

POSSIBLE ANSWERS
FEB / MARCH 2007

ACCOUNTING / REKENINGKUNDE HG

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Marking Guideline/Memorandum

SENIOR CERTIFICATE EXAMINATION – Feb/Mar 2007

SENIORSERTIFIKAAT-EKSAMEN – Feb/Mrt 2007

QUESTION 1/VRAAG 1

1.1

CASH RECEIPTS JOURNAL OF KIRON TRADERS - OCTOBER 2006 CRJ/KOJ23							
KONTANTONTVANGSTEJOERNAAL VAN KIRON HANDELAARS – OKTOBER 2006							
Doc no./ Dok Nr.	Day Dag	Details/ Besonderhede	Bank	Debtor's Control/ Debiteure-kontrolle	Sundry Accounts/ Diverse rekeninge	Fo/ Fol	Details/ Besonderhede
	31	Total/Totaal	22 260	4 400	2 356		
531		Tibs Manufacturers (Cancelled)/ (Gekanselleer)	460 ✓		460 ✓		Trading Stock/ Handelsvoorraad ✓
611		Fila Traders (Cancelled)/ (Gekanselleer)	2 100 ✓		2 100 ✓		Creditors control/ Krediteurekontrolle ✓
BS		Best Bank	120 ✓		120 ✓		Interest on current account/ Rente op lopende Rekening ✓
BS		S. Shushu	2 500 ✓		2 200 ✓		Rent income/ Rente inkomste ✓
			27 440	4 400	7 236		
			<input checked="" type="checkbox"/>				

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CASH PAYMENTS JOURNAL OF KIRON TRADERS - OCTOBER 2006 CRJ/KBJ23							
KONTANTBETALINGSJOERNAAL VAN KIRON HANDELAARS – OKTOBER 2006							
Doc no./ Dok Nr.	Day Dag	Details/ Besonderhede	Bank	Debtors Control/ Debiteure-kontrolle	Sundry Accounts/ Diverse Rekeninge	Fo	Details/ Besonderhede
	31	Total/Totaal	25 380	400	1 890		
697		JC Distributors	180 ✓		180 ✓		Trading stock/ Handelsvoorraad ✓
BS		Best Bank	680 ✓		680 ✓		Bank charges/ Bankkoste ✓
BS		Best Bank	320 ✓		320 ✓		Interest on overdraft/Rente op oortrekking ✓
SO		SPCA	500 ✓		500 ✓		Donation/ Donasie ✓
DN		B. Naidoo	750 ✓	750 ✓			
DO		MBW Bank	3 200 ✓		3 200 ✓		Drawings/ Onttrekkings ✓
			31 010	1 150	6 770		
			<input checked="" type="checkbox"/>				

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BANK RECONCILIATION STATEMENT – 31 OCTOBER 2006/ BANKVERSOENINGSTAAAT – 31 OKTOBER 2006		
Debit/Balance as per bank statement/ Debiet/Saldo volgens bankstaat ✓		160 ✓
Credit/Deposit not credited by bank/ Krediteer/Deposito nie gekrediteer by bank ✓		1 580 ✓
Debit/Outstanding cheques/ Debiteer/Uitstaande tjeks ✓		
No. 578	420 ✓ ✓	
No. 696	700 ✓	
No. 699	1 300 ✓	
Debit/Balance as per bank account/ Debiet/Saldo volgens bankrekening ✓		680 ☑
(2 890 +27 440 – 31 010)	2 420	2 420

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1.4.1 Problem that exists in the business/ Probleem wat bestaan in die onderneming.
It appears that the cashier is defrauding the business - false receipts are issued and all the cash is not banked
Dit wil voorkom dat die kasier bedrog pleeg in die onderneming - vervalsde kwitansies word uitgereik en al die kontant word nie gebank nie. ✓✓✓
Two steps to resolve the problem./Twee stappe om die probleem op te los.
<ul style="list-style-type: none"> The same person in charge of the general ledger and general journal should not also be in charge of the personal accounts of the debtors and cash receipts. / Separate duties ✓✓✓ Dieselfde persoon wat in beheer is van die algemene grootboek en die algemene joernaal behoort nie ook in beheer van die persoonlike rekeninge van die debiteure en die kontantjoernale te wees nie./Skei pligte ✓✓✓ More than one person should be responsible for the bank every day. This must be checked by a senior person against the receipts issued, entry in CRJ and the actual money deposited./ ✓✓✓ Meer as een persoon moet verantwoordelik wees vir die bank elke dag. Dit moet deur 'n senior persoon teen die kwitansies uitgereik, inskrywing in die KBJ en die werklike bedrag gedeponeer gekontroleer word. Rotate duties, etc/ Roteer pligte, ens.

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1.3.2 Kiron wants to record the motor vehicle instalment as a business expense. Explain why this is not proper procedure and why would you as an accountant not support his request./
Kiron wil die paaieent op die voertuig as 'n besigheidsuitgawe boekstaaf. Verduidelik hoekom dit nie aanvaarbare praktyk is nie en hoekom jy as die boekhouer hom nie in hierdie versoek sal ondersteun nie.

