



# higher education & training

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Department:  
Higher Education and Training  
**REPUBLIC OF SOUTH AFRICA**

## **MARKING GUIDELINE**

**NATIONAL CERTIFICATE**

**FINANCIAL ACCOUNTING N4**

**29 November 2023**

**This marking guideline consists of 8 pages.**

## QUESTION 1

## WAGES JOURNAL OF GCB TRADERS FOR THE WEEK ENDING 29 APRIL 2021

EMPLOYEES	INCOME						GROSS WAGES
	Normal time			Overtime			
	Hours	Rate	Amount	Hours	Rate	Amount	
T. Drummond	40	R40	1 600✓	10	R60	600✓	2 200☑
P. Lembethe	35	R50	1 750✓	-	R75	- ✓	1 750☑
R. Pieterse	40	R70	2 800✓	5	R105	525✓	3 325☑
TOTALS			6 150			1 125	7 275

(9)

EMPLOYEES	DEDUCTIONS					
	Pension fund	PAYE	Medical aid	UIF	Staff fund	Total
T. Drummond	440.00✓	316.80✓✓	150.00✓	22.00✓	15.00✓	943.80☑
P. Lembethe	481.25✓	228.38✓✓	270.00✓✓	17.50✓	15.00✓	1 012.13☑
R. Pieterse	770.00✓	459.90✓✓	560.00✓✓	33.25✓	15.00✓	1 838.15☑
TOTALS	1 691.25	1 005.08	980.00	72.75	45.00	3 794.08☑

(Do NOT award a mark if the candidate rounded to the nearest RAND.) (24)

EMPLOYEES	NET WAGES
	Total
T. Drummond	1 256.20☑
P. Lembethe	737.87☑
R. Pieterse	1 486.85☑
TOTAL	3 480.92☑

(4)

EMPLOYER CONTRIBUTIONS	EMPLOYER CONTRIBUTIONS			
	Pension fund	Medical aid		Total
	1 691.25✓	490.00✓		2 181.25☑

(3)

[40]

## QUESTION 2

## 2.1 BONANG TRADERS

<b>STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDING 31 DECEMBER 2021</b>		
Revenue (206 850 – 3 625 – 3 270)		199 955 ✓✓
Less: Cost of sales		(78 955) ✓
Opening inventory	22 930	✓
Add: Purchases (71 750 – 285 – 415)	71 050	✓✓✓
Carriage on purchases	495	✓
Customs duties (5 200 + 275)	5 475	✓✓
	99 950	
Less: Closing inventory	(20 995)	✓
<b>Gross profit</b>		<b>121 000</b> ✓
<b>OTHER INCOME</b>		<b>12 940</b>
Credit losses recovered	940	✓
Rent income (6 000 + 6 000)	12 000	✓✓
<b>GROSS INCOME FOR THE YEAR</b>		<b>133 940</b>
<b>Less: Distribution, administrative and other expenses</b>		<b>(91 361)</b> ✓
Carriage on revenue	533	✓
Credit losses (4 077 + 350)	4 427	✓✓
Packing material (475 – 125)	350	✓✓
Salaries (34 500 + 7 590) [(34 500 ÷ 10 = 3 450 × 110/100 = 3 795)] [3 795 × 2 = 7 590 + 34 500]	42 090	✓✓
Stationery	2 250	✓
Sundry expenses (16 830 – 962) [(5 772 ÷ 12 = 481 × 2 = 962)]	15 868	✓✓
Depreciation (11 913 + 12 880) (29 420 × 15%) + (100 000 × 15% × 6/12); (76 000 – 11 600) × 20% = 12 880	24 793	✓✓✓✓
Allowance for credit loss adjustment (21 350 – 350) × 5%	1 050	✓✓
<b>Less: Finance cost</b>		<b>(8 075)</b>
Interest on loan (6 000 + 4 150) [(47 500 × 16% × 6 ÷ 12) + (47 500 × 18% × 6 ÷ 12)]	8 075	✓✓
<b>Net (loss) for the year</b>		<b>34 504</b>
Other comprehensive income for the year		-
<b>Total comprehensive income/(loss) for the year</b>		<b>34 504</b> ✓

(Do NOT award a ✓ mark if the candidate does not have a description or has the wrong description.) (35)

