



higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

NATIONAL CERTIFICATE
FINANCIAL ACCOUNTING N4
(4010164)

29 November 2023 (X-paper)
09:00–12:00

Non-programmable calculators may be used.

This question paper consists of 10 pages.

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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.
 2. Read all the questions carefully.
 3. Number the answers according to the numbering system used in this question paper.
 4. Write your EXAMINATION NUMBER and CENTRE NUMBER at the top of each ANSWER SHEET.
 5. Ensure that the answer sheets are in the correct sequence and stapled together before submitting them.
 6. Use the time given as a guideline for completing the question paper.
 7. Use only a blue or black pen. **Answers in pencil will NOT be marked.**
 8. Where applicable, round to the nearest RAND.
 9. Write neatly and legibly.
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QUESTIONS	MARKS	TIME GUIDELINE
QUESTION 1	40	36 min
QUESTION 2	70	63 min
QUESTION 3	30	27 min
QUESTION 4	40	36 min
QUESTION 5	20	18 min
TOTAL	200	180 min

QUESTION 1

During the week ending 29 April 2021, the following hourly-paid employees have been employed by GCB Traders for a working week of 40 hours.



NAME	MARITAL STATUS	DEPENDANTS	HOURS WORKED	HOURLY TARIFF (Normal time)	HOURLY TARIFF (Overtime)
T. Drummond	Single	None	50	R40	R60
P. Lembethe	Single	1	35	R50	R75
R. Pieterse	Married	3	45	R70	R105

ADDITIONAL INFORMATION

1. Pension fund contributions must be deducted at 27.5% of employees' wages for normal time.
2. Calculate income tax (PAYE) at 18% of gross income after pension fund deductions has been brought into account.
3. Medical fund contributions are deducted as follows:
 - R150 per week for single persons
 - R200 per week for married persons
 - An additional contribution of R120 per dependant must be added
4. Unemployment insurance must be deducted at 1% of employees' gross wages.
5. All employees are obliged to contribute R15 per week to the staff fund.
6. GCB Traders contribute R1 for every R1 to the pension fund and R1 for every R2 to the medical aid.



REQUIRED

Draft the wages journal of GCB Traders for the week ending 29 April 2021.

NOTE: ALL deductions must be rounded to the nearest 2nd decimal.



[40]

QUESTION 2

As a junior bookkeeper, you are supplied with the relevant information of Bonang Traders for the year ended 31 December 2021.



REQUIRED

- 2.1 Prepare the statement of profit or loss and other comprehensive income for the year ended 31 December 2021. (35)
- 2.2 Complete only the assets section of the statement of the financial position. (8)
- 2.3 Draft the notes to the assets section of the statement of the financial position.

NOTE:

- The statement of the financial position is not required.
- Bonang Traders uses the periodic inventory system.

INFORMATION



BONANG TRADERS			
PREADJUSTMENT TRIAL BALANCE 31 DECEMBER 2021			
		DEBIT	CREDIT
Balance sheet accounts section			
Capital	B1		184 480
Drawings	B2	9 400	
Vehicles	B3	129 420	
Accumulated depreciation on vehicles	B4		15 900
Equipment	B5	76 000	
Accumulated depreciation on equipment	B6		11 600
Bank	B7	68 350	
Inventory (1 January 2021)	B8	22 930	
Trade receivables control	B9	21 350	
Cash float	B10	1 000	
Trade payables control	B11		3 900
Loan: Saambou Bank (18% p.a.)	B12		47 500
Nominal accounts section			
Revenue	N1		206 850
Purchases	N2	71 750	
Sales returns	N3	3 625	
Carriage on purchases	N4	495	
Carriage on sales	N5	533	
Credit losses	N6	4 077	
Credit losses recovered	N7		940
Customs duties	N8	5 200	
Interest on loan	N9	6 000	
Packing material	N10	475	
Salaries	N11	34 500	
Settlement discount granted	N12	3 270	
Settlement discount received	N13		285
Stationery	N14	2 250	
Sundry expenses	N15	16 830	
Rent income	N16		6 000
		477 455	477 455

(27)

ADJUSTMENTS AND ADDITIONAL INFORMATION



1. Trading goods of R415 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. Customs duties of R275 were still outstanding for November and December 2021.
3. Inventory on hand at 31 December 2021:
 - Inventory, R20 995
 - Packing material, R125
4. Rent has been received up to 30 June 2021.
5. An additional amount of R350 must be written off as irrecoverable.
6. Salaries were paid for 10 months only.
NOTE: On 1 November 2021 salaries were increased by 10%.
7. The sundry expense account includes an amount of R5 772 for an annual bonus which was paid up to 28 February 2021.
8. Non-current assets must be depreciated as follows:
 - Vehicles at 15% p.a. according to the cost-price method
 - Equipment at 20% p.a. according to the diminishing-balance method
NOTE: A new vehicle, R100 000 was purchased on 30 June 2021.
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 Saambou Bank was increased by 2% on 1 July 2021.

[70]

QUESTION 3

Wright Stationers has two departments, Toys and Stationery. They use the periodic inventory system to prepare their financial statements.

Use the information below to prepare the following:

- 3.1 Prepare and close off the departmental purchases account. (8)
- 3.2 Prepare a departmental statement of profit or loss.
NOTE: Where applicable, show all the calculations in brackets.





