

1.1.1 How much was collected in 2005 in respect of the arrear membership fees for 2004?/ Hoeveel van die uitstaande ledegeld van 2004 is in 2005 ingevorder?

$$\begin{array}{ccccccc} R14\ 000 & - & R8\ 000 & = & R6\ 000 & & \text{Language issue: Accept: Fees from 3 members (7 - 4 = 3)} \\ \checkmark & & \checkmark & & \checkmark \checkmark & & \end{array}$$

If one element correct

4

1.1.2 Certain members who had paid in full resigned on 20 June 2005. Calculate the number of members who left the club and were refunded half their fees./ Sekere lede wat hulle ledegeld ten volle betaal het, het op 20 Junie 2005 bedank. Bereken die aantal lede wat die klub verlaat het en die helfte van hulle ledegeld terug ontvang het.

$$\begin{array}{ccccccc} R32\ 000 & / & R1\ 000 & = & 32\ \text{members/lede} \\ \checkmark & & \checkmark & & \checkmark \checkmark & & \end{array}$$

If one element correct

4

1.1.3 Calculate the number of members registered in the club on 31 December 2005./ Bereken die aantal lede wat in die klub geregistreer is op 31 Desember 2005.

$$\begin{array}{ccccccc} R280\ 000 & - & R32\ 000 & = & R248\ 000 & / & R2\ 000 & = & 124\ \text{members/lede} \\ \checkmark & & \checkmark & & \checkmark & & \checkmark & & \checkmark \checkmark \end{array}$$

OR $\begin{array}{ccccccc} 160 & - & 4 & - & 32 & = & 124 \\ \checkmark & & \checkmark & & \checkmark & & \checkmark \checkmark \end{array}$

OR $\begin{array}{ccccccc} 140 & - & 16 & = & 124 & & (140 = 3\ \text{marks}) \\ \checkmark \checkmark & & \checkmark & & \checkmark \checkmark & & \end{array}$

If one element correct

5

1.1.4 Give one possible explanation for the figure of R2 000 on the credit side of the membership fees account./ Verskaf een moontlike verduideliking vir die bedrag van R2 000 aan die kredietkant van die ledegeldrekening.

Treasurer's honorarium was offset against the membership fees ✓✓
 Treasurer settled his membership fees (paid his fees using his honorarium)
 Die honorarium van die tesourier is aangewend vir sy ledegeld
 Tesourier het sy ledegeld vereffen (betaal sy ledegeld deur honorarium te gebruik).

2

1.1.5 The chairman is concerned that the community of Inanda is not supporting the club. Explain two possible reasons for his concern./ Die voorsitter is bekommerd dat die gemeenskap van Inanda nie die klub ondersteun nie. Verduidelik twee moontlike redes vir sy bekommernis.

Any two valid reasons e. g. / Enige twee aanvaarbare redes vb. Any two ✓✓ ✓✓

Resignation of members is high	No new members joined the club
Poor attendance at the fund-raising dance	The community prefers another sport
Maybe the club is not getting donations or sponsorship	Payment of fees is slow (accrued income)
Few pay fees	Fees of R2 000 might be too high
Bedanking van lede is baie hoog	Geen nuwe lede het by die klub aangesluit nie
Swak bywoning by dans fondsinsameling	Die gemeenskap verkies 'n ander sportsoort
Miskien kry die klub nie donasies of borgskappe nie	Betaling van fooie is stadig (opgelope inkomste)
Min betaal fooie vroeg	Fooie van R2 000 mag dalk te hoog wees

4

1.1.6 Amounts appearing in the Receipts & Payments Statement and Income & Expenditure Statement./ Bedrag wat verskyn op Staat van Ontvangstes & Betalings en op Staat van Inkomstes en uitgawes.

Receipts & Payments Statement/ Staat van Ontvangstes & Betalings		Income & Expenditure Statement/ Staat van Inkomstes en uitgawes.	
Description of entry/ Beskrywing van inskrywing	Amount/ Bedrag	Description of entry/ Beskrywing van inskrywing	Amount/ Bedrag
Membership fees / Ledegeld	R268 000✓✓	Membership fees/ Ledegeld	R280 000✓✓
(Refund of) membership fees/ (Terugbetaling van) ledegeld	R32 000✓✓	Membership fees written off/ Ledegeld afgeskryf / Oninbare	R8 000✓✓
		Honorarium/Honorarium	R2 000✓✓
Ignore descriptions / Ignoreer beskrywings / Foreign entries – 1 each (if earning marks elsewhere)			

10

1.1.7 Calculate the profit or loss on the club dance. State whether this amount is a profit or a loss./ Bereken die wins of verlies op die klubbans (toon aan of hierdie bedrag 'n wins of verlies is).

