



# higher education & training

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

N550(E)(J6)H

**NATIONAL CERTIFICATE**

**FINANCIAL ACCOUNTING N4**

(4010164)

**6 June 2019 (X-Paper)**

**09:00–12:00**

**This question paper consists of 13 pages and an answer book of 8 pages.**


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

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**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 neatly and legibly.
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**QUESTION 1**

The incomplete wages journal, filled in by the inexperienced financial manager of Makamu Enterprise, is provided below. 

Employees' names			KHATHU	SEDZANI	TOTAL
Wages	Normal	Rate	130	140	135
		Hours	80	80	
		Total	?	?	?
	Overtime	Rate	?	?	?
		Hours	20	18	
		Total	?	?	?
Gross wages			?	?	?
Deductions	Medical		900	1 120	
	Pension		?	?	?
	UIF		?	?	?
	Income tax		?	?	?
Total deductions					
Net wages					
Company contribution	Medical		900	1 120	
	Pension		?	?	?
	UIF		?	?	?

**ADDITIONAL INFORMATION**


The overtime rate is calculated at time and a half of the normal rate per employee.

Both employees and employer contribute 7,5% of the employees' wages for normal working hours to pension. 

Income tax is calculated at 18% of gross wage after the deduction of pension.

UIF comprises 1% of employees' normal wages for normal hours. The employer also contributes the same percentage as per employees' normal wage.

**REQUIRED:**


Use the information above to fill in the missing figures in the wages journal for Makamu Enterprise for April 2018 on the answer sheet provided. 

**[22]**


**QUESTION 2**

The information given below was extracted from the books of Jamila Boutique Store.

**REQUIRED:**

- 2.1 Complete the Cash Receipts Journal on 30 September 2018.  (12)
- 2.2 Complete the Cash Payments Journal on 30 September 2018. (9)
- 2.3 Prepare the Bank Reconciliation Statement on 30 September 2018. (9)


**INFORMATION**

 Jamila Boutique Store banks with Pay a Pal Bank.

**BANK RECONCILIATION STATEMENT OF JAMILA BOUTIQUE STORE**   
**ON 31 AUGUST 2018**

Credit balance as per bank statement		1 166 250
Credit deposit not yet credited by the bank		18 705
Debit outstanding cheques:		
No. 05	379 383	
No. 06	11 100	
No. 07	185 985	
No. 08	499 350	
No. 13	1 050	
Balance as per cash book	108 087	
	1 184 955	1 184 955

**ADDITIONAL INFORMATION**

1. A comparison of the August 2018 bank reconciliation statement with the bank statement received on 30 September 2018 revealed the following information:
- 1.1 Cheque no. 5 which was issued on 15 August 2018 to Nkuna Suppliers as part payment of the account, was lost and it must be cancelled. A new cheque will be issued in October 2018 to settle the account.
- 1.2 The following cheques were still outstanding on 31 August 2018:  
 No. 07  
 No. 08   
 No. 13

2. A comparison of the cash books with the bank statement received on 30 September 2018 revealed the following differences:

2.1 The bank statement showed a favourable balance of R985 313 on 30 September 2018. ∞

2.2 A credit entry on 21 September 2018 to the value of R19 500 was made in respect of a deposit that Jamila Boutique Store had made on their account, but it appeared on the business bank statement.

2.3 Cheque no. 20 for R19 050 appeared in the cash book under payments only.

2.4 A debit order in favour of Santum Insurers was for insurance of the delivery truck that belongs to Jamila Boutique Store, R13 200.

2.5 Jamila Boutique Store received a direct rental deposit into the current account of the business from a tenant, K Nema, R14 500.

2.6 A fixed deposit at Pay a Pal Bank that was made 24 months back has matured. An electronic funds transfer was made into the Jamila Boutique Store current account, R404 850. ∞

2.7 Cheque no. 24 was incorrectly entered on the credit side of the cash book as R44 550 instead of R41 850, as shown on the bank statement. This cheque was issued to Virgin Mobile for a contract in September 2018.

2.8 Cheque no. 18 was debited on the bank statement twice by mistake, R6 648.

2.9 A cheque of R6 375 that M Zwoitwa used to pay his account had been returned by the bank, marked R/D – insufficient funds.

2.10 The bank statement revealed the following items:

Interest on unfavourable balance	R8 970
Interest on favourable balance	R1 935
Cash handling fees	R618 ∞
Service fees	R2 985
Cash deposit fees	R2 025

2.11 The current account of the business was not yet credited with an outstanding deposit of R613 157 which was made on 30 September 2018.

