



higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

MARKING GUIDELINE

NATIONAL CERTIFICATE FINANCIAL ACCOUNTING N4

13 June 2023

This marking guideline consists of 9 pages.

QUESTION 1

(MARKERS: Please note the **description + amount** are marked as one. Do not allocate marks if the description OR amount is incorrect.)

1.1 CASH RECEIPTS JOURNAL OF THE BIG BOOK SHOP – 30 APRIL 2021 CRJ2

Doc No	Day	Details	Bank	Sales	Trade receivables control	Sundry accounts	
						Amount	Details
	30	Totals	67 420	59 440	1 330	6 650	
350	30	PNA	600✓		600✓		
B/S		Coffee Café	8 910✓			8 910✓	Rent received
B/S		Allied Bank	30✓			30✓	Interest received
			76 960☑				

(7)

1.2 CASH PAYMENTS JOURNAL OF THE BIG BOOK SHOP – 30 APRIL 2021 CRJ2

Doc No	Day	Payee	Bank	Trade payables control	Purchases	Sundry accounts	
						Amount	Details
	30	Totals	19 910	6 100	3 260	10 550	
B/S	30	Allied Bank (110 + 40 + 420)	570✓			570✓	Bank charges
B/S		J. Smit	1 330✓			1 330✓	Trade receivables control
462		Municipality (650 - 600)	50✓			50✓	Electricity
B/S		Allied Bank (220 + 860)	1 080✓			1 080✓	Interest on overdraft
B/S		Insur Tech	2 900✓			2 900✓	Drawings
			25 840☑				

(11)

**1.2 GENERAL LEDGER OF THE BIG BOOK SHOP
BALANCE SHEET ACCOUNTS SECTION
BANK ACCOUNT**

DR			CR		
30 Apr	Total receipts – CRJ2	76 960☑	1 Apr	Balance	30 680✓
			30 Apr	Total payments – CPJ2	25 840☑
				Closing balance	20 440✓
		76 960			76 960
1 May	Balance	20 440☑			

(5)

1.3

BANK RECONCILIATION STATEMENT AS AT 30 APRIL 2021

	DEBIT	CREDIT
Cr balance as per the bank statement		5 350✓
Cr deposit not yet credited		18 600✓
Dr deposit incorrect account credited – bank error	3 300✓	
Dr outstanding cheques:		
# 454	700✓	
# 461	5 500✓	
# 464	1 200✓	
# 466	900✓	
Cr cheque # 6 063 issued by H/O – bank error		5 740✓
Cr cheque debited twice by bank – bank error		2 350✓
Cr balance as per the bank account	20 440☑	
	32 040☑	32 040☑

(12)
[35]

QUESTION 2

2.1 DR		MEMBERSHIP FEES ACCOUNT		CR	
1 Mar	Income receivable	6 000✓	1 Mar	Income received in advance	21 600✓
28 Feb			28 Feb	Bank 2021	4 800✓
				Bank 2022	112 800✓
	Income received in advance	12 000✓		Bank 2023	12 000✓
	Bank (refunds)	10 000✓		Credit losses (6 000 – 4 800)	1 200✓✓
	Income and expenditure <input checked="" type="checkbox"/>	148 400		Income receivable (60 x R400)	24 000✓
		<u>176 400</u>			<u>176 400</u>

(11)

Also accept BANK = R129 600 for three marks on the credit side.
Description and amount must be correct to receive one mark.

2.2 DR		INCOME AND EXPENDITURE ACCOUNT		CR	
28 Feb	Insurance	128 700✓	28 Feb	Entrance fees (256 000 – 56 000)	200 000✓✓
	Stationery (4 200 – 1 800)	2 400✓✓		Gate takings	234 500✓
	Water and electricity	7 500✓		Membership fees	148 400 <input checked="" type="checkbox"/>
	Depreciation (885 000 – 115 400) x 15%	115 440✓✓		Interest on fixed deposit (R1 350 000 x 12% x 2 ÷ 12)	27 000✓ <input checked="" type="checkbox"/>
	Credit losses (Membership fees written off)	1 200 <input checked="" type="checkbox"/>			
	Accumulated fund <input checked="" type="checkbox"/>	345 660			
		<u>609 900</u>			<u>609 900</u>

(14)

[25]

