

Tutorial letter 101/3/2016

**Financial accounting concepts, principles
and procedures**

FAC1502

Semesters 1 & 2

Department of Financial Accounting

IMPORTANT INFORMATION:

This tutorial letter contains important information
about your module.

BAR CODE

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1 INTRODUCTION

Dear Student

It is a pleasure to welcome you as a student to FAC1502. We hope that you will find your studies particularly stimulating and rewarding this semester and that you will achieve success. We will do our best to make your study of this module successful. You will be well on your way to success if you start studying early in the semester and resolve to do the assignments properly.

The semester that you register for will be indicated on your registration documentation. Please ensure that you are registered for the correct semester, as you are obliged to write the examination for that semester. The examination for the first semester will be during May/June, and the examination for the second semester will be during October/November.

Should you be faced with specific **subject content** problems in your studies, please do not hesitate to consult us by letter, e-mail, telephone or personally (**by appointment**).

In this tutorial letter, we would like to draw your attention to a number of very important matters and we request you pay careful attention to them.

You will receive a number of tutorial letters during the semester. A tutorial letter is our way of communicating with you about teaching, learning and assessment. Right from the start we would like to point out that you **must read all the tutorial letters** you receive during the semester **immediately and carefully**, as they always contain important and, sometimes, urgent information.

This tutorial letter contains important information about the scheme of work, resources and assignments for this module. We urge you to read it carefully and to keep it at hand when working through the study material, doing the assignments, preparing for the examination and addressing questions to your lecturers.

In this tutorial letter, you will find a scheme of work, resources available, assignments, assessment criteria as well as instructions for the preparation and submission of the assignments. This tutorial letter also provides all the information you need with regard to the prescribed study material and other resources and how to obtain it. Please study this information carefully and make sure that you obtain the prescribed material as soon as possible. We also include certain general and administrative information about this module. Please study this section of the tutorial letter carefully.

Some of the study material may not have been available when you registered and will be posted to you as soon as possible. However, it is also available on myUnisa.

It is important to use myUnisa and the internet regularly. You must be registered on myUnisa to be able to submit assignments online, gain access to the library functions and various learning resources and download study material. You can also “chat” to your fellow students about your studies and the challenges you encounter, and participate in online discussion forums. MyUnisa provides you with additional opportunities to take part in activities and discussions of relevance to your module topics, assignments, marks and examinations.

We trust that you will enjoy this module and wish you all the best!

2 PURPOSE OF AND OUTCOMES FOR FAC1502

2.1 Purpose

The purpose of this module is to teach you how to:

- ♦ apply the basic principles of financial accounting;
- ♦ gather, process and record relevant information and compile basic statements of profit or loss and other comprehensive income, statements of changes in equity and statements of financial position;
- ♦ keep proper record of and report on assets;
- ♦ keep proper record of and report on liabilities;
- ♦ keep proper record for the different forms of entities and meaningful analyse their statements of financial position; and
- ♦ prepare proper accounting records from incomplete records.

2.2 Outcomes

Students must be able to:

Learning outcome 1

Explain what is meant by the nature of accounting theory and accounting principles, policy, practice and procedures.

Learning outcome 2

Describe what the primary purpose of accounting is, to explain what the double entry system is, to calculate the financial position of an entity and to know the elements of the basic accounting equation.

Learning outcome 3

Apply the concepts of **income** and **expenditure**, to determine the gross profit and total comprehensive income (or loss) and to know the effect thereof on equity.

Learning outcome 4

Analyse and record transactions in the accounting records of an entity and to prepare a statement of financial position using the basic accounting equation.

Learning outcome 5

Prepare all the journals (books of first entry), do postings to ledger accounts and prepare a trial balance.

Learning outcome 6

Adjust the accounting records of an entity at year-end.

Learning outcome 7

Complete the closing-off procedure, determine the profit or loss of an entity and prepare more advanced financial statements.

Learning outcome 8

Know how to treat transactions related to cash and cash equivalents apart from cash receipts and payments.

Learning outcome 9

Know how to treat all aspects of debtors in the accounting records of an entity.

Learning outcome 10

Understand the importance of inventory and know how entries related to inventory should be recorded in the accounting records of an entity.

Learning outcome 11

Record transactions related to property, plant and equipment.

Learning outcome 12

Record transactions related to other non-current assets such as investments.

Learning outcome 13

Know how to treat current liabilities in the accounting records of an entity.

Learning outcome 14

Describe non-current liabilities, record the necessary entries in the accounting records and disclose them in the statement of financial position.

Learning outcome 15

Record all transactions related to a sole proprietor and prepare the financial statements.

Learning outcome 16

Record all transactions and prepare the financial statements related to organisations and societies not for gain.

Learning outcome 17

Convert to a double-entry system from incomplete records.

3 LECTURERS AND CONTACT DETAILS

3.1 Lecturers and correspondence with lecturers

The lecturers responsible for this module are listed below. Remember to have your student number at hand when you contact a lecturer. Lecturers are available for telephone enquiries from 8:00 to 16:00 on weekdays.

3.1.1 Telephonic contact

Module telephone number: 012 429 4245

Please note: This number is linked to all the module lecturers' telephone numbers.

Lecturer	Building and office numbers
Ms MS du Rand	AJH v/d Walt 2-07
Ms A du Plessis	AJH v/d Walt 2-11
Mr M Engelbrecht	AJH v/d Walt 2-06
Mr C Modise	AJH v/d Walt 2-20

Direct all queries about the **content** of this module that are **not** of an administrative nature to the lecturers. Please have your study material at hand when you contact us.

3.1.2 E-mails

You can also communicate with your lecturers via e-mail. Please use the following e-mail address: FAC1502@unisa.ac.za

We will respond promptly to e-mails forwarded to this e-mail address, in most cases within one working day.

For **registration** and **examination** changes, send an e-mail to study-info@unisa.ac.za, or an **SMS to 43578**. Remember to always include your student number.

3.1.3 Written correspondence

Postal address

FOR ATTENTION: (name of lecturer and module number FAC1502)
Department of Financial Accounting
School of Accountancy
College of Accounting Sciences
AJH van der Walt Building
PO Box 392
UNISA
0003

When you address a letter to Unisa, always mention your student number, the module code and your contact details at the top of the letter.

3.1.4 Personal visits

To avoid any disappointment, **make an appointment** with a lecturer, as we are not always readily available.

Physical address

University of South Africa
Muckleneuk Campus
AJH van der Walt Building (second floor)
Preller Street
Muckleneuk
Pretoria

Please have the necessary study material with you when you visit a lecturer.

3.2 Department

3.2.2 Student information hub

If you have any registration or administrative queries relating specifically to the College of Accounting Sciences (CAS), you can direct your query via the following e-mail address or telephone numbers:

CAS specific enquiry e-mail for the College is:

- CASenquiries-Undergraduate@unisa.ac.za.

CAS specific enquiry telephone number for the College is:

- 012 429 4211

3.2.3 Postal address

Send letters to:

The Chair of Department
Department of Financial Accounting
School of Accountancy
College of Accounting Sciences
P O Box 392
UNISA
0003

When communicating with Unisa in writing, always mention your student number, telephone number, the module name and the module code at the top of the letter.

Please note: Do not enclose letters to lecturers with assignments.

3.3 Unisa

You will find general Unisa contact details in the *my Studies @ Unisa* brochure, which you received with your study package. Remember to mention your student number when contacting Unisa.

4 RESOURCES FOR FAC1502

4.1 Inventory letter

You should have received an inventory letter indicating what you have received in your study package and an indication of the items that are still outstanding. Also see the brochure entitled *my STUDIES @ Unisa*.

Check the study material that you have received against the inventory letter. You should have received all the items listed in the letter, unless there is a statement such as “out of stock” or “not available”. If any item is missing, follow the instructions on the back of the inventory letter without delay.

PLEASE NOTE:

Your lecturers cannot help you with missing study material. For any enquiries about your study material, please contact the UNISA despatch department by sending an sms to 43579 or by e-mailing despatch@unisa.ac.za.

4.2 Study material

The despatch department should supply you with the following study material for this module:

- One study guide
- Tutorial Letter 101

Apart from Tutorial Letter 101 you will also receive other tutorial letters during the semester. These tutorial letters will not necessarily be available at the time of registration, but will be despatched to you as soon as they are available or needed (for instance, for feedback on assignments).

4.3 Prescribed book

Your prescribed book for this module is:

Doussy, F, Ngcobo, RN, Rehwinkel, A, Scheepers, DE & Scott, D. *About Financial Accounting*, volume 1, 5th edition, LexisNexis: Durban.

ISBN - Print 978 0 409 05711 9
 - E-Book 978 0 409 05712 6

For a list of the official booksellers and their addresses, please refer to the *my Studies @ Unisa* brochure.

You can obtain your prescribed book from Unisa's official booksellers. If you have difficulty in locating your book at these booksellers, please contact the Prescribed Books Section by telephonically at 012 429 4152 or by e-mail vospresc@unisa.ac.za.

4.4 Recommended books

There are no recommended books for this module.

4.5 Electronic Reserves (e-reserves)

There are no e-reserves for this module.

5 STUDENT SUPPORT SERVICES FOR FAC1502

The *my Studies @ Unisa* brochure is a very important source of information for any general enquiries you may have, such as how to submit assignments, what to do when you are sick during the examination, learning centres near you, etc. Always keep this brochure at hand and always refer to it to enable you to resolve your enquiries in the shortest possible time.

It is advisable to have contact with fellow students. One way to do this is to form **study groups**. Another way to have contact with fellow students is via myUnisa. Students can communicate and assist each other using the **discussion forum** link available under each module code.

5.2 E-tutors

5.1.1 What is the Unisa online tuition programme?

Unisa is an open distance learning institution and is providing online tutorial services as part of student support. Previously, tutorials have been mainly offered face-to-face at the various regional centers.

Online tutorials allow a smaller group of students to interact with an academic instructor (tutor) on myUnisa to facilitate the learning process. Due to the large student numbers at Unisa, it is not possible for a lecturer to attend personally to all enquiries from students or manage the online discussion forums. Online tutor groups offer personal attention and focused academic support from tutors.

5.1.2 Where will I find my online tutoring group?

Each group has its own separate site on myUnisa. These sites are numbered and you will receive your group number via email and SMS. Don't be confused. You will now have access to **two** sites for those modules with online tutoring, namely the main module site and the group module site.

On the main module site, you will find the official study material files that you can download. You should also submit your assignments here. From time to time, the primary lecturer of the module may communicate with all the students through this site.