2.12 The following post-dated cheques were issued during September 2018:

Cheque no. 41	R2 700
Cheque no. 42	R450 ∞

**QUESTION 3**

Ditike Traders has provided you with the information set out below for the year ended 28 February 2018. ∞

**REQUIRED:**

- 3.1 Prepare the Income Statement for the year ending 28 February 2018. (34)
- 3.2 Add the following notes to the balance sheet:
- 3.2.1 Property, equipment and vehicle ∞
  - 3.2.2 Trade and other receivables
  - 3.2.3 Trade and other payables
  - 3.2.4 Capital ∞ (33)

**NOTE:** Round up the answers to the nearest rand.

## INFORMATION

**PREADJUSTMENT TRIAL BALANCE OF DITIKE TRADERS  
ON 28 FEBRUARY 2018**

<b>BALANCE SHEET ACCOUNTS SECTION</b>	<b>FOL</b>	<b>DR</b>	<b>CR</b>
Capital	B1		531 250
Drawings	B2	15 000	
Land and buildings	B3	428 125	
Equipment	B4	147 750	
Vehicles	B5	156 250	
Accumulated depreciation on equipment	B6		21 250
Accumulated depreciation on vehicles	B7		53 125
Fixed deposit: Tek Bank (14% p.a.)	B8	18 750	
Trading stock (1 March 2017)	B9	27 194	
Debtors control	B10	22 625	
Bank	B11		22 500
Cash float	B12	219	
Petty cash	B13	31	
Creditors control	B14		64 938
Provision for bad debts	B15		2 431
Loan: Direct Axis Bank (20% p.a.)	B16		25 000
☺			
<b>NOMINAL ACCOUNTS SECTION</b>			
Sales	N1		506 563
Purchases	N2	256 563	
Debtors allowances	N3	14 450	
Interest on loan	N4	1 875	
Interest on fixed deposit	N5		438
Bad debts	N6	1 250	
Bank charges	N7	75	
Telephone	N9	1 362	
Bad debts recovered	N10		244
Carriage on purchases	N11	6 594	
Discount allowed	N12	3 125	
Rent income	N13		32 500
Salaries	N14	141 563	
Stationery	N15	1 188	
Import tariffs	N16	16 250	
☺			
		1 260 239	1 260 239

## ADDITIONAL INFORMATION

1. According to a physical stock count, the following items were still on hand on 28 February 2018:



Trading stock	R37 500	∞
Stationary	R375	

2. Write off N Tshiwela's account as irrecoverable, R250.
3. The provision for bad debts must be adjusted to 5% of trade debtors.
4. The provision for discount allowed must also be created of 10% of trade debtors.
5. Rent has been received up to 31 December 2018. An increase of 3% was implemented on 28 February 2018. ∞
6. Provide for depreciation on vehicles at 10% per annum on the diminishing-balance method, and on equipment at 20% per annum on cost. Take into account that two desktop computers for use in the office, with a gross carrying value of R7 813, were bought on 1 December 2017.
7. Interest on the fixed deposit was for two months only. Calculate the outstanding interest.
8. Provide for the outstanding interest on the loan. A payment of R3 125 was made towards the repayment of the loan on 30 November 2017.
9. The telephone account has only been paid for ten months. ∞
10. V Soledad, whose account was previously written off, has settled her account, R187.


**[67]**



**QUESTION 4****REQUIRED:**

- 4.1 As an accountant for Dombo Traders, you are requested to discuss the cash position of the business by drawing up the Cash Flow Statement for the year ended 28 February 2018.  (18)
- 4.2 Show the following notes/calculations:
- 4.2.1 Cash received from customers/clients
- 4.2.2 Cash paid to suppliers and employees  (12)

**BALANCE SHEET OF DOMBO TRADERS AS AT 28 FEBRUARY 2016**

	NOTES	2018	2017
<b>ASSETS</b>			
Non-current assets			
Property, equipment and vehicles	1	183 688	181 875
Other financial assets	2	37 500	25 000
Current assets			
Stock	3	25 000	11 375
Trade and other debtors	4	2 937	10 563
Cash and cash equivalents	5	13 250	6812
<b>TOTAL ASSETS</b>		<b>262 375</b>	<b>235 625</b>
			
<b>EQUITY AND LIABILITIES</b>			
Capital	6	188 687	156 250
Non-current liabilities			
Mortgage bond: First Bank		62 500	75 000
Current liabilities			
Trade and other creditors	8	11 188	4 375
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>262 375</b>	<b>235 625</b>

