



higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

NATIONAL CERTIFICATE FINANCIAL ACCOUNTING N4

(4010164)

**13 June 2023 (X-paper)
09:00–12:00**

Non-programmable calculators may be used.

This question paper consists of 11 pages and an answer book of 10 pages.

DEPARTMENT OF HIGHER EDUCATION AND TRAINING
REPUBLIC OF SOUTH AFRICA
NATIONAL CERTIFICATE
FINANCIAL ACCOUNTING N4
TIME: 3 HOURS
MARKS: 200

INSTRUCTIONS AND INFORMATION

1. Answer all the questions in the ANSWER BOOK (attached).
 2. Read all the questions carefully.
 3. Write your EXAMINATION NUMBER and the CENTRE NUMBER on each ANSWER SHEET.
 4. Where applicable, round off to the nearest RAND.
 5. The time to be spent on each question is indicated below. Use the given time as a guideline for completing the question paper.
 6. Use only a blue or black pen.
 7. **NOTE THAT NO ANSWERS IN PENCIL WILL BE MARKED.**
 8. Write neatly and legibly.
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QUESTIONS	MARKS	TIME ALLOCATION
1	35	32 min
2	25	22 min
3	70	63 min
4	30	27 min
5	40	36 min
TOTAL	200	180 min

QUESTION 1

The following information was taken from the accounting records of *The Big Book Shop*.

REQUIRED



- 1.1 Complete the Cash Receipts Journal and the Cash Payments Journal on 30 April 2021, after making a comparison with the bank statement for April 2021.

NOTE: Close off the bank columns ONLY.

(18)

- 1.2 Transfer the balances in the cash journals to the Bank Account in the General Ledger and balance the account.

(5)

- 1.3 Draft the Bank Reconciliation Statement on 30 April 2021.

(12)

INFORMATION

BANK RECONCILIATION STATEMENT AS AT 31 MARCH 2021

	DEBIT	CREDIT
Dr balance as per the bank statement	126 330	
Cr deposit not yet credited		100 000
Dr outstanding cheques:		
# 350	600	
# 454	700	
# 457	2 250	
# 459	800	
Cr balance as per the bank account		30 680
	130 680	130 680

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

Doc no	Day	Details	Analysis of receipts	Bank	Sales	Trade receivables control	Sundry accounts	
							Amount	Details
BBS3	2	Sales	7 190		7 190			
A80	4	Travel shop	1 450	8 640			1 450	Commission
A81	13	J. Smit	1 330			1 330		
BBS4	15	Sales	3 090	4 420	3 090			
BBS5	24	Sales	15 960	15 960	15 960			
BBS6	25	Sales	14 600		14 600			
A82	26	CNA	5 200	19 800			5 200	Rent received
BSS7	30	Sales	18 600	18 600	18 600			
				67 420	59 440	1 330	6 650	



CASH PAYMENTS JOURNAL OF THE BIG BOOK SHOP – APRIL 2021 CPJ2

Doc no	Day	Payee	Bank	Trade payables control	Purchases	Sundry accounts	
						Amount	Details
460	11	FS Traders	3 260		3 260		
461	15	Cash	5 500			5 500	Wages
462	18	Municipality	600			600	Electricity
463	20	Ink Stores	6 100	6 100			
464	23	Sharp Centre	1 200			1 200	Drawings
465	25	Cartridge Club	2 350			2 350	Equipment
466	28	Telkom	900			900	Telephone
			19 910	6 100	3 260	10 550	



BANK STATEMENT

The Big Book Store
P.O. Box 1001
Johannesburg
1001

30 April 2021

Bank statement: # 04047

DATE	DESCRIPTION	DEBIT	CREDIT	BALANCE
01/04	Balance			(126 330)
01/04	Deposit		100 000	(26 330)
01/04	Cheque # 457	2 250		(28 580)
01/04	Cheque book	110		(28 690)
04/04	Credit		8 640	(20 050)
07/04	Cheque # 459	800		(20 850)
10/04	Tax levy	40		(20 890)
12/04	Cheque # 460	3 260		(24 150)
15/04	Credit		4 420	(19 730)
16/04	Cheque dishonoured	1 330		(21 060)
19/04	Cheque # 462	650		(21 710)
21/04	Interest on debit balance	220		(21 930)
22/04	Cheque # 463	6 100		(28 030)
24/04	Credit		15 960	(12 070)
25/04	Cheque # 6 063	5 740		(17 810)
26/04	Credit		19 800	1 990
28/04	Interest on debit balance	860		1 330
28/04	Credit		8 910	10 040
29/04	Insurtech	2 900		7 140
30/04	Credit		3 300	10 440
30/04	Interest on credit balance		30	10 470
30/04	Service fee	420		10 050
30/04	Cheque # 465	2 350		7 700
30/04	Cheque # 465	2 350		5 350