CALCULATION/BEREKENING:

5200: 2 marks

$$\begin{array}{ccccccc} R4\ 600 & - & (3\ 800 & + & 1\ 400) & = & R600\ \text{LOSS} \\ \checkmark\checkmark & & \checkmark & & \checkmark & & \checkmark \end{array}$$

(bracket or – sign implies a loss)
If learner calculates a profit, award one mark for 'PROFIT'

If one element correct

6

1.1.8 The chairman is concerned that the Treasurer is inefficient in collecting monies due to the club. Provide two reasons to support his opinion, quoting appropriate figures./ Die voorsitter is bekommerd dat die tesourier onbekwaam is met die invordering van fondse wat aan die klub verskuldig is. Verskaf twee redes om sy mening te staaf.

Reasons / Redes: one each / een elk ✓✓ Figures / Bedrae: one each / een elk ✓✓

Outstanding membership fees : R42 000 i.e. 21 members

Uitstaande ledegeld : R42 000 d.i. 21 lede

Fees written off: R8 000 / Ledegeld afgeskryf: R8 000

Outstanding dance tickets: R50 x 38 tickets = R1 900

Uitstaande danskaartjies: R50 x 38 kaartjies = R1 900

Accept alternative wording: In each case, award one mark for the description and one mark for quoting an appropriate figure / Aanvaar alternatiewe bewoording: In elke geval, gee een punt vir die beskrywing en een punt vir die aanhaal van 'n toepaslike bedrag

4

QUESTION 1.2/VRAAG 1.2

Calculate the profit on the sale of refreshments for the year ended 31 December 2005. You must show **WORKINGS** to earn full marks. (In order to calculate this figure you may prepare the relevant ledger account)./

Bereken die wins of verlies op die verkoop van verversings vir die jaar geëindig 31 Desember 2005. Toon **ALLE** bewerkings om deelpunte te verdien. (Om hierdie bedrag te bereken, kan jy die relevante grootboekrekening opstel).

Opening stock/Aanvangsvoorraad	R	2 500 ✓✓
Cash purchases/Kredietaankope		15 000 ✓
Credit purchases/Kredietaankope		16 500 ✓ (18 100 ✓ + 2 200 ✓ - 3 800 ✓)
Theft of stock/Diefstal van voorraad		- 800 ✓✓ (200 and 600 together)
Closing stock/Eindvoorraad		<u>- 1 900 ✓✓</u>
COST OF SALES/KOSTE VAN VERKOPE		31 300
SALES/VERKOPE		<u>64 700</u> ✓ (63 400 ✓ + 1 300 ✓)
GROSS PROFIT/BRUTO WINS		<u>33 400</u> ✓☑

Opening stock/ Aanvangsvoorraad	2 500 ✓✓	Sales/Verkope (63 400 + 1 300)	64 700 ✓✓✓
Bank	15 000 ✓	Closing stock/ Eindvoorraad	1 900 ✓✓
Creditors control / Krediteurekontrole 18 100 ✓ + 2 200 ✓ - 3 800 ✓	16 500 ✓ (Total 4 marks)	Theft of stock / Diefstal van voorraad	800 ✓✓
Profit and Loss/ Wins-en-verlies	33 400 ☑✓		
Ignore descriptions / Ignoreer beskrywings			

16

TOTAL MARKS

55

QUESTION 2/VRAAG 2

2.1 CASH BUDGET OF WITBANK LIMITED FOR QUARTER ENDING 31 MARCH 2007/
KONTANTBEGROTING VAN WITBANK BEPERK VIR DIE KWARTAAL GEËINDIG
31 MAART 2007

CASH RECEIPTS/ KONTANT ONTVANGSTE	JANUARY/ JANUARIE	FEBRUARY/ FEBRUARIE	MARCH/ MAART
Cash sales/Kontantverkope	190 000	250 000	✓✓✓ 142 500
Rent income/Huurinkomste	5 000	✓ 5 000	✓✓ 6 000
Loan/Lening		✓✓ 120 000	
TOTAL RECEIPTS/ TOTALE ONTVANGSTE	195 000	*☑ 375 000	*☑ 148 500
CASH PAYMENTS/ KONTANTBETALINGS	Any figure	* Inspect operation	
Cash purchases of stock/ Kontant aankope van voorraad	38 000	✓✓ 50 000	✓ 38 000
Payments to creditors (for stock)/ Betalings aan krediteure (vir voorraad)	66 900	✓☑ 54 150	✓☑ 71 250
Wages/Lone	70 000	✓ 70 000	✓✓ 75 600
Directors fees /Direkteursfooie	45 000	✓ 45 000	✓✓ 60 000
Sundry operating expenses/ Diverse bedryfsuitgawes	22 100	✓ 22 100	✓✓ 23 205
Interest on loan/Rente op lening			✓✓ 1 500
SARS – income tax/ SAID Inkomstebelasting		✓ 32 000	
Audit fees/Ouditfooie			✓✓ 16 500
Dividends to shareholders/ Dividende aan aandeelhouders			✓✓ 8 400
TOTAL PAYMENTS/ TOTALE BETALINGS	242 000	*☑ 273 250	*☑ 294 455
Cash Surplus (deficit)/ Kontantsurplus (tekort)	(47 000)	*☑ 101 750	*☑ (145 955)
Bank balance at beginning of the month/ Banksaldo aan die begin van die maand	22 700	✓ (24 300)	☑ 77 450
Bank balance at end of the month/ Banksaldo aan die einde van die maand	(24 300)	*☑ 77 450	*☑ (68 505)

