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higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

MARKING GUIDELINE

NATIONAL CERTIFICATE

JUNE EXAMINATION

FINANCIAL ACCOUNTING N5

7 JUNE 2016

This marking guideline consists of 7 pages.

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QUESTION 1

1.1 Cadberry Traders
Income Statement for the year ending 30 September 2015

	Sales		1 202 400	√
	Less Cost of sales		801 600	√
	Gross profit		400 800	①
	Other operating income		51 000	√√
	Rent income	51 000		
	Operating income		451 800	①
	Less Operating expenses		(299 393)	√√
	Stationery	1 660		√√
	Provision for bad debts adjustment	516		√
	Trading stock deficit	1 550		√√
	Bad debts	2 160		√√
	Insurance	10 580		√√
	Interest on loan (9 870 + 9 240)	19 110		√
	Water and electricity	13 450		√√
	Depreciation (9 300 + 375)	9 675		√
	Salaries and wages	160 892		√√
	Salary: Berry	79 800		①
	Net profit		152 407	(24)

Appropriation of Profit

	Cad	Berry	Total	
Interest on Capital	36 000	17 325	53 325	√4
Interest on Current account	(1 512)	3 624	2 112	√3
Interest on Drawings	(1 880)	(150)	(2 030)	√5
Salary	63 000		63 000	√2
Current account	24 000	12 000	36 000	√3
Net profit			152407	√1
				(18)

1.2CURRENT: CAD

	Balance b/d	15 120	√	Interest on capital	36 000	√
	Interest on Current	1 512	①	Salary: Cad	38 000	√
	Interest on Drawing	1 880	①	Interest on loan	19 110	√
	Drawing: Cad	30 080	√	Appropriation	24 000	√
	Balance c/d	68 518				
		117 110			117 110	
				Balance b/d	68 518	

(8)
[50]

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QUESTION 2.1

2.1.1 BRANCH STOCK

	Balance b/d	61 920	√	Goods to branch	13 070	√
	Goods to branch	308 390	√	Branch bank	258 860	√
	Branch profit and loss	137 040	①	Branch debtors	161 690	√
				Balance c/d	73 730	
		507 350			507 350	
	Balance b/d	73 730	√			(7)

2.1.2 BRANCH DEBTORS

	Balance b/d	34 840	√	Branch bank	170 620	√
	Branch stock	161 690	√			
				Balance c/d	25 910	
		196 530			196 530	
	Balance b/d	25 910	①			(4)

2.1.3 BRANCH BANK

	Balance b/d	5 000	√	Branch packing material	2 510	√
	Branch stock	258 860	√	Branch salaries and wages	81 600	√ ①
	Branch debtor	170 620	√	Head office bank	345 370	
				Balance c/d	5000	
		434 480			434 480	
	Balance b/d	5 000	√			(7)

2.1.4 GOODS TO BRANCH

	Branch stock	13 070	√	Branch stock	308 390	√
	Head Office Trading	295 320	√			
						(3)

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2.1.5 BRANCH PROFIT AND LOSS

	Branch packing material	2 270	√√	Branch stock	137 040	①
	Branch Salaries and wages	82 440	√√			
	Branch water and electricity	27 360	√√			
	Branch depreciation (14 220 + 390)	14 610	√√			
	Branch Insurance	5 480	√			
	Head office profit and loss	4 880	①			
		137 040			137 040	(11)

QUESTION 2.2

General Journal of Embali

Date					
Feb	17	Stock from branch: Wadeville (debit)	12 400		√√
		Wadeville branch (credit)		12 400	√√
	28	Merchandise in transit	8 350		√√
		Head Office		8 350	√√
					(8)

[40]

QUESTION 3.1

FIFO

Date	Receipts		Issues		Balance on hand			
	Units @ R	Amount	Units @ R	Amount	Units @ R	Amount	Total	
1					34 @ R20	R680	R 680	√
7	48 @ R22	R1 056			34 @ R20	R680		√√
					48 @ R22	R1 056	R1 736	√
14			29 @ R20	R580	5 @ R20	R100		√
					48 @ R22	R1 056	R1 156	√√
19			5 @ R20	R100				√√
			17 @ R22	R374	31 @ R22	R682	R682	√
22	42 @ R24	R1 008			31 @ R22	R682		√
					42 @ R24	R1 008	R1 690	√√
26			14 @ R22	R308	17 @ R22	R374		√
					42 @ R24	R1 008	R1 382	√√
29			17 @ R22	R374				
			15 @ R24	R360	27 @ R24	R648	R648	(19)

