higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

NATIONAL CERTIFICATE (VOCATIONAL)

APPLIED ACCOUNTING
(Second Paper)
NQF LEVEL 4

(3011004)

28 November 2018 (Y-Paper)
13:00–16:00

A nonprogrammable calculator may be used.

This question paper consists of 18 pages, 1 addendum and 3 answer sheets.

Please turn over

```
┌─────────────────────────────┐
│      TIME: 3 HOURS          │
│      MARKS: 200             │
└─────────────────────────────┘
```

INSTRUCTIONS AND INFORMATION

1. Answer ALL the questions.

2. Answer SECTION A and QUESTION 3.4 of SECTION C, on the ANSWER SHEETS (attached). Write your EXAMINATION and CENTRE numbers in the spaces provided.

3. Use appropriate accounting software for SECTION B and SECTION C.

4. Read ALL the questions carefully.

5. Use the table below to guide you in how much time to spend on answering each question.

6. Write neatly and legibly.

QUESTIONS	TOPICS	MARKS	RECOMMENDED TIME GUIDE
SECTION A			
1	Short theoretical questions	20	18 minutes
SECTION B			
2	Practical on accounting software	120	1 hour 48 minutes
SECTION C			
3	Practical on accounting software and short theoretical questions	60	54 minutes
	TOTAL	200	3 hours

ANSWER SECTION A ON THE ANSWER SHEETS (ATTACHED).

SECTION A

QUESTION 1

1.1   Name the relevant journal or document that the following transactions will be entered into when capturing or processing them on accounting software. Write only the name of the journal or document next to the question number (1.1.1–1.1.10) on the attached ANSWER SHEET.

      1.1.1   Take on balances of stock quantities

      1.1.2   Direct deposit from a customer as shown on the bank statement

      1.1.3   Stamps of R7.90 purchased for cash

      1.1.4   Credit returns by customers

      1.1.5   Settlement of a suppliers account

      1.1.6   Credit returns to suppliers

      1.1.7   Calculation and recording of depreciation

      1.1.8   Cash sales of inventory

      1.1.9   Take on balance of individual suppliers

      1.1.10   Tax invoice received for purchasing inventory on credit

                                                (10 × 1)   (10)

1.2   An inexperienced bookkeeper captured the take on balances for the customers in the customers' journal on 1 January 2016. However, some errors were made.

      Compare the customers' age analysis and the customers' journal below and state FIVE errors made by the bookkeeper.

Customers' age analysis – December 2015

	60 days	**30 days**	**Current**	**Total**
JFM	5 000.00	1 200.00	7 800.00	14 000.00
TOTAL	5 000.00	1 200.00	7 800.00	14 000.00

Customers' journal - January 2016

Period	Date	Account		Reference	Description	Tax	Exclusive	Inclusive	Contra
1	01/01/16	C001	-JFM	CJNL1201	Take on balance	01	12 280.70	14 000.00	0000/000

                                                                            (5)

1.3 No cost price was allocated to a service item when the inventory items were created.

Give ONE reason for this. (2)

1.4 During the course of a month, a business will issue cheques for various cash payments. However, at the end of the month, it is possible that not all the cheques recorded in the cash payments journal will be reflected on the bank statement.

Give ONE reason for this. (2)

1.5 Is any VAT charged when the owner of a business takes inventory for his/her own use? (1)

[20]

TOTAL SECTION A: **20**

SECTION B

QUESTION 2

INSTRUCTIONS

1. Open the account system of Blend (BLEND), which has already been loaded on your computer.

2. Select SETUP.

3. Select COMPANY PARAMETERS.

4. Select COMPANY DETAIL, select the company name section and click on 'Educational Number'.

5. Press CTRL+SHIFT+T and insert your EXAMINATION NUMBER in the block that appears.

After interviews were conducted for the accountant position at Blend, the owner, Mrs Galada, phoned to inform you that you were the successful candidate.

Part of your job description is to process all the transactions on the accounting software as from February 2016 (Period 2).

