stock	–			–		
5.	Vehicles	Creditors Control	+					+
6.	Bank	Loan: My Bank	+					+
7.	Telephone	Bank	–				–	
	Drawings				–			
8.	Debtors Control	Current Income	+			+		
9.	Bank	Rent Income	+			+		

» Activity 6.5

LB page 68

No.	Cost price	Selling price	Profit mark-up
1.	R800	R1 480	85%
2.	R8 000	R9 600	20%
3.	R620	R1 550	150%
4.	R1 900	R3 192	75%

» Activity 6.6

LB page 68

1. $R700 - 400 = R300$
 $\frac{300}{400} \times \frac{100}{1} = 75\%$
2. $R1\ 800 \times \frac{100}{133\frac{1}{3}} = R1\ 350$
3. $R5\ 000 \times \frac{125}{100} = R6\ 250$
4. a. $R5\ 000 \times \frac{150}{100} = R7\ 500$
Therefore $\frac{7\ 500}{10} = R750$
b. $(750 \times 5) - (500 \times 5)$
 $= R3\ 750 - 2\ 500$
 $= R1\ 250$

Type of transaction	Source document	Journal
1. Bought a new motor vehicle on credit	Invoice	CJ
2. A debtor returned unwanted trading stock.	Credit note	DAJ
3. Received money for cash sales	Cash register roll	CRJ
4. Received a cheque from owner as a capital contribution	Receipt	CRJ
5. Sold trading stock on credit to a debtor	Invoice	DJ
6. Paid the telephone account	Cheque counterfoil	CPJ
7. Returned defective stationery to a supplier	Debit note	CAJ
8. Paid for the purchase of equipment	Cheque counterfoil	CPJ
9. The owner took his wife out for lunch and paid using the business's credit card.	Credit card slip	CPJ
10. Received cash from a tenant for rent	Receipt	CRJ
11. Received money for services rendered	Receipt	CRJ
12. A debtor settled his account by issuing a cheque to the business.	Receipt	CRJ
13. Made an EFT to pay a creditor in settlement of the account	Payment requisition	CPJ
14. The owner withdrew cash to pay the casual labourers.	ATM slip	CPJ

No.	Source doc.	Journal	Account debited	Account credited	Amount
1.	Receipt	CRJ	Bank	Capital	R34 000
2.	Payment requisition	CPJ	Trading Licence	Bank	R350
3.	Receipt	CRJ	Bank	Rent Income	R1 500
4.	Invoice	CJ	Trading Stock	Creditors Control	R2 850
			Consumables		R210
5.	Cash register roll	CRJ	Bank	Sales	R1 700
			Cost of Sales	Trading Stock	R950
6.	Cheque counterfoil	CPJ	Creditors Control	Bank	R5 620
7.	Cheque counterfoil	CPJ	Wages	Bank	R900
8.	Debit card slip	CPJ	Equipment	Bank	R5 800
			Stationery		R332
9.	Cheque counterfoil	CPJ	Telephone	Bank	R490
			Drawings		R560
10.	Receipt	CRJ	Bank	Debtors Control	R875

1. Cash Receipts Journal of Simon Stores for March 2018

CRJ5

Doc. no.	Day	Details	Fol.	Analysis of receipts		Bank		Debtors control		Sales		Cost of sales		Sundry accounts			
														Amount	Details	Fol.	
CRR	1	Sales		2 100	00	2 100	00			2 100	00	1 400	00				
59	9	Layla	D1	2 300	00	2 300	00	2 300	00								
CRR	28	Sales		1 980	00	1 980	00			1 980	00	1 584	00				
60	29	Simon		10 000	00	10 000	00							10 000	00	Capital	B1
61	30	Claire		1 050	00	1 050	00							1 050	00	Rent income	N3
						17 430	00	2 300	00	4 080	00	2 984	00	11 050	00		
						B8		B7		N1		N2					

2. Cash Payments Journal of Simon Stores for March 2018

CPJ5

Doc. no.	Day	Name of payee	Fol.	Bank		Trading stock		Creditors control		Stationery		Sundry accounts		
												Amount	Details	Fol.
76	15	King Suppliers	C2	3 200	00	1 620	00	1 430	00	150	00			
77	22	Simon		1 500	00							1 500	00	Drawings B2
78	25	Max Motors	C3	8 425	00			8 425	00					
79		Luke Traders	C1	500	00			500	00					
80	30	Zunaid		5 000	00							5 000	00	Salaries N6
				18 625	00	1 620	00	10 355	00	150	00	6 500	00	
				B8		B6		B9		N5				

3. Debtors Journal of Simon Stores for March 2018

DJ5

Doc. no.	Day	Debtor	Fol.	Sales		Cost of sales	
32	3	Layla	D3	1 720	00	1 376	00
33		Govan	D2	1 215	00	972	00
34	9	Bridget	D1	5 600	00	4 480	00
				8 535	00	6 828	00
				N1		N2	

4. Creditors Journal of Simon Stores for March 2018

CJ5

Doc. no.	Day	Creditor	Fol.	Creditors control		Trading stock		Stationery		Sundry accounts		
										Amount	Details	Fol.
46	1	Luke Traders	C1	9 300	00	9 300	00					
47	5	King Supplies	C2	450	00			450	00			
48	10	Max Motors	C3	1 450	00					1 450	00	Repairs N4
49	18	King Supplies	C2	6 345	00			275	00	5 700	00	Equipment B4
										370	00	Furniture B5
				17 545	00	9 300	00	725	00	7 520	00	
				B9		B6		N5				

» Activity 6.10

LB page 82

General Ledger of Simon Stores
Balance Sheet accounts

Dr				Capital				B1				Cr
Date	Details		Fol.	Amount		Date	Details		Fol.	Amount		
						2018 Mar	1	Balance	b/d	150 000	00	
							29	Bank	CRJ5	10 000	00	
										160 000	00	

Dr				Drawings				B2				Cr
Date	Details		Fol.	Amount		Date	Details		Fol.	Amount		
2018 Mar	1	Balance	b/d	6 200	00							
	22	Bank	CPJ5	1 500	00							
				7 700	00							

Dr			Vehicles				B3			Cr	
Date	Details		Fol.	Amount		Date	Details		Fol.	Amount	
2018 Mar	1	Balance	b/d	75 000	00						

Dr			Equipment				B4			Cr	
Date	Details		Fol.	Amount		Date	Details		Fol.	Amount	
2018 Mar	1	Balance	b/d	34 750	00						
	23	Creditors control	CJ5	5 700	00						
				40 450	00						

Dr			Furniture				B5			Cr	
Date	Details		Fol.	Amount		Date	Details		Fol.	Amount	
2018 Mar	1	Balance	b/d	16 830	00						
	23	Creditors control	CJ5	370	00						
				17 200	00						

Dr			Trading Stock				B6			Cr	
Date	Details		Fol.	Amount		Date	Details		Fol.	Amount	
2018 Mar	1	Balance	b/d	8 640	00	2018 Mar	31	Cost of sales	CRJ5	2 984	00
	31	Bank	CPJ5	1 620	00			Cost of sales	DJ5	6 828	00
		Creditors control	CJ5	9 300	00			Balance	c/d	9 748	00
				19 560	00					19 560	00
2018 April	1	Balance	b/d	9 748	00						

Dr			Debtors Control				B7			Cr	
Date	Details		Fol.	Amount		Date	Details		Fol.	Amount	
2018 Mar	1	Balance	b/d	3 345	00	2018 Mar	31	Bank	CRJ5	2 300	00
	31	Sales	DJ5	8 535	00			Balance	c/d	9 580	00
				11 880	00					11 880	00
2018 April	1	Balance	b/d	9 580	00						

Dr			Bank				B8			Cr	
Date	Details		Fol.	Amount		Date	Details		Fol.	Amount	
2018 Mar	1	Balance	b/d	28 960	00	2018 Mar	31	Total payments	CPJ5	18 625	00
	31	Total receipts	CRJ5	17 430	00			Balance	c/d	27 765	00
				46 390	00					46 390	00
2018 April	1	Balance	b/d	27 765	00						



Debtors Ledger of Simon Stores

Bridget

D1

Date		Details/Document number	Fol.	Debit		Credit		Balance	
2018 Mar	1	Account rendered	b/d					245	00
	9	Invoice no. 34	DJ5	5 600	00			5 845	00

Govan

D2

Date		Details/Document number	Fol.	Debit		Credit		Balance	
2018 Mar	1	Account rendered	b/d					800	00
	3	Invoice no. 33	DJ5	1 215	00			2 015	00

Layla

D3

Date		Details/Document number	Fol.	Debit		Credit		Balance	
2018 Mar	1	Account rendered						2 300	00
	3	Invoice no. 32	DJ5	1 720	00			4 020	00
	9	Receipt no. 59	CRJ5			2 300	00	1 720	00

Debtors List on 31 March 2018

Bridget	D1	5 845
Govan	D2	2 015
Layla	D3	1 720
Debtors Control	B7	9 580

Creditors Ledger of Simon Stores

Luke Traders

C1

Date		Details/Document number	Fol.	Debit		Credit		Balance	
2018 Mar	1	Account rendered	b/d					2 995	00
	1	Invoice no. 46	CJ5			9 300	00	12 295	00
	25	Cheque no. 78	CPJ5	500	00			11 795	00

King Suppliers

C2

Date		Details/Document number	Fol.	Debit		Credit		Balance	
2018 Mar	1	Account rendered	b/d					1 430	00
	5	Invoice no. 47	CJ5			450	00	1 880	00
	15	Cheque no. 76	CPJ5	1 430	00			450	00
	23	Invoice no. 49				6 345	00	6 795	00

Max Motors

C3

Date		Details/Document number	Fol.	Debit		Credit		Balance	
2018 Mar	1	Account rendered	b/d					8 425	00
	10	Invoice no. 48	CJ5			1 450	00	9 875	00
	25	Cheque no. 77	CPJ5	8 425	00			1 450	00

Creditors List on 31 March 2018

Luke Traders	C1	11 795
King Suppliers	C2	6 795
Max Motors	C3	1 450
Creditors Control	B9	20 040

Activity 6.12

LB page 84

Simon Stores

Trial Balance on 31 March 2018

Balance Sheet accounts	Fol.	Debit		Credit	
Capital	B1			160 000	00
Drawings	B2	7 700	00		
Vehicles	B3	75 000	00		
Equipment	B4	40 450	00		
Furniture	B5	17 200	00		
Trading stock	B6	9 748	00		
Debtors control	B7	9 580	00		
Bank	B8	27 765	00		
Creditors control	B9			20 040	00
Nominal accounts					
Sales	N1			99 765	00
Cost of sales	N2	59 612	00		
Rent Income	N3			1 050	00
Repairs	N4	2 050	00		
Stationery	N6	1 750	00		
Salaries	N7	30 000	00		
		280 855	00	280 855	00

Informal assessment 6.1

LB page 84

Memorandum

Marks: 160

Time: 60 minutes

1. Included in Question 3

2. Cash Receipts Journal of Cameron Traders for May 2017

CRJ

Doc. no.	Day	Details	Analysis of receipts	Bank		Debtors control		Sales		Cost of sales		Sundry accounts		
												Amount	Details	Fol.
39	3	M Zamani	720 00	720 00	✓ 720 00									
CRR	5	Sales	768 00	768 00			✓ 768 00	✓✓ 480 00						
40	12	C Cameron	3 000 00							✓ 3 000 00		Capital ✓	B1	
CRR		Sales	816 00	✓✓ 3 816 00			✓ 816 00	✓✓ 510 00						
CRR	18	Sales	1 008 00	1 008 00			✓ 1 008 00	✓✓ 630 00						
CRR	19	Sales	1 200 00	1 200 00			✓ 1 200 00	✓✓ 750 00						
41	20	S Lizwe	950 00	950 00	✓ 950 00									
42	30	Lucy's Salon	3 075 00							✓ 3 075 00		Rent income ✓	N3	
CRR		Sales	992 00	✓✓ 4 067 00			✓ 992 00	✓✓ 620 00						
				12 529 00	1 670 00	4 784 00	2 990 00	6 075 00						
				B7	B6	N1	N2/B5							

(25 + 1 mark for correct folios = 26)

Cash Payments Journal of Cameron Traders for May 2017

CPJ

Doc. no.	Day	Name of payee	Bank	Trading stock	Creditors control	Wages	Stationery	Sundry accounts		
								Amount	Details	Fol.
10	3	Box Traders	180 00				✓180 00			
11	4	Box Traders	1 200 00	✓1 200 00						
12	9	Classic Stationers	3 000 00		✓3 000 00					
13	12	Super Services	109 00					✓109 00	Repairs	N8
14	15	Cash	200 00					✓200 00	Drawings ✓	B2
15	17	Mbalu Stores	2 100 00		✓2 100 00					
16	19	Telkom	140 00					✓140 00	Telephone	N5
17	21	Crow Agents	73 00					✓73 00	Advertising	N9
18	24	Box Traders	600 00					✓600 00	Equipment ✓	B4
19	27	E Elgin	5 000 00					✓5 000 00	Salary	N10
20	28	Box Traders	1 890 00	✓1 890 00						
21	29	Cash	✓450 00			✓300 00		✓150 00	Cash Float	B8
22	30	M Mbalu	1 200 00				✓1 200 00			
23		Municipality	190 00					✓190 00	Water and electricity	N11
24		Box Traders	1 650 00		✓1 650 00					
			17 982 00	3 090 00	6 750 00	300 00	1 380 00	6 462 00		
			B7	B5	B9	N7	N6			

(18 + 1 mark for correct folios = 19)

Creditors Journal of Cameron Traders for May 2017

CJ

Doc. no.	Day	Creditor	Creditors control	Trading stock	Stationery	Sundry accounts		
						Amount	Details	Fol.
17	9	Classic Stationers	4 800 00	✓✓4 800 00				
18	26	Box Traders	775 00		✓✓775 00			
19	28	Mbalu Stores	2 964 00	✓✓2 964 00				
			8 539 00	7 764 00	775 00			
			B9	B5	N6			

(6 + 1 mark for correct folios = 7)

Debtors Journal of Cameron Traders for May 2017

DJ

Doc. no.	Day	Debtor	Sales		Cost of sales	
			Amount	Fol.	Amount	Fol.
	15	M Zamani	✓800 00		✓✓500 00	
	19	S Lizwe	✓2 784 00		✓✓1 740 00	
			3 584 00		2 240 00	
			N1/B6		N2/B5	

(6 + 1 mark for correct folios = 7)

3.

General Ledger of Cameron Traders

Balance Sheet accounts

Dr				Capital				B1				Cr			
Date	Details	Fol.	Amount	Date	Details	Fol.	Amount	Date	Details	Fol.	Amount	Date	Details	Fol.	Amount
				2017											
				May	1	Balance	b/d	✓120 000							
					✓	12	Bank	CRJ	✓3 000						
								123 000			00				

(3)

Dr				Drawings				B2				Cr
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount		
2017												
May	1	Balance	b/d	✓ 3 100	00							
✓	15	Bank	CPJ	✓ 200	00							
				3 300	00							

(3)

Dr				Vehicles				B3				Cr
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount		
2017												
May	1	Balance	b/d	✓ 60 000	00							

(1)

Dr				Equipment				B4				Cr
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount		
2017												
May	1	Balance	b/d	✓ 50 000	00							
✓	24	Bank	CPJ	✓ 600	00							
				50 600	00							

(3)

Dr				Trading Stock				B5				Cr
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount		
2017						2017						
May	1	Balance	b/d	✓ 5 240	00	May	31	Cost of sales	CRJ	✓ 2 990	00	
	31	Bank	CPJ	✓ 3 090	00			Cost of sales	DJ	✓ 2 240	00	
		Creditors control	CJ	✓ 7 764	00			Balance	c/d	✓ 10 864	00	
				16 094	00					16 094	00	
June	1	Balance	b/d	✓ 10 864	00							

(7)

Dr				Debtors Control				B6				Cr
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount		
2017						2017						
May	1	Balance	b/d	✓ 8 785	00	May	31	Bank	CRJ	✓ 1 670	00	
	31	Sales	DJ	✓ 3 584	00			Balance	c/d	✓ 10 699	00	
				12 369	00					12 369	00	
June	1	Balance	b/d	✓ 10 699	00							

(5)

Dr				Bank				B7				Cr
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount		
2017						2017						
May	1	Balance	b/d	✓ 60 145	00	May	31	Total payments	CPJ	✓ 17 982	00	
	31	Total receipts	CPJ	✓ 12 529	00			Balance	c/d	✓ 54 692	00	
				72 674	00					72 674	00	
June	1	Balance	b/d	✓ 54 692	00							

(5)

Dr				Cash Float				B8				Cr			
Date	Details		Fol.	Amount		Date	Details		Fol.	Amount					
2017 May	1	Balance	b/d	✓ 500	00										
	29	Bank	CPJ	✓ 150	00										
				650	00										

(2)

Dr				Creditors Control				B9				Cr			
Date	Details		Fol.	Amount		Date	Details		Fol.	Amount					
2017 May	31	Bank	CPJ	✓ 6 750	00	2017 May	1	Balance	b/d	✓ 8 840	00				
		Balance	c/d	✓ 10 629	00		31	Sundry purchases	CJ	✓ 8 539	00				
				17 379	00					17 379	00				
						June	1	Balance	b/d	✓ 10 629	00				

(5)

Nominal accounts

Dr				Sales				N1				Cr			
Date	Details		Fol.	Amount		Date	Details		Fol.	Amount					
						2017 May	1	Balance	b/d	✓ 156 160	00				
							31	Debtors control	DJ	✓ 3 584	00				
								Bank	CRJ	✓ 4 784	00				
										164 528	00				

(3)

Dr				Cost of Sales				N2				Cr			
Date	Details		Fol.	Amount		Date	Details		Fol.	Amount					
2017 May	1	Balance	b/d	✓ 97 600	00										
	31	Trading stock	CRJ	✓ 2 990	00										
		Trading stock	DJ	✓ 2 240	00										
				102 830	00										

(3)

Dr				Rent Income				N3				Cr			
Date	Details		Fol.	Amount		Date	Details		Fol.	Amount					
						2017 May	1	Balance	b/d	✓ 15 000	00				
							31	Bank	CRJ	✓ 3 075	00				
										18 075	00				

(2)

Dr				Vehicle Expense				N4				Cr			
Date	Details		Fol.	Amount		Date	Details		Fol.	Amount					
2017 May	1	Balance	b/d	✓ 3 050	00										

(1)

Dr Telephone N5 Cr

Date	Details		Fol.	Amount		Date	Details		Fol.	Amount	
2017 May	1	Balance	b/d	✓ 2 000	00						
	✓ 19	Bank	CPJ	✓ 140	00						
				2 140	00						

(3)

Dr Stationery N6 Cr

Date	Details		Fol.	Amount		Date	Details		Fol.	Amount	
2017 May	1	Balance	b/d	✓ 2 080	00						
	31	Bank	CPJ	✓ 1 380	00						
		Creditors control	CJ	✓ 775	00						
				4 235	00						

(3)

Dr Wages N7 Cr

Date	Details		Fol.	Amount		Date	Details		Fol.	Amount	
2017 May	1	Balance	b/d	✓ 7 500	00						
	31	Bank	CPJ	✓ 300	00						
				7 800	00						

(2)

Dr Repairs N8 Cr

Date	Details		Fol.	Amount		Date	Details		Fol.	Amount	
2017 May	✓ 12	Bank	CPJ	✓ 109	00						

(2)

Dr Advertisements N9 Cr

Date	Details		Fol.	Amount		Date	Details		Fol.	Amount	
2017 May	✓ 21	Bank	CPJ	✓ 73	00						

(2)

Dr Salary N10 Cr

Date	Details		Fol.	Amount		Date	Details		Fol.	Amount	
2017 May	✓ 27	Bank	CPJ	✓ 5 000	00						

(2)

Dr Water and Electricity N11 Cr

Date	Details		Fol.	Amount		Date	Details		Fol.	Amount	
2017 May	✓ 30	Bank	CPJ	✓ 190	00						

(2)

4. Cameron Traders

Trial Balance on 31 May 2017

Balance Sheet accounts	Fol.	Debit	Credit
Capital	B1		✓ 123 000 00
Drawings	B2	✓ 3 300 00	
Vehicles	B3	✓ 60 000 00	
Equipment	B4	✓ 50 600 00	
Trading stock	B5	✓ 10 864 00	
Debtors control	B6	✓ 10 699 00	
Bank	B7	✓ 54 692 00	
Cash Float	B8	✓ 650 00	
Creditors control	B9		✓ 10 629 00
Nominal accounts			
Sales	N1		✓ 164 528 00
Cost of sales	N2	✓ 102 830 00	
Rent Income	N3		✓ 18 075 00
Vehicle Expense	N4	✓ 3 050 00	
Telephone	N5	✓ 2 140 00	
Stationery	N6	✓ 4 235 00	
Wages	N7	✓ 7 800 00	
Repairs	N8	✓ 109 00	
Advertisements	N9	✓ 73 00	
Salary	N10	✓ 5 000 00	
Water and electricity	N11	✓ 190 00	
	✓	316 232 00	316 232 00

(21)

5. $R2\ 300$ (Opening balance) + $R775$ (CJ on 26th) – $R1\ 650$ (CPJ on 30th)
= $R1\ 425$

6. • He must ensure that all cash is deposited as soon as it is received.
• He must reconcile his bank statement with his cash journals at the end of each month.
• Money received must be compared to the deposit slips.
• The person who receives the money must not be allowed to deposit the money as well (division of labour). (5)

7. • Only use cheques to make payments.
• The person making EFT payments (electronic funds transfers) must only be able to access the computer by means of a password.
• Cheques must be issued in numerical order and must be recorded immediately when issued.
• The owner must never sign a blank cheque.
• Cheques with large amounts must have two signatures. (6)



Baseline tests

1. Accounting concepts

LB page 88

Marks: 30

Time: 20 minutes

1.1	B.	✓✓	1.6	A.	✓✓	1.11	C.	✓✓
1.2	C.	✓✓	1.7	C.	✓✓	1.12	D.	✓✓
1.3	B.	✓✓	1.8	A.	✓✓	1.13	B.	✓✓
1.4	A.	✓✓	1.9	C.	✓✓	1.14	C.	✓✓
1.5	B.	✓✓	1.10	D.	✓✓	1.15	A.	✓✓

2. Accounting concepts

LB page 89

Marks: 8

Time: 10 minutes

- 2.1 The business entity rule implies that the owner and the business are separate economic entities; in other words, the owner will own her own assets and have her own banking account. In the same way, the business will own its own assets and have its own banking account. ✓✓
- 2.2 2.2.1 Assets are possessions that the business owns. Assets can be divided into non-current and current assets. ✓✓
- 2.2.2 Owner's equity is the owner's interest in the business; in other words, it describes what the owner puts into the business in the form of capital and what the owner takes out of the business in the form of drawings and profits. ✓✓
- 2.2.3 Liabilities are debts incurred by the business. Liabilities describe what the business owes to outsiders and can be divided into non-current and current liabilities. ✓✓

3. Source documents

LB page 90

Marks: 10

Time: 10 minutes

- 3.1 Source documents serve as proof that a transaction has taken place. A source document is completed in duplicate so that both the customer and the business will receive proof of the transaction. These documents are then used to record the transactions into the various journals. Source documents act as a control measure within the business. ✓✓

3.2

No.	Purpose	Name of source document
3.2.1	The document used to record credit sales	Duplicate invoice ✓
3.2.2	The document used to record money received from a debtor	Duplicate receipt ✓
3.2.3	The document used to pay a supplier for an amount owed to him	Cheque counterfoil ✓
3.2.4	The document used when money is withdrawn with a debit card from the ATM machine	ATM slip ✓
3.2.5	The document used when money is transferred via the Internet	Payment receipt ✓
3.2.6	The document that is received from a creditor for goods bought on credit	Original invoice ✓
3.2.7	The document used to record cash sales	Cash register roll ✓
3.2.8	The document used when a payment is made with your credit card	Credit card slip ✓

4. Source documents and journals

LB page 91

Marks: 14

Time: 10 minutes

No.	Description of transaction	Source document	Subsidiary journal
4.1	Payments that need to be made for bigger amounts, for example purchasing stock worth R20 350	Cheque counterfoil ✓	CPJ ✓
4.2	Smaller cash payments, for example paying postage of R8	Petty cash voucher ✓	PCJ ✓
4.3	Cash sales	Cash register roll ✓	CRJ ✓
4.4	Credit sales	Duplicate invoice ✓	DJ ✓
4.5	Purchase of stationery on credit	Original invoice ✓	CJ ✓
4.6	Payment to a creditor in settlement of his account	Cheque counterfoil ✓	CPJ ✓
4.7	Receiving money from a debtor in settlement of her debt	Duplicate receipt ✓	CRJ ✓

5. Accounting equation

LB page 91
Marks: 23
Time: 20 minutes

No.	Assets		Owner's equity		Liabilities	
	Effect	Reason	Effect	Reason	Effect	Reason
5.1	✓ +4 480	Trading stock increase ✓			✓ +4 480	Creditors increase ✓
5.2	+2 996	Bank increase ✓✓	✓ +856	Profit gained ✓		
	✓ -2 140	Trading stock decrease ✓✓				
5.3	-760	Bank decrease ✓✓	-760	Telephone – expense ✓✓		
5.4	-1 200	Bank decrease ✓✓			-1 200	Creditors decrease ✓✓
5.5	+480	Bank increase ✓✓				
	-480	Debtors decrease ✓✓				

6. Subsidiary journals

LB page 92
Marks: 38
Time: 30 minutes

Cash Receipts Journal of Swift Sport for March 2018

CRJ

Doc. no.	Day	Details	Analysis of receipts	Bank	Sales	Cost of sales	Debtors control	Sundry accounts	
								Amount	Details
CRR	1–5	Sales	18 500	18 500	✓ 18 500	✓ 9 250			
53	9	M Ntini	3 680	3 680			✓ 3 680		
CRR	8–12	Sales	13 820	13 820	✓ 13 820	✓ 6 910			
54	18	G Smith	2 250	2 250			✓ 2 250		
CRR	15–19	Sales	10 230	10 230	✓ 10 230	✓ 5 115			
CRR	22–26	Sales	12 785	12 785	✓ 12 780	✓ 6 390			

(10)

Cash Payments Journal of Swift Sport for March 2018

CPJ

Doc. no.	Day	Name of payee	Bank	Trading stock	Packaging	Wages	Creditors control	Sundry accounts	
								Amount	Details
135	1	Neotel	1 470					✓ 1 470	Telephone
136		Municipality	1 640					✓ 1 640	Electricity
137	5	Cash	1 100			✓✓ 1 100			
138		Cash	1 000					✓ 1 000	Drawings
139	10	The Pac Man	765		✓ 765				
140	12	Cash	800			✓✓ 800			
141	19	Cash	950			✓ 950			
142	23	CoverAll Insurance	1 200					✓ 1 200	Insurance
143		Maxi Sport Wholesalers	11 000				✓ 11 000		
144	25	S Brighton	8 400					✓ 8 400	Salary
145		Cash	950			✓✓ 950			
146	29	Mutual Properties	8 800					✓ 8 800	Rent expense
147	30	Cash	15 000					✓ 15 000	Drawings
148	31	Miller's Office Stationery	3 140				✓ 3 140		

(17)

Debtors Journal of Swift Sport for March 2018

DJ

Doc. no.	Day	Debtor	Sales	Cost of sales
36	2	M Ntini	✓ 8 570	✓ 4 285
37		G Smith	✓ 2 200	✓ 1 100
38	15	G Smith	✓ 4 400	✓ 2 200

(6)

Creditors Journal of Swift Sport for March 2018

CJ

Doc. no.	Day	Creditor	Creditors control	Creditors control	Trading stock	Stationery	Sundry accounts	
							Amount	Details
91	4	Maxim Sport Wholesalers	✓ 43 909	✓✓ 43 909				
92	8	Miller's Office Stationery	✓ 3 140			✓ 3 140		

(5)

7. General Ledger

LB page 94

Marks: 35

Time: 30 minutes

**General Ledger of Fables Bookshop
Balance Sheet accounts**

Dr				Trading Stock				Cr			
Date	Day	Details	Fol.	Amount	Date	Day	Details	Fol.	Amount		
2018 Feb	1	Balance	b/d	✓ 40 120 00	2018 Feb	28	Cost of sales ✓	CRJ	✓ 8 420 00		
	28	Bank ✓	CPJ	✓ 9 420 00			Cost of sales ✓	DJ	✓ 4 250 00		
		Creditors control ✓	CJ	✓ 2 560 00			Balance	c/d	✓ 39 430 00		
				52 100 00					52 100 00		
2018 Mar	1	Balance	b/d	✓ 39 430 00							

(11)

Dr				Debtors Control				Cr			
Date	Day	Details	Fol.	Amount	Date	Day	Details	Fol.	Amount		
2018 Feb	1	Balance	b/d	✓ 2 460 00	2018 Feb	28	Bank ✓	CRJ	✓ 1 970 00		
	28	Sales ✓	DJ	✓ 5 950 00			Balance	c/d	✓ 6 440 00		
				8 410 00					8 410 00		
2018 Mar	1	Balance	b/d	✓ 6 440 00							

(7)

Dr				Creditors Control				Cr			
Date	Day	Details	Fol.	Amount	Date	Day	Details	Fol.	Amount		
2018 Feb	28	Bank ✓	CPJ	✓ 14 630 00	2018 Feb	1	Balance	b/d	✓ 15 230 00		
		Balance	c/d	✓ 7 752 00		28	Total purchases ✓	CJ	✓ 7 152 00		
				22 382 00					22 382 00		
					2018 Mar	1	Balance	b/d	✓ 7 752 00		

(7)

Nominal accounts

Dr				Sales				Cr			
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount	
2018						2018					
Feb	1	Balance	b/d	✓ 38 670	00	Feb	1	Balance	b/d	✓ 38 670	00
	28	Bank ✓	CRJ	✓ 11 788	00		28	Bank ✓	CRJ	✓ 11 788	00
		Debtors control ✓	DJ	✓ 5 950	00			Debtors control ✓	DJ	✓ 5 950	00
				56 408	00					56 408	00

(5)

Dr				Stationery				Cr			
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount	
2018											
Feb	1	Balance	b/d	✓ 850	00						
	28	Bank ✓	CPJ	✓ 234	00						
		Creditors control ✓	CJ	✓ 112	00						
				1 196	00						

(5)

8. Debtors and Creditors Ledgers

Question 8.1

LB page 95

Marks: 8

Time: 10 minutes

Debtors Ledger of Sassy Fashions

M Dollie

Date		Document no.	Fol.	Debit	Credit	Balance
2018						
Feb	1	Account rendered	b/d			3 500
	3	Receipt no. 77	CRJ		✓✓ 1 750	1 750
	8	Invoice no. 58	DJ	✓ 5 850		7 600
	18	Invoice no. 72	DJ	✓ 855		8 455
	28	Receipt no. 100	CRJ		✓✓✓ 6 000	✓ 2 455

(−1 mark if transaction on 20th was included)

Question 8.2

LB page 96

Marks: 6

Time: 10 minutes

- 8.2.1 Cash Payments Journal or CPJ ✓
- 8.2.2 An invoice issued to a debtor was entered in error/mistake. This was for sales to a debtor. It should have been debited to the account of B Blue, not to Blue Bell Stores. ✓
- 8.2.3 Original invoice ✓
- 8.2.4 Trading stock/Stationery/Equipment/Packaging/etc. ✓
- 8.2.5 CJ ✓
- 8.2.6 $R900 - 450 + 1\ 120 = R1\ 570$
or
 $R970 + 600 = R1\ 570$ ✓

CHAPTER 7

Bookkeeping of a sole trader – Debtors

Activity 7.1

LB page 101

1. Cash Receipts Journal of Nyanga Traders for July 2017

CRJ2

Doc. no.	Day	Details	Analysis of receipts	Bank	Sales	Cost of sales	Debtors control	Discount allowed	Sundry accounts		
									Amount	Details	Fol.
19	02	A Louw	520 00				550 00	30 00			
CRR		Sales	3 500 00	4 020 00	3 500 00	2 000 00					
20	09	L Radebe	15 000 00						15 000 00	Capital	
CRR		Sales	525 00	15 525 00	525 00	300 00					
21	16	C Quail	1 020 00				1 020 00				
CRR		Sales	1 890 00	2 910 00	1 890 00	1 080 00					
22	23	R Sithole	1 200 00				1 250 00	50 00			
CRR		Sales	2 100 00	3 300 00	2 100 00	1 200 00					
23	25	T Mannie	820 00				875 00	55 00			
CRR		Sales	4 935 00	5 755 00	4 935 00	2 820 00					
				31 510 00	12 950 00	7 400 00	3 695 00	135 00	15 000 00		

2. Debtors Journal of Nyanga Traders for July 2017

DJ2

Doc. no.	Day	Debtor	Fol.	Sales	Cost of sales
7	3	C Quail		3 535 00	2 020 00
8	12	T Mannie		875 00	500 00
9	18	A Louw		3 010 00	1 720 00
				7 420 00	4 240 00

Calculation for cost of sales

$$\text{Selling price} \times \frac{100}{175} = \text{cost of sales}$$

Calculation R Sithole on 23rd:

$$R1\ 200 \times \frac{100}{96} = R1\ 250 - \text{full debt}$$

$$= R1\ 250 - 1\ 200 = R50 \text{ discount}$$

Activity 7.2

LB page 102

Cash Receipts Journal of Pen & Paper Stores for August 2017

CRJ4

Doc. no.	Day	Details	Fol.	Analysis of receipts	Bank	Sales	Cost of sales	Debtors control	Discount allowed	Sundry accounts		
										Amount	Details	Fol.
51	2	The Hair Shop		2 000 00	2 000 00					2 000 00	Rent Income	
CRR	7	Sales		795 00	795 00	795 00	530 00					
52	12	N Pillay	D2	2 964 00	2 964 00			3 210 00	246 00			
53	15	A Ventura		25 000 00	25 000 00					25 000 00	Capital	
CRR	19	Sales		1 200 00	1 200 00	1 200 00	800 00					
54	30	S Baker	D1	1 500 00				1 575 00	75 00			
55		V Sood	D3	1 000 00	2 500 00			1 050 00	50 00			
					34 459 00	1 995 00	1 330 00	5 835 00	371 00	27 000 00		
					B8	N1	N2/B6	B7	N3			

2. Debtors Journal of Pen & Paper Stores for August 2017

DJ4

Doc. no.	Day	Debtor	Fol.	Sales		Cost of sales	
32	10	S Baker	D1	900	00	600	00
33	25	V Sood	D3	525	00	350	00
				1 425	00	950	00
				B7/N1		N2/B6	

**General Ledger of Pen & Paper Stores
Balance Sheet accounts**

Dr				Trading Stock				B6				Cr			
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount					
2017 Aug	1	Balance	b/d	5 120	00	2017 Aug	31	Cost of sales	CRJ4	1 330	00				
								Cost of sales	DJ4	950	00				
								Balance	c/d	2 840	00				
				5 120	00					5 120	00				
2017 Sep	1	Balance	b/d	2 840	00										

Dr				Debtors Control				B7				Cr			
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount					
2017 Aug	1	Balance	b/d	5 510	00	2017 Aug	31	Bank and discount allowed	CRJ4	5 835	00				
	31	Sales	DJ4	1 425	00			Balance	c/d	1 100	00				
				6 935	00					6 935	00				
2017 Sep	1	Balance	b/d	1 100	00										

Dr				Bank				B8				Cr			
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount					
2017 Aug	1	Balance	b/d	7 650	00										
	31	Total receipts	CRJ4	34 459	00										
				42 109	00										

Nominal accounts

Dr				Sales				N1				Cr			
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount					
						2017 Aug	1	Balance	b/d	21 360	00				
							31	Debtors control	DJ4	1 425	00				
								Bank	CRJ4	1 995	00				
										24 780	00				

Dr				Cost of Sales				N2				Cr			
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount					
2017 Aug	1	Balance	b/d	14 240	00										
	31	Trading stock	DJ4	950	00										
		Trading stock	CRJ4	1 330	00										
				16 520	00										

Dr		Discount Allowed				N3		Cr	
Date		Details	Fol.	Amount	Date	Details	Fol.	Amount	
2017 Aug	1	Balance	b/d	375 00					
	31	Debtors control	CRJ4	371 00					
				<u>746 00</u>					

Debtors Ledger of Pen & Paper Stores

S Baker

D1

Date		Details	Fol.	Debit +	Credit –	Balance =
2017 Aug	1	Account rendered	b/d			1 250 00
	10	Invoice no. 32	DJ4	900 00		2 150 00
	30	Receipt no. 54	CRJ4		1 500 00	650 00
		Receipt no. 54 (discount allowed)	CRJ4		75 00	575 00

N Pillay

D2

Date		Details	Fol.	Debit +	Credit –	Balance =
2017 Aug	1	Account rendered	b/d			3 210 00
	12	Receipt no. 52	CRJ4		2 964 00	246 00
		Receipt no. 52 (discount allowed)	CRJ4		246 00	– –

V Sood

D3

Date		Details	Fol.	Debit +	Credit –	Balance =
2017 Aug	1	Account rendered	b/d			1 050 00
	25	Invoice no. 33	DJ4	525 00		1 575 00
	30	Receipt no. 55	CRJ4		1 000 00	575 00
		Receipt no. 55 (discount allowed)	CRJ4		50 00	525 00

» Activity 7.3

LB page 103

1. Debtors Ledger of B & J Stores

M du Toit

D1

Date		Details	Fol.	Debit +	Credit –	Balance =
2017 June	1	Account rendered	b/d			2 100 00
	5	Invoice no. 87	DJ6	1 285 00		3 385 00
	16	Receipt no. 103	CRJ6		*1 995 00	1 390 00
		Receipt no. 103 (discount allowed)	CRJ6		105 00	1 285 00
	25	Invoice no. 92	DJ6	830 00		2 115 00
	30	Receipt no. 110	CRJ6		2 000 00	115 00
		Receipt no. 110 (discount allowed)			115 00	–

$$* R1\ 995 \times \frac{100}{95} = R2\ 100$$

$$\therefore R2\ 100 - 1\ 995 = R105\ \text{discount}$$

Note to teacher

The cash register roll (CRR) entry must be excluded because it should not be entered in the Debtors Ledger.

- The Debtors Ledger reflects the individual debtors' accounts. These accounts are sent to the debtors at the end of each month. Errors on the accounts could result in the debtor paying either too much or too little. It might also cause the debtor to become frustrated. Proper controls need to be applied when administering debtors' accounts.
- All credit sales should be recorded properly. The balance of the *Debtors Control* account must be reconciled monthly with the Debtors List extracted from the Debtors Ledger.



Activity 7.4

LB page 104

General Ledger of Spalding Traders Balance Sheet accounts

Dr				Trading Stock				Cr			
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount	
2017 Feb	1	Balance	b/d	10 320	00	2017 Feb	28	Cost of sales	CRJ	6 435	00
	28	Bank	CPJ	4 318	00			Cost of sales	DJ	477	00
								Balance	c/d	7 726	00
				14 638	00					14 638	00
2017 Mar	1	Balance	b/d	7 726	00						

Dr				Debtors Control				Cr			
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount	
2017 Feb	1	Balance	b/d	5 950	00	2017 Feb	28	Bank and discount allowed	CRJ	1 903	00
	28	Sales	DJ	954	00			Balance	c/d	5 001	00
				6 904	00					6 904	00
2017 Mar	1	Balance	b/d	5 001	00						

Dr				Bank				Cr			
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount	
2017 Feb	1	Balance	b/d	15 640	00	2017 Feb	28	Total payments	CPJ	12 559	00
	28	Total receipts	CRJ	27 224	00			Balance	c/d	30 305	00
				42 864	00					42 864	00
2017 Mar	1	Balance	b/d	30 305	00						

Nominal accounts

Dr				Sales				Cr			
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount	
						2017 Feb	1	Balance	b/d	42 340	00
							28	Bank	CRJ	12 870	00
								Debtors control	DJ	954	00
										56 164	00

Dr Cr
 Cost of Sales

Date	Details	Fol.	Amount	Date	Details	Fol.	Amount
2017 Feb 1	Balance	b/d	33 872 00				
	28 Trading stock	CRJ	6 435 00				
	Trading stock	DJ	477 00				
			40 784 00				

Dr Cr
 Current Income

Date	Details	Fol.	Amount	Date	Details	Fol.	Amount
				2017 Feb 1	Balance	b/d	2 650 00
					28 Bank	CRJ	1 154 00
							3 804 00

Dr Cr
 Discount Allowed

Date	Details	Fol.	Amount	Date	Details	Fol.	Amount
2017 Feb 1	Balance	b/d	350 00				
	28 Debtors control	CRJ	153 00				
			503 00				

Dr Cr
 Stationery

Date	Details	Fol.	Amount	Date	Details	Fol.	Amount
2017 Feb 1	Balance	b/d	565 00				
	28 Bank	CPJ	348 00				
			913 00				

Dr Cr
 Wages

Date	Details	Fol.	Amount	Date	Details	Fol.	Amount
2017 Feb 1	Balance	b/d	8 500 00				
	28 Bank	CPJ	4 250 00				
			12 750 00				

» **Activity 7.5**

LB page 110

Debtors Journal of Hughes & Son for April 2017

DJ1

Doc. no.	Day	Debtor	Fol.	Sales	Cost of sales
001	5	R Heyns	D1	3 240 00	2 025 00
002	14	E Louw	D2	4 384 00	2 740 00
				7 624 00	4 765 00
				B7/N1	N2/B6

Calculation of CP: $SP \times \frac{100}{160}$

Debtor Allowances Journal of Hughes & Son for April 2017

DAJ1

Doc. no.	Day	Debtor	Fol.	Debtors allowances		Cost of sales	
001	9	R Heyns	D1	480	00	300	00
002	26	E Louw	D2	928	00	580	00
				1 408	00	880	00
				N3/B7		B6/N2	

Calculation of CP: $SP \times \frac{100}{160}$

**2. General Ledger of Hughes & Son
Balance Sheet accounts**

Dr				Trading Stock				B6				Cr			
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount					
2017 Apr	30	Cost of sales	DAJ1	880	00	2017 Apr	30	Cost of sales	DJ1	4 765	00				

Dr				Debtors Control				B7				Cr			
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount					
2017 Apr	30	Sales	DJ1	7 624	00	2017 Apr	30	Debtors allowances	DAJ1	1 408	00				

Nominal accounts

Dr				Sales				N1				Cr			
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount					
						2017 Apr	30	Debtors control	DJ1	7 624	00				

Dr				Cost of Sales				N2				Cr			
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount					
2017 Apr	30	Trading stock	DJ1	4 765	00	2017 Apr	30	Trading stock	DAJ1	880	00				

Dr				Debtors Allowances				N3				Cr			
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount					
2017 Apr	30	Debtors control	DAJ1	1 408	00										

Debtors Ledger of Hughes & Son

R Heyns

D1

Date		Details	Fol.	Debit +		Credit -		Balance =	
2017 Apr	5	Invoice no. 001	DJ1	3 240	00			3 240	00
	9	Credit note no. 001	DAJ1			480	00	2 760	00

E Louw

D2

Date		Details	Fol.	Debit +		Credit -		Balance =	
2017 Apr	14	Invoice no. 002	DJ1	4 384	00			4 384	00
	26	Credit note no. 002	DAJ1			928	00	3 456	00

3.

Date	Assets		Owner's equity		Liabilities	
	Effect	Reason	Effect	Reason	Effect	Reason
5	+3 240	00 Debtors increase	+1 215	00 Profit		
	-2 025	00 Trading stock decreases				
9	-480	00 Debtors decrease	-180	00 Profit cancelled		
	+300	00 Trading stock increases				

» **Activity 7.6**

LB page 113

1. Cash Receipts Journal of Auto Parts for March 2017

CRJ

Doc. no.	Day	Details	Analysis of receipts		Bank	Sales	Cost of sales	Debtors control	Discount allowed	Sundry accounts						
										Amount	Details	Fol.				
34	1	M Abrahams	37 500	00	37 500	00				37 500	00	Capital				
CRR	5	Sales	700	00		700	00	560	00							
35		Dan's Service Centre	500	00	1 200	00				500	00	Rent Income				
36	10	Adam	1 380	00	1 380	00		1 450	00	70	00					
37	20	Stephen	300	00	300	00		335	00	35	00					
38	21	Dawn's Garage	513	00	513	00		513	00							
CRR	26	Sales	5 700	00	5 700	00	5 700	00	4 560	00						
39	30	Max	1 800	00	1 800	00		1 875	00	75	00					
					48 393	00	6 400	00	5 120	00	4 173	00	180	00	38 000	00

Calculation on the 30th: $R1\ 800 \times \frac{10}{96} = R1\ 875$

2. Cash Payments Journal of Auto Parts for March 2017

CPJ

Doc. no.	Day	Name of payee	Fol.	Bank	Trading stock	Wages	Sundry accounts				
							Amount	Details			
56	1	J Lemon		3 120	00	3 120	00				
57	3	Cash		150	00			150	00	Cash Float	
58	5	Cash		1 500	00		1 500	00			
59	12	Cash		550	00			550	00	Drawings	
60		Cash		1 500	00		1 500	00			
61	19	Pronto Repairs		230	00			230	00	Repairs/Vehicle expense	
62		Cash		1 800	00		1 800	00			
63	20	Southern Spares		2 300	00	1 800	00	500	00	Drawings	
64	23	Compu Tech		4 800	00			4 800	00	Equipment	
65	26	Cash		1 000	00		1 000	00			
66	30	Telkom		395	00			395	00	Telephone	
				17 345	00	4 920	00	5 800	00	6 625	00

3. Debtors Journal of Auto Parts for March 2017

DJ

Doc. no.	Day	Debtor	Fol.	Sales	Cost of sales		
15	3	Dawn's Garage		1 026	00	760	00
16	14	Craig's Car Repairs		405	00	300	00
17	23	Dawn's Garage		1 971	00	1 460	00
18	26	Adam		1 755	00	1 300	00
				5 157	00	3 820	00

4. Debtors Allowances Journal of Auto Parts for March 2017

DAJ

Doc. no.	Day	Debtor	Fol.	Debtors allowances		Cost of sales	
14	21	Craig's Car Repairs		102	00	76	00
15	30	Adam		195	00	–	–
				297	00	76	00



Activity 7.7

LB page 114

Debtors Ledger of Bergman Stores

T Mazana (A)

D1

Date	Details	Fol.	Debit +		Credit –		Balance =	
2017 Feb	1 Account rendered	b/d					1 350	00
	Receipt no. 98	CRJ			1 275	00	75	00
	Receipt no. 98 (discount allowed)	CRJ			75	00	–	–
	5 Invoice no. 21	DJ	*1 152	00			1 152	00
	6 Credit note no. 7	DAJ			75	00	1 077	00
	19 Invoice no. 28	DJ	300	00			1 377	00
	25 Receipt no. 106	CRJ			685	00	692	00
	Receipt no. 106 (discount allowed)	CRJ			25	00	667	00

* $R960 \times \frac{120}{100} = R1\ 152$

Note

Cash transaction on 15th not included



Activity 7.8

LB page 115

Debtors Ledger of Munnik Stores

Joe Soap

D1

Date	Details	Fol.	Debit +		Credit –		Balance =	
2017 Apr	1 Account rendered (5 000 – 2 500 – 1 000)	b/d					1 500	00
	Receipt no. 23	CRJ			750	00	750	00
	5 Invoice no. 15	DJ	*600	00			1 350	00
	7 Credit note no. 4	DAJ			50	00	1 300	00
	25 Receipt no. 45	CRJ			1 209	00	91	00
	Receipt no. 45 (discount allowed)	CRJ			91	00	–	–
	30 Invoice no. 26	DJ	450	00			450	00

* $R480 \times \frac{125}{100} = R600$

Note

Cash transaction on 12th not included

General Ledger of Milky Traders
Balance Sheet accounts

Dr				Trading Stock				B6				Cr			
Date		Details	Fol.	Amount	Date		Details	Fol.	Amount	Date		Details	Fol.	Amount	
2017					2017										
Feb	1	Balance	b/d	12 500 00	Feb	28	Cost of sales	CRJ	**8 000 00						
	28	Bank	CPJ	*12 700 00			Cost of sales	DJ	1 900 00						
		Cost of sales	DAJ	325 00			Balance	c/d	15 625 00						
				25 525 00					25 525 00						
2017															
Mar	1	Balance	b/d	15 625 00											

* R22 000 – 1 200 – 3 500 – 4 600 = R12 700

** R12 000 × $\frac{100}{150}$ = R8 000

Dr				Debtors Control				B7				Cr			
Date		Details	Fol.	Amount	Date		Details	Fol.	Amount	Date		Details	Fol.	Amount	
2017					2017										
Feb	1	Balance	b/d	2 300 00	Feb	28	Bank and discount allowed	CRJ	3 130 00						
	28	Sales	DJ	*3 800 00			Debtors allowances	DAJ	650 00						
							Balance	c/d	2 320 00						
				6 100 00					6 100 00						
2017															
Mar	1	Balance	b/d	2 320 00											

* R1 900 × $\frac{200}{100}$ = R3 800

Dr				Bank				B8				Cr			
Date		Details	Fol.	Amount	Date		Details	Fol.	Amount	Date		Details	Fol.	Amount	
2017					2017										
Feb	1	Balance	b/d	5 120 00	Feb	28	Total payments	CPJ	22 000 00						
	28	Total receipts	CRJ	25 000 00			Balance	c/d	8 120 00						
				30 120 00					30 120 00						
2017															
Mar	1	Balance	b/d	8 120 00											

Nominal accounts

Dr				Sales				N1				Cr			
Date		Details	Fol.	Amount	Date		Details	Fol.	Amount	Date		Details	Fol.	Amount	
					2017										
					Feb	1	Balance	b/d	65 230 00						
						28	Debtors control	DJ	3 800 00						
							Bank	CRJ	12 000 00						
									81 030 00						

Dr				Cost of Sales				N2				Cr			
Date		Details	Fol.	Amount	Date		Details	Fol.	Amount	Date		Details	Fol.	Amount	
2017					2017										
Feb	1	Balance	b/d	37 120 00	Feb	28	Trading stock	DAJ	325 00						
	28	Trading stock	CRJ	*8 000 00			Balance	c/d	46 695 00						
		Trading stock	DJ	1 900 00											
				47 020 00					47 020 00						
2017															
Mar	1	Balance	b/d	46 695 00											

*R12 000 × $\frac{100}{150}$ = R8 000

Dr				Current Income				N3				Cr	
Date	Details		Fol.	Amount		Date	Details		Fol.	Amount			
						2017 Feb	1	Balance	b/d	8 690	00		
							28	Bank	CRJ	3 400	00		
										12 090	00		

Dr				Debtors Allowances				N4				Cr	
Date	Details		Fol.	Amount		Date	Details		Fol.	Amount			
2017 Feb	1	Balance	b/d	820	00								
	28	Debtors control	DAJ	650	00								
				1 470	00								

Dr				Discount Allowed				N5				Cr	
Date	Details		Fol.	Amount		Date	Details		Fol.	Amount			
2017 Feb	1	Balance	b/d	655	00								
	28	Debtors control	CRJ	130	00								
				785	00								

Dr				Stationery				N6				Cr	
Date	Details		Fol.	Amount		Date	Details		Fol.	Amount			
2017 Feb	1	Balance	b/d	750	00								
	28	Bank	CPJ	3 500	00								
				4 250	00								

Dr				Wages				N7				Cr	
Date	Details		Fol.	Amount		Date	Details		Fol.	Amount			
2017 Feb	1	Balance	b/d	3 965	00								
	28	Bank	CPJ	1 200	00								
				5 165	00								

» Informal assessment 7.1

LB page 117

Memorandum

Total: 75
Time: 45 minutes

General Ledger of Cameron Traders
Balance Sheet accounts

Dr				Trading Stock				B6				Cr	
Date	Details		Fol.	Amount		Date	Details		Fol.	Amount			
2017 Apr	1	Balance	b/d	✓ 5 848	00	2017 Apr	30	Cost of sales ✓	DJ	✓ 3 462	00		
	30	Cost of sales ✓	DAJ	✓ 20	00			Cost of sales ✓	CRJ	✓ 976	00		
								Balance	c/d	✓ 1 430	00		
				5 868	00					5 868	00		
2017 May	1	Balance	b/d	✓ 1 430	00								

(9)

Dr					Debtors Control					B7					Cr				
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount							
2017	Apr	1	Balance	b/d	✓ 2 755	00	2017	Apr	30	Bank and discount allowed ✓	CRJ	✓ 3 005	00						
		30	Sales ✓	DJ	✓ 8 655	00				Debtors allowances ✓	DAJ	✓ 300	00						
										Balance	c/d	✓ 8 105	00						
					11 410	00						11 410	00						
2017	May	1	Balance	b/d	✓ 8 105	00													

(9)

Nominal accounts

Dr					Sales					N1					Cr				
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount							
							2017	Apr	1	Balance	b/d	19 325	✓ 00						
									30	Debtors control ✓	DJ	✓ 8 655	00						
										Bank ✓	CRJ	✓ 1 220	00						
											✓	29 200	00						

(6)

Dr					Cost of Sales					N2					Cr				
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount							
2017	Apr	1	Balance	b/d	✓ 8 308	00	2017	Apr	30	Trading stock ✓	DAJ	✓ 20	00						
		30	Trading stock ✓	DJ	✓ 3 462	00				Balance	c/d	12 726	✓ 00						
			Trading stock ✓	CRJ	✓ 976	00													
					12 746	00						12 746	00						
2017	May	1	Balance	b/d	✓ 12 726	00													

(9)

Dr					Debtors Allowances					N3					Cr				
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount							
2017	Apr	1	Balance	b/d	✓ 176	00													
		30	Debtors control ✓	DAJ	✓ 300	00													
					✓ 476	00													

(4)

Dr					Discount Allowed					N4					Cr				
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount							
2017	Apr	1	Balance	b/d	✓ 394	00													
		30	Debtors control ✓	CRJ	✓ 84	00													
					✓ 478	00													

(4)

2. Debtors Ledger of Cameron Traders

R Brink

D1

Date	Details	Fol.	Debit +	Credit –	Balance =
2017 Apr 1	Account rendered	b/d			✓ 905 00
17	Invoice no. 21	DJ	✓ 1 250 00		✓ 2 155 00
20	Credit note no. 6	DAJ		✓ 250 00	✓ 1 905 00
23	Receipt no. 55	CRJ		✓ 905 00	✓ 1 000 00
	Invoice no. 23	DJ	✓ 3 000 00		✓ 4 000 00

(9)

M Murray

D2

Date	Details	Fol.	Debit +	Credit –	Balance =
2017 Apr 1	Account rendered	b/d			✓ 1 300 00
2	Receipt no. 52	CRJ		✓ 1 250 00	50 00
	Receipt no. 52 (discount allowed)	CRJ		✓ 50 00	– –
10	Invoice no. 20	DJ	✓ 3 215 00		✓✓ 3 215 00

(5)

N Sauls

D3

Date	Details	Fol.	Debit +	Credit –	Balance =
2017 Apr 1	Account rendered	b/d			✓ 550 00
5	Invoice no. 19	DJ	✓ 300 00		850 00
7	Credit note no. 5	DAJ		✓ 50 00	800 00
10	Receipt no. 54	CRJ		✓ 766 00	34 00
	Receipt no. 54 (discount allowed)	CRJ		✓ 34 00	– –
20	Invoice 22 ✓	DJ	✓ 890 00		✓✓ 890 00

(9)

Note

Add the final balances in each debtor's account: $R4\ 000 + 3\ 215 + 890 = R8\ 105$; this equals the balance in the *Debtors Control* account as at the end of the month.

