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higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

NATIONAL CERTIFICATE

TRAVEL OFFICE PROCEDURES N5

(4021165)

22 October 2020 (X-paper)
09:00–12:00

This question paper consists of 9 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

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. Use the ANSWER BOOK to answer the question paper.
5. Write your EXAMINATION NUMBER on the front page of the ANSWER BOOK in the space provided.
6. No marks will be given for answers written in pencil.
7. The question paper consists of TWO sections:
   Section A: Financial recordkeeping
   Section B: Principles of South African Law
8. Write neatly and legibly.

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SECTION A: FINANCIAL RECORDKEEPING

QUESTION 1

The following transactions took place in the books of FANCY FLIGHTS for January 2020. You are required to complete, but not close off the following journals:

1.1 Cash Receipts Journal with additional columns for Debtors, Creditors and Commission Received (Start with receipt number 243.) (Bank monies daily) (17)

1.2 Cash Payments Journal with additional columns for Equipment, Creditors and Wages (Start with cheque number Y445.) (16)

1.3 Debtors Journal with columns for Debtors, Commission Received and Creditors (Start with invoice number 88.) (6)

1.4 Creditors Journal with additional columns for Refreshments and Stationery (Renumber invoices from 52.) (6)

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 the balances on 1 January 2020:

DEBTORS		CREDITORS	
*GEMS	R88 600	*SAA	R34 000
*Kyle Construction	R23 000	*AVIS	R22 000
*TT Training	R48 500		

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Transactions for January 2020:

DATE	TRANSACTION
1	Receive an invoice from Furnicraft for new chairs (R5 500) and a new printer (R7 200).
1	The owner, V Selani, increases her capital contribution with R40 000.
1	Receive a cheque from GEMS for 50% of their outstanding account.
4	Pay Telkom by cheque for the business telephone, R3 500.
4	Issue an invoice to Kyle Construction for return flights for two of their directors on SAA, ORT – BFN – ORT. R3 450 per ticket.
9	Receive a credit card payment from W. Pillay for car hire through Budget, 5 days at R295 per day.
10	Cash a cheque for petty cash (R1 500) and wages (R3 500).
10	Buy stationery on credit from CNA, receive the invoice for R2 500.
15	The owner takes a business cheque of R1 300 to pay for repairs done to her car.
19	Sell a tour to Turkey from Escape Tours to Mr Smith and his wife. R23 000 per person. We received his cheque.
20	L. Messi books a ticket to Argentina on SAA. Issue an invoice of R10 700.
25	The bank returns Mr Smith's cheque due to insufficient funds. See 19 January.
25	Draw a cheque to pay the weekly wages, R3 500.
26	Pay Furnicraft for the total invoice received on the 1 January.
28	Receive a cash payment of R1 500 from C. Ronaldo for a one-way bus ticket on Greyhound, Port Elizabeth to Durban.
30	Issue a cheque to Incredible Connection for a new laptop and printer – R42 000.
31	Pay AVIS the amount due.

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QUESTION 2

After comparing the Bank Statement and Cash Journals of FANCY FLIGHTS, information is given based on which you are required to do the following:

2.1 Make the supplementary entries in the Cash Receipts and Cash Payments Journals (Bank column only). (11)

2.2 Post the totals to the Bank account in the General Ledger of Fancy Flights and balance the account. (6)

2.3 Compile a Bank Reconciliation Statement on 31 March 2020 to reconcile the balance of the bank account with that of the bank statement. (7)

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INFORMATION:

a) The bank statement showed a credit balance of R195 500.

b) The bank account showed a debit balance of R132 900 on 1 March 2020.

c) The total of the Bank column in the Cash Receipts Journal on 31 March 2020 was R220 600.

d) The total of the Bank column in the Cash Payments Journal on 31 March 2020 was R108 400.

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

Y768	R2 500
Y784	R1 800

f) A credit entry on the bank statement was for a deposit that was made directly into our bank account via EFT, R14 600.

g) A debit order for R9 600 in favour of Outsurance for business insurance was debited on the bank statement.

h) R2 400 was debited from our account for bank charges.

i) The following deposits made by clients does not appear on the bank statement:

T. Cole	R8 300
W. Rooney	R3 200

j) A debit order in favour of Cell C was deducted from our bank account, R5 500.

k) A deposit made by M. Ozil directly into our bank account does not yet appear in the journal, R15 100.

l) The bank returned the cheque of D. Drogba as there is no signature on it, R30 600.

m) The bank statement showed a debit order of R24 000 in favour of Pam Golding for the rent of the offices.