The following setup has **ALREADY BEEN CREATED** in the books of Blend:

(a)   ENTRY TYPES

NUMBER	ENTRY TYPE
01	Cash receipts journal
02	Cash payments journal
03	General journal
04	Customers' journal
05	Suppliers' journal
06	Customers' allowances journal
07	Suppliers' allowances journal
08	Petty cash receipts journal
09	Petty cash payments journal
10	Bad debts journal
11	Interest charged journal
12	Stock journal

(b)   PERIODS

Blend's financial year runs from 1 January 2016 to 31 December 2016.

(c)   VALUE ADDED TAX (VAT)

VAT will be captured according to the invoice basis. Refer to the attached ADDENDUM concerning the applicability of VAT.

(d)   CUSTOMERS

CUSTOMER CODE	CUSTOMER	BALANCE ON 01/02/16
C001	The Ramp	R3 200.00
C002	Skate Hub	R5 300.00
C003	Insane Ride	R1 200.00
CZ99	Cash sales	R0.00

(e)   SUPPLIERS

SUPPLIER CODE	SUPPLIER	BALANCE ON 01/02/2016
S001	Cruise Control	R18 300.00
S002	S.I.C	R12 870.00
S003	Peak	R16 290.00

(f)   INVENTORY

Inventory is marked up at 110% on the cost price.

INVENTORY CODE	INVENTORY ITEM
BE01	Trip 5" bearings
BE02	Trip 7" bearings
CO01	Starblaze 7.8 complete
CO02	The Bomb 7.9 complete
CR01	Blast 31.5 cruiser
CR02	Star 8.5 cruiser
DE01	Chill 7.75 deck
DE02	Alien 8.0 deck
GT01	Grip tape
TR01	Speed truck combo
TR02	Speed standard truck

(g)   TERM CODES

- 6% discount within 30 days from date of invoice
- 3% discount within 30 days from last day of the period

(h)   TAKE ON BALANCES

ALL take-on balances have already been processed.

REQUIRED

- Use the source documents and information provided below to record the transactions in the appropriate journals or documents in Period 2 (February 2016) in the books of Blend.
- If there is NO account to enter a transaction into, such an account must be created. Continue to use the account structure for the general ledger that has been set up.
- Print all the documents after processing. When printing journals, select 'print with contras'.
- Update the documents and journals.
- See page 14 for a full list of the printouts to be handed in for marking. Hand in the printouts in the same order as on page 14. FIVE marks will be deducted if printouts are not handed in, in the same order as indicated in the question paper.

CREDIT PURCHASES OF INVENTORY

Tel: 031 922 1800
Fax: 086 651 1800

The Edge

Date: 4 February 2016

Tax Invoice: No ED656

VAT REG NO: 4163529961

To:	Blend 31 Da Gama Road Jeffreys Bay 6330	Terms:		5% trade discount 3% discount within 30 days

Description	Unit price	Quantity	Total
Grip tape	50	22.22	1 111.00
Trip 7" bearings	5	119.05	595.25
Alien 8.0 deck	4	309.52	1 238.08
		Subtotal	2 944.33
		Discount	147.21
			2 797.12
		14% VAT	391.60

- Use code S004 and create the new supplier, The Edge. Their address is:
  63 Arbour Road
  Durban
  4126

Peak

317 Umhlanga Rocks Drive
Umhlanga Rocks
4319

☎ 031 570 7000

Date: 11/02/16

To: Blend
    31 Da Gama Road, Jeffreys Bay, 6330

TAX INVOICE

No: INV652

VAT: 4118456133

Terms:

6% within 30 days

Qty	Description	Price		Amount	
		R	C	R	C
10	Captain 42" longboard	952	38	9 523	80
15	Skeleton 36" longboard	761	90	11 428	50
		Subtotal		20 952	30
		5% Discount		1 047	61
				19 904	69
		14% VAT		2 786	66
		TOTAL		22 691	35

- Mrs Galada has decided to stock longboards.

