



**higher education
& training**

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

MARKING GUIDELINE

NATIONAL CERTIFICATE (VOCATIONAL)

APPLIED ACCOUNTING

(First paper)

NQF LEVEL 4

26 February 2020

This marking guideline consists of 12 pages.

SECTION A

QUESTION 1

- 1.1 1.1.1 B
- 1.1.2 D
- 1.1.3 D
- 1.1.4 D
- 1.1.5 C

(5 × 1) (5)

1.2 1.2.1 **PROVISION FOR BAD DEBTS**

Date	Detail	Fol	Amount		Date	Detail	Fol	Amount	
31/12/2018	Provision for bad debts adjustment ✓	GJ	932	00	01/01/2018	Balance	b/d	2 710	00
	(44 850 – 400) ✓ × 4% ✓					(54 200 ✓ × 5% ✓)			
	Balance	c/d	1 778	00					
			2 710	00				2 710	00
					01/01/2019	Balance	b/d	1 778	00

(7)

1.2.2 Trade and other receivables (1)

1.2.3 R932 (1)

1.2.4 A decrease in the provision for bad debts is an income ✓ because an expense is decreasing ✓ (from R2 710 to R1 778). (2)

1.2.5 **PROVISION FOR BAD DEBTS ADJUSTMENT**

Date	Detail	Fol	Amount		Date	Detail	Fol	Amount	
31/12/2018	Profit and loss ✓	GJ	<input checked="" type="checkbox"/> 932	00	31/12/2018	Provision for bad debts ✓	GJ	<input checked="" type="checkbox"/> 932	00

(4)

1.2.6 **BAD DEBTS**

Date	Detail	Fol	Amount		Date	Detail	Fol	Amount	
31/12/2018	Total	b/f	✓ 550	00	31/12/2018	Profit and loss ✓	GJ	✓ 950	00
	Debtors control ✓	GJ	✓ 400	00					
			950	00				950	00

(5)

1.2.7

Trade and other receivables		✓R47 502
Debtors control (R44 850 – 400)	✓R44 450	
Less: Provision for bad debts	✓R1 778	
Add: Prepaid expenses	✓R1 050	
Add: Accrued income	✓R3 780	

(5)
[30]

QUESTION 2

2.1 2.1.1

METHOD 1	METHOD 2
$R225\,000 \times 8\% \times \frac{1}{12}$ = R1 500	$R225\,000 \times 8\% \times \frac{1}{12}$ = R1 500
$R225\,000 \times 9\% \times \frac{11}{12}$ = R18 563	$R225\,000 \times 9\% \times \frac{4}{12}$ = R6 750
$R100\,000 \times 9\% \times \frac{7}{12}$ = R5 250	$R325\,000 \times 9\% \times \frac{7}{12}$ = R17 063
Total R25 313	Total R25 313

R25 313 will appear in the Income Statement.

(Only award marks for the workings and not the final amounts.)

(8)

2.1.2 Accrued Income – Interest on fixed deposit
(R25 313 – R21 660) = R3 653

(2)

2.2 Total liabilities = Total assets – Capital

Calculation of total assets:

Noncurrent assets + Current assets

R200 000 + R125 000 = R325 000

Calculation of capital:

Capital (01/11/2017) – Drawings – Net loss

= R150 000 – R9 500 – R12 500

= R128 000

Total liabilities = R325 000 – R128 000

= R197 000

(7)

2.3 Noncurrent assets = Total liabilities + capital – current assets

$$R800\,000\checkmark + R300\,000\checkmark - (R75\,000\checkmark + R122\,300\checkmark + R276\,000\checkmark) = R626\,700 \quad (5)$$

2.4 STAFF TRAINING

Date	Detail	Fol	Amount		Date	Detail	Fol	Amount	
30/06/2018	Total	b/f	✓ 8 000	00	30/06/2018	Prepaid expense ✓	GJ	✓ 3 600	00
30/06/2018	Accrued expense ✓	GJ	✓ 6 200	00	30/06/2018	Profit and loss	GJ	✓ 15 600	00
30/06/2018	Bank ✓	CPJ	✓ 5 000	00					
			19 200	00				19 200	00

Where ONE mark is allocated, the ENTIRE LINE entry must be correct (i.e. the description and the amount) to award the one mark. (8)
[30]