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QUESTION 3.2

Average Cost price

Date	Receipts		Issues		Balance on hand		
	Units @ R	Amount	Units @ R	Amount	Units @ R	Total	
1					34 @ R20	R680	√√
7	48 @ R22	R1 056			82 @ R21.17	R1 735.94	√√√ √√√
14			29 @ R21.17	R613.93	53 @ R21.17	R1 122.01	√√√ √√√
19			22 @ R21.17	R465.74	31 @ R21.17	R656.27	√√√ √√√
22	42 @ R24	R1 008			73 @ R22.80	R1 664.40	√
26			14@ R22.80	R319.20	59 @ R22.80	R1 345.20	
29			32 @ R22.80	R729.60	27 @ R22.80	R615.60	

(21)
[40]

QUESTION 4.1

4.1.1. Balance sheet of Corx Wholesalers on 28 February 2015

Assets		
Non-current assets	22 055	①
Equipment (29 400 – 11 345)	18 055	√√
Other financial assets	4 000	√
Current assets	90 188	①
Stock	64 080	√
Trade and other debtors (17 040 + 2 996)	20 036	√√
Cash and cash equivalents (4 572 + 1 500)	6 072	√√
Total assets	112 243	①
Equity and liabilities		
Capital	95 437	①
Non-current liabilities		
Interest bearing liabilities	8 000	√
Current liabilities		
Trade and other creditors (7 680 + 1 126)	8 806	√√
Total Equity and liabilities	112 243	①

(16)

4.1.2

Capital		95 437
Balance beginning of the year	82 000	
Net profit	17 637	
Less Drawings	(4 200)	

① √√ ① √
(5)

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QUESTION 4.2

4.2.1

DEBTORS CONTROL

	Balance b/d	50 625	√	Bank	322 875	√
	Sales	361 380	①	Bad debts	3 380	√√
				Discount allowed	1 750	√
				Returns	26 750	√
				Balance c/d	57 250	
		412 005			412 005	
	Balance b/d	57 250	√			

(8)

4.2.2

CREDITROS CONTROL

	Bank	183 500	√	Balance b/d	19 500	√
	Discount received	5 250	√	Purchases	241 750	①
	Purchases returns	44 625	√			
	Balance c/d	27 875				
		261 250			261 250	√
				Balance b/d	27 875	

(6)

QUESTION 4.3

4.3.1

Sam and Co. (debit)	100		√√
Purchases (credit)		100	√

4.3.2

Wages (debit)	50		√√

(5)
[40]

QUESTION 5.1

5.1.1 Gross profit percentage on turnover

$$\frac{\text{Gross profit}}{\text{Turnover}} \times \frac{100}{1} \quad \surd$$

$$= \frac{93\,320}{217\,750} \times \frac{100}{1} \quad \surd\surd$$

$$= \frac{93\,320}{217\,750} \times \frac{100}{1} \quad \surd$$

$$= \frac{93\,320}{217\,750} \times \frac{100}{1} \quad \surd$$

= 42.86%

5.1.2 Debtors collection period (in days) √

$$\frac{\text{Average debtors}}{\text{Credit sales}} \times \frac{365}{1} \quad \surd$$

$$= \frac{36\,400}{130\,650} \times \frac{365}{1} \quad \surd\surd$$

$$= \frac{36\,400}{130\,650} \times \frac{365}{1} \quad \surd$$

= 101 days

(10)

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QUESTION 5.2

5.2	5.2.1	B		
	5.2.2	C		
	5.2.3	C		
	5.2.4	A		
	5.2.5	B		
			(5 x 2)	(10)

QUESTION 5.3

5.3	5.3.1	R449 200		
	5.3.2	R87 100		
	5.3.3	R75 600		
	5.3.4	R64 900		
	5.3.5	R38 890		
			(5 × 2)	(10)
				[30]

TOTAL: 200

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