## NOTES TO THE BALANCE SHEET

**NOTE 1: PROPERTY, EQUIPMENT AND VEHICLES** ∞

	2017		
	Gross carrying amount	Accumulated depreciation	Net carrying amount
Land and buildings	50 000		50 000
Equipment	56 250	15 313	40 937
Vehicles	106 250	15 313	90 937
	212 500	30 626	181 874

	2018		
	Gross carrying amount	Accumulated depreciation	Net carrying amount
Land and buildings	50 000		50 000
Equipment	64 375	19 000	45 375
Vehicles	118 750	30 438	88 312
	233 125	49 438	183 687

∞

NOTE 6: CAPITAL	2017	2018
Balance at the beginning of the year	121 750	165 250
Plus: Net profit	65 750	76 188
Less: Drawings	31 250	43 750
Balance at the end of the year	156 250	188 688

## ADDITIONAL INFORMATION


1. The following information was extracted from the Income Statement of Dombo Traders for the year ended 28 February 2018:

Turnover	R437 500	
Interest on current account	563	
Interest on loan	11 250	∞
Interest on fixed deposit	7 500	
Depreciation	30 375	
Loss on sale of vehicle	1 250	
Profit on sale of equipment	2 187	

2. During the financial year, a computer with a book value of R2 188 was sold for cash. The depreciation on the computer was R5 312 at the time of the sale.
3. A vehicle with a cost price of R18 750 was sold during the year. The book value of the vehicle at the time of the sale was R12 500.

**[30]**

**QUESTION 5**

Sendedza Traders specialises in selling food and clothes. The business sells organic food. 


- The prices of ALL products are marked up at 30% on cost.
- Sendedza Traders conducts its stocktaking according to the periodic inventory system.

	<b>FOOD DEPARTMENT</b>	<b>CLOTHING DEPARTMENT</b>
	<b>R</b>	<b>R</b>
Sales	577 500	415 500
Purchases	390 000	196 875
Carriage on sales	12 450	18 975
Carriage on purchases	18 750	12 000
Sales returns	9 600	-
Bad debts	200	300
Equipment	3 000	2 000
Stationery	300	
Trading inventory: 1 March 2017	146 475	151 875
Trading inventory: 28 February 2018	256 500	193 912




**ADDITIONAL INFORMATION AND ADJUSTMENTS**

1. Clothing purchased to the value of R5 000, which was still in transit, arrived on 20 February 2018. These goods have not yet been recorded.
2. Stationery used up to 31 March 2018, R400
3. The owner took two dresses for his daughter to wear to a friend's wedding, R500.
4. Donations made from the following departments to Takalani Children's Home are as follows:
 

Clothing	R5 000
Food	3 000
5. Carriage on purchases of food that was delivered on 20 February 2018 is still outstanding by R800.
6. Carriage on purchases of food sold to customers of R300 was paid up. 
7. Food items to the value of R3 000 were returned to the supplier due to the items having been past their expiry date.

**REQUIRED:**

Use the information given above of Sendedza Traders for the year ended 28 February 2018 and do the following:

- 5.1 Prepare the Departmental Purchase Account and close it off.  (11)
- 5.2 Prepare the Departmental Trading Statement for the year ended 28 February 2018. (14)
- [25]**


**QUESTION 6**

The information below was extracted from the books of Vhembe Netball Club on 31 March 2018.

**REQUIRED:** 

Draw up the following accounts in the general ledger:

**NOTE:** Close off the membership fees and trading accounts only.

- 6.1 Trading account 
- 6.2 Membership fees account
- 6.3 Statement of Income and Expenditure

A. The following balances and totals were extracted on 1 January 2017:

	R
Bank (Dr balance)	28 440
Stock on hand	3 720
Loan: VBS Bank (20% p.a.)	45 000
Membership fees in arrears	1 800
Accrued expenses (stationery)	1 200
Savings account (15%)	12 000
Income received in advance (membership fees)	9 000
Vehicle at cost	73 350



B. The following was extracted from the receipts and payments records for the year ending 31 December 2018: ∞

PAYMENTS		RECEIPTS	
R		R	
Tuckshop sales	74 220	Rent expense	8 000
Donation from members	6 000	Membership fees refunded	1 350
Membership fees:		Interest on loan	7 500
2017	1 350	Refreshments	10 800
2018	45 000	Water and electricity	3 000
2019	9 00	Sundry expense	1 100
Interest on savings account	1000	Purchases	34 680