ADDITIONAL INFORMATION

1. Cheque # 350, which was issued in January 2021 to PNA Stationers for payment of our account was lost and subsequently stopped. A new cheque will be issued in May 2021. ★
2. The credit entry on 28 April 2021 was in respect of a deposit that *Coffee Café*, a tenant, made directly into the business' bank account.
3. The credit entry on 30 April 2021 was in respect of a deposit that *The Big Shoe Store* made directly into their account, but it appeared on the business' bank statement.
4. The bank statement showed an unpaid cheque of R1 330 that was received on 16 April 2021 from J. Smit. This cheque was dishonoured due to insufficient funds. ★
5. Cheque # 462 was incorrectly entered in the cash payments journal as R600, instead of R650 (which is correct on the bank statement).
6. Cheque # 6 063 for R5 740, withdrawn by the head office from their account, appeared on the business' bank statement.
7. The debit entry on 29 April 2021 was in respect of a debit order to Insurtech for the owner's personal insurance premium.
8. Cheque # 465 was erroneously debited twice on the bank statement.

[35]

QUESTION 2

The information given below was taken from the books of your local tennis club on 28 February 2022.

REQUIRED

Prepare the following General Ledger accounts:

- 2.1 Membership Fees account ★ (11)
- 2.2 Income and Expenditure account (14)

INFORMATION

(a) Balances/Totals on 1 March 2021

	RAND
Accumulated funds	1 058 500
Club house property (cost)	5 500 000
Equipment (cost)	885 000
Accumulated depreciation on equipment	115 400
Fixed deposit: Capitec Bank (12% p.a.)	1 350 000
Income receivable: Membership fees	6 000
Income received in advance: Membership fees	21 600
Bank (credit)	79 900

(b) Receipts and payments for the year ending 28 February 2022 (extract)

	RAND
RECEIPTS	
Entrance fees	256 000
Gate takings	234 500
Membership fees: 2021	4 800
Membership fees: 2022	112 800
Membership fees: 2023	12 000
PAYMENTS	
Insurance	128 700
Membership fees refunded	10 000
Stationery	4 200
Water and electricity	7 500

ADDITIONAL INFORMATION

1. Membership fees still outstanding for 2021 must be written off.
2. Sixty members must still pay their subscriptions for 2022. Fees are R400 per member per annum.
3. Entrance fees of R56 000 must be capitalised.
4. Provide for outstanding interest on the fixed deposit at Capitec Bank. The investment was made on 1 January 2022.
5. Stationery on hand as per the Physical Inventory count at year end, R1 800.
6. Equipment is to be depreciated at 15% per annum according to the diminishing balance method.

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QUESTION 3

As a junior bookkeeper, you are supplied with the relevant information of Delloite Traders for the year ending 30 June 2021.



REQUIRED

- 3.1 Prepare the Statement of Profit or Loss and Other Comprehensive Income for the year ending 30 June 2021. (36)
- 3.2 Complete only the assets section of the Statement of Financial Position. (8)
- 3.3 Draft the notes to the assets section of the Statement of Financial Position. (26)
- NOTE:
- The statement of financial position is not required.
 - Delloite Traders uses the periodic inventory system.

INFORMATION



DELLOITE TRADERS PREADJUSTMENT TRIAL BALANCE ON 30 JUNE 2021			
		DEBIT	CREDIT
BALANCE SHEET ACCOUNTS SECTION			
Capital	B1		368 960
Drawings	B2	18 800	
Equipment	B3	152 000	
Accumulated depreciation on equipment	B4		23 200
Vehicles	B5	258 840	
Accumulated depreciation on vehicles	B6		31 800
Inventory (1 July 2020)	B7	45 860	
Trade receivables control	B8	42 700	
Bank	B9	136 700	
Cash float	B10	2 000	
Trade payables control	B11		7 800
Loan: Capital Bank (18% p.a.)	B12		95 000
NOMINAL ACCOUNTS SECTION			
Revenue	N1		413 700
Purchases	N2	143 500	
Sales returns	N3	7 250	
Carriage on purchases	N4	990	
Carriage on revenue	N5	1 065	
Credit losses	N6	8 155	
Credit losses recovered	N7		1 880
Custom duties	N8	10 400	
Interest on loan	N9	12 000	
Packing material	N10	950	
Salaries	N11	69 000	
Settlement discount granted	N12	6 540	
Settlement discount received	N13		570
Stationery	N14	4 500	
Sundry expenses	N15	33 660	
Rent income	N16		12 000



		954 910	954 910
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ADJUSTMENTS AND ADDITIONAL INFORMATION



1. Trading goods of R825 were returned during this financial period. These goods were included in the inventory on hand as mentioned above, but no other entries were made.
2. Custom duty of R550 was still outstanding for May and June 2021.
3. Inventory on hand at 30 June 2021:
 - Inventory, R41 999
 - Packing material, R390
4. Rent has been received up to 31 December 2020.
5. An additional amount of R120 must be written off as irrecoverable.
6. Salaries were paid for 10 months only.
NOTE: On 1 May 2021 salaries were increased by 10%.
7. The sundry expense account includes an amount of R11 544 for an annual bonus which was paid up to 30 September 2021.
8. Noncurrent assets must be depreciated as follows:
 - Equipment at 20% p.a. according to the diminishing balance method
 - Vehicles at 15% p.a. according to the cost price methodNOTE: A new vehicle, R200 000 was purchased on 31 December 2020.
9. Create an allowance for credit losses at 5% of trade and other receivables.
10. Provide for the outstanding interest on the loan.
NOTE: The interest rate on the loan from Capital Bank was increased by 2% on 1 January 2021.