On the group module site, you can interact with your tutor and other group members. Here you can participate in discussions; post academic-related queries and receive specific tutor support.

5.1.3 Is it mandatory to participate in e-tutor groups?

Participation in online discussions is not mandatory, and therefore no marks will be awarded for participating. The e-tutor groups merely form part of the support structure designed to help you with and guide you through your studies. We encourage you to make use of this service to get assistance with any academic-related queries and to help you understand study material and study problems, acquire learning skills, etc.

5.1.4 How do I post a discussion item on my group site?

You have two options for participating in online discussions: you can either reply to an existing discussion or start a new one.

Here are the step by step instructions for writing a comment and participating in an online discussion for the first time:

5.1.5 To start a new topic for discussion

- On your group site on myUnisa, go to the discussions by clicking the “**Discussions**” link in the left menu. Once you have done this, you should see a list of the available forums.
- Click on the title of a forum to view the current discussion topics. If there are no previous topics, this page will be empty.
- Click on the “**New topic**” link in the top horizontal menu.
- You can now write your comment. Enter the details for “Subject” and “Message”. (An **important tip**: Don’t write your comment directly in the editor. First write it down somewhere else. Why? If you lose your internet connection, at least you won’t have lost everything!).
- Remember to click “**Save**”.

5.1.6 To reply to another student’s comments

- On your group site on myUnisa, go to the discussions by clicking the “**Discussions**” link in the left menu.
- Click on the title of a forum to view the ongoing discussion topics.
- Click on the title of the discussion topic you want to read or participate in.
- Once you’ve read the other students’ comments, you may want to reply to some of them. For each comment, there is a link entitled “**Reply**”. Click this link to open the online editor and write your reply.
- Remember to click “**Save**”.

5.2 Face-to-face tutors

Face-to-face tutors are tutors appointed to give class on Saturdays to students of Unisa. It is free, and you only need to register at one of the regional centers nearest to you to attend these classes. Please contact these centres directly, because they are run independently from Unisa. Please do not phone the lecturers to find out about the classes, because we will not be able to assist you with any information concerning the activities of the regional centres. Students who are interested in tutor assistance can obtain the telephone numbers and details from the learning centres in the *my Studies @ Unisa* brochure.

The complete list of regional tutorial services and contact details are provided below:

REGIONAL TUTORIAL SERVICES CONTACT DETAILS	
REGION: PHYSICAL ADDRESS	CONTACT DETAILS: TUTORIAL SERVICES
LIMPOPO	
POLOKWANE	
Tutorial Services Office 23A Landros Mare' Street Polokwane, 0742	Contact Persons: Mr M Rakoma ☎ (015) 290 3443 E-mail: mrakoma@unisa.ac.za
Physical Address Office no 11 Masingita Complex Giyani Road	For more information: ☎ (015) -812 2005 Fax: (015) -81 2 2405 E-mail: Giyani@unisa.ac.za
Physical Address 87 Krogh Street Louis Trichardt 0920	For more information: ☎ (015) 516 3334, Fax: (015) 516 3414 E-mail: makhado@unisa.ac.za
MPUMALANGA	
NELSPRUIT	
Tutorial Services Office Standard Bank Centre: 1st Floor 31 Brown Street Nelspruit, 1201	Contact Person: Mr V Mkhwanazi ☎ (013) 755 2476 Fax: (013) 7552489 / 086 519 6153 E-mail: vmkhwana@unisa.ac.za
MIDDLEBURG	
Tutorial Services Office Town Square Building Cnr Walter Sisulu & Bhimy Damane Str Middleburg, 1055	Contact Person: Mr F Serogole ☎ (013) 282 4115 Fax: (013) 282 6221 E-mail: pserogole@unisa.ac.za
GAUTENG	
THUTONG (Pretoria)	
Tutorial Services Office Building 14, Sunnyside Campus Cnr Justice Mahomed & Steve Biko Streets Sunnyside	Contact Person: Ms K Prithipaul ☎ (011) 441 5723 E-mail: prithk@unisa.ac.za
BENONI	
Tutorial Services Office Corner R51 and Brazil Roads Daveyton 1500	Contact Persons: Dr L Molepo ☎ (011) 845-9306 Fax: 0865 084 359 e-mail: lmolepo@unisa.ac.za

REGIONAL TUTORIAL SERVICES CONTACT DETAILS

REGION: PHYSICAL ADDRESS	CONTACT DETAILS: TUTORIAL SERVICES
FLORIDA	
Tutorial Services Office Phapha Building, 2 nd Floor, Science Campus Cnr Christiaan de Wet & Pioneer Ave. Florida, 1709	Contact Person: Ms T Zililo ☎ (011) 471 2082 e-mail: zililot@unisa.ac.za
JOHANNESBURG	
Tutorial Services Office Bram Fischer Building 29 Rissik Street Johannesburg, 2000	Contact Person: Mr N Mnguni ☎ (011) 630-4504 E-mail: bmnguni@unisa.ac.za
VAAL	
Tutorial Services Office 1 st Floor Hangar Bldg Cr Rhodes & Voortrekker Streets Vereeniging	Contact Person: Mr TP Modibedi ☎ (016) 455-6304 Fax: 0866 342 233 E-mail: modibtp@unisa.ac.za
KWA-ZULU NATAL	
DURBAN	
Tutorial Services Office Unisa Kwa-Zulu Natal 230 Stalwart Simelane Street Durban, 4001	Contact Person: Dr MV Ndlovu ☎ (031) 335 8132 Fax: (031) 337-2026 E-mail: ndlovv@unisa.ac.za
RICHARDS BAY	
Tutorial Services Office Lot 11637, Block C Via Verbana, Veldenvlei Richards Bay	Contact Person : Mr T Miya ☎ (035) 78983501 Fax: (035) 7892587 E-mail: miyatn@unisa.ac.za
WILD COAST/MBIZANA	
Tutorial Services Office UNISA - Wild Coast Sun R51 Wild Coast Main Road Bizana	Contact Person: Mr ZE Cebisa ☎ (031) 335 8130 Fax: (031) 337-2026 E-mail: cebisze@unisa.ac.za
PIETERMARITZBURG	
Tutorial Services Office 1 Langalibalele Street Pietermaritzburg, 3201	Contact Person: Mrs P Shezi ☎ (033) 355-1734 E-mail: Pshezi@unisa.ac.za Fax: (033) 394-3626

REGIONAL TUTORIAL SERVICES CONTACT DETAILS

REGION: PHYSICAL ADDRESS	CONTACT DETAILS: TUTORIAL SERVICES
NEWCASTLE	
Tutorial Services Office Cnr Sutherland and Harding Str Newcastle, 2940	Contact Person: Mr MB Ndaba ☎ (034) 326 3105 e-mail: ndabamb@unisa.ac.za Fax: (034) 312 4015
WESTERN CAPE	
PAROW	
Tutorial Services Office 15 Jean Simonis Street Parow, 7499	Contact Person: Mr JJ Abrahams ☎ (021) 936-4161 E-mail: abrahjj@unisa.ac.za
GEORGE	
Tutorial Services Office Joubert Plaza 1 100 Meade Street George, 6530	Contact Person: Mrs P Mphasane ☎ Tel: (044) 884 1300 Fax: (044) 884 1303 E-mail: mphaspj@unisa.ac.za
EASTERN CAPE	
EAST LONDON	
Tutorial Services Office 10 St Lukes Road Southernwood East London, 5201	Contact Person: Ms N Kenqu ☎ (043) 743 9246 Fax: 043 743 9273 e-mail: kenqun@unisa.ac.za
MTHATHA	
Tutorial Services Office 32 Cnr Victoria & York Rd Str Economic Affairs Building Umtata, 5100	Contact Person: Mrs NE Msengana ☎ (047) 531-5002/6 Fax: (047) 531-5120 E-mail: msengne@unisa.ac.za
PORT ELIZABETH	
Tutorial Services Office Greyville House Corner of Cape, Greyville and Ring Rds, Green Acres Port Elizabeth, 6057	Contact Person: Ms N Lallie ☎ (041) 363 1070 Fax: (041) 363 1071 E-mail: nomes@unisa.ac.za
MIDLANDS	
RUSTENBURG	
Tutorial Services Office Forum Building (1 st Floor) Cnr. OR Tambo & Steen Street	Contact Person: Mr M Khorombi ☎ (014) 594 8800/8856 Fax: (014) 594-8863/086 518 5508

REGIONAL TUTORIAL SERVICES CONTACT DETAILS

REGION: PHYSICAL ADDRESS	CONTACT DETAILS: TUTORIAL SERVICES
Rustenburg, 0300	mkhoro@unisa.ac.za
MAFIKENG	
Tutorial Services Office 29 Main Street Cnr Warren & Main Streets Opposite ABSA Bank, Mafikeng Mafikeng, 2745	Contact Person: Prof S Shole ☎: (018) 381-6617/7318 Fax: (018) 381-7926 E-mail: sholejss@unisa.ac.za
POTCHEFSTROOM	
Tutorial Services Office 12 Stil street Cnr Stil and Goedtz streets Potchefstroom, 2531	Contact Person: Mr MF Mavhungu ☎ (018) 294 3362/41 Fax: (018) 297-2107 E-mail: mavhumf@unisa.ac.za
BLOEMFONTEIN	
Tutorial Services Office 2 nd Floor, NRE House 161 Zastron Street Bloemfontein, 9301	Contact Person: Dr S Nhlapo ☎ (051) 430-4353 Fax: (051) 430-3822 E-mail: snhlapo@unisa.ac.za
KIMBERLEY	
Tutorial Services Office Suite 61A Northern Cape Mall Memorial Road Kimberley, 8301	Contact Person: Mrs M Louw ☎ (053) 832 6391 Fax: 0865187125 e-mail: mmlouw@unisa.ac.za
KROONSTAD	
Tutorial Services Office NFS Building 1 st floor 36 Brand Street Kroonstad, 9500	Contact Person: Ms K Thantsha ☎ (056) 213-2053/4 Fax: (056) 213-1867 E-mail: thantkm@unisa.ac.za

6 STUDY PLAN FOR FAC1502

Refer to the *my Studies @ Unisa* brochure for information on general time management and planning skills. A specific study plan is attached as Annexure B.

7 PRACTICAL WORK AND WORK-INTEGRATED LEARNING FOR FAC1502

There are no practicals for this module.

8 ASSESSMENT

8.1 Assessment plan

To enable you to fully benefit from our formative tuition and assessment, the management of Unisa decided to introduce **two compulsory assignments** in all modules to be submitted by set due dates. We provide feedback for the two compulsory assignments in two separate tutorial letters – one for each compulsory assignment. There is also a **self-assessment assignment** which is a comprehensive exercise consisting of questions with solutions. The questions are representative of the type of questions which you can expect in the examination.