    Create the above inventory items with the following information:
    Code: LB01   Item: Captain 42" longboard
    Code: LB02   Item: Skeleton 36" longboard

TAX INVOICE

SIC441

S.I.C
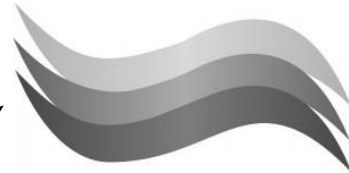
31 Maraisburg Road,
Midrand, 1662

VAT: 4420106777
Tel: 011 474 8824

19/02/2016

To: Blend
31 Da Gama Road
Jeffreys Bay
6330

Description	Qty	Price	Amount
The Bomb 7.9 complete	10	420.00	4 200.00
Speed standard truck	15	130.00	1 950.00
Starblaze 7.8 complete	2	380.95	761.90
		Subtotal	6 911.90
Terms:		14% VAT	967.67
6% within 30 days		TOTAL	7 879.57

Cruise Control

888 Main Road, Sea Point, 8005
021 430 5800

Tax Invoice

CC313
VAT: 4081841801

23/02/16

To: Blend
31 Da Gama Road, Jeffreys Bay, 6330

Qty	Description	Price		Amount	
20	Trip 5" bearings	80	95	1 619	00
5	Chill 7.75 deck	285	71	1 428	55
5	Starblaze 7.8 complete	350	00	1 750	00
		Subtotal		**4 797**	**55**
		10% Discount		479	75
		14% VAT		604	49
		TOTAL		**4 922**	**29**

CREDIT RETURNS OF INVENTORY BY BLEND

DATE	SUPPLIER	DETAILS
22/02/16	S.I.C	2 × Speed standard truck Reason: Not according to order
28/02/16	Cruise Control	1 × Chill 7.75 deck Reason: Incorrect deck 1 × Starblaze 7.8 complete Reason: Broken track

CREDIT AND CASH SALES

- CZ99 is the cash sales account which is used for cash sales transactions.
- Insert the names of all cash customers on the document generated to record the cash sales.
- ALL cash customers receive a 5% cash discount.

DATE	CUSTOMER	ITEM PURCHASED		TERMS
07/02/16	**Cash sale: All for Sports**	5 × Captain 42" longboard 2 × Chill 7.75 deck 15 × Grip tape		
12/02/16	**Insane Ride**	10 × Speed truck combo 5 × Star 8.5 cruiser		3% discount within 60 days
14/02/16	**Cash sale: Jersey Girl**	2 × The Bomb 7.9 complete 3 × Skeleton 36" longboard		
26/02/16	New customer (C004): **Cheapskates** 90 Bullion Boulevard Richards Bay 3901	5 × Trip 5" bearings 3 × Blast 31.5 cruiser 15 × Grip tape		7% trade discount 3% discount within 60 days

CREDIT RETURNS OF INVENTORY TO BLEND

DATE	CUSTOMER	DETAILS
29/02/16	Cheapskates	2 × Grip tape Reason: Tape torn

CASH REGISTER ROLLS

07/02/16	14/02/16
CRR: 07/02 R12 925,61	CRR: 14/02 R7 147,80

CASH RECEIPTS

Blend	Receipt	No: 161
Cash received from:	Frameeze	01/02/16
In payment of:	February Rent	
Amount:	Four thousand eight hundred and seventy rand only	R4 870.00
Received by:	R Skepe	

Blend	Receipt	No: 162
Cash received from:	Mrs Galada	15/02/16
In payment of:	Capital contributions	
Amount:	Twenty five thousand rand only	R25 000.00
Received by:	R Skepe	

Blend	Receipt	No: 163
Cash received from:	Insane Ride	20/02/16
In payment of:	Settlement of credit sale on 12/02/16	
Amount:	?	R?
Received by:	R Skepe	

SUMMARY OF CASH DEPOSITS DETAILS

DATE	DEPOSIT SLIP NUMBER
01/02/16	DEP61
07/02/16	DEP62
15/02/16	DEP63
20/02/16	DEP64

CASH PAYMENTS

No:		168
Date:		01/02/16
To:	Pen and Inc	
Amount:		R1 230.00
For:	*Pens and files	

No:		169
Date:		01/02/16
To:	S.I.C	
Amount:		R12 700.00
For:	Settlement of opening balance	

No:		170
Date:		05/02/16
To:	Daily News	
Amount:		R2 100.00
For:	A5 colour advert	

