



higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

NATIONAL CERTIFICATE (VOCATIONAL)

APPLIED ACCOUNTING

(Second paper)

NQF LEVEL 4

(3011004)

26 November 2020 (X-paper)

09:00–12:00

A non-programmable calculator may be used.

This question paper consists of 19 pages, 1 addendum and 1 answer sheet.

109Q2N2026

TIME: 3 HOURS MARKS: 200



INSTRUCTIONS AND INFORMATION

1. Answer all the questions.
2. Read all the questions carefully.
3. Answer SECTION A on the ANSWER SHEET provided.
4. Use appropriate accounting software for SECTION B and SECTION C.
5. A separate set of books are used for SECTION B and SECTION C.
6. Write neatly and legibly.
7. Use the table below to guide you in how much time to spend on answering each question.


QUESTIONS	TOPIC	MARKS	RECOMMENDED TIME GUIDE
SECTION A			
1	Short theoretical questions	20	20 minutes
SECTION B			
2	Practical on accounting software	120	1 hour 40 minutes
SECTION C			
3	Practical on accounting software	60	1 hour
	TOTAL	200	3 hours

SECTION A**QUESTION 1**

- 1.1 Choose an item from COLUMN B that matches a description in COLUMN A. Write only the letter (A–M) next to the question number (1.1.1–1.1.10) on the ANSWER SHEET.

COLUMN A		COLUMN B	
1.1.1	The recording of take-on balances of inventory on hand	A	14%
1.1.2	The document that gives the owner of the business a breakdown on what amount is outstanding on customers or suppliers	B	input VAT 
1.1.3	The current VAT percentage that is charged on goods and services supplied	C	VAT 401
1.1.4	VAT that the vendor paid on goods purchased	D	inventory journal
1.1.5	The document used to process inventory sold on credit 	E	tax invoice
1.1.6	Processing receipts and payments in the accounting software	F	age analysis
1.1.7	The reference used when processing the Cash Receipts Journal	G	cash book
1.1.8	The VAT return form for submission to SARS	H	deposit number
1.1.9	Matching the accounting records of the business with the information on the bank statement	I	VAT201
1.1.10	The journal in which depreciation will be recorded	J	15%
		K	bank reconciliation
		L	general journal
		M	output VAT


(10 × 1) (10)

- 1.2 Explain why there is no VAT taken into account when a receipt is recorded of a customer paying his/her account.  (2)

- 1.3 Name ONE advantage of using accounting software. (2)

1.4 Use the information below to answer the questions.

	OUTPUT TAX		INPUT TAX	
	TAX	INCLUSIVE	TAX	INCLUSIVE
Standard	-8 756.55	-67 133.55	6 210.00	47 610.00
Bad debts	0.00	0.00	948.00	7 268.00


- 1.4.1 Calculate the VAT payable or refundable to the Receiver of Revenue. Show all calculations. (4)
- 1.4.2 Is the amount you mentioned in QUESTION 1.4.1 payable to SARS or refundable? (1)
- 1.4.3 What does the abbreviation VAT stand for?  (1)
- [20]**

TOTAL SECTION A: 20

SECTION B

QUESTION 2

INSTRUCTIONS

- Open the account system of Balls and All (BALLS), which has already been loaded on your computer.
- Select SETUP. 
- Select COMPANY PARAMETERS.
- Select COMPANY DETAIL. Select the Company Name section and click on 'Educational Number'.
- Press CTRL + SHIFT + T and insert your EXAMINATION NUMBER in the block that appears.

After interviews were conducted for the accountant position at Balls and All, the owner, Mr Jack King, 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 March 2018 (Period 1).

The following setup HAS ALREADY BEEN CREATED in the books of Balls and All. 

(a) ENTRY TYPES

NUMBER	ENTRY TYPE
01	Cash Receipts Journal
02	Cash Payments Journal
03	Petty Cash Receipts Journal
04	Petty Cash Payments Journal
05	General Journal
06	Customers Journal
07	Suppliers Journal
08	Customers Allowances Journal
09	Suppliers Allowances Journal
10	Bad Debts Journal
11	Interest-Charged Journal
12	Stock Journal

(b) PERIOD 

The financial year of Balls and All runs from on 1 March 2018 until 28 February 2019. The current period is March 2018, which is the 1st period.

(c) VALUE-ADDED TAX (VAT)

The business is registered as a VAT vendor and VAT will be captured according to the invoice basis. Refer to the attached ADDENDUM concerning the admissible deductions with regard to INPUT TAX.