If you submit the **first compulsory assignment by its due date**, you will gain **admission to the examination** in FAC1502. The marks obtained in the two compulsory assignments contribute equally towards your **year mark**, and your year mark contributes 20% towards the final mark. Your **examination mark** contributes 80% towards your final mark. Should you fail the examination with less than 40%, the year mark will not count. You require a final mark of 50% to pass FAC1502.

Please note:

Although students may work together when preparing assignments, each student must write and submit his or her own individual assignment. It is unacceptable for students to submit identical assignments on the basis that they worked together. That is copying (a form of plagiarism) and none of these assignments will be marked. Furthermore, Unisa may penalize you or subject you to disciplinary proceedings. Do not copy the assignment solutions of fellow students!

8.2 General assignment numbers

Assignments are numbered, starting from 01. We attach the assignments as annexures.

8.2.1 Unique assignment numbers

The unique assignment numbers allocated to the assignments are as follows:

Semester	Assignment	Unique number
First semester	01	797256
First semester	02	736819
Second semester	01	868156
Second semester	02	601003

8.2.2 Due dates for assignments

Semester	Assignment	Due date
First semester	01	4 March 2016
First semester	02	1 April 2016
Second semester	01	19 August 2016
Second semester	02	9 September 2016

8.3 Submission of assignments

You may submit assignments completed on mark-reading sheets **either** by post **or** electronically via myUnisa. Do **not** submit assignments by fax or e-mail.

- We strongly advise all students that assignments should be submitted electronically via [myUnisa](#).
- Students also have the option to submit assignments electronically at the Unisa regional offices, and/or Unisa partner libraries. The University has provided self-help terminals at all its regional centres where students can submit their assignments electronically via myUnisa. Scanners are provided to cater for students who prepare assignments on hardcopies. These must be scanned and uploaded via myUnisa. Find the complete list of regional centres in 5.2 above.
- In the event of electronic systems failure or power outages due to load shedding by Eskom, the regional centres are geared to receive and dispatch assignments free of charge to the university via our approved courier companies.

For detailed information on assignments, please refer to the *my Studies @ Unisa* brochure.

To submit an assignment via myUnisa:

- Go to myUnisa.
- Log in with your student number and password.
- Select the module.
- Click on “Assignments” in the menu on the left-hand side of the screen.
- Click on the number of the assignment you wish to submit.
- Follow the instructions.

8.4 Assignments

You will find the assignments in the following annexures:

Annexure C: Assignment 01 for first semester

Annexure D: Assignment 02 for first semester

Annexure E: Assignment 01 for second semester

Annexure F: Assignment 02 for second semester

9 OTHER ASSESSMENT METHODS

There are no other assessment methods for FAC1502.

10 EXAMINATION

10.1 Examination admission

When you submit Assignment 01 by its due date, you will be **admitted to the examination**.

However, it will be to your advantage to hand in both compulsory assignments and complete the self-assessment assignment (comprehensive exercise), as:

- ♦ the assignments provide practice which is essential for your studies of financial accounting
- ♦ the assignments contain valuable revision material and ensure that you work throughout the semester
- ♦ the self-assessment assignment (the comprehensive exercise) and Tutorial letter 102 contain questions similar to those you can expect in the examination.

Also refer to the *my Studies @ Unisa* brochure for general examination and examination preparation guidelines.

10.2 Examination period

This module is offered over a semester period of approximately fifteen weeks. Thus if you are registered for the first semester, you will write the examination during May/June 2016 and may have to write the supplementary examination during October/November 2016. If you are registered for the second semester, you will write the examination during October/November 2016 and may have to write the supplementary examination during May/June 2017.

About a month before the commencement of the examination, the Examination Section will provide you with information regarding the examination in general as well as examination venues, dates and times. You can also get the information on myUnisa if you do not receive it by post.

10.3 Examination paper

At the end of the semester (May/June for the first semester and October/November for the second semester) you will be required to write a **two hour** examination for module FAC1502. **The paper will contain no multiple choice questions but will consist of long questions only.**

You will be allowed to use a non-programmable pocket calculator. The official calculation policy of Unisa is given below for your information:

Calculator policy

Candidates may only use silent, electronic, battery-driven calculators subject to the following conditions:

- Calculators must be cordless, and may not have print-out facilities or alpha keys.
- Any financial calculator will be allowed, as the following tables will not be provided:
 - tables of present value factors for various discount rates for varying periods
 - tables of future value factors for various interest rates for varying periods
- You may not use the calculator function on cell (mobile) phones or any electronic device (e.g. laptops or any smart phone).
- You may not share a calculator with another candidate in the examination room.

The examination script consists of a book with 12 pages. Every page has three columns on the right hand side (similar to cashbook paper). If you don't want or cannot use the columns, please ignore them and draw your own columns or T-accounts. You may open the book and use the left hand page for the debit side and the right hand page for the credit side of an account (e.g. ignoring the extra columns).

Start every question on a new (separate) page. Number each sub-question clearly.

When answering a question, always read the "REQUIRED" part before reading through all the information. This will enable you to know immediately what information is needed to answer the question. If you read through the question in its entirety without knowing what is required, you will have to reread all the information and waste precious time in this manner.

If your **final mark** is between 40% and 49%, you may write a **supplementary examination**, which will be written at the end of the following semester. Thus if you qualify for a supplementary examination during the May/June examination, you will write the FAC1502 second semester paper during October/November, and if you qualify for a supplementary examination during the October/November examination, you will write the FAC1502 first semester paper during May/June of the following year. To pass the supplementary examination, you must obtain a final mark of at least 50%. However, you may write only **one supplementary examination** for every module that you are registered for.

If you qualify for a supplementary examination, no further study material will be supplied to you during the following semester and you must not submit any assignments for this module during the following semester.

Please consult the examination time-table well in advance in order to plan your final revision programme. Report any examination problems (e.g. clashes of dates) directly to the Examination Section. Please start studying early to avoid cramming at the last moment.

Ensure that you have received all the assignment solutions at least two weeks before the examination.

10.4 Previous examination papers

Some previous examination papers are available on myUnisa. Suggested solutions to previous examination papers will not be made available.

11 FREQUENTLY ASKED QUESTIONS

The *my Studies @ Unisa* brochure contains an A-Z guide of the most relevant study information.

“My assignment is late, will you please mark it?”

Answer: FAC1502 compulsory assignments are in a multiple choice questions format and are marked by a computer. The marking date is determined by the Computer Section. The lecturing staff has no influence on this marking process. If your assignment is thus late or not marked, it most probably did not reach the Assignment Section on time. Please direct all queries in this regard to the Assignment Section.

My assignment mark is incorrect.

Answer: The marking of the compulsory assignments is an automated process and marking is done according to a preset marking scheme. Although we try our best not to set questions that are ambiguous, we sometimes only realise that a question or questions has/have been ambiguous after students completed the assignments. In this case the applicable question will not be marked, and students will not be penalised. You can e-mail assign@unisa.ac.za for any enquiries about your assignment marks.

I am overseas and cannot submit my first assignment on time.

Answer: If you do not submit your first assignment on time, you will not be allowed to write the forthcoming examination. You must e-mail exams@unisa.ac.za timeously to make alternative arrangements.

I received my study material too late to submit my first assignment on time.

Answer: You will have to prove that you indeed received your study material late. Submit the proof with a motivated request to examadmission@unisa.ac.za timeously.

I have already submitted my assignment and the word “resubmit” appears on the screen, must I resubmit my assignment?

Answer: The assignment must only be resubmitted if you want to change some of the answers.

How do I get tutor assistance?

Answer: While the trend at Unisa is more towards e-tutoring, physical tutorials are still held at the centres indicated in 5.2 above. Students who are interested in tutor assistance can contact the centres and enquire about face-to-face classes.

12 CONCLUSION

In spite of the care taken to ensure that all the study material are correct you may still find errors. Should you come across errors, or find that parts of the study material are not clearly expressed, kindly let us know to enable us to make the necessary corrections.

We trust that you will enjoy this module and wish you success with your studies.

Kind regards

Ms A du Plessis
Ms MS du Rand
Mr M Engelbrecht
Mr C Modise

LECTURERS: FAC1502

13 ANNEXURE A: ASSUMED KNOWLEDGE

We assume that you have the knowledge to do some elementary calculations. Some of these calculations are discussed in the following sections to help those students who wish to acquaint themselves with the relevant topics.

1 Basic calculations

Calculating a percentage of an amount or number

For example, what is 13% of R3 900?

The 13% actually means 13 out of 100, or $13 \div 100$; and the word "of" means "multiply by". Therefore, 13% of R3 900 can be read as:

$$13 \div 100 \times R3\,900 = R507,00$$

or, when using a pocket calculator: $3900 \times ,13 = 507,00$.

(By using the factor of ",13", you have already divided the 13 by 100. **All percentages** can be applied in this manner.)

Relating the price of a number of items to a single item

For example, if you paid R39,52 for 13 items, one item will cost $R39,52 \div 13 = R3,04$. You can then use this amount to calculate the price of other quantities of the same item, for example, 27 items will cost $27 \times R3,04 = R82,08$.

2 Interest

Interest is in effect the payment for the use of somebody else's money and is therefore the "price" of money, or a finance cost.