QUESTION 3

3.1

DELLOITE TRADERS STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDING 30 JUNE 2021

Revenue (413 700 – 7 250 – 6 540)		399 910 ✓✓
Less: Cost of sales		(157 906) ☑
Opening inventory	45 860	✓
Add: Purchases (143 500 – 825 – 570)	142 105	✓✓✓
Carriage on purchases	990	✓
Customs duty (10 400 + 550)	10 950	✓✓
	199 905	
Less: Closing inventory	(41 999)	✓
Gross profit		242 004 ☑
OTHER INCOME		25 880 ☑
Credit losses recovered	1 880	✓
Rent income (12 000 + 12 000)	24 000	✓✓
GROSS INCOME FOR THE YEAR		267 884 ☑
Less: Distribution, administrative and other expenses		(181 069)
Carriage on revenue	1 065	✓
Credit losses (8 155 + 120)	8 275	✓✓
Packing material (950 – 390)	560	✓✓
Salaries (69 000 + 15 180) [[69 000 ÷ 10 = 6 900 x 110/100 = 7 590]] [7 590 x 2 = 15 180 + 69 000]	84 180	✓✓
Stationery	4 500	✓
Sundry expenses (33 660 – 2 886) [[11 544 ÷ 12 = 962 x 3 = 2 886]]	30 774	✓✓
Depreciation (25 760 + 23 826) (152 000 – 23 200) x 20% = 25 760, (58 840 x 15%) + (200 000 x 15% x 6/12)	49 586	✓✓✓☑
Allowance for credit losses adjustment (42 700 – 120) x 5%	2 129	✓✓
Less: Finance cost		(16 150)
Interest on loan (12 000 + 4 150) [(95 000 x 16% x 6 ÷ 12) + (95 000 x 18% x 6 ÷ 12)]	16 150	✓✓
Net (loss) for the year		70 665
Other comprehensive income for the year		-
Total comprehensive income/(loss) for the year		70 665 ☑

(36)

DO NOT award a mark ☑ if the candidate does not have a description or has the wrong description.

3.2

DELLOITE TRADERS
STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

	NOTE		
ASSETS			
Noncurrent assets			306 254 ✓
Property, plant and equipment	1	306 254	✓
Current assets			239 312 ✓
Inventory	2	42 389	✓
Trade and other receivables	3	52 451	✓
Prepayments		2 886	✓
Cash and cash equivalents	4	138 700	✓
TOTAL ASSETS			542 680 ✓

(8)

3.3

NOTES TO STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2021

NOTE 1: PROPERTY, PLANT AND EQUIPMENT

	EQUIPMENT	VEHICLES	TOTAL
Carrying value at 1 July 2020	128 800 ✓	27 040 ✓	155 840
Cost	152 000 ✓	58 840 ✓	210 840
Accumulated depreciation	(23 200) ✓	(31 800) ✓	(55 000)
Additions at cost		200 000 ✓	200 000
Depreciation	(25 760) ✓	(23 826) ✓	(49 586)
Carrying value at 30 June 2021	103 040 ✓	203 214 ✓	306 254 ✓
Cost	152 000	258 840	410 840
Accumulated depreciation	(48 960) ✓	(55 626) ✓	(104 586)

(14)

NOTE 2: INVENTORY

Inventory		42 389 ✓
Inventory (30 June 2021)	41 999 ✓	
Packing material on hand	390 ✓	

(3)

NOTE 3: TRADE AND OTHER RECEIVABLES

Trade and other receivables		52 451 ✓
Trade receivables control (42 700 – 120)		42 580 ✓✓
Less: Allowance for credit losses		(2 129) ✓
		40 451
Add: Income receivable		12 000 ✓
Rent income	12 000 ✓	

(6)

NOTE 4: CASH AND CASH EQUIVALENTS

Cash and cash equivalents		138 700
Bank		136 700 ✓
Cash float		2 000 ✓

(3)

[70]

QUESTION 4

4.1

**YOUNG DESIGNERS
DEPARTMENTAL PURCHASES ACCOUNT**

	Evening	Swim		Evening	Swim
Totals b/f	236 000✓	168 000✓	Drawings*	7 000✓✓	
Transfer	5 000✓		Transfer		5 000✓
			Trading account	234 000✓	163 000✓
	<u>241 000</u>	<u>168 000</u>		<u>241 000</u>	<u>168 000</u>