No:		171
Date:		11/02/16
To:	Cash	
Amount:		R4 880.00
For:	Wages	

No:		172
Date:		16/02/16
To:	Cruise Control	
Amount:		R2 300.00
For:	Payment on account	

No:		173
Date:		22/02/16
To:	S.I.C	
Amount:		**R?**
For:	Settlement of invoice SIC441	

No:		174
Date:		26/02/16
To:	The Computer Man	
Amount:		R11 200.00
For:	Laptop	

* Create an account for stationery

PETTY CASH

Blend	**Petty Cash Voucher**	No: PCV44
Cash received from:	Mr Fix	15/02/16
In payment of:	Repaired broken printer and the printer of the owner's son (R200,00)	R350.00
Amount:	R350.00	
Received by:	R Skepe	

ADDITIONAL PRINTOUT REQUIRED

- Mrs Galada requires a general ledger master listing for expenses only.

PRINTOUTS TO BE HANDED IN FOR MARKING (in the following order):

2.1	Supplier invoices	(41)
2.2	Return and debit notes	(15)
2.3	Tax invoices	(27)
2.4	Credit note	(6)
2.5	Cash receipts journal	(10)
2.6	Cash payments journal	(14)
2.7	Petty cash journal	(4)
2.8	General ledger master listing for EXPENSES only	(3)

[120]

TOTAL SECTION B: **120**

SECTION C

QUESTION 3

INSTRUCTIONS

1.   Open the set of accounts for Urban (URBAN), which has already been loaded on your computer.

2.   Select SETUP.

3.   Select COMPANY PARAMETERS.

4.   Select COMPANY DETAILS, select the company name section and click on 'Educational Number'.

5.   Press CTRL+SHIFT+T and insert your EXAMINATION NUMBER in the block that appears.

- Use the information provided below to complete the reconciliation process and the month end adjustments for December 2015, Period 12, in the books of Urban.
- If there is NO account to enter a transaction into, such an account must be created. Continue to use the account structure for the general ledger that has been set up.
- Print all the documents after processing. When printing journals, select 'print with contras'.
- Update the journals.
- See page 17 for a full list of the printouts to be handed in for marking. Hand in the printouts in the same order as on page 17. FIVE marks will be deducted if printouts are not handed in, in the same order as indicated in the question paper.

3.1   Complete the bank reconciliation process by following the steps:

3.1.1   Complete and print (after the bank reconciliation) the cash receipts journal with the additional entries.   (8)

3.1.2   Complete and print (after the bank reconciliation) the cash payments journal with the additional entries.   (15)

3.1.3   Follow the reconciliation process and print the bank reconciliation statement.   (10)

Bank Statement

Statement no: 91

Globe Bank

Urban
42 Heatherdale Road
Bloemfontein
9301

Date: 31 December 2015

Cheque account 4791338462

DATE	DETAILS	DEBIT(-)	CREDIT(+)	BALANCE
01/12/15	Balance brought forward			95 844.97
09/12/15	Deposit DDS45		126 804.00	222 648.97
09/12/15	Cash handling fee	24.50		222 624.47
10/12/15	Cheque 306	8 900.00		213 724.47
10/12/15	Deposit DDS46		1 200.00	214 924.47
15/12/15	Cheque 303	4 200.00		210 724.47
15/12/15	Deposit DDS47		11 400.00	222 124.47
15/12/15	Cash handling fee	31.20		222 093.27
17/12/15	Cheque 308	13 900.00		208 193.27
17/12/15	Monthly admin fee	110.00		208 083.27
25/12/15	EFT32	11 300.00		196 783.27
22/12/15	Deposit DDS48		8 400.00	205 183.27
28/12/15	Cheque 312	11 200.00		193 983.27
30/12/15	INT		210.00	194 193.27
30/12/15	Cheque 313	16 980.00		177 213.27
30/12/15	DDEP65		4 200.00	181 413.27
30/12/15	Cheque 309	2 200.00		179 213.27

- Create an account for bank charges.
- Identify all the bank charges and record them.
- On 25/12/15 an electronic payment was made to JP Attorneys for a contract drawn up. Included in this payment was an amount of R8 000.00 for the owner's personal account with JP Attorneys.
- Create an account for interest on a current account and record the interest received (INT) on 30/12/15.
- The direct deposit, DDEP65, is an amount received from Scooter Town for a payment on their account.