2.2 **BONANG TRADERS**

<b>STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2021</b>			
	<b>NOTE</b>		
<b>ASSETS</b>			
<b>Non-current assets</b>			<b>153 127</b> ✓
Property, plant and equipment	1	153 127	✓
<b>Current assets</b>			<b>117 382</b> ✓
Inventory	2	21 120	✓
Trade and other receivables	3	25 950	✓
Prepayments		962	✓
Cash and cash equivalents	4	69 350	✓
<b>TOTAL ASSETS</b>			<b>270 509</b> ✓

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2.3 **NOTES TO THE STATEMENT OF THE FINANCIAL POSITION AS AT  
31 DECEMBER 2021**

<b>NOTE 1: PROPERTY, PLANT AND EQUIPMENT</b>			
	<b>VEHICLES</b>	<b>EQUIPMENT</b>	<b>TOTAL</b>
<b>Carrying value at 1 January 2021</b>	13 520✓	64 400✓	77 920
Cost	29 420✓	76 000✓	105 420
Accumulated depreciation	(15 900)✓	(11 600)✓	(27 500)
Additions at cost	100 000✓		100 000
Depreciation	(11 913)✓	(12 880)✓	(24 793)
<b>Carrying value at 31 December 2021</b>	101 607✓	51 520✓	✓153 127
Cost	129 420✓	76 000✓	205 420
Accumulated depreciation	(27 813)✓	✓(24 480)	(52 293)

(16)

<b>NOTE 2: INVENTORY</b>		
Inventory		21 120✓
Inventory (31 December 2021)	20 995✓	
Packing material on hand	125✓	

(3)

<b>NOTE 3: TRADE AND OTHER RECEIVABLES</b>			
Trade and other receivables			25 950✓
Trade receivables control (21 350 – 350)		21 000	✓
Less: Allowance for credit losses		(1 050)	✓
		19 950	
Add: Income receivable		6 000	✓
Rent income	6 000✓		

(5)

NOTE 4: CASH AND CASH EQUIVALENTS			
Cash and cash equivalents			69 350 ✓
Bank		68 350	✓
Cash float		1 000	✓

(3)  
[70]

## QUESTION 3

3.1

WRIGHT STATIONERS DEPARTMENTAL PURCHASES ACCOUNT					
	TOYS	STATIONERY		TOYS	STATIONERY
Totals b/f	118 000 ✓	84 000 ✓	Drawings*	3 500 ✓✓	
Transfer	4 500 ✓		Transfer		4 500 ✓
			<b>Trading account</b>	<b>119 000 ✓</b>	<b>79 500 ✓</b>
	122 500	84 000		122 500	84 000

(\* Drawings:  $10\,500 \times 100 \div 300 = 3\,500$ ) (8)

3.2

WRIGHT STATIONERS DEPARTMENTAL STATEMENT OF PROFIT OR LOSS FOR THE YEAR ENDING 30 JUNE 2021		
DETAILS	TOYS	STATIONERY
Revenue ( $287\,500 - 12\,500$ ) = 275 000 AND ( $132\,500 - 7\,500$ ) = 125 000	275 000 ✓	125 000 ✓
<b>Less: Cost of sales</b>	(114 000)	(74 500)
Opening inventory (1 July 2020)	20 000 ✓	30 000 ✓
Add: Purchases	119 000 ✓	79 500 ✓
<b>Less: Closing inventory</b>	(25 000) ✓	(35 000) ✓
<b>Gross profit</b>	<b>161 000</b>	<b>50 500</b>
<b>Add: Other income</b>		
Finance income ( $3\,000 \times 4 \div 6$ ) = 2 000 AND ( $3\,000 \times 2 \div 6$ ) = 1 000	2 000 ✓	1 000 ✓
Rent income ( $45\,000 \times 240 \div 600$ ) = 18 000 AND ( $45\,000 \times 360 \div 600$ ) = 27 000	18 000 ✓	27 000 ✓
<b>Gross income for the year</b>	<b>181 000</b>	<b>78 500</b>
<b>Less: Distribution, administration and other costs</b>		
Carriage on revenue	750 ✓	1 000 ✓
Advertising ( $80\,000 \times 275\,000 \div 400\,000$ ) = 55 000 AND ( $80\,000 \times 125\,000 \div 400\,000$ ) = 25 000	55 000 ✓	25 000 ✓
Salaries and wages ( $180\,000 \times 12 \div 36$ ) = 60 000 AND ( $180\,000 \times 24 \div 36$ ) = 120 000	60 000 ✓	120 000 ✓
<b>Profit or (loss) for the year</b>	<b>65 250 ✓</b>	<b>(67 500) ✓</b>