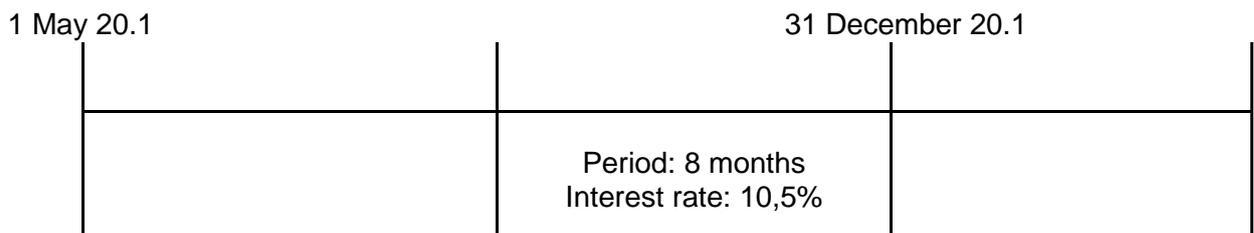
Interest can be receivable (e.g. interest on investments) or it can be payable (e.g. interest on loans, bonds or debentures). To calculate interest, we need the following:

- the **amount** involved,
- the **interest rate** at which it is invested/borrowed
- the **period** for which it is invested/borrowed

Whenever a period is involved, you can consider using a time-line to help you with the calculation. You can prepare a time-line as follows:

(a) Information

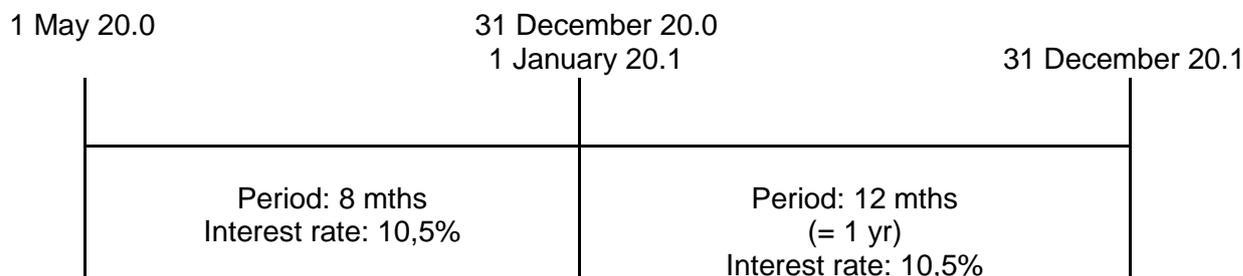
Amount invested (or borrowed):	R12 000
Interest rate:	10,5%
Period:	1 May 20.1 to 31 December 20.1 = 8 months



Total period = 8 months (or $2/3$ of a year = 0,6667 years).

(b) Information:

Amount invested (or borrowed): R12 000
 Interest rate: 10,5%
 Period: 1 May 20.0 to 31 December 20.1 = 1 year 8 months
 (or 20 months)



Total period = 20 months (or 1 and 2/3 of a year = 1,6667 years).

Examples**1. Period shorter than one year**

Amount invested (or borrowed): R12 000
 Interest rate: 10,5%
 Period: 1 May 20.1 to 31 December 20.1 = 8 months

Calculating interest:

$$[R12\ 000 \times (10,5 \div 100) \times (8 \div 12)] = \underline{\underline{R840,00}}$$

$$\text{OR: } [R12\ 000 \times 0,105 \times (8 \div 12)] = \underline{\underline{R840,00}}$$

$$\text{OR: } [R12\ 000 \times 0,105 \times (2 \div 3)] = \underline{\underline{R840,00}}$$

$$\text{OR: } [R12\ 000 \times 0,105 \times 0,6667] = \underline{\underline{R840,00}}$$

2. Period longer than one year

Amount invested (or borrowed): R12 000
 Interest rate: 10,5%
 Period: 1 May 20.0 to 31 December 20.1 = 1 year, 8 months (or 20 months)

Calculating interest:

$$[R12\ 000 \times (10,5 \div 100) \times (20 \div 12)] = \underline{\underline{R2\ 100,00}}$$

$$\text{OR: } [R12\ 000 \times 0,105 \times (20 \div 12)] = \underline{\underline{R2\ 100,00}}$$

$$\text{OR: } [R12\ 000 \times 0,105 \times (5 \div 3)] = \underline{\underline{R2\ 100,00}}$$

$$\text{OR: } [R12\ 000 \times 0,105 \times 1,6667] = \underline{\underline{R2\ 100,00}}$$

3 Profits and settlement discounts

When we calculate profits and settlement discounts, there is no period involved; and we therefore do not need a time-line. In this case the amount and the percentage are the key factors.

Examples

3.1 Profits

3.1.1 Profit as a percentage of cost price

Cost price: R23 000

Profit as a percentage of cost price: 25%

Calculate: selling price

Calculation of selling price:

$$\{R23\ 000 + [R23\ 000 \times (25 \div 100)]\} = R23\ 000 + R5\ 750 = \underline{R28\ 750}$$

OR:

$$[R23\ 000 + (R23\ 000 \times 0,25)] = R23\ 000 + R5\ 750 = \underline{R28\ 750}$$

OR:

$$R23\ 000 \times 1,25 = \underline{R28\ 750}$$

The rationale behind the last calculation is that if the cost price is R1,00, the profit will be R0,25 and the selling price will be R1,25.

Therefore: If the cost price is R23 000, the selling price will be R23 000 x 1,25.

3.1.2 Profit as a percentage of selling price

Selling price: R23 000

Profit as a percentage of selling price: 25%

Calculate: cost price

Calculation of cost price:

$$\{R23\ 000 - [(R23\ 000 \times 25 \div 100)]\} = R23\ 000 - R5\ 750 = \underline{R17\ 250}$$

OR:

$$[R23\ 000 - (R23\ 000 \times 0,25)] = R23\ 000 - R5\ 750 = \underline{R17\ 250}$$

OR:

$$R23\ 000 \times 0,75 = \underline{R17\ 250}$$

In this case, calculating the last amount is not as simple as in the previous case. One must reason as follows: the selling price of R23 000 **includes a profit of 25%**; therefore, if the selling price is R1,00, and the profit is R0,25, the cost price (which is less than the selling price) will be R0,75. Thus, to calculate the cost price:

If the selling price is R23 000, the cost price will be R23 000 x 0,75.

3.1.3 Selling price is given, but the percentage profit is on cost price

Selling price: R23 000

Profit as a percentage of cost price: 25%

Calculate: cost price

Calculation of cost price:

$$\{R23\ 000 - [R23\ 000 \times (25 \div 125)]\} = R23\ 000 - R4\ 600 = \underline{\underline{R18\ 400}}$$

OR:

$$[R23\ 000 - (R23\ 000 \times 0,20)] = R23\ 000 - R4\ 600 = \underline{\underline{R18\ 400}}$$

OR:

$$R23\ 000 \div 1,25 = \underline{\underline{R18\ 400}}$$

The calculation of the last amount is reasoned as follows: The selling price of R23 000 includes a profit of 25% on **cost price**; therefore, if the selling price is R1,25, and the profit is R0,25, the cost price (which is less than the selling price) will be R1,00. Thus, to calculate the cost price:

If the selling price is R23 000, the cost price will be $R23\ 000 \div 1,25$.

To summarise :

Cost price	x	<table style="border-collapse: collapse; margin: 0 auto;"> <tr> <td style="padding: 0 10px;">1,25</td> <td style="padding: 0 10px;">0,25</td> <td style="padding: 0 10px;">1,00</td> </tr> <tr> <td style="border-top: 1px solid black; border-bottom: 1px solid black; padding: 0 10px;">1,25</td> <td style="border-top: 1px solid black; border-bottom: 1px solid black; padding: 0 10px;">1,25</td> <td style="border-top: 1px solid black; border-bottom: 1px solid black; padding: 0 10px;">1,25</td> </tr> </table>	1,25	0,25	1,00	1,25	1,25	1,25	÷	1,25
1,25	0,25	1,00								
1,25	1,25	1,25								
Profit										
Selling price										

The cost price is given, and you have to calculate the **selling price** (which is **more** than the cost price) - thus, **multiply** the cost price by 1,25 (if the profit percentage is 25%).

The selling price is given, and you must calculate the **cost price** (which is **less** than the selling price) – thus, **divide** the selling price by 1,25 (if the profit percentage is 25%).

3.2 **Discounts (settlement discount granted or received)**

3.2.1 **Cash or trading discount on sales**

Selling price R23 000

Discount on selling price 5%

Calculate: net selling price

Calculation of net selling price:

$$\{R23\ 000 - [R23\ 000 \times (5 \div 100)]\} = R23\ 000 - R1\ 150 = \underline{\underline{R21\ 850}}$$

OR:

$$[R23\ 000 - (R23\ 000 \times 0,05)] = R23\ 000 - R1\ 150 = \underline{\underline{R21\ 850}}$$

OR:

$$R23\ 000 \times 0,95 = \underline{\underline{R21\ 850}}$$

The last calculation is reasoned as follows: The selling price of R23 000 must be reduced by 5%. Therefore, if the selling price is R1,00, the discount will be R0,05, and the net selling price (which is less than the original selling price) will be R0,95. Therefore, if the selling price is R23 000, the net selling price will be R23 000 x 0,95.

3.2.2 Settlement discount on payment of accounts

Amount outstanding on account = R23 000

Settlement discount on payment made on or before a specified date = 5%

Calculate: net amount to be paid

Calculation of net amount to be paid:

$$\{R23\ 000 - [R23\ 000 \times (5 \div 100)]\} = R23\ 000 - R1\ 150 = \underline{R21\ 850}$$

OR:

$$[R23\ 000 - (R23\ 000 \times 0,05)] = R23\ 000 - R1\ 150 = \underline{R21\ 850}$$

OR:

$$R23\ 000 \times 0,95 = \underline{R21\ 850}$$

The last calculation is reasoned as follows: The amount of R23 000 must be reduced by 5%. Therefore, if the full account is R1,00, the settlement discount will be R0,05, and the net amount to be paid (which will be less than the original amount to be paid) will be R0,95. Therefore, if the amount of the account is R23 000, the net amount to be paid will be R23 000 x 0,95.

4 Ratios

4.1 Percentage as a ratio

A percentage can also be regarded as a ratio: a ratio to 100. This means that a ratio of 15% actually means 15 out of 100 or 15:100. If a student obtained 43 marks out of 60, his ratio will be 43 to 60 (indicated as 43:60), or

$$43 \div 60 \times 100 = 71,7\% \text{ (or 71,7 out of 100 or 71,7:100).}$$

By dividing the values on both sides of the colon by 100, you get a ratio of 0,717:1 (refer to par 4.2 below).

Similarly, if the sales of an entity are R245 000, and the gross profit on these sales is R147 000, the gross profit as a percentage of sales, is:

$R147\ 000 \div R245\ 000 \times 100 = 60\%$. Without doing a complicated calculation, one can immediately say that the cost price is 40% (= 100% - 60%) of sales. This 40% can also be calculated as follows:

$$R245\ 000 - R147\ 000 = R98\ 000 \div R245\ 000 \times 100 = 40\%.$$

4.2 Simple ratios

This type of ratio is often found in the apportionment of profits between partners. The numbers in the ratio are added and the total is divided into the amount to be apportioned. Each partner will then receive his part (portion) by multiplying his ratio with the portion thus calculated, for example:

If the partners receive an **equal part** of the profits, we merely divide the total amount of the profit by the number of partners. For example, when a profit of R180 000 must be apportioned

equally to three partners, the ratio is 1:1:1, which means that each partner will receive the same amount: $R180\,000 \div 3 = R60\,000$.

