



ACN101M RAC101B

May/June 2009

ACCOUNTING CONCEPTS, PRINCIPLES AND PROCEDURES (ACCOUNTING 101)

Duration 2 Hours

100 Marks

EXAMINERS
FIRSTPROF D SCOTT
DR AJ BAMMISS A DU PLESSIS
MRS KA NKOME

SECOND

PROF JS JANSEN VAN RENSBURG

Use of a non-programmable pocket calculator is permissible

This paper consists of 6 pages.

PLEASE NOTE

- 1 Ensure that you are writing the correct examination paper
- 2 Ensure that you are handed the correct examination answer book (BLUE) by the invigilator
- 3 All questions must be answered
- 4 Basic calculations, where applicable, must be shown
- 5 The answer to each question must be commenced on a new (separate) page
- 6 Please do not answer the paper in pencil
- 7 PROPOSED TIMETABLE (try not to deviate from this)

Question	Subject	Marks	Time in minutes
1	Cash journals	20	24
2	Statement of changes in equity	5	6
3	Note to financial statements	20	24
4	Statement of comprehensive income	27	32
5	Non-profit organisation Membership fees account and income and expenditure statement	23	28
	TOTAL	100	120

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QUESTION 1 (20 marks) (24 minutes)

Dr P Heal is a general medical practitioner and is registered as a VAT vendor

For the month of March 2009 the following transactions took place

- 1 March Issued cheque 114 to the amount of R1 254, to Spacious Properties for rental
K Kelly paid her account of R275 and receipt 450 was issued to her
Issued receipt 451 to J Jail who paid R1 710 for consulting fees
- 2 March The Electricity statement of R855 was paid by cheque number 115
Cheque 116 was issued to Pharmacy Trading, for payment due on the practice's medicine account of R2 300
- 4 March Received an invoice from Pharmacy Trading who supplied medicine to the value of R5 000 on credit
- 9 March Receipt 452 issued to Y Old for the amount of R383 in full settlement of his account of R440
- 10 March Paid R300 to Fillup Garage for petrol (cheque 117) (Note No VAT applicable on petrol)
- 12 March Deposited R9 120 into the bank account for fees earned (Receipts 453 and 491)
Dr P Heal withdrew R1 000 (cheque 118) and purchased christmas gifts for his wife and family
- 15 March K Legodi consulted Dr Heal and was charged R400

ADDITIONAL INFORMATION

- 1 VAT is calculated at 14% and is included in all the amounts in the above transactions
- 2 The debtors control account showed a balance of R20 314 as at 28 February 2009

REQUIRED

Prepare the cash receipts journal (CRJ) and cash payments journal (CPJ) of Dr P Heal for the month ending 31 March 2009 Provide for the following analysis columns

- **Cash receipts journal** (10)
 - Bank Debtors, Fees earned, VAT output, VAT input and Sundries
- **Cash payments journal** (10)
 - Bank, Creditors, VAT input and Sundries

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QUESTION 2 (6 marks) (7 minutes)

The following account appeared, inter alia, in the general ledger of Bopa Stores at 30 April 2009, the end of the financial year

Dr				CAPITAL				Cr	
2009				R	2008			R	
April	30	Drawings	GJ213	15 000	May	1	Balance	b/d	500 000
		Profit or Loss	GJ219	77 000	2009				
		Balance	c/d	553 000	Jan	10	Bank		100 000
					Febr	20	Equipment		45 000
				645 000					645 000
					2009				
					May	1	Balance	b/d	553 000

REQUIRED

Prepare the Statement of Changes in Equity for the year ended 30 April 2009

QUESTION 3 (24 marks) (29 minutes)

On 28 February 2009, the end of the financial year, the following accounts appeared, amongst others, in the General Ledger of Berta Traders

Dr				LAND AND BUILDINGS (at cost)				Cr	
2008				R					
March	1	Balance	b/d	500 000					
Jul	1	Lowveld Bank	GJ44	200 000					
				700 000					

Dr				VEHICLES (at cost)				Cr	
2008				R	2008			R	
March	1	Balance	b/d	240 000	Apr	1	Realisation	GJ1	65 000
May	1	Gumbi Motors	GJ12	90 000	2009				
Sept	30	China Cycles	GJ3	30 000	Feb	28	Balance	c/d	295 000
				360 000					360 000
2009									
March	1	Balance	b/d	295 000					

QUESTION 3 (continued)

Dr				EQUIPMENT (at cost)						Cr	
2008				R	2008				R		
March	1	Balance	b/d	130 000	April	1	Realisation	GJ11	16 000		
Jun	30	SS Furnitures	GJ10	25 000	Dec	1	Realisation	GJ22	14 000		
					2009						
					Febr	28	Balance	c/d	125 000		
2009				155 000					155 000		
March	1	Balance	b/d	125 000							