3. a. Yes. The full amount owed at the beginning of the month was settled. They owed R2 775 and paid back R3 005. (3)
- b.
 - There should be a policy for credit approval.
 - Credit checks should be performed regularly.
 - Monthly statements must be sent and balances must be reviewed.
 - Interest must be charged on overdue accounts. (8)

Total: 75



Activity 7.10

LB page 118

1. Debtors problem

- Be selective about to whom you sell your stock. Don't just sell to every customer who wants to buy on credit.
- Have the credit customers sign a contract stating that they will pay on time.
- Devise a computerised system where an invoice is printed each time a credit sale takes place.
- Send customers reminders of how much they owe and by when they should pay.

- Don't sell to debtors who still owe money.
 - Give an incentive to those who pay early, such as a discount.
 - Charge interest to those who pay late.
 - Send the staff on training and explain to them the importance of recording all transactions.
2. Stock problem
- Don't buy too much perishable stock, and use the First-In First-Out (FIFO) method of selling the stock. This means that the stock with the earliest date is sold first.
 - Keep perishable stock refrigerated.
 - Do regular stock counts.
 - Ensure that staff are recording all the sales.
 - Devise an accounting system where all stock bought and sold are strictly recorded and monitored.
 - Put security in place to safeguard the stock.
 - Send staff on training courses.
 - Try not to be away from the shop too often.
 - Don't allow just anyone to work in the shop; do background checks on all staff members, permanent and casual.

CHAPTER 8

Bookkeeping of a sole trader – Creditors

» Activity 8.1

LB page 123

1. Creditors Journal of John's Wood for April 2018

CJ

Doc. no.	Day	Creditor	Fol.	Creditors control		Materials		Stationery		Packaging		Sundry accounts			
												Amount	Details	Fol.	
001	1	New Timbers	C3	5 690	00	5 690	00								
002	4	Craig's Tech	C1	2 340	00							2 340	00	Equipment	B5
003	15	Herman Stationers	C2	500	00			140	00	360	00				
004	27	New Timbers	C3	3 124	00	3 124	00								
				11 654	00	8 814	00	140	00	360	00	2 340	00		
				B8		N3		N4		N5					

2. Cash Payments Journal of John's Wood for April 2018

CPJ

Doc. no.	Day	Name of payee	Fol.	Bank		Materials		Creditors control		Discount received		Wages		Sundry accounts			
														Amount	Details	Fol.	
88	2	Pen & Paper		80	00									80	00	Stationery	N4
89	5	Cash		1 760	00							1 760	00				
90	9	MB Traders		4 976	00	4 976	00										
91	12	Cash		1 760	00							1 760	00				
92	19	Cash		2 160	00							2 160	00				
93	20	New Timbers	C3	5 400	00			5 690	00	290	00						
94	25	Craig's Tech	C1	1 000	00			1 000	00								
95	26	Cash		1 760	00							1 760	00				
96	30	Herman Stationers	C2	475	00			500	00	25	00						
				19 371	00	4 976	00	7 190	00	315	00	7 440	00	80	00		
				B7		N3		B8		N7		N6					

3.

General Ledger of John's Wood Balance Sheet accounts

Dr				Equipment				B5				Cr
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount		
2018	Apr	4	Creditors control	CJ	2 340	00						

Dr				Bank				B7				Cr	
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount			
							2018	Apr	30	Total payments	CPJ	19 371	00

Dr				Creditors Control				B8				Cr	
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount			
2018	Apr	30	Bank and discount received	CPJ	7 190	00	2018	Apr	30	Sundry purchases	CJ	11 654	00
			Balance	c/d	4 464	00							
					11 654	00					11 654	00	
							2018	May	1	Balance	b/d	4 464	00

Nominal accounts

Dr				Materials				N3				Cr
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount		
2018	Apr	30	Creditors control	CJ	8 814	00						
			Bank	CPJ	4 976	00						
					13 790	00						

Dr				Stationery				N4				Cr
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount		
2018	Apr	2	Bank	CPJ	80	00						
		30	Creditors control	CJ	140	00						
					220	00						

Dr				Packaging				N5				Cr
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount		
2018	Apr	30	Creditors control	CJ	360	00						

Dr				Wages				N6				Cr
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount		
2018	Apr	30	Bank	CPJ	7 440	00						

Dr				Discount Received				N7				Cr	
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount			
							2018	Apr	30	Creditors control	CPJ	315	00

4. Creditors Ledger of John's Wood

Craig's Tech

C1

Date		Details	Fol.	Debit –		Credit +		Balance =	
2018									
Apr	4	Invoice no. 002	CJ			2 340	00	2 340	00
	25	Cheque no. 95	CPJ	1 000	00			1 340	00

Herman Stationers

C2

Date		Details	Fol.	Debit –		Credit +		Balance =	
2018									
Apr	15	Invoice no. 003	CJ			500	00	500	00
	30	Cheque no. 97	CPJ	475	00			25	00
		Cheque no. 97 (discount received)	CPJ	25	00			–	–

New Timbers

C3

Date		Details	Fol.	Debit –		Credit +		Balance =	
2018									
Apr	1	Invoice no. 001	CJ			5 690	00	5 690	00
	20	Cheque no. 94	CPJ	5 400	00			290	00
		Cheque no. 94 (discount received)	CPJ	290	00			–	–
	27	Invoice no. 004	CJ			3 124	00	3 124	00

Activity 8.2

LB page 124

1. Creditors Journal of Your Book Store for August 2018

CJ

Doc. no.	Day	Creditor	Fol.	Creditors control		Trading stock		Repairs		Sundry accounts		
										Amount	Details	Fol.
87	2	MM Publishing	C3	3 580	00	3 580	00					
88	8	Computron	C1	320	00			320	00			
89	17	Great News Supplies	C2	3 471	00	3 146	00			325	00	Stationery
				7 371	00	6 726	00	320	00	325	00	
				B9		B6		N4				

Cash Payments Journal of Your Book Store for August 2018

CPJ

Doc. no.	Day	Name of payee	Fol.	Bank		Creditors control		Discount received		Wages		Sundry accounts		
												Amount	Details	Fol.
138	7	Great News Supplies	C2	465	00	465	00							
139	12	MM Publishing	C3	1 100	00	1 225	00	125	00					
140	14	Cash		1 200	00					1 200	00			
141	24	Quick Pack		163	00							163	00	Packaging
142	26	Computron		1 300	00							1 300	00	Equipment
143	28	Cash		1 200	00					1 200	00			
144	30	Computron	C1	2 050	00	2 294	00	244	00					
				7 478	00	3 984	00	369	00	2 400	00	1 463	00	
						B9		N5						

2.

General Ledger of Your Book Store Balance Sheet accounts

Dr				Trading Stock				B6				Cr
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount		
2018 Aug	1	Balance	b/d	18 700	00							
	31	Creditors control	CJ	6 726	00							
				25 426	00							

Dr				Creditors Control				B9				Cr
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount		
2018 Aug	31	Bank and discount received	CPJ	3 984	00	2018 Aug	1	Balance	b/d	5 289	00	
		Balance	c/d	8 676	00		31	Sundry purchases	CJ	7 371	00	
				12 660	00					12 660	00	
						2018 Sep	1	Balance	b/d	8 676	00	

Nominal accounts

Dr				Stationery				N3				Cr
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount		
2018 Aug	1	Balance	b/d	643	00							
	17	Creditors control	CJ	325	00							
				968	00							

Dr				Repairs				N4				Cr
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount		
2018 Aug	1	Balance	b/d	3 650	00							
	31	Creditors control	CJ	320	00							
				3 970	00							

Dr				Discount Received				N5				Cr
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount		
						2018 Aug	1	Balance	b/d	1 124	00	
							31	Creditors control	CPJ	369	00	
										1 493	00	

3. Creditors Ledger of Your Book Store

Computron						C1					
Date		Details	Fol.	Debit –		Credit +		Balance =			
2018 Aug	1	Account rendered	b/d					1 974	00		
	8	Invoice no. 88	CJ			320	00	2 294	00		
	30	Cheque no. 144	CPJ	2 050	00			244	00		
		Cheque no. 144 (discount received)	CPJ	244	00			–	–		

Great News Suppliers

C2

Date	Details	Fol.	Debit –	Credit +	Balance =
2018 Aug	1 Account rendered	b/d			465 00
	7 Cheque no. 138		465 00		– –
	17 Invoice no. 89			3 471 00	3 471 00

MM Publishing

C3

Date	Details	Fol.	Debit –	Credit +	Balance =
2018 Aug	1 Account rendered	b/d			2 850 00
	2 Invoice no. 87	CPJ		3 580 00	6 430 00
	12 Cheque no. 139	CPJ	1 100 00		5 330 00
	Cheque no. 139 (discount received)	CPJ	125 00		5 205 00

» Activity 8.3

LB page 129

Creditors Allowances Journal of Blues Sports Suppliers for February 2018

CAJ1

Doc. no.	Day	Creditor	Creditors control	Trading stock	Stationery	Sundry accounts		Fol.
						Amount	Details	
75	5	SARFA Jerseys	570 00	570 00				
76	9	Sports SA	75 00	75 00				
77	16	Diamond Printers	307 00		307 00			
78	28	Abid Clothing	126 00	126 00				
79	29	Officequip	280 00			280 00	Equipment	
			1 358 00	771 00	307 00	280 00		

» Activity 8.4

LB page 129

1. Creditors Journal of Maxi Electrical for March 2018

CJ

Doc. no.	Day	Creditor	Fol.	Creditors control	Trading stock	Materials	Stationery	Sundry accounts		Fol.
								Amount	Details	
76	3	Electric World	C2	7 238 00	7 238 00					
77		Daily News	C1	500 00				500 00	Advertising	N5
78	8	PCA Stationers	C4	440 00			440 00			
79	15	Munro Traders	C3	4 303 00		4 303 00				
				12 481 00	7 238 00	4 303 00	440 00	500 00		
				B9	B6	N3	N4			

2. Creditors Allowances Journal of Maxi Electrical for March 2018

CAJ

Doc. no.	Day	Creditor	Fol.	Creditors control	Trading stock	Materials	Stationery	Sundry accounts		Fol.
								Amount	Details	
54	1	Electric World	C2	40 00	40 00					
55	17	PCA Stationers	C4	55 00			55 00			
56	20	Daily News	C1	500 00				500 00	Advertising	N5
				595 00	40 00		55 00	500 00		
				B9	B6		N4			

3. Cash Payments Journal of Maxi Electrical for March 2018

CPJ

Doc. no.	Day	Name of payee	Fol.	Bank	Trading stock	Materials	Creditors control	Discount received	Sundry accounts		
									Amount	Details	Fol.
107	10	Electrical World	C2	850 00			900 00	50 00			
108	13	HP Laser		1 205 00					1 080 00	Equipment	B5
									125 00	Stationery	N4
109	18	Norton Ltd		5 840 00	5 840 00						
110	25	Daily News	C1	840 00			840 00				
111	28	Telkom		746 00					746 00	Telephone	
112	30	Cash		3 000 00					3 000 00	Drawings	
				12 481 00	5 840 00		1 740 00	50 00	4 951 00		
					B6		B9	N6			

4. General Ledger of Maxi Electrical
Balance Sheet accounts

Dr Equipment B5 Cr

Date	Details	Fol.	Amount	Date	Details	Fol.	Amount
2018 Mar 1	Balance	b/d	15 000 00				
	13 Bank	CPJ	1 080 00				
			16 080 00				

Dr Trading Stock B6 Cr

Date	Details	Fol.	Amount	Date	Details	Fol.	Amount
2018 Mar 1	Balance	b/d	7 590 00	2018 Mar 31	Creditors control	CAJ	40 00
	31 Bank	CPJ	5 840 00		Balance	c/d	20 628 00
	Creditors control	CJ	7 238 00				
			20 668 00				20 668 00
2018 Apr 1	Balance	b/d	20 628 00				

Dr Creditors Control B9 Cr

Date	Details	Fol.	Amount	Date	Details	Fol.	Amount
2018 Mar 31	Bank and discount received	CPJ	1 740 00	2018 Mar 1	Balance	b/d	3 480 00
	Sundry returns	CAJ	595 00		31 Sundry purchases	CJ	12 481 00
	Balance	c/d	13 626 00				
			15 961 00				15 961 00
				2018 Apr 1	Balance	b/d	13 626 00

Nominal accounts

Dr Materials N3 Cr

Date	Details	Fol.	Amount	Date	Details	Fol.	Amount
2018 Mar 1	Balance	b/d	16 997 00				
	31 Creditors control	CJ	4 303 00				
			21 300 00				

Dr				Stationery				N4				Cr	
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount	
2018	Mar	1	Balance	b/d	763	00	2018	Mar	31	Creditors control	CAJ	55	00
		13	Bank	CPJ	125	00				Balance	c/d	1 273	00
		31	Creditors control	CJ	440	00							
					1 328	00						1 328	00
2018	Apr	1	Balance	b/d	1 273	00							

Dr				Advertising				N5				Cr	
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount	
2018	Mar	1	Balance	b/d	1 500	00	2018	Mar	20	Creditors control	CAJ	500	00
		3	Creditors control	CJ	500	00			31	Balance	c/d	1 500	00
					2 000	00						2 000	00
2018	Apr	1	Balance	b/d	1 500	00							

Dr				Discount Received				N6				Cr	
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount	
							2018	Mar	1	Balance	b/d	965	00
									31	Creditors control	CPJ	50	00
												1 015	00

5. Creditors Ledger of Maxi Electrical

Daily News

C1

Date		Details		Fol.	Debit –		Credit +		Balance =	
2018	Mar	1	Account rendered	b/d					840	00
		3	Invoice no. 77	CJ			500	00	1 340	00
		20	Debit note no. 57	CAJ	500	00			840	00
		25	Cheque no. 110	CPJ	840	00			–	–

Electric World

C2

Date		Details		Fol.	Debit –		Credit +		Balance =	
2018	Mar	1	Account rendered	b/d					940	00
			Debit note no. 54	CAJ	40	00			900	00
		3	Invoice no. 76	CJ			7 238	00	8 138	00
		10	Cheque no. 107	CPJ	850	00			7 288	00
			Cheque no. 107 (discount received)	CPJ	50	00			7 238	00

Munro Traders

C3

Date		Details		Fol.	Debit –		Credit +		Balance =	
2018	Mar	1	Account rendered	b/d					1 320	00
		15	Invoice no. 79	CJ			4 303	00	5 623	00

Date	Details	Fol.	Debit –	Credit +	Balance =
2018 Mar	1 Account rendered	b/d			380 00
	8 Invoice no. 78	CJ		440 00	820 00
	17 Debit note no. 56	CAJ	55 00		765 00



Activity 8.5

LB page 131

1. Cash Receipts Journal of Springbok Traders for March 2018

CRJ

Doc. no.	Day	Details	Analysis of receipts	Bank	Debtors control	Discount allowed	Sales	Cost of sales	Sundry accounts		
									Amount	Details	Fol.
CRR	1	Sales	2 100 00	2 100 00			2 100 00	1 400 00			
59	9	P Jones	285 00	285 00	300 00	15 00					
CRR	28	Sales	1 980 00	1 980 00			1 980 00	1 584 00			
60	29	D Bird	10 000 00	10 000 00					10 000 00	Capital	
61	30	The Beauty Supply Store	1 050 00	1 050 00					1 050 00	Rent Income	
			15 415 00	15 415 00	300 00	15 00	4 080 00	2 984 00	11 050 00		

2. Cash Payments Journal of Springbok Traders for March 2018

CPJ

Doc. no.	Day	Name of payee	Fol.	Bank	Trading stock	Creditors control	Discount received	Stationery	Sundry accounts		
									Amount	Details	Fol.
76	15	T Mazana		1 200 00	620 00	500 00	70 00	150 00			
77	25	BM Motor Repairs		425 00		450 00	25 00				
78		LK Traders		500 00		500 00					
79	30	T Scott		5 000 00					5 000 00	Salaries	
				7 125 00	620 00	1 450 00	95 00	150 00	5 000 00		

3. Debtors Journal of Springbok Traders for March 2018

DJ

Doc. no.	Day	Debtor	Fol.	Sales	Cost of sales
32	3	P Jones		1 720 00	1 376 00
33		M Prins		1 215 00	972 00
34	9	B Smith		5 600 00	4 480 00
				8 535 00	6 828 00

4. Debtor Allowances Journal of Springbok Traders for March 2018

DAJ

Doc. no.	Day	Debtor	Fol.	Debtors allowances	Cost of sales
48	12	P Jones		80 00	64 00
49	17	B Smith		280 00	
				360 00	64 00

5. Creditors Journal of Springbok Traders for March 2018

CJ

Doc. no.	Day	Creditor	Fol.	Creditors control	Trading stock	Stationery	Sundry accounts		
							Amount	Details	Fol.
46	1	LK Traders		930 00	930 00				
47	5	King's Stationery Store		450 00		450 00			
48	10	BM Motor Repairs		450 00			450 00	Repairs/Vehicle expense	
49	23	TH Consumables		6 345 00		275 00	5 700 00	Equipment	
							370 00	Furniture*	
				8 175 00	930 00	725 00	6 520 00		

* Could combine this with equipment.

Doc. no.	Day	Creditor	Fol.	Creditors control	Trading stock	Stationery	Sundry accounts		
							Amount	Details	Fol.
20	16	King's Stationery Store		15 00		15 00			
21	30	TH Consumables		185 00			185 00	Furniture/Equipment	
				200 00		15 00	185 00		

» Activity 8.6

LB page 132

Creditors Ledger of Martin Limited

I West (L)

C3

Date	Details	Fol.	Debit –	Credit +	Balance =
2018 Oct 1	Account rendered	b/d			480 00
5	Invoice no. 25	CJ		988 00	1 468 00
17	Debit note no. 7	CAJ	88 00		1 380 00
20	Cheque no. 38	CPJ	1 311 00		69 00
20	Cheque no. 38 (discount received)	CPJ	69 00		– –
25	Invoice no. 30	CJ		1 100 00	
31	Cheque no. 45	CPJ	550 00		550 00

Calculations

- $R2\ 690 - 1\ 520 - 120 - 570 = R480$
- $R1\ 040 \times \frac{95}{100} = R988$
- Original credit note
- Debit: *Creditors Control*
Credit: *Bank and Discount Received*
- $R1\ 311 \times \frac{100}{95} = R1\ 380$
 $\therefore R1\ 380 - 1\ 311 = R69$ discount received
- If account was settled on 20th, then zero balance
 \therefore Payment on 31st + balance must equal invoice on 25th
 $\therefore R550 + 550 = R1\ 100$
- It is important that the correct statement is received, because the business must know how much to pay its creditor. The business will match the statement received from its creditor against the creditor's account in the Creditors Ledger, to make sure that all information was correctly recorded.
- The balance of the *Creditors Control* account must be reconciled monthly with the statement (or summary of invoices) received from the creditor.

» Activity 8.7

LB page 133

1.

General Ledger of Tru-Fruit Exports Balance Sheet accounts

Dr		Capital		B1		Cr	
Date	Details	Fol.	Amount	Date	Details	Fol.	Amount
				2018 Nov 1	Balance	b/d	52 000 00
				1	Bank	CRJ	15 610 00
							67 610 00

Dr				Equipment				B2				Cr			
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount					
2018															
Nov	1	Balance	b/d	45 000	00										
	23	Bank	CPJ	7 800	00										
	30	Creditors control	CJ	1 450	00										
				54 250	00										

Dr				Trading Stock				B3				Cr			
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount					
2018						2018									
Nov	1	Balance	b/d	23 000	00	Nov	30	Cost of sales	CRJ	16 000	00				
	30	Bank	CPJ	12 000	00			Cost of sales	DJ	2 800	00				
		Creditors control	CJ	15 675	00			Creditors control	CAJ	1 230	00				
		Cost of sales	DAJ	380	00			Balance	c/d	31 025	00				
				51 055	00					51 055	00				
2018															
Dec	1	Balance	b/d	31 025	00										

Dr				Debtors Control				B4				Cr			
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount					
2018						2018									
Nov	1	Balance	b/d	18 420	00	Nov	30	Bank and discount allowed	CRJ	*3 000	00				
	30	Sales	DJ	4 900	00			Debtors allowances	DAJ	1 165	00				
								Balance	c/d	19 155	00				
				23 320	00					23 320	00				
2018															
Dec	1	Balance	b/d	19 155	00										

* R2 890 + 110 = R3 000

Dr				Bank				B5				Cr			
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount					
2018						2018									
Nov	1	Balance	b/d	7 200	00	Nov	30	Total payments	CPJ	51 000	00				
	30	Total receipts	CRJ	45 000	00			Balance	c/d	1 200	00				
				52 200	00					52 200	00				
2018															
Dec	1	Balance	b/d	1 200	00										

Dr				Creditors Control				B6				Cr			
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount					
2018						2018									
Nov	30	Bank and discount received	CPJ	*12 500	00	Nov	1	Balance	b/d	12 345	00				
		Sundry returns	CAJ	**1 505	00		30	Sundry purchases	CJ	21 000	00				
		Balance	c/d	19 340	00										
				33 345	00					33 345	00				
						2018									
						Dec	1	Balance	b/d	19 340	00				

* R11 750 + 750 = R12 500

** R1 230 + 190 + 85 = R1 505

Nominal accounts

Dr				Sales				N1				Cr
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount		
						2018						
						Nov	1	Balance	b/d	65 200	00	
							30	Bank	CRJ	24 000	00	
								Debtors control	DJ	4 900	00	
										94 100	00	

Dr				Cost of Sales				N2				Cr		
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount				
2018	Nov	1		Balance	b/d	40 000	00	2018	Nov	30	Trading stock	DAJ	380	00
		30		Trading stock	CRJ	16 000	00				Balance	c/d	58 420	00
				Trading stock	DJ	2 800	00							
						58 800	00						58 800	00
2018	Dec	1		Balance	b/d	58 420	00							

Dr				Rent Income				N3				Cr	
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount			
						2018	Nov	1	Balance	b/d	12 320	00	
								15	Bank	CRJ	2 500	00	
											14 820	00	

Dr				Discount Received				N4				Cr	
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount			
						2018	Nov	1	Balance	b/d	685	00	
								30	Creditors control	CPJ	750	00	
											1 435	00	

Dr				Stationery				N5				Cr		
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount				
2018	Nov	1		Balance	b/d	700	00	2018	Nov	30	Creditors control	CAJ	190	00
		14		Bank	CPJ	500	00				Balance	c/d	2 000	00
		30		Creditors control	CJ	990	00							
						2 190	00						2 190	00
2018	Dec	1		Balance	b/d	2 000	00							

Dr				Wages				N6				Cr	
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount			
2018	Nov	1		Balance	b/d	7 900	00						
		30		Bank	CPJ	18 950	00						
						26 850	00						

Dr		Repairs				N7				Cr	
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount	
2018						2018					
Nov	21	Creditors control	CJ	2 885	00	Nov	25	Creditors control	CAJ	85	00
							30	Balance	c/d	2 800	00
				2 885	00					2 885	00
2018											
Dec	1	Balance	b/d	2 800	00						

Dr		Discount Allowed				N8				Cr	
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount	
2018											
Nov	1	Balance	b/d	330	00						
	30	Debtors control	CRJ	110	00						
				440	00						

Dr		Debtors Allowances				N9				Cr	
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount	
2018											
Nov	30	Debtors control	DAJ	1 165	00						

2. • There should be adequate segregation of duties – the same person should not order and receive the goods.
- All goods must be kept in a safe place after being received.
- Security must check all goods leaving the store via the staff entrance / exit.

You can ask the learners to complete the Trial Balance as a continuation of this exercise. Learners can do this work on their own or in pairs.

Tru-Fruit Exports
Trial Balance on 30 November 2018

Balance Sheet accounts	Fol.	Debit		Credit	
Capital	B1			67 610	00
Equipment	B2	54 250	00		
Trading stock	B3	31 025	00		
Debtors control	B4	19 155	00		
Bank	B5	1 200	00		
Creditors control	B6			19 340	00
Nominal accounts					
Sales	N1			94 100	00
Cost of sales	N2	58 420	00		
Rent Income	N3			14 820	00
Discount received	N4			1 435	00
Stationery	N5	2 000	00		
Wages	N6	26 850	00		
Repairs	N7	2 800	00		
Discount allowed	N8	440	00		
Debtors allowances	N9	1 165	00		
		197 305	00	197 305	00



Marks: 110
Time: 60 minutes

No.	Assets		Owner's equity		Liabilities		Marks
	Effect	Reason	Effect	Reason	Effect	Reason	
1.	✓ +3 500 00	Debtors increase ✓	✓ +1 500 00	Profit ✓			6
	✓ -2 000 00	Trading stock decreases ✓					
2.	✓ -350 00	Debtors decrease ✓	✓ -150 00	Profit cancelled ✓			6
	✓ +200 00	Trading stock increases ✓					
3.	✓ +1 500 00	Trading stock increases ✓					4
	✓ -1 500 00	Bank decreases ✓					
4.	✓ +1 190 00	Bank increases ✓	✓ -60 00	Discount allowed – expense ✓			6
	✓ -1 250 00	Debtors decrease ✓					
5.			✓ +175 00	Stationery ✓	✓ -175 00	Creditors control ✓	4
6.	✓ +1 890 00	Trading stock increases ✓	✓ -310 00	Packaging – expense ✓	✓ +2 200 00	Creditors increase ✓	6
7.	✓ +3 000 00	Bank increases ✓	✓ +1 125 00	Profit ✓			6
	✓ -1 875 00	Trading stock decreases ✓					
8.	✓ -2 112 00	Bank decreases ✓	✓ +88 00	Discount received – income ✓	✓ -2 200 00	Creditors control ✓	6
9.	✓ -90 00	Trading stock decreases ✓			✓ -90 00	Creditors decrease ✓	4

(48)

General Ledger, Debtors and Creditors Ledgers			General, Debtors and Creditors Ledgers		
No.	Source document	Subsidiary journal	Account debit	Account credit	Amount (R)
a.	Duplicate invoice ✓	DJ ✓	Debtors Control ✓	Sales ✓	✓ 3 500 00
			Cost of Sales ✓	Trading Stock ✓	✓ 2 000 00
b.	Duplicate credit note ✓	DAJ ✓	Debtors Allowances ✓	Debtors Control/D Maneveld ✓	✓ 350 00
			Trading Stock ✓	Cost of Sales ✓	✓ 200 00
c.	Cheque counterfoil ✓	CPJ ✓	Trading Stock ✓	Bank ✓	✓ 1 500 00
d.	Duplicate receipt ✓	CRJ ✓	Bank ✓	Debtors Control/S Africa ✓	✓ 1 190 00
			Discount Allowed ✓	Debtors Control/S Africa	✓ 60 00
e.	Duplicate debit note ✓	CAJ ✓	Creditors Control/B Block ✓	Stationery ✓	✓ 175 00
f.	Original invoice ✓	CJ ✓	Trading Stock ✓	Creditors Control/C Maske ✓	✓ 1 890 00
			Packaging ✓	Creditors Control/C Maske ✓	✓ 310 00
g.	Cash register roll ✓	CRJ ✓	Bank ✓	Sales ✓	✓ 3 000 00
			Cost Of Sales ✓	Trading Stock ✓	✓ 1 875 00
h.	Cheque counterfoil ✓	CPJ ✓	Creditors Control/C Maske ✓	Bank ✓	✓ 2 112 00
			Creditors Control/C Maske ✓	Discount Received ✓	✓ 88 00
i.	Duplicate debit note ✓	CAJ ✓	Creditors Control/ Malan Traders ✓	Trading Stock ✓	✓ 90 00

(62)

CHAPTER 9 Bookkeeping of a sole trader – Additional cash transactions and the Petty Cash Journal

» Activity 9.1

LB page 140

1.
 - Ensure that the petty cash box is kept in a safe place.
 - Make payments from petty cash to the person who requests money.
 - Issue petty cash vouchers as proof that payments have taken place.
 - Keep the Petty Cash Journal updated regularly.
 - Restore the petty cash imprest at the end of the month.
2. The imprest system
3. Cheque, Internet banking EFT, debit order, stop order, debit card, credit card
4.
 - Reduce fraudulent transactions from taking place
 - Keep an accurate record for tax purposes
 - Know where the money is going
5. Petty cash voucher
6. $R300 - 19 = R281$
7. $R188 + 37 = R225$
8.
 - The petty cash should be kept separately from the cash float.
 - The petty cash should only be used when payments cannot be made via cheque or EFT.
 - Access to petty cash should be limited to one person only.
 - A voucher must be filled out and signed by the custodian for all payments from petty cash.
 - Periodical unannounced checks of the petty cash float should be made by someone other than the custodian.

» Activity 9.2

LB page 144

1. Cash Payments Journal of Hip Hop Stores for April 2018

CPJ

Doc. no.	Day	Name of payee	Fol.	Bank	Sundry accounts		
					Amount	Details	Fol.
14	01	Cash		150 00	150 00	Petty cash	
31	22	Cash		150 00	150 00	Petty cash	
38	30	Cash		57 50	57 50	Petty cash	

2. Petty Cash Journal of Hip Hop Stores for April 2018

PCJ1

Doc. no.	Day	Details	Fol.	Petty cash	Postage	Stationery	Repairs	Sundry accounts			
								Amount	Details	Fol.	
01	05	Stamps		34 00	34 00						
02	06	Drawings		20 00				20 00	Drawings		
03	10	Pens		24 50		24 50					
04	13	Parcels		32 80	32 80						
05	19	Repairs		42 20			42 20				
06	23	Delivery		34 00				34 00	Debtors control/B Slax		
07	30	High School		20 00				20 00	Donation		
				207 50	66 80	24 50	42 20	74 00			

3. **General Ledger of Hip Hop Stores**
Balance Sheet accounts

Dr				Drawings				Cr			
Date	Details		Fol.	Amount		Date	Details		Fol.	Amount	
2018 Apr	06	Petty cash	PCJ1	20	00						

Dr				Debtors Control				Cr			
Date	Details		Fol.	Amount		Date	Details		Fol.	Amount	
2018 Apr	23	Petty cash	PCJ1	34	00						

Dr				Petty Cash				Cr			
Date	Details		Fol.	Amount		Date	Details		Fol.	Amount	
2018 Apr	01	Bank	CPJ1	150	00	2018 Apr	30	Total payments	PCJ	207	50
	22	Bank	CPJ1	150	00			Balance	c/d	150	00
	30	Bank	CPJ1	57	50						
				<u>357</u>	<u>50</u>					<u>357</u>	<u>50</u>
2018 May	01	Balance	b/d	150	00						

Dr				Postage				Cr			
Date	Details		Fol.	Amount		Date	Details		Fol.	Amount	
2018 Apr	30	Petty cash	PCJ1	66	80						

Dr				Stationery				Cr			
Date	Details		Fol.	Amount		Date	Details		Fol.	Amount	
2018 Apr	30	Petty cash	PCJ1	24	50						

Dr				Repairs				Cr			
Date	Details		Fol.	Amount		Date	Details		Fol.	Amount	
2018 Apr	30	Petty cash	PCJ1	42	20						

Dr				Donations				Cr			
Date	Details		Fol.	Amount		Date	Details		Fol.	Amount	
2018 Apr	30	Petty cash	PCJ1	20	00						

4. **Debtors Ledger of Hip Hop Stores**

B Slax						D1					
Date	Details				Fol.	Debit +		Credit –		Balance =	
2018 Apr	23	Petty cash voucher no. 05			PCJ1	34	00			34	00

Date	Assets		Owner's equity		Liabilities	
	Effect	Reason	Effect	Reason	Effect	Reason
01	–150 00	Bank decreases				
	+150 00	Petty cash increases				
05	–34 00	Petty cash decreases	–34 00	Postage – expense		
06	–20 00	Petty cash decreases	–20 00	Drawings		
23	–34 00	Petty cash decreases				
	+34 00	Debtors increase				
30	–20 00	Petty cash decreases	–20 00	Donations – expense		
30	+57 50	Petty cash increases				
	–57 50	Bank decreases				

Marks: 20
Time: 12 minutes

**General Ledger of Munro Butchery
Balance Sheet account**

Dr				Petty Cash				Cr			
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount	
2018						2018					
Mar	01	Bank ✓	CPJ1	✓ 130	00	Mar	31	Total payments	PCJ1	✓ 164	00
	19	Bank	CPJ1	✓ 60	00			Balance	c/d	✓ 130	00
	31	Balance	CPJ1	✓✓ 104	00						
				294	00					294	00
Apr	01	Balance	b/d	✓ 130	00	Apr	30	Total payments	PCJ1	✓ 176	00
	22	Bank	CPJ1	✓ 80	00			Balance	c/d	✓ 130	00
	30	Bank	CPJ1	✓✓ 96	00						
				306	00					306	00
May	01	Balance	b/d	✓ 130	00	May	31	Total payments	PCJ1	✓ 188	00
	18	Bank	CPJ1	✓ 80	00			Balance	c/d	✓ 160	00
	31	Bank	CPJ1	✓✓ 138	00						
				348	00					348	00
	01	Balance	b/d	✓ 160	00						

(20)

» **Activity 9.3**

1. **Cash Receipts Journal of Shu-biz for February 2019**

CRJ2

Doc. no.	Day	Details	Fol.	Analysis of receipts	Bank	Sales	Cost of sales	Debtors control	Discount allowed	Sundry accounts		
										Amount	Details	Fol.
CRR	02	Sales		4 320 00	4 320 00	4 320 00	2 160 00					
14	05	V Jakobs		399 00	399 00			420 00	21 00			
CRR	07	Sales		5 680 00		5 680 00	2 840 00					
15		N Mpemeng		532 00	6 212 00			560 00	28 00			
16	14	R Marais		836 00	836 00			880 00	44 00			
					11 767 00	10 000 00	5 000 00	1 860 00	93 00			
					B8	N1	N2/B6	B7	N5			

2.

**General Ledger of Shu-biz
Balance Sheet accounts**

Dr				Trading Stock				B6				Cr
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount		
2019						2019						
Feb	1	Balance	b/d	12 450	00	Feb	28	Cost of sales	CRJ2	5 000	00	

Dr				Debtors Control				B7				Cr
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount		
2019						2019						
Feb	1	Balance	b/d	1 860	00	Feb	28	Bank and discount allowed	CRJ2	1 860	00	

Dr				Bank				B8				Cr
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount		
2019 Feb	1	Balance	b/d	23 689	00							
	28	Total receipts	CRJ2	11 767	00							

Nominal accounts

Dr				Sales				N1				Cr
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount		
						2019 Feb	1	Balance	b/d	30 210	00	
							28	Bank	CRJ2	10 000	00	

Dr				Cost of Sales				N2				Cr
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount		
2019 Feb	1	Balance	b/d	15 105	00							
	28	Trading stock	CRJ2	5 000	00							

Dr				Discount Allowed				N3				Cr
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount		
2019 Feb	1	Balance	b/d	240	00							
	28	Debtors control	CRJ2	93	00							

Debtors Ledger of Shu-biz

V Jakobs

D1

Date		Details	Fol.	Debit +		Credit –		Balance =	
2019 Feb	1	Account rendered						420	00
	5	Receipt no. 14	CRJ2			399	00	21	00
		Receipt no. 14 (discount allowed)	CRJ2			21	00	–	–

N Mpemeng

D2

Date		Details	Fol.	Debit +		Credit –		Balance =	
2019 Feb	1	Account rendered						560	00
	7	Receipt no. 15	CRJ2			532	00	28	00
		Receipt no. 15 (discount allowed)	CRJ2			28	00	–	–

R Marais

D3

Date		Details	Fol.	Debit +		Credit –		Balance =	
2019 Feb	1	Account rendered						880	00
	14	Receipt no. 16	CRJ2			836	00	44	00
		Receipt no. 16 (discount allowed)	CRJ2			44	00	–	–

Date	Assets			Owner's equity			Liabilities		
	Effect	Reason		Effect	Reason		Effect	Reason	
7	+5 680	00	Bank increased	+2 840	00	Profit earned			
	-2 840	00	Trading stock decreased						
	-560	00	Debtors control decreased	-28	00	Discount allowed – expense			
	+532	00	Bank increased						

Activity 9.4

LB page 150

Cash Payments Journal of Shu-biz for March 2019

CPJ3

Doc. no.	Day	Name of payee	Fol.	Bank		Debtors control		Creditors control		Discount received		Sundry accounts		
										Amount	Details	Fol.		
132	2	Redemption Leather Co.	C1	2 223	00			2 340	00	117	00			
133	8	Trendy Shoes Ltd	C2	3 667	00			3 860	00	193	00			
TG	12	G Xoseka (cheque dishonoured)	D4	340	00	340	00							
				6 230	00	340	00	6 200	00	310	00			
				B7		B6		B9		N6				

General Ledger of Shu-biz Balance Sheet accounts

Dr				Debtors Control				B6				Cr			
Date	Details	Fol.	Amount	Date	Details	Fol.	Amount	Date	Details	Fol.	Amount	Date	Details	Fol.	Amount
2019 Mar	1	Balance	b/d	4 810	00										
	31	Bank	CPJ3	340	00										

Dr				Bank				B7				Cr			
Date	Details	Fol.	Amount	Date	Details	Fol.	Amount	Date	Details	Fol.	Amount	Date	Details	Fol.	Amount
2019 Mar	1	Balance	b/d	12 870	00			2019 Mar	31	Total payments	CPJ3	6 230	00		

Dr				Creditors Control				B9				Cr			
Date	Details	Fol.	Amount	Date	Details	Fol.	Amount	Date	Details	Fol.	Amount	Date	Details	Fol.	Amount
2019 Mar	31	Bank and discount received	CPJ3	6 200	00			2019 Mar	1	Balance	b/d	6 200	00		

Nominal account

Dr				Discount Received				N6				Cr			
Date	Details	Fol.	Amount	Date	Details	Fol.	Amount	Date	Details	Fol.	Amount	Date	Details	Fol.	Amount
				2019 Mar	1	Balance	b/d	680	00						
					31	Creditors control	CPJ3	310	00						

Creditors Ledger of Shu-biz

Redemption Leather Co.

C1

Date	Details	Fol.	Debit –	Credit +	Balance =
2019 Mar	1	Account rendered			2 340 00
	2	Cheque no. 132	CPJ3	2 223 00	117 00
		Cheque no. 132 (discount received)	CPJ3	117 00	– –

Date	Details	Fol.	Debit –	Credit +	Balance =
2019 Mar 1	Account rendered				3 860 00
	8 Cheque no. 133	CPJ3	3 667 00		193 00
	Cheque no. 133 (discount received)	CPJ3	193 00		– –

Debtors Ledger of Shu-biz

G Xoseka

D4

Date	Details	Fol.	Debit +	Credit –	Balance =
2019 Mar 1	Account rendered				285 00
	12 Dishonoured cheque	CPJ3	340 00		625 00

Date	Assets		Owner's equity		Liabilities	
	Effect	Reason	Effect	Reason	Effect	Reason
2	–2 223 00	Bank decreased	+117 00	Discount received – income	–2 340 00	Creditors decreased
12	–340 00	Bank decreased				
	+340 00	Debtors increased				

» **Activity 9.5**

LB page 151

1. Cash Receipts Journal of The Camping Spot for March 2019

CRJ3

Doc. no.	Day	Details	Fol.	Analysis of receipts		Sales	Cost of sales	Debtors control	Discount allowed	Sundry accounts		
				Bank						Amount	Details	Fol.
CRR	3	Sales		6 900 00		6 900 00	4 600 00					
	56	F Louw	D2	200 00	7 100 00			200 00				
CRR	16	Sales		9 510 00		9 510 00	6 340 00					
	57	J King	D1	342 00	9 852 00			360 00	18 00			
CRR	21	Sales		7 338 00		7 338 00	4 892 00					
	58	T Makaba		323 00	7 661 00			340 00	17 00			
				24 613 00	23 748 00	15 832 00	900 00	35 00				
							B6	N6				

Cash Payments Journal of The Camping Spot for March 2019

CPJ3

Doc. no.	Day	Name of payee	Fol.	Bank	Trading stock	Wages	Debtors control	Creditors control	Discount received	Sundry accounts		
										Amount	Details	Fol.
256	5	Outdoor Warehouse	C1	2 537 00				2 670 00	133 00			
257	13	Cash		1 600 00		1 600 00						
258	14	Telkom		583 00						583 00	Telephone	
DN	19	F Louw (cheque dishonoured)	D2	200 00			200 00					
259	28	Marais Motors		1 273 00				1 340 00	67 00			
260	30	Tents Ltd		8 700 00	8 700 00							
				14 893 00	8 700 00	1 600 00	200 00	4 010 00	200 00	583 00		
							B6	B9	N5			

Debtors Journal of The Camping Spot for March 2019

DJ3

Doc. no.	Day	Debtor	Fol.	Sales		Cost of sales	
68	6	J King	D1	390	00	260	00
69		T Makaba		843	00	562	00
				1 233	00	822	00
				B6			

Creditors Journal of The Camping Spot for March 2019

CJ3

Doc. no.	Day	Creditor	Fol.	Creditors control	Trading stock	Stationery	Sundry accounts				
							Amount	Details	Fol.		
98	9	ND Printers		590	00	240	00	350	00	Advertising	
99	18	Marais Motors		1 340	00			1 340	00	Repairs	
100	24	Outdoor Warehouse	C1	4 780	00	4 780	00				
				6 710	00	4 780	00	240	00	1 690	00
				B9							

**2. General Ledger of The Camping Spot
Balance Sheet accounts**

Dr				Debtors Control				B6				Cr	
Date	Details	Fol.	Amount	Date	Details	Fol.	Amount	Date	Details	Fol.	Amount		
2019 Mar 1	Balance	b/d	2 890	00	2019 Mar 31	Bank and discount allowed	CRJ3	900	00				
	31 Sales	DJ3	1 233	00		Balance	c/d	3 423	00				
	Bank	CPJ3	200	00									
			4 323	00							4 323	00	
2019 Apr 1	Balance	b/d	3 423	00									

Dr				Creditors Control				B9				Cr	
Date	Details	Fol.	Amount	Date	Details	Fol.	Amount	Date	Details	Fol.	Amount		
2019 Mar 31	Bank and discount received	CPJ3	4 010	00	2019 Mar 1	Balance	b/d	7 910	00				
	Balance	c/d	10 610	00		31 Sundry purchases	CJ3	6 710	00				
			14 620	00							14 620	00	
					2019 Apr 1	Balance	b/d	10 610	00				

Nominal accounts

Dr				Discount Received				N5				Cr	
Date	Details	Fol.	Amount	Date	Details	Fol.	Amount	Date	Details	Fol.	Amount		
					2019 Mar 1	Balance	b/d	342	00				
						31 Creditors control	CPJ3	200	00				
											542	00	

Dr				Discount Allowed				N6				Cr	
Date	Details	Fol.	Amount	Date	Details	Fol.	Amount	Date	Details	Fol.	Amount		
2019 Mar 1	Balance	b/d	255	00									
	31 Debtors control	CRJ3	35	00									
			290	00									

3. Debtors Ledger of The Camping Spot

J King

D1

Date	Details	Fol.	Debit +	Credit –	Balance =
2019 Mar 1	Account rendered				360 00
6	Invoice no. 68	DJ3	390 00		750 00
16	Receipt no. 57	CRJ3		342 00	408 00
	Receipt no. 57 (discount allowed)	CRJ		18 00	390 00

F Louw

D2

Date	Details	Fol.	Debit +	Credit –	Balance =
2019 Mar 1	Account rendered				430 00
3	Receipt no. 56	CRJ3		200 00	230 00
19	Dishonoured cheque	CPJ3	200 00		430 00

4. Creditors Ledger of The Camping Spot

Outdoor Warehouse

C1

Date	Details	Fol.	Debit –	Credit +	Balance =
2019 Mar 1	Account rendered				2 670 00
5	Cheque no. 256	CPJ3	2 537 00		133 00
	Cheque no. 256 (discount received)	CPJ3	133 00		– –
24	Invoice no. 100	CJ3		4 780 00	4 780 00

» Activity 9.6

LB page 153

No.	Assets		Owner's equity		Liabilities	
	Effect	Reason	Effect	Reason	Effect	Reason
1.	+2 400 00	Bank increased	+600 00	Profit earned		
	–1 800 00	Trading stock decreased				
2.	–560 00	Debtors decreased	–28 00	Discount allowed – expense		
	+532 00	Bank increased				
3.	–3 458 00	Bank decreased	+182 00	Discount received – income	–3 640 00	Creditors decreased
4.	–287 00	Bank decreased				
	+287 00	Debtors increased				

» Activity 9.7

LB page 158

1. Cash Payments Journal of Shu-biz for April 2019

CPJ2

Doc. no.	Day	Name of payee	Fol.	Bank	Trading stock	Wages	Packaging	Sundry accounts		
								Amount	Details	Fol.
BS	30	Best Bank		82 00				82 00	Bank charges	N22
BS		Best Bank		67 00				67 00	Interest on overdraft	N20
AO		Allsure Insurance		560 00				560 00	Insurance	
DO		Municipality		489 00				489 00	Water and electricity	

Doc. no.	Day	Details	Fol.	Analysis of receipts	Bank	Sales	Cost of sales	Debtors control	Sundry accounts		
									Amount	Details	Fol.
BS	30	Best Bank		29 00	29 00				29 00	Interest on current account	N21
BS		F Wheatley		340 00	340 00			340 00			

2. **General Ledger of Shu-biz**
Nominal accounts

Dr Interest on Overdraft N20 Cr

Date	Details	Fol.	Amount	Date	Details	Fol.	Amount
2019 Apr 30	Bank	CPJ2	67 00				

Dr Interest on Current Account N21 Cr

Date	Details	Fol.	Amount	Date	Details	Fol.	Amount
				2019 Apr 30	Bank	CRJ2	29 00

Dr Bank Charges N22 Cr

Date	Details	Fol.	Amount	Date	Details	Fol.	Amount
2019 Apr 30	Bank	CRJ2	82 00				

3.

Assets			Owner's equity			Liabilities		
Effect	Reason		Effect	Reason		Effect	Reason	
-82 00	Bank decreased		-82 00	Bank charges – expense				
			-67 00	Interest on overdraft – expense		+67 00	Bank overdraft increases	
-560 00	Bank decreased		-560 00	Insurance – expense				
-489 00	Bank decreased		-489 00	Water and electricity – expense				
+29 00	Bank increased		+29 00	Interest on current account – income				
+340 00	Bank increased							
-340 00	Debtors decreased							

» **Activity 9.8**

LB page 158

1. **Cash Payments Journal of Hokoia Sports Shop for February 2016**

CPJ

Doc. no.	Day	Name of payee	Fol.	Bank	Debtors control	Sundry accounts		
						Amount	Details	Fol.
BS	29	Municipality		446 00		446 00	Water and electricity	
BS		Allsure		620 00		620 00	Insurance	
BS		M Karsten		450 00	450 00			
BS		XYZ Bank		295 00		295 00	Bank charges	

Cash Receipts Journal of Hokoia Sports Shop for February 2016

CRJ

Doc. no.	Day	Details	Fol.	Analysis of receipts	Bank	Debtors control	Sundry accounts		
							Amount	Details	Fol.
BS	29	S du Plessis			680 00	680 00			
BS		E Baard			1 670 00		1 670 00	Rent Income	
BS		XYZ Bank			94 00		94 00	Interest on current account	

2.

General Ledger of Hokoia Sports Shop

Nominal accounts

Dr				Interest on Current Account				Cr			
Date	Details		Fol.	Amount		Date	Details		Fol.	Amount	
						2016 Feb	29	Bank	CRJ	94	00

Dr				Bank Charges				Cr			
Date	Details		Fol.	Amount		Date	Details		Fol.	Amount	
2016 Feb	29	Bank	CPJ	295	00						

» Activity 9.9

LB page 160

1. Cash Payments Journal of Sportman's Den for March 2019

CPJ1

Doc. no.	Day	Name of payee	Fol.	Bank		Trading stock	Wages	Sundry accounts		
								Amount	Details	Fol.
245	6	Kookaburra Ltd		2 550	00	2 550	00			
246		Blits Transport		150	00	150	00			
247	10	Gerber Furnishers		4 780	00			4 780	00	Equipment
248	11	JJ Couriers		100	00			100	00	Delivery charge

2.

No.	Assets			Owner's equity			Liabilities		
	Effect	Reason		Effect	Reason		Effect	Reason	
6	+2 550	00 Trading stock increased							
	-2 550	00 Bank decreased							
	+150	00 Value of stock increased							
	-150	00 Bank decreased							
10	+4 780	00 Equipment increased							
	-4 780	00 Bank decreased							
11	-100	00 Bank decreased		-100	00 Delivery charges – expense				

$$3. \text{ Selling price of items: } (R2\ 550 + 150) \times \frac{150}{100} = R4\ 050$$

» Activity 9.10

LB page 161

1. $\frac{(52\ 000 + 4\ 000)}{200} = R280$ per pair of sunglasses
2. $280 \times \frac{160}{100} = R448$

» Activity 9.11

LB page 165

Cash Payments Journal of Sportman's Den for April 2019

CPJ2

Doc. no.	Day	Name of payee	Fol.	Bank		Sundry accounts			
						Amount	Details	Fol.	
261	2	AB Bank		8 000	00	8 000	00	Fixed deposit: AB Bank	B9

Cash Receipts Journal of Sportman's Den for April 2019

CRJ2

Doc. no.	Day	Details	Analysis of receipts		Bank		Sundry accounts			
							Amount	Details	Fol.	
58	1	Best Bank	10 800	00	10 800	00	10 000	00	Fixed deposit: Best Bank	B8
							800	00	Interest on fixed deposit	N10
59	30	AB Bank	50	00	50	00	50	00	Interest on fixed deposit	N10

No.	Assets			Owner's equity			Liabilities		
	Effect	Reason	Effect	Reason	Effect	Reason			
01	+10 800	00	Bank increased	+800	00	Interest on fixed deposit – income			
	–10 000	00	Fixed deposit decreased						
02	–8 000	00	Bank decreased						
	+8 000	00	Fixed deposit increased						
30	+50	00	Bank increased	+50	00	Interest on fixed deposit – income			

3. **General Ledger of Sportman's Den**
Balance Sheet accounts

Dr Fixed Deposit: Best Bank B8 Cr

Date	Details	Fol.	Amount	Date	Details	Fol.	Amount
2019 Apr 1	Balance	b/d	10 000 00	2019 Apr 1	Bank	CRJ2	10 000 00

Dr Fixed Deposit: AB Bank B9 Cr

Date	Details	Fol.	Amount	Date	Details	Fol.	Amount
2019 Apr 2	Bank	CPJ2	8 000 00				

Nominal account

Dr Interest on Fixed Deposit B9 Cr

Date	Details	Fol.	Amount	Date	Details	Fol.	Amount	
				2019 Apr 1	Bank	CRJ2	800 00	
					30	Bank	CRJ2	50 00
							<u>850 00</u>	

» **Activity 9.12**

LB page 168

1. **Cash Payments Journal of Nkosana Furniture for April 2019**

CPJ2

Doc. no.	Day	Name of payee	Fol.	Bank	Sundry accounts		
					Amount	Details	Fol.
556	2	WK Bank		5 750 00	5 000 00	Loan: WK Bank	B10
					750 00	Interest on loan	N5

Cash Receipts Journal of Nkosana Furniture for April 2019

CRJ2

Doc. no.	Day	Details	Analysis of receipts	Bank	Sundry accounts		
					Amount	Details	Fol.
78	28	XYZ Bank	50 000 00	50 000 00	50 000 00	Loan: XYZ Bank	B11

2.