A more complicated example is when the profits of a partnership (e.g. R120 000) are apportioned to partners A, B and C in the ratio 3:2:1. We add the numbers of the ratio ($3 + 2 + 1 = 6$) and then divide the profit of R120 000 by 6, which equals R20 000. Partner A will then receive 3 portions ($R20\,000 \times 3 = R60\,000$), partner B will receive 2 portions ($R20\,000 \times 2 = R40\,000$), and partner C will receive 1 portion ($R20\,000 \times 1 = R20\,000$). The total amount allocated to the three partners should be the total profit (i.e. $R60\,000 + R40\,000 + R20\,000 = R120\,000$).

Quite often, profits should be apportioned in relation to the capital invested by each partner. If, for example, partners X, Y, and Z invested R200 000, R100 000 and R400 000 in the partnership, the ratio will now be $R200\,000 + R100\,000 + R400\,000 = R700\,000 = 2:1:4 = 7$ (parts are equal to the amounts of the capital portions as well as the total capital, divided by 100 000).

A profit of R280 000 will be apportioned as follows:

Partner X: $(R280\,000 \div 7 \times 2)$	= R 80 000	<u>OR</u>	$(R280\,000 \div R700\,000 \times R200\,000)$
Partner Y: $(R280\,000 \div 7 \times 1)$	= R 40 000	OR	$(R280\,000 \div R700\,000 \times R100\,000)$
Partner Z: $(R280\,000 \div 7 \times 4)$	= <u>R160 000</u>	OR	$(R280\,000 \div R700\,000 \times R400\,000)$
	= <u>R280 000</u>		

14 ANNEXURE B: PROPOSED STUDY PROGRAMME FOR 2016

Please note:

The **due date** is the date on which the Assignment **must reach** the Unisa campus in Pretoria. You can submit the assignments via the **Unisa Mobile MCQ Application** or **myUnisa**. If you are using the postal services please provide sufficient time for any delays due to your distance from Pretoria.

First semester

Date	Study material and assignments
± 12/01 to 21/02	Study: Study units 1 to 9
22/02 to 25/02	Do Assignment 01 (compulsory)
04/03	Due date: Assignment 01
26/02 to 20/03	Study: Study units 10 to 17
21/03 to 24/03	Do Assignment 02 (compulsory)
01/04	Due date: Assignment 02
25/03 to 28/03	Do Self-assessment assignment (comprehensive exercise)
May/June examination (study units 1 to 17)	

Second semester

Date	Study material and assignments
± 12/07 to 07/08	Study: Study units 01 to 09
08/08 to 11/08	Do Assignment 01 (compulsory)
19/08	Due date: Assignment 01
12/08 to 28/08	Study: Study units 10 to 17
29/08 to 01/09	Do Assignment 02 (compulsory)
09/09	Due date: Assignment 02
02/09 to 05/09	Do Self-assessment assignment (comprehensive exercise)
October/November examination (study units 1 to 17)	

15 ANNEXURE C: ASSIGNMENT 01 (SEMESTER 1)

**THIS ASSIGNMENT IS COMPULSORY
AND IS NECESSARY FOR
EXAMINATION ADMISSION.**

**MARKS COUNT 50% TOWARDS YOUR
YEAR MARK.**

**FOR STUDENTS REGISTERED
FOR THE FIRST SEMESTER**

Due date: 4 March 2016

Unique number: 797256

ANNEXURE C: ASSIGNMENT 01 FOR THE FIRST SEMESTER

Do NOT submit assignments by means of fax or e-mail.

1. Answer this assignment on a **mark-reading sheet** or submit it via the **Unisa Mobile MCQ Application** or **myUnisa**. This assignment is marked electronically, hence the **strict adherence** to the due date.
2. Before doing this assignment, please read paragraph 8 of this tutorial letter.
3. This assignment covers study units 1 to 9 and comprises of 25 multiple-choice questions.
4. **We shall not move the due date of this assignment, allow you to submit it late, or enter into correspondence or telephone conversations in this regard.**
5. **Important aspects regarding multiple-choice question (MCQ) assignments**
 - ♦ If you do not submit Assignment 01 electronically via the Unisa Mobile MCQ Application or myUnisa, you will need a mark-reading sheet. Before completing the mark-reading sheet, please see the instructions in this year's issue of *my Studies @ Unisa*. Read these instructions **carefully** and follow them **exactly** to avoid mistakes.
 - ♦ Carefully work through the relevant tutorial matter before you tackle the assignment.
 - ♦ Calculate your answer on a separate piece of paper before you complete the mark-reading sheet.

REMEMBER

There is only **one** correct answer to each question.

All questions are equal in value.

If you use a mark-reading sheet:

- Use only the provided mark-reading sheet.
- Colour in the correct block with a HB pencil.
- Fill in your student number correctly.
- Fill in the assignment number correctly.
- Fill in the **unique assignment number** for the specific semester correctly. Every assignment which is marked by the computer has a unique number. The number contains information on the module code and assignment number. For example, when the computer reads the unique number 797256 on the mark-reading sheet, the computer identifies that it is Assignment 01 for FAC1502.
- Send **only** your mark-reading sheet to the Assignment Section in the appropriate envelope.
- Make sure that you have enough mark-reading sheets.

DO NOT

- colour more than one block per question
- tear or fold the mark-reading sheet
- staple the mark-reading sheet to another piece of paper
- colour outside the block
- colour in the block with a pen
- make corrections with correction fluid
- submit answers on a written sheet of paper
- try to repair a torn mark-reading sheet with sticky tape (Use another mark-reading sheet.)

ASSIGNMENT 01 FOR THE FIRST SEMESTER

DUE DATE: 4 March 2016

UNIQUE NUMBER: 797256 (MULTIPLE-CHOICE QUESTIONS)

Do this assignment on a mark-reading sheet and mail it, or submit it via the Unisa Mobile MCQ Application or myUnisa.

1. Which one of the following options represents the net worth of an entity at any specific point in time?
- (1) Statement of profit or loss and other comprehensive income.
 - (2) Statement of cash flow.
 - (3) Statement of financial position.
 - (4) Statement of changes in equity.
 - (5) Income and expenditure statement.

2. Bennie deposited R50 000 into the bank account of his business, Bennie Stationers. This was money taken from his personal bank account in order to start his business.

What effect will this transaction have on the basic accounting equation?

- (1) assets will increase and decrease with R50 000.
 - (2) assets will increase with R50 000, and equity will decrease with R50 000.
 - (3) assets will decrease with R50 000, and equity will decrease with R50 000.
 - (4) assets will increase with R50 000, and equity will increase with R50 000.
 - (5) equity will increase and decrease with R50 000.
3. Bennie Stationers sold stationery worth R51 300, inclusive of VAT. The VAT rate is 14% and the mark-up on cost is 25%. The entity uses the perpetual inventory system.

Which of the following statements is correct?

- (1) the VAT output amount is R6 300 and the cost of sales amount is R36 000.
 - (2) the VAT input amount is R6 300 and the cost of sales amount is R41 040.
 - (3) the VAT output amount is R7 182 and the cost of sales amount is R36 000.
 - (4) the VAT input amount is R7 182 and the cost of sales amount is R41 010.
 - (5) the sales amount excluding VAT is R45 000, and the VAT amount is R7 182.
4. Bennie bought R28 500 worth of ink cartridges and other stationery worth R34 200 on account, both are inventory items for his business, Bennie Stationers. The entity uses the periodic inventory system.

Which of the following statements is correct?

- (1) the inventory account will be debited, and the creditors control account will be credited.
- (2) the purchases account will be debited, and the creditors control account will be credited.
- (3) the cost of sales account will be debited, and the creditors control account will be credited.
- (4) the cost of sale account will be debited, and the inventory account will be credited.
- (5) the purchases account will be debited, and the inventory account will be credited.

ASSIGNMENT 01 (continue)

Use the same information that you used to answer question 4 but assume that Bennie Stationers is registered for VAT and that the VAT rate is 14%. Further assume that all amounts are inclusive of VAT where applicable.

5. Which of the following options represents the VAT input amount of the transaction?
- (1) R 8 778,00
 - (2) R 7 700,00
 - (3) R55 000,00
 - (4) R 3 500,00
 - (5) R 4 200,00
6. Bennie took inventory worth R1 200 (cost price) for his wife's computer business. The entity uses the perpetual inventory system.

The accounts to be debited and credited in the general ledger are as follows:

- (1) the inventory account will be debited, and the drawings account will be credited.
 - (2) the purchases account will be debited, and the drawings account will be credited.
 - (3) the drawings account will be debited, and the inventory account will be credited.
 - (4) the drawings account will be debited, and the purchases account will be credited.
 - (5) the purchases account will be debited, and the inventory account will be credited.
7. Bennie bought a delivery vehicle to deliver the stationery. The delivery vehicle was financed by ABC Bank for R114 000 inclusive of VAT at 14%.

Which statement is correct when recording the above transaction in the accounting records?

- (1) debit bank account, credit VAT input account, credit loan: ABC Bank account, and credit delivery vehicle account.
 - (2) debit VAT input account, credit bank account, debit delivery vehicle account and credit loan: ABC Bank account.
 - (3) debit loan: ABC Bank account, credit bank account, debit VAT input account, and credit delivery vehicle account.
 - (4) debit delivery vehicle account, debit VAT input account, and credit loan: ABC Bank account.
 - (5) debit loan: ABC Bank account, credit VAT input account, credit delivery vehicle account.
8. Bennie Stationers paid a supplier an amount of R12 000 in full settlement of their debt of R12 600 with an electronic funds transfer.

Which of the following options is correct?

- (1) debit bank account (R12 600,00), credit creditors control account (R12 000,00), debit settlement discount received account (R52,32), and debit VAT input account (R73,68).
- (2) credit bank account (12 600,00), debit creditors control account (R12 000,00), credit settlement discount received account (R526,32), and debit VAT output account (R73,68).
- (3) credit bank account (R12 000,00), debit creditors control account (R12 600,00), credit settlement discount received account (R526,32), and debit VAT input account (R73,68).
- (4) credit bank account (R12 000,00), debit creditors control account (R12 600,00), credit settlement discount received account (R526,32), and debit VAT output account (R73,68).
- (5) credit bank account (R12 000,00) and debit creditors control account.

ASSIGNMENT 01 (continue)

Use the same information that you used to answer question 8 but assume that Bennie Stationers is registered for VAT and that the VAT rate is 14%. Further assume that all amounts are inclusive of VAT where applicable.