* Drawings: $(21\ 000 \times 100 \div 300) = 7\ 000$

(8)

4.2

**YOUNG DESIGNERS
DEPARTMENTAL STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDING 28 FEBRUARY 2021**

DETAILS	EVENING WEAR	SWIM-WEAR
Revenue (575 000 – 25 000) = 550 000 and (265 000 – 15 000) = 250 000	550 000✓	250 000✓
Less: Cost of sales	(224 000)	(153 000)
Opening inventory (1 March 2020)	40 000✓	60 000✓
Add: Purchases	234 000☑	163 000☑
Less: Closing inventory	(50 000)✓	(70 000)✓
Gross profit	326 000	97 000
Add: Other income		
Finance income (6 000 x 2 ÷ 3) = 4 000 and (6 000 x 1 ÷ 3) = 2 000	4 000✓	2 000✓
Rent income (30 000 x 40 ÷ 100) = 12 000 and (30 000 x 60 ÷ 100) = 18 000	12 000✓	18 000✓
Gross income for the year	342 000	117 000
Less: Distribution, administration and other costs		
Carriage on revenue	(1 500)✓	(2 000)✓
Advertising (40 000 x 550 000 ÷ 800 000) = 27 500 and (40 000 x 250 000 ÷ 800 000) = 12 500	(27 500)✓	(12 500)✓
Salaries and wages (330 000 x 2 ÷ 6) = 110 000 and (330 000 x 4 ÷ 6) = 220 000	(110 000)✓	(220 000)✓
Profit or loss for the year	203 000☑	(117 500)☑

(22)
[30]**QUESTION 5**

5.1

NANDA TRADERS
STATEMENT OF CASH FLOW FOR THE YEAR ENDING 30 JUNE 2021

	NOTES		
Cash flow from operating activities			548 500 ✓
Cash received from customers	1	4 227 500	✓
Cash paid to suppliers and employees	2	(3 363 550)	✓
Cash generated from operations		863 950	✓
Interest expense (1 200 + 166 500)		(167 700)	✓
Interest received		2 250	✓
Drawings		(150 000)	✓
Cash flow from investing activities			(1 126 500) ✓
Additions to land and buildings (1 600 000 – 1 000 000)		(600 000)	✓
Additions to equipment (410 000 – 325 000)		(85 000)	✓
Additions to vehicles [(1 052 000 + 227 500) – 731 000]		(548 500)	✓✓
Proceeds from sale of vehicles		132 000	✓
Increase in investments		(25 000)	✓
Cash flow from financing activities			558 000 ✓
Capital contribution		58 000	✓
Increase in mortgage bond		500 000	✓
Net DECREASE in cash			(20 000)✓
Cash and cash equivalents at the beginning of the year			15 000✓
Cash and cash equivalents at the end of the year			(5 000)✓✓

(21)

5.2

CALCULATION OF CASH RECEIVED FROM CUSTOMERS

Revenue	4 200 000 ✓
Add: Trade receivables at the beginning of the year	227 500 ✓
Less: Trade receivables at the end of the year	(200 000)✓
Cash inflow for the year	4 227 500 ✓

(4)

5.3 **CALCULATION OF CASH PAID TO SUPPLIERS AND EMPLOYEES**

Revenue (Accept both an answer in brackets and without)	(4 200 000)✓
Less: Comprehensive income for the year (Accept both an answer in brackets and without.)	383 500 ✓
Expenses for the year (This answer MUST be in brackets to award the mark.)	(3 816 500)✓
<i>Adjustments for noncash items:</i>	
Interest on bank overdraft	1 200 ✓
Interest on mortgage bond	166 500 ✓
Interest received $[(R25\ 000 \times 18\%) \times 6 \div 12]$ ✓	(2 250)☑
Depreciation $(95\ 000 + 132\ 000 + 107\ 500)$ ✓✓	334 500 ☑
Profit from the sale of a vehicle $(132\ 000 - 120\ 000)$	(12 000)✓
Add: Inventory at the beginning of the year	181 000✓
Less: Inventory at the end of the year	(244 000)✓
Less: Trade payables at the beginning of the year	(112 000) ✓
Add: Trade payables at the end of the year	140 000✓
	(3 363 550)

(15)
[40]

TOTAL: 200