Learner identifies and explains the ethical problem
 e.g. Not a genuine business expense
 Tax evasion

✓✓

Leerder identifiseer en verduidelik die etiese probleem
 vb. Nie 'n werklike uitgawe vir die onderneming nie
 Belasting ontduiking

Learner identifies and explains the accounting problem
 e.g. financial results of business would not be accurate
 business entity principle

✓✓

Leer identifiseer en verduidelik die rekeningkundige probleem
 vb. die finansiële resultate vir die onderneming is nie akkuraat nie
 ondernemingsentiteit beginsel

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TOTAL MARKS
TOTALE PUNTE

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PRETORIA

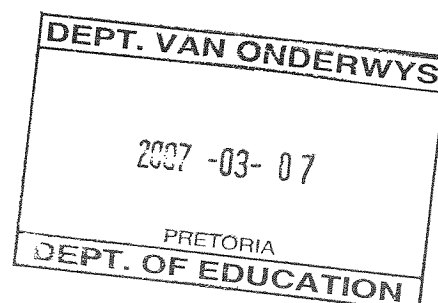
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QUESTION 2/VRAAG 2

2.1

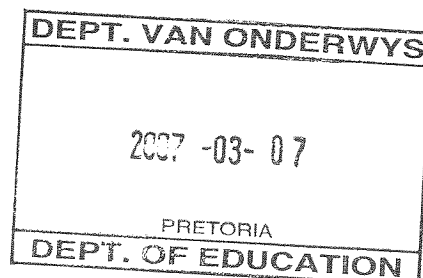
Dr		GENERAL LEDGER OF EASY FITNESS CLUB						Cr	
Dt		ALGEMENE GROOTBOEK VAN EASY FITNESS KLUB						Kt	
MEMBERSHIP FEES ACCOUNT/ LEDEGELDREKENING									
2005 Jan	1	Accrued income/ Opgelope inkomste ✓	1 200 ✓	2005 Jan	1	Income received in advance/ Vooruitontvange inkomste ✓	1 000 ✓		
Dec	31	Income received in advance/ Vooruitontvange inkomste ✓	900 ✓	Dec	31	Bank: 2004 ✓	800 ✓		
		Income and expenditure/ Inkomste en uitgawe ✓	14 100 ✓			2005 ✓	12 600 ✓		
						2006 ✓	900 ✓		
						(OR R14 300 ✓✓✓)			
						Membership fees written off/ Ledegeld afgeskryf ✓	400 ✓		
						Accrued income/ Opgelope inkomste ✓	500 ✓		
			16 200				16 200		

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2.2

No/ Nr.	Account/ Rekening	Statement of Receipts and Payments/ Staat van Ontvangste en Betalings		Statement of Income and Expenditure/ Staat van Inkomste en Uitgawes	
		Receipts/ Ontvangste	Payments/ Betalings	Expenditure/ Uitgawes	Income/ Inkomste
E.g. Vb.	Fixed deposit/ Vaste deposito	8 720			720
1	Membership fees/ Ledegeld	14 300 <input checked="" type="checkbox"/>			14 100 <input checked="" type="checkbox"/>
	Membership fees Written off/ Ledegeld afgeskryf			400 <input checked="" type="checkbox"/>	
2	Entrance fees/ Intreegeld	8 000 ✓✓			3 200 ✓✓
3	Rent income/ Huur inkomste	63 100 ✓✓✓			61 200 ✓✓
	Repairs/ Herstelwerk			3 200 ✓✓	
4	Stationery/ Skryfbehoeftes	500 ✓	2 400 ✓	2 370 ✓✓ <input checked="" type="checkbox"/>	
	Donation/ Donasie				420 ✓✓
	?			300 ✓✓	
5	Loan/ Lening	4 000 ✓			
6	Interest on loan/ Rente op lening		3 425 ✓ <input checked="" type="checkbox"/>	3 450 ✓ <input checked="" type="checkbox"/>	



2.3	Which option would you support?/ Watter opsie sal jy ondersteun?
	Name the option. ✓ Improving the facilities which would increase the membership fees. or: Free membership for a limited period of three months.
	Benoem die opsie Verbetering van die fasiliteite wat die ledegelde betaalbaar sal vermeerder. of: Gratis ledegelde vir 'n beperkte tydperk van drie maande.
	Explain the reason you would give at the December committee meeting in support of this option./ Verduidelik watter rede jy sal verskaf, tydens die Desember komiteevergadering, om jou besluit te staaf.
	Valid explanation given / Geldige rede verskaf. ✓✓ Candidate displays clear understanding and grasp of the problem and solution. ✓✓ Kandidate toon 'n duidelike begrip en kennis van die probleem en oplossings
	Expected responses:
	<ul style="list-style-type: none"> All the members can benefit from the improved facilities. The increase in the fees would not put an unfair burden on the members' as they seem to cope./ Al die lede kan voordeel trek uit die verbeterde fasiliteite. Die verhoging in fooie sal nie 'n onregverdigte las op die lede plaas nie.
	<ul style="list-style-type: none"> At this stage the members seem to cope with membership fee payments as only R500 was accrued this year and R400 was written off for the previous year./ Op hierdie stadium wil dit voorkom asof die lede die betaling van die ledegeld kan behartig aangesien R500 agterstallig was vir die huidige jaar en R400 afgeskryf was vir die vorige jaar.
	<ul style="list-style-type: none"> Offering free membership for a limited period of three months would only have a benefit in that period – improved facilities continuous advantage./ Deur gratis ledegeld te offer vir 'n periode van drie maande sal slegs voordelig wees vir daardie tydperk - verbeterde fasiliteite hou langdurige voordeel in.