* Inspect operation
If brackets not shown, inspect operation

<p>2.2 Do you feel that the grievances of the workers are valid? Provide a reason FOR and a reason AGAINST the planned strike?/ Dink jy dat die werkers se griewe gegrond is? Verskaf een rede TEN GUNSTE van die staking en 'n rede DAARTEEN. Haal in jou antwoord relevante bedrae uit die begroting aan.</p>		
YES / NO	JA / NEE	✓
For/Vir	Any one valid reason/Enige geldige een rede ✓✓ Quote appropriate figures/Haal toepaslike syfers aan ✓✓	
<p>Expected answers / Verwagte antwoorde: Increase for workers is 8 % (R373) whereas directors will receive an increase of 33 1/3 % (R5 000) / Verhoging vir die werknemers is 8% (R373) terwyl die die direkteure 'n verhoging van 33 1/3% R5 000 ontvang.</p>		
<p>Workers get R4 667 each per month (R5 040 after increase) Directors get R15 000 each per month (R20 000 after increase) Werknemers kry R4 667 elk per maand (R5 040 na verhoging) Direkteure kry R15 000 elk per maand (R20 000 na verhoging)</p>		
Against/Teen	Any one valid reason/Enige geldige een rede ✓✓ Quote appropriate figures/Haal toepaslike syfers aan ✓✓	
<p>Expected answers / Verwagte antwoorde: Inflation rate is 5% - workers receive 8% i.e. more than inflation rate. / Inflasiemoeds is 5% - werknemers ontvang 8% d.i. meer as die inflasiemoeds.</p>		
<p>Cash flow position is bad (overdraft of R24 300 / R68 505) as business needed a loan of R120 000 to meet needs of cash and increase in interest on loan due to loans and bank overdraft./ Die kontantvloeioposisie is swak (oortrokke rekening R24 300 / R68 505) aangesien die onderneming 'n lening van R120 000 benodig het om die kontant aan te vul en die rente op lening het verhoog a.g.v. lening aangegaan en bankoortrekking</p>		
<p>Level of responsibility or workload of directors cannot be compared with that of workers./ Die verantwoordelikheid of werkslading van die direkteure kan nie met die van die werkers vergelyk word nie.</p>		
<p>Sustainable/livable wages R4 667 or R5 040 (above minimum wage) Lewensvatbare lone R4 667 of R5 040 (bo die minimum loon)</p>		
<p>Overstaffed (15 workers) despite decreased sales Te veel werkers in diens (15 werkers) ondanks afname in verkope</p>		
<p>Sales have decreased from R250 000 to R190 000 Verkope het afgeneem van R250 000 na R190 000</p>		

9

TOTAL MARKS/ TOTALE PUNTE
50

Ignore brackets. Mark figure only.
Penalty for operation built in.

QUESTION 3/VRAAG 3

* Any figure

3.1

UMZINTO LIMITED/UMZINTO BEPERK CASH FLOW STATEMENT FOR THE YEAR ENDED 28 FEBRUARY 2006/ KONTANTVLOEISTAAT VIR DIE JAAR GEËINDIG 28 FEBRUARIE 2006			
CASH RETAINED FROM OPERATING ACTIVITIES/ KONTANT VERKRY UIT BEDRYFSAKTIVITEITE		39 500	* <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>
Cash generated from operations/ Kontant deur bedrywighede voortgebring		140 100	<input checked="" type="checkbox"/>
Interest paid on borrowed money/ Rente op geleende geld	16 800 <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> + 7 500 <input checked="" type="checkbox"/>	(24 300)	# <input checked="" type="checkbox"/>
Dividend paid/Dividende betaal		(36 200)	<input checked="" type="checkbox"/>
Income tax paid/Inkomstebelasting betaal		(40 100)	<input checked="" type="checkbox"/>
CASH EFFECTS OF INVESTING ACTIVITIES/ KONTANT VERKRY UIT BELEGGINGSAKTIVITEITE		(185 600)	* <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>
Purchase of assets/Aankoop van bates 495 000 <input checked="" type="checkbox"/> - 327 000 <input checked="" type="checkbox"/> + 22 500 <input checked="" type="checkbox"/> + 17 600 <input checked="" type="checkbox"/> Workings in any format / Bewerkings in enige format – \$\$ Below / Hieronder		(208 100)	* <input checked="" type="checkbox"/>
Sale of asset/Verkoop van vaste bates		22 500	<input checked="" type="checkbox"/>
CASH EFFECTS OF FINANCING ACTIVITIES/ KONTANT VERKRY UIT FINANSIERINGSAKTIVITEITE		40 000	* <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>
Issue of shares/Aandele uitgereik	75 000 <input checked="" type="checkbox"/> + 25 000 <input checked="" type="checkbox"/>	100 000	# <input checked="" type="checkbox"/>
Repayment of loan/Terugbetaling van lening		(60 000)	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> Must be outflow
NET CHANGE IN CASH AND CASH EQUIVALENTS/ NETTO VERANDERING IN KONTANT EN KONTANTEKWIVALENTE	Inspect from top for reasonableness and completeness	(106 100)	# <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD/ KONTANT EN KONTANTEKWIVALENTE AAN DIE BEGIN VAN DIE PERIODE	Inspect operation from bottom	19 100	# <input checked="" type="checkbox"/>
CASH AND CASH EQUIVALENTS ON END OF PERIOD/ KONTANT EN KONTANTEKWIVALENTE AAN DIE BEGIN VAN DIE PERIODE		(87 000)	<input checked="" type="checkbox"/>