(d) CUSTOMERS

CUSTOMER CODE	CUSTOMER
C001	ERM Sports Club
C002	Highveld Cricket Academy
Z99	Cash sales

(e) SUPPLIERS 

SUPPLIER CODE	SUPPLIER
B001	Bellingham & Smith
G002	Gilbert Suppliers
N003	Nikel Bros

(f) INVENTORY

Inventory is marked up at **75%** on the cost price.

INVENTORY CODE	INVENTORY ITEM
BS1	Bellingham & Smith cricket ball 113 g
BS2	Bellingham & Smith cricket ball 135 g
BS3	Bellingham & Smith cricket ball 156 g
GB1	Gilbert 7's Replica rugby ball
GB2	Gilbert GRTR 4000 rugby ball
GB3	Gilbert Spectra netball ball
HS1	Headstart cricket ball and cord
SC1	N-Strike PL soccer ball
SC2	N-Magia soccer ball
SC3	N-Match junior soccer gloves
WS1	Wilson NFL mini American football

(g) TERM CODES




- 5% discount within 30 days from last day of the period.
- 15% discount within 7 days from last day of the period.
- 2.5% discount within 60 days from last day of the period

(h) TAKE-ON BALANCES

The opening balances of the customers have not been captured.

REQUIRED

- Use the source documents and information provided below to record the transactions in the appropriate journals or documents in period 1 (March 2018) in the books of Balls and All.
- Continue to use the account structure for the General Ledger that has been set up. If there is NO account to enter a transaction into, such an account must be created.
- Print all the documents after processing. When printing journals, select 'print with kontras'.
- Update all the documents and journals after printing. 
- Refer to page 16 for a full list of the printouts to be handed in for marking. Hand in the printouts in the same order as on page 16. FIVE marks will be deducted if printouts are not handed in in the same order as the list given in the question paper.

TAKE-ON BALANCES

- The opening balances of the customers have not been captured. Record the customer balances in the relevant journal using the Customer Age Analysis below.
- Print a Customer Age Analysis at 28 February 2018 with descriptions and no details.



CUSTOMER AGE ANALYSIS AT 28 FEBRUARY 2018

Customer	60 days	30 days	Current	Total
ERM Sports Club	R7 450.00		R11 400.00	R18 850.00
Highveld Cricket Academy		R1 330.00	R3 200.00	R4 530.00
	R7 450.00	R1 330.00	R14 600.00	R23 380.00

CREDIT PURCHASES OF INVENTORY

Quantity	Description	Unit Price	Amount
20	Bellingham & Smith cricket balls 113 g	R72.50	R1 450.00
25	Bellingham & Smith cricket balls 156 g	R99.00	R2 475.00
6	Gilbert Spectra netball balls	R160.00	R 960.00
Subtotal			R4 885.00
5% Discount			R 244.25
			R4 640.75
15% VAT			R 696.12
Total			R5 336.87

Terms: 5% trade discount
2.5% discount within 60 days

Tax Invoice
Bellingham & Smith



414 Sea Point Road, Bluff, DURBAN, 4036

Tel: 031 922 1800 / Fax: 086 651 1800

VAT REG: 4261583166

Invoice No: **BS765**

Date: 04/03/2018

To: Balls and All
32 Van Der Stel Avenue
ERMELO 2350



Tax Invoice


NIKEL BROS
717 Umhlanga Rocks Drive, UMHLANGA ROCKS, 4319
Telephone: (031) 787 7841

Date:	11 March 2018
Invoice no.:	NB11/18
VAT registration no.:	8192034478
Terms	2.5% discount within 60 days

Bill to:
Balls and All 32 Van Der Stel Avenue ERMELO 2350

Qty	Description	Price		Amount	
		R	c	R	c
10	B & S Striker cricket bats Size 0	149	90	1 499	00
5	B & S Striker cricket bats Size 4	2 899	90	14 499	50
		Subtotal		15 998	50
		7.5% Discount		1 199	88
				14 798	62
		15% VAT		2 219	80
		Total		17 018	42


Mr King has decided to stock up on cricket bats.

