CENTRE NUMBER												
			CAN	DIDA [®]	TE'S	EXA	MINA	TION	NUM	BER		
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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.

QUESTION	MARKS	INITIAL	MOD.
1.			
2.			
3.			
4.			
5.			
6.			
7.			
TOTAL			



QUESTION 1

1.1.1	How much was collected in 2005 in respect of the arrear membership fees for 2004?
	4
1.1.2	Calculate the number of members who left the club and were refunded half their fees.
	4
1.1.3	Calculate the number of members registered in the club on 31 December 2005.



1.1.4	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 concern club. Explain TWO possi			mmunity of Inanda is not super his concern.	pporting the		
					4		
1.1.6	Amounts appearing in the Expenditure Statement.	Receipts &	Pa	ayments Statement and Inco	me &		
	Receipts & Payments State	ement		Income & Expenditure S	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.
CALC	ULATION:
STAT	E 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.

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QUESTION 1.2

Calculate 31 Decemb	the ber 20	profit 05. Sho	on ow Al	the L wo	sale orkings	of s to e	refresh earn par	ments t marks	for	the	year	ended
(In order to	o calc	ulate th	is fig	ure y	ou ma	y pr	epare th	ne releva	ant le	dger	accou	nt.)

16

TOTAL MARKS



QUESTION 2

2.1

WITBANK LIMITED CASH BUDGET FOR QUARTER ENDING 31 MARCH 2007							
CASH RECEIPTS	JANUARY	FEBRUARY	MARCH				
Cash sales	190 000	250 000					
Rent income	5 000						
TOTAL RECEIPTS	195 000						
CASH PAYMENTS							
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						
TOTAL PAYMENTS	242 000						
Cash surplus (deficit)	(47 000)						
Bank balance at beginning of month	22 700						
Bank balance at end of month	(24 300)						





2.2	Do you feel that the grievances of the workers are valid? Provide ONE reason FOR and ONE reason AGAINST the planned strike. Quote relevant figures from the budget.

TOTAL MARKS



QUESTION 3

3.1

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



		1		
3.2	Calculate the number of new shares issued on 1 March 2005.			
				ı
3.3	Calculate the price at which each new share was issued on			
	1 March 2005.			
			4	
3.4	Calculate the debt equity ratio on 28 February 2006.			
			5	,
3.5	Do you think that it is advisable to repay the mortgage loan as soon as possible over two years? Explain your answer in full by quoting appropriate figures or financial indicators.			
			ı 9)



3.6	Explain THREE points to support the opinion of the directors. Refer to the appropriate financial indicators.		
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		J	9
3.7	Would you sell your shares on the Stock Exchange now?		
	Provide a valid reason for your answer.	-	
].	
			5

TOTAL MARKS



QUESTION 4

4.1.1

JB TRADERS NOTES TO BALANCE SHEET ON 28 FEBRUARY 2006

CAPITAL ACCOUNTS

	J Juggie	B Balwan
	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

3	

CURRENT ACCOUNTS

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





4.1.2

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



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 to alllow Tom Cook to retire on pension? Give TWO reasons for your answer. Fully explain your reasons.

TOTAL MARKS



QUESTION 5

5.1

MLAMBO STATIONERS CC INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2006

	R	
Sales for the year	560 000	
Cost of sales		
Gross profit for the year		
Other income		
Commission income		
Rent income		
Gross income		
Operating expenses		
Member's salary	63 000	
Salary (general)		
Repairs		
Accounting officer's remuneration		
Depreciation	5 300	
Sundry expenses		
Operating profit for the year		
Interest income		
Income before interest expense		
Interest expense	(4500)	
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	R18 430

7

- 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.5.3.1 Option for expanding the business (with reason)
- 5.3.2 Option for going on an overseas holiday (with reason)

6

TOTAL MARKS



QUESTION 6

6.1.1

Cr	RADERS	ITZ T	F CHIN	LEDGER C	IERAL	GEN		Dr
	JNT	CCO	ROL A	TORS CONT	DEB			
				43 200	b/d	Balance	1	2006 Mar

1	9	

6.1.2

Dr		GI	NER.	AL LEDGER	OF CH	IINT	Z TRADERS	Cr
			TF	RADING STO	CK A	CC	DUNT	
2006 Mar	1	Balance	b/d	64 800				





6.2.1	Calculate the acid test ratio on 28 February 2006.	
	4	
6.2.2	Calculate the debtors collection period for year ended 28 February 2006.	



6.2.3	Calculate the stock turnover rate for the year ended 28 February 2006.
	5
6.2.4	Should Chintz Traders be satisfied with the liquidity situation? Explain briefly,
	quoting amounts or figures to support your opinion.



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

TOTAL MARKS



QUESTION 7

7.1.1

7.1.2

Dr		GENERA	L LEDGER OF	COSN	IOS	TAXI SERVICE	Cr
	ASSET DISPOSAL						

ACCUMULATED DEPRECIATION ON VEHICLES								
				2005 Mar	1	Balance	b/d	198 000



7.1.3 NOTE TO BALANCE SHEET: FIXED ASSETS

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

1	7	



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:

TOTAL MARKS