(22)  
[30]

## QUESTION 4

4.1

<b>MZANSI TRADERS</b>			
<b>STATEMENT OF CASH FLOW FOR THE YEAR ENDING 30 JUNE 2021</b>			
	NOTE		
<b>Cash flow from operating activities</b>			274 250 ✓
Cash received from customers	1	2 113 750	✓
Cash paid to suppliers and employees	2	(1 681 775)	✓
Cash generated from operations		431 975	✓
Interest expense (600 + 83 250)		(83 850)	✓
Interest received		1 125	✓
Drawings		(75 000)	✓
<b>Cash flow from investing activities</b>			(563 250) ✓
Additions to land and buildings (800 000 – 500 000)		(300 000)	✓
Additions to equipment (205 000 – 162 500)		(42 500)	✓
Additions to vehicles [(526 000 + 113 750) – 365 500]		(274 250)	✓✓
Proceeds from sale of vehicles		66 000	✓
Increase in investments		(12 500)	✓
<b>Cash flow from financing activities</b>			279 000 ✓
Capital contribution (543 500 – 514 500)		29 000	✓
Increase in mortgage bond (650 000 – 400 000)		250 000	✓
Net DECREASE in cash			(10 000) ✓
Cash and cash equivalents at the beginning of the year			7 500 ✓
Cash and cash equivalents at the end of the year			(2 500) ✓✓

(21)

4.2

**CALCULATION OF CASH RECEIVED FROM CUSTOMERS**

Revenue	2 100 000 ✓
Add: Trade receivables at the beginning of the year	113 750 ✓
Less: Trade receivables at the end of the year	(100 000) ✓
Cash <b>inflow</b> for the year	2 113 750 ✓

(4)

4.3

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

Revenue <b>(Accept both an answer in brackets and without)</b>	(2 100 000)✓
Less: Total comprehensive income for the year <b>(Accept both an answer in brackets and without)</b>	191 750✓
<b>Expenses for the year</b> <b>(This answer MUST be in brackets to award the mark)</b>	(1 908 250)✓
Adjustments for non-cash items	
Interest on bank overdraft	600✓
Interest on mortgage bond	83 250✓
Interest received $[(R12\ 500 \times 18\%) \times 6 \div 12]$ ✓	(1 125)☑
Depreciation $(47\ 500 + 66\ 000 + 53\ 750)$ ✓✓	167 250☑
Profit with the sale of a vehicle $(66\ 000 - 60\ 000)$	(6 000)✓
Add: Inventory at the beginning of the year	90 500✓
Less: Inventory at the end of the year	(122 000)✓
Less: Trade payables at the beginning of the year	(56 000)✓
Add: Trade payables at the end of the year	70 000✓
	(1 681 775)

(15)  
[40]**QUESTION 5**

5.1

DR		MEMBERSHIP FEES ACCOUNT		CR	
Apr 1	Income receivable	15 000✓	Apr 1	Income received in adv.	54 000✓
Mar 31			Mar 31	Bank 2021	12 000✓
				Bank 2022	282 000✓
	Income received in adv.	30 000✓		Bank 2023	30 000✓
				Credit losses (15 000 – 12 000)	3 000✓✓
	Income and expenditure☑	376 000		Income receivable (40 × R1 000)	40 000✓
		421 000			421 000

(Also accept BANK = R324 000 for THREE marks on the credit side.

Description and amount must be correct to receive ONE mark.)

(10)

5.2

DR		INCOME AND EXPENDITURE ACCOUNT		CR	
Mar 31	Stationery	6 650✓	Mar 31	Entrance fees (120 000 – 96 000)	24 000✓✓
	Water and electricity	25 550✓		Gate takings	117 250✓
				Membership fees	376 000☑
	Credit losses (Membership fees written off)	3 000☑		Interest on fixed deposit (R675 000 × 17% × 2 ÷ 12)	19 125✓✓
	Accumulated fund ☑	501 175			
		<u>536 375</u>			<u>536 375</u>

(10)  
[20]**TOTAL: 200**