TOTAL SECTION A: 60

SECTION B**QUESTION 3****GENERAL JOURNAL OF BOB BUILDERS ON 30 NOVEMBER 2018****GJ14**

No.	Details	Debit	Credit	Debtors control		Creditors control	
				Debit	Credit	Debit	Credit
1	Prepaid expense ✓	875 ✓					
	Telephone ✓		875				
2	Trading stock deficit ✓	905 ✓					
	Trading stock ✓		905				
	Packing material on hand ✓	250 ✓					
	Packing material ✓		250				
3	Depreciation ✓	3 409 ✓					
	Accumulated depreciation on equipment ✓		3 409				
	Depreciation ✓	35 138 ✓					
	Accumulated depreciation on vehicles ✓		35 138				
	OR						
	Depreciation ✓	38 547					
	Accumulated depreciation on equipment ✓		3 409				
	Accumulated depreciation on vehicles ✓		35 138				

No.	Details	Debit	Credit	Debtors Control		Creditors Control	
				Debit	Credit	Debit	Credit
4	Accrued income ✓	1 000 ✓					
	Interest on fixed deposit ✓		1 000				
5	Bank ✓	600 ✓					
	Debtors control (C. Zulu) ✓				600		
	Bad debts ✓	900 ✓				✓	
	Debtors control (C. Zulu) ✓		900		900		
6	Provision for bad debts adjustment ✓	1 345 ✓					
	Provision for bad debts ✓		1 345				
7	Levies ✓	4 977 ✓					
	Accrued expense ✓		4 977				
8	Drawings ✓	10 000 ✓					
	Bank ✓		10 000				
9	Accounting fees ✓	7 000 ✓					
	Repairs and maintenance ✓		7 000				
10	Sales ✓	375 044 ✓					
	Trading account ✓		375 044				

NOTE: Where ONE mark is allocated, the ENTIRE LINE entry must be correct (that is the description and the amount) to allocate ONE mark

[40]

QUESTION 4**GENERAL LEDGER OF DREAM VACATIONS ON 31 MAY 2018**

DR

CR

4.1

CAPITAL

31 May 2018	Drawings	GJ	✓ 23 450	01 June 2017	Balance	b/d	157 000 ✓
31 May 2018	Balance	c/d	✓287 869	31 May 2018	Profit and loss ✓	GJ	154 319 <input checked="" type="checkbox"/>
			311 319				311 319
				01 June 2018	Balance	b/d	287 869

(5)

4.2

DEPRECIATION

31 May 2018	Accumulated depreciation on motor vehicles ✓	GJ	✓14 070	31 May 2018	Profit and loss ✓	GJ	<input checked="" type="checkbox"/> 18 875
31 May 2018	Accumulated depreciation on equipment ✓	GJ	✓4 805				
			18 875				18 875

(6)

4.3

TRADING ACCOUNT

31 May 2018	Cost of sales	GJ	✓ 127 000	31 May 2018	Sales	GJ	403 078
31 May 2018	Profit and loss ✓	GJ	✓ 276 078		(405 078 ✓ – 2 000 ✓)		
			403 078				403 078

(5)

GENERAL LEDGER OF DREAM VACATIONS ON 31 MAY 2018

DR

CR

4.4

PROFIT AND LOSS ACCOUNT

31 May 2018	Depreciation	GJ	✓18 875	31 May 2018	Trading account ✓	GJ	☑276 078
	Bank charges	GJ	✓4 651		Bad debts recovered	GJ	✓ 1 504
	Cellular expenses	GJ	✓6 450		Rent received	GJ	✓ 60 000
	Insurance	GJ	✓22 990				
	Interest on loan	GJ	✓18 200				
	Postage	GJ	✓987				
	Salaries and wages	GJ	✓65 432				
	Water and electricity	GJ	✓45 678				
	Capital ✓	GJ	☑154 319				
			337 582				337 582

(14)

[30]

NOTE: For ALL accounts:
Where ONE mark is allocated, the ENTIRE LINE entry must be correct (that is the description and the amount) to allocate ONE mark.