9. Which of the following options represents the VAT output for the transaction?
- (1) R1 547,37
 - (2) R1 473,68
 - (3) R1 764,00
 - (4) R 84,00
 - (5) R 73,84

Use the following information to answer question 10:

March 2015

- (a) Malumela opened a bank account in the name of the business, Malumela Traders and deposited R70 000 into the business account. He also entered into a lease agreement with AJA Prop for the renting of premises and paid a refundable deposit of R15 000 and the first month's rental of R6 500.
- (b) Malumela Traders purchased shop equipment on credit from Ellarina Fittings for R7 600.
- (c) Malumela Traders issued a cheque for R18 200 to KZ Easyworks, to buy merchandise for the business.
- (d) Malumela Traders sold goods to various customers for cash, R3 500.
- (e) Malumela Traders sold merchandise on credit to Universal (Pty) Ltd, for R4 560.

NB: Malumela Traders is not registered as a VAT vendor and uses the periodic inventory system

10. Which of the following options represents the net effect of all the given transactions provided in (a) to (e) above on the basic accounting equation?
- (1) assets will increase by R75 960, equity will increase by R68 360 and liabilities will increase by R7 600
 - (2) assets will increase by R60 960, equity will increase by R53 360, and liabilities will increase by R7 600
 - (3) assets will increase by R53 360, equity will increase by R60 960, and liabilities will increase by R7 600
 - (4) assets will increase by R67 460, equity will increase by R46 860, and liabilities will increase by R7 600
 - (5) assets will increase by R67 460, equity will increase by R59 860, and liabilities will increase by R7 600

Use the same information that you used to answer question 10 but assume that Malumela Traders is registered for VAT and that the VAT rate is 14%. Further assume that all amounts are inclusive of VAT where applicable.

11. Which amounts are exempt from VAT?
- (1) R70 000
 - (2) R70 000, R15 000 and R18 200
 - (3) R70 000 and R15 000
 - (4) R15 000 and R18 200
 - (5) R70 000 and R18 200

ASSIGNMENT 01 (continue)

12. Assume that Malumela Traders had a VAT input amount of R35 910 and a VAT output amount of R95 988.

Which of the following options represents the balance of the VAT control account for March 2015?

- (1) R60 078 credit
 - (2) R 7 378 credit
 - (3) R67 456 credit
 - (4) R 7 378 debit
 - (5) R60 078 debit
13. The total of the debtors column in the cash payments journal of Janco Traders, had been overcast by R3 200. Which of the following general ledger accounts will be affected by this error?
- (1) sales
 - (2) creditors control
 - (3) debtors control
 - (4) purchases
 - (5) bank.
14. Northriding Enterprises purchased merchandise on credit from Kroma Wholesalers for R23 600 on 26 March 2015, subject to trade discount of 10%. A settlement discount of 5% is granted if the account is settled within 30 days.
- Which one of the following alternatives represents the correct amount of the cheque to be paid to Kroma Wholesalers if the payment is made before 26 April 2015.
- (1) R22 302
 - (2) R21 240
 - (3) R20 178
 - (4) R22 420
 - (5) R23 600

ASSIGNMENT 01 (continue)

Use the following information to answer questions 15 to 24:

On comparing Sibasa Traders' bank reconciliation statement as at 30 November 2015 and the cash journals for December 2015 with the bank statement of the entity for December 2015, the following was established:

1. Balances and totals:	R
Balances:	
Bank account – 30 November 2015 (dr)	26 860
Balance as per bank statement at 31 December 2015 (unfavourable)	15 746
Totals at 31 December 2015:	
Cash receipts journal	49 352
Cash payments journal	44 475
2. Items appearing on bank reconciliation statement as at 30 November 2015 but not on the bank statement for December 2015:	
Cheque no 431 – dated 30/5/2015 (Whispers Dealers)	990
Cheque no 698 – dated 3/11/2015 (Walti Stationers)	1 020
3. Items appearing in the cash journals for December 2015 but not on the bank statement for December 2015:	
A deposit on 31 December 2015	46 945
Cheque no 756 – dated 28/12/2015 (Creditor F Fire)	3 200
Cheque no 759 – dated 30/12/2015 (Creditor K Kalabi)	3 085
4. Items appearing on the bank statement for December 2015 but not in the cash journals for December 2015:	
A direct deposit from Brown Dwellers for rent	1 250
Interest on overdraft	160
Ledger fees	48
Cash handling fee	70
Refer to drawer (R/D) cheque received from debtor, PQ Solomuns	305
A deposit to another client of the bank, incorrectly deposited into Sibasa Traders' account	1 500
A stop order for the monthly insurance premium	1 300
A cheque drawn by another client of the bank, incorrectly debited to the account of Sibasa Traders	10 000

Additional information

- (a) Cheque no 431 got lost and was subsequently cancelled.
- (b) Cheque no 736 for R1 535, issued to Hanarins Furnishers for furniture purchased was incorrectly recorded in the cash payments journal for December 2015 as R1 835.

ASSIGNMENT 01 (continue)

15. Which of the following amounts will represent the totals of the cash receipts journal and cash payments journal to be posted to the bank account after the reconciling differences have been taken into account?

	Total of cash receipts journal	Total of cash payments journal
	R	R
(1)	52 197	46 053
(2)	50 962	47 348
(3)	51 892	46 358
(4)	53 192	45 058
(5)	51 392	40 653

16. Where will the unfavourable bank balance of R15 746, as per the bank statement be recorded?
- (1) debit side of the bank account.
 - (2) debit side of the bank reconciliation statement.
 - (3) credit side of the bank account.
 - (4) credit side of the bank reconciliation statement.
 - (5) total carry down in the cash payments journal.
17. If the bank has a favourable balance of R15 746 and the totals of the cash receipts journal and cash payments journal are R60 000 and R45 000 respectively.
- Which of the following amounts will represent the bank balance brought down?
- (1) R 746 (debit)
 - (2) R15 746 (debit)
 - (3) R30 746 (debit)
 - (4) R 746 (credit)
 - (5) R30 746 (credit)
18. Where will the cheque of R10 000, which was issued by another client of the bank be recorded?
- (1) debit side of the bank account.
 - (2) debit side of the bank reconciliation statement.
 - (3) credit side of the bank account.
 - (4) credit side of the bank reconciliation statement.
 - (5) cash payments journal.
19. Where will the returned cheque of PQ Solomuns for R305 be recorded?
- (1) cash receipts journal.
 - (2) cash payments journal.
 - (3) debit side of bank reconciliation statement.
 - (4) credit side of bank reconciliation statement.
 - (5) debit side of the bank account.
20. Which of the following amounts will represent the amount for bank charges?
- (1) R208
 - (2) R230
 - (3) R278
 - (4) R118
 - (5) R160

ASSIGNMENT 01 (continue)

21. Where will the deposit of R1 500, which was incorrectly made into the bank account of Sibasa Traders be recorded?
- (1) debit side of the bank account.
 - (2) debit side of the bank reconciliation statement.
 - (3) credit side of the bank account.
 - (4) credit side of the bank reconciliation statement.
 - (5) cash payments journal.
22. Where will the cancellation of cheque number 431 be recorded?
- (1) cash receipts journal.
 - (2) cash payments journal.
 - (3) debit side of bank reconciliation statement.
 - (4) credit side of the bank reconciliation statement.
 - (5) credit side of the bank account.
23. The total of the outstanding cheques on the bank reconciliation statement as at 31 December 2015 amount to
- (1) R7 305
 - (2) R4 220
 - (3) R6 285
 - (4) R8 345
 - (5) R7 275
24. Where will the deposit of R46 945 be recorded after the reconciling differences have been taken into account?
- (1) cash receipts journal.
 - (2) cash payments journal.
 - (3) debit side of the bank reconciliation statement.
 - (4) credit side of the bank reconciliation statement.
 - (5) credit side of the bank account .
25. The following information relates to the accounting cycle.
- (a) Completion of a source document.
 - (b) Posting to the ledger.
 - (c) Transaction takes place.
 - (d) Recording of transactions in journals.
 - (e) Reporting in financial statements.
 - (f) Decision making by the management.
 - (g) Analysis and interpretation of financial statements.
- What is the correct order in which the accounting information is processed through the accounting cycle?
- (1) (a),(c),(d),(b),(e) and (f)
 - (2) (c),(a),(d),(b),(e),(g) and (f)
 - (3) (a),(b),(c),(d),(e),(f) and (g)
 - (4) (c),(d),(a),(b),(e),(g) and (f)
 - (5) (g),(f),(e),(d),(c),(b) and (a)

END OF ASSIGNMENT 01 FOR FIRST SEMESTER

16 ANNEXURE D: ASSIGNMENT 02 (SEMESTER 1)

THIS ASSIGNMENT IS COMPULSORY.

**MARKS COUNT 50% TOWARDS YOUR
YEAR MARK.**

**FOR STUDENTS REGISTERED
FOR THE FIRST SEMESTER**

Due date: 1 April 2016

Unique number: 736819

ANNEXURE D: ASSIGNMENT 02 FOR THE FIRST SEMESTER

Do NOT submit assignments by means of fax or e-mail.

1. Answer this assignment on a **mark-reading sheet** or submit it via the **Unisa Mobile MCQ Application** or **myUnisa**. This assignment is marked electronically, hence the **strict adherence** to the due date.
2. Before doing this assignment, please read paragraph 8 of this tutorial letter.
3. This assignment covers study units 1 to 17 and comprises of 25 multiple-choice questions.
4. **We shall not move the due date of this assignment, allow you to submit it late, or enter into correspondence or telephone conversations in this regard.**
5. **Important aspects regarding multiple-choice question (MCQ) assignments**
 - ♦ If you do not submit Assignment 02 electronically via the Unisa Mobile MCQ Application or myUnisa, you will need a mark-reading sheet. Before completing the mark-reading sheet, please see the instructions in this year's issue of *my Studies @ Unisa*. Read these instructions **carefully** and follow them **exactly** to avoid mistakes.
 - ♦ Carefully work through the relevant tutorial matter before you tackle the assignment.
 - ♦ Calculate your answer on a separate piece of paper before you complete the mark-reading sheet.

REMEMBER

There is only **one** correct answer to each question.

All questions are equal in value.

If you use a mark-reading sheet:

- Use only the provided mark-reading sheet.
- Colour in the correct block with a HB pencil.
- Fill in your student number correctly.
- Fill in the assignment number correctly.
- Fill in the **unique assignment number** for the specific semester correctly. Every assignment which is marked by the computer has a unique number. The number contains information on the module code and assignment number. For example, when the computer reads the unique number 736819 on the mark-reading sheet, the computer identifies that it is Assignment 02 for FAC1502.
- Send **only** your mark-reading sheet to the Assignment Section in the appropriate envelope.
- Make sure that you have enough mark-reading sheets.