- Create the above inventory items with the following information:

Code: BS4 B & S Striker cricket bats Size 0
Code: BS5 B & S Striker cricket bats Size 4



324 Main Road
DURBAN
4000
☎ 031 976 7960 📠 031 976 7900



SUPER SOCCER
Tax Invoice

VAT REG: 90876531142
Invoice No: SC875

Date: 23/03/2018

To: Balls and All
32 Van Der Stel Avenue
ERMELO 2350

Quantity	Description	Price	Amount
50	N-Strike PL soccer balls	217.00	10 850.00
25	N-Match junior soccer gloves	175.00	4 375.00
10	N-Magia soccer balls	514.50	5 145.00
<i>Subtotal</i>			20 370.00
<i>10% Discount</i>			2 037.00
			18 333.00
<i>15% VAT</i>			2 749.96
<i>Total</i>			21 082.95

Mr King decided to make use of a new supplier.




- Create the supplier using the account structure already set up.

CREDIT RETURNS OF INVENTORY

Date	Supplier	Details
27/03/2018	Super Soccer	2 N-Match junior soccer gloves – Wrong size
30/03/2018	Bellingham & Smith	5 Bellingham & Smith cricket balls 156 g – Poor quality

CASH AND CREDIT SALES

- Z99 is the cash sales account which is used to capture cash sales transactions. 
- Insert the names and addresses of all cash customers in the 'delivery address' field.
- All cash customers receive a 5% cash discount.

Date	Customer	Item purchased	Discount and early payment terms
07/03/18	Highveld Cricket Academy	5 x Bellingham & Smith cricket balls 135 g 2 x Headstart cricket balls and cords	15% discount within 7 days
17/03/18	*New Customer Sport Support 34 Highveld Road ERMELO 2350	2 x Gilbert 7's Replica rugby balls 1 x Gilbert Spectra netball ball 5 x N-Strike PL soccer balls	5% invoice discount 2.5% discount within 60 days
29/03/18	Cash sales Brendon Botes 12 Mel Mentz Street ERMELO 2350	2 x Wilson NFL mini American footballs	
29/03/18	ERM Sports Club	5 x B & S Striker cricket bats Size 0 2 x B & S Striker cricket bats Size 4 5 x Bellingham & Smith cricket balls 113 g 2 x Bellingham & Smith cricket balls 156 g	5% discount within 30 days 2.5% trade discount

*Create the customer using the account structure already set up.

CREDIT RETURNS OF INVENTORY 

Date	Customer	Details
13/03/2018	Highveld Cricket Academy	2 x Bellingham & Smith cricket balls 135 g – Wrong size received
30/03/2018	Sport Support	1 x N-Strike PL soccer ball – punctured


CASH REGISTER ROLLS



CASH RECEIPTS



BALLS and ALL
32 Van Der Stel Avenue
ERMELO 2350




Number: 061
Date: 01/03/18

Cash Receipt

Received from: Q de Kok	
For: February 2018 rent	
Amount: Four thousand eight hundred rand only	R 4 800.00
Payment method:	
<input checked="" type="checkbox"/> Cheque <input type="checkbox"/> Cash <input type="checkbox"/> Debit/Credit card	With thanks: Jack King

- Create an account for Rent Income

BALLS and ALL
32 Van Der Stel Avenue
ERMELO 2350




Number: 062
Date: 13/03/18

Cash Receipt


Received from: Jack King	
For: Capital contribution	
Amount: Thirty thousand rand only	R30 000.00
Payment method:	
<input checked="" type="checkbox"/> Cheque <input type="checkbox"/> Cash <input type="checkbox"/> Debit/Credit card	With thanks: Jack King



BALLS and ALL		
32 Van Der Stel Avenue ERMELO 2350		
Number: 063 Date: 14/03/18		
Cash Receipt		
Received from:	Sports Equip	
For:	Commission received	
Amount:	Eight thousand rand only	R8 000.00
Payment method:		With thanks:
<input type="checkbox"/> Cheque <input type="checkbox"/> Cash <input checked="" type="checkbox"/> Debit/Credit card		Jack King


- Change the description of account number 2900 to Commission Income



BALLS and ALL		
32 Van Der Stel Avenue ERMELO 2350		
Number: 064 Date: 23/03/18		
Cash Receipt		
Received from:	ERM Sports Club	
For:	Settlement of account on 01/03/2018	
Amount:	Eighteen thousand rand only	R18 000.00
Payment method:		With thanks:
<input checked="" type="checkbox"/> Cheque <input type="checkbox"/> Cash <input type="checkbox"/> Debit/Credit card		Jack King



