

**CENTRE NUMBER**

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**CANDIDATE'S EXAMINATION NUMBER**

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**SENIOR CERTIFICATE EXAMINATION****OCTOBER/NOVEMBER 2006***DEPARTMENT OF EDUCATION***ACCOUNTING HIGHER GRADE***SPECIAL ANSWER BOOK***This answer book consists of 22 pages.**

<b>QUESTION</b>	<b>MARKS</b>	<b>INITIAL</b>	<b>MOD.</b>
1.			
2.			
3.			
4.			
5.			
6.			
7.			
<b>TOTAL</b>			



**QUESTION 1**

<b>1.1.1 How much was collected in 2005 in respect of the arrear membership fees for 2004?</b>

4

<b>1.1.2 Calculate the number of members who left the club and were refunded half their fees.</b>

4

<b>1.1.3 Calculate the number of members registered in the club on 31 December 2005.</b>

5



**1.1.4 Give ONE possible explanation for the figure of R2 000 on the credit side of the Membership Fees Account.**


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.**


4

**1.1.6 Amounts appearing in the Receipts & Payments Statement and Income & Expenditure Statement.**

Receipts & Payments Statement		Income & Expenditure Statement	
Description of entry	Amount	Description of entry	Amount

10



**1.1.7 Calculate the profit or loss on the club dance. State whether this amount is a profit or a loss.**

CALCULATION:

STATE PROFIT OR LOSS:

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.**

4





**QUESTION 2****2.1**

<b>WITBANK LIMITED</b>			
<b>CASH BUDGET FOR QUARTER ENDING 31 MARCH 2007</b>			
<b>CASH RECEIPTS</b>	<b>JANUARY</b>	<b>FEBRUARY</b>	<b>MARCH</b>
Cash sales	190 000	250 000	
Rent income	5 000		
<b>TOTAL RECEIPTS</b>	<b>195 000</b>		
<b>CASH PAYMENTS</b>			
Cash purchases of stock	38 000		
Payments to creditors (for stock)	66 900		
Wages to workers (15 employees)	70 000		
Directors' fees (3 directors)	45 000		
Sundry operating expenses	22 100		
<b>TOTAL PAYMENTS</b>	<b>242 000</b>		
<b>Cash surplus (deficit)</b>	<b>(47 000)</b>		
<b>Bank balance at beginning of month</b>	<b>22 700</b>		
<b>Bank balance at end of month</b>	<b>(24 300)</b>		





**QUESTION 3****3.1**

<b>UMZINTO LIMITED</b>		
<b>CASH FLOW STATEMENT FOR THE YEAR ENDED 28 FEBRUARY 2006</b>		
<b>CASH EFFECTS OF OPERATING ACTIVITIES</b>		
<b>CASH EFFECTS OF INVESTING ACTIVITIES</b>		
<b>CASH EFFECTS OF FINANCING ACTIVITIES</b>		
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>		
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>		
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>		









**QUESTION 4****4.1.1****JB TRADERS****NOTES TO BALANCE SHEET ON 28 FEBRUARY 2006****CAPITAL ACCOUNTS**

	<b>J Juggie</b>	<b>B Balwan</b>
	R	R
Balance at beginning of the year		60 000
Additional capital contributed		15 000
Withdrawal of capital		Nil
Balance at end of the year		75 000

<b>3</b>

**CURRENT ACCOUNTS**

	<b>J Juggie</b>	<b>B Balwan</b>
	R	R
Interest on capital		6 000
Salary to partner		51 000
Share of remaining profit		22 050
Drawings for the year		(77 000)

<b>15</b>



4.1.2

<b>JB TRADERS BALANCE SHEET ON 28 FEBRUARY 2006</b>		
<b>ASSETS</b>		
<b>Non-current assets</b>		
<b>Current assets</b>		
<b>TOTAL ASSETS</b>		
<b>EQUITY AND LIABILITIES</b>		
<b>Owners Equity</b>		
<b>Capital (see note)</b>		
<b>Current accounts (see note)</b>		
<b>Non-current liabilities</b>		
<b>Current liabilities</b>		
<b>TOTAL EQUITY AND LIABILITIES</b>		





**QUESTION 5****5.1****MLAMBO STATIONERS CC  
INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2006**

	R	
Sales for the year	<b>560 000</b>	
Cost of sales		
Gross profit for the year		
Other income		
Commission income		
Rent income		
Gross income		
Operating expenses		
Member's salary	<b>63 000</b>	
Salary (general)		
Repairs		
Accounting officer's remuneration		
Depreciation	<b>5 300</b>	
Sundry expenses		
Operating profit for the year		
Interest income		
Income before interest expense		
Interest expense	<b>( 4 500 )</b>	
Net income before tax		
Taxation		
Net income after tax		



**5.2 NOTE TO BALANCE SHEET:  
DISTRIBUTABLE RESERVE (RETAINED INCOME)**

Balance at end of previous year	<b>R18 430</b>

<b>7</b>

**5.3 Explain an appropriate option that Dudu could take to finance each of the following, and provide a brief reason for choosing each option.**

<b>5.3.1 Option for expanding the business (with reason)</b>
<b>5.3.2 Option for going on an overseas holiday (with reason)</b>

<b>6</b>

<b>TOTAL MARKS</b>
<b>45</b>



**QUESTION 6**

**6.1.1**

Dr		GENERAL LEDGER OF CHINTZ TRADERS					Cr	
DEBTORS CONTROL ACCOUNT								
2006 Mar	1	Balance	b/d	43 200				

19

**6.1.2**

Dr		GENERAL LEDGER OF CHINTZ TRADERS					Cr	
TRADING STOCK ACCOUNT								
2006 Mar	1	Balance	b/d	64 800				

16





<b>6.2.1 Calculate the acid test ratio on 28 February 2006.</b>

4

<b>6.2.2 Calculate the debtors collection period for year ended 28 February 2006.</b>

5



<b>6.2.3 Calculate the stock turnover rate for the year ended 28 February 2006.</b>

5

<b>6.2.4 Should Chintz Traders be satisfied with the liquidity situation? Explain briefly, quoting amounts or figures to support your opinion.</b>

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<b>6.2.5 List THREE duties that she should perform to ensure that debtors are paying the correct amounts promptly.</b>

6

<b>TOTAL MARKS</b>
65





**7.1.3 NOTE TO BALANCE SHEET: FIXED ASSETS**

<b>FIXED ASSETS/TANGIBLE ASSETS</b>	<b>Land &amp; buildings</b>	<b>Vehicles</b>
Cost at beginning of the year	<b>300 000</b>	
Accumulated depreciation	<b>(0)</b>	<b>(198 000)</b>
<b>Movements</b>		
Additions		<b>200 000</b>
Disposals		
Depreciation		
Cost at end of the year		
Accumulated depreciation		



**7.2 Explain whether or not Syd should be concerned about any problem or aspect relating to each vehicle. Quote amounts to support your opinion.**

**Taxi 1:**


**Taxi 2:**


**Taxi 3:**


12

<b>TOTAL MARKS</b>
50