[70]

QUESTION 4

Young Designers has two departments, evening wear and swimwear. They use the periodic inventory system to prepare their financial statements.

Use the information below to do the following:

- 4.1 Prepare and close off the departmental purchases account. (8)
- 4.2 Prepare a Departmental Statement of Profit or Loss.
NOTE: Where applicable, show all the calculations in brackets.

INFORMATION

DETAILS	TOTAL	EVENING WEAR	SWIM-WEAR
Revenue		575 000	265 000
Purchases		236 000	168 000
Sales returns		25 000	15 000
Inventory: 1 March 2020		40 000	60 000
Inventory: 28 February 2021		50 000	70 000
Carriage on sales		1 500	2 000
Advertising	40 000		
Finance income	6 000		
Rent income	30 000		
Salaries and wages	330 000		
Number of employees		2	4
Floor space		40 m ²	60 m ²

ADJUSTMENTS AND ADDITIONAL INFORMATION

- Ms Young took an evening dress home for her personal use. The marked selling price was R21 000. Young Designers prices evening gowns at cost plus 200%.
- Evening gown fabric purchased for R5 000 was incorrectly debited to swimwear. This must be corrected.
- Finance income must be shared in the ratio of 2:1 between evening wear and swimwear.
- The rent income must be allocated in proportion to the floor space used by each department.
- Advertising expenses must be allocated in proportion to the gross revenue of each department.
- Salaries must be allocated in proportion to the number of employees in each department.

(22)
[30]

QUESTION 5

As a junior bookkeeper, you are requested by your manager to draft the following:

- 5.1 Statement of Cash Flow for Nanda Traders as at 30 June 2021. ★ (21)
- 5.2 Note for cash received from customers. (4)
- 5.3 Note for cash paid to suppliers and employees. (15)

INFORMATION

NANDA TRADERS SUMMARISED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2021

	Note	2021	2020
ASSETS			
Noncurrent assets			
Property, plant and equipment	1	2 296 500	1 517 500
Other financial assets	2	25 000	
Current assets			
Inventory		244 000	181 000
Trade and other receivables		200 000	227 500
Cash and cash equivalents	3	1 000	15 000
TOTAL ASSETS		2 766 500	1 941 000
EQUITY AND LIABILITIES			
Total equity			
Capital	4	1 320 500	1 029 000
Noncurrent liabilities			
Mortgage bond: Allied Bank		1 300 000	800 000
Current liabilities			
Trade and other payables		140 000	112 000
Bank overdraft		6 000	
TOTAL EQUITY AND LIABILITIES		2 766 500	1 941 000

ADDITIONAL INFORMATION

- The owner made an additional capital contribution during the financial year.
- The following information was extracted from the Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 June 2021:

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

	Note	2021
Revenue		4 200 000
Interest on bank overdraft		1 200
Interest on mortgaged bond		166 500
Interest on fixed deposit (The investment was made on 31/12/2020)		?

3. The following information was extracted from the notes to the statement of the financial position as at 30 June 2021: ★

NOTE 1: PROPERTY, PLANT AND EQUIPMENT

2021	Cost price	Accumulated depreciation	Gross carrying amount
Land and buildings	1 600 000		1 600 000
Equipment	410 000	(267 500)	142 500
Vehicles	1 052 000	(498 000)	554 000
	3 062 000	(765 500)	2 296 500
2020	Cost price	Accumulated depreciation	Gross carrying amount
Land and buildings	1 000 000		1 000 000
Equipment	325 000	(172 500)	152 500
Vehicles	731 000	(366 000)	365 000
	2 056 000	(538 500)	1 517 500

NOTE: A vehicle has been sold on 30 June 2021 for R132 000. The cost price of this vehicle was R227 500 and the net carrying value amounted to R120 000.

NOTE 2: OTHER FINANCIAL ASSETS

	2021	2020
Fixed deposit: Allied Bank (18%)	25 000	

NOTE 3: CASH AND CASH EQUIVALENTS ★

	2021	2020
Bank		14 500
Petty cash	1 000	500

4. The following information was extracted from the statement of changes in owner's equity as at 30 June 2021:

STATEMENT OF CHANGES IN OWNER'S EQUITY		
	2021	2020
Opening balance	1 087 000	998 500
Add: Total comprehensive income for the year	383 500	120 500
Less: Drawings	(150 000)	(90 000)
Closing balance	1 320 500	1 029 000



(15)
[40]

TOTAL: 200