\$\$

495 000 - 327 000 + 22 500 + 17 600
495 000 - (327 000 - 22 500 - 17 600)
495 000 - 327 000 + 22 500 + 17 600
327 000 - 22 500 - 17 600 - 495 000

If final answer is correct, award full marks. If final answer is incorrect, award part-marks as indicated.

3.2 Calculate the number of new shares issued on 1 March 2005/
Bereken die getal nuwe aandele uitgereik op 1 Maart 2005

$$525\ 000 - 450\ 000 = 75\ 000 / R3 = 25\ 000 \text{ (shares / aandele)}$$

✓✓
✓
✓

If one element correct

4

3.3 Calculate the price at which each new share was issued./
Bereken die prys waarteen elke nuwe aandeel uitgereik is.

$$100\ 000 / 25\ 000 = R4$$

✓✓
✓
✓

If one element correct

Shares are issued at a premium of R1,00 : 2 marks
Aandele is uitgereik teen 'n premie van R1,00: 2 punte

See 3.2

4

3.4 Calculate the debt equity ratio on 28 February 2006./
Bereken die skuld tot aandeelhouersbelang verhouding op 28 Februarie 2006.

$$120\ 000 \checkmark : (525\ 000 \checkmark + 60\ 000 \checkmark + 32\ 930 \checkmark) \quad (585\ 000 \text{ or } 557\ 930: 2 \text{ marks})$$

$$= 0,19 : 1 \checkmark$$

OR 0,2 : 1

If one element correct
Answer must be x:1

5

3.5 Do you think it was wise to repay the mortgage loan as soon as possible? Explain your answer in full by quoting appropriate figures or financial indicators / Dink jy dit is raadsaam? Verduidelik volledig deur gepaste bedrae of finansiële aanwysers aan te haal.

No / Nee ✓ DO NOT ACCEPT 'YES' / MOENIE 'JA' AANVAAR NIE

Two marks per point + two marks for quoting figures / Twee punte per punt + twee punte vir aanhaal van syfers

- Positive gearing: Compare interest rate to ROTCE 12% compared to 22,5% (or quote general interest rates 11%-13% and 16%-19%)
Positiewe hefboom: Vergelyk rentekoers met OOTKA 12% vergelyk met 22,5% (of noem algemene Rentekoerse 11-13% and 16%-19%)
- Identify low debt/equity ratio 0,2:1 (refer to 3.4)
Identifiseer lae aandeelhouersbelang verhouding 0,2:1 (verwys 3.4)
- Cash flow problem at the moment Overdraft R87 000
Tans kontantvloei probleem Oortrokke bank R87 000

9

3.6	Explain three points to support the opinion of the directors. Refer to the appropriate financial indicators. / Verduidelik 3 punte om hierdie stelling te ondersteun. Verwys na die toepaslike finansiële aanwysers.
Any three of the following :/ Enige drie van die volgende	
Mention the name of the indicator : One mark each	✓ ✓ ✓
Mention the trend in the indicator : One mark each	✓ ✓ ✓
Quote the figures/ratios/percentages : One mark each	✓ ✓ ✓
ROSHE is stable at approx 19,5%	Compare to interest rates
OOAHB is stabile ongeveer 19,5%	Vergelyk met die rentekoerse
EPS improved from 27c to 29c	
VPA verbeter van 27c tot 29c	
DPS increased from 17c to 22c	
DPA vermeerder van 17c tot 22c	
ROTCE of 22,5% exceeds interest rates of 12%.	
OOTKA van 22,5% is meer as rentekoerse van 12%	
NAV improved from 164c to 176c (or improved from 328c to 353c)	
NBW verbeter 164c tot 176c (of verbeter van 328c tot 353c)	
NOTE: Cater for candidates calculating NAV from figures in the question	
LET WEL: Maak voorsiening vir kandidate wat NBW van bedrae in die vraestel bereken het	