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TOTAL MARKS/ TOTALE PUNTE

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QUESTION 3/VRAAG 3

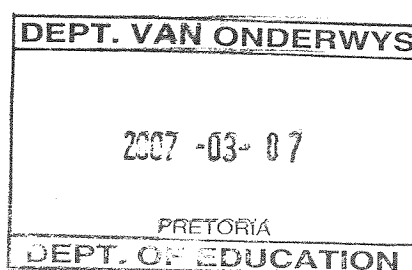
3.1.1

Dr		GENERAL LEDGER OF BONN-G FASHIONS						Cr		
Dt		ALGEMENE GROOTBOEK VAN BONN-G MODES						Kt		
APPROPRIATION ACCOUNT/VERDELINGSREKENING										
2006 Feb	28	Interest on capital/ Rente op kapitaal	✓	12 000		2006 Feb	28	Profit and Loss/ Wins en verliesrekening	✓	47 000 ✓
		(7 200 + 4 800)								
		Salary: Bonna / Salaris: Bonna	✓	30 000 ✓						
		Current Account: Bonna/ Privaatrekening: Bonna	✓	3 000 ✓						
		Current Account: Gain / Privaatrekening: Gain	✓	2 000 ✓						
				47 000						47 000

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CURRENT ACCOUNT: BONNA/PRIVAATREKENING: BONNA										
2006 Feb	28	Drawings: Bonna/ Onttrekkings Bonna	✓	24 000 ✓		2006 Feb	28	Interest on capital/ Rente op kapitaal	✓	7 200 ✓
		Balance/Saldo	c/d	16 200 ✓				Salary/Salaris	✓	30 000 ✓
								Appropriation account/ Verdelingsrekening	✓	3 000 ✓
				40 200						40 200
						Mrch	1	Balance/Saldo	b/d	16 200 ✓

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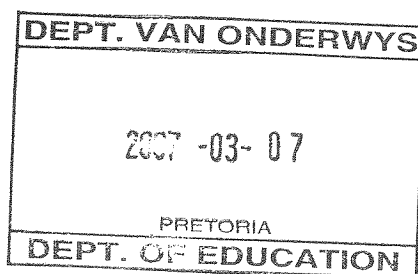


3.1.2 Calculate the net income as a percentage of average owners' equity for the business as a whole./Bereken die netto inkomste as 'n persentasie van die gemiddelde aandeelhoudersbelang vir die onderneming as 'n geheel.			
<u>47 000 ✓</u>	X	<u>100 ✓</u>	
$(120\ 000 ✓ + 120\ 000 ✓ + 16\ 200 ✓ - 17\ 200 ✓) / 2$		1	
= 47 000 / 119 500	X	100/1	
= 39,3% <input checked="" type="checkbox"/>			7
Comment/Kommentaar:			
The partners should be satisfied ✓ with the return as it is way above the current bank rates - This includes the partner Bonna's salary, etc. ✓✓			3
Die vennote behoort tevrede te wees ✓ met die opbrengs wat tans ver bo die bankkoerse is - Dit sluit die vennoot Bonna se salaries in, ens. ✓✓			

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3.1.3 Total amount earned by Beryl Bonna during the first year of operation in the business./Totale bedrag verdien deur Beryl Bonna gedurende die eerste jaar van bedrywighede van die onderneming.			
30 000 ✓ + 7 200 ✓ + 3 000 ✓			
= R40 200 ✓			
What percentage of the net income did they both earn?/Watter persentasie van die netto inkomste het elkeen verdien?			
Bonna:	$40\ 200 ✓ / 47\ 000 ✓$	X	$100/1 = 85,53% ✓$
			3
Gain:	$4\ 800 + 2\ 000 / 47\ 000$	X	$100/1 = 14,47% $
			1
Will the partners be satisfied with the figures calculated above?/Sal die vennote tevrede wees met bostaande verdienste.			
Yes - No	/	Ja - Nee	✓
<ul style="list-style-type: none"> At this stage Bonna is the only active partner in the business and the major portion of the earnings is salary. ✓✓ 			3
<ul style="list-style-type: none"> Op hierdie stadium is Bonna die enigste aktiewe vennoot in die onderneming en die grootste gedeelte van die verdienste bestaan uit salaries. 			

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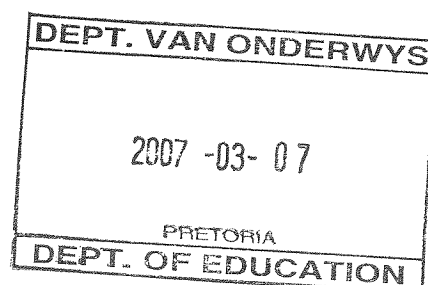
QUESTION 3.2/VRAAG 3.2

3.2.1 Would it solve the problem of the low net profits earned by the business if Gloria works on a full time basis? Provide appropriate figures or calculations to support your answer./ Sal dit die probleem i.v.m. lae netto wins verdien vir die onderneming indien Gloria voltyds in die onderneming werk? Voorsien toepaslike syfers en berekeninge om jou antwoord te staaf.		
Yes - No / Ja - Nee:		✓
Saving on shop assistant/ Besparing winkelassistent	= 36 000	✓✓
Saving on accounting fee/ Besparing boekhoufooi	= 16 800	✓✓
Saving on interest expense/ Besparing rente uitgawe	= 10 500	✓
TOTAL SAVING/ TOTALE BESPARING	= 63 300	✓☑

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3.2.2 In your opinion would this be beneficial to Gloria. Explain giving appropriate figures./ Sal dit volgens jou mening voordelig vir Gloria wees? Verduidelik deur toepaslike syfers te voorsien.	
Yes/No Ja/Nee: No / Nee	
At this stage Gloria earns a salary of R75 000. If she joins the business on a full time basis her Interest on capital will increase by (11 800 - 7 200) she will receive a salary of R45 000 and she will receive a share of the remaining profit will decrease from R2 000 to R807.	
Gloria verdien op hierdie stadium 'n salaries van R75 000. Indien sy voltyds by die onderneming werk sal haar Rente op kapitaal vermeerder (11 800 - 7200) sy sal 'n salaries van R45 000 ontvang en haar gedeelte van die oorblywende wins sal verminder van R2000 na R807.	