DETAILS	TOTAL	TOYS	STATIONERY
Revenue		287 500	132 500
Purchases		118 000	84 000
Sales returns		12 500	7 500
Inventory: 1 July 2020		20 000	30 000
Inventory: 30 June 2021		25 000	35 000
Carriage on revenue		750	1 000
Advertising	80 000		
Finance income	3 000		
Rent income	45 000		
Salaries and wages	180 000		
Number of employees		12	24
Floor space		240 m ²	360 m ²

ADJUSTMENTS AND ADDITIONAL INFORMATION



1. Mr Wright took toys home for his child's birthday party. The marked selling price was R10 500. Wright Stationers prices toys at cost plus 200%.
2. Toys purchased for R4 500 were incorrectly debited to stationery. This must be corrected.
3. Finance income must be shared in the ratio of 4:2 between toys and stationery.
4. The rent income must be allocated in proportion to the floor space used by each department.
5. Advertising expenses must be allocated in proportion to the gross revenue of each department.
6. Salaries must be allocated in proportion to the number of employees in each department.




(22)
[30]

QUESTION 4


Mzansi Traders is concerned about their cash flow after the COVID19 pandemic and requested you, their bookkeeper, to draft the following:

- 4.1 Statement of cash flow for Mzansi Traders as at 30 June 2021 (21)
- 4.2 Note for cash received from customers (4)
- 4.3 Note for cash paid to suppliers and employees





MZANSI TRADERS			
SUMMARISED STATEMENT OF FINANCIAL POSITION AS AT			
30 JUNE 2021			
	NOTE	2021	2020
ASSETS			
Non-current assets			
Property, plant and equipment	1	1 148 250	758 750
Other financial assets	2	12 500	
Current assets			
Inventory		122 000	90 500
Trade and other receivables		100 000	113 750
Cash and cash equivalents	3	500	7 500
TOTAL ASSETS		1 383 250	970 500
EQUITY AND LIABILITIES			
Total equity			
Capital	4	660 250	514 500
Non-current liabilities			
Mortgage bond: Perm Bank		650 000	400 000
Current liabilities			
Trade and other payables		70 000	56 000
Bank overdraft		3 000	
TOTAL EQUITY AND LIABILITIES		1 383 250	970 500



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 ending 30 June 2021:

MZANSI TRADERS		
EXTRACTS FROM THE STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDING 30 JUNE 2021		
	NOTE	2021
Revenue		2 100 000
Interest on bank overdraft		600
Interest on mortgage bond		83 250
Interest on fixed deposit (The investment was made on 31/12/2021)		?



- 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	800 000		800 000
Equipment	205 000	(133 750)	71 250
Vehicles	526 000	(249 000)	277 000
	1 531 000	(382 750)	1 148 250
2020	Cost price	Accumulated depreciation	Gross carrying amount
Land and buildings	500 000		500 000
Equipment	162 500	(86 250)	76 250
Vehicles	365 500	(183 000)	182 500
	1 028 000	(269 250)	758 750



NOTE: A vehicle was sold on 30 June 2021 for R66 000. The cost price of this vehicle was R113 750 and the net carrying value amounted to R60 000.

NOTE 2: OTHER FINANCIAL ASSETS		
	2021	2020
Fixed deposit: Allied Bank (18%)	12 500	

NOTE 3: CASH AND CASH EQUIVALENTS		
	2021	2020
Bank		7 250
Petty cash	500	250



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



STATEMENT OF CHANGES IN OWNER'S EQUITY		
	2021	2020
Opening balance	543 500	499 250
Add: Total comprehensive income for the year	191 750	60 250
Less: Drawings	(75 000)	(45 000)
Closing balance	660 250	514 500

(15)
[40]

QUESTION 5

You are a member of the Social Squash Club and was recently appointed as the treasurer by the club chairperson on behalf of the members.

The information given below was taken from the books of the Social Squash Club on 31 March 2022.



REQUIRED

Prepare the following general ledger accounts:

- 5.1 Membership fees account (10)
- 5.2 Income and expenditure account (10)

INFORMATION

(A)

BALANCES/TOTALS ON 1 APRIL 2021	
	RAND
Accumulated funds	529 250
Club house property (cost)	2 750 000
Fixed deposit: Trust Bank (17% p.a.)	675 000
Income receivable: Membership fees	15 000
Income received in advance: Membership fees	54 000
Bank (credit)	39 950



(B)

**RECEIPTS AND PAYMENTS FOR THE YEAR ENDED 31
MARCH 2022 (EXTRACT)**



	RAND
RECEIPTS	
Entrance fees	120 000
Gate takings	117 250
Membership fees: 2021	12 000
Membership fees: 2022	282 000
Membership fees: 2023	30 000
PAYMENTS	
Stationery	6 650
Water and electricity	25 550

ADDITIONAL INFORMATION

1. Membership fees still outstanding for 2021 must be written off.
2. Forty members must still pay their subscription for 2022. Fees are R1 000 per member per annum.
3. Entrance fees of R96 000 must be capitalised.
4. Provide for outstanding interest on the fixed deposit at Trust Bank. The investment was made on 1 February 2022.

[20]



TOTAL: 200