9

3.7	Would you sell your shares on the Stock Exchange now? Provide a valid reason for your answer./ Sal jy jou aandele op die Effektebeurs nou verkoop? Verskaf 'n geldige rede vir jou antwoord.
Opinion: Yes / No ✓	
Opinie: Ja / Nee	
Provide one valid reason ✓✓✓✓	or state that the financial indicators are unreliable (full marks)
Verskaf een geldige rede	of toon aan dat die finansiële indicators onbetroubaar is (vol punte)
Expected answers / Verwagte antwoorde:	
Compare selling price to NAV / Vergelyk verkoopprijs met NBW	
Identify cash flow problem / Die onderneming ondervind kontantvloei probleme	
Comment on improvement in DPS / Kommentaar op verbetering in DPA	
Comment on improvement in EPS / Kommentaar op verbetering in VPA	
Not retaining much income – compare DPS to EPS / Hulle behou nie baie inkomste nie – vergelyk DPA met VPA	
Compare selling price of 350c to issue price earlier in the year of 400c / Vergelyk verkoopprijs van 350c met uitreikprijs gedurende die jaar van 400c	

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QUESTION 4/VRAAG 4

4.1.1 Note to Balance Sheet : /Nota tot die Balansstaat:

Capital accounts/Kapitaalrekeninge	J.Juggie	B.Balwan
Balance at beginning of year/ Saldo aan die begin van jaar	✓ 80 000	60 000
Additional capital contributed/ Addisionele kapitaal bygedra	Nil	15 000
Withdrawal of capital/ Kapitaal onttrek	✓ (30 000)	Nil
Balance at end of the / Saldo aan die einde van jaar	✓ 50 000	75 000

Inspect operation.
Ignore brackets.

3

Note to Balance Sheet : / Nota tot die Balansstaat

Current Accounts/Privaatrekeninge	J.Juggie	B.Balwan
Balance at beginning of year/ Saldo aan die begin van jaar	✓ 8 700	✓ (2 000)
Business profit for the year/ Ondernemingswins vir die jaar	*☑ 100 250	*☑ 79 050
Interest on capital / Rente op kapitaal 2 000 ✓ + 3 750 ✓	✓ 5750	6 000
Salary to partner/ Salaris aan vennoot	✓✓ 79 800	51 000
Primary distribution / Primere verdeling	85 550	57 000
Division of profits / Verdeling van wins	✓✓ 14 700	22 050
Drawings for the year / Onttrekkings vir die jaar	✓✓ (99 100)	(77 000)
Balance at end of the year/ Saldo aan die einde van die jaar	*☑ 9 850	*☑ 50

* Inspect operation.

ALTERNATIVE / ALTERNATIEF:

Current Accounts/Privaatrekeninge	J.Juggie	B.Balwan
Interest on capital / Rente op kapitaal (2 000 ✓ + 3 750 ✓)	✓ 5750	6 000
Salary to partner/ Salaris aan vennoot	✓✓ 79 800	51 000
Primary distribution / Primere verdeling	85 550	57 000
Division of profits / Verdeling van wins	✓✓ 14 700	22 050
Business profit for the year/ Ondernemingswins vir die jaar	*☑ 100 250	*☑ 79 050
Drawings for the year / Onttrekkings vir die jaar	✓✓ (99 100)	(77 000)
	1 150	2 050
Balance at beginning of year/ Saldo aan die begin van jaar	✓ 8 700	✓ (2 000)
Balance at end of the year/ Saldo aan die einde van die jaar	*☑ 9 850	*☑ 50

15

@ If correctly placed under correct sub-heading
 If A shown as L or vice-versa, no marks at all

2 Examination

If = TA - CA

4.1.2 Balance Sheet at 28 February 2006/Balansstaat op 28 Februarie 2006

ASSETS/BATES		
Non-Current Assets/Nie-bedryfsbates		<input checked="" type="checkbox"/> 172 940
✓@ Fixed assets/Waste bates		* <input checked="" type="checkbox"/> 122 940
✓@ Financial assets/Fixed deposit/ Finansiële bates / Vaste deposito		✓✓ 50 000
Current Assets		* <input checked="" type="checkbox"/> 88 760
✓@ Inventories/Inventarisse 56 700 ✓ + 1 700 ✓ - 400 ✓		✓ 58 000
✓@ Trade and other receivables/Handels en ander debiteure 7 000 ✓ + 2 760 ✓		✓ 9 760
✓@ Cash and cash equivalents/Kontant en kontantekwivalente 3 000 ✓ + 18 000 ✓		✓ 21 000
TOTAL ASSETS/TOTALE BATES		<input checked="" type="checkbox"/> 261 700

See 4.1.1

* Inspect operation.