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3.2.2 What other advantages are there for the business if Gloria works on a full time basis? Explain briefly providing two main points./ Watter ander voordele is daar vir die onderneming indien Gloria voltyds in die onderneming werk? Verduidelik kortliks, verskaf twee hoofpunte.

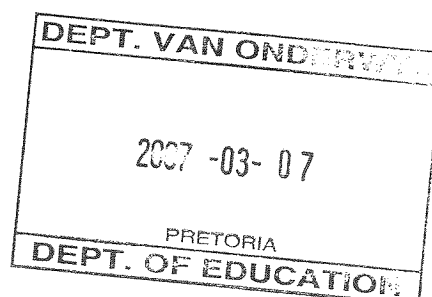
- She will be more actively involved in the day-to-day running of the business and making of important decisions. ✓✓
- Sy sal meer aktief betrokke wees in die dag-tot-dag bestuur van die onderneming en behulpsaam wees met beluitneming.
- Responsibilities can be shared – leaving one partner in charge when another is on leave. ✓✓
- Verantwoordelikhede kan gedeel word - een vennoot kan werk waneer die ander verlof neem.
- Divide duties – concentrate on strengths and weaknesses of each partner.
- Verdeel pligte - konsentreer op elke vennoot se sterk en swak eienskappe.

Any other acceptable answer/Enige ander aanvaarbare antwoord.

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**TOTAL MARKS/
TOTALE PUNTE**

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QUESTION 4

4.1

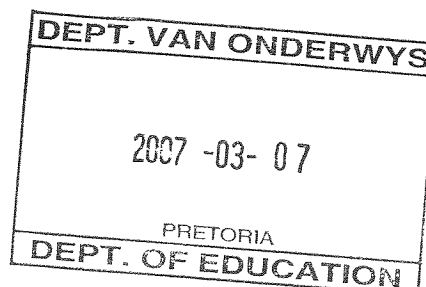
Dr		GENERAL LEDGER OF ELUMA SECURITY CC						Cr		
Dt		ALGEMENE GROOTBOEK VAN ELUMA SEKURITEIT BK						Kt		
ACCUMULATED DEPRECIATION ON EQUIPMENT/ OPGEHOOPTE WAARDEVERMINDERING OP TOERUSTING										
2006 June	1	Asset disposal/ Bateverkope	✓	3 574	✓	2005 July	1	Balance/Saldo	64 000	✓
		✓ ✓ (2 320 + 1 254)				2006 June	1	Depreciation/ Waardevermin- dering	1 254	✓ ✓ ☑
	30	Balance/Saldo		72 480	☑	June	30	Depreciation/ Waardevermin- dering	10 800	✓ ✓ ☑
				76 054					76 054	
						2006 July	1	Balance/Saldo	72 480	☑

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ASSET DISPOSAL / BATEVERKOPE										
2006 June	1	Equipment/ Toerusting	✓	16 000	✓	2006 June	1	Bank	14 000	✓
		Profit on sale of asset/Wins met verkoop van bate	✓	1 574	☑			Accumulated deprec on Equip/ Opgeh waarde op toerusting	3 574	☑
				17 574					17 574	

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CALCULATIONS: / BEREKENINGE:



4.2

ELUMA SECURITY CC / ELUMA SEKURITEIT BK		
INCOME STATEMENT OF FOR THE YEAR ENDED 30 JUNE 2006/ INKOMSTESTAAT VIR DIE JAAR GEËINDIG 30 JUNIE 2006		
	R	R
Sales/Verkope (840 000✓ – 28 560 ✓)		811 440 ✓
Cost of sales/Koste van verkope		(540 960) ✓
Gross profit/Bruto wins		270 480 ✓
Other operating income/Ander bedryfsuitgawes		736 054 ✓
Bad debts recovered/Oninbare skulde verhaal	480 ✓✓	
Fee income/Fooi inkomste	734 000 ✓✓	
Profit on sale of asset/Wins met verkoop van bate	1 574 ✓	
Gross operating income/Bruto bedryfsinkomste		1 006 534 ✓
Operating expenses/Bedryfsuitgawes		(677 329) ✓
Advertising/Advertensie (18 300✓ – 4 200✓✓)	14 100 ✓	
Insurance/Versekering	12 000 ✓	
Wages and Salaries/Lone en salarisse	240 000 ✓	
Accounting officer's remuneration/ Rekeningkundigebeampte-vergoeding	66 000 ✓	
Consumable stores / Verbruiksvoorrade (151 000✓ – 8 900✓ – 1 200✓✓)	140 900 ✓	
Sundry operating expenses/Diverse bedryfsuitgawes	93 465 ✓	
Bad debts/Oninbare skulde (5 760✓ + 480 ✓✓)	6 240 ✓	
Depreciation/Waardevermindering (87 750 ✓✓ + 1 254 ✓ + 10 800✓)	99 804 ✓	
Trading stock deficit/Handelsvoorraadtekort (58 760✓ – 12 000✓✓ – 43 140✓)	3 620 ✓	
Provision for bad debts/Voorsiening vir oninbare skulde	1 200 ✓✓	
Operating profit/Bedryfswins ✓		329 205 ✓
Interest income/Rente inkomste ✓		5 760 ✓
Profit before interest expense/ Wins voor rente-uitgawe		334 965 ✓
Interest expense/Rente-uitgawe ✓		(15 300) ✓
Profit before tax/Wins voor belasting		319 665 ✓
Income tax/Inkomstebelasting ✓		(110 000) ✓
Net profit after tax for the year/ Netto wins na belasting vir die jaar		209 665 ✓