#### ADDITIONAL INFORMATION AND ADJUSTMENTS

- Membership fees are R450 per member.
- Four members must still pay their membership fees for 2018.
- Membership fees still outstanding for 2017 must be written off.
- The club has decided that half of the donations must be capitalised. ∞
- Provision must be made for the outstanding interest on loan.
- Interest received on fixed deposit is for ten months. Make provision for the outstanding interest.
- Stock on hand for the tuckshop for 2018 amounts to R7 680. ∞

[26]

**TOTAL: 200**

# FINANCIAL ACCOUNTING N4 (4010164)

6 JUNE 2019

## ANSWER BOOK

EXAMINATION NUMBER:

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CENTRE NUMBER:

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QUESTION 1	
QUESTION 2	
QUESTION 3	
QUESTION 4	
QUESTION 5	
QUESTION 6	
TOTAL	
PERCENTAGE %	



EXAMINATION NUMBER:

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CENTRE NUMBER:

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**QUESTION 1**

Employees' names			KHATHU	SEDZANI	TOTAL
Wages	Normal	Rate	R130	R140	–
		Hours	80	80	160
		Total			
	Overtime	Rate			
		Hours	20	18	
		Total			
Gross wages					
Deductions	Medical		900	1 120	
	Pension				
	UIF				
	Income tax				
Total deductions					
Net wages					
Company contribution	Medical		900	1 120	
	Pension				
	UIF				

[22]

**QUESTION 2**

2.1 **CASH RECEIPTS JOURNAL OF JAMILA BOUTIQUE STORE  
ON 30 SEPTEMBER 2018**

Doc no	Day	Details	Fol	Bank	Creditors control	Sundry amount	Sundry details
	01	TOTALS	b/f				

(12)



EXAMINATION NUMBER:

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CENTRE NUMBER:

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2.2 CASH PAYMENTS JOURNAL OF JAMILA BOUTIQUE STORE  
ON 30 SEPTEMBER 2018

Doc no	Day	Payee	Fol	Bank	Debtors control	Sundry amount	Sundry details
	30	Total	b/f				

(9)

2.3 BANK RECONCILIATION STATEMENT OF JAMILA BOUTIQUE STORE AS  
ON 30 SEPTEMBER 2018

	DR	CR

(9)  
[30]



**EXAMINATION NUMBER:**

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**CENTRE NUMBER:**

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**QUESTION 3**



**3.1 INCOME STATEMENT OF DITIKE TRADERS FOR THE YEAR ENDED  
28 FEBRUARY 2018**




EXAMINATION NUMBER:

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CENTRE NUMBER:

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3.2 3.2.1

PROPERTY, EQUIPMENT AND VEHICLE			
	GROSS CARRYING AMOUNT	ACCUMULATED DEPRECIATION	CARRYING VALUE
Land and buildings			
Equipment			
Vehicle			

RECONCILIATION OF CARRYING AMOUNT			
	LAND AND BUILDINGS	EQUIPMENT	VEHICLE



3.2.2

TRADE AND OTHER RECEIVABLES			

3.2.3

TRADE AND OTHER PAYABLES			

3.2.4

CAPITAL		

**EXAMINATION NUMBER:**

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**CENTRE NUMBER:**

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**QUESTION 4**

4.1

**CASH FLOW STATEMENT**

Cash flow from operating activities		
Cash flow from investing activities		
Cash flow from financing activities		

(18)

4.2

<b>NOTE 1</b>		
4.2.1 CASH RECEIVED FROM CLIENTS		
4.2.2 CASH PAID TO SUPPLIERS AND EMPLOYEES		

(12)  
[30]

EXAMINATION NUMBER: 

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CENTRE NUMBER: 

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**QUESTION 5**

5.1 **DEPARTMENTAL PURCHASE ACCOUNT**

Details	Food	Clothing	Total	Details	Food	Clothing	Total

(11)



5.2 **DEPARTMENTAL TRADING STATEMENT**

	Total	Food	Clothing

(14)  
**[25]**

EXAMINATION NUMBER: 

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CENTRE NUMBER: 

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**QUESTION 6**



6.1 Dr

**TRADING ACCOUNT**

Cr

DOC	DAY	DETAILS	FOL	AMOUNT	DOC	DAY	DETAILS	FOL	AMOUNT

6.2 Dr

**MEMBERSHIP FEES**

Cr

DOC	DAY	DETAILS	FOL	AMOUNT	DOC	DAY	DETAILS	FOL	AMOUNT



6.3

**INCOME AND EXPENDITURE**

DOC	DAY	DETAILS	FOL	AMOUNT	DOC	DAY	DETAILS	FOL	AMOUNT

[26]

**TOTAL: 200**