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Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

N1570**(E)**(N29)H

# NATIONAL CERTIFICATE

# TRAVEL OFFICE PROCEDURES N5

(4021165)

**29 November 2018 (X-Paper)**
**09:00–12:00**

**This question paper consists of 10 pages.**

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# DEPARTMENT OF HIGHER EDUCATION AND TRAINING
# REPUBLIC OF SOUTH AFRICA

NATIONAL CERTIFICATE
TRAVEL OFFICE PROCEDURES N5
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. Answer ALL questions in the attached ANSWER BOOK.
5. Write your EXAMINATION NUMBER on the front page of the ANSWER BOOK in the space provided.
6. NO marks will be given to answers written in pencil.
7. Write neatly and legibly.

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## SECTION A: FINANCIAL RECORD-KEEPING

### QUESTION 1

After comparing the bank statement and cash journals of ABC Travel, information is given with which you are required to:

1.1 Make the supplementary entries in the cash receipts and cash payments journals (bank column only) (11)

1.2 Post only the bank account to the general ledger and balance the account (7)

1.3 Compile a bank reconciliation statement on 30 April 2017 to reconcile the balance of the bank account with that of the bank statement (10)

**Information:**

a) The bank statement showed a credit balance of R292 780.

b) The bank account showed a debit balance of R302 680 on 1 April 2017.

c) The total of the bank column in the cash receipts journal on 30 April 2017 was R66 460.

d) The total of the bank column in the cash payments journal on 30 April 2017 was R40 000.

e) The following cheques have not yet been presented for payment:

| | |
|---|---|
| No. 681 | R3 400 |
| No. 695 | R33 000 |
| No. 702 | R5 600 |

f) A credit entry on the bank statement was for a deposit that L. Ishmail made directly into the bank account via EFT, R19 600.

g) A debit order in favour of MTN for the owner's cellphone was debited on the bank statement, R7 500.

h) R850 was debited from the account for bank charges.

i) An amount of R5 300 was wrongly credited to the bank account.

j) The deposit of R6 500 was received from T. Smit on the last day of the month and does therefore not appear on the bank statement yet.

k) A debit order in favour of Budget Insurance was deducted from the bank account, R6 800.

l) A deposit made by D. Brown directly into the bank account does not yet appear in the journal, R8 000.

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m) A cheque received from S. Snow was returned by the bank as it is a post-dated cheque, R13 250.

n) A debit order of R18 000 for rent to Q Properties was debited on the bank statement.

o) The amount of R58 360 is recorded in the cash receipts journal as a direct deposit from G. Green. It does not appear on the bank statement yet.

**[28]**

## QUESTION 2

The following transactions in the books of ABC Travel took place during June 2017. You are required to complete and close off the following journals:

2.1 Cash receipts journal with additional columns for debtors, creditors and commission received (start with receipt number 887) (27)

2.2 Cash payments journal with additional columns for stationery and creditors (start with cheque number C230) (13)

2.3 Debtors journal with additional columns for debtors, commission and creditors (start with invoice number 55) (11)

2.4 Creditors journal with additional columns for furniture and stationery (renumber invoices from 27) (9)

**Information:**

- The following commission structure is used for cash and credit transactions:

| | |
|---|---|
| International air tickets | 9% |
| Domestic air tickets | 7% |
| Travel insurance | 5% |
| Tours, coach, rail, accommodation | 10% |
| Car hire | 15% |

- The following are balances on 1 June 2017:

| DEBTORS | | CREDITORS | |
|---|---|---|---|
| *Profmed | R42 000 | *Waltons | R12 500 |
| *B. Bean | R15 500 | *AMG Furnishers | R22 120 |
| | | *KLM | R6 500 |

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Transactions for June 2017:

1 C. Case, the owner, increased his capital with R200 000.

Paid KLM the amount due.

3 Received R7 000 rent from T. Trent for part of the building.

Sold a Contiki tour for two to P. Williams, R15 600 per person.

Bought new office chairs on credit from AMG Furnishers, R5 300.

7 An air ticket to Windhoek on Air Namibia was sold to P. Pepper, R7 400. He paid with a credit card.

Received an invoice from Waltons for stationery (R340) and a desk (R2 400).

9 Received payment from Profmed for 50% of what they owe.

Sold AVIS car hire on credit to R. Reeves, R390 p/d for SEVEN days.

12 Bought a new printer for the office from Canon and paid per cheque, R7 500.

Paid AMG Furnishers the amount due to date.

16 Sent an invoice to N. Ngo for accommodation sold at Holiday Inn Nelspruit, R3 600.

Paid the municipality for the water and electricity bill received, R3 890.

20 Bought stationery from CNA and paid per cheque, R690.

27 Received full payment from B. Bean for his account.

Sold travel insurance from Hollard to R. Reeves and received his cheque, R510.