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PRETORIA

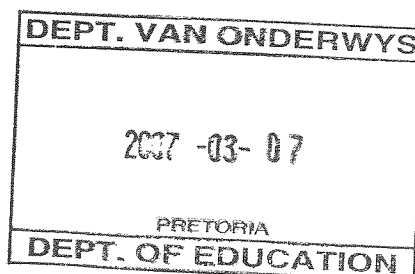
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ELUMA SECURITY CC/ ELUMA SEKURITEIT BK		
Notes to the Financial Statements 30 June 2006 /		
Notas tot die Finansiëlestate 30 Junie 2006		
Trade and other payables / Handels en ander krediteure		
Trade creditors/Handelskrediteure	8 560	✓
Accrued expenses/Opgeloe uitgawes	9 000	✓✓
Creditors for salaries/Krediteure vir salarisse (1 000✓ + 500✓)	1 500	✓
Distribution payable to members/Verdeling betaalbaar aan lede	50 000	✓✓
SARS: Income tax/SAID: Inkomstebelasting (110 000 ✓ - 102 000✓)	8 000	✓
SARS: PAYE / SAID: LBS (3 070 ✓ - 500 ✓)	2 570	✓
	79 630	☑
* Short term loan/Korttermynlening R15 000		☑

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ELUMA SECURITY CC/ ELUMA SEKURITEIT BK			
Balance sheet at 30 June 2006 / Balansstaat op 30 Junie 2006			
EQUITY AND LIABILITIES /	Notes/		
EKWITEIT EN LASTE	Notas		
Members' Equity Lede-ekwiteit			1 165 370 ☑
Members' contributions/Ledebydraes (1 007 215✓ - 12 000✓ - 1 200✓)		994 015 ✓	
Retained income/Accumulated profit Behoue inkomste/Opgehoopte wins (209 665✓ + 49 690✓✓ - 88 000✓✓)	9	171 355 ✓	
Non-current liabilities/Nie-bedryfslaste			105 000 ☑
Loan from member E. Ebrahim/ Lening van lid E. Ebrahim (120 000 ✓ - 15 000 ✓✓)		105 000	
Current liabilities/Bedryfslaste			94 630 ☑
Trade and other creditors/ Handels en ander krediteure	11	79 630 ☑	
Short term loan/Korttermyn lening		15 000 ☑	
			1 365 000 ☑

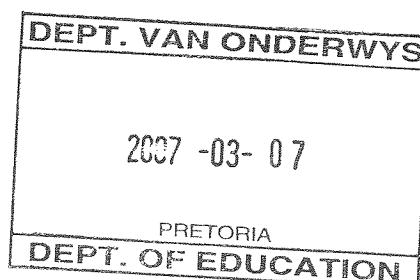
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4.5 Why did the customers not take advantage of this offer? Briefly express your opinion. / Hoekom het die klante nie van die aanbod gebruik gemaak nie? Gee kortliks jou opinie.	
At the current mark-up they are receiving R9 000 on a alarm system	✓✓
New increased price less discount = $10\,500 \times 0,85 = R8\,925$	✓✓
Customers did not take advantage as this is for July only (they may not have the funds available) and the saving was only R75.	✓✓
Etc.	
Teen die huidige winsopslag ontvang hulle R9 000 per alarmstelsel	
Die nuwe verhoogde prys min die afslag = $10\,500 \times 0,85 = R8\,925$	
Klante het nie van die aanbod gebruik gemaak nie aangesien dit slegs vir Julie is (Hulle het dalk nie fondse beskikbaar nie) en die besparing is slegs R75.	
Ens.	

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TOTAL MARKS/ TOTALE PUNTE
116



QUESTION 5 / VRAAG 5

5.1 Calculate the amount for interest on loan paid to be shown on the face of the Cash flow statement. / Bereken die bedrag wat vir rente op lening op die gesig van die Kontantvloeistaat getoon moet word.