Date	Assets			Owner's equity			Liabilities		
	Effect	Reason	Effect	Reason	Effect	Reason			
2	–5 750	00	Bank decreased	–750	00	Interest on loan – expense	–5 000	00	Loan decreased
28	+50 000	00	Bank increased				+50 000	00	Loan increased

3. **General Ledger of Nkosana Furniture**
Balance Sheet accounts

Dr Loan: WK Bank B10 Cr

Date	Details	Fol.	Amount	Date	Details	Fol.	Amount
2019 Apr 2	Bank	CPJ2	5 000 00	2019 Apr 1	Balance	b/d	20 000 00
	30	Balance	c/d				
			<u>20 000 00</u>				<u>20 000 00</u>
				2019 May 1	Balance	b/d	15 000 00

Dr				Loan: XYZ Bank				B11		Cr	
Date	Details		Fol.	Amount		Date	Details		Fol.	Amount	
						2019 Apr	28	Bank	CRJ2	50 000	00

Nominal account

Dr				Interest on Loan				N5		Cr	
Date	Details		Fol.	Amount		Date	Details		Fol.	Amount	
2019 Apr	2	Bank	CPJ2	750	00						

» Activity 9.13

LB page 168

General Ledger of Francia Traders Balance Sheet accounts

Dr				Loan: AB Bank				Cr			
Date	Details		Fol.	Amount		Date	Details		Fol.	Amount	
2017 Feb	28	Bank	CPJ	10 000	00	2016 Mar	1	Bank	CRJ	80 000	00
		Balance	c/f	70 000	00						
				80 000	00					80 000	00
2018 Feb	28	Bank	CPJ	10 000	00	2017 Mar	1	Balance	b/d	70 000	00
		Balance	c/f	60 000	00						
				70 000	00					70 000	00
2019 Feb	28	Bank	CPJ	12 000	00	2018 Mar	1	Balance	b/d	60 000	00
		Balance	c/f	88 000	00	Aug	31	Bank	CRJ	40 000	00
				100 000	00					100 000	00
						2019 Mar	1	Balance	b/d	88 000	00

Dr				Interest on Loan				B6		Cr	
Date	Details		Fol.	Amount		Date	Details		Fol.	Amount	
2017 Feb	28	Bank	CPJ	12 000	00	2017 Feb	28	Profit and loss	GJ	12 000	00
				12 000	00					12 000	00
2018 Feb	28	Bank	CPJ	10 500	00	2018 Feb	28	Profit and loss	GJ	10 500	00
				10 500	00					10 500	00
2019 Feb	28	Bank	CPJ	12 000	00	2019 Feb	28	Profit and loss	GJ	12 000	00
				12 000	00					12 000	00

Calculations of interest on loan

$$28 \text{ Feb } 2017: R80\,000 \times 15\% = R12\,000$$

$$28 \text{ Feb } 2018: R70\,000 \times 15\% = R10\,500$$

$$28 \text{ Feb } 2019: R60\,000 \times 15\% \times \frac{6}{12} = R4\,500$$

$$R100\,000 \times 15\% \times \frac{6}{12} = R7\,500$$

$$\underline{\underline{R12\,000}}$$



1. Cash Receipts Journal of La Cotte for April 2018

CRJ2

Doc. no.	Day	Details	Fol.	Analysis of receipts		Bank		Sales		Cost of sales		Debtors control		Discount allowed		Sundry accounts			
																Amount	Details	Fol.	
BS	1	Unity Bank				60 000	00									60 000	00	Loan: Unity Bank	
109	5	O Wyngaardt		608	00							640	00	32	00				
CRR		Sales		7 280	00	7 888	00	7 280	00	4 550	00								
110	10	T Munro		326	00							326	00						
CRR		Sales		5 824	00	6 150	00	5 824	00	3 640	00								
CRR	19	Sales		5 856	00			5 856	00	3 660	00								
111		J Mokaba		600	00	6 456	00									600	00	Rent Income	
BS	30	NOG Bank				68	00									68	00	Interest on current account	

2. Cash Payments Journal of La Cotte for April 2018

CPJ2

Doc. no.	Day	Name of payee	Bank		Wages		Trading stock		Debtors control		Creditors control		Discount received		Sundry accounts				
															Amount	Details	Fol.		
443	2	Asterix Ltd	3 740	00											3 740	00	Equipment		
444	3	South Suppliers	7 182	00			7 182	00											
445	4	Flint Transport Service	120	00			120	00											
446	8	Print Right	430	00											230	00	Adverts		
															200	00	Stationery		
447	9	Gifts Galore	2 726	00							2 870	00	144	00					
448	11	Cash	2 500	00	2 500	00													
TG	12	T Munro – (cheque dishonoured)	326	00					326	00									
449	13	TJ Creations	3 686	00							3 880	00	194	00					
450	14	The Argus	96	00											96	00	Drawings		
451	25	Cash	2 500	00	2 500	00													
452	26	TJ Creations	5 219	00			5 219	00											
453	27	Supafast	150	00			150	00											
454	28	Computron	8 900	00											8 900	00	Equipment		
455	29	Supafast	50	00											50	00	Delivery charges		
456		Unity Bank	2 800	00											2 000	00	Loan: Unity Bank		
															800	00	Interest on loan		
BS	30	NOG Bank	147	00											147	00	Bank charges		
DO		Municipality	446	00											446	00	Water and electricity		
AO		Tamson Ltd	600	00											600	00	Insurance		

1. Cash Receipts Journal of Heavenly Sweets for May 2019

CRJ5

Doc. no.	Day	Details	Fol.	Analysis of receipts		Bank		Sales		Cost of sales		Debtors control		Discount allowed		Sundry accounts			
																Amount	Details	Fol.	
BS	1	XYZ Bank				10 400	00									10 000	00	Fixed deposit: XYZ Bank	B10
																400	00	Interest on fixed deposit	N3
BS	2	AB Bank				80 000	00									80 000	00	Loan: AB Bank	B11
CRR	3	Sales		4 590	00			4 590	00	2 550	00								
162		L Campher	D1	1 482	00	6 072	00					1 560	00	78	00				
CRR	11	Sales		6 048	00			6 048	00	3 360	00								
163		G Fourie	D3	480	00	6 528	00					480	00						
CRR	20	Sales		6 264	00			6 264	00	3 480	00								
164		U Waneza	D2	798	00	7 062	00					840	00	42	00				
BS	30	B Nel				500	00									500	00	Rent Income	N8
						110 562	00	16 902	00	9 390	00	2 880	00	120	00	90 900	00		
						B7		N1		N2/B5		B6		N7					

Cash Payments Journal of Heavenly Sweets for May 2019

CPJ5

Doc. no.	Day	Name of payee	Fol.	Bank		Trading stock		Wages		Debtors control		Creditors control		Discount received		Sundry accounts			
																Amount	Details	Fol.	
331	5	Cookie & Co.		1 539	00	1 539	00												
332	6	Supafast Transport		87	00	87	00												
333	10	The Sweet Factory	C1	2 071	00						2 180	00	109	00					
334	14	Telkom		560	00										290	00	Telephone	N5	
															270	00	Drawings	B2	
335	15	Cash		3 200	00			3 200	00										
336	21	HH Furnishers		5 600	00										5 600	00	Equipment	B4	
337		Supafast Transport		120	00										120	00	Delivery charges	N13	
TG	23	G Fourie (cheque dishonoured)	D3	480	00					480	00								
338	24	Chocco Ltd	C2	1 767	00						1 860	00	93	00					
339	25	The Sweet Factory		3 468	00	3 468	00												
340	26	Rapid Transport		110	00	110	00												
341	27	Cash		3 200	00			3 200	00										
342	28	AB Bank		3 000	00										1 000	00	Interest on loan	N14	
															2 000	00	Loan: AB Bank	B11	
BS	30	SA Bank		56	00										56	00	Interest on overdraft	N11	
BS		SA Bank		89	00										89	00	Bank charges	N12	
DO		Municipality		289	00										289	00	Water and electricity	N4	
AO		Allsure Insurance		600	00										600	00	Insurance	N10	
				26 236	00	5 204	00	6 400	00	480	00	4 040	00	202	00	10 314	00		
				B7		B5		N9		B6		B9		N6					

2.

General Ledger of Heavenly Sweets
Balance Sheet accounts

Dr				Drawings				B2				Cr			
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount			
2019															
May	1	Balance		b/d	2 890	00									
	14	Bank		CPJ5	270	00									

Dr				Equipment				B4				Cr			
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount			
2019															
May	1	Balance		b/d	7 000	00									
	21	Bank		CPJ5	5 600	00									

Dr				Trading Stock				B5				Cr			
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount			
2019							2019								
May	1	Balance		b/d	8 126	00	May	31	Cost of sales		CRJ5	9 390	00		
	31	Bank		CPJ5	5 204	00									

Dr				Debtors Control				B6				Cr			
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount			
2019							2019								
May	1	Balance		b/d	6 122	00	May	31	Bank and discount allowed		CRJ5	2 880	00		
	14	Bank		CPJ5	480	00									

Dr				Bank				B7				Cr			
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount			
2019							2019								
May	31	Total receipts		CRJ5	110 562	00	May	1	Balance		b/d	1 800	00		
									Total payments		CPJ5	26 236	00		

Dr				Creditors Control				B9				Cr			
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount			
2019							2019								
May	31	Bank and discount received		CPJ5	4 040	00	May	1	Balance		b/d	9 100	00		

Dr				Fixed Asset: XYZ Bank				B10				Cr			
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount			
2019							2019								
May	1	Balance		b/d	10 000	00	May	1	Bank		CRJ5	10 000	00		

Dr				Loan: AB Bank				B11				Cr			
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount			
2019							2019								
May	28	Bank		CPJ5	2 000	00	May	2	Bank		CRJ5	80 000	00		

Nominal accounts

Dr				Sales				N1				Cr
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount		
						2019						
	May					1	Balance	b/d	82 080	00		
						31	Bank	CRJ5	16 902	00		

Dr				Cost of Sales				N2				Cr
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount		
2019	May											
	1	Balance	b/d	45 000	00							
	31	Trading stock	CRJ5	9 390	00							

Dr				Interest on Fixed Deposit				N3				Cr
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount		
						2019						
	May					1	Balance	b/d	400	00		
							Bank	CRJ5	400	00		

Dr				Water and Electricity				N4				Cr
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount		
2019	May											
	1	Balance	b/d	3 870	00							
	31	Bank	CPJ5	289	00							

Dr				Telephone				N5				Cr
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount		
2019	May											
	1	Balance	b/d	3 441	00							
	14	Bank	CPJ5	290	00							

Dr				Discount Received				N6				Cr
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount		
						2019						
	May					1	Balance	b/d	1 445	00		
						31	Creditors control	CPJ5	202	00		

Dr				Discount Allowed				N7				Cr
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount		
2019	May											
	1	Balance	b/d	1 338	00							
	31	Debtors control	CRJ5	120	00							

Dr				Rent Income				N8				Cr
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount		
						2019						
	May					1	Balance	b/d	2 500	00		
						31	Bank	CRJ5	500	00		

Dr				Wages				N9				Cr			
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount			
2019															
May	1	Balance		b/d	19 000	00									
	31	Bank		CPJ5	6 400	00									

Dr				Insurance				N10				Cr			
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount			
2019															
May	1	Balance		b/d	5 000	00									
	31	Bank		CPJ5	600	00									

Dr				Interest on Overdraft				N11				Cr			
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount			
2019															
May	1	Balance		b/d	59	00									
	31	Bank		CPJ5	56	00									

Dr				Bank Charges				N12				Cr			
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount			
2019															
May	1	Balance		b/d	631	00									
	31	Bank		CPJ5	89	00									

Dr				Delivery Charges				N13				Cr			
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount			
2019															
May	21	Bank		CPJ5	120	00									

Dr				Interest on Loan				N14				Cr			
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount			
2019															
May	28	Bank		CPJ5	1 000	00									

Debtors Ledger of Heavenly Sweets

L Campher

D1

Date		Details		Fol.	Debit +		Credit –		Balance =	
2019										
May	1	Account rendered							1 560	00
	3	Receipt no. 162		CRJ5			1 482	00	78	00
		Receipt no. 162 (discount allowed)		CRJ5			78	00	–	–

U Waneza

D2

Date		Details		Fol.	Debit +		Credit –		Balance =	
2019										
May	1	Account rendered							840	00
	20	Receipt no. 164		CRJ5			798	00	42	00
		Receipt no. 164 (discount allowed)		CRJ5			42	00	–	–

Date	Details	Fol.	Debit +	Credit –	Balance =
2019 May	1 Account rendered				775 00
	11 Receipt no. 163	CRJ5		480 00	295 00
	23 Cheque dishonoured	CPJ5	480 00		775 00

Creditors Ledger of Heavenly Sweets

The Sweet Factory

C1

Date	Details	Fol.	Debit –	Credit +	Balance =
2019 May	1 Account rendered				2 180 00
	10 Cheque no. 333	CPJ5	2 071 00		109 00
	Cheque no. 333 (discount received)	CPJ5	109 00		– –

Chocco Ltd

C2

Date	Details	Fol.	Debit –	Credit +	Balance =
2019 May	1 Account rendered				1 860 00
	10 Cheque no. 338	CPJ5	1 767 00		93 00
	Cheque no. 338 (discount received)	CPJ5	93 00		– –

» Activity 9.16

LB page 173

Date	Assets		Owner's equity		Liabilities	
	Effect	Reason	Effect	Reason	Effect	Reason
01	+1 020 00	Debtors increased	+340 00	Profit earned		
	–680 00	Trading stock decreased				
02	–120 00	Debtors decreased	–40 00	Profit cancelled		
	+80 00	Trading stock increased				
03	–900 00	Debtors decreased	–45 00	Discount allowed – expense		
	+855 00	Bank increased				
04	+340 00	Debtors increased				
	–340 00	Bank decreased				
05	+5 680 00	Trading stock increased			+5 680 00	Creditors increased
06	+150 00	Value of trading stock increased			+150 00	Creditors increased
07	–5 112 00	Bank decreased	+568 00	Discount received – income	–5 680 00	Creditors decreased
08	–499 00	Bank decreased	–360 00	Insurance – expense		
			–139 00	Bank charges – expense		
	+79 00	Bank increased	+79 00	Interest on current account – income		
09	+10 800 00	Bank increased	+800 00	Interest on fixed deposit – income		
	–10 000 00	Fixed deposit decreased				
10	+50 000 00	Bank increased			+50 000 00	Loan increased
11			–107 00	Interest on overdraft – expense	+107 00	Overdraft increased

Memorandum

Marks: 30
Time: 25 minutes

No.	Assets		Owner's equity		Liabilities	
	Effect	Reason	Effect	Reason	Effect	Reason
1.	-280 00	Debtors decreased ✓✓	-14 00	Discount allowed – expense ✓✓		
	+266 00	Bank increased ✓✓				
2.	-2 340 00	Bank decreased ✓✓	+120 00	Discount received – income ✓✓	-2 460 00	Creditors decreased ✓✓
3.	-350 00	Bank decreased ✓✓				
	+350 00	Debtors increased ✓✓				
4.	-10 000 00	Bank decreased ✓✓				
	+10 000 00	Fixed deposit – increased ✓✓				
5.	-3 800 00	Bank decreased ✓✓	-800 00	Interest on loan – expense ✓✓	-3 000 00	Loans decreased ✓✓
6.	-108 00	Bank decreased ✓✓				
	+108 00	Value of stock increased ✓✓				

» Activity 9.17

1. Cash Receipts Journal of Jouba Traders for March 2018

CRJ3

Doc. no.	Day	Details	Fol.	Analysis of receipts		Bank		Sales		Cost of sales		Debtors control		Discount allowed		Sundry accounts		
														Amount	Details	Fol.		
46	1	E Coetzee		342 00								360 00	18 00					
CRR		Sales		5 344 00	5 686 00	5 344 00	3 340 00											
47	3	SB Bank		5 400 00	5 400 00									5 000 00			Fixed deposit: SB Bank	
														400 00			Interest on fixed deposit	
48	5	ND Bank		10 000 00	10 000 00									10 000 00			Loan: ND Bank	
49	14	R Human	D1	200 00	200 00							200 00						
50	25	R Human	D1	1 086 00								1 206 00	120 00					
CRR		Sales		5 664 00	6 750 00	5 664 00	3 540 00											
BS	31	ND Bank			124 00										124 00		Interest on current account	N7
					28 160 00	11 008 00	6 880 00	1 766 00	138 00	15 524 00								
						N1	N2/B6	B7	N4									

Cash Payments Journal of Jouba Traders for March 2018
CPJ3

Doc. no.	Day	Name of payee	Fol.	Bank		Wages	Trading stock	Debtors control	Creditors control	Discount received	Sundry accounts						
											Amount	Details	Fol.				
182	4	Joubert & Co		1 386	00				1 540	00	154	00					
TG	5	B Muller (cheque dishonoured)		135	00			135	00								
183	6	Brandt Ltd		5 220	00		1 692	00					3 420	00	Equipment		
													108	00	Packaging		
184	7	Cash		1 680	00	1 680	00										
185	10	Rapid Transport		80	00		80	00									
186	13	Cash		1 800	00	1 680	00						120	00	Drawings		
TG	17	R Human (cheque dishonoured)	D1	200	00			200	00								
187	20	Cash		1 680	00	1 680	00										
188	21	Du Toit Dealers	C1	2 247	00				2 496	00	249	00					
189	24	Rapid Transport		40	00		40	00									
190	29	AL Bank		2 400	00								2 000	00	Loan: AL Bank		
													400	00	Interest on loan		
BS	31	ND Bank		65	00								65	00	Bank charges		
AO		Allsure Insurance		250	00								250	00	Insurance		
DO		Telkom		182	00								182	00	Telephone		
				17 365	00	5 040	00	1 812	00	335	00	4 036	00	403	00	6 545	00
							B6	B7	B8	N5							

Debtors Journal of Jouba Traders for March 2018
DJ3

Doc. no.	Date	Debtor	Fol.	Sales		Cost of sales	
138	8	R Human	D1	416	00	260	00
139	11	R Human	D1	608	00	380	00
140		R Malan		352	00	220	00
141		C Toua		224	00	140	00
142	19	N Lombard		832	00	520	00
				2 432	00	1 520	00
				B7/N1		N2/B6	

Debtors Allowances Journal of Jouba Traders for March 2018
DAJ3

Doc. no.	Day	Debtor	Fol.	Debtors allowances		Cost of sales	
15	12	R Human	D1	128	00	80	00
16	18	C Toua		64	00	0	00
				192	00	80	00
				B7		B6/N2	

Creditors Journal of Jouba Traders for March 2018
CJ3

Doc. no.	Day	Creditor	Fol.	Creditors control		Trading stock		Stationery	Packaging	Sundry accounts		
										Amount	Details	Fol.
302	7	Du Toit Dealers	C1	1 504	00	1 380	00	124	00			
303	9	Vermeulen Ltd		3 040	00	3 040	00					
304	24	Vermeulen Ltd		1 320	00	1 320	00					
				5 864	00	5 740	00	124	00			
				B8		B6						

Creditors Allowances Journal of Jouba Traders for March 2018
CAJ3

Doc. no.	Day	Creditor	Fol.	Creditors control		Trading stock		Stationery	Sundry accounts			
									Amount	Details	Fol.	
24	9	Du Toit Dealers	C1	238	00	210	00	28	00			
25	16	Vermeulen Ltd		128	00	128	00					
				366	00	338	00	28	00			
				B8		B6						

2. Debtors Ledger of Jouba Traders
R Human
D1

Date	Details	Fol.	Debit +	Credit –	Balance =
2018 Mar	1 Account rendered				310 00
	8 Invoice no. 138	DJ3	416 00		726 00
	11 Invoice no. 139	DJ3	608 00		1 334 00
	12 Credit note no. 15	DAJ3		128 00	1 206 00
	14 Receipt no. 49	CRJ3		200 00	1 006 00
	17 Cheque dishonoured	CPJ3	200 00		1 206 00
	25 Receipt no. 50	CRJ3		1 086 00	120 00
	Discount allowed	CRJ3		120 00	– –

Creditors Ledger of Jouba Traders
Du Toit Dealers
C1

Date	Details	Fol.	Debit –	Credit +	Balance =
2018 Mar	1 Account rendered				1 230 00
	7 Invoice no. 302	CJ3		1 504 00	2 734 00
	9 Debit note no. 24	CAJ3	238 00		2 496 00
	21 Cheque no. 188	CPJ3	2 247 00		249 00
	Cheque no. 188 (Discount received)	CPJ3	249 00		– –

General Ledger of Jouba Traders
Balance Sheet accounts

Dr				Trading Stock				B6				Cr
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount		
2018 Mar	1	Balance	b/d	4 820	00	2018 Mar	31	Cost of sales	CRJ	6 880	00	
	31	Bank	CPJ3	1 812	00			Cost of sales	DJ3	1 520	00	
		Creditors control	CJ3	5 740	00			Creditors control	CAJ3	338	00	
		Cost of sales	DAJ3	80	00			Balance	c/d	3 714	00	
				12 452	00					12 452	00	
2018 Apr	1	Balance	b/d	3 714	00							

Dr				Debtors Control				B7				Cr
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount		
2018 Mar	1	Balance	b/d	2 120	00	2018 Mar	31	Bank and discount allowed	CRJ3	1 766	00	
	31	Sales	DJ3	2 432	00			Debtors allowances	DAJ3	192	00	
		Bank	CPJ3	335	00			Balance	c/d	2 929	00	
				4 887	00					4 887	00	
2018 Apr	1	Balance	b/d	2 929	00							

Dr				Creditors Control				B8				Cr
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount		
2018 Mar	31	Bank and discount received	CPJ3	4 036	00	2018 Mar	1	Balance	b/d	5 245	00	
		Sundry returns	CAJ3	366	00		31	Sundry purchases	CJ3	5 864	00	
		Balance	c/d	6 707	00							
				11 109	00					11 109	00	
						2018 Apr	1	Balance	b/d	6 707	00	

Nominal accounts

Dr				Sales				N1				Cr
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount		
						2018 Mar	1	Balance	b/d	18 080	00	
							31	Bank	CRJ3	11 008	00	
								Debtors control	DJ3	2 432	00	
										31 520	00	

Dr				Cost of Sales				N2				Cr
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount		
2018 Mar	1	Balance	b/d	11 300	00	2018 Mar	31	Trading stock	DAJ3	80	00	
	31	Trading stock	CRJ3	6 880	00			Balance	c/d	19 650	00	
		Trading stock	DJ3	1 520	00							
				19 730	00					19 730	00	

Dr				Debtors Allowances				N3				Cr			
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount			
2018															
Mar	1	Balance		b/d	810	00									
	31	Debtors control		DAJ3	192	00									
					<u>1 002</u>	<u>00</u>									

Dr				Discount Allowed				N4				Cr			
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount			
2018															
Mar	1	Balance		b/d	105	00									
	31	Debtors control		CRJ3	138	00									
					<u>243</u>	<u>00</u>									

Dr				Discount Received				N5				Cr			
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount			
							2018								
							Mar	1	Balance		b/d	280	00		
								31	Creditors control		CPJ3	403	00		
											<u>683</u>	<u>00</u>			

Dr				Bank Charges				N6				Cr			
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount			
2018															
Mar	1	Balance		b/d	127	00									
	31	Bank		CPJ3	65	00									
					<u>192</u>	<u>00</u>									

Dr				Interest on Current Account				N7				Cr			
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount			
							2018								
							Mar	1	Balance		b/d	89	00		
								31	Bank		CRJ3	124	00		
											<u>213</u>	<u>00</u>			

Dr				Interest on Loan				N8				Cr			
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount			
2018															
Mar	29	Bank		CPJ3	400	00									

» Informal assessment 9.3

LB page 176

Memorandum

Total: 45
Time: 35 minutes

Cash Receipts Journal of Basson Traders for July 2020

CRJ4

Doc. no.	Day	Details	Analysis of receipts	Bank		Sales	Cost of sales	Debtors control	Discount allowed	Sundry accounts	
										Amount	Details
120	1	H Bergh	✓180 00					✓190 00	✓10 00		
CRR		Sales	✓1 200 00	✓1 380 00	✓1 200 00	✓800 00					
121	8	F Basson		✓6 000 00						✓6 000 00	Capital ✓
CRR		Sales	✓4 902 00	✓4 902 00	✓4 902 00	✓3 268 00					
122	11	A van Blerk	✓130 00					✓130 00			
CRR		Sales	✓3 600 00	✓3 730 00	✓3 600 00	✓2 400 00					
123	14	Diamond Bank		✓33 000 00						✓30 000 00	Fixed deposit: ✓ Diamond Bank
										✓3 000 00	Interest on fixed deposit ✓

-1 if incorrect

(25)

Cash Payments Journal of Basson Traders for July 2020

CPJ4

Doc. no.	Day	Name of payee	Bank	Trading stock	Stationery	Debtors control	Creditors control	Discount received	Sundry accounts	
									Amount	Details
234	3	Theron Distributors	✓670 00	✓670 00						
235		Vermaak Transport	✓45 00	✓45 00						
236	6	Nel & Co.	✓612 00				✓680 00	✓68 00		
237	9	Roux Dealers	✓345 00		✓345 00					
	17	A van Blerk (cheque dishonoured)	✓130 00			✓130 00				
238	22	Telkom	✓298 00						✓298 00	Drawings
239	25	ND Bank	✓6 780 00						✓6 000 00	Loan: ND Bank
									✓780 00	Interest on loan
BS	31		✓12 00						✓12 00	Interest on overdraft
BS	31		✓38 00						✓38 00	Bank charges

(20)

» Activity 9.18

LB page 177

General Ledger of Danjo Traders
Balance Sheet accounts

Dr				Trading Stock				Cr			
Date		Details	Fol.	Amount	Date		Details	Fol.	Amount		
2018 Mar	1	Balance	b/d	25 800 00	2018 Mar	31	Cost of sales	CRJ3	14 200 00		
	31	Bank	CPJ3	13 800 00			Cost of sales	DJ3	8 620 00		
		Creditors control	CJ3	8 932 00			Creditors control	CAJ3	1 876 00		
		Cost of sales	DAJ3	870 00			Balance	c/d	24 706 00		
				49 402 00					49 402 00		
2018 Apr	1	Balance	b/d	24 706 00							

Dr				Debtors Control				Cr			
Date		Details	Fol.	Amount	Date		Details	Fol.	Amount		
2018 Mar	1	Balance	b/d	8 730 00	2018 Mar	31	Bank and discount allowed	CRJ3	7 250 00		
	31	Sales	DJ3	13 792 00			Debtors' discount	DAJ3	1 392 00		
		Bank	CPJ3	560 00			Balance	c/d	14 440 00		
				23 082 00					23 082 00		
2018 Apr	1	Balance	b/d	14 440 00							

Dr				Creditors Control				Cr			
Date		Details	Fol.	Amount	Date		Details	Fol.	Amount		
2018 Mar	1	Bank and discount received	CPJ3	10 450 00	2018 Mar	1	Balance	b/d	12 475 00		
	31	Sundry returns	CAJ3	3 594 00		31	Sundry purchases	CJ3	14 112 00		
		Balance	c/d	12 543 00							
				26 587 00					26 587 00		
					2018 Apr	1	Balance	b/d	12 543 00		

Dr				Loan: Standard Bank				Cr			
Date	Details		Fol.	Amount		Date	Details		Fol.	Amount	
2018 Mar	18	Bank	CPJ3	5 000	00	2018 Mar	1	Balance	b/d	12 000	00
		Balance	c/d	7 000	00						
				12 000	00					12 000	00
						2018 Apr	1	Balance	b/d	7 000	00

Nominal accounts

Dr				Sales				Cr			
Date	Details		Fol.	Amount		Date	Details		Fol.	Amount	
						2018 Mar	1	Balance	b/d	386 080	00
							31	Bank	CRJ3	22 720	00
								Debtors control	DJ3	13 792	00

Dr				Cost of Sales				Cr			
Date	Details		Fol.	Amount		Date	Details		Fol.	Amount	
2018 Mar	1	Balance	b/d	241 300	00	2018 Mar	1	Trading stock	DAJ3	870	00
	31	Trading stock	CRJ3	14 200	00						
		Trading stock	DJ3	8 620	00						

Dr				Debtors Allowances				Cr			
Date	Details		Fol.	Amount		Date	Details		Fol.	Amount	
2018 Mar	1	Balance	b/d	4 560	00						
	31	Debtors control	DAJ3	1 392	00						

Dr				Stationery				Cr			
Date	Details		Fol.	Amount		Date	Details		Fol.	Amount	
2018 Mar	1	Balance	b/d	1 860	00	2018 Mar	31	Creditors control	CAJ3	210	00
	31	Bank	CPJ3	420	00						
		Creditors control	CJ3	643	00						

Dr				Discount Received				Cr			
Date	Details		Fol.	Amount		Date	Details		Fol.	Amount	
						2018 Mar	1	Balance	b/d	1 883	00
							31	Creditors control	CPJ3	987	00

Dr				Interest on Loan				Cr			
Date	Details		Fol.	Amount		Date	Details		Fol.	Amount	
2018 Mar	1	Balance	b/d	230	00						
	18	Bank	CPJ3	1 800	00						

Dr				Bank Charges				Cr			
Date	Details		Fol.	Amount		Date	Details		Fol.	Amount	
2018 Mar	1	Balance	b/d	1 657	00						
	31	Bank	CPJ3	340	00						

1. Debtors Ledger of Danjo Traders

C Kriel

D1

Date	Details	Fol.	Debit +	Credit –	Balance =
2018 Mar 1	Account rendered				2 340 00
	3 Invoice no. 341	DJ	896 00		3 236 00
	8 Receipt no. 397	CRJ		2 223 00	1 013 00
	Receipt no. 397 (discount allowed)	CRJ		117 00	896 00
	12 Credit note no. 112	DAJ		110 00	786 00

2. Creditors Ledger of Danjo Traders

Joubert Suppliers

C1

Date	Details	Fol.	Debit –	Credit +	Balance =
2018 Mar 1	Account rendered				4 890 00
	5 Invoice no. 562	CJ		4 720 00	9 610 00
	10 Debit note no. 87	CAJ	470 00		9 140 00
	21 Cheque no. 1542	CPJ	2 880 00		6 260 00
	Cheque no. 1542 (discount received)	CPJ	320 00		5 940 00

» Informal assessment 9.4

Memorandum

Marks: 50
Time: 40 minutes

General Ledger of Our Shop
Balance Sheet accounts

Dr				Trading Stock				B8				Cr	
Date		Details	Fol.	Amount	Date		Details	Fol.	Amount				
2018 Jul 1		Balance	b/d	✓10 350 00	2018 Jul 31		Cost of sales	CRJ7	✓✓ 3 150 00				
	31	Bank	CPJ7	✓9 142 00			Cost of sales	DJ7	✓4 765 00				
		Creditors control	CJ7	✓12 887 00			Creditors control ✓	CAJ7	✓410 00				
		Cost of sales ✓	DAJ7	✓✓310 00			Balance	c/d	✓24 364 00				
				<u>32 689 00</u>					<u>32 689 00</u>				
2018 Aug 1		Balance	b/d	✓24 364 00									

(13)

Dr				Debtors Control				B9				Cr	
Date		Details	Fol.	Amount	Date		Details	Fol.	Amount				
2018 Jul 1		Balance	b/d	✓3 825 00	2018 Jul 31		Bank and discount allowed ✓	CRJ7	✓3 810 00				
	31	Sales	DJ7	✓9 530 00			Debtors allowances	DAJ7	✓620 00				
		Bank ✓	CPJ7	✓211 00			Balance	c/d	✓9 136 00				
				<u>13 566 00</u>					<u>13 566 00</u>				
2018 Aug 1		Balance	b/d	✓9 136 00									

(9)

Dr				Creditors Control				B10				Cr			
Date	Details		Fol.	Amount		Date	Details		Fol.	Amount					
2018 Jul	31	Bank and discount received ✓	CPJ7	✓5 820	00	2018 Jul	1	Balance	b/d	✓6 416	00				
		Sundry returns	CAJ7	✓968	00		31	Sundry purchases	CJ7	✓20 613	00				
		Balance	c/d	✓20 241	00										
				27 029	00					27 029	00				
						2018 Aug	1	Balance	b/d	✓20 241	00				

(7)

Dr				Loan: XY Bank				B11				Cr			
Date	Details		Fol.	Amount		Date	Details		Fol.	Amount					
2018 Jul	31	Bank	CPJ7	✓20 000	00	2018 Jul	1	Balance	b/d	✓80 000	00				
		Balance	c/d	✓60 000	00										
				80 000	00					80 000	00				
						2018 Aug	1	Balance	b/d	✓60 000	00				

(4)

Nominal accounts

Dr				Sales				N1				Cr			
Date	Details		Fol.	Amount		Date	Details		Fol.	Amount					
						2018 Jul	1	Balance	b/d	✓8 500	00				
							31	Bank	CRJ7	✓6 300	00				
								Debtors control	DJ7	✓9 530	00				

(3)

Dr				Cost of Sales				N2				Cr			
Date	Details		Fol.	Amount		Date	Details		Fol.	Amount					
2018 Jul	1	Balance	b/d	✓4 250	00	2018 Jul	31	Trading stock	DAJ7	✓310	00				
	31	Trading stock	CRJ7	✓3 150	00										
		Trading stock	DJ7	✓4 765	00										

(4)

Dr				Repairs				N5				Cr			
Date	Details		Fol.	Amount		Date	Details		Fol.	Amount					
2018 Jul	1	Balance	b/d	✓520	00	2018 Jul	14	Creditors control ✓	CAJ7	✓287	00				
	3	Creditors control	CJ7	✓481	00										

(4)

Dr				Discount Allowed				N6				Cr			
Date	Details		Fol.	Amount		Date	Details		Fol.	Amount					
2018 Jul	1	Balance	b/d	✓110	00										
	3	Debtors control ✓	CRJ7	✓141	00										

(3)

Dr				Discount Received				N7				Cr			
Date	Details		Fol.	Amount		Date	Details		Fol.	Amount					
						2018 Jul	1	Balance	b/d	✓285	00				
							31	Creditors control ✓	CPJ7	✓345	00				

(3)

CHAPTER 10

Bookkeeping of a sole trader – The General Journal

Activity 10.1

LB page 188

1. General Journal of Pepler & Co for March 2020

GJ3

Date	Details	Fol.	Debit	Credit	Debtors control		Creditors control	
					Debit	Credit	Debit	Credit
Mar 1	W Smith	D1	15 00		15 00			
	Discount allowed	N4		15 00				
	(Cancel discount on dishonoured cheque)							
3	W Smith	D1	9 00		9 00			
	Interest received	N5		9 00				
	(Charge interest of 10% p.a. for 3 months)							
14	Interest paid	N6	32 00					
	SS Wholesalers	C1		32 00				32 00
	(Interest charged on overdue account)							
					24 00			32 00

2.

General Ledger of Pepler & Co

Balance Sheet accounts

Dr				Debtors Control				B6				Cr
Date		Details	Fol.	Amount	Date		Details	Fol.	Amount			
2020												
Mar	31	Journal debits	GJ3	24 00								

Dr				Creditors Control				B7				Cr
Date		Details	Fol.	Amount	Date		Details	Fol.	Amount			
					2020							
					Mar	31	Journal credits	GJ3	32 00			

Nominal accounts

Dr				Discount Allowed				N4				Cr
Date		Details	Fol.	Amount	Date		Details	Fol.	Amount			
					2020							
					Mar	1	W Smith/Debtors control	GJ3	15 00			

Dr				Interest Received				N5				Cr
Date		Details	Fol.	Amount	Date		Details	Fol.	Amount			
					2020							
					Mar	3	W Smith/Debtors control	GJ3	9 00			

Dr				Interest Paid				N6				Cr
Date		Details	Fol.	Amount	Date		Details	Fol.	Amount			
2020												
Mar	14	SS Wholesalers/Creditors control	GJ3	32 00								

3. Debtors Ledger of Pepler & Co

W Smith

D1

Date		Details	Fol.	Debit +	Credit –	Balance =
2020						
Mar	1	Account rendered				345 00
	1	Discount allowed	GJ3	15 00		360 00
	3	Interest received	GJ3	9 00		369 00

Creditors Ledger of Pepler & Co

SS Wholesalers

C1

Date	Details	Fol.	Debit –	Credit +	Balance =
2020 Mar	1 Account rendered				1 067 00
	14 Interest paid	GJ3		32 00	1 099 00

4.

Date	Assets		Owner's equity		Liabilities	
	Effect	Reason	Effect	Reason	Effect	Reason
01	+15 00	Debtors increased	+15 00	Discount allowed – expense cancelled		
03	+9 00	Debtors decreased	+9 00	Interest received – income		
14			–32 00	Interest paid – expense	+32 00	Creditors increase



Activity 10.2

LB page 189

1. Cash Payments Journal of This 'n That Home Industries for April 2018

CPJ2

Doc. no.	Day	Name of payee	Fol.	Bank	Debtors control
TG	6	H Steyn (cheque dishonoured)		225 00	225 00
					225 00
					B6

General Journal of This 'n That Home Industries for April 2018

GJ2

Date	Details	Fol.	Debit	Credit	Debtors control		Creditors control	
					Debit	Credit	Debit	Credit
Apr 6	H Steyn	D2	25 00		25 00			
	Discount allowed	N5		25 00				
	(Discount on dishonoured cheque cancelled)							
7	H Steyn	D2	9 00		9 00			
	Interest received	N6		9 00				
	(Interest charged on overdue account)							
12	Interest paid	N7	31 00					
	Adami Wholesalers	C1		31 00				31 00
	(Interest on overdue account)							
23	J Myburgh	D1	12 00		12 00			
	Interest received	N6		12 00				
	(Interest charged on overdue account)							
					46 00			31 00
					B6			B7

Calculations

$$7\text{th: } (R110 + 250) \times 10\% \times \frac{3}{12} = R9$$

$$12\text{th: } R1\,860 \times 10\% \times \frac{2}{12} = R31$$

$$23\text{rd: } R240 \times 10\% \times \frac{6}{12} = R12$$

2.

General Ledger of This 'n That Home Industries

Balance Sheet accounts

Dr				Debtors Control				B6				Cr
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount		
2018												
Apr	1	Balance	b/d	2 890	00							
	30	Bank	CPJ2	225	00							
		Journal debits	GJ2	46	00							

Dr				Creditors Control				B7				Cr
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount		
						2018						
						Apr	1	Balance	b/d	4 089	00	
							30	Journal credits	GJ2	31	00	

Nominal accounts

Dr				Discount Allowed				N5				Cr
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount		
2018						2018						
Apr	1	Balance	b/d	430	00	Apr	6	H Steyn/Debtors control	GJ12	25	00	

Dr				Interest Received				N6				Cr
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount		
						2018						
						Apr	1	Balance	b/d	168	00	
							7	H Steyn/Debtors control	GJ12	9	00	
							23	J Myburgh/Debtors control	GJ12	12	00	

Dr				Interest Paid				N7				Cr
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount		
2018												
Apr	1	Balance	b/d	273	00							
	12	Adami Wholesalers/ Creditors control	GJ12	31	00							

Debtors Ledger of This 'n That Home Industries

J Myburgh

D1

Date		Details	Fol.	Debit +		Credit –		Balance =	
2018									
Apr	1	Account rendered						240	00
	23	Interest received	GJ2	12	00			252	00

H Steyn

D2

Date		Details	Fol.	Debit +		Credit –		Balance =	
2018									
Apr	1	Account rendered						110	00
	6	Cheque dishonoured	CPJ2	225	00			335	00
		Discount allowed	GJ2	25	00			360	00
	7	Interest received	GJ2	9	00			369	00

Dr		Bad Debts Recovered					N10		Cr	
Date	Details		Fol.	Amount	Date	Details		Fol.	Amount	
					2020 Apr	21	Bank	CRJ3	235 00	

3. Debtors Ledger of Pepler & Co.

D Malan

D1

Date	Details		Fol.	Debit +	Credit –	Balance =
2020 Mar	1	Account rendered				580 00
	28	Receipt no. 35	CRJ3		232 00	348 00
		Bad debts	GJ3		348 00	– –

4.

Date	Assets		Owner's equity		Liabilities	
	Effect	Reason	Effect	Reason	Effect	Reason
16	–197 00	Debtors decrease	–197 00	Bad debts – expense		
21	+235 00	Bank increased	+235 00	Bad debts recovered – income		
28	–580 00	Debtors decrease	–348 00	Bad debts – expense		
	+232 00	Bank increased				

Activity 10.4

LB page 195

1. Cash Receipts Journal of CAT Traders for April 2018

CRJ2

Doc. no.	Day	Details	Fol.	Analysis of receipts	Bank	Sales	Cost of sales	Debtors control	Discount allowed	Sundry accounts		
										Amount	Details	Fol.
67	3	S du Toit	D1	627 00	627 00			660 00	33 00			
68	22	D Collett	D2	126 00	126 00			126 00				
69	25	A Viljoen		389 00	389 00					389 00	Bad debts recovered	N9
					1 142 00			786 00	33 00	389 00		
								B6	N5			

Cash Payments Journal of CAT Traders for April 2018

CPJ2

Doc. no.	Day	Name of payee	Fol.	Bank	Trading stock	Debtors control	Creditors control	Discount received	Sundry accounts			
									Amount	Details	Fol.	
TG	5	P Goosen (cheque dishonoured)		270 00		270 00						
TG	14	S du Toit (cheque dishonoured)	D1	627 00		627 00						
				897 00		897 00						
						B6						

Date	Details	Fol.	Debit	Credit	Debtors control		Creditors control	
					Debit	Credit	Debit	Credit
Apr 2	Bad debts	N8	256 00					
	J Holmes			256 00		256 00		
	(Write off account)							
5	P Goosen		30 00		30 00			
	Discount allowed	N5		30 00				
	(Discount on dishonoured cheque cancelled)							
13	Interest paid	N7	69 00					
	EC Traders	C1		69 00			69 00	
	(Interest on overdue account)							
14	S du Toit	D1	33 00		33 00			
	Discount allowed	N5		33 00				
	(Discount on dishonoured cheque cancelled)							
15	S du Toit	D1	12 00		12 00			
	Interest received	N6		12 00				
	(Interest on overdue account)							
22	Bad debts	N8	294 00					
	D Collett	D2		294 00		294 00		
	(Write off account)							
					75 00	550 00		69 00
					B6	B6		B7

2. **General Ledger of CAT Traders**
Balance Sheet accounts

Dr				Debtors Control				B6				Cr			
Date	Details	Fol.	Amount	Date	Details	Fol.	Amount	Date	Details	Fol.	Amount	Date	Details	Fol.	Amount
2018 Apr 1	Balance	b/d	3 011 00	2018 Apr 30	Bank and discount allowed	CRJ2	786 00								
	30 Bank	CPJ2	897 00		Journal credits	GJ2	550 00								
	Journal debits	GJ2	75 00												

Dr				Creditors Control				B7				Cr			
Date	Details	Fol.	Amount	Date	Details	Fol.	Amount	Date	Details	Fol.	Amount	Date	Details	Fol.	Amount
				2018 Apr 1	Balance	b/d	6 782 00								
					30 Journal credits	GJ2	69 00								

Nominal accounts

Dr				Discount Allowed				N5				Cr			
Date	Details	Fol.	Amount	Date	Details	Fol.	Amount	Date	Details	Fol.	Amount	Date	Details	Fol.	Amount
2018 Apr 1	Balance	b/d	478 00	2018 Apr 5	P Goosen/Debtors control	GJ2	30 00								
	30 Debtors control	CRJ2	33 00		14 S du Toit/Debtors control	GJ2	33 00								

Dr				Interest Received				N6				Cr			
Date	Details	Fol.	Amount	Date	Details	Fol.	Amount	Date	Details	Fol.	Amount	Date	Details	Fol.	Amount
				2018 Apr 1	Balance	b/d	112 00								
					15 S du Toit/Debtors control	GJ2	12 00								

Dr				Interest Paid				N7				Cr			
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount			
2018	Apr	1	Balance	b/d	347	00									
		13	EC Traders/Creditors control	GJ2	69	00									

Dr				Bad Debts				N8				Cr			
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount			
2018	Apr	1	Balance	b/d	850	00									
		2	J Holmes/Debtors control	GJ2	256	00									
		22	D Collett/Debtors control	GJ2	294	00									

Dr				Bad Debts Recovered				N9				Cr			
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount			
							2018	Apr	1	Balance	b/d	340	00		
									25	Bank	CRJ2	389	00		

Debtors Ledger of CAT Traders

S du Toit

D1

Date		Details		Fol.	Debit +		Credit –		Balance =	
2018	Apr	1	Account rendered						660	00
		3	Receipt no. 67	CRJ2			627	00	33	00
			Discount allowed	CRJ2			33	00	–	–
		14	Cheque dishonoured	CPJ2	627	00			627	00
			Discount allowed	GJ2	33	00			660	00
		15	Interest received	GJ2	12	00			672	00

D Collett

D2

Date		Details		Fol.	Debit +		Credit –		Balance =	
2018	Apr	1	Account rendered						420	00
		22	Receipt no. 68	CRJ2			126	00	294	00
			Bad debts	GJ2			294	00	–	–

Creditors Ledger of CAT Traders

EC Traders

C1

Date		Details		Fol.	Debit –		Credit +		Balance =	
2018	Apr	1	Account rendered						2 300	00
		13	Interest paid	GJ2			69	00	2 369	00

Date	Assets		Owner's equity		Liabilities	
	Effect	Reason	Effect	Reason	Effect	Reason
2	-256	00 Debtors decreased	-256	00 Bad debts – expense		
3	-660	00 Debtors decreased	-33	00 Discount allowed – expense		
	+627	00 Bank increased				
5	-270	00 Bank decreased	+30	00 Discount allowed cancelled		
	+300	00 Debtors increased				
13			--69	00 Interest paid – expense	+69	00 Creditors increased
14	+660	00 Debtors increased	+33	00 Discount allowed cancelled		
	-627	00 Bank decreased				
15	+12	00 Debtors increased	+12	00 Interest received – income		
22	-420	00 Debtors decreased	-294	00 Bad debts – expense		
	+126	00 Bank increased				
25	+389	00 Bank increased	+389	00 Bad debts recovered – income		

1. General Journal of Pepler & Co. for March 2020

GJ3

Date	Details	Fol.	Debit		Credit		Debtors control		Creditors control	
							Debit	Credit	Debit	Credit
Mar 2	Drawings	B2	250	00						
	Trading stock	B6			250	00				
	(Owner takes stock at cost price)									
9	Donations	N6	5 700	00						
	Trading stock	B6			5 700	00				
	(Stock donated as emergency relief)									
14	Drawings	B2	62	00						
	Stationery	N5			62	00				
	(Owner takes stationery for private use)									
18	Drawings	B2	2 540	00						
	Trading stock	B6			2 540	00				
	(Owner takes stock for his son)									
19	Trading stock	B6	310	00						
	Drawings	B2			310	00				
	(Owner's son returns stock)									
25	Equipment	B3	5 400	00						
	Capital	B1			5 400	00				
	(Owner donates computer for office use)									

2.

General Ledger of Pepler & Co.
Balance Sheet accounts

Dr				Capital				B1				Cr	
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount	
							2020 Mar	25	Equipment	GJ3	5 400	00	

Dr				Drawings				B2				Cr	
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount	
2020 Mar	2	Trading stock	GJ3	250	00		2020 Mar	19	Trading stock	GJ3	310	00	
	14	Stationery	GJ3	62	00								
	18	Trading stock	GJ3	2 540	00								

Dr				Equipment				B3				Cr	
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount	
2020 Mar	25	Capital	GJ3	5 400	00								

Dr				Trading Stock				B6				Cr	
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount	
2020 Mar	19	Drawings	GJ3	310	00		2020 Mar	2	Drawings	GJ3	250	00	
								9	Donations	GJ3	5 700	00	
								18	Drawings	GJ3	2 540	00	

Nominal accounts

Dr				Stationery				N5				Cr	
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount	
							2020 Mar	14	Drawings	GJ3	62	00	

Dr				Donations				N6				Cr	
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount	
2020 Mar	9	Trading stock	GJ3	5 700	00								

Date	Assets			Owner's equity			Liabilities		
	Effect	Reason		Effect	Reason		Effect	Reason	
2	-250	00	Trading stock decreased	-250	00	Drawings by owner			
9	-5 700	00	Trading stock decreased	-5 700	00	Donations – expense			
14				+62	00	Stationery – expense decreased			
				-62	00	Drawings by owner			
18	-2 540	00	Trading stock decreased	-2 540	00	Drawings by owner			
19	+310	00	Trading stock increased	+310	00	Drawings decreased			
25	+5 400	00	Equipment increased	+5 400	00	Capital contributed by owner			

General Journal of Duzi Stores for May 2018

GJ5

Date	Details	Fol.	Debit		Credit		Debtors control		Creditors control	
							Debit	Credit	Debit	Credit
May 31	Totals	b/d					46 00	210 00	88 00	116 00
	Drawings	B2	578	00						
	Trading stock	B5			578	00				
	(Owner takes stock)									
	Drawings	B2	56	00						
	Stationery	N5			56	00				
	(Owner takes stationery)									
	Bad debts	N10	426	00						
	G Malan				426	00		426	00	
	(Write off account)									
	G Hlazo		18	00			18	00		
	Discount allowed	N6			18	00				
	(Discount on dishonoured cheque)									
	G Hlazo		14	00			14	00		
	Interest received	N9			14	00				
	(Interest charged on overdue account)									
	Interest paid	N8	21	00						
	Mondi Ltd				21	00				21 00
	(Interest charged on overdue account)									
							78 00	636 00	88 00	137 00
							B7	B7	B8	B8

General Ledger of Duzi Stores
Balance Sheet accounts

Dr				Drawings				B2				Cr			
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount					
2018															
May	1	Balance	b/d	5 410	00										
	31	Trading stock	GJ5	578	00										
		Stationery	GJ5	56	00										
				6 044	00										

Dr				Trading Stock				B5				Cr			
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount					
2018						2018									
May	1	Balance	b/d	36 000	00	May	31	Cost of sales	CRJ5	15 800	00				
	31	Bank	CPJ5	18 830	00			Cost of sales	DJ5	6 220	00				
		Creditors control	CJ5	8 330	00			Creditors control	CAJ5	630	00				
		Cost of sales	DAJ5	1 080	00			Drawings	GJ5	578	00				
								Balance	c/d	41 012	00				
				64 240	00					64 240	00				
2018															
Jun	1	Balance	b/d	41 012	00										

Dr				Debtors Control				B7				Cr			
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount			
2018	May	1	Balance	b/d	5 890	00	2018	May	31	Bank and discount allowed	CRJ5	5 240	00		
		31	Sales	DJ5	9 952	00				Debtors allowances	DAJ5	1 728	00		
			Bank	CPJ5	630	00				Journal credits	GJ5	636	00		
			Journal debits	GJ5	78	00				Balance	c/d	8 946	00		
					16 550	00						16 550	00		
2018	Jun	1	Balance	b/d	8 946	00									

Dr				Creditors Control				B8				Cr			
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount			
2018	May	31	Bank and discount received	CPJ5	9 310	00	2018	May	1	Balance	b/d	10 474	00		
			Sundry returns	CAJ5	965	00			31	Sundry purchases	CJ5	12 855	00		
			Journal debits	GJ5	88	00				Journal credits	GJ5	137	00		
			Balance	c/d	13 103	00									
					23 466	00						23 466	00		
							2018	Jun	1	Balance	b/d	13 103	00		

Nominal accounts

Dr				Stationery				N5				Cr			
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount			
2018	May	1	Balance	b/d	315	00	2018	May	31	Creditors control	CAJ5	115	00		
		31	Creditors control	CJ5	435	00				Drawings	GJ5	56	00		

Dr				Discount Allowed				N6				Cr			
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount			
2018	May	1	Balance	b/d	1 086	00	2018	May	31	G Hlazo/Debtors control	GJ5	18	00		
		31	Debtors control	CRJ5	262	00									

Dr				Discount Received				N7				Cr			
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount			
							2018	May	1	Balance	b/d	1 554	00		
									31	Creditors control	GJ5	466	00		

Dr				Interest Paid				N8				Cr			
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount			
2018	May	1	Balance	b/d	380	00									
		31	Mondi Ltd/Creditors control	GJ5	21	00									

Dr				Interest Received				N9				Cr	
Date	Details		Fol.	Amount		Date	Details		Fol.	Amount			
						2018 May	1	Balance	b/d	264	00		
							31	G Hlazo/Debtors control	GJ5	14	00		

Dr				Bad Debts				N10				Cr	
Date	Details		Fol.	Amount		Date	Details		Fol.	Amount			
2018 May	1	Balance	b/d	581	00								
	31	G Malan/Debtors control	GJ5	426	00								

Activity 10.8

LB page 204

1. General Journal of Pepler & Co. for March 2018

GJ3

Date	Details	Fol.	Debit	Credit	Debtors control		Creditors control	
					Debit	Credit	Debit	Credit
Mar 5	Stationery	N5	165 00					
	Trading stock	B8		165 00				
	(Correction of error)							
9	Trading stock	B8	2 690 00					
	Equipment	B4		2 690 00				
	(Correction of error)							
10	J Conradie	D1	380 00					
	D J Conradie	D2		380 00				
	(Correction of error)							
15	N Koch	D3	876 00					
	Koch Ltd	C1		876 00				
	(Correction of error)							
21	Jakes Repair Services	C2	90 00				90 00	
	Repairs	N6		90 00				
	(Correction of error)							
							90 00	
							B7	

Note

The entries on the 10th and 15th are not entered in the Debtors Control and Creditors Control columns, because only the accounts in the Debtors and Creditors Ledgers are incorrect. The *Debtors Control* and *Creditors Control* accounts are correct.