DO NOT

- colour more than one block per question
- tear or fold the mark-reading sheet
- staple the mark-reading sheet to another piece of paper
- colour outside the block
- colour in the block with a pen
- make corrections with correction fluid
- submit answers on a written sheet of paper
- try to repair a torn mark-reading sheet with sticky tape (Use another mark-reading sheet.)

ASSIGNMENT 02 FOR FIRST SEMESTER

DUE DATE: 1 April 2016

UNIQUE NUMBER: 736819 (MULTIPLE-CHOICE QUESTIONS)

Do this assignment on a mark-reading sheet and mail it, or submit it via the Unisa MobileMCQ Application or myUnisa.

Use the following information to answer questions 1 to 8

On 31 March 2015, Laura Mapetla traded in an old machine, which had a purchase price of R12 000 and an accumulated depreciation of R8 000 on 31 December 2014, for a new machine costing R20 000. The machine was put in use on 1 April 2015.

The trade-in value of the old machine was R5 000. Laura provides for depreciation on machinery at 20% per annum according to the diminishing balance method.

Ignore VAT for the purpose of this question.

1. The depreciation of the old machine for the financial year ended 31 December 2015, is ...
 - (1) R 600
 - (2) R 400
 - (3) R 200
 - (4) R3 000
 - (5) R2 000

2. Which of the following alternatives represent the total accumulated depreciation of the old machine at the date of trade in, 31 March 2015, if it is assumed the depreciation was R800 on 31 March 2015?
 - (1) R 4 000
 - (2) R 8 800
 - (3) R 8 600
 - (4) R11 200
 - (5) R 8 000

3. The carrying amount of the old machine at date of trade-in on 31 March 2015, is ... if it is assumed that the depreciation and the accumulated depreciation were respectively R800 and R8 700 on 31 March 2015.
 - (1) R12 000
 - (2) R 4 200
 - (3) R11 200
 - (4) R 3 300
 - (5) R 2 500

4. The profit/loss on disposal of the machine amounts to ... if it is assumed that the depreciation and the accumulated depreciation were respectively R800 and R8 700 on 31 March 2015.
 - (1) R6 200 profit
 - (2) R1 700 profit
 - (3) R3 300 profit
 - (4) R1 700 loss
 - (5) R6 200 loss

ASSIGNMENT 02 (continue)

5. The depreciation of the new machine for the financial year ended 31 December 2015, is
- (1) R1 000
 - (2) R4 000
 - (3) R3 000
 - (4) R 600
 - (5) R2 000
6. The depreciation amount that needs to be disclosed for machines in the statement of profit and loss and other comprehensive income for the year ended 31 December 2015, is ... if it is assumed that the depreciation and the accumulated depreciation on the old machine were respectively R800 and R8 700 and the depreciation on the new machine was R4 200.
- (1) R 5 000
 - (2) R 4 200
 - (3) R 800
 - (4) R 9 500
 - (5) R12 900
7. The carrying amount of property, plant and equipment at 1 January 2015, is ...
- (1) R20 000
 - (2) R12 000
 - (3) R 8 000
 - (4) R 4 000
 - (5) R 3 800
8. The carrying amount of property, plant and equipment at 31 December 2015, is ... if it is assumed that the depreciation and the accumulated depreciation on the old machine were respectively R800 and R8 700 and the depreciation on the new machine was R4 200.
- (1) R27 000
 - (2) R18 300
 - (3) R15 800
 - (4) R20 000
 - (5) R19 100

Question 9 follows on the next page.

ASSIGNMENT 02 (continue)

Use the following information for question 9 to 19

On 31 May 2015, the end of the financial year of the entity the following pre-adjustment trial balance were compiled from the accounting records of Mbalabs Wholesalers:

MBALABS WHOLESALERS

PRE-ADJUSTMENT TRIAL BALANCE AT 31 MAY 2015

	Debit R	Credit R
Capital.....	-	?
Drawings.....	10 000	-
Fixed deposit.....	60 000	-
Land and buildings at cost.....	300 000	-
Furniture at cost.....	45 000	-
Mortgage.....	-	60 000
Bank.....	9 400	-
Trading inventory (1 June 2014).....	24 000	-
Creditors control.....	-	14 600
Debtors control.....	10 800	-
Revenue from sales.....	-	149 200
Purchases.....	70 000	-
Purchases returns.....	-	1 650
Rental income.....	-	7 200
Bank charges.....	200	-
Insurance.....	4 000	-
Credit losses.....	300	-
Settlement discount granted.....	500	-
Municipal taxes.....	1 200	-
Salaries and wages.....	12 900	-
Carriage on purchases.....	1 440	-
Carriage on sales.....	1 800	-
Custom duties on purchases.....	250	-
Packing material.....	2 790	-
Interest on mortgage.....	4 950	-

Additional information

- (a) On 1 March 2015, the owner deposited an additional amount of R100 000 into the bank account of the business. This transaction was correctly recorded in the accounting records of the entity.
- (b) Depreciation on furniture must still be provided for at 20% per annum on the straight line method. The furniture was bought on 31 July 2014.
- (c) The fixed deposit consists of an investment at Wet Bank at 10% interest per annum, callable at 31 May 2020. The money was invested on 1 September 2014. Interest for the year must still be provided for.
- (d) On 1 January 2015 the owner took inventory to the value of R5 000 (at cost) for personal use. The transaction was not entered in the accounting records.
- (e) On 31 May 2015, the following inventory was on hand:
 - Trading inventory, R29 000
 - Packing material, R190

ASSIGNMENT 02 (continued)

- (f) An allowance for credit losses of R800.
- (g) Included in the amount for insurance is an annual insurance premium amounting to R3 600 which was paid on 1 August 2014.
- (h) The May 2014 salary of the secretary amounting to R6 000, has not yet been paid.
- (i) The mortgage was obtained from XYZ Bank during the previous financial year and bears interest at a rate of 9 % per annum payable monthly in arrears. Interest for May 2015 must still be accounted for. On 31 December 2015 an amount of R5 000 is repayable on the mortgage.
9. The gross profit in the statement of profit or loss and other comprehensive income of Mbalabs Wholesalers for the year ended 31 May 2015, will be:
- (1) R80 960
 - (2) R88 860
 - (3) R60 040
 - (4) R84 110
 - (5) R78 860
10. The amount for insurance in the statement of profit or loss and other comprehensive income of Mbalabs Wholesalers for the year ended 31 May 2015 will be:
- (1) R1 000
 - (2) R3 700
 - (3) R 400
 - (4) R3 400
 - (5) R2 200
11. The amount of interest income in the statement of profit or loss and other comprehensive income of Mbalabs Wholesalers for the year ended 31 May 2015, will be:
- (1) R5 400
 - (2) R4 500
 - (3) R1 500
 - (4) R6 000
 - (5) R 600
12. The amount of finance costs in the statement of profit or loss and other comprehensive income of Mbalabs Wholesalers for the year ended 31 May 2015, will be:
- (1) R4 550
 - (2) R5 150
 - (3) R4 500
 - (4) R5 325
 - (5) R5 400
13. The amount for credit losses in the statement of profit or loss and other comprehensive income of Mbalabs Wholesalers for the year ended 31 May 2015, will be:
- (1) R 300
 - (2) R1 100
 - (3) R 800
 - (4) R 500
 - (5) R5 800

ASSIGNMENT 02 (continued)

14. The balance of capital at 1 June 2014 in the statement of changes in equity of Mbalabs Wholesalers for the year ended 31 May 2015, will be:
- (1) R326 880
 - (2) R318 240
 - (3) R226 880
 - (4) R218 240
 - (5) R426 880
15. The amount for drawings in the statement of changes in equity of Mbalabs Wholesalers for the year ended 31 May 2015, will be:
- (1) R10 000
 - (2) R 5 000
 - (3) R 5 700
 - (4) R15 000
 - (5) R15 700
16. If it is assumed that the amount for capital is, R326 880; drawings, R15 700 (after additional information (d) was taken into consideration) and the comprehensive income for the year, R65 210. What will the amount of the total equity in the statement of financial position of Mbalabs Wholesalers as at 31 May 2015 be:
- (1) R376 390
 - (2) R277 370
 - (3) R326 880
 - (4) R407 790
 - (5) R476 390
17. The amount for inventory in the statement of financial position of Mbalabs Wholesalers as at 31 May 2015, will be:
- (1) R29 190
 - (2) R24 190
 - (3) R24 000
 - (4) R29 000
 - (5) R 190
18. The amount for salaries and wages in the statement of profit and loss and other comprehensive income for the year ended 31 May 2015, will be:
- (1) R18 900
 - (2) R12 900
 - (3) R 6 900
 - (4) R 6 000
 - (5) R18 000
19. The total of non-current assets in the statement of financial position of Mbalabs Wholesalers as at 31 May 2015 will be:
- (1) R405 000
 - (2) R337 500
 - (3) R390 000
 - (4) R397 500
 - (5) R462 000

ASSIGNMENT 02 (continue)

Use the following information to answer questions 20 to 21

	R	R
Revenue.....		709 800
Cost of sales.....		?
Opening inventory.....	34 900	
Purchases.....	?	
Carriage on purchases.....	1 200	
Closing inventory.....	(58 600)	
Gross profit.....		?

20. What is the amount of cost of sales for the year if the entity uses a gross profit mark-up percentage of 25%?
- (1) R141 960
(2) R567 840
(3) R887 250
(4) R177 450
(5) R531 675
21. If the gross profit for the year was R30 800, what will the amount for net purchases for the year be?
- (1) R701 500
(2) R740 600
(3) R656 500
(4) R679 000
(5) R718 100

Use the following information to answer questions 22 to 25

Extract from the Trial Balance of Brag Tennis Club at 31 May 2015

	R
Membership fees received.....	390 000
Membership fees in arrears – 1 June 2014.....	75 000
Membership fees prepaid – 1 June 2014.....	20 000
Bar purchases.....	79 000
Bar inventory – 1 June 2014.....	15 000
Bar sales.....	128 000
Bar wages.....	12 000

Additional information

- (a) The club had 380 members during the current financial year. Membership fees amount to R1 000 per member per annum. Some members did not pay their membership fees for the current financial year. 50 members have paid their 2016 membership fees in advance. R10 000 of the membership fees in arrears on 1 June 2014 must be written off as irrecoverable.
- (b) Bar inventory on 31 May 2015 amounted to R18 000.