INTEREST ON LOAN							
2006 June	30	Accrued expense/ Opgeloepe uitgawes	1 440 ✓	2005 July	1	Accrued expense/ Opgeloepe uitgawes	6 560 ✓
	30	Bank	17 000 ✓	June	30	Profit and Loss account/Wins en verlies rekening	11 880 ✓ ✓
			18 440				18 440
Amount to be shown on the face of the cash flow statement./ Bedrag wat op die gesig getoon moet word.							
R17 000			✓				

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5.1 NOTE TO THE CASH FLOW STATEMENT /
NOTA TOT DIE KONTANTVLOEI STAAT

RECONCILIATION BETWEEN NET PROFIT BEFORE TAXATION AND CASH GENERATED FROM OPERATIONS / VERSOENING VAN NETTO WINS VOOR BELASTING EN KONTANT VERKRY UIT BEDRYGWIGHEDE	
Net income before tax/Netto inkomste voor belasting	48 216 ✓
Adjustment i.e./Aansuiwering t.o.v.	
Depreciation/Waardevermindering	9 120 ✓
Interest expense/Huur uitgawe	11 880 ✓
Operating profit before changes in working capital/ Bedryfswins voor verandering in bedryfskapitaal	69 216 ✓
Net change in working capital/Netto verandering in bedryfskapitaal	24 200 ✓
Increase in stock/Voorraad vermeerdering (106 200 – 102 120)	(4 080) ✓✓
Decrease in debtors/Vermeerdering in debiteure (15 960 – 52 800)	36 840 ✓✓
Decrease in creditors /Vermindering in krediteure (67 000 + 1 400) – (75 000 + 1 960)	(8 560) ✓✓✓
Cash generated from operations/ Wins deur bedryfwighede voort gebring	93 416 ✓

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5.3 S.I.M. COMPANY LIMITED / S.I.M. MAATSKAPPY BEPERK CASH FLOW STATEMENT FOR THE YEAR ENDED 28 FEBRUARY 2006 / KONTANTVLOEISTAAT VIR DIE JAAR GEËINDIG 28 FEBRUARIE 2006	
CASH FLOWS FROM OPERATING ACTIVITIES/ KONTANTVLOEI VAN BEDRYFSAKTIVITEITE	43 560 <input checked="" type="checkbox"/>
Cash generated from operations/Kontant deur bedrywighede voortgebring	93 416 <input checked="" type="checkbox"/>
Interest paid/Rente-uitgawe	(17 000) <input checked="" type="checkbox"/>
Dividend paid/Dividende betaal (9 000 ✓ + 9 000 ✓)	(18 000) ✓
Income tax paid/Inkomste belasting betaal (3 480 ✓ + 17 136 ✓ - 5 760 ✓)	(14 856) ✓
CASH FLOWS FROM INVESTING ACTIVITIES/ KONTANTVLOEI VAN BELEGGINGSAKTIVITEITE	(65 520)
Fixed assets purchased/Vaste bate aangekoop	(70 320)
Proceeds from disposal of assets/Opbrenge van verkope van bate	4 800
CASH FLOWS FROM FINANCING ACTIVITIES/ KONTANTVLOEI VAN FINANSIERINGSAKTIVITEITE	30 000 <input checked="" type="checkbox"/>
Proceeds from shares issued/Opbrenge op aandele uitgereik (192 000 ✓ - 144 000 ✓)	48 000
Proceeds from long-term loans/Opbrenge op langtermynlening	(18 000) ✓✓
NET CHANGE IN CASH AND CASH EQUIVALENTS/ NETTO VERANDERING IN KONTANT EN KONTANTEKWIVALENTE	8 040 <input checked="" type="checkbox"/>
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD/ KONTANT EN KONTANTEKWIVALENTE AAN DIE BEGIN VAN DIE PERIODE	31 200 ✓
CASH AND CASH EQUIVALENTS ON END OF PERIOD/ KONTANT EN KONTANTEKWIVALENTE AAN DIE EINDE VAN DIE PERIODE	39 240 ✓

18

5.4.1 Minimum number of shares to purchase to retain control of the company. /Minimum aantal aandele wat aangekoop moet word om beheer oor maatskappy te verkry.	
51% of 60 000 = 30 600 ✓	OR/OF
You own? Jou eie = (25 000) ✓	Buy/Koop 30 000 ✓ - 25 000 ✓ = 5 000 + 1 ✓
Buy/Koop 5 600 shares ✓	
Calculation of cost of the investment. / Berekening van die koste van die belegging	
Total price/Totale prys = 5 600 ✓ X R6 ✓	OR/OF
= R33 600 ✓	5001 ✓ X R6 ✓ = R30 006 ✓

6

**5.4.2 Would the bank grant an overdraft to the company? Give 2 reasons. /
Sal die bank 'n oortrekking aan die maatskappy toestaan? Gee 2 redes.**

YES-NO / JA-NEE

- The debt/equity ratio is very favourable – for every 17c that they owe they invest R1 own capital
- Die skuld/eienaarsbelangverhouding is gunstig – vir elke 17c wat hulle skuld word R1 eie kapitaal belê
- The company is creditworthy / Die onderneming is kredietwaardig

OR/OF:

- The company might be blacklisted / prior bad name/
- Die onderneming mag dalk op die swartlys verskyn / slegte naam voorheen/
- Any acceptable answer./Enige ander aanvaarbare antwoord

5

**5.4.3 Calculate the total dividends per share for the current accounting period. /
Bereken die totale dividend per aandeel vir die huidige rekeningkundige tydperk.**

Total dividends declared/

Totale dividende verklaar = (9 000✓ / 36 000✓) + (7 200✓ / 48 000✓)

= 25c + 15c

= 40c per share/per aandeel

5

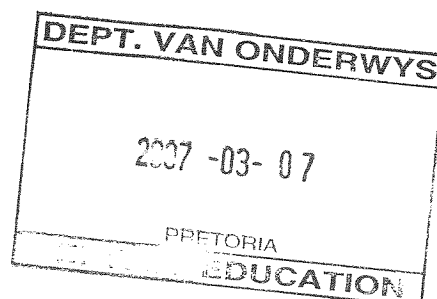
**5.4.4 Calculate the net asset value per share on 30 June 2006. /
Bereken die netto batewaarde per aandeel op 30 Junie 2006**