**2. General Ledger of Pepler & Co
Balance Sheet accounts**

Dr				Equipment				B4				Cr	
Date	Details		Fol.	Amount		Date	Details		Fol.	Amount			
						2018 Mar	9	Trading stock	GJ3	2 690	00		

Dr				Creditors Control				B7				Cr	
Date	Details		Fol.	Amount		Date	Details		Fol.	Amount			
2018 Mar	31	Journal debits	GJ3	90	00								

Dr				Trading Stock				B8				Cr	
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount	
2018								2018					
Mar	9	Equipment		GJ3	2 690	00	Mar	5	Stationery		GJ3	165	00

Nominal accounts

Dr				Stationery				N5				Cr	
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount	
2018													
Mar	5	Trading stock		GJ3	165	00							

Dr				Repairs				N6				Cr	
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount	
							2018						
Mar							Mar	21	Jakes Repair Services		GJ3	90	00

Debtors Ledger of Pepler & Co.

J Conradie

D1

Date		Details		Fol.	Debit +		Credit –		Balance =	
2018										
Mar	1	Account rendered							740	00
	10	D J Conradie (error corrected)		GJ3	380	00			1 120	00

D J Conradie

D2

Date		Details		Fol.	Debit +		Credit –		Balance =	
2018										
Mar	1	Account rendered							380	00
	10	J Conradie (error corrected)		GJ3			380	00	–	–

N Koch

D3

Date		Details		Fol.	Debit +		Credit –		Balance =	
2018										
Mar	1	Account rendered							34	00
	15	Koch Ltd (error corrected)		GJ3	876	00			910	00

Creditors Ledger of Pepler & Co.

Koch Ltd

C1

Date		Details		Fol.	Debit –		Credit +		Balance =	
2018										
Mar	1	Account rendered							110	00
	15	N Koch (error corrected)		GJ3			876	00	986	00

Jake's Repair Services

C2

Date		Details		Fol.	Debit –		Credit +		Balance =	
2018										
Mar	1	Account rendered							650	00
	21	Repairs (error corrected)		GJ3	90	00			560	00

3.

Date	Assets		Owner's equity			Liabilities	
	Effect	Reason	Effect	Reason	Effect	Reason	
5	-165	00	Trading stock decreased	-165	00	Stationery – expense	
9	-2 690	00	Equipment decreased				
	+2 690	00	Trading stock increased				
10			No influence				
15			No influence				
21				+90	00	Repairs, an expense – decreased	-90 00

» **Activity 10.9**

LB page 204

No.	Journal	Source document	General Ledger		Amount
			Account debited	Account credited	
1.	CRJ	Duplicate receipt	Bank	Debtors Control	228 00
			Discount Allowed	Debtors Control	12 00
2.	CPJ	Dishonoured cheque	Debtors Control	Bank	228 00
	GJ	Journal voucher	Debtors Control	Discount Allowed	12 00
3.	GJ	Journal voucher	Debtors Control	Interest Received	24 00
4.	GJ	Journal voucher	Interest Paid	Creditors Control	114 00
5.	GJ	Journal voucher	Bad Debts	Debtors Control	256 00
6.	CRJ	Duplicate receipt	Bank	Debtors Control	112 00
	GJ	Journal voucher	Bad Debts	Debtors Control	448 00
7.	CRJ	Duplicate receipt	Bank	Bad Debts Recovered	249 00
8.	GJ	Journal voucher	Drawings	Trading Stock	970 00
9.	GJ	Journal voucher	Vehicles	Capital	40 000 00
10.	GJ	Journal voucher	Equipment	Trading Stock	2 570 00
11.	GJ	Journal voucher	Donations	Drawings	875 00

» **Activity 10.10**

LB page 205

No.	Assets		Owner's equity			Liabilities	
	Effect	Reason	Effect	Reason	Effect	Reason	
1.	360	00	Debtors increased	+36	00	Discount allowed – cancelled	
	-324	00	Bank decreased				
2.	+9	00	Debtors increased	+9	00	Interest received – income	
3.				-40	00	Interest paid – expense	+40 00
						Creditors – increase	
4.	-478	00	Debtors decreased	-478	00	Bad debts – expense	
5.	-460	00	Debtors decreased	-276	00	Bad debts – expense	
	+184	00	Bank increased				
6.	+210	00	Bank increased	+210	00	Bad debts recovered – income	
7.	-256	00	Trading stock decreased	-256	00	Drawings by owner	
8.	-678	00	Trading stock decreased	-678	00	Donations – expense	
9.	+32 000	00	Vehicles increased	+32 000	00	Capital contribution by owner	
10.	-230	00	Trading stock decreased	-230	00	Stationery – expense	
11.			No influence				

1. Learners' own posters

2. Cash Receipts Journal of Katie's Sandwiches for February 2019

CRJ1

Doc. no.	Day	Details	Fol.	Analysis of receipts		Bank		Sales		Cost of sales		Debtors control		Discount allowed		Sundry accounts		
																Amount	Details	Fol.
01	2	K Rossouw				500	00									500	00	Capital
	5	Sales		80	40	80	40	80	40	40	10							
	7	Sales		161	46	161	46	161	46	89	70							
	10	Sales		205	38	205	38	205	38	97	70							
02	12	G Louw		10	60							12	60	2	00			
03		K Zondani		28	60	39	20					32	60	4	00			
	13	Sales		317	34	317	34	317	34	176	30							
	18	Sales		201	87	201	87	201	87	112	15							
	20	Sales		207	54	207	54	207	54	115	30							
	21	Sales		166	94	166	94	166	94	92	33							
	27	Sales		357	20	357	20	357	20	198	40							
B5		AB Bank				6	40									6	40	Interest on current account
						2 243	73	1 698	13	921	98	45	20	6	00	506	40	

Cash Payments Journal of Katie's Sandwiches – February 2019

CPJ1

Doc. no.	Day	Details	Fol.	Bank		Trading stock	Debtors control	Creditors control	Discount received	Sundry accounts						
										Amount	Details	Fol.				
01	2	Fruit & Veg		22	40	22	40									
02	4	Print Right		90	00					90	00	Advertisements				
03	6	Pick n Pay		89	70	89	70									
04	9	Fruit & Veg		45	60	45	60									
05	11	Munch-a-lot		31	40			31	40							
06		Meat Market		63	50			70	50	7	00					
07		Pick n Pay		176	30	176	30									
08	16	Fruit & Veg		55	60	55	60									
T6	17	Zondani		28	60		28	60								
09		Vodacom		110	00					110	00	Cellphone drawings				
10	18	Pick n Pay		204	70	204	70									
11	19	H Rossouw		40	00					40	00	Fuel				
12	20	Fruit & Veg		124	80	124	80									
13	23	Munch-a-lot		22	30			22	30							
14		Meat Market		34	25			34	25							
15	25	Pick n Pay		198	40	198	40									
B5	27	AB Bank		45	60					45	60	Bank charges				
				1 383	15	917	50	28	60	158	45	7	00	285	60	

Creditors Journal of Katie's Sandwiches for February 2019
CJ1

Doc. no.	Day	Creditors	Fol.	Creditors control	Trading stock	Stationery	Packaging	Sundry accounts			
								Amount	Details	Fol.	
01	2	Munch-a-lot		9 10	9 10						
02		Meat Market		24 30	24 30						
03	3	Colours		48 00		48 00					
04	9	Munch-a-lot		22 30	22 30						
05		Meat Market		46 20	46 20						
06	16	Munch-a-lot		22 30	22 30						
07		Meat Market		34 25	34 25						
08	26	JJ Electrical		165 00					165 00	Equipment	
				371 45	158 45	48 00			165 00		

General Journal of Katie's Sandwiches for February 2019
GJ1

Date	Details	Fol.	Debit	Credit	Debtors control		Creditors control	
					Debit	Credit	Debit	Credit
Feb 17	K Zondani		4 00		4 00			
	Discount allowed (Discount on dishonoured cheque)			4 00				
19	Donation		89 40					
	Trading stock (Stock donated to Marilyn)			89 40				
21	Drawings		32 47					
	Trading stock (Takes stock for family)			32 47				
24	Bad debts		12 80					
	L Nel (Write off account)			12 80		12 80		
					4 00	12 80		

Debtors Journal of Katie's Sandwiches for February 2019
DJ1

Doc. no.	Day	Debtor	Fol.	Sales	Cost of sales
01	6	G Louw		12 60	7 00
02		K Zondani		15 80	8 70
03	10	K Zondani		16 80	9 30
04		L Nel		12 80	7 10
				58 00	32 10

3. Teacher to mark according to this rubric that must be rewritten and pasted on the front of the case study.

Case study: Chapter 10	Name and surname:			
Criteria	Total marks out of 20:			
Presentation	Exceptional 4	Neat 2	Acceptable 1	Untidy 0
Behaviour, attitude, cooperation in class	Exceptional 3	Good 2	Acceptable 1	Weak 0
Cover design	Exceptional 7	Good 5	Acceptable 3	No effort 0
Accuracy	70%+ 6	50%–69% 4	35%–49% 2	0%–34% 0

CHAPTER 11 Reconciliation of control accounts and Debtors and Creditors Lists

» Activity 11.1

LB page 210

1. General Ledger of Morgan Bay Traders Balance Sheet accounts

Dr				Debtors Control				Cr			
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount	
2018	1	Balance	b/d	3 717	00	2018	31	Bank and discount allowed (1 200 + 1 500 + 167)	CRJ	2 867	00
May	31	Sales	DJ	3 327	00			Debtors allowances (230 + 210)	DAJ	440	00
		Bank	CPJ	1 500	00			Journal credits	GJ	1 073	00
		Journal debits (43 + 167)	GJ	210	00			Balance	c/f	4 374	00
				8 754	00					8 754	00
2018	1	Balance	b/d	4 374	00						
Jun											

2.

Dr				Creditors Control				Cr			
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount	
2018	30	Sundry returns	CAJ	450	00	2018	1	Balance	b/d	22 178	00
May		Bank and discount received (2 000 + 4 500 + 250)	CPJ	6 750	00	May	30	Sundry purchases (1 230 + 3 447)	CJ	4 677	00
		Balance	c/f	19 779	00			Journal credits	GJ	124	00
				26 979	00					26 979	00
						Oct	1	Balance	b/d	19 779	00

3. Debtors List at 31 May 2018

	Debit	Credit
T Naidoo	–	
M De Villiers	2 424	
P Davin	1 950	
Total	4 374	

4. Creditors List at 31 May 2018

	Debit	Credit
Abrahams Traders		10 319
Collett Suppliers		4 989
Botha & Co		4 471
Total		19 779

1. **General Ledger of Nika traders**
Balance Sheet account

Dr				Debtors Control				Cr			
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount	
2016 Aug	1	Balance	b/d	47 280	00	2016 Aug	31	Bank and discount allowed (128 754 + 89)	CRJ	128 843	00
	31	Sales (135 525 – 3 000)	DJ	132 525	00			Debtors allowances	DAJ	561	00
		Bank	CPJ	135	00			Journal credits (288 + 180)	GJ	468	00
		Journal debits (312 + 15 + 90)	GJ	417	00			Balance	c/f	50 485	00
				180 357	00					180 357	00
2016 Sep	1	Balance	b/d	50 485	00						

2. **Debtors List at 31 August 2016**

Debtor	Debit	Credit
C Naidoo (8 980 + 15)	8 995	
S Godlo (9 955 + 100)	10 055	
W Mbeki (9 101 + 300)	9 401	
V Buhrman (6 230 – 252)	5 978	
V Beukman (8 691 + 252)	8 943	
H Labuschagne (7 202 – 89)	7 113	
Total	50 485	

3. List any **four** points for internal control over debtors:
- Issue invoices for all credit sales and make sure the debtor signs the invoice.
 - Keep the accounts for each debtor in the Debtors Ledger up to date.
 - Reconcile the accounts in the Debtors Ledger with the *Debtors Control* account in the General Ledger every month.
 - Send statements of accounts to debtors every month.
 - Prepare an age analysis of the debtors every month.
 - Charge overdue accounts with interest or do not sell any further goods to them on credit until their account has been settled.

1. **General Ledger of MacRoos Traders**
Balance Sheet account

Dr				Debtors Control				Cr			
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount	
2016 May	1	Balance		20 257	00	2016 May	31	Bank and discount allowed (110 400 + 4 264 – 104)	CRJ	114 560	00
	31	Sales (122 760 – 200 + 1 000)	DJ	123 560	00			Debtors allowances (9 280 + 200)	DAJ	9 480	00
		Bank (100 + 388)	CPJ	488	00			Journal credits (140 + 1 300)	GJ	1 440	00
		Journal debits (418 + 12)	GJ	430	00			Balance	c/f	19 255	00
				144 735	00					144 735	00
2016 Jun	1	Balance	b/d	19 255	00						

2. Debtors List at 31 May 2016

	Debit	Credit
J Kotze (6 486 – 200 – 200 – 670)	5 416 00	
C Du Toit (5 864 – 495)	5 369 00	
R Hewitt (1 968 + 388 + 12 + 670)	3 038 00	
AM Suppliers (5 680 – 1 300)	4 380 00	
B Basson (561 – 109)	452 00	
A Muller (400 cr + 1 000)	600 00	
Total	19 255 00	

» Activity 11.4

LB page 219

1. General Ledger of Latief Traders
Balance Sheet account

Dr					Creditors Control					Cr				
Date		Details	Fol.	Amount	Date		Details	Fol.	Amount	Date		Details	Fol.	Amount
2019 Sep	30	Sundry returns (10 662 – 60)	CAJ	10 602 00	2019 Sep	1	Balance		19 017 00					
		Bank and discount received (45 300 + 2 520)	CPJ	47 820 00		30	Sundry purchases (64 050 – 900)	CJ	63 150 00					
		Journal debits (5 280 + 300)	GJ	5 580 00			Journal credits (1 950 + 350)	GJ	2 300 00					
		Balance	c/f	20 465 00										
				84 467 00					84 467 00					
					2019 Oct	1	Balance	b/d	20 465 00					

2. Creditors List at 30 September 2019

	Debit	Credit
Welsch Stores (8 665 – 900 – 300)		7 465 00
Loubsher Stores (2 443 + 2 700)		5 143 00
Lawrence Traders (8 997 – 2 700)		6 297 00
CJ Stores (4 460 – 1 450 – 1 450)		1 560 00
Mbekwa Traders (350 – 350)		– –
Total		20 465 00

3. List any **two** points for internal control procedures over creditors:
- The Creditors Ledger and the *Creditors Control* account in the General Ledger should be reconciled every month.
 - The creditors accounts in the Creditors Ledger should be reconciled with the statements received from creditors.
 - The duties of ordering goods, receiving the goods and entering transactions in the journals should be split between different employees.
 - Goods received should always be compared to the invoice received on delivery.

1. List any **two** of the internal control procedures:
 - Different people should be responsible for the purchase and receipt of goods.
 - Different people should be responsible for the purchase and bookkeeping/recording of stock.
 - Goods received have to be reconciled to the invoices received from the suppliers.
 - The balance of the *Creditors Control* account has to be reconciled to the the Creditors List extracted from the ledger.

2. Bergriver Traders
Reconciliation of the *Creditors Control* account and the General Ledger on 31 August 2018

	R	
Incorrect balance according to the <i>Creditors Control</i> account	16 389	00
Cheque for Dreyer Ltd not listed	(3 240)	00
Discount for Dreyer Ltd not listed	(360)	00
CAJ column overcast	200	00
Debit note for A de Jongh & Co not listed	(730)	00
	12 259	00

3. Adjusted Creditors List

A de Jongh & Co. (2 150 – 730)	1 420
Dreyer Ltd (6 980 – 3 240 – 360)	3 380
Theron CC	4 500
Marais Distributors (2 887 + 72)	2 959
Total	12 259

No.	Debtors Control		Debtors List	
	Debit	Credit	Debit	Credit
1.		20		
2.			600	
3.				204
4.	464		464	
5.	36			
6.				180
7.	15			
8.		180		180
	515	200	1 064	564

Debtors Control account

Incorrect balance	15 030
Plus	515
Minus	(200)
Correct balance	15 345

Debtors List

Incorrect total	14 947
Plus	1 064
Minus	(564)
Total of debit balances	15 447
Total of credit balances	(102)
Total Debtors List	15 345

» Informal assessment 11.1

LB page 222

1. **General Ledger of Mgluwa Traders
Balance Sheet accounts**

Dr				Debtors Control				Cr			
Date		Details	Fol.	Amount	Date	Details	Fol.	Amount			
2014				✓	2014			✓✓✓			
Nov	1	Balance	b/d	42 300 00	Nov	31	Bank and discount allowed (98 430 – 120) ✓	CRJ	98 310	00	
	31	Sales ✓	DJ	121 400 00			Debtors allowances (6 300 + 200) ✓	DAJ	6 500	00	
		Bank ✓	CPJ	✓ 430 00			Journal credits ✓	GJ	✓ 900	00	
		Journal debits ✓	GJ	✓ 89 00			Balance	c/f	58 509	00	
				164 219 00					164 219	00	
2014				✓							
Dec	1	Balance	b/d	58 509 00							

(18)

Dr				Creditors Control				Cr			
Date		Details	Fol.	Amount	Date	Details	Fol.	Amount			
2014				✓	2014			✓			
Nov	30	Sundry returns ✓	CAJ	2 350 00	Nov	1	Balance	b/d	67 400	00	
		Bank and discount received ✓	CPJ	133 560 00		30	Sundry purchases (142 890 – 40) ✓	CJ	142 850	00	
		Balance	c/f	✓ 74 340 00							
				210 250 00					210 250	00	
					2014			✓			
					Dec	1	Balance	b/d	74 340	00	

(10)

2. Debtors List at 30 November 2014

Incorrect total	✓ 59 340
L Brink	✓✓ (200)
L Mans	✓✓ + 89
A Kleynhans	✓✓ (720)
Totals	✓ 58 509

(8)

3. Creditors List at 30 November 2014

Incorrect total	✓ 74 295
Droomer & Co	✓✓ + 45
Totals	✓ 74 340

(4)

Total: 40 marks

CHAPTER 12

Combined bookkeeping activities

» Activity 12.1 Source documents, journals, ledgers and Trial Balance LB page 225

1. Cash Payments Journal of Dizzy Daizy Nursery for August 2020

CPJ8

Doc. no.	Day	Name of payee	Fol.	Bank		Wages	Trading stock	Debtors control	Creditors control	Discount received	Sundry accounts						
											Amount	Details	Fol.				
188	1	Cash		128	00						128	00	Petty cash	B8			
189	4	George Hardware	C1	1 387	00				1 460	00	73	00					
190	6	Forest Wholesalers	C2	4 019	00				4 230	00	211	00					
191	14	Cash		6 580	00	6 400	00						180	00	Drawings	B2	
192	15	Municipality		569	00								569	00	Water and electricity	N10	
193	16	Piet's Farm		6 887	00		6 887	00									
194	17	RJ the Handyman		3 626	00								3 626	00	Equipment	B4	
195	20	Cash		6 400	00	6 400	00										
196	21	Telkom		621	00								621	00	Telephone	N9	
197	27	DJ Printers	C3	670	00				670	00							
AO	31	XY Bank		2 250	00								2 000	00	Loan: XY Bank	B10	
													250	00	Interest on loan	N14	
AO		Allsure Insurance		540	00								540	00	Insurance	N11	
B5				320	00								320	00	Bank charges	N13	
B5		L Truter (cheque dishonoured)	D2	741	00			741	00								
				34 738	00	12 800	00	6 887	00	7 410	00	6 360	00	284	00	8 234	00
				B7		N8		B5		B6		B9		N4			

Cash Receipts Journal of Dizzy Daizy Nursery for August 2020

CRJ8

Doc	Day	Details	Fol.	Analysis of receipts		Bank		Sales	Cost of sales	Debtors control	Discount allowed	Sundry accounts					
												Amount	Details	Fol.			
144	2	L Truter	D2	741	00					780	00	39	00				
CRR		Sales		6 736	00	7 477	00	6 736	00	4 210	00						
145	8	J Jacobs		365	00									365	00	Bad debts recovered	N17
CRR		Sales		8 368	00	8 733	00	8 368	00	5 230	00						
146	10	K Joubert	D1	1 566	00					1 648	00	82	00				
CRR		Sales		3 632	00	5 198	00	3 632	00	2 270	00						
CRR	27	Sales		6 848	00	6 848	00	6 848	00	4 280	00						
147	29	D Conradie	D3	1 052	00	1 052	00			1 052	00						
B5	31					223	00							223	00	Interest on current account	N16
				29 531	00	25 584	00	15 990	00	3 480	00	121	00	588	00		
				B7		N1		N2/B5		B6		N5					

Creditors Journal of Dizzy Daizy Nursery for August 2020
CJ8

Doc. no.	Day	Creditor	Fol.	Creditors control		Trading stock		Stationery		Equipment		Sundry accounts			
												Amount	Details	Fol.	
112	4	Forest Wholesalers	C2	3 112	00	3 112	00								
113	13	George Hardware	C1	1 867	00					1 867	00				
114	23	Forest Wholesalers	C2	5 710	00	3 376	00			2 334	00				
115	28	DJ Printers	C3	1 680	00			230	00			1 450	00	Advertisements	N18
				12 369	00	6 488	00	230	00	4 201	00	1 450	00		
				B9		B5		N12		B4					

Creditors Allowances Journal of Dizzy Daizy Nursery for August 2020
CAJ8

Doc. no.	Day	Creditor	Fol.	Creditors control		Trading stock		Stationery		Equipment		Sundry accounts		
												Amount	Details	Fol.
56	6	Forest Wholesalers	C2	504	00	504	00							
57	16	George Hardware	C1	334	00					334	00			
58	29	DJ Printers	C3	107	00			107	00					
				945	00	504	00	107	00	334	00			
				B9		B5		N12		B4				

Debtors Journal of Dizzy Daizy Nursery for August 2020
DJ8

Doc. no.	Day	Debtors	Fol.	Sales		Cost of sales	
104	2	D Conradie	D3	480	00	300	00
105	15	K Joubert	D1	896	00	560	00
106	24	E Wilken	D4	1 032	00	645	00
				2 408	00	1 505	00
				B6/N1		N2/B5	

Debtor Allowances Journal of Dizzy Daizy Nursery for August 2020
DAJ8

Doc. no.	Day	Details	Fol.	Debtors allowances		Cost of sales	
23	17	K Joubert	D1	88	00	55	00
24	25	E Wilken	D4	72	00		
				160	00	55	00
				N3/B6		B5/N2	

Petty Cash Journal of Dizzy Daizy Nursery for August 2020
CJ8

Doc. no.	Day	Details	Fol.	Petty cash		Trading stock		Stationery		Equipment		Sundry accounts			
												Amount	Details	Fol.	
32	5	Mill Stores		88	00	88	00								
33	19	Makro		62	00			62	00	1 867	00				
34	25	Casual labour		40	00					2 334	00	40	00	Wages	N8
				190	00	88	00	62	00	4 201	00	40	00		
				B8		B5		N12		B4					

Date	Details	Fol.	Debit		Credit		Debtors control		Creditors control	
							Dr	Cr	Dr	Cr
Aug 1	Vehicles	B3	50 000	00						
	Capital	B1			50 000	00				
	(Owner donates vehicle)									
5	Drawings	B2	560	00						
	Trading stock	B5			560	00				
	(Plants taken by owner)									
9	Interest paid	N7	16	00						
	DJ Printers	C3			16	00				16 00
	(Interest charged on overdue account)									
16	D Conradie	D3	12	00			12	00		
	Interest received	N6			12	00				
	(Interest charged on overdue account)									
31	L Truter	D2	39	00			39	00		
	Discount allowed	N5			39	00				
	(Dishonoured cheque)									
	Bad debts	N15	780	00						
	L Truter	D2			780	00		780	00	
	(Write off account)									
	Stationery	N12	210	00						
	Trading stock	B5			210	00				
	(Error corrected)									
							51	00	780	00
							B6	B6		B9

2. General Ledger of Dizzy Daizy Nursery
Balance Sheet accounts

Dr				Capital				B1				Cr	
Date	Details	Fol.	Amount	Date	Details	Fol.	Amount	Date	Details	Fol.	Amount		
2020 Aug 1	Balance	b/d	43 642	00	2020 Aug 1	Balance	b/d	43 642	00				
	Vehicles	GJ8	50 000	00		Vehicles	GJ8	50 000	00				
			93 642	00									

Dr				Drawings				B2				Cr	
Date	Details	Fol.	Amount	Date	Details	Fol.	Amount	Date	Details	Fol.	Amount		
2020 Aug 1	Balance	b/d	8 630	00									
	Trading stock	GJ8	560	00									
	Bank	CPJ8	180	00									
			9 370	00									

Dr				Vehicles				B3				Cr	
Date	Details	Fol.	Amount	Date	Details	Fol.	Amount	Date	Details	Fol.	Amount		
2020 Aug 1	Balance	b/d	40 000	00									
	Capital	GJ8	50 000	00									
			90 000	00									

Dr				Equipment				B4				Cr
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount		
2020 Aug	11	Balance	b/d	9 630	00	2020 Aug	31	Creditors control	CAJ8	334	00	
	17	Bank	CPJ8	3 626	00			Balance	c/d	17 123	00	
	31	Creditors control	CJ8	4 201	00							
				17 457	00					17 457	00	
2020 Sep	1	Balance	b/d	17 123	00							

Dr				Trading Stock				B5				Cr
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount		
2020 Aug	1	Balance	b/d	13 790	00	2020 Aug	5	Drawings	GJ8	560	00	
	31	Bank	CPJ8	6 887	00		31	Stationery	GJ8	210	00	
		Creditors control	CJ8	6 488	00			Cost of sales	CRJ8	15 990	00	
		Cost of sales	DAJ8	55	00			Cost of sales	DJ8	1 505	00	
		Petty cash	PCJ8	88	00			Creditors control	CAJ8	504	00	
								Balance	c/d	8 539	00	
				27 308	00					27 308	00	
2020 Sep	1	Balance	b/d	8 539	00							

Dr				Debtors Control				B6				Cr
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount		
2020 Aug	1	Balance	b/d	2 988	00	2020 Aug	31	Bank and discount allowed	CRJ8	3 480	00	
	31	Sales	DJ8	2 408	00			Debtors allowances	DAJ8	160	00	
		Bank	CPJ8	741	00			Journal credits	GJ8	780	00	
		Journal debits	GJ8	51	00			Balance	c/d	1 768	00	
				6 188	00					6 188	00	
2020 Sep	1	Balance	b/d	1 768	00							

Dr				Bank				B7				Cr
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount		
2020 Aug	1	Balance	b/d	5 670	00	2020 Aug	31	Total payments	CPJ8	34 738	00	
	31	Total receipts	CRJ8	29 531	00			Balance	c/d	463	00	
				35 201	00					35 201	00	
2020 Sep	1	Balance	b/d	463	00							

Dr				Petty Cash				B8				Cr
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount		
2020 Aug	1	Balance	b/d	72	00	2020 Aug	31	Total payments	PCJ8	190	00	
	1	Bank	CPJ8	128	00			Balance	c/d	10	00	
				200	00					200	00	
2020 Sep	1	Balance	b/d	10	00							

Dr				Creditors Control				B9				Cr			
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount			
2020	Aug	31	Bank and discount received	CPJ8	6 360	00	2020	Aug	1	Balance	b/d	6 344	00		
			Sundry returns	CAJ8	945	00			31	Sundry purchases	CJ8	12 369	00		
			Balance	c/d	11 424	00				Journal credits	GJ8	16	00		
					18 729	00						18 729	00		
							2020	Sep	1	Balance	b/d	11 424	00		

Dr				Loan: XY Bank				B10				Cr			
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount			
2020	Aug	31	Bank	CPJ8	2 000	00	2020	Aug	1	Balance	b/d	20 000	00		
			Balance	c/d	18 000	00									
					20 000	00						20 000	00		
							2020	Sep	1	Balance	b/d	18 000	00		

Nominal accounts

Dr				Sales				N1				Cr			
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount			
							2020	Aug	1	Balance	b/d	46 200	00		
									31	Bank	CRJ8	25 584	00		
										Debtors control	DJ8	2 408	00		
												74 192	00		

Dr				Cost of Sales				N2				Cr			
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount			
2020	Aug	1	Balance	b/d	28 875	00	2020	Aug	31	Trading stock	DAJ8	55	00		
		31	Trading stock	CRJ8	15 990	00				Balance	c/d	46 315	00		
			Trading stock	DJ8	1 505	00									
					46 370	00						46 370	00		
2020	Sep	1	Balance	b/d	46 315	00									

Dr				Debtors Allowances				N3				Cr			
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount			
2020	Aug	1	Balance	b/d	560	00									
		31	Debtors control	DAJ8	160	00									
					720	00									

Dr				Discount Received				N4				Cr			
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount			
							2020	Aug	1	Balance	b/d	1 340	00		
									31	Creditors control	CPJ8	284	00		
												1 624	00		

Dr				Discount Allowed				N5				Cr			
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount			
2020	Aug	1	Balance	b/d	560	00	2020	Aug	31	L Truter/Debtors control	GJ8	39	00		
		31	Debtors control	CRJ8	121	00				Balance	c/d	642	00		
					681	00						681	00		
2020	Sep	1	Balance	b/d	642	00									

Dr				Interest Received				N6				Cr			
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount			
							2020	Aug	1	Balance	b/d	112	00		
									16	D Conradie/Debtors control	GJ8	12	00		
												124	00		

Dr				Interest Paid				N7				Cr			
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount			
2020	Aug	1	Balance	b/d	156	00									
		9	DJ Printers/Creditors control	GJ8	16	00									
					172	00									

Dr				Wages				N8				Cr			
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount			
2020	Aug	1	Balance	b/d	2 400	00									
		25	Petty cash	PCJ8	40	00									
		31	Bank	CPJ8	12 800	00									
					15 240	00									

Dr				Telephone				N9				Cr			
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount			
2020	Aug	1	Balance	b/d	670	00									
		21	Bank	CPJ8	621	00									
					1 291	00									

Dr				Water and Electricity				N10				Cr			
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount			
2020	Aug	1	Balance	b/d	789	00									
		15	Bank	CPJ8	569	00									
					1 358	00									

Dr				Insurance				N11				Cr			
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount			
2020	Aug	1	Balance	b/d	440	00									
		31	Bank	CPJ8	540	00									
					980	00									

Dr				Stationery				N12				Cr			
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount			
2020	Aug	1	Balance	b/d	263	00	2020	Aug	31	Creditors control	CAJ8	107	00		
		31	Creditors control	CJ8	230	00				Balance	c/d	658	00		
			Trading stock	GJ8	210	00									
			Petty cash	PCJ8	62	00									
					765	00						765	00		
2020	Sep	1	Balance	b/d	658	00									

Dr				Bank Charges				N13				Cr			
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount			
2020	Aug	1	Balance	b/d	217	00									
		31	Bank	CPJ8	320	00									
					537	00									

Dr				Interest on Loan				N14				Cr			
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount			
2020	Aug	1	Balance	b/d	1 600	00									
		31	Bank	CPJ8	250	00									
					1 850	00									

Dr				Bad Debts				N15				Cr			
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount			
2020	Aug	1	Balance	b/d	640	00									
		31	L Truter/Debtors control	GJ8	780	00									
					1 420	00									

Dr				Interest on Current Account				N16				Cr			
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount			
							2020	Aug	1	Balance	b/d	200	00		
									31	Bank	CRJ8	223	00		
												423	00		

Dr				Bad Debts Recovered				N17				Cr			
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount			
							2020	Aug	1	Balance	b/d	112	00		
									8	Bank	CRJ8	365	00		
												477	00		

Dr				Advertisements				N18				Cr			
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount			
2020	Aug	28	Creditors control	CJ8	1 450	00									

Debtors Ledger of Dizzy Daizy Nursery

K Joubert

D1

Date	Details	Fol.	Debit	Credit	Balance
2020 Aug	1 Account rendered				1 648 00
	10 Receipt no. 146	CRJ8		1 566 00	82 00
	Discount allowed	CRJ8		82 00	– –
	15 Invoice no. 105	DJ8	896 00		896 00
	17 Credit note no. 23	DAJ8		88 00	808 00

L Truter

D2

Date	Details	Fol.	Debit	Credit	Balance
2020 Aug	1 Account rendered				780 00
	2 Receipt no. 144	CRJ8		741 00	39 00
	Discount allowed	CRJ8		39 00	– –
	31 Cheque dishonoured	CPJ8	741 00		741 00
	Discount cancelled	GJ8	39 00		780 00
	Bad debts	GJ8		780 00	– –

D Conradie

D3

Date	Details	Fol.	Debit	Credit	Balance
2020 Aug	1 Account rendered				560 00
	2 Invoice no. 104	DJ8	480 00		1 040 00
	16 Interest received	GJ8	12 00		1 052 00
	29 Receipt no. 147	CRJ8		1 052 00	– –

E Wilken

D4

Date	Details	Fol.	Debit	Credit	Balance
2020 Aug	24 Invoice no. 106	DJ8	1 032 00		1 032 00
	25 Credit note no. 24	DAJ8		72 00	960 00

Creditors Ledger of Dizzy Daizy Nursery

George Hardware

C1

Date	Details	Fol.	Debit	Credit	Balance
2020 Aug	1 Account rendered				1 460 00
	4 Cheque counterfoil no. 189	CPJ8	1 387 00		73 00
	Discount received	CPJ8	73 00		– –
	13 Invoice no. 113	CJ8		1 867 00	1 867 00
	16 Debit note no. 57	CAJ8	334 00		1 533 00

Forest Wholesalers

C2

Date	Details	Fol.	Debit	Credit	Balance
2020 Aug	1 Account rendered				4 230 00
	4 Invoice no. 112	CJ8		3 112 00	7 342 00
	6 Debit note no. 56	CAJ8	504 00		6 838 00
	Cheque counterfoil no. 190	CPJ8	4 019 00		2 819 00
	Discount received	CPJ8	211 00		2 608 00
	23 Invoice no. 114	CJ8		5 710 00	8 318 00

Date	Details	Fol.	Debit		Credit		Balance	
2020 Aug	1						654	00
	9				16	00	670	00
	27		670	00			–	–
	28				1 680	00	1 680	00
	29		107	00			1 573	00

3. Dizzy Daizy Nursery

Trial Balance on 31 August 2020

Balance Sheet accounts	Fol.	Debit		Credit	
Capital	B1			93 642	00
Drawings	B2	9 370	00		
Vehicles	B3	90 000	00		
Equipment	B4	17 123	00		
Trading stock	B5	8 539	00		
Debtors control	B6	1 768	00		
Bank	B7	463	00		
Petty cash	B8	10	00		
Creditors control	B9			11 424	00
Loan: XY Bank	B10			18 000	00
Nominal accounts					
Sales	N1			74 192	00
Cost of sales	N2	46 315	00		
Debtors allowances	N3	720	00		
Discount received	N4			1 624	00
Discount allowed	N5	642	00		
Interest received	N6			124	00
Interest paid	N7	172	00		
Wages	N8	15 240	00		
Telephone	N9	1 291	00		
Water and electricity	N10	1 358	00		
Insurance	N11	980	00		
Stationery	N12	658	00		
Bank charges	N13	537	00		
Interest on loan	N14	1 850	00		
Bad debts	N15	1 420	00		
Interest on current account	N16			423	00
Bad debts recovered	N17			477	00
Advertisements	N18	1 450	00		
		199 906	00	199 906	00

1. Cash Receipts Journal of GIM Traders for June 2018

CRJ6

Doc. no.	Day	Details	Fol.	Analysis of receipts		Bank		Sales		Cost of sales		Debtors control		Discount allowed		Sundry accounts			
				Amount	00	Amount	00	Amount	00	Amount	00	Amount	00	Amount	00	Amount	00	Amount	Details
CRR	4	Sales		3 480	00			3 480	00	2 320	00								
173		S Smit		1 650	00	5 130	00					1 800	00	150	00				
174	9	P Langenhoven		1 000	00	1 000	00									1 000	00	Rental income	
175	10	K Koen		3 000	00	3 000	00					3 200	00	200	00				
176	11	AB Bank		375	00	375	00									375	00	Interest on fixed deposit	
CRR	20	Sales		5 130	00	5 130	00	5 130	00	3 420	00								
177	24	A Arp		1 360	00							1 360	00						
CRR		Sales		3 720	00	5 080	00	3 720	00	2 480	00								
178	26	R Roberts		175	00	175	00									175	00	Bad debts recovered	
179	27	K Koen		1 000	00	1 000	00					1 050	00	50	00				
180	28	S Smit		2 435	00	2 435	00					2 565	00	130	00				
181	30	G Vorster		320	00							320	00						
182		A Arp		1 400	00	1 720	00									1 400	00	Bad debts recovered	
						25 045	00	12 330	00	8 220	00	10 295	00	530	00	2 950	00		

Cash Payments Journal of GIM Traders for June 2018

CPJ6

Doc. no.	Day	Name of payee	Fol.	Bank		Wages	Trading stock	Debtors control	Creditors control	Discount received	Sundry accounts								
				Amount	00						Amount	00	Amount	Details	Fol.				
083	1	Cash		120	00						120	00	Petty cash						
084	2	H Herbst		1 200	00						1 200	00	Vehicle expense						
TG DN		G Vorster (cheque dishonoured)		1 500	00			1 500	00										
085	7	Cash		732	00						120	00	Float						
											612	00	Drawings						
086		AB Traders		2 000	00				2 100	00	100	00							
087	11	Cash		2 950	00	1 150	00	1 800	00										
088	12	Van Services		300	00		300	00											
089		XYZ Suppliers		820	00				850	00	30	00							
090	16	Insure		200	00						200	00	Insurance						
091	20	RSA Bank		10 000	00						10 000	00	Fixed deposit: RSA Bank						
092	27	DP Suppliers		4 104	00				4 320	00	216	00							
093	30	Top Bank		4 900	00						4 000	00	Loan: Top Bank						
											900	00	Interest on loan						
094		P Poggenpoel		12 800	00						12 800	00	Salaries						
BS		AB Bank		17	00						17	00	Interest on overdraft						
BS		AB Bank		72	00						72	00	Bank charges						
				41 715	00	1 150	00	2 100	00	1 500	00	7 270	00	346	00	30 041	00		
							B8	B9	B10										

Debtors Journal of GIM Traders for June 2018
DJ6

Doc. no.	Day	Debtors	Fol.	Sales	Cost of sales
58	14	S Smit		2 700 00	1 800 00
59	16	K Koen		1 230 00	820 00
				3 930 00	2 620 00

Debtor Allowances Journal of GIM Traders for June 2018
DAJ6

Doc. no.	Day	Details	Fol.	Debtors allowances	Cost of sales
19	19	K Koen		180 00	120 00
20	20	S Smit		135 00	
				315 00	120 00
				B9	

Creditors Journal of GIM Traders for June 2018
CJ6

Doc. no.	Day	Creditor	Fol.	Creditors control	Trading stock	Stationery	Packaging	Sundry accounts		
								Amount	Details	Fol.
231	1	AB Traders		4 590 00	4 310 00	280 00				
232	8	DP Suppliers		4 320 00	4 320 00					
233	10	Allsorts		2 390 00	2 150 00	60 00		180 00	Equipment	
234	21	Waltons		374 00		211 00	163 00			
235		AB Traders		5 198 00	5 198 00					
236	26	Toyota SA		155 800 00				155 800 00	Vehicles	
				172 672 00	15 978 00	551 00	163 00	155 980 00		

Creditors Allowances Journal of GIM Traders for June 2018
CAJ6

Doc. no.	Day	Creditor	Fol.	Creditors control	Trading stock	Stationery	Packaging	Sundry accounts		
								Amount	Details	Fol.
98	8	AB Traders		141 00	125 00	16 00				
99	10	Allsorts		215 00	215 00					
100	13	Allsorts		13 00		13 00				
101	24	Waltons		11 00		11 00				
				380 00	340 00	40 00				

Petty Cash Journal of GIM Traders for June 2018
PCJ6

Doc. no.	Day	Details	Fol.	Petty cash	Trading stock	Stationery	Sundry accounts		
							Amount	Details	Fol.
57	7	Stock		75 00	75 00				
58	11	Tea, coffee, sugar		92 00			92 00	Consumables	
59	16	Stationery		85 00		85 00			
60	23	MJ Transport		120 00	120 00				
61	28	Postage		15 00			15 00	Postage	
				387 00	195 00	85 00	107 00		

Date	Details	Fol.	Debit		Credit		Debtors control		Creditors control	
							Debit	Credit	Debit	Credit
Jun 2	G Vorster		100	00			100	00		
	Discount allowed (Discount on dishonoured cheque)	N5			100	00				
5	P Visser		450	00						
	P Visagie (Correction of error)				450	00				
14	Stationery	N4	85	00						
	Packaging (Correction of error)				85	00				
17	Drawings	B2	80	00						
	Trading stock (Owner donates stock)	B8			80	00				
17	Repairs		6 000	00						
	Land and buildings (Correction of error)				6 000	00				
19	Drawings	B2	2 500	00						
	Equipment (Owner takes computer)				2 500	00				
23	Drawings	B2	5 800	00						
	Rental expense (Correction of error)				5 800	00				
	Stationery	N4	80	00						
	Drawings (Correction of error)	B2			80	00				
24	Bad debts	N8	1 400	00						
	A Arp (Write off account)				1 400	00		1 400	00	
30	F Field		120	00			120	00		
	Interest received (Interest charged on overdue account)	N6			120	00				
	Bad debts	N8	1 280	00						
	G Vorster (Write off account)				1 280	00		1 280	00	
	Interest paid	N7	34	00						
	MB Ltd (Charge interest on overdue account)				34	00				34 00
							220	00	2 680	00
							B9	B9		B10



**General Ledger of Vuyo Traders
Balance Sheet accounts**

Dr				Debtors Control				B6				Cr			
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount					
2018 Sep	1	Balance	b/d	19 460	00	2018 Sep	30	Bank and discount allowed	CRJ	68 440	00				
	30	Sales	DJ	85 000	00			Debtors allowances	DAJ	8 575	00				
		Bank	CPJ	1 500	00			Journal credits	GJ	700	00				
		Petty cash	PCJ	95	00			Balance	c/d	29 540	00				
		Journal debits	GJ	1 200	00										
				107 255	00					107 255	00				
2018 Oct	1	Balance	b/d	29 540	00										

Dr				Trading Stock				B7				Cr			
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount					
2018 Sep	1	Balance	b/d	18 200	00	2018 Sep	30	Cost of sales	CRJ	60 000	00				
	30	Bank	CPJ	104 000	00			Cost of sales	DJ	68 000	00				
		Creditors control	CJ	42 000	00			Creditors control	CAJ	800	00				
		Cost of sales	DAJ	4 800	00			Balance	c/d	40 347	00				
		Petty cash	PCJ	147	00										
				169 147	00					169 147	00				
2018 Oct	1	Balance	b/d	40 347	00										

Dr				Creditors Control				B8				Cr			
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount					
2018 Sep	30	Bank and discount received	CPJ	60 250	00	2018 Sep	1	Balance	b/d	17 840	00				
		Sundry returns	CAJ	5 780	00		30	Sundry purchases	CJ	65 000	00				
		Journal debits	GJ	200	00			Journal credits	GJ	600	00				
		Balance	c/d	17 210	00										
				83 440	00					83 440	00				
						2018 Oct	1	Balance	b/d	17 210	00				

Dr				Bank				B9				Cr			
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount					
2018 Sep	30	Total receipts	CRJ	174 294	00	2018 Sep	1	Balance	b/d	4 930	00				
		Balance	c/d	63 756	00		30	Total payments	CPJ	233 120	00				
				238 050	00					238 050	00				
						2018 Oct	1	Balance	b/d	63 756	00				

Dr				Petty Cash				B9				Cr			
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount			
2018	Sep	1	Balance	b/d	400	00	2018	Sep	30	Total payments	PCJ	560	00		
		15	Bank	CPJ	200	00				Balance	c/d	400	00		
		30	Bank	CPJ	360	00									
					960	00						960	00		
2018	Oct	1	Balance	b/d	400	00									

» **Activity 12.4** Debtors and Creditors Ledgers

LB page 232

Creditors Ledger of B & B Traders

Spectra Creations

Date	Details	Fol.	Debit		Credit		Balance	
2019								
Apr	1	Account rendered					4 570	00
	5	Journal voucher no. 28 (correction of error)				625	00	5 195
	7	Cheque counterfoil no. 446	CPJ	3 150	00			2 045
		Discount received	CPJ	350	00			1 695
	11	Invoice no. 226	CJ			1 428	00	3 123
	20	Debit note no. 67	CAJ	48	00			3 075

Debtors Ledger of B & B Traders

B Logan

Date	Details	Fol.	Debit		Credit		Balance	
2019								
Apr	1	Account rendered					1 346	00
	4	Invoice no. 231	DJ	1 256	00			2 602
	10	Credit note no. 87	DAJ			540	00	2 062
	16	Invoice no. 243	DJ	340	00			2 402
	21	Receipt no. 227	CRJ			1 235	00	1 167
		Discount allowed	CRJ			65	00	1 102
	28	Cheque dishonoured	CPJ	1 235	00			2 337
		Discount allowed cancelled	GJ	65	00			2 402
	29	Interest received	GJ	15	00			2 417

» **Informal assessment 12.1** General Ledger

LB page 233

Memorandum

Marks: 65
Time: 40 minutes

General Ledger of Du Toit Traders

Balance Sheet accounts

Dr				Trading Stock				Cr					
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount	
2019	Nov	1	Balance	b/d	✓10 400	00	2019	Nov	30	Creditors control ✓	CAJ1	✓310	00
		30	Bank ✓✓	CPJ1	✓3 225	00				Cost of sales ✓	DJ1	✓7 800	00
			Creditors control ✓	CJ1	✓6 240	00				Cost of sales ✓	CRJ1	✓5 500	00
			Cost of sales ✓✓	DAJ1	✓350	00							

(15)

Dr Debtors Control Cr

Date		Details	Fol.	Amount		Date		Details	Fol.	Amount	
2019						2019					
Nov	1	Balance	b/d	✓ 742	50	Nov	30	Bank and discount allowed ✓	CRJ1	✓ 3 200	00
	30	Bank ✓	CPJ1	✓ 127	00			Debtors allowances ✓	DAJ1	✓ 560	00
		Sales ✓	DJ1	✓ 12 480	00			Journal credits ✓	GJ1	✓ 75	00
		Journal debits ✓	GJ1	✓ 27	40			Balance	c/d	✓ 9 541	90
				13 376	90					13 376	90
2019											
Dec	1	Balance	b/d	✓ 9 541	90						

(15)

Dr Equipment Cr

Date		Details	Fol.	Amount		Date		Details	Fol.	Amount	
2019						2019					
Nov	1	Balance	b/d	✓ 12 205	00	Nov	30	Creditors control ✓	CAJ1	✓ 237	00
	30	Creditors control ✓	CJ1	✓ 2 370	00						

(5)

Dr Creditors Control Cr

Date		Details	Fol.	Amount		Date		Details	Fol.	Amount	
2019						2019					
Nov	30	Sundry returns ✓	CAJ1	✓ 1 030	00	Nov	1	Balance	b/d	✓ 3 508	10
		Bank and discount received ✓	CPJ1	✓ 5 980	00		30	Sundry purchases ✓	CJ1	✓ 21 513	00
		Journal debits ✓	GJ1	✓ 32	00			Journal credits ✓	GJ1	✓ 350	00

Nominal accounts

(11)

Dr Sales Cr

Date		Details	Fol.	Amount		Date		Details	Fol.	Amount	
						2019					
						Nov	1	Balance	b/d	✓ 5 150	00
							30	Bank ✓	CRJ1	✓ 8 800	00
								Debtors control ✓	DJ1	✓ 12 480	00

(5)

Dr Stationery Cr

Date		Details	Fol.	Amount		Date		Details	Fol.	Amount	
2019						2019					
Nov	1	Balance	b/d	✓ 700	94	Nov	14	Creditors control ✓✓	CAJ1	✓ 180	00
	20	Bank ✓	CPJ1	✓ 520	00						
	30	Creditors control ✓	CJ1	✓ 318	00						

(8)

Dr Discount Received Cr

Date		Details	Fol.	Amount		Date		Details	Fol.	Amount	
						2019					
						Nov	1	Balance	b/d	✓ 132	00
							30	Creditors control ✓	CPJ	✓ 299	00

(3)

Dr Debtors Allowances Cr

Date		Details	Fol.	Amount		Date		Details	Fol.	Amount	
2019											
Nov	1	Balance	b/d	✓ 807	00						
	31	Debtors control ✓	DAJ1	✓ 560	00						

(3)



Memorandum

Marks: 30
Time: 25 minutes

Debtors Ledger of Swartland Ltd

S Swart

D1

Date	Details	Fol.	Debit		Credit		Balance	
2018 Apr 1	Account rendered						245	60
	3 Receipt ✓	CRJ ✓			✓ 100	00	145	60
	Receipt (discount allowed) ✓	CRJ			✓ 5	00	140	60
	8 Error corrected ✓	GJ ✓	✓ 220	50			361	10
	10 Invoice ✓	DJ ✓	✓ 450	00			811	10
	Petty cash voucher		45	00			856	10
	12 Credit note ✓	DAJ ✓			✓ 120	00	736	10
	15 Cheque dishonoured ✓	CPJ ✓	✓ 100	00			836	10
	Discount cancelled ✓	GJ ✓	✓ 5	00			841	10
	21 Interest received ✓	GJ ✓	✓ 8	00			849	10
	25 Receipt ✓	CRJ ✓			✓ 509	46	339	64
	Bad debts ✓	GJ ✓			✓ 339	64	✓ 0	00

Note to teacher: The transaction on the 30th should not be included. Add 1 mark if it does not appear.



Memorandum

Marks: 55
Time: 40 minutes

Analysis of transactions

No.	Subsidiary journal	Source document	Equation			General Ledger		Amount	
			A	OE	L	Account debited	Account credited		
1.	DJ	Duplicate invoice ✓	✓ +685	✓ +257	–	Debtors Control	Sales ✓	685	00
			✓ –428			Cost of Sales	Trading Stock ✓	428	00
2.	CRJ	Duplicate receipt ✓	✓ –685	✓ –32	–	Bank	Debtors Control ✓	653	00
			✓ +653			Discount Allowed	Debtors Control ✓	32	00
3.	CPJ	Dishonoured cheque ✓	✓ +685	✓ +32	–	Debtors Control	Bank ✓	653	00
	GJ	Journal voucher ✓	✓ –653			Debtors Control	Discount Allowed ✓	32	00
4.	GJ	Journal voucher ✓	✓ +12	✓ +12	–	Debtors Control	Interest Received ✓	12	00
5.	GJ	Journal voucher ✓	✓ –780	✓ –780	–	Drawings	Trading Stock ✓	780	00
6.	GJ	Journal voucher ✓	–	✓ –60	✓ +60	Interest Paid	Creditors Control ✓	60	00
7.	CRJ	Duplicate receipt ✓	✓ +448	✓ +448	–	Bank	Bad Debts Recovered ✓	448	00
8.	CPJ	Cheque counterfoil ✓	✓ –2 000	✓ +180	✓ –2 180	Creditors Control	Bank ✓	2 000	00
						Creditors Control	Discount Received ✓	180	00
9.	CAJ	Debit note ✓	✓ –687	0	✓ –687	Creditors Control	Trading Stock ✓	687	00
10.	CRJ	Duplicate receipt ✓	✓ –620	✓ –372	–	Bank	Debtors Control ✓	248	00
	GJ	Journal voucher ✓	✓ +248			Bad Debts	Debtors Control ✓	372	00
11.	GJ	Journal voucher ✓	✓ +3 150	–	–	Equipment	Trading Stock ✓	3 150	00
			–3 150						

Note to teacher: 1 mark is awarded for the journal and the source document together. 1 mark for the debit and the credit being correct.

CHAPTER 13

Value-added tax (VAT)

In this chapter, it is important that learners understand the basic principles of VAT and know the difference between input tax and output tax. Learners should also be able to perform basic VAT calculations. The formulae used to perform VAT calculations (as well as their derivations) have been given in this chapter, but it is very important that learners understand how the formulae are derived and that they do not just learn the formulae. If they do not know how the formulae are derived, they may become confused during a test or examination and apply the formulae incorrectly.