If = bottom figure

EQUITY AND LIABILITIES/ EKWITEIT EN LASTE		
Owners Equity/Eienaarsbelang		* <input checked="" type="checkbox"/> 134 900
Capital/Kapitaal		<input checked="" type="checkbox"/> ✓ 125 000
Current accounts/Privaatrekeninge		<input checked="" type="checkbox"/> ✓ 9 900
		May show one figure
Non Current Liabilities/Nie-Bedryfslaste		* <input checked="" type="checkbox"/> 46 500
✓@ Loan/ Lening 54 000 ✓ - 7 500 ✓✓		✓ 46 500
Current Liabilities/Bedryfslaste		* <input checked="" type="checkbox"/> 80 300
✓@ Trade and other payables/Handels en ander krediteure (65 600 ✓ + 3 800 ✓ + 7 500 ✓)		✓ 76 900 or 69 400
✓@ Bank overdraft/Bankoortrekking (2 700 ✓ + 700 ✓)		✓ 3 400
		* <input checked="" type="checkbox"/> 261 700

May be separate under CL

43

4.2 Do you think that it will be advantageous for JB Traders to engage the services of partner Barry Balwan on a full time basis and pension off Tom Cook? Give two reasons for your answer. Fully explain your reasons./ Dink jy dat dit voordelig is vir JB Handelaars om die voltydse dienste van die vennoot Barry Balwan te gebruik en om Tom Cook met pensioen te laat aftree? Gee twee redes vir jou antwoord. Verduidelik jou redes breedvoerig.

Opinion / Opinie: Yes / Ja / No /Nee ✓

Marks for reasons / Punte vir redes	Max 4 Maks 4	Max 4 Maks 4
	Valid reason 1	Valid reason 2
Reason only – no explanation Slegs rede – geen verduideliking	✓✓	✓✓
Reason + insufficient explanation Rede + onvoldoende verduideliking	✓✓✓	✓✓✓
Reason + convincing explanation Rede + oortuigende verduideliking	✓✓✓✓	✓✓✓✓

Possible reasons for 4 marks for YES:

- Partner Balwan would be more committed to business – spend more time and energies in building up business. More skill to the business.
- Financial savings – previous salary bill for 3 persons was R190 000. New salary bill for two persons would be R159 600. Once-off pension payment will be made up in the next three years.
- Cash-flow situation will improve in the future as a result of savings on salaries.

Possible reasons for 4 marks for NO:

- Juggie might be disadvantaged in the short-term due to extra salary to Balwan and the payout to Cook.
- Ethical considerations relating to early retirement of Cook – he might not want to retire.

Moontlike antwoorde vir 4 punte vir JA:

- Vennoot Balwan sal meer toegewyd aan die besigheid wees – hy sal meer tyd en energie bestee aan die opbou van die onderneming.
- Finansiële besparings – vorige salarisrekening vir 3 persone was R190 000. Nuwe salarisrekening vir 2 persone sal R159 600 wees. Die eenmalige pensioenbetaling sal binne 3 jaar verhaal word.
- Kontantvloeï sal in die toekoms verbeter as gevolg van besparing op salaris.

Moontlike antwoorde vir vier punte vir NEE:

- Juggie sal benadeel word in die kort termyn as gevolg van die ekstra salaris aan Balwan en die uitbetaling aan Cook
- Etiese beginsels in verband met die vervroegde aftrede van Cook – miskien wil hy nie aftree nie.

QUESTION 5/VRAAG 5

5.1

MLAMBO STATIONERS CC/MLAMBO SKRYFBEHOEFTE BK
INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2006./
INKOMSTESTAAT VIR DIE JAAR GEËINDIG 30 JUNE 2006

If GP + COS = Sales.

	R
Sales for the year/Verkope vir die jaar	560 000
Cost of sales/Koste van verkope	✓ <input checked="" type="checkbox"/> (400 000)
Gross profit for the year/Bruto wins vir die jaar	✓ <input checked="" type="checkbox"/> 160 000
Other income/Ander inkomste	* <input checked="" type="checkbox"/> 53 700
Commission income/Kommissie-inkomste 6 100 ✓ – 1 600 ✓	✓ 4 500
Rent income/Huur-inkomste 54 600 ✓ + 2 800 ✓ – 8 200 ✓ 57 400: 2 marks	✓ 49 200
Gross income/Bruto inkomste	213 700
Operating expenses/Bedryfsuitgawes	* <input checked="" type="checkbox"/> (142 000)
Members salary/Salaris aan lede	63 000
Salary (general)/Salarisse (algemeen)	✓✓ 42 000
Repairs/Herstelwerk	✓✓ 2 800
Accounting officer's remuneration/ 14 700 ✓ – 2 900 ✓ + 1 800 ✓ Rekeningkundige beampte se vergoeding	✓ 13 600
Depreciation/Waardevermindering	5 300
Sundry expenses/Diverse uitgawes	* <input checked="" type="checkbox"/> 15 300
Operating profit for the year/Bedryfswins vir die jaar	* <input checked="" type="checkbox"/> 71 700
Interest income/Rente inkomste	✓✓ 5 600
Income before interest expense/ Inkomste voor rente-uitgawe	* <input checked="" type="checkbox"/> 77 300
Interest expense/Rente-uitgawe	(4 500)
Net income before tax/Netto inkomste voor belasting	✓✓ 72 800
Taxation/Belasting 24 000 ✓ – 3 840 ✓	✓ (20 160)
Net income after tax/Netto inkomste na belasting	* <input checked="" type="checkbox"/> 52 640

* Inspect operation.