$(192\,000\checkmark + 63\,000\checkmark) \times \frac{100}{48\,000\checkmark\checkmark}$

$= 531c \text{ per share/per aandeel } \checkmark\checkmark$

= 531c per share/per aandeel

6



5.5.1 Two reasons why Joe would offer as much as R6,50 per share./ Twee redes waarom Joe so veel as R6,50 per aandeel sal aanbied.	
<ul style="list-style-type: none"> The company had a positive cash flow according to the cash flow statement./ Die maatskappy het 'n positiewe kontantvloei volgens die kontantvloeistaat gehad. 	✓✓
<ul style="list-style-type: none"> Fixed assets were purchased which could lead to expansions in the company – increasing the profits and returns./ Vaste bates was aangekoop wat tot gevolg sal hê dat die maatskappy sal uitbrei – Dit sal die winste en opbrengs vermeerder 	✓✓
<ul style="list-style-type: none"> Economic boom insight / Increase in turnover through advertising./ Ekonomiese oplewing in die vooruitsig/Omsetsnelheid vermeerder deur advertensie 	
<ul style="list-style-type: none"> Etc./Ens. 	

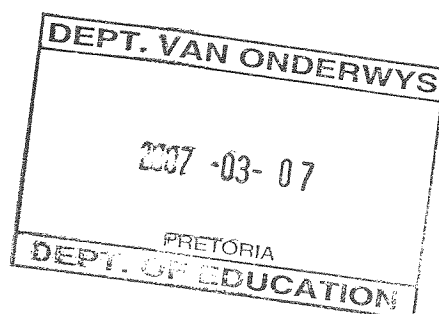
4

5.5.2 Two reasons why Ben would offer only R3,50 per share./ Twee redes waarom Ben slegs R3,50 per aandeel sal aanbied.	
<ul style="list-style-type: none"> Par value R4/ NAV R5,31 / Issued at a premium of R2/ Pari waarde R4/NBW R5,31/Uigereik teen 'n premie van R2/ 	✓✓
<ul style="list-style-type: none"> Ben sees this as an opportunity to make a profit./ Ben sien dit as 'n geleentheid om wins te maak 	✓✓

4

TOTAL MARKS/ TOTALE PUNTE

67



QUESTION 6/VRAAG 6

**6.1 What effect would buying stock on credit have on the budget?/
Watter effek sou die krediet aankope van voorraad op die begroting hê?**

- | | |
|--|----|
| • More immediate cash on hand for expenses concerning the relocation /
• Meer kontant onmiddellik beskikbaar vir uitgawes aangaande verskuiwing | ✓✓ |
| • They are going to lose the 5% cash discount/
• Hulle gaan 5% kontantkorting verloor | ✓✓ |
| • They can negotiate discount with the creditors and extend payment period to 90 days without interest which would enable them to turn over stock before payment to creditors/
• Hulle kan korting beding by die krediteure en die betalingstermyn verleng na 90 dae sonder rente wat hulle instaat sal stel om die voorraad te verkoop alvorens dit betaal moet word | ✓✓ |
| • Any other acceptable answer/Enige ander aanvaarbare antwoord. | |

6

**6.2.1 Calculate total credit sales for November 2006/
Bereken die totale kredietverkope vir November 2006**

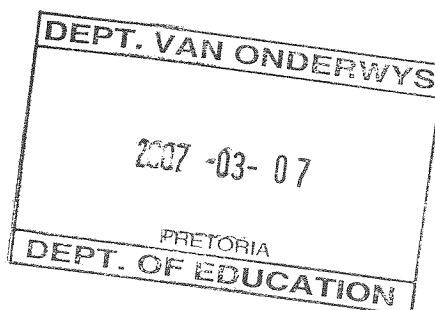
$$R27\ 000 \checkmark \times 100/96 \checkmark \times 100/30 \checkmark = R93\ 750 \checkmark$$

4

**6.2.2 What steps should they take before allowing credit to customers?/
Watter stappe sal jy neem alvorens daar krediet aan 'n klant toegestaan word?**

- | | |
|---|----|
| • Do a credit check on each of the customers to see that they are credit worthy /
• Doen 'n ondersoek om vas te stel dat elke klient kredietwaardig is | ✓✓ |
| • Check permanent residence/
• Ondersoek permanente verblyfadres | ✓✓ |
| • Check bank account status and have the customer sign a debit order/
• Ondersoek die bankrekening se status en laat die klient 'n debietorder teken | |
| • Any other acceptable answer/
• Enige ander aanvaarbare antwoord | |

4



6.2.3 In your opinion is it a good idea to offer credit to their customers? Provide one point in favour of this strategy and one point against./Is dit volgens jou mening 'n goeie idee om krediet aan klante toe te staan? Verskaf een punt ten gunste van die strategie en een punt daarteen.

Yes – No / Ja - Nee

✓

One point in favour/Een punt ten gunste van:

The total sales figure would increase as some customers are not able to pay cash
Die totale verkoopsyfer sal vermeerder aangesien van die kliënte nie kontant kan betaal nie.