» Activity 13.1

LB page 239

1. Price charged to customer (including VAT) = $R50 \times 114\% = R57$
2. R57
3. R7

» Activity 13.2

LB page 241

Transaction	Input tax	Output tax
1.	R112	
2.		R700
3.	R98	
4.	R140	
5.		R210
Total	R350	R910

» Activity 13.3

LB page 241

$$\begin{aligned}\text{VAT payable} &= \text{output tax} - \text{input tax} \\ &= R910 - R350 \\ &= R560\end{aligned}$$

» Activity 13.4

LB page 245

$$\begin{aligned}\text{Selling price of running shoes, inclusive of VAT} &= R400 \times 114\% \\ &= R456\end{aligned}$$

$$\begin{aligned}\text{Selling price of soccer boots, inclusive of VAT} &= R500 \times 114\% \\ &= R570\end{aligned}$$

$$\begin{aligned} \text{Price of Oak-bans (excl. VAT)} &= \frac{\text{price (incl. VAT)}}{114\%} \\ &= \frac{R969}{114\%} \\ &= R850 \end{aligned}$$

$$\begin{aligned} \text{VAT on Oak-bans} &= \text{price (incl. VAT)} - \text{price (excl. VAT)} \\ &= R969 - 850 \\ &= R119 \end{aligned}$$

$$\begin{aligned} \text{Price of Rayleys (excl. VAT)} &= \frac{\text{price (incl. VAT)}}{114\%} \\ &= \frac{R1\,026}{114\%} \\ &= R900 \end{aligned}$$

$$\begin{aligned} \text{VAT on Rayleys} &= \text{price (incl. VAT)} - \text{price (excl. VAT)} \\ &= R1\,026 - 900 \\ &= R126 \end{aligned}$$

» **Activity 13.6**

Computer monitor	Price (excl. VAT)	Price (incl. VAT)
AP 2000 – 15 inch	R789	R899
SQ 3200 – 15 inch	R964	R1 099
AP 2200 – 17 inch	R2 806	R3 199
SQ 4500 – 17 inch	R3 504	R3 995

» **Activity 13.7**

<p style="text-align: center;">Nemo's Pet Shop</p> <p style="text-align: center;">Cash sales slip no. 001</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Total (excl. VAT)</td> <td style="text-align: right;">R12,86</td> </tr> <tr> <td>VAT @ 14%</td> <td style="text-align: right;">R1,80</td> </tr> <tr> <td>Total (incl. VAT)</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">R14,66</td> </tr> </table>	Total (excl. VAT)	R12,86	VAT @ 14%	R1,80	Total (incl. VAT)	R14,66	<p style="text-align: center;">Nemo's Pet Shop</p> <p style="text-align: center;">Cash sales slip no. 002</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Total (excl. VAT)</td> <td style="text-align: right;">R22,57</td> </tr> <tr> <td>VAT @ 14%</td> <td style="text-align: right;">R3,16</td> </tr> <tr> <td>Total (incl. VAT)</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">R25,73</td> </tr> </table>	Total (excl. VAT)	R22,57	VAT @ 14%	R3,16	Total (incl. VAT)	R25,73	<p style="text-align: center;">Nemo's Pet Shop</p> <p style="text-align: center;">Cash sales slip no. 003</p> <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Total (excl. VAT)</td> <td style="text-align: right;">R35,00</td> </tr> <tr> <td>VAT @ 14%</td> <td style="text-align: right;">R4,90</td> </tr> <tr> <td>Total (incl. VAT)</td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">R39,90</td> </tr> </table>	Total (excl. VAT)	R35,00	VAT @ 14%	R4,90	Total (incl. VAT)	R39,90
Total (excl. VAT)	R12,86																			
VAT @ 14%	R1,80																			
Total (incl. VAT)	R14,66																			
Total (excl. VAT)	R22,57																			
VAT @ 14%	R3,16																			
Total (incl. VAT)	R25,73																			
Total (excl. VAT)	R35,00																			
VAT @ 14%	R4,90																			
Total (incl. VAT)	R39,90																			

» **Case study 13.1**

1. VAT refund fraud
2. R12,5 million
3. The fraud scam entailed the registration of fictitious businesses as VAT vendors with SARS, with the sole purpose of claiming fraudulent refunds.
4. They stopped paying refunds to those businesses.
5. The suspects tried to recruit and bribe SARS officials to authorise the pay-out of the fraudulent refund claims.
6. The charges against the accused include fraud, corruption and racketeering.
7. SARS has significantly tightened procedures around the registration of entities as VAT vendors.

Memorandum

Marks: 15
Time 15 minutes

1. Price of watch from Timekeepers Warehouse (incl. VAT) = $R480 \times 114\%$
= R547,20

Nomsa should buy the watch from Always-on-Time Traders – their price is R34,20 cheaper. (5)

2. Price of the TV (excl. VAT) = $\frac{\text{price (incl. VAT)}}{114\%}$
= $\frac{R3\ 990}{114\%}$
= R3 500

VAT on the TV = price (incl. VAT) – price (excl. VAT)
= R3 990 – R3 500
= R490 (6)

3. Price of the calculator (incl. VAT) = $R120 \times 114\%$
= R136,80 (4)

» **Assessment task: Research project**

Use copies of the rubric below to assess learners' VAT projects.

Assessment rubric: Research project – VAT

Name:					
Criteria	Excellent	Good	Adequate	Not achieved	Mark
The importance of tax	Excellent explanation (4)	Good explanation (3)	Average explanation (2)	Vague or confusing explanation (1)	
Different types of tax	Excellent explanation (4)	Good explanation (3)	One or two types of tax excluded from explanation (2)	At most one type of tax explained (1)	
The history of VAT	Excellent, interesting information (4)	Good, most facts covered (3)	Average, there are gaps in explanation (2)	Very little information given; confusing (1)	
Exempt and zero-rated items	Excellent explanation, very good examples, till slip analysed very well (5–7)	Good explanation, examples, till slip analysed well (3–4)	Explanation partly correct, analysis of till slip incomplete (2–3)	Explanation confusing, analysis of till slip vague or no till slip analysed (1)	
Diagram to explain: • value-added tax • input tax • output tax	Excellent diagram that helps explain the three concepts (6–9)	Good diagram that helps explain the two of the three concepts very well (3–5)	Diagram confusing in places; one of the concepts explained quite well (2–3)	Diagram confusing; none of the concepts explained acceptably (1)	
Registration for VAT and ethical aspects of tax	Excellent work (4)	Good work (3)	Average work (2)	Vague and confusing attempt (1)	
Technical quality of project	Excellent project (4)	Good project (3)	Average project (2)	Little or no effort put into project (1)	
Sources (bibliography)	Excellent variety of sources (4)	A few good sources (3)	One source (1)	No sources (0)	
Total:					/40

CHAPTER 14

Salaries and wages

» Activity 14.1

LB page 253

1.

Year	2008	2009	2010	2011	2012	2013	2014
Starting salary (annual)	R84 000	R84 000	R87 000	R90 000	R93 000	R97 000	R101 000
Increase	–	R3 000	R3 000	R3 000	R4 000	R4 000	R4 000
Maximum annual salary	R84 000	R87 000	R90 000	R93 000	R97 000	R101 000	R105 000

2. Palesa's salary in 2020: $R90\ 000 \div 12 = R7\ 500$ per month
 3. Palesa's salary in 2014: $R105\ 000 \div 12 = R8\ 750$ per month

» Activity 14.2

LB page 257

1. Paul's gross wage: $R20 \times 40 = R800$
 2. Paul's total deductions: $R250 + 40 + 10 = R300$
 3. Paul's net wage: $R800 - 300 = R500$

» Activity 14.3

LB page 259

Salaries Journal of Monty Traders for the month ended 31 January 2016

SJ1

Employee	Gross salary	Deductions					Net salary	Cheque no.	Employer's contribution		
		Pension fund	UIF	Medical aid	PAYE	Total			Medical aid	UIF	Total
K Xoseka	5 000	300	25	100	1 175	1 600	3 400	481	100	25	125
G Malan	4 200	252	21	160	987	1 420	2 780	482	160	25	185
T Block	5 800	348	29	220	1 363	1 960	3 840	483	220	25	245
	15 000	900	75	480	3 525	4 980	10 020		480	75	555

» Activity 14.4

LB page 259

Salaries Journal of Pegasus CC for the month ended 31 March 2016

SJ3

Employee	Gross salary	Deductions					Net salary	Cheque no.	Employer's contribution	
		Pension fund	Medical aid	Union membership	PAYE	Total			Pension fund	Total
J Botha	7 000	140	60	10	1 400	1 610	5 390	492	140	140
C Walder	5 600	112	300	10	784	1 206	4 394	493	112	112
P Mslambo	8 500	170	120	10	1 955	2 255	6 245	494	170	170
	21 100	422	480	30	4 139	5 071	16 029		422	422

Wages Journal of Protea Traders for the week ended 20 January 2016

WJ4

Employee	Normal time			Overtime			Gross wage	Deductions					Net wage	Employer's contribution		
	Hours	Rate	Amount	Hours	Rate	Amount		Pension fund	Med. aid	UIF	PAYE	Total		Pension fund	UIF	Total
G Smith	40	24	960	—	36	—	960	48	14	6	192	260	700	96	6	102
M Ntini	36	30	1 080	—	45	—	1 080	54	14	6	216	290	790	108	6	114
H Gibbs	40	20	800	10	30	300	1 100	40	14	6	220	280	820	80	6	86
							3 140	142	42	18	628	830	2 310	284	18	302

» Activity 14.6

Wages Journal of Protea Traders for the week ended 27 January 2016

WJ4

Employee	Normal time			Overtime			Gross wage	Deductions					Net wage	Employer's contribution		
	Hours	Rate	Amount	Hours	Rate	Amount		Pension fund	Med. aid	UIF	PAYE	Total		Pension fund	UIF	Total
G Smith	40	24	960	5	36	180	1 140	48	14	6	228	296	844	96	6	102
M Ntini	38	30	1 140	10	45	450	1 590	57	14	6	318	395	1 195	114	6	120
H Gibbs	40	20	800	—	30	—	800	40	14	6	160	220	580	80	6	86
							3 530	145	42	18	706	911	2 619	290	18	308

» Activity 14.7

1. Cash Payments Journal of Monty Traders for January 2016

CPJ1

Doc. no.	Day	Name of payee	Bank		Sundry accounts			Fol.
					Amount	Details		
481–483	31	Employees	10 020	00	10 020	00	Creditors for salaries	B7
484		CT Pension Fund	900	00	900	00	Pension fund	B3
485		Good Health Medical Scheme	960	00	960	00	Medical aid	B5
486		SARS	3 525	00	3 525	00	SA Revenue Services (PAYE)	B6
487		UIF	150	00	150	00	Unemployment Insurance Fund	B4
			15 555	00	15 555	00		
			B2					

2. General Ledger of Monty Traders
Balance Sheet accounts

Dr				Bank				B2				Cr	
Date	Details		Fol.	Amount		Date	Details		Fol.	Amount			
						2016 Jan	31	Total payments	CPJ1	15 555	00		

Dr				Pension Fund				B3				Cr	
Date	Details		Fol.	Amount		Date	Details		Fol.	Amount			
2016 Jan	31	Bank	CPJ1	900	00	2016 Jan	31	Salaries	SJ1	900	00		

Dr					UIF					B4					Cr				
Date		Details			Fol.	Amount		Date		Details			Fol.	Amount					
2016	Jan	31	Bank	CPJ1	150	00	2016	Jan	31	Salaries	SJ1	75	00						
										UIF contributions	SJ1	75	00						
					<u>150</u>	<u>00</u>						<u>150</u>	<u>00</u>						

Dr					Medical Aid					B5					Cr				
Date		Details			Fol.	Amount		Date		Details			Fol.	Amount					
2016	Jan	31	Bank	CPJ1	960	00	2016	Jan	31	Salaries	SJ1	480	00						
										Medical aid contributions	SJ1	480	00						
					<u>960</u>	<u>00</u>						<u>960</u>	<u>00</u>						

Dr					SARS (PAYE)					B6					Cr				
Date		Details			Fol.	Amount		Date		Details			Fol.	Amount					
2016	Jan	31	Bank	CPJ1	3 525	00	2016	Jan	31	Salaries	SJ1	3 525	00						

Dr					Creditors for Salaries					B7					Cr				
Date		Details			Fol.	Amount		Date		Details			Fol.	Amount					
2016	Jan	31	Bank	CPJ1	10 020	00	2016	Jan	31	Salaries	SJ1	10 020	00						

Nominal accounts

Dr					Salaries					N6					Cr				
Date		Details			Fol.	Amount		Date		Details			Fol.	Amount					
2016	Jan	31	Gross salaries	SJ1	15 000	00													

Dr					Medical Aid Contributions					N7					Cr				
Date		Details			Fol.	Amount		Date		Details			Fol.	Amount					
2016	Jan	31	Medical aid	SJ1	480	00													

Dr					UIF Contributions					N8					Cr				
Date		Details			Fol.	Amount		Date		Details			Fol.	Amount					
2016	Jan	31	UIF	SJ1	75	00													

3.	Date	Assets		Owner's equity		Liabilities	
		Effect	Reason	Effect	Reason	Effect	Reason
	2016 Jan			-15 000	Salaries – expense	+900	Pension fund liability increases
						+75	UIF liability increases
						+480	Medical aid liability increases
						+3 525	SARS (PAYE) liability increases
						+10 020	Creditors for salaries liability increases
				-480	Medical aid contributions – expense	+480	Medical aid liability increases
				-75	UIF contributions – expense	+75	UIF liability increases
		-15 555	Cash in the bank decreases			-10 020	Creditors for salaries liability decreases
						-900	Pension fund liability decreases
						-960	Medical aid liability decreases
						-3 525	SARS (PAYE) liability decreases
						-150	UIF liability decreases



1. Cash Payments Journal of Pegasus CC for March 2016

CPJ3

Doc. no.	Day	Name of payee	Bank		Sundry accounts		Fol.	
					Amount	Details		
492-494	31	Employees	16 029	00	16 029	00	Creditors for salaries	B7
495		Liberty Pension Fund	844	00	844	00	Pension fund	B3
496		Medsure Medical Aid	480	00	480	00	Medical aid	B5
497		SARS	4 139	00	4 139	00	SARS (PAYE)	B6
498		All-in-one Staff Association	30	00	30	00	Staff association	B4
			21 522	00	21 522	00		
			B2					

2. General Ledger of Pegasus CC
Balance Sheet accounts

Dr				Bank				B2				Cr	
Date	Details		Fol.	Amount		Date	Details		Fol.	Amount			
						2016 Mar	31	Total payments	CPJ3	21 522	00		

Dr				Pension Fund				B3				Cr	
Date	Details		Fol.	Amount		Date	Details		Fol.	Amount			
2016 Mar	31	Bank	CPJ3	844	00	2016 Mar	31	Salaries	SJ3	422	00		
								Pension fund contributions	SJ3	422	00		
				844	00					844	00		

Dr				Union Membership				B4				Cr	
Date	Details		Fol.	Amount		Date	Details		Fol.	Amount			
2016 Mar	31	Bank	CPJ3	30	00	2016 Mar	31	Salaries	SJ3	30	00		

Dr				Medical Aid				B5				Cr	
Date	Details		Fol.	Amount		Date	Details		Fol.	Amount			
2016 Mar	31	Bank	CPJ3	480	00	2016 Mar	31	Salaries	SJ3	480	00		

Dr				SARS (PAYE)				B6				Cr	
Date	Details		Fol.	Amount		Date	Details		Fol.	Amount			
2016 Mar	31	Bank	CPJ3	4 139	00	2016 Mar	31	Salaries	SJ3	4 139	00		

Dr				Creditors for Salaries				B7				Cr	
Date	Details		Fol.	Amount		Date	Details		Fol.	Amount			
2016 Mar	31	Bank	CPJ3	16 029	00	2016 Mar	31	Salaries	SJ3	16 029	00		

Nominal accounts

Dr				Salaries				N6				Cr	
Date	Details		Fol.	Amount		Date	Details		Fol.	Amount			
2016 Mar	31	Gross salaries	SJ3	21 100	00								

Dr				Pension Fund Contributions				N7				Cr	
Date	Details		Fol.	Amount		Date	Details		Fol.	Amount			
2016 Mar	31	Pension fund	SJ3	422	00								



1. Cash Payments Journal of Protea Traders for January 2016

CPJ1

Doc. no.	Day	Name of payee	Bank		Creditors for wages	Sundry accounts				
						Amount	Details	Fol.		
60	6	Cash	2 670	00	2 670	00				
76	13	Cash	2 600	00	2 600	00				
94	20	Cash	2 310	00	2 310	00				
116	27	Cash	2 619	00	2 619	00				
130	31	GP Pension Fund	1 731	00			1 731	00	Pension fund	B3
131		Keep Fit Medical Aid	168	00			168	00	Medical aid	B5
132		UIF	144	00			144	00	UIF	B4
133		SARS	2 754	00			2 754	00	SARS (PAYE)	B6
			14 996	00	10 199	00	4 797	00		
			B2		B8					

2.

General Ledger of Protea Traders
Balance Sheet accounts

Dr				Bank				B2				Cr
Date	Details		Fol.	Amount		Date	Details		Fol.	Amount		
						2016 Jan	31	Total payments	CPJ1	14 996	00	

Dr				Pension Fund				B3				Cr
Date	Details		Fol.	Amount		Date	Details		Fol.	Amount		
2016 Jan	31	Bank	CPJ1	1 731	00	2016 Jan	6	Wages	WJ1	150	00	
								Pension fund contributions	WJ1	300	00	
							13	Wages	WJ2	140	00	
								Pension fund contributions	WJ2	280	00	
							20	Wages	WJ3	142	00	
								Pension fund contributions	WJ3	284	00	
							27	Wages	WJ4	145	00	
								Pension fund contributions	WJ4	290	00	
				1 731	00					1 731	00	

Dr				UIF				B4				Cr
Date	Details		Fol.	Amount		Date	Details		Fol.	Amount		
2016 Jan	31	Bank	CPJ1	144	00	2016 Jan	6	Wages	WJ1	18	00	
								UIF contributions	WJ1	18	00	
							13	Wages	WJ2	18	00	
								UIF contributions	WJ2	18	00	
							20	Wages	WJ3	18	00	
								UIF contributions	WJ3	18	00	
							27	Wages	WJ4	18	00	
								UIF contributions	WJ4	18	00	
				144	00					144	00	

Dr				Medical Aid				B5				Cr			
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount			
2016	Jan	31	Bank	CPJ1	168	00	2016	Jan	6	Wages	WJ1	42	00		
									13	Wages	WJ2	42	00		
									20	Wages	WJ3	42	00		
									27	Wages	WJ4	42	00		
					168	00						168	00		

Dr				SARS (PAYE)				B6				Cr			
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount			
2016	Jan	31	Bank	CPJ1	2 754	00	2016	Jan	6	Wages	WJ1	720	00		
									13	Wages	WJ2	700	00		
									20	Wages	WJ3	628	00		
									27	Wages	WJ4	706	00		
					2 754	00						2 754	00		

Dr				Creditors for Wages				B8				Cr			
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount			
2016	Jan	31	Bank	CPJ1	10 199	00	2016	Jan	6	Wages	WJ1	2 670	00		
									13	Wages	WJ2	2 600	00		
									20	Wages	WJ3	2 310	00		
									27	Wages	WJ4	2 619	00		
					10 199	00						10 199	00		

Nominal accounts

Dr				Wages				N5				Cr			
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount			
2016	Jan	6	Gross wages	WJ1	3 600	00									
		13	Gross wages	WJ2	3 500	00									
		20	Gross wages	WJ3	3 140	00									
		27	Gross wages	WJ4	3 530	00									
					13 770	00									

Dr				Pension Fund Contributions				N7				Cr			
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount			
2016	Jan	6	Pension fund	WJ1	300	00									
		13	Pension fund	WJ2	280	00									
		20	Pension fund	WJ3	284	00									
		27	Pension fund	WJ4	290	00									
					1 154	00									

Dr				Medical Aid				B5				Cr	
Date	Details		Fol.	Amount		Date	Details		Fol.	Amount			
2016 May	31	Bank	CPJ5	810	00	2016 May	31	Salaries	SJ5	270	00		
								Medical aid contributions	SJ5	540	00		
				810	00					810	00		

Dr				Staff Association				B4				Cr	
Date	Details		Fol.	Amount		Date	Details		Fol.	Amount			
2016 May	31	Bank	CPJ5	50	00	2016 May	31	Salaries	SJ5	50	00		

Dr				Creditors for Salaries				B7				Cr	
Date	Details		Fol.	Amount		Date	Details		Fol.	Amount			
2016 May	31	Bank	CPJ5	6 690	00	2016 May	31	Salaries	SJ5	6 690	00		

Nominal accounts

Dr				Salaries				N6				Cr	
Date	Details		Fol.	Amount		Date	Details		Fol.	Amount			
2016 May	31	Gross salaries	SJ5	9 800	00								

Dr				Pension Fund Contributions				N7				Cr	
Date	Details		Fol.	Amount		Date	Details		Fol.	Amount			
2016 May	31	Pension fund	SJ5	980	00								

Dr				Medical Aid Contributions				N8				Cr	
Date	Details		Fol.	Amount		Date	Details		Fol.	Amount			
2016 May	31	Medical aid	SJ5	540	00								

Activity 14.11

LB page 282

1. Wages Journal of Palm Stores for the week ended 28 July 2016

WJ4

Employee	Normal time			Overtime			Gross wage	Deduction					Net wage	Employer's contribution		
	Hours	Rate	Amount	Hours	Rate	Amount		Pension fund	Med. aid	UIF	PAYE	Total		Pension fund	UIF	Total
O Oak	40	25	1 000	4	50	200	1 200	75	50	24	180	329	871	150	24	174
A Ash	40	30	1 200	5	60	300	1 500	90	200	30	225	545	955	180	30	210
							2 700	165	250	54	405	874	1 826	330	54	384

2. Cash Payments Journal of Palm Stores for July 2016

CPJ1

Doc. no.	Day	Name of payee	Bank	Creditors for wages	Sundry accounts		
					Amount	Details	Fol.
78	7	Cash	1 675 00	1 675 00			
93	14	Cash	1 441 00	1 441 00			
114	21	Cash	1 743 00	1 743 00			
133	28	Cash	1 826 00	1 826 00			
140	31	Better Growth Pension Fund	1 845 00		1 845 00	Pension fund	B3
141		Better Health Medical Scheme	1 000 00		1 000 00	Medical aid	B5
142		UIF	400 00		400 00	UIF	B4
143		SARS	1 500 00		1 500 00	SARS (PAYE)	B6
			11 430 00	6 685 00	4 745 00		
			B2	B7			

3.

General Ledger of Palm Stores
Balance Sheet accounts

Dr				Bank				B2				Cr
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount		
2016 Jul	31					2016 Jul	31	Total payments	CPJ1	11 430	00	

Dr				Pension Fund				B3				Cr
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount		
2016 Jul	31	Bank	CPJ1	1 845	00	2016 Jul	7	Wages	WJ1	150	00	
								Pension fund contributions	WJ1	300	00	
							14	Wages	WJ2	135	00	
								Pension fund contributions	WJ2	270	00	
							21	Wages	WJ3	165	00	
								Pension fund contributions	WJ3	330	00	
							28	Wages	WJ4	165	00	
								Pension fund contributions	WJ4	330	00	
				1 845	00					1 845	00	

Dr				Medical Aid				B5				Cr
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount		
2016 Jul	31	Bank	CPJ1	1 000	00	2016 Jul	7	Wages	WJ1	250	00	
							14	Wages	WJ2	250	00	
							21	Wages	WJ3	250	00	
							28	Wages	WJ4	250	00	
				1 000	00					1 000	00	

Dr				UIF				B4				Cr
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount		
2016 Jul	31	Bank	CPJ1	400	00	2016 Jul	7	Wages	WJ1	50	00	
								UIF contributions	WJ1	50	00	
							14	Wages	WJ2	44	00	
								UIF contributions	WJ2	44	00	
							21	Wages	WJ3	52	00	
								UIF contributions	WJ3	52	00	
							28	Wages	WJ4	54	00	
								UIF contributions	WJ4	54	00	
				400	00					400	00	

Dr				SARS (PAYE)				B6				Cr
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount		
2016 Jul	31	Bank	CPJ1	1 500	00	2016 Jul	7	Wages	WJ1	375	00	
							14	Wages	WJ2	330	00	
							21	Wages	WJ3	390	00	
							28	Wages	WJ4	405	00	
				1 500	00					1 500	00	

Dr				Creditors for Wages				B7				Cr	
Date	Details		Fol.	Amount		Date	Details		Fol.	Amount			
2016						2016							
Jul	31	Bank	CPJ1	6 685	00	Jul	7	Wages	WJ1	1 675	00		
							14	Wages	WJ2	1 441	00		
							21	Wages	WJ3	1 743	00		
							28	Wages	WJ4	1 826	00		
				6 685	00					6 685	00		

Nominal accounts

Dr				Wages				N5				Cr	
Date	Details		Fol.	Amount		Date	Details		Fol.	Amount			
2016													
Jul	7	Gross wages	WJ1	2 500	00								
	14	Gross wages	WJ2	2 200	00								
	21	Gross wages	WJ3	2 600	00								
	28	Gross wages	WJ4	2 700	00								
				10 000	00								

Dr				Pension Fund Contributions				N6				Cr	
Date	Details		Fol.	Amount		Date	Details		Fol.	Amount			
2016													
Jul	7	Pension fund	WJ1	300	00								
	14	Pension fund	WJ2	270	00								
	21	Pension fund	WJ3	330	00								
	28	Pension fund	WJ4	330	00								
				1 230	00								

Dr				UIF Contributions				N7				Cr	
Date	Details		Fol.	Amount		Date	Details		Fol.	Amount			
2016													
Jul	7	UIF	WJ1	50	00								
	14	UIF	WJ2	44	00								
	21	UIF	WJ3	52	00								
	28	UIF	WJ4	54	00								
				200	00								

» Activity 14.12

LB page 283

General Ledger of Ascot Traders

Balance Sheet accounts

Dr				Pension Fund				Cr			
Date	Details		Fol.	Amount		Date	Details		Fol.	Amount	
2016						2016					
Dec	31	Bank		8 700	00	Dec	1	Wages		450	00
								Pension fund contributions		900	00
							8	Wages		450	00
								Pension fund contributions		900	00
							15	Wages		450	00
								Pension fund contributions		900	00
							22	Wages		400	00
								Pension fund contributions		800	00
							29	Wages		400	00
								Pension fund contributions		800	00
							31	Salaries		750	00
								Pension fund contributions		1 500	00
				8 700	00					8 700	00

Dr				Medical Aid				Cr			
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount	
2016 Dec	31	Bank		6 600	00	2016 Dec	1	Wages		500	00
								Medical aid contributions		500	00
							8	Wages		500	00
								Medical aid contributions		500	00
							15	Wages		500	00
								Medical aid contributions		500	00
							22	Wages		500	00
								Medical aid contributions		500	00
							29	Wages		500	00
								Medical aid contributions		500	00
							31	Salaries		800	00
								Medical aid contributions		800	00
				6 600	00					6 600	00

Dr				SARS (PAYE)				Cr			
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount	
2016 Dec	31	Bank		11 600	00	2016 Dec	1	Wages		1 800	00
							8	Wages		1 800	00
							15	Wages		1 800	00
							22	Wages		1 600	00
							29	Wages		1 600	00
							31	Salaries		3 000	00
				11 600	00					11 600	00

Dr				Creditors for Wages				Cr			
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount	
2016 Dec	31	Bank		29 750	00	2016 Dec	1	Wages		6 250	00
							8	Wages		6 250	00
							15	Wages		6 250	00
							22	Wages		5 500	00
							29	Wages		5 500	00
				29 750	00					29 750	00

Dr				Creditors for Salaries				Cr			
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount	
2016 Dec	31	Bank		10 450	00	2016 Dec	31	Salaries		10 450	00

Nominal accounts

Dr				Wages				Cr			
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount	
2016											
Dec	1	Balance	b/d	420 000	00						
		Gross wages		9 000	00						
	8	Gross wages		9 000	00						
	15	Gross wages		9 000	00						
	22	Gross wages		8 000	00						
	29	Gross wages		8 000	00						
				463 000	00						

Dr				Salaries				Cr			
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount	
2016											
Dec	1	Balance	b/d	165 000	00						
	31	Gross salaries		15 000	00						
				180 000	00						

Dr				Pension Fund Contributions				Cr			
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount	
2016											
Dec	1	Balance	b/d	55 000	00						
		Pension fund		900	00						
	8	Pension fund		900	00						
	15	Pension fund		900	00						
	22	Pension fund		800	00						
	29	Pension fund		800	00						
	31	Pension fund		1 500	00						
				60 800	00						

Dr				Medical Aid Contributions				Cr			
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount	
2016											
Dec	1	Balance	b/d	32 000	00						
		Medical aid		500	00						
	8	Medical aid		500	00						
	15	Medical aid		500	00						
	22	Medical aid		500	00						
	29	Medical aid		500	00						
	31	Medical aid		800	00						
				35 300	00						

Salary for the year: $R20\,000 \times 12 = R240\,000$

Mary's taxable income falls in the R235 001–325 000 bracket in the tax table.

Tax before rebates: $R48\,250 + 30\%$ of the amount above R235 000
 $= R48\,250 + 30\%$ of $(R240\,000 - R235\,000)$
 $= R48\,250 + (30\% \times R5\,000)$
 $= R48\,250 + R1\,500$
 $= R49\,750$

Mary is 66 years old and entitled to a primary rebate of R10 755 as well as an additional rebate of R6 012.

Tax liability for the year ending 29 February 2012:

$R49\,750 - (R10\,755 + R6\,012) = R32\,983$

Monthly PAYE deduction: $R32\,983 \div 12 = R2\,748,58$

» Case study 14.1

1. Congress of South African Trade Unions (Cosatu)
The South African Commercial, Catering and Allied Workers Unions (Saccawu)
2.
 - “Wal-Mart is one of the worst union-bashing employers in the world.”
 - “Wal-Mart is a known anti-union company, which trains its managers to keep the workplaces union-free.”
 - “Wal-Mart has been listed in Human Rights Watch reports for its aggressiveness of its anti-union activities and that it conducts illegal surveillance on its employees to root out any attempts at unionisation.”
3. The violations are regarding wages, overtime and (working) hours
4. Wal-Mart pays women less than men and female workers are less likely to be promoted than male workers.
5.
 - a. The “use of child labour” and the “payment of poverty wages”
 - b. Wal-Mart, due to the fact that it is the world's biggest retailer, is extremely powerful. As such, it can dictate to its suppliers the price they are prepared to pay for goods and this has contributed to suppliers employing unethical labour practices in order to keep costs to a minimum.
6. “Walmartisation” can be defined as the use of unethical, immoral and discriminatory labour practices (similar to Wal-Mart).

» Informal assessment 14.1

Memorandum

Marks: 60
Time: 35 minutes

1. Salaries Journal of Olympic Traders for the month ended 31 December 2016

SJ12

Employee	Gross salary	Deduction						Net salary	Cheque no.	Employer's contribution		
		Pension fund	UIF	Medical aid	Staff association	PAYE	Total			Pension fund	UIF	Medical aid
H Sepeng	✓ 4 000	✓ 320	✓ 4	✓ 80	✓ 15	✓ 800	1 219	✓ 2 781	✓ 418	✓ 640	✓ 4	✓ 80
H Cloete	✓ 5 800	✓ 464	✓ 6	✓ 60	✓ 15	✓ 1 450	1 995	✓ 3 805	✓ 419	✓ 928	✓ 6	✓ 60
M Jones	✓ 6 000	✓ 480	✓ 6	✓ 80	✓ 15	✓ 1 500	2 081	✓ 3 919	✓ 420	✓ 960	✓ 6	✓ 80
	15 800	1 264	16	220	45	3 750	5 295	10 505		2 528	16	220

(33)

2. Cash Payments Journal of Olympic Traders for December 2016

CPJ12

Doc. no.	Day	Name of payee	Bank	Sundry accounts		
				Amount	Details	Fol.
418-420	31	Employees	✓ 10 505 00	10 505 00	Creditors for salaries ✓	B1
421		Olympic Pension Fund	✓ 3 792 00	3 792 00	Pension fund ✓	B2
422		UIF	✓ 32 00	32 00	Unemployment Insurance Fund ✓	B3
423		Good Health Medical Aid	✓ 440 00	440 00	Medical aid ✓	B4
424		Olympic Staff Association	✓ 45 00	45 00	Staff association ✓	B5
425		SARS	✓ 3 750 00	3 750 00	SA Revenue Services (PAYE) ✓	B6

(13)

3.

**General Ledger of Olympic Traders
Balance Sheet accounts**

Dr				Pension Fund				B2				Cr			
Date		Details	Fol.	Amount	Date		Details	Fol.	Amount	Date		Details	Fol.	Amount	
2016					2016					2016					
Dec	31	Bank ✓	CPJ12	✓ 3 792 00	Dec	31	Salaries ✓	SJ12	✓ 1 264 00	Dec	31	Pension fund contributions ✓	SJ12	✓ 2 528 00	
				<u>3 792 00</u>					<u>3 792 00</u>					<u>3 792 00</u>	

(6)

Dr				Creditors for Salaries				B1				Cr			
Date		Details	Fol.	Amount	Date		Details	Fol.	Amount	Date		Details	Fol.	Amount	
2016					2016					2016					
Dec	31	Bank ✓	CPJ12	✓ 10 505 00	Dec	31	Salaries ✓	SJ12	✓ 10 505 00	Dec	31				
				<u>10 505 00</u>					<u>10 505 00</u>						

(4)

Nominal account

Dr				Salaries				N6				Cr			
Date		Details	Fol.	Amount	Date		Details	Fol.	Amount	Date		Details	Fol.	Amount	
2016															
Dec	31	Gross salaries ✓✓	SJ12	✓ 15 800 00											
				<u>15 800 00</u>											

(4)

» **Case study 14.2**

LB page 291

1. Any **two** of the following differences:

Wages	Salaries
Wages are paid weekly.	Salaries are paid monthly.
Wages are usually paid in cash.	Salaries are usually paid by cheque or transferred directly into a bank account.
The amount is determined using time-work or piece-work rates.	A fixed predetermined monthly amount is paid.
Wage earners receive additional remuneration for working overtime.	Salary earners may receive benefits such as a bonus, or housing subsidy.

2. Wage advice slip of Harriet Hampton for the week ending 26 February 2010:

WAGE ADVICE SLIP			
Name: Harriet Hampton		Week ending: 26 February 2010	
Job description: Fabric cutter			
Earnings			
	Hours worked	Rate	Earnings
Normal time	40	R22,50	R900,00
Overtime	4	R33,75	R135,00
Gross wage			R1 035,00
Deductions		Employer's contributions	
PAYE	R42,45	UIF	R 10,35
UIF	R10,35		
Total deductions	R52,80	Total contributions	R 10,35
Net wage			R982,20

3. Table setting out the annual salaries of Harold Hlope:

Year starting date	Increase	Annual salary
1 March 2008	–	R132 000
1 March 2009	R8 400	R140 400
1 March 2010	R8 400	R148 800
1 March 2011	R8 400	R157 200
1 March 2012	R8 400	R165 600
1 March 2013	R9 600	R175 200
1 March 2014	R9 600	R184 800
1 March 2015	R9 600	R194 400
1 March 2016	R9 600	R204 000
1 March 2017	R9 600	R213 600

Harold Hlope can expect to earn R184 800 for the year commencing 1 March 2014.

4. Harold Hlope will receive a salary of R213 600 from 1 March 2017.
5. Taxable income for the tax-year ending 28 February 2010 = R140 400
 Tax before rebates = R23 760 + 25% of the amount above R132 000
 $= R23\ 760 + 25\% \text{ of } (R140\ 400 - R132\ 000)$
 $= R23\ 760 + (25\% \times R8\ 400)$
 $= R23\ 760 + R2\ 100$
 $= R25\ 860$

Harold Hlope is 43 years old so he is only entitled to the primary rebate of R9 756.

Income tax payable for the tax-year ending 28 February 2010:

$$R25\ 860 - R9\ 756 = R16\ 104$$

6. PAYE deduction per month = $\frac{R16\ 104}{12} = R1\ 342$

7. Harold Hlope's net salary for February 2010:

$$\text{Gross salary} = \frac{R140\ 400}{12} = R11\ 700$$

Deductions:

- PAYE = R1 342
- Pension fund = 7,5% of gross salary = $R11\ 700 \times 7,5\% = R877,50$
- Medical Aid = R600 + $(R600 \times 10\%) = R660$
- Staff Association = R80 + 10 = R90
- UIF = 1% of gross salary = $R11\ 700 \times 1\% = R117$

Gross salary		R11 700,00
Less: Deductions		R3 086,50
PAYE	R1 342,00	
Pension Fund	R877,50	
Medical Aid	R660,00	
Staff Association	R90,00	
UIF	R117,00	
Net salary		R8 613,50

8. Total cost to Khune Traders of employing Harold Hlope for February 2010:

Gross salary		R11 700,00
Add: Employer's contributions		R2 093,25
Pension Fund (R877,50 × 1,5)	R1 316,25	
Medical Aid	R660,00	
UIF	R117,00	
Total cost of employment		R13 793,25

9. Checklist of payroll controls:
- Detailed personnel files should be maintained for all employees.
 - Access to personnel files should be limited.
 - Detailed time sheets should be used to record hours employees work, including overtime.
 - Time sheets should be signed by supervisor.
 - Time recording systems should be carefully controlled.
 - Salary and wage calculations should be checked.
 - Regular employees should be paid by direct deposit.
 - The payroll list should be checked regularly to make sure that all employees are existing and *bona fide*.
10. The following are some of the steps that Khaya may have taken to help cultivate a happy, ethical and hard-working environment in his business. He would, most probably, have:
- developed and implemented a code of ethics for the business
 - asked the employees to assist with the drawing up of the code of ethics for the business
 - treated his employees with respect and encouraged them to treat each other with respect
 - shown appreciation for his employees
 - displayed and encouraged loyalty, honesty and integrity
 - behaved in a professional and courteous manner
 - ensured that all his employees have employment contracts and that they understand the terms of the contracts
 - paid his employees more than the standard rate for the industry
 - offered and paid the employees bonuses
 - ensured that all overtime work was voluntary, correctly recorded and paid at an appropriate rate
 - ensured that proper health and safety regulations were maintained
 - offered other perks, such as free tea and coffee, cake on Fridays, occasional staff parties, employee of the month awards, etc.



Employee	Salary	PAYE	SDL	UIF
W Wilkens	R6 000	R900	R60	R120
K Khumalo	R6 400	R960	R64	R128
P Peters	R5 800	R870	R58	R116
Total	R18 200	R2 730	R182	R364

Note

This is an old EMP201 form and merely serves to show you how to complete the correct fields.



EMP 201

EMPLOYEES TAX (PAYE)
SKILLS DEVELOPMENT LEVY (SDL)
UNEMPLOYMENT INSURANCE FUND CONTRIBUTIONS (UIF)
RETURN FOR REMITTANCE

Enquiries should be addressed to:
SARS branch office
PO BOX 436
PRETORIA
0001

PART 2

Tito Traders
123 Main Road
Kenilworth
7108

THE RECEIPT WILL BE PRINTED ON THE REVERSE SIDE OF THE FORM

Enquiries Tel. Number	0860121218
Area	02
Return for the month	March 2016
Last day for submission	07/04/2016

Always quote these numbers in correspondence and during interviews

Reference number	R	Amount of payment	c	Month	Method of payment
PAYE	7234567890			0316	Cheque 2 Cash 1
SDL	7234567890				
UIF	7234567890				

For bank or electronic payments, use the following details: (Please complete separate deposit slips/create separate transactions for each "tax" type)

PAYE	FNB BANK PAYMENT:	73456789010032016	BRANCH 253145 BANK ACC51421187414
SDL	FNB BANK PAYMENT:	73456789010032016	BRANCH 253145 BANK ACC62013984291
UIF	FNB BANK PAYMENT:	73456789010032016	BRANCH 253145 BANK ACC62032045678

PART 1
EMP201

RETURN OF LIABILITY - PAYE/SDL/UIF
188086 117

Trading or other name:
Tito Traders
123 Main Road
Kenilworth
7108

Please note:
Interest on outstanding taxes shall be payable at a rate of 10.5% with effect from 01 November 2004



Reference number	
PAYE	7234567890
SDL	7234567890
UIF	7234567890
Month	0032016
Date received	

SDL SETA/SIC CODE: 21/83100

NB: READ APPLICABLE NOTES OVERLEAF

REMUNERATION/LEVIABLE AMOUNT (see notes 1 - 3)	1 R 18 200	2 R 18 200
AMOUNTS PAYABLE (see notes 4 - 6)	4 R 2 730 00	5 R 182 00
CONTROL TOTAL (4+5+6+7)	7 R 3 276 00	

ADD: Penalty 8 ADD: Interest 9

TOTAL AMOUNTS PAYABLE 10

Number of PAYE/SDL/UIF employees

PERMANENT EMPLOYEES	NUMBER OF SDL EMPLOYEES	NUMBER OF UIF EMPLOYEES
NON-PERMANENT EMPLOYEES	3	3

I certify that the particulars furnished in this return are true and correct.

5/4/2016	Accountant	(021) 761 1212	A. Pieters
Date	Capacity: Accountant etc	Telephone/Fax/E-mail	Signature

4413 SARS.BPRTFILE R000137 5/17/05

CHAPTER 15 Financial accounting of a sole trader – Final accounts and year-end adjustments

» Activity 15.1

LB page 306

1. General Journal of Magubeni Sport for February 2019

GJ12

Day	Details	Fol.	Debit	Credit	Debtors control		Creditors control	
					Debit	Credit	Debit	Credit
Feb 28	Sales	N1	6 830 00					
	Debtors allowances	N3		6 830 00				
	(Closing transfer)							
	Sales	N1	1 313 170 00					
	Trading account	F1		1 313 170 00				
	(Closing transfer) (1 320 000 – 6 830)							
	Trade account	F1	942 857 00					
	Cost of sales	N2		942 857 00				
	(Closing transfer)							
	Trading account	F1	370 313 00					
	Profit and loss account	F2		370 313 00				
	(Gross profit carried forward) (1 313 170 – 942 857)							
	Rental income	N4	14 400 00					
	Profit and loss account	F2		14 400 00				
	(Closing transfer)							
	Profit and loss account	F2	127 933 00					
	Telephone	N5		4 560 00				
	Water and Electricity	N6		5 013 00				
	Stationery	N7		518 00				
	Wages	N8		60 000 00				
	Salaries	N9		50 000 00				
	Advertisements	N10		642 00				
	Insurance	N11		7 200 00				
	(Closing transfers)							
	Profit and loss account	F2	256 780 00					
	Capital	B1		256 780 00				
	(Net profit carried forward) (370 313 + 14 400 – 127 933)							
	Capital	B1	72 000 00					
	Drawings	B2		72 000 00				
	(Closing transfer)							

2.

**General Ledger of Magubeni Sport
Balance Sheet accounts**

Dr				Capital				B1				Cr
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount		
2019 Feb	28	Drawings	GJ12	72 000	00	2019 Feb	28	Balance	b/d	184 470	00	
		Balance	c/d	369 250	00			Profit and loss	GJ12	256 780	00	
				<u>441 250</u>	<u>00</u>					<u>441 250</u>	<u>00</u>	
						Mar	1	Balance	b/d	369 250	00	

Dr				Drawings				B2				Cr
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount		
2019 Feb	28	Balance	b/d	72 000	00	2019 Feb	28	Capital	GJ12	72 000	00	

Nominal accounts

Dr				Sales				N1				Cr
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount		
2019 Feb	28	Debtors allowances	GJ12	6 830	00	2019 Feb	28	Balance	b/d	1 320 000	00	
		Trading account	GJ12	1 313 170	00							
				<u>1 320 000</u>	<u>00</u>					<u>1 320 000</u>	<u>00</u>	

Dr				Cost of Sales				N2				Cr
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount		
2019 Feb	28	Balance	b/d	942 857	00	2019 Feb	28	Trading account	GJ12	942 857	00	

Dr				Debtors Allowances				N3				Cr
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount		
2019 Feb	28	Balance	b/d	6 830	00	2019 Feb	28	Sales	GJ12	6 830	00	

Dr				Rent Income				N4				Cr
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount		
2019 Feb	28	Profit and loss	GJ12	14 400	00	2019 Feb	28	Balance	b/d	14 400	00	

Dr				Telephone				N5				Cr
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount		
2019 Feb	28	Balance	b/d	4 560	00	2019 Feb	28	Profit and loss	GJ12	4 560	00	

Dr				Water and Electricity				N6				Cr
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount		
2019 Feb	28	Balance	b/d	5 013	00	2019 Feb	28	Profit and loss	GJ12	5 013	00	

Dr				Stationery				N7				Cr			
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount			
2019							2019								
Feb	28	Balance		b/d	518	00	Feb	28	Profit and loss		GJ12	518	00		

Dr				Wages				N8				Cr			
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount			
2019							2019								
Feb	28	Balance		b/d	60 000	00	Feb	28	Profit and loss		GJ12	60 000	00		

Dr				Salaries				N9				Cr			
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount			
2019							2019								
Feb	28	Balance		b/d	50 000	00	Feb	28	Profit and loss		GJ12	50 000	00		

Dr				Advertising				N10				Cr			
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount			
2019							2019								
Feb	28	Balance		b/d	642	00	Feb	28	Profit and loss		GJ12	642	00		

Dr				Insurance				N11				Cr			
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount			
2019							2019								
Feb	28	Balance		b/d	7 200	00	Feb	28	Profit and loss		GJ12	7 200	00		

Dr				Trading account				F1				Cr			
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount			
2019							2019								
Feb	28	Cost of sales		GJ12	942 857	00	Feb	28	Sales		GJ12	1 313 170	00		
		Profit and loss		GJ12	370 313	00									
					1 313 170	00						1 313 170	00		

Dr				Profit and Loss account				F2				Cr			
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount			
2019							2019								
Feb	28	Telephone		GJ12	4 560	00	Feb	28	Trading account		GJ12	370 313	00		
		Water and electricity		GJ12	5 013	00			Rent Income		GJ12	14 400	00		
		Stationery		GJ12	518	00									
		Wages		GJ12	60 000	00									
		Salaries		GJ12	50 000	00									
		Advertising		GJ12	642	00									
		Insurance		GJ12	7 200	00									
		Capital		GJ12	256 780	00									
					384 713	00						384 713	00		

The amount of R256 780 is therefore the net profit that is now carried forward from the *Profit and Loss* account to the *Capital* account.

3. **Magubeni Sport**
Post-closing Trial Balance on 28 February 2019

Balance Sheet accounts	Fol.	Debit		Credit	
Capital (184 470 + 256 780 + 72 000)	B1			369 250	00
Land and buildings	B3	300 000	00		
Equipment	B4	41 500	00		
Trading stock	B5	25 620	00		
Debtors control	B6	11 217	00		
Bank	B7	5 993	00		
Float	B8	600	00		
Petty cash	B9	100	00		
Creditors control	B10			15 780	00
		385 030	00	385 030	00

Notes

- The capital balance is the new balance (after net profit has been added and drawings have been subtracted).
- There is no *Drawings* account, as we have closed this.

» **Activity 15.2**

LB page 307

1. **General Journal of Rudolph Furnishers for June 2020**

GJ12

Date	Details	Fol.	Debit	Credit	Debtors control		Creditors control	
					Debit	Credit	Debit	Credit
Jun 30	Sales	N1	5 310 00					
	Debtors allowances	N3		5 310 00				
	(Closing transfer)							
	Sales	N1	1 074 690 00					
	Trading account	F1		1 074 690 00				
	(Closing transfer) (1 080 000 – 5 310)							
	Trading account		720 000 00					
	Cost of sales			720 000 00				
	(Closing transfer)							
	Trading account	F1	354 690 00					
	Profit and loss account	F2		354 690 00				
	(Gross profit carried forward) (1 074 690 – 720 000)							
	Rent Income	N4	14 880 00					
	Discount received	N5	3 210 00					
	Interest received	N6	830 00					
	Profit and loss account	F2		18 920 00				
	(Closing transfer)							
	Profit and loss account	F2	101 570 00					
	Telephone	N7		5 231 00				
	Water and electricity	N8		4 989 00				
	Stationery	N9		1 230 00				
	Wages and salaries	N10		71 800 00				
	Insurance	N11		10 440 00				
	Interest on loan	N12		6 500 00				
	Discount allowed	N13		1 380 00				
	(Closing transfer)							

	Profit and loss account	F2	272 040	00									
	Capital	B1			272 040	00							
	(Net profit carried forward) (354 690 + 18 920 – 101 570)												
	Capital	B1	63 800	00									
	Drawings	B2			63 800	00							
	(Closing transfer)												

2. **General Ledger of Rudolph Furnishers**
Balance Sheet accounts

Dr		Capital				B1				Cr
Date	Details	Fol.	Amount		Date	Details	Fol.	Amount		
2020 Jun	30 Drawings	GJ12	63 800	00	2020 Jun	30 Balance	b/d	87 140	00	
	Balance	c/d	295 380	00		Profit and loss	GJ12	272 040	00	
			<u>359 180</u>	<u>00</u>				<u>359 180</u>	<u>00</u>	
					2020 Jul	1 Balance	b/d	295 380	00	

Dr		Drawings				B2				Cr
Date	Details	Fol.	Amount		Date	Details	Fol.	Amount		
2020 Jun	30 Balance	b/d	63 800	00	2020 Jun	30 Capital	GJ12	63 800	00	

Nominal accounts

Dr		Sales				N1				Cr
Date	Details	Fol.	Amount		Date	Details	Fol.	Amount		
2020 Jun	30 Debtors allowances	GJ12	5 310	00	2020 Jun	30 Balance	b/d	1 080 000	00	
	Trading account	GJ12	1 074 690	00						
			<u>1 080 000</u>	<u>00</u>				<u>1 080 000</u>	<u>00</u>	

Dr		Cost of Sales				N2				Cr
Date	Details	Fol.	Amount		Date	Details	Fol.	Amount		
2020 Jun	30 Balance	b/d	720 000	00	2020 Jun	30 Sales	GJ12	720 000	00	

Dr		Debtors Allowances				N3				Cr
Date	Details	Fol.	Amount		Date	Details	Fol.	Amount		
2020 Jun	30 Balance	b/d	5 310	00	2020 Jun	30 Sales	GJ12	5 310	00	

Dr		Rent Income				N4				Cr
Date	Details	Fol.	Amount		Date	Details	Fol.	Amount		
2020 Jun	30 Profit and loss	GJ12	14 880	00	2020 Jun	30 Balance	b/d	14 880	00	

Dr				Discount Received				N5				Cr	
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount	
2020	Jun	30	Profit and loss	GJ12	3 210	00	2020	Jun	30	Balance	b/d	3 210	00

Dr				Interest Received				N6				Cr	
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount	
2020	Jun	30	Profit and loss	GJ12	830	00	2020	Jun	30	Balance	b/d	830	00

Dr				Telephone				N7				Cr	
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount	
2020	Jun	30	Balance	b/d	5 231	00	2020	Jun	30	Profit and loss	GJ12	5 231	00

Dr				Water and Electricity				N8				Cr	
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount	
2020	Jun	30	Balance	b/d	4 989	00	2020	Jun	30	Profit and loss	GJ12	4 989	00

Dr				Stationery				N9				Cr	
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount	
2020	Jun	30	Balance	b/d	1 230	00	2020	Jun	30	Profit and loss	GJ12	1 230	00

Dr				Wages and Salaries				N10				Cr	
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount	
2020	Jun	30	Balance	b/d	71 800	00	2020	Jun	30	Profit and loss	GJ12	71 800	00

Dr				Insurance				N11				Cr	
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount	
2020	Jun	30	Balance	b/d	10 440	00	2020	Jun	30	Profit and loss	GJ12	10 440	00

Dr				Interest on Loan				N12				Cr	
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount	
2020	Jun	30	Balance	b/d	6 500	00	2020	Jun	30	Profit and loss	GJ12	6 500	00

Dr				Discount Allowed				N13				Cr	
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount	
2020	Jun	30	Balance	b/d	1 380	00	2020	Jun	30	Profit and loss	GJ12	1 380	00

Dr		Trading account				F1		Cr			
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount	
2020						2020					
Jun	30	Cost of sales	GJ12	720 000	00	Jun	30	Sales	GJ12	1 074 690	00
		Profit and loss	GJ12	354 690	00						
				1 074 690	00					1 074 690	00

Dr		Profit and Loss account				F2		Cr			
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount	
2020						2020					
Jun	30	Telephone	GJ12	5 231	00	Jun	30	Trading account	GJ12	354 690	00
		Water and electricity	GJ12	4 989	00			Rent Income	GJ12	14 880	00
		Stationery	GJ12	1 230	00			Discount received	GJ12	3 210	00
		Wages and salaries	GJ12	71 800	00			Interest received	GJ12	830	00
		Insurance	GJ12	10 440	00						
		Interest on loan	GJ12	6 500	00						
		Discount allowed	GJ12	1 380	00						
		Capital	GJ12	272 040	00						
				373 610	00					373 610	00

Rudolph Furnishers
Post-closing Trial Balance at 30 June 2020

Balance Sheet accounts	Fol.	Debit		Credit	
Capital (87 140 + 272 040 – 63 800)	B1			295 380	00
Land and buildings	B3	250 000	00		
Vehicles	B4	60 000	00		
Equipment	B5	25 200	00		
Trading stock	B6	31 400	00		
Debtors control	B7	11 210	00		
Bank	B8			8 230	00
Float	B9	800	00		
Petty cash	B10	100	00		
Creditors control	B11			25 100	00
Loan: XY Bank	B12			50 000	00
		378 710	00	378 710	00

1. General Journal of Kirsten Traders for February 2018

GJ12

Date	Details	Fol.	Debit	Credit	Debtors control		Creditors control	
					Debit	Credit	Debit	Credit
Feb 28	Sales	N1	10 720	00				
	Debtors allowances	N3		10 720	00			
	(Closing transfer)							
	Sales	N1	1 340 000	00				
	Trading account	F1		1 340 000	00			
	(Closing transfer) (1 350 720 – 10 720)							
	Trading account	F1	837 500	00				
	Cost of sales	N2		837 500	00			
	(Closing transfer)							
	Trading account	F1	502 500	00				
	Profit and loss account	F2		502 500	00			
	(Gross profit carried forward) (1 340 000 – 837 500)							
	Interest received	N4	835	00				
	Interest on fixed deposit	N5	3 300	00				
	Discount received	N12	3 210	00				
	Profit and loss account	F2		7 345	00			
	(Closing transfer)							
	Profit and loss account	F2	280 830	00				
	Rent expense	N6		25 200	00			
	Telephone	N7		6 240	00			
	Water and electricity	N8		5 998	00			
	Stationery	N9		1 212	00			
	Wages and salaries	N10		232 000	00			
	Insurance	N11		7 200	00			
	Discount allowed	N13		2 980	00			
	(Closing transfer)							
	Profit and loss account	F2	229 015	00				
	Capital	B1		229 015	00			
	(Net profit carried forward) (502 500 + 7 345 – 280 830)							
	Capital	B1	54 000	00				
	Drawings	B2		54 000	00			
	(Closing transfer)							

2. General Ledger of Kirsten Traders
Balance Sheet accounts

Dr				Capital				B1				Cr			
Date	Details		Fol.	Amount		Date	Details		Fol.	Amount					
2018 Feb 28	Drawings		GJ12	54 000	00	2018 Feb 28	Balance		b/d	93 655	00				
	Balance		c/d	268 670	00		Profit and loss		GJ12	229 015	00				
				322 670	00					322 670	00				
						2018 Mar 1	Balance		b/d	268 670	00				

Dr		Drawings				B2		Cr	
Date	Details	Fol.	Amount		Date	Details	Fol.	Amount	
2018 Feb	28 Balance	b/d	54 000	00	2018 Feb	28 Capital	GJ12	54 000	00

Kirsten Traders
Post-closing Trial Balance at 28 February 2018

Balance Sheet accounts	Fol.	Debit		Credit	
Capital (93 655 + 229 015 – 54 000)	B1			268 670	00
Vehicles	B3	90 000	00		
Equipment	B4	48 000	00		
Fixed deposit: Unity Bank	B5	30 000	00		
Trading stock	B6	84 200	00		
Debtors control	B7	8 925	00		
Bank	B8	10 185	00		
Float	B9	700	00		
Petty cash	B10	100	00		
Creditors control	B11			3 440	00
		272 110	00	272 110	00

» **Activity 15.4**

LB page 309

1. General Journal of Dustbuster Cleaning Services for February 2018

GJ12

Date	Details	Fol.	Debit		Credit		Debtors control		Creditors control	
							Debit	Credit	Debit	Credit
Feb 29	Current Income	N1	233 200	00						
	Interest on fixed deposit	N2	800	00						
	Profit and loss account	F2			234 000	00				
	(Closing transfer)									
	Profit and loss account	F2	160 220	00						
	Material costs	N3			59 720	00				
	Telephone	N4			5 830	00				
	Water and electricity	N5			5 210	00				
	Advertising	N6			3 830	00				
	Insurance	N7			7 800	00				
	Wages	N8			68 000	00				
	Repairs	N9			2 910	00				
	Fuel	N10			6 920	00				
	(Closing transfer)									
	Profit and loss account	F2	73 780	00						
	Capital	B1			73 780	00				
	(Net profit carried forward) (234 000 – 160 220)									
	Capital	B1	60 600	00						
	Drawings	B2			60 600	00				
	(Closing transfer)									

2.