BALLS and ALL
32 Van Der Stel Avenue
ERMELO 2350



Number: 065
Date: 30/03/18

Cash Receipt

Received from: Sport Support

For: Payment on account

Amount: Three thousand five hundred rand only	R3 500.00
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Payment method: Cheque Cash Debit/Credit card

With thanks:
Jack King

CASH DEPOSITS



Date of deposit	Deposit slip number
01/03/2018	DEP16
16/03/2018	DEP17
27/03/2018	DEP18
30/03/2018	DEP19

CASH PAYMENTS

054

Date: 01/03/2018
Payee: Pink Pens
For: Pens and files
Amount: R1 220.00

055

Date: 13/03/2018
Payee: Daily News
For: Colour advert of new stock
Amount: R1 000.00

056

Date: 14/03/2018
Payee: Cash
For: Weekly wages
Amount: R1 500.00



057

Date: 18/03/2018
Payee: Mr Office

For: New wooden shelves

Amount: R12 230.00

058

Date: 21/03/2018
Payee: Nike Bros

For: Settlement of invoice NB11/18

Amount: R???

059

Date: 24/03/2018
Payee: Ermelo municipality

For: Electricity and water (Owner R1200.00)

Amount: R6 000.00

060

Date: 26/03/2018
Payee: Super Soccer

For: Payment on account (Discount received R50.00)

Amount: R9 000.00

061


Date: 30/03/2018
Payee: Cash

For: Petty cash – restore imprest amount

Amount: R???




PETTY CASH


<p><i>Number: PCV14</i> <i>Date: 10/03/18</i></p>	
<p><i>BALLS and ALL</i> 32 Van Der Stel Avenue ERMELO 2350</p>	
<p><i>Petty Cash Voucher</i></p>	
<p><i>For:</i> <i>Jacobs coffee 500 g and Glen tea bags (100 bags) – Checkers Hyper</i></p>	
<p><i>Amount:</i> <i>R179.98</i></p>	
<p><i>Approved by:</i> <i>Jack King</i></p>	



- Create an account for Refreshments



<p>Number: PCV15 Date: 19/03/18</p> <p>BALLS and ALL 32 Van Der Stel Avenue ERMELO 2350</p> 
<p>Petty Cash Voucher</p>
<p>For: Speedbag for overnight delivery - Postnet</p>
<p>Amount: R125.00</p>
<p>Approved by: Jack King</p>


<p>Number: PCV16 Date: 22/03/18</p> <p>BALLS and ALL 32 Van Der Stel Avenue ERMELO 2350</p> 
<p>Petty Cash Voucher</p>
<p>For: Cleaning of shop windows - Jacob</p>
<p>Amount: R150.00</p>
<p>Approved by: Jack King</p>

REPORTS



- Print a statement for ERM sports on 31 March 2018.


THE FOLLOWING PRINTOUTS MUST BE GENERATED AND HANDED IN FOR MARKING:

2.1	Customers Age Analysis on 28 February 2018	(9)
2.2	Suppliers' invoices	(25)
2.3	Return and debit notes	(10)
2.4	Tax invoices	(27)
2.5	Credit notes 	(10)
2.6	Cash Receipts Journal	(14)
2.7	Cash Payments Journal	(16)
2.8	Petty Cash Journal	(5)
2.9	ERM Sports Club statement	(4)
		[120]
	TOTAL SECTION B:	120

SECTION C

QUESTION 3

INSTRUCTIONS

1. Open the account system of Health and Fitness (HEALTH), 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.
-

REQUIRED

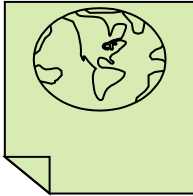
- Health and Fitness has been doing the bank reconciliation manually. Due to your experience with computerised accounting systems it was decided to do the bank reconciliation on the accounting software. Use the information below to complete the following for February 2019, period 12.
- Continue to use the account structure for the General Ledger that has been set up. If there is NO account to enter a transaction into, such an account must be created.
- Print all the documents after processing. When printing journals, select 'print with contras'.
- Update the journals.
- See page 19 for a full list of the printouts to be handed in for marking. Hand in the printouts in the same order as on page 19. FIVE marks will be deducted if printouts are not handed in in the same order as the list given in the question paper.