QUESTION 5

5.1

**INCOME STATEMENT OF SPRINKLES DOG SHOP
FOR THE YEAR ENDED 28 FEBRUARY 2018**

Sales (552 408 – 2 580)			✓549 828
Less: Cost of sales			✓ 302 580
Gross profit			247 248
<i>Plus: Other Income</i>			36 440
Bad debts recovered		✓ 440	
Commission received (39 000✓ – 3 000✓)		36 000	
Gross income			283 688
<i>Less: Other expenses</i>			226 215
Advertising		✓ 14 000	
Bad debts (1 879✓ + 500✓)		2 379	
Insurance (13 780✓ – 7 500✓)		6 280	
Consumable stores (2 980✓ – 980✓)		2 000	
Property maintenance		✓14 741	
Rent paid		✓44 000	
Salaries and wages		✓74 160	
Telephone		✓6 472	
Water and electricity		✓32 566	
Trading stock deficit (65 704 ✓ – 65 000✓)		704	
Provision for bad debts adjustment		✓2 260	
Depreciation (19 215✓ + 7 438 ✓)		26 653	
NET PROFIT BEFORE INTEREST			57 473
Less: Interest on loan (4 750✓ + 14 750✓)			19 500
NET PROFIT AFTER INTEREST			<input checked="" type="checkbox"/> 37 973

(25)

5.2

**BALANCE SHEET OF SPRINKLES DOG SHOP AS AT
28 FEBRUARY 2018**

ASSETS	NOTE		
NONCURRENT ASSETS			278 963
Property, equipment and vehicles	1	<input checked="" type="checkbox"/> 278 963	
CURRENT ASSETS			160 800
Stock (65 000✓ + 980✓)		65 980	
Trade and other debtors/receivables (45 704✓ – 500✓ – 2 260✓ + 7 500✓)		50 444	
Cash and cash equivalents (43 001✓ + 1 375✓)		44 376	
TOTAL ASSETS			439 763
EQUITY AND LIABILITIES			
OWNER'S EQUITY			147 973
Capital		<input checked="" type="checkbox"/> 147 973	
NONCURRENT LIABILITIES			200 000
Loan: Jew Bank (12%)		✓ 200 000	
CURRENT LIABILITIES			91 790
Trade and other creditors/payables		<input checked="" type="checkbox"/> 91 790	
TOTAL EQUITY AND LIABILITIES			439 763

Do NOT penalise twice (principle marking)

(12)

NOTES TO THE BALANCE SHEET

1. Property, equipment and vehicles	Cost price	Accumulated depreciation	Net carrying amount
Land and buildings	125 000	-	<input checked="" type="checkbox"/> 125 000
Equipment	<input checked="" type="checkbox"/> 87 504	<input checked="" type="checkbox"/> (27 326)	<input checked="" type="checkbox"/> 60 178
Vehicles	<input checked="" type="checkbox"/> 147 809	<input checked="" type="checkbox"/> (54 024)	<input checked="" type="checkbox"/> 93 785
	360 313	(81 350)	278 963

(7)

2. Trade and other payables		91 790
Creditors control	<input checked="" type="checkbox"/> 74 040	
Add: Accrued expenses (interest on loan)	<input checked="" type="checkbox"/> 14 750	
Add: Income received in advance (commission received)	<input checked="" type="checkbox"/> 3 000	

(3)

3. Capital		147 973
Balance (1 March 2017)	<input checked="" type="checkbox"/> 140 000	
Add: Net profit	<input checked="" type="checkbox"/> 37 973	
Less: Drawings	<input checked="" type="checkbox"/> 30 000	

(3)

 Do NOT penalise twice (principle marking)**[50]**

QUESTION 6

No	GENERAL LEDGER		Assets	Owner's equity	Liabilities
	Account debit	Account credit			
<i>E.g.</i>	<i>Rent</i>	<i>Bank</i>	-12 500	-12 500	0
6.1	Salary✓	Accrued expense✓	0	✓-52 500	✓+52 500
6.2	Prepaid expense✓	Property tax✓	✓+9 350	✓+9 350	0
6.3.1	Telephone✓	Prepaid expense✓	✓-5 000	✓-5 000	0
6.3.2	Telephone✓	Accrued expense✓	0	✓-5 000	✓+5 000
6.4	Equipment✓	Motor vehicle✓	✓+45 000 ✓-45 000	0	0

(5 × 4)

[20]

TOTAL SECTION B: 140
GRAND TOTAL: 200