General Ledger of Dustbuster Cleaning Services

Balance Sheet accounts

Dr				Capital				B1				Cr
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount		
2018						2018						
Feb	28	Drawings	GJ12	60 600	00	Feb	28	Balance	b/d	107 680	00	
		Balance	c/d	12 860	00			Profit and loss	GJ12	73 780	00	
				<u>181 460</u>	<u>00</u>					<u>181 460</u>	<u>00</u>	
						2018						
						Mar	1	Balance	b/d	120 860	00	

Dr				Drawings				B2				Cr
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount		
2018						2018						
Feb	28	Balance	b/d	60 600	00	Feb	28	Capital	GJ12	60 600	00	

Nominal accounts

Dr				Current Income				N1				Cr
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount		
2018						2018						
Feb	28	Profit and loss	GJ12	233 200	00	Feb	28	Balance	b/d	233 200	00	

Dr				Interest on Fixed Deposit				N2				Cr
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount		
2018						2018						
Feb	28	Profit and loss	GJ12	800	00	Feb	28	Balance	b/d	800	00	

Dr				Material Costs				N3				Cr
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount		
2018						2018						
Feb	28	Balance	b/d	59 720	00	Feb	29	Profit and loss	GJ12	59 720	00	

Dr				Telephone				N4				Cr
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount		
2018						2018						
Feb	28	Balance	b/d	5 830	00	Feb	28	Profit and loss	GJ12	5 830	00	

Dr				Water and Electricity				N5				Cr
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount		
2018						2018						
Feb	28	Balance	b/d	5 210	00	Feb	28	Profit and loss	GJ12	5 210	00	

Dr				Advertising				N6				Cr
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount		
2018						2018						
Feb	28	Balance	b/d	3 830	00	Feb	28	Profit and loss	GJ12	3 830	00	

Dr				Insurance				N7				Cr			
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount			
2018							2018								
Feb	28	Balance		b/d	7 800	00	Feb	28	Profit and loss	GJ12	7 800	00			

Dr				Wages				N8				Cr			
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount			
2018							2018								
Feb	28	Balance		b/d	68 000	00	Feb	28	Profit and loss	GJ12	68 000	00			

Dr				Repairs				N9				Cr			
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount			
2018							2018								
Feb	28	Balance		b/d	2 910	00	Feb	28	Profit and loss	GJ12	2 910	00			

Dr				Fuel				N10				Cr			
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount			
2018							2018								
Feb	28	Balance		b/d	6 920	00	Feb	28	Profit and loss	GJ12	6 920	00			

Dr				Profit and Loss account				F2				Cr			
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount			
2018							2018								
Feb	28	Material costs		GJ12	59 720	00	Feb	28	Current Income	GJ12	233 200	00			
		Telephone		GJ12	5 830	00			Interest on fixed deposit	GJ12	800	00			
		Water and electricity		GJ12	5 210	00									
		Advertising		GJ12	3 830	00									
		Insurance		GJ12	7 800	00									
		Wages		GJ12	68 000	00									
		Repairs		GJ12	2 910	00									
		Fuel		GJ12	6 920	00									
		Capital		GJ12	73 780	00									
					234 000	00					234 000	00			

3. Post-closing Trial Balance of Dustbuster Cleaning Services at 28 February 2018

Balance Sheet accounts	Fol.	Debit		Credit	
Capital (107 680 + 73 780 – 60 600)	B1			120 860	00
Vehicles	B3	70 000	00		
Equipment	B4	32 800	00		
Fixed deposit: Unity Bank	B5	10 000	00		
Debtors control	B6	8 120	00		
Bank	B7	5 320	00		
Float	B8	700	00		
Creditors control	B9			6 080	00
		126 940	00	126 940	00

Memorandum

Marks: 50
Time: 40 minutes

1. General Journal of Dennis's Cycle Shop for June 2017

GJ12

Date	Details	Fol.	Debit	Credit	Debtors control		Creditors control	
					Debit	Credit	Debit	Credit
Jun 30	Sales ✓		5 660 00					
	Debtors allowances ✓			5 660 00				
	(Closing transfer)							
	Sales ✓		414 340 00					
	Trading account ✓			414 340 00				
	(Closing transfer) (420 000 – 5 660)							
	Trading account ✓		262 500 00					
	Cost of sales ✓			262 500 00				
	(Closing transfer)							
	Trading account ✓		✓151 840 00					
	Profit and loss account ✓			151 840 00				
	(Gross profit carried forward) (414 340 – 262 500)							
	Current Income ✓		31 078 00					
	Profit and loss account ✓			31 078 00				
	(Closing transfer)							
	Profit and loss account ✓		✓138 694 00					
	Wages and salaries ✓			95 300 00				
	Rent expense ✓			25 200 00				
	Repairs ✓			1 145 00				
	Advertising ✓			4 210 00				
	Water and electricity ✓			5 860 00				
	Telephone ✓			6 979 00				
	(Closing transfer)							
	Profit and loss account ✓		✓44 224 00					
	Capital ✓			✓44 224 00				
	(Net profit carried forward) (151 840 + 31 078 – 138 694)							
	Capital ✓		18 000 00					
	Drawings ✓			18 000 00				
	(Closing transfer)							

(25)

2. General Ledger of Dennis's Cycle Shop
Balance Sheet accounts

Dr				Capital				Cr			
Date		Details	Fol.	Amount	Date		Details	Fol.	Amount		
2017 Jun 30		Drawings	GJ12	✓18 000 00	2017 Jun 30		Balance	b/d	✓126 906 00		
		Balance	c/d	✓153 130 00			Profit and loss	GJ12	✓44 224 00		
				171 130 00					171 130 00		
					2017 Jul 1		Balance	b/d	✓153 130 00		

(5)

Dr				Drawings				Cr			
Date		Details	Fol.	Amount	Date		Details	Fol.	Amount		
2017 Jun	30	Balance	b/d	✓18 000 00	2017 Jun	30	Capital	GJ12	✓18 000 00		

(2)

Nominal accounts

Dr				Sales				Cr			
Date		Details	Fol.	Amount	Date		Details	Fol.	Amount		
2017 Jun	30	Debtors allowances	GJ12	✓5 660 00	2017 Jun	30	Balance	b/d	✓420 000 00		
		Trading account	GJ12	✓✓414 340 00							
				420 000 00					420 000 00		

(4)

Dr				Current Income				Cr			
Date		Details	Fol.	Amount	Date		Details	Fol.	Amount		
2017 Jun	30	Profit and loss	GJ12	✓31 078 00	2017 Jun	30	Balance	b/d	✓31 078 00		

(2)

Dr				Telephone				Cr			
Date		Details	Fol.	Amount	Date		Details	Fol.	Amount		
2017 Jun	30	Balance	b/d	✓6 979 00	2017 Jun	30	Profit and loss	GJ12	✓6 979 00		

(2)

3. Dennis's Cycle Shop Post-closing Trial Balance at 30 June 2017

Balance Sheet accounts	Fol.	Debit	Credit
Capital (126 906 + 44 224 – 18 000)			✓✓ 153 130 00
Vehicles		✓ 60 600 00	
Equipment		✓ 25 900 00	
Trading stock		✓ 63 400 00	
Debtors control		✓ 4 773 00	
Bank		✓ 6 447 00	
Float		✓ 600 00	
Petty cash		✓ 110 00	
Creditors control			✓ 8 700 00
		161 830 00	161 830 00

(10)

» Activity 15.5

LB page 311

1. C.
2. E.
3. D.
4. B.
5. A.

Assets register – Cunningham Traders									
Item:		Toyota truck (CLK3456EC)				Date purchased: 1 March 2017			
General Ledger account:		Vehicles (B4)							
Purchased from:		JW Motors				Cost price: R90 000			
Depreciation:		10% per annum on cost price							
Date	Calculations	Annual depreciation		Accumulated depreciation		Carrying value			
01/03/2017								90 000	00
28/02/2018	90 000 × 10%	9 000	00	9 000	00			81 000	00
28/02/2019	90 000 × 10%	9 000	00	18 000	00			72 000	00
29/02/2020	90 000 × 10%	9 000	00	27 000	00			63 000	00

Assets register – Cunningham Traders									
Item:		Computer				Date purchased: 1 March 2017			
General Ledger account:		Equipment (B5)							
Purchased from:		Computron				Cost price: R12 000			
Depreciation:		15% per annum on the diminishing balance							
Date	Details	Annual depreciation		Accumulated depreciation		Carrying value			
01/03/2017								12 000	00
28/02/2018	12 000 × 15%	1 800	00	1 800	00			10 200	00
28/02/2019	10 200 × 15%	1 530	00	3 330	00			8 670	00
29/02/2020	8 670 × 15%	1 300	50	4 630	50			7 369	50

1. Creditors Journal of Du Toit Farming for March 2016

CJ1

Doc. no.	Day	Creditor	Fol.	Creditors control	Trading stock	Stationery	Equipment	Sundry accounts			Fol.
								Amount	Details		
001	1	Baroda Motors		80 000 00				80 000 00		Vehicles	B4

General Journal of Du Toit Farming for February 2017

GJ12

Date	Details	Fol.	Debit	Credit	Debtors control		Creditors control		
					Debit	Credit	Debit	Credit	
Feb 28	Depreciation	N20	12 000 00						
	Accumulated depreciation on equipment	B6		12 000 00					
	(Depreciation at 15% on cost price)								

Calculation

$R80\,000 \times 15\% = R12\,000$

Nominal account

Dr		Depreciation				N20		Cr	
Date		Details	Fol.	Amount	Date		Fol.	Amount	
2018 Feb	28	Accumulated depreciation on vehicles	GJ12	18 000 00	2018 Feb	28	Profit and loss	GJ12 18 000 00	
2019 Feb	28	Accumulated depreciation on vehicles	GJ12	18 000 00	2019 Feb	28	Profit and loss	GJ12 18 000 00	

» Activity 15.9

LB page 319

1. General Ledger of Faure Stores Balance Sheet accounts

Dr		Equipment				B5		Cr	
Date		Details	Fol.	Amount	Date		Fol.	Amount	
2017 Jul	1	Bank	CPJ1	28 000 00					

Dr		Accumulated Depreciation on Equipment				B6		Cr	
Date		Details	Fol.	Amount	Date		Fol.	Amount	
					2018 Jun	30	Depreciation	GJ12 4 200 00	
					2019 Jun	30	Depreciation	GJ12 3 570 00	
								7 770 00	

Calculations

Time axis:	01/07/17	30/06/18	30/06/19
	$R28\ 000 \times 15\% = R4\ 200$		
	$(R28\ 000 - 4\ 200) \times 15\% = R3\ 570$		

2. Nominal account

Dr		Depreciation				N20		Cr	
Date		Details	Fol.	Amount	Date		Fol.	Amount	
2018 Jun	30	Accumulated depreciation on equipment	GJ12	4 200 00	2018 Jun	30	Profit and loss	GJ12 4 200 00	
2019 Jun	30	Accumulated depreciation on equipment	GJ12	3 570 00	2019 Jun	30	Profit and loss	GJ12 3 570 00	

» Activity 15.10

LB page 319

1. General Journal of CJN Traders for February 2018

GJ12

Date	Details	Fol.	Debit	Credit	Debtors control		Creditors control	
					Debit	Credit	Debit	Credit
Feb 28	Depreciation	N20	3 600 00					
	Accumulated depreciation on equipment	B6		3 600 00				
	(Depreciation at 10% on decreasing balance)							

Calculation

$$(R40\ 000 - 4\ 000) \times 10\% = R3\ 600$$

2.

General Ledger of CJN Traders
Balance Sheet accounts

Dr		Equipment				B5		Cr
Date	Details	Fol.	Amount		Date	Details	Fol.	Amount
2017 Mar	1 Balance	b/d	40 000	00				

Dr		Accumulated Depreciation on Equipment				B6		Cr
Date	Details	Fol.	Amount		Date	Details	Fol.	Amount
					2017 Mar	1 Balance	b/d	4 000 00
					2018 Feb	28 Depreciation	GJ12	3 600 00
								7 600 00

Nominal account

Dr		Depreciation				N20		Cr
Date	Details	Fol.	Amount		Date	Details	Fol.	Amount
2018 Feb	28 Accumulated depreciation on equipment	GJ12	3 600	00	2018 Feb	28 Profit and loss	GJ12	3 600 00



Activity 15.11

LB page 320

1. General Journal of Gaobone Traders for February 2018

GJ12

Date	Details	Fol.	Debit	Credit	Debtors control		Creditors control	
					Debit	Credit	Debit	Credit
Feb 28	Depreciation	N20	11 200 00					
	Accumulated depreciation on vehicles	B6		11 200 00				
	(Depreciation at 20% on decreasing balance)							

Calculation

$$(\text{R}70\,000 - 14\,000) \times 20\% = \text{R}11\,200$$

2.

General Ledger of Gaobone Traders
Balance Sheet accounts

Dr		Vehicles				B6		Cr
Date	Details	Fol.	Amount		Date	Details	Fol.	Amount
2017 Mar	1 Balance	b/d	70 000	00				

Dr		Accumulated Depreciation on Vehicles				B5		Cr
Date	Details	Fol.	Amount		Date	Details	Fol.	Amount
					2017 Mar	1 Balance	b/d	14 000 00
					2018 Feb	28 Depreciation	GJ12	11 200 00
								25 200 00

Nominal account

Dr		Depreciation				N20		Cr
Date	Details	Fol.	Amount		Date	Details	Fol.	Amount
2018 Feb	28 Accumulated depreciation on vehicles	GJ12	11 200	00	2018 Feb	28 Profit and loss	GJ12	11 200 00

General Journal of Freeman Traders for February 2019

GJ12

Date	Details	Fol.	Debit	Credit	Debtors control		Creditors control	
					Debit	Credit	Debit	Credit
Feb 28	Depreciation	N20	4 500 00					
	Accumulated depreciation on equipment	B6		4 500 00				
	(Depreciation at 15% on cost price) (3 750 + 750)							

Calculations

Old equipment: $R25\ 000 \times 15\% = R3\ 750$

New equipment: $R15\ 000 \times 15\% \times \frac{4}{12} = R750$
R4 500

2. **General Ledger of Freeman Traders**
Balance Sheet accounts

Dr				Equipment				B5				Cr			
Date		Details	Fol.	Amount	Date		Details	Fol.	Amount						
2018 Mar	1	Balance	b/d	25 000 00											
2018 Nov	1	Bank	CPJ	15 000 00											
				<u>40 000 00</u>											

Dr				Accumulated Depreciation on Equipment				B6				Cr			
Date		Details	Fol.	Amount	Date		Details	Fol.	Amount						
					2018 Mar	1	Balance	b/d	3 750 00						
					2019 Feb	28	Depreciation (3 750 + 750)	GJ12	4 500 00						
									<u>8 250 00</u>						

Nominal account

Dr				Depreciation				N20				Cr			
Date		Details	Fol.	Amount	Date		Details	Fol.	Amount						
2019 Feb	28	Accumulated depreciation on equipment	GJ12	4 500 00	2019 Feb	28	Profit and loss	GJ12	4 500 00						

1. **General Journal of Vuyo Traders for June 2020**

GJ12

Date	Details	Fol.	Debit	Credit	Debtors control		Creditors control	
					Debit	Credit	Debit	Credit
Jun 30	Depreciation (11 520 + 8 000)	N20	19 520 00					
	Accumulated depreciation on vehicles	B6		19 520 00				
	(Depreciation at 20% on decreasing balance)							

Calculations

Old vehicles: $(R72\ 000 - 14\ 400) \times 20\% = R11\ 520$

New vehicles: $R80\ 000 \times 20\% \times \frac{6}{12} = R8\ 000$
R19 520

2.

General Ledger of Vuyo Traders Balance Sheet accounts

Dr				Vehicles				B4				Cr
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount		
2019												
Jul	1	Balance	b/d	72 000	00							
2020												
Jan	1	Creditors control/Marais Motors	CJ	80 000	00							
				<u>152 000</u>	<u>00</u>							

Dr				Accumulated Depreciation on Vehicles				B5				Cr
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount		
						2019						
						Jul	1	Balance	b/d	14 400	00	
						2020						
						Jun	30	Depreciation (11 520 + 8 000)	GJ12	19 520	00	
										<u>33 920</u>	<u>00</u>	

Nominal account

Dr				Depreciation				N20				Cr
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount		
2020						2020						
Jun	30	Accumulated depreciation on vehicles	GJ12	19 520	00	Jun	30	Profit and loss	GJ12	19 520	00	



Activity 15.14

LB page 322

1. General Journal of Yawa Traders for February 2019

GJ12

Date	Details	Fol.	Debit		Credit		Debtors control		Creditors control	
							Debit	Credit	Debit	Credit
Feb 28	Depreciation (18 752 + 4 860)	N20	23 612	00						
	Accumulated depreciation on vehicles (10 752 + 8 000)	B6			18 752	00				
	Accumulated depreciation on equipment (4 200 + 660)	B7			4 860	00				
	(Adjustment for depreciation)									

Calculations

$$\text{Old vehicles: } (R84\ 000 - 30\ 240) \times 20\% = R10\ 752$$

$$\text{New vehicles: } R60\ 000 \times 20\% \times \frac{8}{12} = \underline{R\ 8\ 000}$$

$$\underline{\underline{R18\ 752}}$$

$$\text{Old equipment: } R28\ 000 \times 15\% = R4\ 200$$

$$\text{New equipment: } R13\ 200 \times 15\% \times \frac{4}{12} = \underline{R\ 660}$$

$$\underline{\underline{R4\ 860}}$$

2.

General Ledger of Yawa Traders Balance Sheet accounts

Dr				Vehicles				B4				Cr
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount		
2018 Mar	1	Balance	b/d	84 000	00							
2018 Jul	1	Creditors control/Paarlberg Motors	CJ	60 000	00							
				144 000	00							

Dr				Equipment				B5				Cr
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount		
2018 Mar	1	Balance	b/d	28 000	00							
2018 Oct	31	Bank	CPJ	13 200	00							
				41 200	00							

Dr				Accumulated Depreciation on Vehicles				B6				Cr
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount		
						2018 Mar	1	Balance	b/d	30 240	00	
						2019 Feb	28	Depreciation (10 752 + 8 000)	GJ12	18 752	00	
										48 992	00	

Dr				Accumulated Depreciation on Equipment				B7				Cr
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount		
						2018 Mar	1	Balance	b/d	8 400	00	
						2019 Feb	28	Depreciation (4 200 + 660)	GJ12	4 860	00	
										13 260	00	

Nominal account

Dr				Depreciation				N20				Cr
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount		
2019 Feb	28	Accumulated depreciation on vehicles	GJ12	18 752	00	2019 Feb	28	Profit and loss	GJ12	23 612	00	
		Accumulated depreciation on equipment	GJ12	4 860	00							
				23 612	00					23 612	00	



1. General Journal of Xhala Traders for June 2018

GJ12

Date	Details	Fol.	Debit		Credit		Debtors control		Creditors control	
							Debit	Credit	Debit	Credit
Jun 30	Depreciation (9 960 + 1 200)	N20	11 160	00						
	Accumulated depreciation on vehicles (9 000 + 960)	B6			9 960	00				
	Accumulated depreciation on equipment (1 080 + 120)	B7			1 200	00				
	(Adjustment for depreciation)									

Calculations

Old vehicles: $R60\ 000 \times 15\% = R9\ 000$

New vehicles: $R9\ 600 \times 15\% \times \frac{8}{12} = R\ 960$

R9 960

Old equipment: $(R12\ 000 - 1\ 200) \times 10\% = R1\ 080$

New equipment: $R7\ 200 \times 10\% \times \frac{2}{12} = R\ 120$

R1 200

2. General Ledger of Xhala Traders
Balance Sheet accounts

Dr				Vehicles				B4				Cr			
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount					
2018 Jul 1	1	Balance	b/d	60 000	00										
2018 Nov 1	1	Bank	CPJ	9 600	00										
				<u>69 600</u>	<u>00</u>										

Dr				Equipment				B5				Cr			
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount					
2018 Jul 1	1	Balance	b/d	12 000	00										
2019 Apr 30	30	Creditors control/Computron		7 200	00										
				<u>19 200</u>	<u>00</u>										

Dr				Accumulated Depreciation on Vehicles				B6				Cr			
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount					
						2018 Jul 1	1	Balance	b/d	9 000	00				
						2019 Jun 30	30	Depreciation	GJ12	9 960	00				
										<u>18 960</u>	<u>00</u>				

Dr				Accumulated Depreciation on Equipment				B7				Cr			
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount					
						2018 Jul 1	1	Balance	b/d	1 200	00				
						2019 Jun 30	30	Depreciation	GJ12	1 200	00				
										<u>2 400</u>	<u>00</u>				

No.	Assets		Owner's equity		Liabilities	
	Effect	Reason	Effect	Reason	Effect	Reason
1.			-546 00	Expense: Water and electricity increased	+546 00	Create liability: Accrued expenses
2.	+620 00	Create asset: Prepaid expense	+620 00	Expense: Advertising decreased		

» **Activity 15.17**

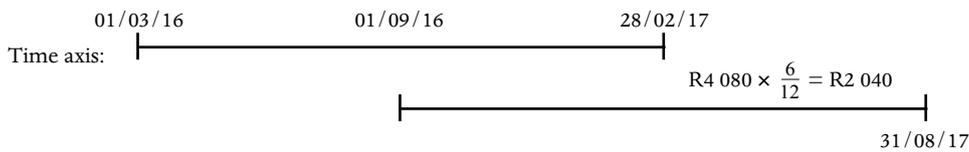
LB page 327

1. **General Journal of Woods Store for February 2017**

GJ12

Date	Details	Fol.	Debit	Credit	Debtors control		Creditors control	
					Debit	Credit	Debit	Credit
Feb 28	Telephone	N9	512 00					
	Accrued expenses (Adjustment)	B14		512 00				
	Prepaid expenses	N10	2 040 00					
	Insurance (Adjustment)	B15		2 040 00				

Calculations



2. **General Ledger of Woods Store
Balance Sheet accounts**

Dr				Accrued Expenses				B14				Cr	
Date	Details	Fol.	Amount	Date	Details	Fol.	Amount						
2017 Feb 28	Telephone	GJ12	512 00	2017 Feb 28	Telephone	GJ12	512 00						

Dr				Prepaid Expenses				B15				Cr	
Date	Details	Fol.	Amount	Date	Details	Fol.	Amount						
2017 Feb 28	Insurance	GJ12	2 040 00										

Nominal accounts

Dr				Telephone				N9				Cr	
Date	Details	Fol.	Amount	Date	Details	Fol.	Amount						
2017 Feb 28	Balance	b/d	6 122 00	2017 Feb 28	Profit and loss	GJ12	6 634 00						
	Accrued expenses	GJ12	512 00										
			6 634 00										6 634 00

Dr				Insurance				N10				Cr	
Date	Details	Fol.	Amount	Date	Details	Fol.	Amount						
2017 Feb 28	Balance	b/d	7 800 00	2017 Feb 28	Prepaid expenses	GJ12	2 040 00						
					Profit and loss	GJ12	5 760 00						
			7 800 00										7 800 00

1. General Journal of Zenani Traders for February 2018

GJ3

Date	Details	Fol.	Debit		Credit		Debtors control		Creditors control	
							Debit	Credit	Debit	Credit
Feb 28	Rent Income	N6	1 150	00						
	Income received in advance (Adjustment)	B15			1 150	00				
	Accrued income	N7	525	00						
	Interest on fixed deposit (Adjustment)	B16			525	00				

2. General Ledger of Zenani Traders
Balance Sheet accounts

Dr Income Received in Advance B15 Cr

Date	Details	Fol.	Amount	Date	Details	Fol.	Amount
				2018 Feb 28	Rent Income	GJ12	1 150 00

Dr Accrued Income B16 Cr

Date	Details	Fol.	Amount	Date	Details	Fol.	Amount
2018 Feb 28	Interest on fixed deposit	GJ12	525 00				

Nominal accounts

Dr Rent Income N6 Cr

Date	Details	Fol.	Amount	Date	Details	Fol.	Amount
2018 Feb 28	Income received in advance	GJ12	1 150 00	2018 Feb 28	Balance	b/d	14 950 00
	Profit and loss	GJ12	13 800 00				
			<u>14 950 00</u>				<u>14 950 00</u>

Dr Interest on Fixed Deposit N7 Cr

Date	Details	Fol.	Amount	Date	Details	Fol.	Amount
2018 Feb 28	Profit and loss	GJ12	2 100 00	2018 Feb 28	Balance	b/d	1 575 00
					Accrued income	GJ12	525 00
			<u>2 100 00</u>				<u>2 100 00</u>

3.

No.	Assets		Owner's equity		Liabilities	
	Effect	Reason	Effect	Reason	Effect	Reason
1.			-1 150 00	Income: Rent Income decreased	+1 150 00	Create liability: Income received in advance
2.	+525 00	Create asset: Accrued income	+525 00	Income: Interest on fixed deposit increased		

1. General Journal of Danner Traders for June 2018

GJ12

Date	Details	Fol.	Debit		Credit		Debtors control		Creditors control	
							Debit	Credit	Debit	Credit
Jun 30	Rent Income	N6	1 240	00						
	Income received in advance	B15			1 240	00				
	(Adjustment)									
	Accrued income	N7	900	00						
	Interest on fixed deposit	B16			900	00				
	(Adjustment)									

Calculations

Rent income:

$$\frac{16\,120}{13} = \text{R1 240, as rent for 13 months was received.}$$

Interest on fixed deposit:

$$\text{R24 000} \times 15\% \times \frac{3}{12} = \text{R900; 3 months still to be received.}$$

2. General Ledger of Danner Traders
Balance Sheet accounts

Dr Income Received in Advance B15 Cr

Date	Details	Fol.	Amount	Date	Details	Fol.	Amount
				2018 Jun 30	Rent Income	GJ12	1 240 00

Dr Accrued Income B16 Cr

Date	Details	Fol.	Amount	Date	Details	Fol.	Amount
2018 Jun 30	Interest on fixed deposit	GJ12	900 00				

Nominal accounts

Dr Rent Income N12 Cr

Date	Details	Fol.	Amount	Date	Details	Fol.	Amount
2018 Jun 30	Income received in advance	GJ12	1 240 00	2018 Jun 30	Balance	b/d	16 120 00
	Profit and loss	GJ12	14 880 00				
			<u>16 120 00</u>				<u>16 120 00</u>

Dr Interest on Fixed Deposit N7 Cr

Date	Details	Fol.	Amount	Date	Details	Fol.	Amount
2018 Jun 30	Profit and loss	GJ12	3 600 00	2018 Jun 30	Balance	b/d	2 700 00
					Accrued income	GJ12	900 00
			<u>3 600 00</u>				<u>3 600 00</u>

No.	Assets		Owner's equity		Liabilities	
	Effect	Reason	Effect	Reason	Effect	Reason
1.			-1 240 00	Income: Rent Income decreased	+1 240 00	Create liability: Income received in advance
2.	+900 00	Create asset: Accrued income	+900 00	Income: Interest on fixed deposit increased		

1. **General Ledger of Conradie Traders**
Balance Sheet accounts

Dr				Accumulated Depreciation on Vehicles				B6		Cr	
Date	Details		Fol.	Amount		Date	Details		Fol.	Amount	
						2016 Mar	1	Balance	b/d	32 550	00
						2017 Feb	28	Depreciation	GJ12	11 490	00
										44 040	00

Calculation

$$(R90\ 000 - 32\ 550) \times 20\% = R11\ 490$$

Dr				Accumulated Depreciation on Equipment				B7		Cr	
Date	Details		Fol.	Amount		Date	Details		Fol.	Amount	
						2016 Mar	1	Balance	b/d	5 800	00
						2017 Feb	28	Depreciation	GJ12	3 200	00
										9 000	00

Calculation

$$R32\ 000 \times 10\% = R3\ 200$$

Dr				Debtors Control				B10		Cr	
Date	Details		Fol.	Amount		Date	Details		Fol.	Amount	
2017 Feb	28	Balance	b/d	9 443	00	2017 Feb	28	Bad debts	GJ12	470	00
								Balance	c/d	8 973	00
				9 443	00					9 443	00
Mar	1	Balance	b/d	8 973	00						

Dr				Accrued Expenses				B15		Cr	
Date	Details		Fol.	Amount		Date	Details		Fol.	Amount	
						2017 Feb	28	Water and electricity	GJ12	421	00
								Telephone	GJ12	399	00
										820	00

Dr				Income Received in Advance				B17		Cr	
Date	Details		Fol.	Amount		Date	Details		Fol.	Amount	
						2017 Feb	28	Rent Income	GJ12	1 350	00

Dr				Accrued Income				B18		Cr	
Date	Details		Fol.	Amount		Date	Details		Fol.	Amount	
2017 Feb	28	Interest on fixed deposit	GJ12	600	00						

Dr				Prepaid Expenses				B19		Cr	
Date	Details		Fol.	Amount		Date	Details		Fol.	Amount	
2017 Feb	28	Insurance	GJ12	2 450	00						

Nominal accounts

Dr				Water and Electricity				N4				Cr	
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount			
2017						2017							
Feb	28	Balance	b/d	8 224	00	Feb	28	Profit and loss	GJ12	8 645	00		
		Accrued expenses	GJ12	421	00								
				8 645	00					8 645	00		

Dr				Telephone				N5				Cr	
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount			
2017						2017							
Feb	28	Balance	b/d	7 663	00	Feb	28	Profit and loss	GJ12	8 062	00		
		Accrued expenses	GJ12	399	00								
				8 062	00					8 062	00		

Dr				Bad Debts				N6				Cr	
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount			
2017						2017							
Feb	28	Balance	b/d	3 710	00	Feb	28	Profit and loss	GJ12	4 180	00		
		Debtors control/S du Toit	GJ12	470	00								
				4 180	00					4 180	00		

Dr				Interest on Fixed Deposit				N7				Cr	
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount			
2017						2017							
Feb	28	Profit and loss	GJ12	1 200	00	Feb	28	Balance	b/d	600	00		
								Accrued income	GJ12	600	00		
				1 200	00					1 200	00		

Calculation

$$R10\ 000 \times 12\% \times \frac{6}{12} = R600$$

Dr				Rent Income				N8				Cr	
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount			
2017						2017							
Feb	28	Income received in advance	GJ12	1 350	00	Feb	30	Balance	b/d	17 550	00		
		Profit and loss	GJ12	16 200	00								
				17 550	00					17 550	00		

Dr				Insurance				N9				Cr	
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount			
2017						2017							
Feb	28	Balance	b/d	7 520	00	Feb	28	Prepaid expenses	GJ12	2 450	00		
								Profit and loss	GJ12	5 070	00		
				7 520	00					7 520	00		

Calculation

$$R4\ 200 \times \frac{7}{12} = R2\ 450$$

Dr				Depreciation				N15				Cr	
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount			
2017						2017							
Feb	28	Accumulated depreciation on vehicles	GJ12	11 490	00	Feb	28	Profit and loss	GJ12	14 690	00		
		Accumulated depreciation on equipment	GJ12	3 200	00								
				14 690	00					14 690	00		

2. Conradie Traders
Post-adjustment Trial Balance on 28 February 2017

Balance Sheet accounts	Fol.	Debit		Credit	
Capital	B1			221 414	00
Drawings	B2	40 220	00		
Land and buildings	B3	200 000	00		
Vehicles	B4	90 000	00		
Equipment	B5	32 000	00		
Accumulated depreciation on vehicles	B6			44 040	00
Accumulated depreciation on equipment	B7			9 000	00
Fixed deposit: Unity Bank (12%)	B8	10 000	00		
Trading stock	B9	22 560	00		
Debtors control	B10	8 973	00		
Bank	B11	11 527	00		
Float	B12	800	00		
Petty cash	B13	150	00		
Creditors control	B14			12 470	00
Accrued expenses	B15			820	00
Income received in advance	B16			1 350	00
Accrued income	B17	600	00		
Prepaid expenses	B18	2 450	00		
Nominal accounts					
Sales	N1			892 410	00
Cost of sales	N2	592 667	00		
Debtors allowances	N3	3 410	00		
Water and electricity	N4	8 645	00		
Telephone	N5	8 062	00		
Bad debts	N6	4 180	00		
Interest on fixed deposit	N7			1 200	00
Rent Income	N8			16 200	00
Insurance	N9	5 070	00		
Repairs	N10	890	00		
Advertising	N11	4 560	00		
Wages	N12	57 600	00		
Salaries	N13	78 000	00		
Stationery	N14	1 850	00		
Depreciation	N15	14 690	00		
		1 198 904	00	1 198 904	00

» **Activity 15.21**

LB page 338

1. General Journal of Xoseka Traders for February 2017

GJ12

Date	Details	Fol.	Debit		Credit		Debtors control		Creditors control	
							Debit	Credit	Debit	Credit
Feb 28	Trading stock deficit	N21	1 118	00						
	Trading stock	B7			1 118	00				
	(Adjustment) (40 112 – 38 994)									

Calculation

$$R40\ 112 - 38\ 994 = R1\ 118$$

2. **General Ledger of Xoseka Traders**
Balance Sheet accounts

Dr				Trading Stock				B7				Cr			
Date	Details		Fol.	Amount		Date	Details		Fol.	Amount					
2017 Feb	28	Balance	b/d	40 112	00	2017 Feb	28	Trading stock deficit	GJ12	1 118	00				
								Balance	c/d	38 994	00				
				40 112	00					40 112	00				
2017 Mar	1	Balance	b/d	38 994	00										

Nominal accounts

Dr				Trading Stock Deficit				N21				Cr			
Date	Details		Fol.	Amount		Date	Details		Fol.	Amount					
2017 Feb	28	Trading stock	GJ12	1 118	00	2017 Feb	28	Profit and loss	GJ12	1 118	00				

3.

No.	Assets		Owner's equity		Liabilities					
	Effect	Reason	Effect	Reason	Effect	Reason				
	-1 118	00	Trading stock decreased	-1 118	00	Expense: Trading stock deficit				

Activity 15.22

LB page 341

1. **General Journal of Xoseka Traders for February 2017** **GJ12**

Date	Details	Fol.	Debit	Credit	Debtors control		Creditors control	
					Debit	Credit	Debit	Credit
Feb 28	Consumable stores on hand (187 + 435)	B12	622	00				
	Stationery	N5		187	00			
	Packaging	N6		435	00			
	(Adjustment)							

2. **General Ledger of Xoseka Traders**
Balance Sheet account

Dr				Consumable Stores on Hand				B12				Cr			
Date	Details		Fol.	Amount		Date	Details		Fol.	Amount					
2017 Feb	28	Stationery	GJ12	187	00										
		Packaging	GJ12	435	00										
				622	00										

Nominal accounts

Dr				Stationery				N5				Cr			
Date	Details		Fol.	Amount		Date	Details		Fol.	Amount					
2017 Feb	28	Balance	b/d	3 112	00	2017 Feb	28	Consumable stores on hand	GJ12	187	00				
								Profit and loss	GJ12	2 925	00				
				3 112	00					3 112	00				

Dr				Packaging				N6				Cr			
Date	Details			Fol.	Amount		Date	Details			Fol.	Amount			
2017 Feb	28	Balance			b/d	4 556	00	2017 Feb	28	Consumable stores on hand			GJ12	435	00
												GJ12	4 121	00	
						<u>4 556</u>	<u>00</u>						<u>4 556</u>	<u>00</u>	

3.	No.	Assets			Owner's equity			Liabilities			
		Effect	Reason		Effect	Reason		Effect	Reason		
		+622	00	Create asset: Consumable stores on hand	+187	00	Stationery – expense decreases				
					+435	00	Packaging – expense decreases				

» Activity 15.23

LB page 342

1. General Journal of Malan Stores for June 2017

GJ12

Date	Details	Fol.	Debit	Credit	Debtors control		Creditors control	
					Debit	Credit	Debit	Credit
Jun 30	Trading stock deficit	N20	1 781	00				
	Trading stock	B7		1 781	00			
	(Adjustment) (39 774 – 37 993)							
	Consumable stores on hand (107 + 382 + 95)	B12	584	00				
	Stationery	N6		107	00			
	Packaging	N7		382	00			
	Consumable goods	N8		95	00			
	(Adjustment)							

2. General Ledger of Malan Stores Balance Sheet accounts

Dr				Trading Stock				B7				Cr			
Date	Details			Fol.	Amount		Date	Details			Fol.	Amount			
2017 Jun	30	Balance			b/d	39 774	00	2017 Jun	30	Trading stock deficit			GJ12	1 781	00
						<u>39 774</u>	<u>00</u>						<u>39 774</u>	<u>00</u>	
2017 Jul	1	Balance			b/d	37 993	00								

Dr				Consumable Stores on Hand				B12				Cr			
Date	Details			Fol.	Amount		Date	Details			Fol.	Amount			
2017 Jun	30	Stationery			GJ12	107	00								
		Packaging			GJ12	382	00								
		Consumable goods			GJ12	95	00								
						<u>584</u>	<u>00</u>								

Nominal accounts

Dr				Stationery				N6				Cr	
Date		Details	Fol.	Amount	Date		Details	Fol.	Amount				
2017					2017								
Jun	30	Balance	b/d	2 998 00	Jun	30	Consumable stores on hand	GJ12	107	00			
							Profit and loss	GJ12	2 891	00			
				2 998 00					2 998	00			

Dr				Packaging				N7				Cr	
Date		Details	Fol.	Amount	Date		Details	Fol.	Amount				
2017					2017								
Jun	30	Balance	b/d	3 457 00	Jun	30	Consumable stores on hand	GJ12	382	00			
							Profit and loss	GJ12	3 075	00			
				3 457 00					3 457	00			

Dr				Consumable Goods				N8				Cr	
Date		Details	Fol.	Amount	Date		Details	Fol.	Amount				
2017					2017								
Jun	30	Balance	b/d	1 672 00	Jun	30	Consumable stores on hand	GJ12	95	00			
							Profit and loss	GJ12	1 577	00			
				1 672 00					1 672	00			

Dr				Trading Stock Deficit				N21				Cr	
Date		Details	Fol.	Amount	Date		Details	Fol.	Amount				
2017					2017								
Jun	30	Trading stock	GJ12	1 781 00	Jun	30	Profit and loss	GJ12	1 781	00			

3.	No.	Assets			Owner's equity			Liabilities		
		Effect	Reason	Effect	Reason	Effect	Reason			
	1.	-1 781 00	Trading stock decreased	-1 781 00	Expense: Trading stock deficit					
	2.	+584 00	Create asset: Consumable stores on hand	+107 00	Stationery – expense decreases					
				+382 00	Packaging – expense decreases					
				+95 00	Consumable goods – expense decreases					

» Informal assessment 15.2

LB page 342

Memorandum

Marks: 30
Time: 25 minutes

General Journal of PG Stores for June 2018

GJ12

Date	Details	Fol.	Debit	Credit
2018	Trading stock deficit ✓	N20	✓✓1 654 00	
Jun	Trading stock (34 756 – 33 102) ✓	B8		1 654 00
	Consumable stores on hand ✓	B12	143 00	
	Stationery ✓	N12		143 00
	Rent Income ✓	N4	✓✓✓1 350 00	
	Income received in advance ✓	B13		1 350 00
	Accrued income ✓	B14	✓✓400 00	
	Interest on fixed deposit ✓	N5		400 00
	Water and electricity ✓	N8	412 00	
	Accrued expenses ✓	B15		412 00
	Prepaid expenses ✓	B16	✓✓✓1 000 00	
	Advertising ✓	N9		1 000 00

	Depreciation (14 360 + 2 640) ✓	N21	✓17 000	00		
	Accumulated depreciation on vehicles ✓	B6			✓✓14 360	00
	Accumulated depreciation on equipment ✓	B7			✓✓2 640	00

Calculations

Trading stock deficit: $R34\ 756 - 33\ 102 = R1\ 654$

Rent Income: $\frac{17\ 550}{13} = R1\ 350$

Interest on fixed deposit: $R20\ 000 \times 12\% \times \frac{2}{12} = R400$

Advertising: $\frac{1}{11/17}$ ————— $\frac{31}{10/18}$
 $R3\ 000 \times \frac{4}{12} = R1\ 000$

Depreciation:

On vehicles: $(R120\ 000 - 48\ 200) \times 20\% = R14\ 360$

On equipment: $R26\ 400 \times 10\% = R2\ 640$

» Activity 15.24

LB page 343

1. General Journal of Corbett Traders for February 2017

GJ12

Date	Details	Fol.	Debit	Credit	Debtors control		Creditors control	
					Debit	Credit	Debit	Credit
Feb 28	Water and electricity	N4	533	00				
	Telephone	N5	497	00				
	Accrued expenses	B15		1 030	00			
	Bad debts	N6	890	00				
	C Peterson	B10		890	00		890	00
	Accrued income	B16	325	00				
	Interest on fixed deposit ($10\ 000 \times 13\% \times \frac{3}{12}$)	N7		325	00			
	Rent Income	N8	2 500	00				
	Income received in advance ($17\ 500 \times \frac{2}{14}$)	B17		2 500	00			
	Prepaid expenses	B18	480	00				
	Advertising ($720 \times \frac{4}{6}$)	N11		480	00			
	Depreciation (11 300 + 2 500)	N15	13 800	00				
	Accumulated depreciation on vehicles [(90 000 - 33 500) × 20%]	B6		11 300	00			
	Accumulated depreciation on equipment (25 000 × 10%)	B7		2 500	00			
	Trading stock deficit	N16	1 300	00				
	Trading stock (23 200 - 21 900)	B9		1 300	00			
	Consumable stores on hand (976 + 144)	B19	1 120	00				
	Packaging	N10		976	00			
	Stationery	N14		144	00			

2. Corbett Traders
Post-adjustment Trial Balance on 28 February 2017

Balance Sheet accounts	Fol.	Debit		Credit	
Capital	B1			293 989	00
Drawings	B2	25 200	00		
Land and buildings	B3	300 000	00		
Vehicles	B4	90 000	00		
Equipment	B5	25 000	00		
Accumulated depreciation on vehicles (33 500 + 11 300)	B6			44 800	00
Accumulated depreciation on equipment (10 480 + 2 500)	B7			12 980	00
Fixed deposit: Unity Bank (12%)	B8	10 000	00		
Trading stock (23 200 – 1 300)	B9	21 900	00		
Debtors control (10 460 – 890)	B10	9 570	00		
Bank	B11	8 447	00		
Float	B12	800	00		
Petty cash	B13	100	00		
Creditors control	B14			15 886	00
Accrued expenses	B15			1 030	00
Accrued income	B16	325	00		
Income received in advance	B17			2 500	00
Prepaid expenses	B18	480	00		
Consumable stores on hand (976 + 144)	B19	1 120	00		
Nominal accounts					
Sales	N1			998 200	00
Cost of sales	N2	710 000	00		
Debtors allowances	N3	4 200	00		
Water and electricity (5 332 + 533)	N4	5 865	00		
Telephone (6 885 + 497)	N5	7 382	00		
Bad debts (2 650 + 890)	N6	3 540	00		
Interest on fixed deposit (975 + 325)	N7			1 300	00
Rent Income (17 500 – 2 500)	N8			15 000	00
Insurance	N9	6 420	00		
Packaging (3 446 – 976)	N10	2 470	00		
Advertising (2 800 – 480)	N11	2 320	00		
Wages	N12	60 800	00		
Salaries	N13	72 900	00		
Stationery (1 890 – 144)	N14	1 746	00		
Depreciation (11 300 + 2 500)	N15	13 800	00		
Trading stock deficit	N16	1 300	00		
		1 385 685	00	1 385 685	00

3. GAAP principle(s) applied in each of the adjustments:

- Matching concept** – The two accrued expenses (water and electricity, and telephone) must be included in the expenses for the year, so that the expenses are matched to the correct financial period.
- Prudence concept** – Even though there is a chance that this debtor may still settle his account, it is unlikely so the prudent decision has been made to write off this debt.
- Matching concept** – The accrued income (interest on fixed deposit) is included in the interest on fixed deposit for the year, so that the income is matched to the correct financial period.
- Matching concept** – The rental income received in advance must be excluded from the rent income for the financial year, so that the expenses are matched to the correct financial period.

5. **Matching concept** – The prepaid advertising expense must be excluded from the advertising expense for the year, so that the expenses are matched to the correct financial period.
6. **Prudence concept** – Since these assets (vehicles and equipment) decrease in value over time, it is prudent to put through depreciation so that the value of these assets (carrying value) is not overstated in the financial statements.

Historical cost concept – The accumulated depreciation is recorded in a separate account so that the assets (vehicles and equipment) remain listed at the historical costs.

Matching concept – The depreciation expense is matched and recorded in the financial period in which the assets were used.

7. **Going concern concept** – The value of the trading stock and consumable goods on hand at the end is determined based on the assumption that the business will continue to operate for the foreseeable future.

Matching concept – The consumable goods expense for the year is limited to the value that was actually used during the year, in order to match the expense to the correct financial period.

» **Activity 15.25**

LB page 345

1. **General Journal of Dunn Traders for February 2018**

GJ12

Date	Details	Fol.	Debit		Credit		Debtors control		Creditors control	
							Debit	Credit	Debit	Credit
Feb 28	Sales	N1	4 561	00						
	Debtors allowances	N3			4 561	00				
	(Closing transfer)									
	Sales (876 561 – 4 561)	N1	872 000	00						
	Trading account	F1			872 000	00				
	(Closing transfer)									
	Trading account	F1	545 000	00						
	Cost of sales	N2			545 000	00				
	(Closing transfer)									
	Trading account	F1	327 000	00						
	Profit and loss	F2			327 000	00				
	(Gross profit carried forward) (872 000 – 545 000)									
	Rent Income	N4	15 600	00						
	Profit and loss	F2			15 600	00				
	(Closing transfer)									
	Profit and loss	F2	133 685	00						
	Interest on loan	N5			4 800	00				
	Telephone	N6			6 324	00				
	Water and electricity	N7			7 883	00				
	Insurance	N8			8 500	00				
	Stationery	N9			2 764	00				
	Consumable goods	N10			1 972	00				
	Bad debts	N11			2 973	00				
	Repairs	N12			2 669	00				
	Wages and salaries	N13			85 300	00				
	Depreciation	N14			10 500	00				
	(Closing transfers)									

	Profit and loss	F2	208 915	00									
	Capital	B1			208 915	00							
	(Net profit carried forward (327 000 + 15 600 – 133 685))												
	Capital	B1	36 800	00									
	Drawings	B2			36 800	00							
	(Closing transfer)												

2. Dunn Traders
Post-closing Trial Balance on 28 February 2018

Balance Sheet accounts	Fol.	Debit		Credit	
Capital (308 366 + 208 915 – 36 800)	B1			480 481	00
Land and buildings	B3	420 000	00		
Vehicles	B4	70 000	00		
Accumulated depreciation on vehicles	B5			23 400	00
Loan: XY Bank	B6			30 000	00
Trading stock	B7	28 552	00		
Consumable stores on hand	B8	2 665	00		
Debtors control	B9	9 538	00		
Bank	B10	14 897	00		
Float	B11	800	00		
Creditors control	B12			12 863	00
Accrued income	B13	620	00		
Accrued expenses	B14			1 068	00
Prepaid expenses	B15	740	00		
		547 812	00	547 812	00

» **Activity 15.26**

LB page 347

1. **General Ledger of Van Zijl Traders**
Balance Sheet accounts

Dr				Capital				B1				Cr			
Date	Details		Fol.	Amount		Date	Details		Fol.	Amount					
2017 Feb	28	Drawings	GJ	29 665	00	2017 Feb	28	Balance	b/d	224 327	00				
		Balance	c/d	341 672	00			Profit and loss	GJ	147 010	00				
				371 337	00					371 337	00				
						2017 Mar	1	Balance	b/d	341 672	00				

Dr				Accumulated Depreciation on Vehicles				B6				Cr			
Date	Details		Fol.	Amount		Date	Details		Fol.	Amount					
						2016 Mar	1	Balance	b/d	33 600	00				
						2017 Feb	28	Depreciation [(90 000 – 33 600) × 15%]	GJ	8 460	00				
										42 060	00				

Dr		Accumulated Depreciation on Equipment						B7		Cr	
Date		Details	Fol.	Amount	Date		Details	Fol.	Amount		
					2016 Mar	1	Balance	b/d	10 500	00	
					2017 Feb	28	Depreciation (32 000 × 10%)	GJ	3 200	00	
									<u>13 700</u>	<u>00</u>	

Dr		Trading Stock						B9		Cr	
Date		Details	Fol.	Amount	Date		Details	Fol.	Amount		
2017 Feb	28	Balance	b/d	35 870	00	2017 Feb	28	Trading stock deficit	GJ	1 950	00
							Balance	c/d	33 920	00	
				<u>35 870</u>	<u>00</u>				<u>35 870</u>	<u>00</u>	
2017 Mar	1	Balance	b/d	33 920	00						

Nominal accounts

Dr		Sales						N1		Cr	
Date		Details	Fol.	Amount	Date		Details	Fol.	Amount		
2017 Feb	28	Debtors allowances	GJ	6 524	00	2017 Feb	28	Balance	b/d	878 524	00
		Trading account	GJ	872 000	00						
				<u>878 524</u>	<u>00</u>				<u>878 524</u>	<u>00</u>	

Dr		Rent Income						N4		Cr	
Date		Details	Fol.	Amount	Date		Details	Fol.	Amount		
2017 Feb	28	Income received in advance	GJ	1 400	00	2017 Feb	28	Balance	b/d	18 200	00
		Profit and loss	GJ	16 800	00						
				<u>18 200</u>	<u>00</u>				<u>18 200</u>	<u>00</u>	

Dr		Interest on Loan						N5		Cr	
Date		Details	Fol.	Amount	Date		Details	Fol.	Amount		
2017 Feb	28	Balance	b/d	5 000	00	2017 Feb	28	Profit and loss	GJ	6 000	00
		Accrued expenses	GJ	1 000	00						
				<u>6 000</u>	<u>00</u>				<u>6 000</u>	<u>00</u>	

Calculation

$$R40\ 000 \times 15\% \times \frac{2}{12} = R1\ 000$$

Dr		Water and Electricity						N7		Cr	
Date		Details	Fol.	Amount	Date		Details	Fol.	Amount		
2017 Feb	28	Balance	b/d	5 987	00	2017 Feb	28	Profit and loss	GJ	6 567	00
		Accrued expenses	GJ	580	00						
				<u>6 567</u>	<u>00</u>				<u>6 567</u>	<u>00</u>	

Dr		Stationery						N9		Cr	
Date		Details	Fol.	Amount	Date		Details	Fol.	Amount		
2017 Feb	28	Balance	b/d	2 691	00	2017 Feb	28	Consumable stores on hand	GJ	321	00
							Profit and loss	GJ	2 370	00	
				<u>2 691</u>	<u>00</u>				<u>2 691</u>	<u>00</u>	

Dr				Consumable Goods				N10				Cr	
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount			
2017						2017							
Feb	28	Balance	b/d	1 052	00	Feb	28	Consumable stores on hand	GJ	245	00		
								Profit and loss	GJ	807	00		
				1 052	00					1 052	00		

Dr				Depreciation				N14				Cr	
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount			
2017						2017							
Feb	28	Accumulated depreciation on vehicles	GJ	8 460	00	Feb	28	Profit and loss	GJ	11 660	00		
		Accumulated depreciation on equipment	GJ	3 200	00								
				11 660	00					11 660	00		

Calculations

$$(R90\ 000 - 33\ 600) \times 15\% = R8\ 460$$

$$R32\ 000 \times 10\% = R3\ 200$$

Dr				Trading Stock Deficit				N15				Cr	
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount			
2017						2017							
Feb	28	Trading stock	GJ	1 950	00	Feb	28	Profit and loss	GJ	1 950	00		

2.