Dr				ACCUMULATED DEPRECIATION ON VEHICLES						Cr	
2008				R	2008				R		
Apr	1	Realisation	GJ24	43 000	March	1	Balance	c/d	95 000		
2009					Apr	1	Depreciation	GJ23	2 000		
Febr	28	Balance	c/d	112 000	Dec	31	Depreciation	GJ88	58 000		
				155 000	2009				155 000		
					March	1	Balance	b/d	112 000		

Dr				ACCUMULATED DEPRECIATION ON EQUIPMENT						Cr	
2009				R	2008				R		
Feb	1	Realisation	GJ24	11 000	March	1	Balance	c/d	51 000		
	28	Balance	c/d	66 000	Apr	1	Depreciation	GJ13	8 000		
					Febr	1	Depreciation	GJ90	6 000		
						28	Depreciation	GJ91	12 000		
				77 000	2009				77 000		
					March	1	Balance	b/d	66 000		

REQUIRED

Prepare the note on Property, Plant and Equipment that accompanies the Financial Statements as at 28 February 2009

QUESTION 4 (27 marks)(32 minutes)

The following information was obtained from the books of Robot Traders

TRIAL BALANCE OF ROBOT TRADERS AS AT 28 FEBRUARY 2009		
	Debit R	Credit R
Capital		100 000
Drawings	2 445	
Land and Buildings (at cost)	200 000	
Vehicles (at cost)	120 000	
Furniture and fittings (at cost)	65 000	
Accumulated depreciation on vehicles (1 March 2008)		54 700
Accumulated depreciation on furniture and fittings (1 March 2008)		22 700
Debtors control	6 780	
Inventory Trading (1 March 2008)	13 550	
Bank	7 775	
Cash float	500	
Mortgage loan		150 000
Loan from Africa Bank (@ 12% p a)		50 000
Creditors control		3 200
Sales		243 645
Carriage on purchases	660	
Commission income		15 000
Credit losses	244	
Insurance	2 400	
Packing materials	3 300	
Purchases	154 880	
Purchases returns		245
Rent income		3 300
Sales returns	1 338	
Settlement discount granted	553	
Settlement discount received		155
Stationery	2 345	
Wages	56 775	
Water and electricity	4 400	
	642 945	642 945

Additional information

- (a) Inventory on hand at 28 February 2009
 - Trading inventory – R12 800
 - Stationery – R345
- (b) The insurance payment of R2 400 includes a premium of R200 for March 2009
- (c) The loan was obtained from Africa Bank on 1 September 2008 The interest on the loan has still to be paid
- (d) The rent for February 2009 is still outstanding
- (e) Provision must be made for depreciation as follows
 - Vehicles – 20% on the diminishing balance method
 - Furniture and fittings – 10% per annum on the cost price

REQUIRED

- 4 1 **Record** the adjustments in the general journal of Robot Traders (Ignore narrations) (7)
- 4 2 **Prepare** the statement of comprehensive income of Robot Traders for the year ended 28 February 2009 (20)

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QUESTION 5 (23 marks)(28 minutes)

The following information pertains to the Dolphins Diving Club

Extract from the list of balances as at 31 March 2009

	R
Bar purchases	120 000
Bar inventory (1 April 2008)	10 000
Bar sales	200 000
Bar wages	30 000
Crockery and linen at cost (1 April 2008)	20 000
Furniture at cost price (1 April 2008)	60 000
General expenses	16 400
Diving fees received	67 800
Equipment at cost	48 000
Vehicles at cost	70 000
Accumulated depreciation (1 April 2008)	
• Furniture	18 000
• Equipment	9 600
• Vehicles	10 000
Insurance in arrears (1 April 2008)	1 200
Maintenance	40 200
Salaries and wages	96 000
Stationery consumed	12 000
Membership fees received	202 000
Membership fees in arrears (1 April 2008)	30 000
Membership fees prepaid (1 April 2008)	40 000
Donation received	4 000

Additional information

- (a) Bar inventory at 31 March 2009 amounted to R20 000
- (b) At 31 March 2009, the crockery and linen was valued at R6 000
- (c) The total depreciation for the year on furniture, equipment and vehicles amounted to R28 680 and must still be provided for
- (d) Insurance premiums to the amount of R5 200 was paid during the year and debited to the general expenses account. An amount of R2 000 thereof was prepaid insurance premiums
- (e) The club had 190 members during the current financial year. Membership fees amounts to R1 000 per member per annum. All of the members paid their membership fees for the current year. R15 000 of the membership fees in arrears on 1 April 2008 must be written off as irrecoverable
- (f) During the current year 20 new members joined the club. Each new member paid an entrance fee of R100. The entrance fees which must be capitalised, was erroneously recorded as membership fees received
- (g) The salary of the club secretary of R3 000 for March 2009 is still due and must be provided for

REQUIRED

Prepare the following for the Dolphins Diving Club

- 5.1 The membership fees account for the year ended 31 March 2009, properly balanced (8)
- 5.2 The income and expenditure statement for the year ended 31 March 2009 (Show a separate calculation for the gross profit of the bar) (15)