3.2 The following journal vouchers were issued in December 2015. The last note number was 21.

Record the transactions in the appropriate journals.

JOURNAL VOUCHER 30

Urban

DATE: **31/12/15**

Calculate and record deprecation on equipment at 10% per annum on cost price.

(7)

JOURNAL VOUCHER 31

Urban

DATE: **31/12/15**

Scooter Town, a customer, has been declared insolvent. Write his debt off as irrecoverable.

(5)

3.3 ADDITIONAL PRINTOUT REQUIRED

- Print the income statement for December 2015. (5)

PRINTOUTS TO BE HANDED IN FOR MARKING (in the following order):

1. Cash receipts journal (after the bank reconciliation)
2. Cash payments journal (after the bank reconciliation)
3. Bank reconciliation
4. Journal(s) used to record adjustments
5. Income statement

ANSWER THIS QUESTION ON THE ANSWER SHEETS (ATTACHED).

3.4   VALUE-ADDED TAX (VAT)

3.4.1   Is VAT a direct or indirect tax?   (1)

3.4.2   Name TWO categories of items on which VAT will be nil.

NOTE*: Do NOT give examples of these items.*   (2 × 2)   (4)

3.4.3   Indicate whether the transactions below will affect input VAT or output VAT.   Write only 'Input' or 'Output' next to the question number (a–e) on the ANSWER SHEET.

(a)   Inventory sold
(b)   New laptop purchased
(c)   Inventory purchased
(d)   Credit note issued
(e)   Debit note issued

(5 × 1)   (5)
[60]

TOTAL SECTION C: 60
GRAND TOTAL: 200

ADDENDUM

VAT APPLICABILITY ON INCOME AND EXPENSE ITEMS

	Is VAT charged?		Input VAT deductible	
	YES	**NO**	**YES**	**NO**
Airtime	X		X	
Advertising	X		X	
Bank charges				
Cash handling charge	X		X	
Monthly admin fee	X		X	
Commission received	X		X	
Discount allowed	X		X	
Discount received	X		X	
Electricity	X		X	
Interest on current account		X		
Interest on mortgage bond		X		
Interest received		X		
Legal fees	X		X	
Rates on property		X		
Rent received	X		X	
Repairs and maintenance	X			
Salaries and wages		X		
Stationery	X		X	
Telephone	X		X	

EXAMINATION NUMBER:

CENTRE NUMBER:

ANSWER SHEETS

APPLIED ACCOUNTING
(Second Paper)
NQF LEVEL 4

28 NOVEMBER 2018

QUESTIONS	TOPIC	MARKS	RECOMMENDED TIME GUIDE
SECTION A			
1	Short theoretical questions	20	18 minutes
SECTION B			
2	Practical on accounting software	120	1 hour 48 minutes
SECTION C			
3	Practical on accounting software and short theoretical questions	60	54 minutes
	TOTAL	200	3 hours

PERCENTAGE ACHIEVED:

Please turn over

EXAMINATION NUMBER:

CENTRE NUMBER:

SECTION A

QUESTION 1

1.1   1.1.1   _____

          1.1.2   _____

          1.1.3   _____

          1.1.4   _____

          1.1.5   _____

          1.1.6   _____

          1.1.7   _____

          1.1.8   _____

          1.1.9   _____

          1.1.10 _____

                                                                (10 × 1)   (10)

1.2   _____

      _____

      _____

      _____

      _____

      _____

                                                              (5 × 1)   (5)

                                        Please turn over

EXAMINATION NUMBER:

CENTRE NUMBER:

1.3 _____

_____

_____ (2)

1.4 _____

_____ (2)

1.5 _____ (1)

[20]

TOTAL SECTION A: 20

SECTION C

QUESTION 3

3.4 3.4.1 _____ (1)

3.4.2 _____

_____ (2 × 2) (4)

3.4.3 (a) _____

(b) _____

(c) _____

(d) _____

(e) _____ (5 × 1) (5)