Dr				Trading account				F1				Cr	
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount			
2017						2017							
Feb	28	Cost of sales	GJ	581 333	00	Feb	28	Sales	GJ	872 000	00		
		Profit and loss	GJ	290 667	00								
				872 000	00					872 000	00		

Dr				Profit and Loss account				F2				Cr	
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount			
2017						2017							
Feb	28	Interest on loan		6 000	00	Feb	28	Trading account	GJ	290 667	00		
		Telephone	GJ	5 323	00			Rent income	GJ	16 800	00		
		Water and electricity	GJ	6 567	00								
		Insurance	GJ	8 100	00								
		Stationery	GJ	2 370	00								
		Consumable goods	GJ	807	00								
		Bad debts	GJ	2 334	00								
		Wages and salaries	GJ	114 500	00								
		Repairs	GJ	846	00								
		Depreciation	GJ	11 660	00								
		Trading stock deficit	GJ	1 950	00								
		Capital	GJ	147 010	00								
				307 467	00					307 467	00		

3. Van Zijl Traders
Post-closing Trial Balance on 28 February 2017

Balance Sheet accounts	Fol.	Debit		Credit	
Capital (224 327 + 147 010 – 29 665)	B1			341 672	00
Land and buildings	B3	280 000	00		
Vehicles	B4	90 000	00		
Equipment	B5	32 000	00		
Accumulated depreciation on vehicles	B6			42 060	00
Accumulated depreciation on equipment	B7			13 700	00
Loan: XY Bank	B8			40 000	00
Trading stock	B9	33 920	00		
Debtors control	B10	8 743	00		
Bank	B11	15 217	00		
Float	B12	800	00		
Creditors control	B13			20 834	00
Income received in advance	B14			1 400	00
Accrued expenses (1 000 + 580)	B15			1 580	00
Consumable stores on hand (321 + 245)	B16	566	00		
		461 246	00	461 246	00

» Activity 15.27

LB page 348

1.

General Ledger of Veronica's Baskets
Balance Sheet accounts

Dr				Trading account				Cr			
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount	
2018						2018					
Jun	30	Cost of sales		554 500	00	Jun	30	Sales (889 245 – 2 045)		887 200	00
		Profit and loss		332 700	00						
				887 200	00					887 200	00

Dr				Profit and Loss account				Cr			
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount	
2018						2018					
Jun	30	Salaries		70 000	00	Jun	30	Trading account		332 700	00
		Wages		129 600	00			Rent Income (16 250 – 1 250)		15 000	00
		Insurance		8 200	00			Interest on fixed deposit		680	00
		Telephone (6 897 + 587)		7 484	00			Discount received		1 054	00
		Water and electricity (7 093 + 632)		7 685	00						
		Stationery (2 478 – 106)		2 372	00						
		Consumable goods		1 065	00						
		Bad debts (1 400 + 489)		1 889	00						
		Discount allowed		2 669	00						
		Advertising (3 800 – 300)		3 500	00						
		Depreciation 5 310 + 1 100)		6 410	00						
		Trading stock deficit		847	00						
		Capital		107 713	00						
				349 434	00					349 434	00

Dr				Debtors Control				B10				Cr			
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount					
2018						2018									
Jun	30	Balance	b/d	5 630	00	Jun	30	Bad debts	CPJ	489	00				
								Balance	c/d	5 141	00				
				5 630	00					5 630	00				
2018															
Jul		Balance	b/d	5 141	00										

Nominal accounts

Dr				Rent Income				N4				Cr			
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount					
2018						2018									
Jun	30	Income received in advance		1 250	00	Jun	30	Balance	b/d	16 250	00				
		Profit and loss		15 000	00										
				16 250	00					16 250	00				

Calculation

$$R16\,250 \div 13 = R1\,250$$

Dr				Bad Debts				N14				Cr			
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount					
2018						2018									
Jun	30	Balance	b/d	1 400	00	Jun	30	Profit and loss		1 889	00				
		Debtors control	CPJ	489	00										
				1 889	00					1 889	00				

Dr				Advertising				N16				Cr			
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount					
2018						2018									
Jun	30	Balance	b/d	3 800	00	Jun	30	Prepaid expenses		300	00				
								Profit and loss		3 500	00				
				3 800	00					3 800	00				

Calculation

$$R2\,700 \times \frac{1}{9} = R300$$

Dr				Water and Electricity				N11				Cr			
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount					
2018						2018									
Jun	30	Balance	b/d	7 053	00	Jun	30	Profit and loss		7 685	00				
		Accrued expenses		632	00										
				7 685	00					7 685	00				

Dr				Telephone				N10				Cr			
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount					
2018						2018									
Jun	30	Balance	b/d	6 897	00	Jun	30	Profit and loss		7 484	00				
		Accrued expenses		587	00										
				7 484	00					7 484	00				

Dr				Interest on Fixed Deposit				N5				Cr			
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount			
2018	Jun	30	Profit and loss		680	00	2018	Jun	30	Balance	b/d	480	00		
										Accrued income		200	00		
					<u>680</u>	<u>00</u>						<u>680</u>	<u>00</u>		

Calculations

$$R8\ 000 \times 8\% = R640$$

$$R2\ 000 \times 8\% \times \frac{3}{12} = \underline{\underline{R\ 40}}$$

Dr				Trading Stock				B9				Cr			
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount			
2018	Jun	30	Balance	b/d	8 960	00	2018	Jun	30	Drawings		350	00		
										Trading stock deficit		847	00		
										Balance	c/d	7 763	00		
					<u>8 960</u>	<u>00</u>						<u>8 960</u>	<u>00</u>		
2018	Jul		Balance	b/d	7 763	00									

Dr				Drawings				B2				Cr			
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount			
2018	Jun	30	Balance	b/d	10 200	00	2018	Jun	30	Capital		10 550	00		
			Trading stock	CPJ	350	00									
					<u>10 550</u>	<u>00</u>						<u>10 550</u>	<u>00</u>		

Dr				Trading Stock Deficit				N17				Cr			
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount			
2018	Jun	30	Trading stock		847	00	2018	Jun	30	Profit and loss		847	00		

Dr				Stationery				N12				Cr			
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount			
2018	Jun	30	Balance	b/d	2 478	00	2018	Jun	30	Consumable stores on hand		106	00		
										Profit and loss		2 372	00		
					<u>2 478</u>	<u>00</u>						<u>2 478</u>	<u>00</u>		

Dr				Depreciation				N18				Cr			
Date		Details		Fol.	Amount		Date		Details		Fol.	Amount			
2018	Jun	30	Accumulated depreciation on vehicles		5 310	00	2018	Jun	30	Profit and loss		6 410	00		
			Accumulated depreciation on equipment		1 100	00									
					<u>6 410</u>	<u>00</u>						<u>6 410</u>	<u>00</u>		

Calculations

$$\text{Depreciation on vehicles: } (R70\ 000 - 34\ 600) \times 15\% = R5\ 310$$

$$\text{Depreciation on equipment: } R8\ 000 \times 10\% = R\ 800$$

$$R6\ 000 \times 10\% \times \frac{6}{12} = \underline{\underline{R\ 300}}$$

Dr Accumulated Depreciation on Vehicles B6 Cr

Date	Details	Fol.	Amount	Date	Details	Fol.	Amount
				2017 Jul	1 Balance	b/d	34 600 00
				2018 Jun	30 Depreciation		5 310 00
							39 910 00

Dr Accumulated Depreciation on Equipment B7 Cr

Date	Details	Fol.	Amount	Date	Details	Fol.	Amount
				2017 Jul	1 Balance	b/d	5 740 00
				2018 Jun	30 Depreciation		1 100 00
							6 840 00

3. Veronica's Baskets
Post-closing Trial Balance on 30 June 2018

Balance Sheet accounts	Fol.	Debit	Credit
Capital (243 490 + 107 713 – 10 550)	B1		340 653 00
Land and buildings	B3	280 000 00	
Vehicles	B4	70 000 00	
Equipment	B5	14 000 00	
Accumulated depreciation on vehicles	B6		39 910 00
Accumulated depreciation on equipment	B7		6 840 00
Fixed deposit: AB Bank	B8	10 000 00	
Trading stock	B9	7 763 00	
Debtors control	B10	5 141 00	
Bank	B11	8 634 00	
Float	B12	700 00	
Creditors control	B13		6 972 00
Income received in advance	B14		1 250 00
Prepaid expenses	B15	300 00	
Accrued expenses (632 + 587)	B16		1 219 00
Accrued income	B17	200 00	
Consumable stores on hand	B18	106 00	
		396 844 00	396 844 00

» Activity 15.28

LB page 351

1. **General Ledger of Yawa Traders**
Balance Sheet accounts

Dr Trading account F1 Cr

Date	Details	Fol.	Amount	Date	Details	Fol.	Amount
2017 Feb	28 Cost of sales (650 000 – 380)		649 620 00	2017 Feb	28 Sales (979 658 – 5 228)		974 430 00
	Profit and loss		324 810 00				
			974 430 00				974 430 00

Dr				Profit and Loss account				F2				Cr			
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount					
2017 Feb	28	Bad debts (932 + 430)		1 362	00	2017 Feb	28	Trading account		324 810	00				
		Discount allowed		2 087	00			Discount received		3 219	00				
		Insurance (8 398 – 646)		7 752	00			Bad debts recovered		1 450	00				
		Stationery (3 472 – 237)		3 235	00			Rent Income (6 600 – 1 100)		5 500	00				
		Bank charges		3 641	00										
		Telephone		6 421	00										
		Water and electricity (7 894 – 340)		7 554	00										
		Wages and salaries		121 000	00										
		Repairs		1 873	00										
		Trading stock deficit		1 384	00										
		Interest on loan		500	00										
		Depreciation (11 250 + 1 724)		12 974	00										
		Capital		165 196	00										
				334 979	00					334 979	00				

Dr				Drawings				B2				Cr			
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount					
2017 Feb	28	Balance	b/d	23 500	00	2017 Feb	28	Capital		23 840	00				
		Water and electricity		340	00										
				23 840	00					23 840	00				

Dr				Accumulated Depreciation on Vehicles				B6				Cr			
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount					
						2016 Mar	1	Balance	b/d	20 800	00				
						2017 Feb	28	Depreciation		11 250	00				
										32 050	00				

Calculations

Depreciation on vehicles:

$$R30\ 000 \times 15\% = R4\ 500$$

$$R60\ 000 \times 15\% \times \frac{9}{12} = R6\ 750$$

$$R4\ 500 + 6\ 750 = R11\ 250$$

Dr				Accumulated Depreciation on Equipment				B7				Cr			
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount					
						2016 Mar	1	Balance	b/d	15 460	00				
						2017 Feb	28	Depreciation		1 724	00				
										17 184	00				

Calculation

Depreciation on equipment:

$$(R32\ 700 - 15\ 460) \times 10\% = R1\ 724$$

Dr Trading Stock B8 Cr

Date	Details		Fol.	Amount		Date	Details		Fol.	Amount	
2017 Feb 28		Balance	b/d	38 720	00	2017 Feb 28		Creditors control	CAJ	620	00
		Cost of sales	DAJ	380	00			Trading stock deficit		1 384	00
								Balance	c/d	37 096	00
				39 100	00					39 100	00
2017 Mar		Balance	b/d	37 096	00						

Dr Creditors Control B13 Cr

Date	Details		Fol.	Amount		Date	Details		Fol.	Amount	
2017 Feb 28		Trading stock	CAJ	620	00	2017 Feb 28		Balance	b/d	10 653	00
		Balance	c/d	10 033	00						
				10 653	00					10 653	00
						2017 Mar		Balance	b/d	10 033	00

Dr Debtors Control B9 Cr

Date	Details		Fol.	Amount		Date	Details		Fol.	Amount	
2017 Feb 28		Balance	b/d	8 641	00	2017 Feb 28		Debtors allowances	DAJ	570	00
								Bad debts	CPJ	430	00
								Balance	c/d	7 641	00
				8 641	00					8 641	00
2017 Mar 1		Balance	b/d	7 641	00						

Nominal accounts

Dr Debtors Allowances N3 Cr

Date	Details		Fol.	Amount		Date	Details		Fol.	Amount	
2017 Feb 28		Balance	b/d	4 658	00	2017 Feb 28		Sales		5 228	00
		Debtors control	DAJ	570	00						
				5 228	00					5 228	00

Dr Cost of Sales N2 Cr

Date	Details		Fol.	Amount		Date	Details		Fol.	Amount	
2017 Feb 28		Balance	b/d	650 000	00	2017 Feb 28		Trading stock	DAJ	380	00
								Trading account		649 620	00
				650 000	00					650 000	00

Dr Trading Stock Deficit N16 Cr

Date	Details		Fol.	Amount		Date	Details		Fol.	Amount	
2017 Feb 28		Trading stock		1 384	00	2017 Feb 28		Profit and loss		1 384	00

Dr				Stationery				N9				Cr
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount		
2017 Feb	28	Balance	b/d	3 472	00	2017 Feb	28	Consumable stores		237	00	
								Profit and loss		3 235	00	
				<u>3 472</u>	<u>00</u>					<u>3 472</u>	<u>00</u>	

Dr				Bad Debts				N4				Cr
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount		
2017 Feb	28	Balance	b/d	932	00	2017 Feb	28	Profit and loss		1 362	00	
		Debtors control	CPJ	430	00							
				<u>1 362</u>	<u>00</u>					<u>1 362</u>	<u>00</u>	

Dr				Water and Electricity				N13				Cr
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount		
2017 Feb	28	Balance	b/d	7 894	00	2017 Feb	28	Drawings		340	00	
								Profit and loss		7 554	00	
				<u>7 894</u>	<u>00</u>					<u>7 894</u>	<u>00</u>	

Dr				Insurance				N8				Cr
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount		
2017 Feb	28	Balance	b/d	8 398	00	2017 Feb	28	Prepaid expenses		646	00	
								Profit and loss		7 752	00	
				<u>8 398</u>	<u>00</u>					<u>8 398</u>	<u>00</u>	

Dr				Interest on Loan				N17				Cr
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount		
2017 Feb	28	Accrued expenses		500	00	2017 Feb	28	Profit and loss		500	00	

Calculation

$$R40\ 000 \times 15\% \times \frac{1}{12} = R500$$

Dr				Rent Income				N11				Cr
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount		
2017 Feb	28	Income received in advance		1 100	00	2017 Feb	28	Balance	b/d	6 600	00	
		Profit and loss		5 500	00							
				<u>6 600</u>	<u>00</u>					<u>6 600</u>	<u>00</u>	

Calculation

$$R13\ 200 \times \frac{5}{12} = R5\ 500$$

Dr				Depreciation				N18				Cr
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount		
2017 Feb	28	Accumulated depreciation on vehicles		11 250	00	2017 Feb	28	Profit and loss		12 974	00	
		Accumulated depreciation on equipment		1 724	00							
				<u>12 974</u>	<u>00</u>					<u>12 974</u>	<u>00</u>	

2. Yawa Traders
Post-closing Trial Balance on 28 February 2017

Balance Sheet accounts	Fol.	Debit		Credit	
Capital (213 294 + 165 196 – 23 840)	B1			354 650	00
Land and buildings	B3	280 000	00		
Vehicles	B4	90 000	00		
Equipment	B5	32 700	00		
Accumulated depreciation on vehicles (20 800 + 11 250)	B6			32 050	00
Accumulated depreciation on equipment (15 460 + 1 724)	B7			17 184	00
Trading stock	B8	37 096	00		
Debtors control (8 641 – 510 – 430)	B9	7 641	00		
Bank	B10	6 447	00		
Float	B11	600	00		
Petty cash	B12	150	00		
Creditors control (10 653 – 620)	B13			10 033	00
Loan: AB Bank	B14			40 000	00
Consumable stores on hand	B15	237	00		
Prepaid expenses	B16	646	00		
Accrued expenses	B17			500	00
Income received in advance	B18			1 100	00
		455 517	00	455 517	00

» Informal assessment 15.3

LB page 353

Memorandum

Marks: 65
Time: 50 minutes

1. **General Ledger of Gemaine Stores**
Nominal accounts

Dr		Trading account				F1		Cr	
Date	Details	Fol.	Amount		Date	Details	Fol.	Amount	
2019 Feb 28	Cost of sales		✓	520 000 00	2019 Feb 28	Sales (786 542 – 6 542)		✓✓	780 000 00
	Profit and loss		✓	260 000 00					
				780 000 00					780 000 00

(4)

Dr				Profit and Loss account				F2				Cr			
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount					
2019						2019									
Feb	28	Salaries		✓	80 000	00	Feb	28	Trading account		✓	260 000	00		
		Wages		✓	65 400	00			Rent Income (21 750 – 4 350)		✓✓✓	17 400	00		
		Packaging (3 640 – 467)		✓✓	3 173	00			Interest on fixed deposit		✓✓✓	800	00		
		Stationery (2 687 – 289)		✓✓	2 398	00			Discount received		✓	2 687	00		
		Advertising (3 450 + 360)		✓✓	3 810	00									
		Insurance (8 300 – 940)		✓✓	7 360	00									
		Telephone		✓	6 254	00									
		Water and electricity		✓	8 300	00									
		Fuel		✓	3 689	00									
		Bad debts (1 976 + 450)		✓✓	2 426	00									
		Discount allowed		✓	1 963	00									
		Trading stock deficit		✓✓✓	889	00									
		Depreciation (15 000 + 1 254)		✓✓✓✓	16 254	00									
		Capital		✓✓	78 971	00									
					280 887	00						280 887	00		

(34)

Dr				Rent Income				N4				Cr			
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount					
2019						2019									
Feb	28	Income received in advance			4 350	00	Feb	28	Balance	b/d	21 750	00			
		Profit and loss			17 400	00									
					21 750	00					21 750	00			

Calculation

$$R21\ 750 \times \frac{3}{15} = R4\ 350$$

Dr				Interest on Fixed Deposit				N5				Cr			
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount					
2019						2019									
Feb	28	Profit and loss			800	00	Feb	28	Balance	b/d	600	00			
								Accrued income			200	00			
					800	00					800	00			

Calculation

$$R10\ 000 \times 8\% \times \frac{3}{12} = R200$$

Dr				Debtors Control				B10				Cr			
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount					
2019						2019									
Feb	28	Balance	b/d	8 970	00	Feb	28	Bad debts	CPJ	450	00				
								Balance	c/d	8 520	00				
					8 970	00					8 970	00			
2019															
Mar	1	Balance	b/d	8 520	00										

Calculation

$$R750 \times \frac{60}{100} = R450$$

Dr				Bad Debts				N15				Cr			
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount					
2019						2019									
Feb	28	Balance	b/d	1 976	00	Feb	28	Profit and loss		2 426	00				
		Debtors control	CPJ	450	00										
					2 426	00					2 426	00			

Dr				Advertising				N10				Cr			
Date	Details		Fol.	Amount		Date	Details		Fol.	Amount					
2019 Feb	28	Balance	b/d	3 450	00	2019 Feb	28	Profit and loss		3 810	00				
		Accrued expenses		360	00										
				3 810	00					3 810	00				

Dr				Trading Stock				B9				Cr			
Date	Details		Fol.	Amount		Date	Details		Fol.	Amount					
2019 Feb	28	Balance	b/d	33 654	00	2019 Feb	28	Drawings	CPJ	620	00				
								Trading stock deficit		889	00				
								Balance	c/d	32 145	00				
				33 654	00					33 654	00				
2019 Mar		Balance	b/d	32 145	00										

Dr				Drawings				B2				Cr			
Date	Details		Fol.	Amount		Date	Details		Fol.	Amount					
2019 Feb	28	Balance	b/d	29 874	00	2019 Feb	28	Capital		30 494	00				
		Trading stock	CPJ	620	00										
				30 494	00					30 494	00				

Dr				Packaging				N8				Cr			
Date	Details		Fol.	Amount		Date	Details		Fol.	Amount					
2019 Feb	28	Balance	b/d	3 640	00	2019 Feb	28	Consumable stores on hand		467	00				
								Profit and loss		3 173	00				
				3 640	00					3 640	00				

Dr				Stationery				N9				Cr			
Date	Details		Fol.	Amount		Date	Details		Fol.	Amount					
2019 Feb	28	Balance	b/d	2 687	00	2019 Feb	28	Consumable stores on hand		289	00				
								Profit and loss		2 398	00				
				2 687	00					2 687	00				

Dr				Depreciation				N18				Cr			
Date	Details		Fol.	Amount		Date	Details		Fol.	Amount					
2019 Feb	28	Accumulated depreciation on vehicles		15 000	00	2019 Feb	28	Profit and loss		16 254	00				
		Accumulated depreciation on equipment		1 254	00										
				16 254	00					16 254	00				

Dr				Accumulated Depreciation on Vehicles				B6				Cr			
Date	Details		Fol.	Amount		Date	Details		Fol.	Amount					
						2019 Feb	28	Balance	b/d	32 800	00				
								Depreciation		15 000	00				
										47 800	00				

Calculation

$$R100\ 000 \times 15\% = R15\ 000$$

Dr				Accumulated Depreciation on Equipment				B7				Cr
Date	Details		Fol.	Amount		Date	Details		Fol.	Amount		
						2019 Feb	28	Balance	b/d	12 100	00	
								Depreciation		1 254	00	
										13 354	00	

Calculation

$$(R24\ 000 - 12\ 100) \times 10\% = R1\ 190$$

$$R3\ 840 \times 10\% \times \frac{2}{12} = R\ 64$$

$$\underline{\underline{R1\ 254}}$$

Dr				Equipment				B5				Cr
Date	Details		Fol.	Amount		Date	Details		Fol.	Amount		
2019 Feb	28	Balance	b/d	24 000	00							
		Creditors control/Cedarberg Traders	CJ	3 840	00							
				27 840	00							

Dr				Creditors Control				B14				Cr
Date	Details		Fol.	Amount		Date	Details		Fol.	Amount		
						2019 Feb	28	Balance	b/d	15 602	00	
								Equipment		3 840	00	
										19 442	00	

Dr				Insurance				N11				Cr
Date	Details		Fol.	Amount		Date	Details		Fol.	Amount		
2019 Feb	28	Balance	b/d	8 300	00	2019 Feb	28	Prepaid expenses		940	00	
								Profit and loss		7 360	00	
				8 300	00					8 300	00	

2. Gemaine Stores

Post-closing Trial Balance on 28 February 2019

Balance Sheet accounts	Fol.	Debit	Credit
Capital (369 026 + 78 971 – 30 494)	B1		✓✓✓ 417 503 00
Land and buildings	B3	✓ 320 000 00	
Vehicles	B4	✓ 100 000 00	
Equipment (24 000 + 3 840)	B5	✓✓ 27 840 00	
Accumulated depreciation on vehicles (32 800 + 15 000)	B6		✓✓ 47 800 00
Accumulated depreciation on equipment (12 100 + 1 254)	B7		✓✓ 13 354 00
Fixed deposit: AB Bank	B8	✓ 10 000 00	
Trading stock (33 654 – 620 – 889)	B9	✓✓ 32 145 00	
Debtors control (8 970 – 450)	B10	✓✓ 8 520 00	
Bank	B11	✓ 1 608 00	
Float	B12	✓ 700 00	
Petty cash	B13	✓ 100 00	
Creditors control (15 602 + 3 840)	B14		✓✓ 19 442 00
Income received in advance	B15		✓ 4 350 00
Accrued income	B16	✓ 200 00	
Accrued expenses	B17		✓ 360 00
Prepaid expenses	B18	✓ 940 00	
Consumable stores on hand (467 + 289)	B19	✓✓ 756 00	
		502 809 00	502 809 00

(27)



General Ledger of Drakensberg Traders
Balance Sheet accounts

Dr				Prepaid Expenses				B11				Cr	
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount			
2018	Jun	30	Insurance	GJ	600	00	2018	Jul	1	Insurance	GJ	600	00

Dr				Accrued income				B12				Cr	
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount			
2018	Jun	30	Interest on fixed deposit	GJ	250	00	2018	Jul	1	Interest on fixed deposit	GJ	250	00

Dr				Income Received in Advance				B13				Cr	
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount			
2018	Jul	1	Rent Income	GJ	1 500	00	2018	Jun	30	Rent Income	GJ	1 500	00

Dr				Accrued Expenses				B14				Cr	
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount			
2018	Jul	1	Telephone	GJ	536	00	2018	Jun	30	Telephone	GJ	536	00

Nominal accounts

Dr				Insurance				N5				Cr
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount		
2018	Jul	1	Prepaid expenses	GJ	600	00						

Dr				Interest on Fixed Deposit				N6				Cr
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount		
2018	Jul	1	Accrued income	GJ	250	00						

Dr				Rent Income				N7				Cr	
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount			
							2018	Jul	1	Income received in advance	GJ	1 500	00

Dr				Telephone				N8				Cr	
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount			
							2018	Jul	1	Accrued expenses	GJ	536	00



- ① Adjustment written back; rent income of R1 250 was received in the previous financial year.
- ② This is the total amount received in the current financial year.
- ③ Adjustment; rent income of R2 500 was received for the next financial year.
- ④ This is the actual income for rent income for the current financial year that was carried forward to the *Profit and Loss* account.

- ⑤ Adjustment written back; R538 is still due with respect to the previous financial year.
- ⑥ This is the total amount paid for water and electricity during the financial year.
- ⑦ Adjustment: R632 is still due for the current financial year.
- ⑧ This is the actual expense for water and electricity for the current financial year that was carried forward to the *Profit and Loss* account.
- ⑨ Adjustment written back: stationery for R187 was left over from the previous year.
- ⑩ Stationery for R2 456 was purchased during the year.
- ⑪ Adjustment: stationery for R214 was left over at the end of the financial year.
- ⑫ This is the stationery that was consumed during the financial year and therefore the expense that was carried forward to the *Profit and Loss* account.

» **Case study 15.1**

LB page 266

1. **General Ledger of Rafiq's Canoe Repairs**
Balance Sheet accounts

Dr				Capital				B1				Cr
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount		
2019						2019						
Dec	31	Drawings	GJ	2 400	00	Dec	31	Balance	b/d	4 000	00	
		Balance	c/d	7 810	00			Profit and loss	GJ	6 210	00	
				<u>10 210</u>	<u>00</u>					<u>10 210</u>	<u>00</u>	
						2020						
						Jan	1	Balance	b/d	7 810	00	

Dr				Drawings				B2				Cr
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount		
2019						2019						
Dec	31	Balance	b/d	2 400	00	Dec	31	Capital	GJ	2 400	00	

Dr				Equipment				B3				Cr
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount		
2019												
Dec	31	Balance	b/d	2 700	00							

Dr				Accumulated Depreciation on Equipment				B4				Cr
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount		
						2019						
						Dec	31	Depreciation	GJ	270	00	

Dr				Debtors Control				B5				Cr
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount		
2019												
Dec	31	Balance (480 + 325 + 266)	b/d	1 071	00							

Dr				Advertising				N5				Cr
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount		
2019						2019						
Dec	31	Balance	b/d	320	00	Dec	31	Profit and loss	GJ	320	00	

Dr				Depreciation				N6				Cr
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount		
2019						2019						
Dec	31	Accumulated depreciation on equipment (2 700 × 10%)	GJ	270	00	Dec	31	Profit and loss	GJ	270	00	

Dr				Salaries				N7				Cr
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount		
2019						2019						
Dec	31	Balance (2 000 × 12)	b/d	24 000	00	Dec	31	Profit and loss	GJ	24 000	00	

2.

Dr				Profit and Loss account				F1				Cr
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount		
2019						2019						
Dec	31	Material costs	GJ	22 043	00	Dec	31	Current Income	GJ	60 047	00	
		Cell phone	GJ	3 604	00							
		Rent expense	GJ	3 600	00							
		Advertising	GJ	320	00							
		Depreciation	GJ	270	00							
		Salaries	GJ	24 000	00							
		Capital	GJ	6 210	00							
				60 047	00					60 047	00	

3. Rafiq's Canoe Repairs Post-closing Trial Balance on 31 December 2019

Balance Sheet accounts	Fol.	Debit		Credit	
Capital (4 000 + 6 210 – 2 400)	B1			7 810	00
Equipment	B3	2 700	00		
Accumulated depreciation on equipment	B4			270	00
Debtors control	B5	1 071	00		
Bank	B6	4 739	00		
Creditors control	B7			896	00
Accrued expenses	B8			244	00
Prepaid expenses	B9	300	00		
Consumable stores on hand	B10	410	00		
		9 220	00	9 220	00

CHAPTER 16 Financial accounting of a sole trader – Financial statements

» Activity 16.1 Baseline assessment

LB page 367

T Abrahams

Trading as Abrahams Traders

Income Statement for the year ended 28 February 2019

	Note	R
Sales		585 120
Cost of sales		(365 700)
Gross profit		219 420
Other operating income		50 870
Rent Income		17 400
Current Income		33 470
Gross operating income		270 290
Operating expenses		(172 720)
Water and electricity		5 289
Telephone		4 331
Salaries		95 000
Wages		60 210
Stationery		1 520
Advertisements		3 500
Rates		2 870
Net operating profit (loss)		97 570

T Abrahams

Trading as Abrahams Traders

Balance Sheet on 28 February 2019

	Note	R
ASSETS		
NON-CURRENT ASSETS		
Fixed assets		344 000
CURRENT ASSETS		52 983
Inventories		19 233
Trade and other receivables		11 452
Cash and cash equivalents		22 298
TOTAL ASSETS		396 983
EQUITY AND LIABILITIES		
OWNER'S EQUITY		
CURRENT LIABILITIES		379 033
Trade and other payables		17 950
TOTAL EQUITY AND LIABILITIES		396 983

T Abrahams
Trading as Abrahams Traders
NOTES TO FINANCIAL STATEMENTS AT 28 FEBRUARY 2019

1. FIXED ASSETS

Land and buildings	240 000
Vehicles	72 000
Equipment	32 000
	344 000

2. CASH AND CASH EQUIVALENTS

Bank	21 678
Cash float	500
Petty cash	120
	22 298

3. OWNER'S EQUITY

Balance at beginning of year	266 350
Additional capital contributed	40 000
Net profit (loss) for the year	97 570
Drawings	(24 887)
Balance at end of year	379 033



Activity 16.2

LB page 375

N Zweni
Trading as Babelegi Furnishers
Income Statement for the year ended 30 June 2019

	Note	R
Sales (998 200 – 3 200)		995 000
Cost of sales		(552 700)
Gross profit		442 300
Other operating income		16 452
Rent Income		15 600
Discount received		852
Gross operating income		458 752
Operating expenses		(252 821)
Bad debts		1 478
Salaries		196 000
Stationery		2 140
Telephone		6 564
Water and electricity		6 883
Insurance		8 250
Sundry expenses		9 772
Depreciation		21 734
Operating profit (loss)		205 931
Interest income	1	2 814
Profit before interest expense		208 745
Interest expense	2	(327)
Net profit (loss) for the year	7	208 418

N Zweni
Trading as Babelegi Furnishers
Balance Sheet on 30 June 2019

	Note	R
ASSETS		
NON-CURRENT ASSETS		446 240
Fixed assets	3	436 240
Financial assets		
Fixed deposit: XY Bank		10 000
CURRENT ASSETS		97 500
Inventories	4	60 700
Trade and other receivables	5	13 427
Cash and other cash equivalents	6	23 373
TOTAL ASSETS		543 740
EQUITY AND LIABILITIES		
OWNER'S EQUITY	7	517 879
CURRENT LIABILITIES		25 861
Trade and other payables	8	25 861
TOTAL EQUITY AND LIABILITIES		543 740

N Zweni
Trading as Babelegi Furnishers
NOTES TO FINANCIAL STATEMENTS AT 30 JUNE 2019

1. INTEREST INCOME

On investments	1 600
On notice deposits	554
On savings account	119
On current account	63
On overdue debtors	478
	2 814

2. INTEREST EXPENSE

On overdraft	327
	327

3. FIXED/TANGIBLE ASSETS

	Land and buildings	Vehicles	Equipment	Total
Carrying value at beginning of year	270 000	79 594	30 380	379 974
Cost	270 000	100 000	44 780	414 780
Accumulated depreciation	–	(20 406)	(14 400)	(34 806)
Movements				
Additions	70 000	–	8 000	78 000
Depreciation for the year	–	(16 334)	(5 400)	(21 734)
Carrying value at end of year	340 000	63 260	32 980	436 240
Cost	340 000	100 000	52 780	492 780
Accumulated depreciation	–	(36 740)	(19 800)	(56 540)

Accumulated Depreciation on Vehicles				Accumulated Depreciation on Equipment			
		Balance b/d	20 406			Balance b/d	14 400
Balance c/d	36 740	Depreciation	16 334	Balance c/d	19 800	Depreciation	5 400
	<u>36 740</u>		<u>36 740</u>		<u>19 800</u>		<u>19 800</u>

4. INVENTORIES

Trading stock	60 320
Consumable stores on hand	380
	60 700

5. TRADE AND OTHER RECEIVABLES

Trade debtors	12 447
Expenses prepaid	330
Income accrued	650
	13 427

6. CASH AND CASH EQUIVALENTS

Fixed deposit (maturing within 12 months)	10 000
Notice deposits	3 000
Savings account	1 800
Bank	7 673
Cash float	800
Petty cash	100
	23 373

7. OWNER'S EQUITY

Balance at beginning of year (334 017 – 65 000)	269 017
Additional capital contributed	65 000
Net profit (loss) for the year	208 418
	542 435
Drawings	(24 556)
Balance at end of year	517 879

8. TRADE AND OTHER PAYABLES

Trade creditors	23 791
Expenses accrued	870
Income received in advance (deferred)	1 200
	25 861

» Activity 16.3

LB page 377

**General Ledger of Ramatlabama Couriers
Balance Sheet accounts**

Dr		Vehicles				B4		Cr	
Date	Details	Fol.	Amount		Date	Details	Fol.	Amount	
2016 Mar 1	Balance	b/d	70 000	00	2017 Feb 28	Balance	c/d	150 000	00
2016 Nov 30	Bank		80 000	00					
			150 000	00				150 000	00
2017 Mar 1	Balance	b/d	150 000	00					

Dr Accumulated Depreciation on Vehicles B6 Cr

Date	Details		Fol.	Amount		Date	Details		Fol.	Amount	
2017 Feb	28	Balance	c/d	52 400	00	2016 Mar	1	Balance	b/d	37 760	00
						2017 Feb	28	Depreciation	GJ12	14 640	00
				52 400	00					52 400	00
						2017 Mar	1	Balance	b/d	52 400	00

Dr Accumulated Depreciation on Equipment B7 Cr

Date	Details		Fol.	Amount		Date	Details		Fol.	Amount	
2017 Feb	28	Balance	c/d	15 500	00	2016 Mar	1	Balance	b/d	11 000	00
						2017 Feb	28	Depreciation	GJ12	4 500	00
				15 500	00					15 500	00
						2017 Mar	1	Balance	b/d	15 500	00

FIXED/TANGIBLE ASSETS

	Land and buildings	Vehicles	Equipment	Total
Carrying value at beginning of year	240 000	32 240	34 000	306 240
Cost	240 000	70 000	45 000	355 000
Accumulated depreciation	–	(37 760)	(11 000)	(48 760)
Movements				
Additions	60 000	80 000	–	140 000
Depreciation for the year	–	(14 640)	(4 500)	(19 140)
Carrying value at end of year	300 000	97 600	29 500	427 100
Cost	300 000	150 000	45 000	495 000
Accumulated depreciation	–	(52 400)	(15 500)	(67 900)

» **Activity 16.4**

LB page 378

1. **General Ledger of Chelmsford Stores
Balance Sheet accounts**

Dr Equipment B5 Cr

Date	Details		Fol.	Amount		Date	Details		Fol.	Amount	
2017 Mar	1	Balance	b/d	38 000	00	2018 Feb	29	Balance	c/d	46 000	00
2017 Oct	1	Creditors control		8 000	00						
				46 000	00					46 000	00
2018 Mar	1	Balance	b/d	46 000	00						

Dr Accumulated Depreciation on Vehicles B6 Cr

Date		Details	Fol.	Amount		Date		Details	Fol.	Amount	
2018						2017					
Feb	28	Balance	c/d	45 760	00	Mar	1	Balance	b/d	37 200	00
						2018					
						Feb	28	Depreciation	GJ12	8 560	00
				45 760	00					45 760	00
						2018					
						Mar	1	Balance	b/d	45 760	00

Dr Accumulated Depreciation on Equipment B7 Cr

Date		Details	Fol.	Amount		Date		Details	Fol.	Amount	
2018						2017					
Feb	28	Balance	c/d	29 000	00	Mar	1	Balance	b/d	22 800	00
						2018					
						Feb	28	Depreciation	GJ12	6 200	00
				29 000	00					29 000	00
						2018					
						Mar	1	Balance	b/d	29 000	00

2. FIXED/TANGIBLE ASSETS

	Land and buildings	Vehicles	Equipment	Total
Carrying value at beginning of year	307 000	42 800	15 200	365 000
Cost	307 000	80 000	38 000	425 000
Accumulated depreciation	–	(37 200)	(22 800)	(60 000)
Movements				
Additions	53 000	–	8 000	61 000
Depreciation for the year	–	(8 560)	(6 200)	(14 760)
Carrying value at end of year	360 000	34 240	17 000	411 240
Cost	360 000	80 000	46 000	486 000
Accumulated depreciation	–	(45 760)	(29 000)	(74 760)

Notes

- Since the Pre-adjustment Trial Balance is given, you can work from the top to the bottom in calculating the accumulated depreciation – thus you first enter the balances at the end of the previous financial year, then the depreciation for the year and then calculate the balance at the end of the financial year.
- For the calculation of the cost price you still work from the bottom up.

S Botha
Trading as Tsomo Traders
Income Statement for the year ended 28 February 2017

	Note	R
Sales (776 240 – 6 240)		770 000
Cost of sales		(550 000)
Gross profit		220 000
Other operating income		23 855
Discount received		4 235
Rent Income (20 400 – 1 650)		18 750
Bad debts recovered		870
Gross operating income		243 855
Operating expenses		(150 699)
Bad debts (1 889 + 740)		2 629
Bank charges		2 041
Consumable goods		1 996
Stationery (2 472 – 389)		2 083
Insurance (9 620 – 3 780)		5 840
Rates		4 200
Water and electricity (5 972 + 473)		6 445
Telephone (6 773 + 535)		7 308
Salaries		92 100
Sundry expenses		11 743
Trading stock deficit		1 500
Depreciation (10 000 + 2 454 + 360)		12 814
Operating profit (loss)		93 156
Interest income	1	875
Profit before interest expense		94 031
Interest expense	2	(13 950)
Net profit (loss) for the year	7	80 081

S Botha
Trading as Tsomo Traders
Balance Sheet on 28 February 2017

	Note	R
ASSETS		
NON-CURRENT ASSETS		438 146
Fixed assets	3	438 146
CURRENT ASSETS		89 375
Inventories	4	40 189
Trade and other receivables	5	17 265
Cash and cash equivalents	6	31 921
TOTAL ASSETS		527 521
EQUITY AND LIABILITIES		
OWNER'S EQUITY	7	419 925
NON-CURRENT LIABILITIES		55 000
Mortgage loan: AB Bank		55 000
CURRENT LIABILITIES		52 596
Trade and other payables	8	37 596
Short-term loans (less than 12 months)		15 000
TOTAL EQUITY AND LIABILITIES		527 521

S Botha
Trading as Tsomo Traders
NOTES TO THE FINANCIAL STATEMENTS AT 28 FEBRUARY 2017

1. INTEREST INCOME

On current account	875
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2. INTEREST EXPENSE

On loan (7 650 + 6 300)	13 950
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3. FIXED/TANGIBLE ASSETS

	Land and buildings	Vehicles	Equipment	Total
Carrying value at beginning of year	370 000	57 400	16 360	443 760
Cost	370 000	100 000	44 800	514 800
Accumulated depreciation	–	(42 600)	(28 440)	(71 040)
Movements				
Additions	–	–	7 200	7 200
Depreciation for the year	–	(10 000)	(2 814)	(12 814)
Carrying value at end of year	370 000	47 400	20 746	438 146
Cost	370 000	100 000	52 000	522 000
Accumulated depreciation	–	(52 600)	(31 254)	(83 854)

Accumulated Depreciation on Vehicles		Accumulated Depreciation on Equipment	
Balance b/d	42 600	Balance b/d	28 440
Depreciation	10 000	Depreciation	2 814
	<u>52 600</u>		<u>31 254</u>

4. INVENTORIES

Trading stock	39 800
Consumable stores on hand	389
	<u>40 189</u>

5. TRADE AND OTHER RECEIVABLES

Trade debtors (14 225 – 740)	13 485
Prepaid expenses	3 780
	<u>17 265</u>

6. CASH AND CASH EQUIVALENTS

Bank	30 871
Cash float	900
Petty cash	150
	<u>31 921</u>

7. OWNER'S EQUITY

Balance at beginning of year (372 398 – 45 000)	327 398
Additional capital contributed	45 000
Net profit (loss) for the year	80 081
	<u>452 479</u>
Drawings	(32 554)
Balance at end of year	<u>419 925</u>

8. TRADE AND OTHER PAYABLES

Trade creditors	28 638
Income received in advance	1 650
Accrued expenses (6 300 + 535 + 473)	7 308
	37 596



Activity 16.6

LB page 388

Craylaw Stores

Income Statement for the year ended 28 February 2019

	Note	R
Sales (290 000 – 5 800)		284 200
Cost of sales		(180 000)
Gross profit		104 200
Other operating income		7 734
Bad debts recovered		2 334
Rent Income (5 850 – 450)		5 400
Gross operating income		111 934
Operating expenses		(49 105)
Packaging (2 436 – 518)		1 918
Bad debts (510 + 380)		890
Insurance (2 866 – 456)		2 410
Wages		19 535
Advertisements		8 228
Stationery		3 993
Repairs		6 280
Trading stock deficit		156
Depreciation (3 500 + 425 + 1 770)		5 695
Operating profit (loss)		62 829
Interest income (1 400 + 1 400)	1	2 800
Profit before interest expense		65 629
Interest expense (4 874 + 580)	2	(5 454)
Net profit (loss) for the year		60 175

Craylaw Stores

Balance Sheet on 28 February 2019

	Note	R
ASSETS		
NON-CURRENT ASSETS		68 805
Fixed assets	3	48 805
Fixed deposit: SB Bank		20 000
CURRENT ASSETS		89 816
Inventories	4	19 960
Trade and other receivables	5	11 856
Cash and cash equivalents	6	58 000
TOTAL ASSETS		158 621
EQUITY AND LIABILITIES		
OWNER'S EQUITY	7	124 175
NON-CURRENT LIABILITIES		25 000
Mortgage loan: WK Bank		25 000
CURRENT LIABILITIES		9 446
Trade and other payables	8	9 446
TOTAL EQUITY AND LIABILITIES		158 621

Craylaw Stores
NOTES TO THE FINANCIAL STATEMENTS AT 28 FEBRUARY 2019

1. INTEREST INCOME

On investments (1 400 + 1 400)	2 800
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2. INTEREST EXPENSE

On mortgage loan (4 874 + 580)	5 454
--------------------------------	-------

3. FIXED/TANGIBLE ASSETS

	Vehicles	Equipment	Total
Carrying value at beginning of year	22 750	14 750	37 500
Cost	35 000	19 500	54 500
Accumulated depreciation	(12 250)	(4 750)	(17 000)
Movements			
Additions	17 000	–	17 000
Depreciation for the year	(3 925)	(1 770)	(5 695)
Carrying value at end of year	35 825	12 980	48 805
Cost	52 000	19 500	71 500
Accumulated depreciation	(16 175)	(6 520)	(22 695)
	35 825	12 980	48 805

4. INVENTORIES

Trading stock (19 598 – 156)	19 442
Consumable stores on hand	518
	19 960

5. TRADE AND OTHER RECEIVABLES

Trade debtors (10 380 – 380)	10 000
Prepaid expenses	456
Accrued income	1 400
	11 856

6. CASH AND CASH EQUIVALENTS

Bank	58 000
------	--------

7. OWNER'S EQUITY

Balance at beginning of year	75 000
Additional capital contributed	25 000
Net profit (loss) for the year	60 175
	160 175
Drawings	(36 000)
Balance at end of year	124 175

8. TRADE AND OTHER PAYABLES

Trade creditors	8 416
Accrued expenses	580
Income received in advance	450
	9 446

C Papendorf
Trading as Homezone Traders
Income Statement for the year ended 29 February 2016

	Note	R
Sales [395 853 – (4 260 + 360)]		391 233
Cost of sales (250 060 – 288)		(249 772)
Gross profit		141 461
Other operating income		3 800
Rent income (3 795 – 759)		3 036
Discount received		734
Bad debts recovered		30
Gross operating income		145 261
Operating expenses		(77 866)
Rates		4 010
Salaries		59 550
Bank charges (310 + 28)		338
Discount allowed (870 – 5)		865
Bad debts (320 + 40)		360
Stationery (1 682 – 282)		1 400
Packaging (4 056 – 256)		3 800
Telephone		1 522
Insurance (820 – 280)		540
Water and electricity		2 419
Trading stock deficit		268
Depreciation (1 864 + 930)		2 794
Operating profit (loss)		67 395
Interest income	1	375
Profit before interest expense		67 770
Interest expense (2 250 + 3 150 + 70)	2	(5 470)
Net profit (loss) for the year		62 300

C Papendorf
Trading as Homezone Traders
Balance Sheet on 29 February 2016

	Note	R
ASSETS		
NON-CURRENT ASSETS		137 235
Fixed assets	3	132 235
Financial assets		
Fixed deposit: Allied		5 000
CURRENT ASSETS		30 743
Inventories	4	20 538
Trade and other receivables	5	9 955
Cash and other cash equivalents	6	250
TOTAL ASSETS		167 978
EQUITY AND LIABILITIES		
OWNER'S EQUITY	7	111 484
NON-CURRENT LIABILITIES		35 000
Mortgage loan: United		35 000
CURRENT LIABILITIES		21 494
Trade and other payables	8	18 691
Bank overdraft (2 355 + 28 + 70 + 200 + 150)		2 803
TOTAL EQUITY AND LIABILITIES		167 978

C Papendorf
Trading as Homezone Traders
NOTES TO THE FINANCIAL STATEMENTS AT 29 FEBRUARY 2016

1. INTEREST INCOME

On investments (225 + 150)	375
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2. INTEREST EXPENSE

On mortgage loan (2 250 + 3 150)	5 400
On overdraft	70
	5 470

3. FIXED/TANGIBLE ASSETS

	Land and buildings	Vehicles	Equipment	Total
Carrying value at beginning of year	100 000	11 200	8 829	120 029
Cost	100 000	17 500	12 000	129 500
Accumulated depreciation	–	(6 300)	(3 171)	(9 471)
Movements				
Additions	15 000	–	–	15 000
Depreciation for the year	–	(930)	(1 864)	(2 794)
Carrying value at end of year	115 000	10 270	6 965	132 235
Cost	115 000	17 500	12 000	144 500
Accumulated depreciation	–	(7 230)	(5 035)	(12 265)
	115 000	10 270	6 965	132 235

4. INVENTORIES

Trading stock (19 980 + 288 – 268)	20 000
Consumable stores on hand (282 + 256)	538
	20 538

5. TRADE AND OTHER RECEIVABLES

Trade debtors (9 740 – 360 + 30 – 40 + 155)	9 525
Prepaid expenses	280
Accrued income	150
	9 955

6. CASH AND CASH EQUIVALENTS

Cash float	200
Petty cash	50
	250

7. OWNER'S EQUITY

Balance at beginning of year (72 208 – 12 000)	60 208
Additional capital contributed	12 000
Net profit (loss) for the year	62 300
	134 508
Drawings (22 824 + 200)	(23 024)
Balance at end of year	111 484

8. TRADE AND OTHER PAYABLES

Trade creditors	14 782
Accrued expenses	3 150
Income received in advance	759
	18 691



A Mtise
Trading as Baskets Etc.
Income Statement for the year ended 28 February 2018

	Note	R
Sales (502 054 – 1 254)		500 800
Cost of sales		(288 000)
Gross profit		212 800
Other operating income		210
Bad debts recovered		210
Gross operating income		213 010
Operating expenses		(180 090)
Rent expense (9 100 – 700)		8 400
Insurance (4 140 – 520)		3 620
Stationery (689 – 126)		563
Telephone (3 720 + 312)		4 032
Fuel		5 040
Salaries		60 000
Wages		86 000
Bad debts (336 + 289)		625
Trading stock deficit		710
Depreciation		11 100
Operating profit (loss)		32 920
Interest expense	2	(7 000)
Net profit (loss) for the year		25 920

A Mtise
Trading as Baskets Etc.
Balance Sheet on 28 February 2018

	Note	R
ASSETS		
NON-CURRENT ASSETS		65 000
Fixed assets	3	65 000
CURRENT ASSETS		42 697
Inventories	4	25 016
Trade and other receivables	5	5 911
Cash and other cash equivalents	6	11 770
TOTAL ASSETS		107 697
EQUITY AND LIABILITIES		
OWNER'S EQUITY	7	53 160
NON-CURRENT LIABILITIES		
Loan: NEC Bank		50 000
CURRENT LIABILITIES		4 537
Trade and other payables	8	4 537
Bank overdraft		
Short-term loans		
TOTAL EQUITY AND LIABILITIES		107 697

A Mtise
Trading as Baskets Etc.
NOTES TO THE FINANCIAL STATEMENTS AT 28 FEBRUARY 2018

2. INTEREST EXPENSE

On loan (5 250 + 1 750)	7 000
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3. FIXED/TANGIBLE ASSETS

	Vehicles	Equipment	Total
Carrying value at beginning of year	68 000	8 100	76 100
Cost	80 000	9 000	89 000
Accumulated depreciation	(12 000)	(900)	(12 900)
Movements			
Depreciation for the year	(10 200)	(900)	(11 100)
Carrying value at end of year	57 800	7 200	65 000
Cost	80 000	9 000	89 000
Accumulated depreciation	(22 200)	(1 800)	(24 000)
	57 800	7 200	65 000

4. INVENTORIES

Trading stock	24 890
Consumable stores on hand	126
	25 016

5. TRADE AND OTHER RECEIVABLES

Trade debtors (4 980 – 289)	4 691
Prepaid expenses (700 + 520)	1 220
	5 911

6. CASH AND CASH EQUIVALENTS

Bank	10 870
Cash float	900
	11 770

7. OWNER'S EQUITY

Balance at beginning of year	36 990
Net profit (loss) for the year	25 920
	62 910
Drawings	(9 750)
Balance at end of year	53 160

8. TRADE AND OTHER PAYABLES

Trade creditors	2 475
Accrued expenses (312 + 1 750)	2 062
	4 537

1. P Zaيمان
Trading as Sea View Stores
Income Statement for the year ended 28 February 2019

	Note	R
Sales (556 325 – 4 325)		552 000
Cost of sales		(368 000)
Gross profit		184 000
Other operating income		10 830
Rent income (10 350 – 1 150)		9 200
Discount received		1 630
Gross operating income		194 830
Operating expenses		(130 361)
Bad debts (830 + 920)		1 750
Stationery		3 247
Discount allowed		844
Repairs		1 637
Telephone (5 973 + 421)		6 394
Rates (4 620 + 180)		4 800
Water and electricity (6 220 + 559)		6 779
Salaries		80 000
Insurance (6 300 – 2 850)		3 450
Depreciation (4 035 + 225 + 17 200)		21 460
Operating profit (loss)		64 469
Interest income (380 + 475)	1	855
Net profit (loss) for the year		65 324

P Zaيمان
Trading as Sea View Stores
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2019

3. FIXED/TANGIBLE ASSETS

	Land and buildings	Vehicles	Equipment
Carrying value at beginning of year	250 000	57 300	26 900
Cost	250 000	86 000	53 000
Accumulated depreciation	–	(28 700)	(26 100)
Movements			
Additions	50 000	–	9 000
Depreciation for the year	–	(17 200)	(4 260)
Carrying value at end of year	300 000	40 100	31 640
Cost	300 000	86 000	62 000
Accumulated depreciation	–	(45 900)	(30 360)

5. TRADE AND OTHER RECEIVABLES

Trade debtors (9 870 – 920)	8 950
Prepaid expenses	2 850
Accrued income	475
	12 275

7. OWNER'S EQUITY

Balance at beginning of year	390 280
Net profit for the year	65 324
	455 604
Drawings	(23 870)
Balance at end of year	431 734

8. TRADE AND OTHER PAYABLES

Trade creditors	21 493
Accrued expenses (180 + 421 + 559)	1 160
Income received in advance	1 150
	23 803

**Informal assessment 16.1**

LB page 395

Memorandum**Marks: 85**
Time: 50 minutes**1. P Joubert****Trading as Augrabies Traders****Income Statement for the year ended 28 February 2019**

	Note	R
Sales (654 320 – 4 320)		✓✓ 650 000
Cost of sales		✓ (406 250)
Gross profit		✓ 243 750
Other operating income		19 070
Rent income (17 550 – 1 350)		✓✓✓ 16 200
Discount received		✓ 2 870
Gross operating income		262 820
Operating expenses		(133 409)
Bad debts (564 + 580)		✓✓ 1 144
Stationery (3 441 – 1 380)		✓✓ 2 061
Discount allowed		✓ 1 467
Repairs		✓ 1 658
Telephone		✓ 5 234
Rates		✓ 3 420
Water and electricity		✓ 5 873
Salaries		✓ 89 000
Insurance (6 300 – 320)		✓✓ 5 980
Depreciation (11 520 + 4 800)		✓✓✓ 16 320
Trading stock deficit		✓✓✓ 1 252
Operating profit (loss)		129 411
Interest income	1	✓ 450
Profit before interest expense		129 861
Interest expense	2	✓ (16 000)
Net profit (loss) for the year		✓ 113 861

(30)

2. P Joubert
Trading as Augrabies Traders
Balance Sheet on 28 February 2019

	Note	R
ASSETS		
NON-CURRENT ASSETS		331 960
Fixed assets	3	✓ 326 960
Financial assets		
Fixed deposit: XY Bank		✓ ✓ 5 000
CURRENT ASSETS		71 721
Inventories	4	✓ 38 900
Trade and other receivables	5	✓ 10 250
Cash and other cash equivalents	6	✓ 22 571
TOTAL ASSETS		403 681
EQUITY AND LIABILITIES		
OWNER'S EQUITY	7	✓ 292 701
NON-CURRENT LIABILITIES		
Mortgage loan: AB Bank		✓ ✓ ✓ 70 000
CURRENT LIABILITIES		40 980
Trade and other payables	8	✓ 30 980
Short-term loans		✓ ✓ 10 000
TOTAL EQUITY AND LIABILITIES		403 681

(13)

P Joubert
Trading as Augrabies Traders
NOTES TO THE FINANCIAL STATEMENTS AT 28 FEBRUARY 2019

1. INTEREST INCOME

On investments (300 + 150) ✓ ✓ ✓	450
----------------------------------	-----

(3)

2. INTEREST EXPENSE

On mortgage loan (12 000 + 4 000) ✓ ✓	16 000
---------------------------------------	--------

(2)

3. FIXED/TANGIBLE ASSETS

	Land and buildings	Vehicles	Equipment	Total
Carrying value at beginning of year	✓ 270 000	✓ 57 600	✓ 15 680	343 280
Cost	270 000	✓ 90 000	✓ 32 000	392 000
Accumulated depreciation	–	✓ (324 400)	✓ (16 320)	(48 720)
Movements				
Additions				
Depreciation for the year	–	✓ (11 520)	✓ (4 800)	✓ (16 320)
Carrying value at end of year	270 000	✓ 46 080	✓ 10 880	326 960
Cost	270 000	✓ 90 000	✓ 32 000	392 000
Accumulated depreciation	–	✓ ✓ (43 920)	✓ ✓ (21 120)	(65 040)
	✓ 270 000	46 080	10 880	✓ 326 960

(20)

4. INVENTORIES

Trading stock	✓ 37 520
Consumable stores on hand	✓ 1 380
	38 900

(2)

5. TRADE AND OTHER RECEIVABLES

Trade debtors (10 360 – 580)	✓✓ 9 780
Prepaid expenses	✓ 320
Accrued income	✓ 150
	10 250

(4)

6. CASH AND CASH EQUIVALENTS

Bank	✓ 21 471
Cash float	✓ 950
Petty cash	✓ 150
	22 571

(3)

7. OWNER'S EQUITY

Balance at beginning of year (207 740 – 20 000)	✓✓ 187 740
Additional capital contributed	✓ 20 000
Net profit (loss) for the year	✓ 113 861
	321 601
Drawings	✓ (28 900)
Balance at end of year	292 701

(5)

8. TRADE AND OTHER PAYABLES

Trade creditors	✓ 25 630
Accrued expenses	✓ 4 000
Income received in advance	✓ 1 350
	30 980

(3)



Activity 16.9

LB page 396

T Hall

Trading as Woodwise Traders

NOTES TO THE FINANCIAL STATEMENTS AT 28 FEBRUARY 2018

1. FIXED/TANGIBLE ASSETS

	Land and buildings	Vehicles	Equipment	Total
Carrying value at beginning of year	370 000	35 360	27 540	432 900
Cost	370 000	70 000	53 000	493 000
Accumulated depreciation	–	(34 640)	(25 460)	(60 100)
Movements				
Additions	–	50 000	–	50 000
Depreciation for the year	–	(18 000)	(5 300)	(23 300)
Carrying value at end of year	370 000	67 360	22 240	459 600
Cost	370 000	120 000	53 000	543 000
Accumulated depreciation		(52 640)	(30 760)	(83 400)
	370 000	67 360	22 240	459 600

4. INVENTORIES

Trading stock	42 144
Consumable stores on hand	386
	42 530

5. TRADE AND OTHER RECEIVABLES

Trade debtors	9 873
Prepaid expenses	640
Accrued income	965
	11 478

6. CASH AND CASH EQUIVALENTS

Cash float	750
Petty cash	100
	850

7. OWNER'S EQUITY

Balance at beginning of year	265 452
Additional capital contributed	65 000
Net profit (loss) for the year	110 500
	440 952
Drawings	(35 771)
Balance at end of year	405 181

8. TRADE AND OTHER PAYABLES

Trade creditors	12 446
Accrued expenses	3 441
Income received in advance	1 500
	17 387

T Hall**Trading as Woodwise Traders****Balance Sheet on 28 February 2018**

	Note	R
ASSETS		
NON-CURRENT ASSETS		465 600
Fixed assets	1	459 600
Financial assets		
Fixed deposit: XY Bank		6 000
CURRENT ASSETS		54 858
Inventories	4	42 530
Trade and other receivables	5	11 478
Cash and other cash equivalents	6	850
TOTAL ASSETS		520 458
EQUITY AND LIABILITIES		
OWNER'S EQUITY	7	405 181
NON-CURRENT LIABILITIES		
Loan: Unity Bank		80 000
CURRENT LIABILITIES		35 277
Trade and other payables	8	17 387
Bank overdraft		7 890
Short-term loans		10 000
TOTAL EQUITY AND LIABILITIES		520 458

» **Activity 17.1**

LB page 407

1. Percentage gross profit on sales = $\frac{\text{gross profit}}{\text{sales}} \times \frac{100}{1}$

2017

$$\frac{169\,600}{381\,600} \times \frac{100}{1}$$

$$= 44,4\%$$

2018

$$\frac{186\,600}{431\,840} \times \frac{100}{1}$$

$$= 43,2\%$$

Comments

- The percentage decreased by 1,2% from 2017 to 2018.
- The business has thus not achieved its profit mark-up in 2018.
- Possible causes include regular sales held by the business, mistakes made when calculating selling prices, mistakes on source documents, or suppliers increasing their prices.