✓✓

One point against:

The discount for customers paying in 30 days will decrease the total income/
Die korting vir kliënte wat binne 30 dae betaal sal die totale inkomste verminder

✓✓

There is a possibility of bad debts/Moontlikheid van oninbare skulde

Any other acceptable answer/Enige ander aanvaarbare antwoord

5

**6.3.1 Calculate the rate of stock turnover for the year ending 31 October 2006./
Bereken die omsetsnelheid vir die jaar geëindig op 31 Oktober 2006**

720 000 ✓

$(200\,000\checkmark + 180\,000\checkmark) / 2\checkmark$

= 3,8 Times per year/Keer per jaar

5

**6.3.2 Comment briefly on the rate of stock turnover./
Lewer kortliks kommentaar oor die omsetsnelheid.**

The rate of stock turnover increased from 3 times per year to 3,8 times per year
This is acceptable for school uniforms as these are normally only purchased at the beginning of each season/

Die omsetsnelheid het vermeerder van 3 keer per jaar na 3,8 keer per jaar.

Dit is aanvaarbaar aangesien skooluniforms slegs aan die begin van elke seisoen gekoop word.

✓✓

Two possible causes for the change in the rate of stock turnover./

Gee twee moontlike oorsake vir die verandering in die omsetsnelheid.

- Increased sales as prices are favourable/
- Verhoogde verkope aangesien pryse gunstig is
- Better stock control/Beter kontrole oor voorraad
- Advertising/Advertensie

✓✓

✓✓

6

6.4

When will the salary increase occur and what will be the percentage?/ Wanneer sal die salarisverhoging plaasvind en met hoeveel persent?	
When/Wanneer: November 2006	✓
Percentage/Persentasie: $850/17\ 000 \times 100/1$	
= 5%	✓✓
Comment/Kommentaar:	
This is above the inflation rate and the employees should be satisfied/ Dit is meer as die inflasiekoers en die werknemers moet tevrede wees.	✓✓
Compare with the director's fees which increases every month by R4 000 (20% per month) this is not ethical./ Vergelyk met die direkteursfooie wat elke maand met R4 000 (20% per maand) vermeerder dit is nie eties nie.	✓✓
Any acceptable answer/Enige ander aanvaarbare antwoord.	

7

**6.5.1 Why did Thandzi find it necessary to borrow this money from Big Bank?/
Hoekom het Thandzi dit nodig gevind om geld van Big Bank te leen?**

Renovations to new shop in the shopping mall/ Verbeteringe aan die nuwe winkel in die winkelsentrum	✓✓
Any other acceptable answer taken from the cash budget./ Enige ander aanvaarbare antwoord geneem uit die kontantbegroting	

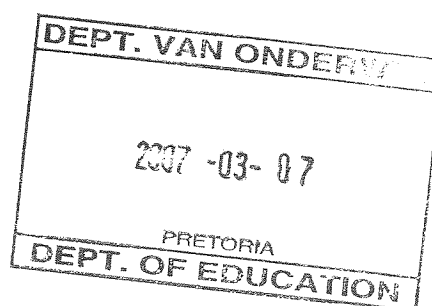
2

6.5.2 Calculate the interest rate on the loan./Bereken die rentekoers op die lening.

$$4\ 200 = 280\ 000 \checkmark \times \cancel{x}/100 \checkmark \times 1/12 \checkmark$$

$$= 18\% \checkmark$$

4



**6.5.3 What effect would the new loan have on the Debt/Equity ratio of the business?
Wat is die invloed van die nuwe lening op die Skuld/Eienaarsbelangverhouding van die onderneming?**

Additional debt will weaken the ratio – the business is using more borrowed capital. ✓✓

Addisionele skuld sal die verhouding verswak – die onderneming gebruik meer geleende kapitaal.

2

**6.5.4 Was it wise for Thandzi to borrow money rather than provide extra capital?/
Was dit wys van Thandzi om geld te leen eerder as om haar eie kapitaal te voorsien?**

Own capital is always more advisable as no interest need be paid./

Eie kapitaal is altyd meer aanvaarbaar aangesien geen rente betaal is nie. ✓✓

If she does not have her own capital she can borrow as this business is creditworthy./

As sy nie haar eie kapitaal het nie kan sy geld leen die onderneming is kredietwaardig.

2

6.6 Tandzi wants to start selling to communities in the rural areas./ Tandzi wil in die platteland begin verkoop

**What should she do to make this plan a success?/
Wat moet sy doen om hierdie plan suksesvol uit te voer?**

Advertise and introduce her stock to the customers in the rural areas./

Adverteer en stel haar voorraad bekend aan kliënte in die platteland. ✓✓

Introduce a mail order system/
Stel 'n posbesteldiens in werking.

Etc./Ens

Provide two main points to improve her cash flow./

Verskaf twee hoofpunte om die kontantvloei te verbeter.

• Negotiate with creditors to pay our accounts over 90 days/
Tref reelings met die krediteure om ons rekeninge oor 90 dae te betaal. ✓✓

• Screen debtors to avoid bad debts – collect within 60 days – Add interest/
Gaan debiteure se kredietwaardigheid na om oninbare skulde te vermy – vorder skuld binne 60 dae in – Voeg rente by. ✓✓

• Renovations to the new shop seems a bit high – decrease to increase cash flow/
Die veranderings aan die nuwe winkel blyk 'n bietjie hoog te wees – verminder sodat die kontantvloei vermeerder.

• Any other acceptable answer using an item on the cash budget./Enige ander aanvaarbare rede geneem uit die kontantbegroting.

DEPT. VAN ONDERWYS
2007 -03- 07
PRETORIA
DEPT. OF EDUCATION

TOTAL MARKS/ TOTALE PUNTE
53

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