3.1 Use the following information to:

- 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. (16)
- 3.1.3 Follow the reconciliation process and print the Bank Reconciliation Statement. (8)



BANK STATEMENT**GLOBAL BANK**


251 Eeufees Street, ERMELO, 2350

☎ 017 811 2211 📠 017 819 2222


*Cheque account: 0905682502**Page 1***Bank Statement No: 01***Date: 28/02/2019*

Health and Fitness
6 Juliana Road
ERMELO
2350

Date	Details	Debit(-)	Credit(+)	Balance
01/02/2019	Balance b/f			95 301.50
09/02/2019	Deposit D45		120 000.00	215 301.50
09/02/2019	Cash handling fee	124.50		215 177.00
10/02/2019	Cheque 146	8 300.90		206 876.10
10/02/2019	Deposit D46		11 224.65	218 100.75
15/02/2019	Cheque 143	14 200.00		203 900.75
15/02/2019	Deposit D47		17 400.00	221 300.75
15/02/2019	Cash handling fee	131.20		221 169.55
17/02/2019	Cheque 148	1 900.00		219 269.55
17/02/2019	Monthly admin fee	210.00		219 059.55
22/02/2019	EFT33	21 300.00		197 759.55
25/02/2019	Deposit D48		9 400.00	207 159.55
28/02/2019	Cheque 142	4 200.00		202 959.55
28/02/2019	INT		410.00	203 369.55
28/02/2019	Cheque 144	11 380.00		191 989.55
28/02/2019	DEP65		14 200.00	206 189.55
28/02/2019	Cheque 149	6 800.00		199 389.55

- Create an account for bank charges (3200/000), identify all the bank charges and record it.
- On 22/02/19 an electronic payment was made to JP Attorneys for consulting fees for a contract to be drawn up. Included in this payment was an amount of R9 300.00 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 28/02/2019.
- The direct deposit, DEP65, is an amount received from Fitness Planet for a payment on their account.

- 3.2 The following journal vouchers were issued at the end of February 2019. Record the transactions in the appropriate journal/s.

	JOURNAL VOUCHER 22
	<i>Date: 28 February 2019</i>
HEALTH AND FITNESS	<p><i>To: The Bookkeeper</i></p> <p><i>Included in the purchase of stationery on 15/02/2019 were staff training materials of R270.00. Correct the error.</i></p>

(7)

	JOURNAL VOUCHER 23
	<i>Date: 28 February 2019</i>
HEALTH AND FITNESS	<p><i>To: The Bookkeeper</i></p> <p><i>Calculate and record depreciation on equipment at 12% per annum on cost price (R115 400.00) for the month of February.</i></p> <p><i>(Show the calculation in the description column.)</i></p>

(7)

	JOURNAL VOUCHER 24
	<i>Date: 28 February 2019</i>
HEALTH AND FITNESS	<p><i>To: The Bookkeeper</i></p> <p><i>A customer, Fitness Planet, has been declared insolvent and an amount of R7 340.00 must be written off as irrecoverable.</i></p>

(8)


3.3 ADDITIONAL PRINTOUT REQUIRED



Print the Income Statement for February 2019. Print without zero items and do not show budget comparison.

(6)

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

- Cash Receipts Journal (after bank reconciliation)
- Cash Payments Journal (after reconciliation)
- Bank Reconciliation 
- Journal(s) to record adjustments
- Income Statement

[60]

TOTAL SECTION C: 60
GRAND TOTAL: 200

ADDENDUM**ADMISSIBLE DEDUCTIONS WITH REGARD TO INPUT TAX**

	Is VAT charged?		Is input VAT deductible?	
	YES	NO	YES	NO
Advertisements	X		X	
Bank charges:				
Admin fees	X		X	
Cash handling fees	X		X	
Bad debts/Recovered	X		X	
Commission received	X		X	
Consulting fees	X		X	
Consumable stores	X		X	
Depreciation		X		
Donations		X		
Drawings		X		
Electricity and water	X		X	
General expenses: Gifts	X		X	
Insurance	X		X	
Interest paid/received		X		
Interest on current income		X		
Investments		X		
Computer equipment	X		X	
Furniture	X		X	
Petrol and oil		X		
Printing and stationery	X		X	
Rates and taxes		X		
Refreshments	X			X
Rent paid/received	X		X	
Salaries and wages		X		
Telephone and fax	X		X	

ANSWER SHEET

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 _____
 _____ (2)

1.3 _____
 _____ (2)

- 1.4 1.4.1 _____ (4)
- _____
- 1.4.2 _____ (1)
- 1.4.3 _____ (1)

[20]

TOTAL SECTION A: 20