2. Percentage gross profit on cost of sales = $\frac{\text{gross profit}}{\text{cost of sales}} \times \frac{100}{1}$

2017

$$\frac{169\,600}{212\,000} \times \frac{100}{1}$$

$$= 80\%$$

2018

$$\frac{186\,600}{245\,250} \times \frac{100}{1}$$

$$= 76,1\%$$

Comments

- The percentage has decreased by 3,9% from 2017 to 2018.
- The business has thus not achieved its profit mark-up in 2018.
- Possible causes include regular sales held by the business, mistakes made when calculating selling prices, mistakes on source documents, or suppliers increasing their prices.

3. Percentage of net profit on sales = $\frac{\text{net profit}}{\text{sales}} \times \frac{100}{1}$

2017

$$\frac{93\,000}{381\,600} \times \frac{100}{1}$$

$$= 24,4\%$$

2018

$$\frac{105\,400}{431\,850} \times \frac{100}{1}$$

$$= 24,4\%$$

Comments

- The percentage stayed the same from 2017 to 2018.
- The cost control is good.
- The percentage net profit of sales is more than $\frac{1}{3}$ of the percentage gross profit on sales.

5. Percentage operating profit on sales = $\frac{\text{operating profit}}{\text{sales}} \times \frac{100}{1}$

2017

$$\frac{101\,800}{381\,600} \times \frac{100}{1}$$

$$= 26,6\%$$

2018

$$\frac{112\,000}{431\,850} \times \frac{100}{1}$$

$$= 25,9\%$$

Comments

- The percentage has decreased by 0,7% from 2017 to 2018.
- This is very good – the business's cost control is thus good and their expenses not too much, despite the slight decrease.

$$5. \text{ Percentage operating expenses on sales} = \frac{\text{operating expenses}}{\text{sales}} \times \frac{100}{1}$$

2017

$$\frac{67\,800}{381\,600} \times \frac{100}{1}$$

$$= 17,7\%$$

2018

$$\frac{74\,600}{431\,850} \times \frac{100}{1}$$

$$= 17,2\%$$

Comments

- The percentage has decreased by 0,5% from 2017 to 2018.
- This means that the cost control has improved slightly.

$$6. \text{ Current ratio} = \text{current assets} : \text{current liabilities}$$

2017

$$48\,320 : 38\,400$$

$$= 0,69 : 1$$

2018

$$85\,270 : 41\,600$$

$$= 2,05 : 1$$

$$\text{Acid test ratio} = (\text{current assets} - \text{stock}) : \text{current liabilities}$$

2017

$$(48\,320 - 21\,800) : 38\,400$$

$$= 26\,520 : 38\,400$$

$$= 1,26 : 1$$

2018

$$(85\,270 - 31\,300) : 41\,600$$

$$= 53\,970 : 41\,600$$

$$= 1,3 : 1$$

Comments

- Both ratios improved from 2017 to 2018.
- The liquidity of the business improved greatly from 2017 to 2018.
- The business will be able to meet its short-term commitments in 2018.

$$7. \text{ Degree of solvency} = \text{total assets} : \text{total liabilities}$$

2017

$$442\,200 : (80\,000 + 34\,800)$$

$$= 442\,200 : 118\,400$$

$$= 3,7 : 1$$

2018

$$= 507\,400 : (60\,000 + 41\,600)$$

$$= 507\,400 : 101\,600$$

$$= 5 : 1$$

Comments

- The business's solvency is good.
- For every one liability there are five assets.
- The business is creditworthy.

$$8. \text{ Degree of profitability} = \frac{\text{net profit}}{\text{average owner's equity}} \times \frac{100}{1}$$

2017

$$\frac{101\,800}{\frac{1}{2}(240\,200 + 323\,800)} \times \frac{100}{1}$$

$$= \frac{101\,800}{282\,000} \times \frac{100}{1}$$

$$= 36\%$$

2018

$$\frac{122\,000}{\frac{1}{2}(323\,800 + 405\,800)} \times \frac{100}{1}$$

$$= \frac{112\,000}{364\,800} \times \frac{100}{1}$$

$$= 30,7\%$$

Comments

- The owner still gets good interest on his investment. It is worth the effort and risk.
- The owner's earning decreased from 36% to 30,7%.

$$1. \text{ Percentage gross profit on cost of sales} = \frac{\text{gross profit}}{\text{cost of sales}} \times \frac{100}{1}$$

2018

$$\frac{164\,600}{492\,000} \times \frac{100}{1}$$

$$= 50\%$$

2019

$$\frac{185\,430}{565\,400} \times \frac{100}{1}$$

$$= 48,8\%$$

Comments

- The percentage has decreased by 0,7% from 2018 to 2019.
- The business has thus not achieved its profit mark-up in 2019.
- Possible causes include regular sales, mistakes in price calculations or mistakes on source documents.

$$2. \text{ Percentage net profit on sales} = \frac{\text{net profit}}{\text{sales}} \times \frac{100}{1}$$

2018

$$\frac{98\,580}{492\,000} \times \frac{100}{1}$$

$$= 20\%$$

2019

$$\frac{103\,600}{565\,400} \times \frac{100}{1}$$

$$= 18,3\%$$

Comments

- The percentage has decreased by 1,7% from 2018 to 2019.
- It is, however, still good, thus the cost control of the business is good.
- It is more than $\frac{1}{3}$ of the percentage gross profit on sales.

$$3. \text{ Current ratio} = \text{current assets} : \text{current liabilities}$$

2018

$$42\,850 : 22\,630$$

$$= 1,9 : 1$$

2019

$$46\,050 : 37\,970$$

$$= 1,2 : 1$$

$$\text{Acid test ratio} = (\text{current assets} - \text{stock}) : \text{current liabilities}$$

2018

$$(42\,850 - 28\,800) : 22\,630$$

$$= 14\,050 : 22\,630$$

$$= 0,62 : 1$$

2019

$$(46\,050 - 32\,500) : 37\,970$$

$$= 13\,550 : 37\,970$$

$$= 0,36 : 1$$

Comments

- Both ratios have decreased from 2018 to 2019.
- The liquidity of the business has thus weakened.
- The business will struggle to meet its short-term commitments in 2019.

$$4. \text{ Degree of solvency} = \text{total assets} : \text{total liabilities}$$

2018

$$377\,230 : (30\,000 + 22\,630)$$

$$= 377\,230 : 52\,630$$

$$= 7,2 : 1$$

2019

$$486\,170 : (50\,000 + 37\,970)$$

$$= 486\,170 : 87\,970$$

$$= 5,5 : 1$$

Comments

- The solvency has weakened considerably from 2018 to 2019.
- The business's solvency is still good.

$$\begin{aligned}
5. \text{ Degree of profitability} &= \frac{\text{net profit}}{\text{average owner's equity}} \times \frac{100}{1} \\
&= \frac{103\,600}{\frac{1}{2}(324\,600 + 398\,200)} \times \frac{100}{1} \\
&= \frac{103\,600}{361\,400} \times \frac{100}{1} \\
&= 28,6\%
\end{aligned}$$

Comments

- The owner gets good interest on his investment.
- It is higher than the bank interest rate and is therefore worth the risk.

» **Activity 17.3**

LB page 410

$$\begin{aligned}
1. \text{ Current ratio} &= \text{current assets} : \text{current liabilities} \\
&= 63\,712 : 39\,820 \\
&= 1,6 : 1
\end{aligned}$$

Comments

- The business's liquidity is not so good.
- The business might struggle to meet its short-term commitments.

$$\begin{aligned}
2. \text{ Current assets without stock} &= 39\,820 \times 0,85 \\
&= 33\,847 \\
\text{Inventory} &= 63\,712 - 33\,847 \\
&= 29\,865
\end{aligned}$$

$$\begin{aligned}
3. \text{ Current assets without stock} &= 0,8 \times 33\,200 \\
&= 26\,560 \\
\text{Debtors} &= 26\,560 - 900 \\
&= 25\,660
\end{aligned}$$

$$\begin{aligned}
4. \text{ Profitability} &= \frac{93\,200}{\frac{1}{2}(296\,200 + 349\,640)} \times \frac{100}{1} \\
&= \frac{93\,200}{322\,920} \times \frac{100}{1} \\
&= 28,9\%
\end{aligned}$$

Comment

- Yes, this is a good investment. The owner earns good returns on his invested capital.

$$\begin{array}{l}
5. \text{ Percentage operating expenses on sales} = \frac{\text{operating expenses}}{\text{sales}} \times \frac{100}{1} \\
\begin{array}{cc}
\mathbf{2019} & \mathbf{2020} \\
\frac{108\,300}{688\,590} \times \frac{100}{1} & \frac{116\,480}{733\,880} \times \frac{100}{1} \\
= 15,7\% & = 15,9\%
\end{array}
\end{array}$$

Comment

- The business's cost control has weakened slightly from 2019 to 2020.

$$\begin{aligned}
6. \text{ Solvency} &= \text{total assets} : \text{total liabilities} \\
&= (355\,748 + 10\,000 + 63\,712) : (40\,000 + 39\,820) \\
&= 429\,460 : 79\,820 \\
&= 5,38 : 1
\end{aligned}$$

$$\begin{aligned}
 1. \text{ Degree of solvency} &= \text{total assets} : \text{total liabilities} \\
 &= (25\,000 + 40\,000 + 190\,000 + 80\,000 + 74\,300) : (75\,000 + 25\,000) \\
 &= 409\,300 : 100\,000 \\
 &= 4,09 : 1
 \end{aligned}$$

$$\begin{aligned}
 2. (\text{Debtors} + \text{cash} + \text{stock}) : \text{current liabilities} &= (12\,000 + 37\,500) : 25\,000 \\
 &= 49\,500 : 25\,000 \\
 &= 1,98 : 1
 \end{aligned}$$

$$\begin{aligned}
 \text{Trading stock} &= \text{current assets} - \text{debtors} - \text{cash} \\
 &= 74\,300 - 37\,500 - 12\,000 \\
 &= 24\,800
 \end{aligned}$$

$$\begin{aligned}
 \text{Acid test ratio} &= (\text{current assets} - \text{trading stock}) : \text{current liabilities} \\
 &= (74\,300 - 24\,800) : 25\,000 \\
 &= 49\,500 : 25\,000 \\
 &= 1,98 : 1
 \end{aligned}$$

Comment

- The business can meet short-term commitments better.

3. Profitability

$$\begin{aligned}
 &= \frac{\text{net profit}}{\text{average owner's equity}} \times \frac{100}{1} \quad [358\,000 + 23\,000 - 65\,000 = 316\,000] \\
 &= \frac{65\,000}{\frac{1}{2}(316\,000 + 358\,000)} \times \frac{100}{1} \\
 &= \frac{65\,000}{337\,000} \times \frac{100}{1} \\
 &= 19,24\%
 \end{aligned}$$

Comment

- The profitability is acceptable, as he would be able to invest it at 8,5%.

1. Percentage gross profit on sales

$$\begin{aligned}
 &\frac{159\,500}{550\,000} \times \frac{100}{1} \\
 &= 29\%
 \end{aligned}$$

Comments

- The percentage is 3% less than previous year.
- Possible causes include too much trade discount being allowed, errors in marking the prices or on source documents, or an increase in prices by suppliers.

2. Percentage net profit on sales

$$\begin{aligned}
 &\frac{20\,200}{550\,000} \times \frac{100}{1} \\
 &= 3,7\%
 \end{aligned}$$

Comments

- It decreased by 11,2% and is very low.
- The business's cost control is not good.

3. Profitability

$$\frac{20\,200}{\frac{1}{2}(361\,786 + 373\,786)} \times \frac{100}{1}$$
$$= \frac{20\,200}{367\,786} \times \frac{100}{1}$$
$$= 5,5\%$$

Comments

- The owner is not earning good interest on his investment.
- It is much lower than the previous year.

4. Solvability

$$\text{Total assets} = 361\,090$$
$$(250\,000 + 70\,000 - 38\,000 + 20\,000 + 34\,200 + 21\,600 + 300 + 2\,050 + 940)$$
$$\text{Total liabilities} = 96\,570$$
$$(32\,600 + 2\,100 + 60\,000 + 890 + 980)$$
$$361\,090 : 96\,570$$
$$= 3,7 : 1$$

Comments

- The solvability is good – there is one liability for every 3,7 assets.
- It is higher than the previous year.

5. Current ratio

$$(34\,200 + 21\,600 + 300 + 2\,050 + 940) : (32\,600 + 2\,100 + 890 + 980)$$
$$= 59\,090 : 36\,570$$
$$= 1,6 : 1$$

Comments

- It is better than the previous year.
- The business may experience difficulty meeting their short-term obligations.
- They should try to have two current assets for every one liability.



Informal assessment 17.1

LB page 413

Memorandum

Marks 25
Time: 25 minutes

1. Total assets : total liabilities = (285 000 + 40 000 + 94 000) : (24 000 + 75 000)

$$= 419\,000 : 100\,000$$
$$= 4,19 : 1$$

Comments

- There are four assets for every one liability.
- It is creditworthy. (5)

2. Current assets : current liabilities = 94 000 : 25 000

$$= 3,76 : 1$$

Comments

- Business can meet its short-term commitment.
- They have 3,76 current assets for every one current liability. (5)

3. (Current assets – stock) : current liabilities

$$= (94\,000 - 52\,000) : 25\,000$$
$$= 42\,000 : 25\,000$$
$$= 1,68 : 1$$

Comments

- The liquidity is good.
- For every R1 they owe, they have R1,68 in current assets, so they can meet their short-term commitments. (5)

$$\begin{aligned}
 4. \quad \frac{\text{Net profit}}{\text{Average owner's equity}} \times \frac{100}{1} &= \frac{65\,000}{\frac{1}{2}(269\,000 + 311\,000)} \times \frac{100}{1} \\
 &= \frac{65\,000}{290\,000} \times \frac{100}{1} \\
 &= 22,4\%
 \end{aligned}
 \tag{5}$$

Comments

- The owner gets good interest on his investment.
- He earns considerably more interest than he would have from a bank.

$$\begin{aligned}
 5. \quad \frac{\text{Net profit}}{\text{Turnover}} \times \frac{100}{1} \\
 &= \frac{45\,000}{167\,000} \times \frac{100}{1} \\
 &= 38,9\%
 \end{aligned}
 \tag{5}$$

Comments

- Net profit has decreased by 8,7% from 2017 to 2018.
- Cost control has therefore weakened slightly.

CHAPTER 18 Cost Accounting

» **Activity 18.1**

LB page 415

Below are a few examples:

No.	Manufacturing businesses	Product
1.	Staedtler	Pencils
2.	Dell	Computers
3.	Adidas	Running shoes
4.	Kodak	Cameras
5.	Bic	Lighters/pens
6.	Swatch	Watches
7.	Nike	Soccer jerseys

» **Activity 18.2**

LB page 417

- | | |
|--------------------------|--------------------------|
| 1. Direct material cost | 2. Factory overhead cost |
| 3. Direct material cost | 4. Direct labour cost |
| 5. Factory overhead cost | 6. Direct material cost |
| 7. Factory overhead cost | |

» **Activity 18.3**

LB page 418

1. Metal (used for the body of the car); plastic (used for the dashboard); rubber (used for the tyres); fabric (used for the car seats); and so on.
2. The wage paid to the workers who: assemble the car; spraypaint the car; and so on.
3. Electricity; depreciation of the machinery; cleaning materials and lubricants; the salary of the factory foreman; and so on.



1. Direct costs; this term is appropriate because these are the direct costs involved in the manufacture of a product and they form the first (primary) part of a cost calculation.
2. Primary cost (direct materials + direct labour) + manufacturing overheads
3. Unit cost of a product = $\frac{\text{total cost of production}}{\text{total number of units produced}}$
4. a. Total cost of production = primary costs + manufacturing overheads
= R10 000 + R5 000
= R15 000

Unit cost of the product = $\frac{\text{total cost of production}}{\text{total number of units produced}}$
= $\frac{\text{R15 000}}{\text{R1 000}}$
= R15
- b. Note: Primary costs double because twice as many units are produced.
Total cost of production = primary costs + manufacturing overheads
= R20 000 + R5 000
= R25 000

Unit cost of the product = $\frac{\text{total cost of production}}{\text{total number of units produced}}$
= $\frac{\text{R25 000}}{\text{2 000}}$
= R12,50



1. Direct material cost: Wood + screws
= R8 000 + (R1 × 12 × 50)
= R8 600
2. Direct labour cost: Wages (Joe)
= R40 × 50
= R2 000
3. Primary cost: Direct material cost + direct labour cost
= R8 600 + R2 000
= R10 600
4. Factory overhead cost:
General materials (indirect) + salary (Jenny) + rent
= R100 + R2 300 + R3 000
= R5 400
5. Total cost of production: Primary cost + manufacturing overheads
= R10 600 + R5 400
= R16 000
6. Unit cost of desk: $\frac{\text{total cost of production}}{\text{total number of units produced}}$
= $\frac{\text{R16 000}}{\text{50}}$
= R320
7. Selling price per desk: Cost price + profit mark-up
= R320 + (R320 × 50%)
= R320 + R160
= R480

Mo's Wood Works
Production Cost Statement for January 2020

	Note	R
Direct material cost	1	8 600
Wood		8 000
Screws (R1 × 12 × 50)		600
Direct labour cost	2	2 000
Wages (R40 × 50)		2 000
Primary cost		10 600
Factory overhead cost	3	5 400
Indirect materials		100
Salary		2 300
Rent		3 000
Total cost of production		16 000

» Informal assessment 18.1

Memorandum

Marks: 25
Time: 30 minutes

- Number of sausages purchased: $15 \times 10 = 150$ ✓✓ (2)
- Number of rolls purchased: $12 \frac{1}{2} \times 12 = 150$ ✓✓ (2)
- He will produce 150 hotdogs ✓ (1)
- Wages (Quinton): $150 \times R0,20 = R30$ ✓✓✓ (3)

5. **Benni's Hotdog Business**
Production Cost Statement

	Note	R
Direct material cost	1	✓ 265
Sausages		✓ 225
Rolls		✓ 40
Direct labour cost	2	✓ 30
Wages (Quinton)		✓ 30
Primary costs		✓ 295
Factory overhead cost	3	✓ 80
Indirect materials (butter and tomato sauce) (15 + 20)		✓✓ 35
Rent (school's kitchen)		✓ 35
Travelling expenses		✓ 10
Total cost of production		✓ 375

(12)

- Unit cost of one hotdog: $\frac{\text{total cost of production}}{\text{total number of units produced}}$
 $= \frac{R375}{150}$ ✓✓
 $= R2,50$ ✓ (3)
- Profit: $R4,00 - R2,50 = R1,50$ ✓✓ (2)

1. Beads and leather string
2. The amount paid to Siya
3. Total leather string: $3 \times 10 = 30 \text{ m}$
Number of necklaces: $30 \times 4 = 120$
4. Direct material cost: cost price of beads + cost price of leather
 $= R300 + (R20 \times 3)$
 $= R360$
 Direct labour cost: Wages (Siya)
 $= R2 \times 120$
 $= R240$
5. Factory overhead cost: rent + wages (Nomsa)
 $= R500 + R100$
 $= R600$
6. Total cost of production: primary cost + manufacturing overheads
 $= (R360 + R240) + R600$
 $= R1\ 200$
 Unit cost of a necklace: $\frac{\text{total cost of production}}{\text{total number of units produced}}$
 $= \frac{R1\ 200}{120}$
 $= R10$

7. **Thandaza's Beaded Necklace Business**

Production Cost Statement

	Note	R
Direct material cost	1	360
Beads		300
Leather string		60
Direct labour cost	2	240
Wages (Siya)		240
Primary cost		600
Factory overhead cost	3	600
Rent		500
Wages (Nomsa)		100
Total cost of production		1 200

8. New primary cost:
 $R600 \times 2$
 $= R1\ 200$
 New total cost of production:
 $R1\ 200 + R600$
 $= R1\ 800$
 New unit cost of a necklace:
 $\frac{\text{total cost of production}}{\text{total number of units produced}}$
 $= \frac{R1\ 800}{240}$
 $= R7,50$

CHAPTER 19

Budgeting

In this chapter it is important that learners understand the value of preparing budgets and the significance of the information obtained from these budgets. Learners often find it confusing when switching from cash budgets to Projected Income Statements. It is thus essential that they understand that in a cash budget the focus is on future cash flows (cash receipts and cash payments), whereas the Projected Income Statement deals with future profit (income and expenditure).

» Activity 19.1

LB page 433

Breyton Willemse

Cash Budget for the period February to April

	Feb	Mar	Apr
RECEIPTS			
Extra lessons	200	200	200
Packing boxes	180	120	120
Birthday present		100	
Restaurant work – tips	180	180	180
Sale of CDs			60
TOTAL RECEIPTS	560	600	560
PAYMENTS			
Tuckshop	160	160	160
Bracelet	150		
Music CD	80	100	100
TOTAL PAYMENTS	(390)	(260)	(260)
Cash surplus/deficit	170	340	300
Balance at beginning of month	320	490	830
Balance at end of month	490	830	1 130

» Activity 19.2

LB page 435

Details		Expected receipts from debtors			
		Mar	Apr	May	Jun
From credit sales in:					
March	80 000 × 30%	24 000			
	80 000 × 50%		40 000		
	80 000 × 20%			16 000	
April	90 000 × 30%		27 000		
	90 000 × 50%			45 000	
	90 000 × 20%				18 000
		24 000	67 000	61 000	18 000

Payments to creditors during:

November: R48 000 (September's credit purchases)

December: R53 000 (October's credit purchases)

1. Cost of sales: $60\,000 \times 60\% = 36\,000$
Gross profit: $60\,000 \times 40\% = 24\,000$ (Gross profit margin: 40%)
2. Rent Income: $(50\,000 + 10\,000) \div 12 = 5\,000$
3. Wages: $(90\,000 \times 110\%) \div 12 = 8\,250$
4. Advertising: $750 \times 4 = 3\,000$
5. Stationery: $6\,000 \div 12 = 500$
6. Bank charges: $(3\,000 \times 120\%) \div 12 = 300$
7. Interest income: $80\,000 \times 15\% \times \frac{1}{12} = 1\,000$

Manuel Stores

Projected Income Statement for the month ended 31 January 2020

	Note	R
Sales		60 000
Cost of sales		(36 000)
Gross profit		24 000
Other operating income		5 000
Rent Income		5 000
Gross operating income		29 000
Operating expenses		(12 050)
Wages		8 250
Advertising		3 000
Stationery		500
Bank charges		300
Operating profit (loss)		16 950
Interest income	1	1 000
Profit before interest expense		17 950
Interest expense	2	—
Net profit (loss) for the month		17 950

CHAPTER 20

Revision activities

» Activity 20.1 Accounting concepts and source documents

LB page 444

- | | |
|----------|-----------|
| 1.1.1 M. | 1.1.2 D. |
| 1.1.3 K. | 1.1.4 A. |
| 1.1.5 J. | 1.1.6 N. |
| 1.1.7 C. | 1.1.8 H. |
| 1.1.9 L. | 1.1.10 E. |

» Activity 20.2 Journals

LB page 444

Cash Receipts Journal of Party Planet for March 2018

CRJ

Doc. no.	Day	Details	Analysis of receipts		Bank		Sales	Cost of sales	Debtors control	Discount allowed	Sundry accounts			
											Amount	Details		
CRR	2	Sales	3 276	00			3 276	00	2 340	00				
R57		K Kotze	960	00	4 236	00					960	00		
BS	3	AB Bank			70 000	00						70 000	00	Loan: AB Bank
R58	6	C Burger	1 558	00					1 640	00	82	00		
CRR		Sales	9 072	00	10 630	00	9 072	00	6 480	00				
R59	29	XY Bank	4 860	00	4 860	00						4 500	00	Fixed deposit: XY Bank
												360	00	Interest on fixed deposit
BS	31	WW Bank			73	00						73	00	Interest on current account
BS		Paarl Girls High			2 730	00			2 730	00				

Cash Payments Journal of Party Planet for March 2018

CPJ

Doc. no.	Day	Name of payee	Bank		Trading stock	Wages	Debtors control	Creditors control	Discount received	Sundry accounts				
										Amount	Details			
277	4	EJ Motors	68 000	00						68 000	00	Vehicles		
CD	5	K Kotze (cheque dishonoured)	960	00			960	00						
278	9	Cash	4 500	00		4 500	00							
279	10	August Wholesalers	6 004	00				6 320	00	316	00			
280	17	EJ Motors	3 610	00				3 800	00	190	00			
281	20	August Wholesalers	5 184	00	5 184	00								
282		Rapid Transport	330	00	330	00								
283	26	Cash	5 000	00		4 500	00					500	00	Drawings
284	30	AB Bank	1 975	00								1 100	00	Loan: AB Bank
												875	00	Interest on loan
BS	31	Allsure	900	00								900	00	Insurance
BS		Municipality	886	00								886	00	Water and electricity
BS		WW Bank	173	00								173	00	Bank charges

Debtors Journal of Party Planet for March 2018
DJ

Doc. no.	Day	Debtor	Sales		Cost of sales	
112	16	Paarl Girls High	2 800	00	2 000	00
113	18	J Ranjit	882	00	630	00

Debtors Allowances Journal of Party Planet for March 2018
DAJ

Doc. no.	Day	Debtor	Debtors allowances		Cost of sales	
55	21	J Ranjit	112	00	80	00
56	28	Paarl Girls High	70	00	–	–

Creditors Journal of Party Planet for March 2018
CJ

Doc. No.	Day	Creditor	Creditors control		Trading stock	Fuel	Stationery	Sundry accounts		
								Amount	Details	
92	5	Marais Ltd	5 920	00	5 920	00				
93	13	EJ Motors	1 700	00		1 020	00	680	00	Repairs

Creditors Allowances Journal of Party Planet for March 2018
CAJ

Doc. No.	Day	Creditor	Creditors control		Trading stock	Fuel	Stationery	Sundry accounts	
								Amount	Details
20	7	Marais Ltd	230		230				
21	14	EJ Motors	70					70	Repairs


Activity 20.3 General Journal and General Ledger

LB page 447

1. General Journal of Sunshine Traders for June 2019

Date	Details	Debit	Credit	Debtors control		Creditors control	
				Debit	Credit	Debit	Credit
Jun	Totals b/d			125	89	124	450
	Bad debts	574					
	N Meintjies		574		574		
	J Adams	18		18			
	Interest received		18				
	Interest paid	420					
	JP Traders		420				420
	Drawings	720					
	Trading stock		720				
	Vehicles	60 000					
	Capital		60 000				
	Trading stock	2 300					
	Packaging		2 300				
	JP Traders	780				780	
	JJ's Stores		780				780
				143	663	904	1 650

2.

General Ledger of Sunshine Traders for June 2019
Balance Sheet accounts

Dr				Trading Stock				Cr			
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount	
2019 Jun	1	Balance	b/d	33 540	00	2019 Jun	30	Cost of sales	CRJ	12 640	00
	30	Bank	CRJ	22 415	00			Cost of sales	DJ	8 960	00
		Creditors control	CJ	19 874	00			Creditors control	CAJ	1 630	00
		Cost of sales	DAJ	1 360	00			Drawings	GJ	720	00
		Packaging	GJ	2 300	00			Balance	c/f	55 539	00
				79 489	00					79 489	00
2019 Jul	1	Balance	b/d	55 539	00						

Dr				Debtors Control				Cr			
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount	
2019 Jun	1	Balance	b/d	14 221	00	2019 Jun	30	Bank and discount allowed	CRJ	11 663	00
	30	Sales	DJ	13 440	00			Debtors allowances	DAJ	2 040	00
		Bank	CRJ	630	00			Journal credits	GJ	663	00
		Journal debits	GJ	143	00			Balance	c/f	14 068	00
				28 434	00					28 434	00
2019 Jul	1	Balance	b/d	14 068	00						

Dr				Creditors Control				Cr			
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount	
2019 Jun	30	Bank and discount received	CPJ	21 447	00	2019 Jun	1	Balance	b/d	22 447	00
		Sundry returns	CAJ	2 182	00		30	Sundry purchases	CJ	22 774	00
		Journal debits	GJ	904	00			Journal credits	AJ	1 650	00
		Balance	c/f	22 338	00						
				46 871	00					46 871	00
						2019 Jul	1	Balance	b/d	22 338	00

Nominal account

Dr				Debtors Allowances				Cr			
Date		Details	Fol.	Amount		Date		Details	Fol.	Amount	
2019 Jun	1	Balance	b/d	897	00						
	30	Debtors control	DAJ	2 040	00						

1. Dishonoured cheque
Payment to debtor was made
2. Sales
3. Debtors allowances
4. Debtors Control
5. Bank and discount received
6. Debit note
7. Original invoice
8. Cost of sales
9. Stock was returned to creditors
10. Profit = 12 516 – 8 940 = R3 576

$$\text{Profit mark-up} = \frac{3\,576}{8\,940} \times \frac{100}{1}$$

$$= 40\%$$

» **Activity 20.5** Creditors Ledger

- 1.1 That is the total amount paid to creditors during February, as well as the discount received from creditors for February.
- 1.2 Invoice received/ Original invoice
- 1.3 Sundry returns
- 1.4 Goods received were damaged.
 Goods received were not according to order.
 Discount requested because of damaged goods.
 Mistake on invoice corrected.
 (Any **two** acceptable answers.)
- 1.5 R7 359 – 1 000 – 5 800 = R559

2.

Dr		Trading Stock				B6		Cr	
Date		Details	Fol.	Amount	Date		Details	Fol.	Amount
2020					2020				
Mar	1	Balance	b/d	4 500 00	Mar	31	Cost of sales	CRJ	900 00
	31	Bank	CPJ	5 000 00		31	Cost of sales	DJ	600 00
	31	Creditors control	CJ	1 400 00		31	Creditors control	CAJ	1 000 00

» **Activity 20.6** Debtors Ledger

Debtors Ledger of Van Staden Traders

P Pienaar						D1
Date		Details	Fol.	Debit	Credit	Balance
2019						
Feb	1	Account rendered				1 240
	4	Invoice	DJ	1 670		2 910
	6	Credit note	DAJ		330	2 580
	16	Receipt	CRJ		1 178	1 402
		Discount allowed	CRJ		62	1 340
	22	Receipt	CRJ		350	990
	28	Dishonoured cheque	CPJ	350		1 340

No.	Assets		Owner's equity		Liabilities		Account debited / credited	
	Effect	Reason	Effect	Reason	Effect	Reason	Dr	Cr
1.	-400	Trading stock decrease	-400	Donation – expense			Donations	Trading stock
2.	+ 5	Debtors increase	+5	Interest received – income			A Malgas/ Debtors control	Interest received
3.	+100	Cash increase	+100	Bad debts recovered – income			Bank	Bad debts recovered
4.	-620	Cash decrease	+25	Discount received – income	- 645	Creditors decrease	Creditors control	Discount received – Bank
5.	-1 500	Cash decrease	- 600	Drawings				
	+ 500	Petty cash increase	- 400	Repairs – expense			Drawings Repairs	Bank Bank
							Petty cash	Bank
6.	-5 337,50	Cash decrease	- 337,50	Interest on loan – expense	- 5 000	Loan decrease	Loan: Top Bank	Bank
							Interest on loan	Bank
7.	0		-66	Interest on bank overdraft – expense	+ 66	Bank overdraft increase	Interest on bank overdraft	Bank

» **Activity 20.8** Debtors reconciliation

1. **General Ledger of Visser Traders**

Dr		Debtors Control				B6		Cr	
Date	Details	Fol.	Amount		Date	Details	Fol.	Amount	
2020 Oct	1 Balance	b/d	31 520	00	2010 Oct	31 Bank and discount allowed	CRJ	85 836	00
	31 Sales (90 350 – 2 000)	DJ	88 350	00		Debtors allowances (374 – 168)	DAJ	206	00
	Bank	CPJ	90	00		Journal credits (192 + 120)	GJ	312	00
	Journal debits (208 + 10)	GJ	218	00		Balance	c/f	33 824	00
			120 178	00				120 178	00
2020 Nov	1 Balance		33 824	00					

2. **Debtors List**

Incorrect total	33 506
C Rabie – Discount	10
D Human – Debtors allowances	200
B Buys	168
Mostert & Son	(60)
	33 824

» **Activity 20.9** Salaries and wages

1.1 Starting salary:

$$93\ 600 \div 12 = R7\ 800$$

1.2 Monthly salary for July 2020:

$$(R93\ 600 + 9\ 360 + 9\ 360 + 9\ 360 + 13\ 320) \\ = R135\ 000 \div 12 = R11\ 250$$

1.3 $R7\ 800 \times 90\% \times 50\% = R3\ 510$

1.4 Comment on the bonus: Yes, she did not work for 12 months and is therefore not entitled to receive a full bonus.
(Any acceptable answer)

1.5 Tax deduction:

Earning for the year ended 28 February 2017:

$R7\ 800 \times 8\ \text{months} = R62\ 400$

Bonus = R 3 510

Total earnings = $R62\ 400 + 3\ 510 = R65\ 910$

Tax for the year = $R65\ 910 \times 18\% = R11\ 863,80$

2.1 **General Ledger of Blommendal Traders**
Nominal accounts

Dr				Pension Fund				Cr			
Date		Details	Fol.	Amount	Date	Details	Fol.	Amount			
2018					2018						
Sep	30	Bank		1 131 00	Sep	14	Wages		164	00	
							Pension fund contribution		328	00	
						28	Wages		213	00	
							Pension fund contribution		426	00	
				1 131 00					1 131 00		

2.2

Dr				SARS (PAYE)				Cr			
Date		Details	Fol.	Amount	Date	Details	Fol.	Amount			
2018					2018						
Sep	30	Bank		1 872 00	Sep	14	Wages		840	00	
						28	Wages		1 032	00	
				1 872 00					1 872 00		

2.3

Dr				Wages				Cr			
Date		Details	Fol.	Amount	Date	Details	Fol.	Amount			
2018											
Sep	14	Gross wages		2 973 00							
	24	Gross wages		3 542 00							
				6 515 00							

» **Activity 20.10** Final accounts and adjustments

LB page 453

1. **General Ledger of Namso Traders**
Balance Sheet accounts

Dr				Capital				Cr			
Date		Details	Fol.	Amount	Date	Details	Fol.	Amount			
2017					2017						
Feb	28	Drawings		163 400 00	Feb	28	Balance	b/d	64 015	00	
		Balance	c/f	14 678 00			Profit and loss		114 063	00	
				178 078 00					178 078 00		
					2017						
					Mar	1	Balance	b/d	14 678	00	

Dr				Accumulated Depreciation on Equipment				Cr			
Date	Details		Fol.	Amount		Date	Details		Fol.	Amount	
						2016 Mar	1	Balance	b/d	13 580	00
						2017 Feb	28	Depreciation		3 110	00
										<u>16 690</u>	<u>00</u>

Calculations

Depreciation on vehicles: $(R120\ 000 - 43\ 200) \times 15\% = R11\ 520$

Depreciation on equipment: $R28\ 600 \times 10\% = R2\ 860$

$$R6\ 000 \times 10\% \times \frac{5}{12} = R\ 250$$

R3 110

Dr				Trading Stock				Cr			
Date	Details		Fol.	Amount		Date	Details		Fol.	Amount	
2017 Feb	28	Balance	b/d	38 720	00	2017 Feb	28	Creditors control		1 340	00
								Trading stock deficit		1 850	00
								Balance	c/f	35 530	00
				<u>38 720</u>	<u>00</u>					<u>38 720</u>	<u>00</u>
2017 Mar	1	Balance	b/d	35 530	00						

Dr				Prepaid Expenses				Cr			
Date	Details		Fol.	Amount		Date	Details		Fol.	Amount	
2017 Feb	28	Advertisements		1 800	00						

Nominal accounts

Dr				Rent Income				Cr			
Date	Details		Fol.	Amount		Date	Details		Fol.	Amount	
2017 Feb	28	Income received in advance		900	00	2017 Feb	28	Balance	b/d	11 700	00
		Profit and loss account		10 800	00						
				<u>11 700</u>	<u>00</u>					<u>11 700</u>	<u>00</u>

Dr				Interest on Loan				Cr			
Date	Details		Fol.	Amount		Date	Details		Fol.	Amount	
2017 Feb	28	Loan: AB Bank		14 800	00	2017 Feb	28	Profit and loss		14 800	00
				<u>14 800</u>	<u>00</u>					<u>14 800</u>	<u>00</u>

Dr				Trading account				Cr			
Date	Details		Fol.	Amount		Date	Details		Fol.	Amount	
2017 Feb	28	Cost of sales		952 000	00	2017 Feb	28	Sales (1 525 830 - 2 630)		1 523 200	00
		Profit and loss		571 200	00						
				<u>1 523 200</u>	<u>00</u>					<u>1 523 200</u>	<u>00</u>

Calculations

Rent Income: $R6\ 000 \times 15\% = R900$

Interest on loan: $R130\ 000 \times 12\% \times \frac{8}{12} = R10\ 400$

$$R110\ 000 \times 12\% \times \frac{4}{12} = R\ 4\ 400$$

R14 800

Advertisements: $R2\ 700 \times \frac{4}{6} = R1\ 800$

Dr

Profit and Loss account

Cr

Date		Details	Fol.	Amount	Date		Details	Fol.	Amount
2017					2017				
Feb	28	Interest on loan		14 800 00	Feb	28	Trading account		571 200 00
		Rent expense		72 000 00			Rent income		10 800 00
		Discount allowed (1 364 – 27)		1 337 00			Discount received		3 655 00
		Bank charges		1 331 00			Interest on current account		521 00
		Insurance		7 560 00					
		Advertisements (6 420 – 1 800)		4 620 00					
		Water and electricity (7 986 + 634)		8 620 00					
		Telephone (7 595 + 526)		8 121 00					
		Salaries and wages		334 000 00					
		Stationery (1 235 – 331)		904 00					
		UIF contribution		2 340 00					
		Trading stock deficit (38 720 – 1 340 – 35 530)		1 850 00					
		Depreciation (11 520 + 2 860 + 250)		14 630 00					
		Capital		114 063 00					
				586 176 00					586 176 00

2. Namso Traders

Post-closing Trial Balance on 28 February 2017

	Fol.	Debit		Credit	
Balance Sheet accounts					
Capital				14 678	00
Vehicles		120 000	00		
Equipment		34 600	00		
Accumulated depreciation on vehicles (43 200 + 11 520)				54 720	00
Accumulated depreciation on equipment				16 690	00
Loan: AB Bank				110 000	00
Trading stock (36 870 – 1 340)		35 530	00		
Debtors control (15 320 + 540)		15 860	00		
Bank (23 410 – 513)		22 897	00		
Cash float		1 400	00		
Creditors control (33 410 – 1 340)				32 070	00
Income received in advance				900	00
Accrued expenses (2 200 + 634 + 526)				3 360	00
Prepaid expenses		1 800	00		
Consumable stores on hand		331	00		
		232 418	00	232 418	00

1. DAN Traders

Income Statement for the year ended 28 February 2018

	Note	R	
Sales [1 292 077 – (3 577 + 832)]		1 287 668	00
Cost of sales (805 312 – 520)		(804 792)	00
Gross profit		482 876	00
Other operating income		19 115	00
Rent income (18 760 – 2 680)		16 080	00
Discount received		1 998	00
Bad debts recovered		1 037	00
Gross operating income		501 991	00
Operating expenses		(335 513)	00
Rates and taxes		3 400	00
Water and electricity (13 680 + 1 889)		15 569	00
Telephone (10 920 + 570)		11 490	00
Salaries and wages		273 000	00
Bad debts (3 551 + 350)		3 901	00
Discount allowed (2 550 – 36)		2 514	00
Stationery (2 339 – 118)		2 221	00
Insurance (7 650 – 1 715)		5 935	00
Bank charges (2 449 + 176)		2 625	00
Depreciation (500 + 3 700 + 8 790)		12 990	00
Trading stock deficit (28 438 + 520 – 27 090)		1 868	00
Operating profit (loss)		166 478	00
Interest income	1	221	00
Profit before interest expense		166 699	00
Interest expense (29 000 + 2 500 + 1 997 + 117)	2	(33 614)	00
Nett profit (loss) for the year		133 085	00

2.1 NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2018

FIXED/TANGIBLE ASSETS

	Land and buildings	Vehicles	Equipment
Carrying value at the end of previous year	325 000	58 600	13 000
Cost price	325 000	70 000	37 000
Accumulated depreciation	–	(11 400)	(24 000)
Movements			
Additions	75 000	–	15 000
Depreciation	–	(8 790)	(4 200)
Carrying value at the end of the current year	400 000	49 810	23 800
Cost price	400 000	70 000	52 000
Accumulated depreciation	–	(20 190)	(28 200)

2.2 TRADE AND OTHER DEBTORS

Trade debtors (24 650 – 350 – 832 + 360)	23 828
Creditors for wages	600
Prepaid expenses	1 715
	26 143

2.3 OWNER'S EQUITY

Balance at the end of previous year (191 670 – 25 000)	166 670
Capital contributed during the year	25 000
Net profit (loss) for the year	133 085
	325 255
Drawings	(43 000)
Balance at the end of current year	281 755

2.4 TRADE AND OTHER CREDITORS

Trade creditors	34 556
Accrued expenses (2 500 + 1 889 + 570)	4 959
Income received in advance	2 680
	42 195

3. DAN Traders

Extract from Balance Sheet on 28 February 2018

EQUITY AND LIABILITIES		
OWNER'S EQUITY		281 755
NON-CURRENT LIABILITIES		
Loan: MM Bank (200 000 – 20 000)		180 000
CURRENT LIABILITIES		65 756
Trade and other creditors		42 195
Short-term loan		20 000
Bank overdraft (2 344 + 176 + 117 + 324 + 600)		3 561
TOTAL EQUITY AND LIABILITIES		527 511



Activity 20.12 Interpretation of financial statements

LB page 458

1. Gross profit % on sales

$$\frac{(1\,080\,000 - 810\,000)}{1\,080\,000} \times \frac{100}{1} = 25\%$$

1.1 Net profit % on sales

$$\frac{52\,500}{1\,080\,000} \times \frac{100}{1} = 4,86\%$$

1.2 The business did not meet its profit margin of the previous year – it decreased from 33% to 25%.

This could be due to sales, or maybe Rushdah decreased her profit mark-up on purpose so that her prices are more competitive.

The cost control is not good – percentage net profit on turnover decreased from 19,4% to 4,86%.

Rushdah will have to better the control over expenses – she should prepare a budget and keep to it.

2.1 Current ratio

$$\begin{aligned}(157\,500 + 55\,500 + 18\,000) &: 96\,000 \\ &= 154\,000 : 96\,000 \\ &= 2,4 : 1\end{aligned}$$

Acid test ratio

$$\begin{aligned}(55\,500 + 18\,000) &: 96\,000 \\ &= 73\,500 : 96\,000 \\ &= 0,77 : 1\end{aligned}$$

2.2 The current ratio decreased from 5,84 : 1 to 2,4 : 1.

The acid test ratio decreased from 2,4 : 1 to 0,77 : 1.

The business will struggle to meet its short-term obligations if the liquidity decreases further.

They are keeping too much stock

3.1 Profitability

$$\begin{aligned}\frac{52\,500}{\frac{1}{2}(662\,500 + 495\,000)} \times \frac{100}{1} \\ &= 9,9\%\end{aligned}$$

3.2 The profitability decreased from 31% to 9,9%.

This is not good. The commercial bank offers interest at 6,5% – the owner will have to consider if it is worth the risk and effort.



Activity 20.13 Cost calculations in manufacturing and VAT

LB page 459

1.1 Direct material cost per kite:

$$R30 + 5 + 5 = R40$$

1.2 Total manufacturing overheads:

$$R5\,000 + 9\,000 + 2\,300 + 450 = R16\,750$$

1.3 Variable cost will increase as the number of units produced increase.

Fixed cost will stay the same even if the business produces more items, for example rent.

1.4 Total production cost per unit:

Direct material	$R40 \times 2\,160 = R86\,400$
Direct labour	$R40 \times 2\,160 = R86\,400$
Overheads	<u>R16\,750</u>
	<u><u>R189\,550</u></u>

$$\text{Cost per unit} = R189\,550 \div 2\,160 = R87,75$$

1.5 Percentage profit:

$$\text{Selling price} - \text{production cost} = R146 - 87,75 = R58,25$$

$$\frac{R58,25}{R87,75} \times 100 = 66,38\%$$

$$\text{Accept } \frac{R58,25}{146} \times 100 = 39,9\%$$

$$\text{Accept } \frac{R87,75}{146} \times 100 = 60,1\%$$

- 1.6 The production cost per unit will increase.
 The business will have to increase the selling price.
 OR
 Their profit will decrease.

2.1 Input tax:
 $R430\,920 \times \frac{14}{114} = R52\,920$

2.2 Output tax:
 $R718\,200 \times \frac{14}{114} = R88\,200$

2.3 Amount payable to SARS:
 $R88\,200 - 52\,920 = R35\,280$

2.4 Marked price of a kite:
 $\frac{R146}{100} \times 114 = R166,44$

» **Activity 20.14** Budgets

LB page 460

1. **Cash budget for hockey tour in April 2019**

RECEIPTS	
From players	31 320
Donation	4 500
TOTAL RECEIPTS	35 820
PAYMENTS	
Clothing (300 × 14) + 100	4 300
Hiring of bus (4 000 × 1.50)	6 000
Fuel (4 000 ÷ 8 × 10,20)	5 100
Accommodation – Brandvlei (200 × 15) × 2	6 000
Meals – Gariep Dam (44 × 15) × 2	1 320
Puk Hockey Academy (900 × 14) + 500	13 100
TOTAL PAYMENTS	35 820
CASH SURPLUS/DEFICIT	–

2. **Cost per player**
 $\frac{31\,320}{14} = R2\,237,14$

MODERATION OF ASSESSMENT

Moderation refers to the process that ensures that the assessment tasks are fair, valid and reliable.

Moderation should be implemented at school, district, provincial and national levels. Comprehensive and appropriate moderation practices must be in place for the quality assurance of all subject assessments.

Moderation at the school will be carried out by the head of department responsible for the subject. Teachers' portfolios and evidence of learner performance must be moderated to ensure that a variety of assessment tasks have been used to address the curriculum and that assessment covered a range of cognitive levels.

All assessment tasks should be moderated before they are handed out to learners. After an assessment task has been marked, at least three learners' tasks should be moderated.

The following moderation templates are provided to assist the teacher in the moderation process:

- template for the assessment of teacher portfolios
- template for the moderation of learner portfolios
- template for the moderation of examination papers/tests
- tracking moderation tool
- template for learner portfolio: contents/consolidation/intervention.

Learner portfolio: Contents/Consolidation/Intervention

ACCOUNTING Grade 10

Name:	Your goal for Accounting for the year:		
Contact detail of parents:	Home:	Work:	Cell phone:

CASS activities	Date	Total mark	Mark achieved	%	Comment of teacher/parent	Signature parent	Signature moderator	Calculation of year mark
Term 1								
Presentation								/10
Control test								/20
Term 2								
Project								/20
Mid-year exam								/20
Term 3								
Case study								/10
Control test								/20
TOTAL FOR YEAR MARK								
End-of-year exam								/100
TOTAL								/300
								/400

Statement of Authenticity:

I hereby declare that ALL items in my portfolio are my own original work, and that where I have used any other source, I have given credit to it. These items were also not previously handed in for assessment / moderation.

Signature of learner:

	SECTION 8	
	DOCUMENTS	

Add your own documents and notes here.



Study & Master

Accounting

Study & Master Accounting Grade 10 has been especially developed by an experienced author team according to the Curriculum and Assessment Policy Statement (CAPS). This new and easy-to-use course helps learners to master essential content and skills in Accounting.

The comprehensive Learner's Book includes:

- case studies which deal with issues related to the real world, and move learners beyond the confines of the classroom
- margin notes to assist learners with new concepts – especially GAAP flashes, that give learners guidance on General Accepted Accounting Practice
- examples with solutions after the introduction of each new concept.

The Teacher's Guide includes:

- a daily teaching plan, divided into the four terms, that guides the teacher on what to teach per day and per week
- moderation templates to assist teachers with assessment
- solutions to all the activities in the Learner's Book.



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