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QUESTION 3

Use the following incorrect Trial Balance of FANCY FLIGHTS given on 30 April 2020 to draw up the following:

3.1 Corrected Trial Balance of Fancy Flights on 30 April 2020 (28)

3.2 Income statement of Fancy Flights for the year ended 30 April 2020 (18)

3.3 Balance Sheet of Fancy Flights on 30 April 2020 (23)

TRIAL BALANCE OF FANCY FLIGHTS ON 30 APRIL 2020

	DEBIT	CREDIT
BALANCE SHEET SECTION		
Bank	105 000	
Capital	480 000	
Cash Float	3 000	
Creditors	54 000	
Debtors	81 000	
Drawings	28 000	
Equipment	368 000	
Fixed Deposit	100 000	
Furniture	59 000	
Loan	26 000	
Mortgage Bond	103 000	
Petty Cash	2 000	
Vehicles	150 000	
NOMINAL ACCOUNTS SECTION		
Commission Received		170 000
Fuel		20 000
Insurance		12 000
Interest on Fixed Deposit		5 000
Interest on Loan		2 000
Interest on Mortgage Bond		8 000
Maintenance		25 000
Marketing		15 000
Membership fees		3 000
Refreshments		9 000
Rent Received		15 000
Vehicle repairs		18 000
Wages		49 000
Water and electricity		6 000

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QUESTION 4

Indicate whether the following statements are TRUE or FALSE. Choose the answer and write only 'True' or 'False' next to the question number (4.1–4.6) in the ANSWER BOOK. Give ONE reason for each answer.

4.1 The biggest income for a travel agency is Rent Received.

4.2 When the imprest system is used for Petty Cash, a pre-determined amount will be given to the petty cash cashier each month.

4.3 Courier fees will be recorded under the stationery account.

4.4 An employee's salary might be paid from Petty Cash some months.

4.5 The total sales in the Debtors Journal will be recorded on the credit side of the Debtors account in the General Ledger.

4.6 The total purchases in the Creditors Journal will be recorded on the credit side of the Creditor account in the General Ledger.

(6 × 2) **[12]**

TOTAL SECTION A: 150

SECTION B: PRINCIPLES OF SOUTH AFRICAN LAW

QUESTION 5

5.1 There are a number of requirements that must apply to make a contract valid. This include that the agreement must be lawful and that the parties must have contractual capacity.

Name any FIVE other requirements for a valid contract. (5)

5.2 There are THREE categories of contractual capacity. Name the category that each of the following people will fall into and also explain the category:

5.2.1 Sarah, a single lady aged 25

5.2.2 Diane (age 29), classified as mentally ill and living with her parents

5.2.3 Tommy, aged 10, currently in Grade 4

(3 × 2) (6)

5.3 Free consent of contracting parties are very important when agreeing on a contract. There are, however, THREE major reasons why free consent may be absent when concluding a contract. Answer the following questions on these reasons:

5.3.1 Influence of mistake: There are THREE types of mistake of facts that can be made. Name and explain each of these. (3 × 2) (6)

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5.3.2 Influence of intimidation: Name FOUR requirements to prove that influence of intimidation took place. (4)

5.3.3 Influence of misrepresentation: Explain this influence and why it will render a contract voidable. (2)

5.4 Choose a term from COLUMN B that matches a description in COLUMN A. Write only the letter (A–L) next to the question number (5.4.1–5.4.10) in the ANSWER BOOK.

COLUMN A		COLUMN B	
5.4.1	Married person under age of 18	A	ratification
5.4.2	Joint estate divided equally	B	counter offer
5.4.3	Goods purchased	C	statutory exception
5.4.4	Contract must be in writing	D	marriage agreement
5.4.5	Reward for a lost dog	E	accrual system
5.4.6	Guardian gives consent afterwards	F	acceptance of an offer
5.4.7	Contract with a drunk person	G	full contractual capacity
5.4.8	Must take place in prescribed period	H	emancipation
5.4.9	Acceptance with conditions	I	limited contractual capacity
5.4.10	Post Office Act of 1953	J	valid offer
		K	void
		L	Merx

(10 × 1) (10)

5.5 The goods being sold in terms of a contract must be certain or ascertainable. Answer the following questions on the goods of a contract:

5.5.1 Goods that are not yet in existence may also be sold, but they must be in existence in the future. Give a tourism-related example of this. (2)

5.5.2 Some goods may not be sold. Give an example of each of the following that may not be sold:

(a) Public property
(b) Something incapable of taking ownership
(c) An article prohibited by law (3)

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5.6 Explain the nature of a credit agreement. (2)

5.7 Name any FIVE articles covered in the most recent National Credit Act. (5)

5.8 According to the most recent National Credit Act, the person applying for credit must produce certain documents.

List any FIVE such documents. (5)

TOTAL SECTION B: 50
GRAND TOTAL: 200

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