32

5.2 Note to Balance Sheet: Distributable Reserve (Retained Income)
Nota tot die Balansstaat: Verdeelbare reserwes (Behoue inkomste)

Balance at end of previous year/ Saldo aan die einde van die vorige jaar		R18 430
✓ Net profit after tax/Netto wins na belasting		✓ 52 640
✓ Distribution to members/Verdeling aan lede	Final answer of 14 000 : 1 mark	✓ (46 070)
✓ Balance at end of current year/ Saldo aan die einde van die jaar		✓ 25 000

Balancing figure.

7

5.3 Advice to Dudu Mlambo/Raad aan Dudu Mlambo	
One valid option for expanding the business ✓	Explanation of reason ✓✓
One valid option for the holiday ✓	Explanation of reason ✓✓
5.3.1 Expanding business – possible answers:	
Use money that is presently in the bank and fixed deposit – Readily available and not earning much interest.	
Admit a new member – Inflow of capital immediately.	
Raise a loan from external sources – income generated can be used to repay the loan and interest.	
Advertise – This will increase sales.	
Reduce distributions now – no costs involved, will lead to increased distributions in the future.	
5.3.2 Going on an overseas holiday	
Withdraw more from the business – readily available, easily accessible, might be a business opportunity.	
Use her existing distribution – she already has this.	
Reduce her loan account – sizeable amount, readily available, easily accessible.	Etc
5.3.1 Uitbreiding van besigheid	
Gebruik fondse wat tans in die bank en vaste deposito is – Redelik beskikbaar en verdien nie baie rente nie.	
Laat nuwe lid toe – Invloei van kapitaal onmiddelik.	
Gaan 'n lening aan by 'n buite instansie – inkomste gegenerer kan gebruik word om die lening plus rente terug te betaal.	
Adverteer – Dit sal verkope verhoog.	
Verminder verdelings nou – geen koste betrokke nie, sal lei na verhoogte verdeling in die toekoms.	
5.3.2 Gaan vir 'n oorsese vakansie	
Onttrek meer van die besigheid – redelik beskikbaar, mag 'n besigheidseleentheid wees.	
Gebruik haar huidige verdeling – sy het dit alreeds.	
Verminder haar leningsrekening – groot bedrag, redelik beskikbaar.	Ens.

6

45

Accounting/HG

16

Mark only details and figures.

Examination

Entries on wrong side: no marks for details or figures.

6/VRAAG 6

May be combined

6.1.1

Dr					GENERAL LEDGER OF CHINTZ TRADERS					Cr	
Dt					ALGEMENE GROOTBOEK VAN CHINTZ HANDELAARS					Kt	
DEBTORS CONTROL ACCOUNT/DEBITEUREKONTROLEREKENING											
2006 Mar	1	Balance/Saldo	b/d a/b	43 200	2006 Mar	31	Bank ✓	CRJ KOJ	15 000	✓	
	31	Sales/ Verkope ✓	DJ	36 000 ✓			Discount / Korting ✓	CRJ KOJ	700	✓	
		Bank ✓	CPJ KBJ	800 ✓			Debtors allowances/ Debiteureafslag ✓	DAJ	5 400	✓	
		Sundry accounts/ Journal debits ✓ Diverse rekeninge Joernaaldebiete 600 ✓ + 20 ✓	GJ AJ	620 ✓			Sundry accounts / Journal credits / Bad debts / Diverse rekeninge/ Joernaalkrediete / Oninbare skulde /	GJ AJ	450	✓	✓
							Balance	c/d a/d	59 070	✓	
				80 620					80 620		
Apr	1	Balance/Saldo	b/d a/b	59 070			Journal folios by inspection ✓				

One mark for balancing.
Must be debit balance.

19

6.1.2

TRADING STOCK ACCOUNT/HANDELSVOORRAAD											
2006 Mar	1	Balance/Saldo	b/d	64 800	2006 Mar	31	Cost of sales/ Koste van verkope ✓	CRJ KOJ	5 000	✓	
	31	Bank ✓	CPJ KBJ	11 900 ✓			Cost of sales/ Koste van verkope ✓	DJ	20 000	✓	
		Creditors control/ Krediteurekontrolle ✓	CJ KJ	12 500 ✓			Creditors control/ Krediteurekontrolle ✓	CAJ KAJ	2 200	✓	
		Cost of sales/ Koste van verkope ✓	DAJ	3 800 ✓			Drawings Onttrekkings ✓	GJ AJ	400	✓	
							Balance/Saldo	c/d	65 400	✓	
				93 000					93 000		
Apr	1	Balance/Saldo	b/d	65 400			Journal folios by inspection ✓				

One mark for balancing.
Must be debit balance.