30 Paid the senior consultant, P. Pretty, her salary of R12 500.

**[60]**

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## QUESTION 3

Use the following trial balance of ABC Travel given on 31 August 2017 to draw up the following:

3.1 Income statement of ABC Travel for the year ended 31 August 2017 (17)

3.2 Balance sheet of ABC Travel on 31 August 2017 (24)

| **BALANCE SHEET SECTION** | **DEBIT** | **CREDIT** |
|---|---|---|
| Capital | | 750 000 |
| Drawings | 9 000 | |
| Land and buildings | 250 000 | |
| Equipment | 130 000 | |
| Furniture | 200 000 | |
| Bank | 237 000 | |
| Petty cash | 2 000 | |
| Cash float | 3 000 | |
| Debtors | 45 000 | |
| Creditors | | 63 000 |
| Fixed deposit: ABSA | 150 000 | |
| **NOMINAL ACCOUNTS SECTION** | | |
| Commission received | | 290 000 |
| Rent received | | 80 000 |
| Interest on fixed deposit: ABSA | | 3 000 |
| Stationery | 15 000 | |
| Salaries | 90 000 | |
| Wages | 30 000 | |
| Fuel | 12 000 | |
| Advertisements | 4 000 | |
| Bank charges | 2 000 | |
| Refreshments | 1 000 | |
| Insurance | 3 000 | |
| Printing costs | 1 000 | |
| Travel material | 2 000 | |
| | 1 186 000 | 1 186 000 |

**[41]**

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## QUESTION 4

You work for ABC Travel and are requested to complete the following accounts in the general ledger using the completed petty cash journal below:

4.1 Petty cash (balance on 1 September 2017 is R2 700 which is also the imprest amount that must be restored on 30 September 2017) (7)

4.2 Stationery (1)

4.3 Refreshments (3)

**PETTY CASH JOURNAL OF ABC TRAVEL FOR SEPTEMBER 2017**

| Vou-cher no | Day | Details | Details of sundries | Fol | Sundries | | Stationery | | Wages | | Petty cash | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 21 | 1 | Platters | Refreshments | | 750 | 00 | | | | | 750 | 00 |
| 22 | 5 | Printer ink | | | | | 340 | 00 | | | 340 | 00 |
| 23 | 8 | Milk and sugar | Refreshments | | 90 | 00 | | | | | 90 | 00 |
| 24 | 19 | Cleaning of office | | | | | | | 250 | 00 | 250 | 00 |
| 25 | 20 | Pens and paper | | | | | 470 | 00 | | | 470 | 00 |
| 26 | 30 | Courier | Postage | | 180 | 00 | | | | | 180 | 00 |
| | | | | | 1 020 | 00 | 810 | 00 | 250 | 00 | 2 080 | 00 |
| | | | | | | | | | | | | |

**[11]**

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## QUESTION 5

Indicate whether the following statements are TRUE or FALSE. Choose the answer and write only 'True' or 'False' next to the question number (5.1–5.10) in the ANSWER BOOK.

5.1 Creditors can have a debit or credit balance at the beginning of the month.

5.2 Interest on a mortgage bond will appear on the credit side of the trial balance.

5.3 The total of the creditors column in a cash receipts journal will appear on the credit side of creditors in the general ledger.

5.4 The total of drawings in the cash payments journal will appear on the debit side of drawings in the general ledger.

5.5 Equipment will always have a debit balance at the beginning of the month.

5.6 The balance sheet is done at the end of the financial year.

5.7 A favourable balance in a bank account will be a debit balance in the general ledger.

5.8 A new computer for the consultant to work on will be recorded under the furniture account.

5.9 Any expenses from the business bank account made on behalf of the owner will be recorded under the capital account.

5.10 The trial balance is done at the end of each month.

(10 × 1) **[10]**

**TOTAL SECTION A: 150**

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## SECTION B: PRINCIPLES OF LAW

## QUESTION 6

6.1 Certain requirements must be met before a contract is valid. One such a requirement is that parties must seriously intend to contract.

Name FIVE other requirements. (5)

6.2 An offer and acceptance are needed before a contract can be formed.

Explain both concepts and give a tourism-related example of each. (2 + 2) (4)

6.3 Identify the type of mistake of fact in each of the following cases:

6.3.1 Both parties have mistaken a fact(s) but the mistakes differ from each other.

6.3.2 Only one party to a contract has mistaken a fact(s).

6.3.3 Both parties to the contract have mistaken the same fact(s).

(3 × 1) (3)

6.4 Name and briefly explain TWO exceptions where a person over the age of 18 will not have full contractual capacity. (2 × 2) (4)

6.5 Anybody under the age of 18 is seen as a minor.

Name SIX circumstances under which a minor may enter into valid contracts. (6)

6.6 The contractual capacity of married women changed since 1993 with new laws.

Explain each of the following ways of being married and what will happen to the assets and liabilities should there be a divorce:

6.6.1 Married out of community of property

6.6.2 Married out of community of property with the accrual system (ANC)

6.6.3 Married in community of property

(3 × 3) (9)

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6.7 As a general rule any article can be sold, but there are exceptions.

Give TWO examples of each of the following exceptions:

6.7.1 Public property

6.7.2 Things incapable of taking ownership

6.7.3 Articles prohibited by law

(3 × 2) (6)

6.8 Explain the difference between each of the following ways of transferring ownership of goods:

6.8.1 Long-hand delivery

6.8.2 Symbolic delivery

6.8.3 Short-hand delivery

(3 × 2) (6)

6.9 Complete the following sentences regarding the cooling off period in a credit agreement by writing down the missing word or words next to the question number (6.9.1–6.9.2) in the ANSWER BOOK.

The cooling off period allows the consumer (6.9.1) … business days to cancel the purchase. The purchaser must give notice of termination in writing to the (6.9.2) … (2 × 1) (2)

6.10 Name FIVE documents the credit receiver must provide when applying for credit according to the most recent National Credit Act. (5)

**[50]**

**TOTAL SECTION B: 50**
**GRAND TOTAL: 200**

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