16

6.2.1 Calculate the acid test ratio on 28 February 2006/ Bereken die vuurproefverhouding op 28 Februarie 2006		
110 400 - 64 800	:	65 100
45 600	:	65 100
✓✓		✓
0,7	:	1 <input checked="" type="checkbox"/>

If one element correct and shown as x:1

4

6.2.2 Calculate the debtors collection period for year ended 28 February 2006./ Bereken die debiteure invorderingstydperk vir die jaar geëindig 28 Februarie 2006		
40 600	/	351 000 x 365 days (or 12 months)
✓✓		✓✓
42 days or 42,2 or 43 (or 1,39 or 1,4 months)		
<input checked="" type="checkbox"/>		

If one element correct, and shown in days or months

5

6.2.3 Calculate the stock turnover rate for the year ended 28 February 2006./ Bereken die omsetsnelheid van voorraad vir die jaar geëindig 28 Februarie 2006.		
260 000 / 86 400	R64 800: one mark	
✓✓ ✓✓		
= 3 times / keer		
<input checked="" type="checkbox"/>		

If one element correct

5

6.2.4 Should Chintz Traders be satisfied with the liquidity situation? Explain briefly, quoting amounts or figures to support your opinion./ Sal Chintz Handelaars tevrede wees met die likiditeitsituasie? Verduidelik kortliks en haal bedrae en syfers aan om jou mening te staaf	
No ✓	DO NOT ACCEPT 'YES'
Trend in Acid test ratio ✓ - deteriorated ✓ from 0,9 : 1 to 0,7 : 1 ✓	
Trend in Debtors collection period ✓ – deteriorated ✓ from 35 days to 42 days ✓	
Trend in Stock turnover rate ✓ – reduced ✓ from 5 times a year to 3 times a year ✓	
Nee	MOENIE 'JA' AANVAAR NIE
Tendens in die bedryfskapitaal – verhouding het afgeneem van 0,9 : 1 tot 0,7 :1	
Tendens in Debiteure-invorderingsperiode – het afgeneem van 35 dae tot 42 dae	
Tendens in Omsetsnelheid – van die voorraad het afgeneem van 5 keer na 3 keer per jaar	

10

<p>7.2 Explain whether or not Syd should be concerned about any problem or any aspect of each vehicle. Quote amounts to support your opinion./ Verduidelik of Syd bekommerd moet wees of nie oor enige probleem of aspek ten opsigte van elke voertuig. Haal bedrae aan om jou mening te staaf.</p>
<p>Six valid points – two marks each ✓✓ ✓✓ ✓✓ ✓✓ ✓✓ ✓✓ Ses geldige punte – twee punte elk Must be at least one point on each taxi Moet minstens een punt vir elke taxi wees</p>
<p>Taxi no 1: Candidate identifies two of the following:</p> <ul style="list-style-type: none"> - High running costs (R6,40 / km) - Age (fully depreciated) - Safety concern - Earning R9,00 / km (Profit R2,60 / km) <p>Taxi no 2: Candidate identifies two of the following:</p> <ul style="list-style-type: none"> - Lack of revenue in comparison to the other taxis (R222 800 i.e. R3,21/km) - Likelihood of theft / fraud by the driver - Revenue per km is less than running costs per km (R3,21 compared to R4,38) <p>Taxi no 3: Candidate identifies two of the following:</p> <ul style="list-style-type: none"> - Under-utilization (31 000 km – others doing almost 70 000 km) - Running costs are low (R4,40 / km) – should be used more - Lack of work ethic of the driver - Earning R9,00 / km (Profit of R4,60 /km excl depreciation)
<p>Taxi nr. 1: Leerder identifiseer twee van die volgende:</p> <ul style="list-style-type: none"> - Hoë koste bedryfskoste (R6,40 / km) - Ouderdom (Ten volle al in waarde verminder) - Veiligheids aspek. - Verdien R9,00 / km (Wins R2,60 / km) <p>Taxi nr. 2: Leerder identifiseer twee van die volgende:</p> <ul style="list-style-type: none"> - Gebrek aan inkomste in vergeleke met ander taxi (R222 800 d.i. R3,21/km) - Moontlike diefstal/fondse word deur bestuurder verduister - Inkomste per km is laer as die bedryfskoste per km (R3,21 in vergelyking met R4,38) <p>Taxi nr. 3: Leerder identifiseer twee van die volgende:</p> <ul style="list-style-type: none"> - Onderverbruik (31 000 km – ander het omtrent 70 000 km) - Bedryfskoste is laag (R4,40 / km) – moet meer gebruik word - Gebrek aan werketiek deur die bestuurder - Verdien R9,00 / km (Wins R4,60 /km uitsl. Waardevermindering)

12

TOTAL MARKS
50