ASSIGNMENT 02 (continue)

22. The amount of the membership fees account that must be transferred to the income and expenditure statement for the year ended 31 May 2015, is ...
- (1) R360 000
 - (2) R445 000
 - (3) R390 000
 - (4) R380 000
 - (5) R430 000
23. The amount of membership fees in arrears for the year ended 31 May 2015, is ...
- (1) R115 000
 - (2) R105 000
 - (3) R 85 000
 - (4) R 75 000
 - (5) R 95 000
24. The gross profit amount for the bar for the year ended 31 May 2015, is ...
- (1) R32 000
 - (2) R52 000
 - (3) R31 000
 - (4) R49 000
 - (5) R61 000
25. The total profit for the bar for the year ended 31 May 2015, is
- (1) R20 000
 - (2) R19 000
 - (3) R40 000
 - (4) R37 000
 - (5) R49 000

END OF ASSIGNMENT 02 FOR FIRST SEMESTER

17 ANNEXURE E: ASSIGNMENT 01 (SEMESTER 2)

**THIS ASSIGNMENT IS COMPULSORY
AND IS NECESSARY FOR
EXAMINATION ADMISSION.**

**MARKS COUNT 50% TOWARDS YOUR
YEAR MARK.**

**FOR STUDENTS REGISTERED
FOR THE SECOND SEMESTER**

Due date: 19 August 2016

Unique number: 868156

ANNEXURE E: ASSIGNMENT 01 FOR SECOND SEMESTER

Do NOT submit assignments by means of fax or e-mail.

1. Answer this assignment on a **mark-reading sheet** or submit it via the **Unisa Mobile MCQ Application** or **myUnisa**. This assignment is marked electronically, hence the **strict adherence** to the due date.
2. Before doing this assignment, please read paragraph 8 of this tutorial letter.
3. This assignment covers study units 1 to 9 and comprises of 25 multiple-choice questions.
4. **We shall not move the due date of this assignment, allow you to submit it late, or enter into correspondence or telephone conversations in this regard.**
5. **Important aspects regarding multiple-choice question (MCQ) assignments**
 - ♦ If you do not submit Assignment 01 electronically via the Unisa Mobile MCQ Application or myUnisa, you will need a mark-reading sheet. Before completing the mark-reading sheet, please see the instructions in this year's issue of *my Studies @ Unisa*. Read these instructions **carefully** and follow them **exactly** to avoid mistakes.
 - ♦ Carefully work through the relevant tutorial matter before you tackle the assignment.
 - ♦ Calculate your answer on a separate piece of paper before you complete the mark-reading sheet.

REMEMBER

There is only **one** correct answer to each question.

All questions are equal in value.

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- Fill in your student number correctly.
- Fill in the assignment number correctly.
- Fill in the **unique assignment number** for the specific semester correctly. Every assignment which is marked by the computer has a unique number. The number contains information on the module code and assignment number. For example, when the computer reads the unique number 868156 on the mark-reading sheet, the computer identifies that it is Assignment 01 for FAC1502.
- Send **only** your mark-reading sheet to the Assignment Section in the appropriate envelope.
- Make sure that you have enough mark-reading sheets.

DO NOT

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- tear or fold the mark-reading sheet
- staple the mark-reading sheet to another piece of paper
- colour outside the block
- colour in the block with a pen
- make corrections with correction fluid
- submit answers on a written sheet of paper
- try to repair a torn mark-reading sheet with sticky tape (Use another mark-reading sheet.)

ASSIGNMENT 01 FOR THE SECOND SEMESTER

DUE DATE: 19 August 2016

UNIQUE NUMBER: 868156 (MULTIPLE-CHOICE QUESTIONS)

Do this assignment on a mark-reading sheet and mail it, or submit it via the Unisa Mobile MCQ Application or myUnisa.

Use the following information to answer questions 1 to 14:

The following information for March 2016 pertains to Masuku Enterprise:

	R
1. Totals of the cash journals at 31 March 2016:	
Cash receipts journal.....	15 685
Cash payments journal.....	13 236
2. Favourable balance of bank account in the general ledger at 28 February 2016.....	750
3. Favourable balance according to the bank statement at 31 March 2016.....	8 493
4. Items appearing on the bank reconciliation statement as at 28 February 2016 but not on the bank statement for March 2016:	
Cheque no 345, issued to a creditor Dalrius Dealers on 8 September 2015. The cheque has become stale.....	1 650
5. Items appearing in the cash journals for March 2016 but not on the bank statement for the same month:	
Cheque no 856, dated 28 March 2016, issued to creditor S Madiki.....	3 600
Cheque no 858, dated 28 March 2016, issued to creditor P Planti.....	3 000
Cheque no 863, dated 29 March 2016, issued to Incredible One Touch for communication expenses.....	1 659
A deposit made on 27 March 2016. On enquiring at the bank it was established that the money was incorrectly deposited into the account of another client of the bank.....	4 710
6. Items appearing on the bank statement for March 2016 but not in the cash journals for the same period:	
Bank charges.....	250
Cash handling fee.....	65
A deposit by P Kwinana for rent.....	4 000
A cheque received from a debtor, N Madula, returned by the bank, marked R/D.....	910
Interest received on fixed deposit.....	200
A deposit from a debtor, G Mapetela, paid directly into the bank account.....	1 000
A cheque issued by D Dakula, another client of the bank.....	3 780
7. A cheque for R1 500, issued during March 2016 as payment for cash purchases, was recorded in the cash payments journal as R150. This error must still be corrected.	
8. A review of the bank statement for March 2016 showed that a deposit of R1 250 was made by another client of the bank.	

ASSIGNMENT 01 (continue)

1. The stale cheque issued to Dalrius Dealers must be cancelled by making an entry in the ...
 - (1) general journal.
 - (2) cash receipts journal.
 - (3) cash payments journal.
 - (4) purchases returns journal.
 - (5) credit side of the bank account.

2. The deposit of R1 250 made by another client of the bank will be corrected by making an entry in the ...
 - (1) cash receipts journal.
 - (2) cash payments journal.
 - (3) bank reconciliation statement in the debit column.
 - (4) bank reconciliation statement in the credit column.
 - (5) debit side of the bank account.

3. The cheque received from a debtor, N Madula, returned by the bank, marked R/D will be cancelled by making an entry in the ...
 - (1) cash receipts journal.
 - (2) bank reconciliation statement.
 - (3) cash payments journal.
 - (4) general journal.
 - (5) sales returns journal.

4. The cheque for R1 500, issued during March 2016 as payment for cash purchases that was recorded in the cash payments journal as R150, must be corrected by making an entry of R..., in the ... journal.
 - (1) R1 500 in the cash receipts.
 - (2) R1 350 in the cash payments.
 - (3) R1 350 in the cash receipts.
 - (4) R1 500 in the cash payments.
 - (5) R 150 in the cash receipts.

5. The cheques appearing in the cash journals for March 2016 but not on the bank statement for the same month are:

Cheque no 856, dated 28 March 2016, issued to creditor S Madiki
 Cheque no 858, dated 28 March 2016, issued to creditor P Plant
 Cheque no 863, dated 29 March 2016, issued to Incredible One Touch for communication expenses

These cheques will be entered in the ...

 - (1) bank reconciliation statement as a credit.
 - (2) bank reconciliation statement as a debit.
 - (3) cash payments journal.
 - (4) cash receipts journal.
 - (5) bank account.

6. The interest received on fixed deposit must be entered in the ...
 - (1) cash receipts journal.
 - (2) cash payments journal.
 - (3) bank reconciliation statement as a credit.
 - (4) bank reconciliation statement as a debit.
 - (5) bank account as a credit.

ASSIGNMENT 01 (continue)

7. The total of the cash receipts journal that must be transferred to the bank account at the end of March 2015, is ...
- (1) R15 685
 - (2) R22 535
 - (3) R17 535
 - (4) R21 535
 - (5) R 6 850
8. The total of the cash payments journal that must be transferred to the bank account at the end of March 2015, is ...
- (1) R14 461
 - (2) R13 236
 - (3) R 2 575
 - (4) R15 811
 - (5) R15 961
9. Assume that the totals of the cash receipts journal and the cash payments journal are respectively R22 000 and R15 000 after all the adjustments. What will the balance as per bank account in the bank reconciliation statement as at 31 March 2016 be?
- (1) R7 000 (debit).
 - (2) R 750 (debit).
 - (3) R6 250 (credit).
 - (4) R7 000 (credit).
 - (5) R7 750 (debit).
10. A favourable balance at 1 March 2016 in the bank account must be entered in the ...
- (1) bank reconciliation statement as a credit.
 - (2) bank reconciliation statement as a debit.
 - (3) bank account as a debit.
 - (4) bank account as a credit.
 - (5) bank account on the debit side as well as a debit in the bank reconciliation statement.
11. The cash handling fee must be entered in the ...
- (1) cash receipts journal.
 - (2) bank reconciliation statement as a debit.
 - (3) bank reconciliation statement as a credit.
 - (4) cash payments journal.
 - (5) debit side of the bank account.
12. The total in the cash receipts journal must be posted to the ...
- (1) debit side of the bank reconciliation statement.
 - (2) credit side of the bank reconciliation statement.
 - (3) debit side of the bank account
 - (4) credit side of the bank account.
 - (5) debit side of the bank account as well as the credit side of the bank reconciliation statement.
13. The direct deposit of R4 000 by P Kwinana for rent must be entered in the ...
- (1) cash receipts journal.
 - (2) bank reconciliation statement on the debit side.
 - (3) bank reconciliation statement on the credit side.
 - (4) cash payments journal.
 - (5) bank account on the debit side.

ASSIGNMENT 01 (continued)

14. The cheque that was issued by another client of the bank, D Dakula appeared on the bank statement for March 2016 but not in the cash journals for the same period. This error will be corrected by making an entry in the
- (1) bank reconciliation statement on the debit side.
 - (2) bank reconciliation statement on the credit side.
 - (3) cash receipts journal.
 - (4) cash payments journal.
 - (5) bank account on the debit side.

Use the following information to answer questions 15 to 22:

At the end of the financial year, 29 February 2016, the recently appointed accountant of Betty General Dealers discovered that the trial balance did not balance and that the balances of the trade debtors and trade creditors control accounts did not correspond with the trade debtors and trade creditors' lists. The accountant requested your assistance and made the following information available to you:

1. **Extract from the accounting records for the year ended 29 February 2016 (before the corrections in 1.1 to 1.6 below)**

	Dr R	Cr R
Property at cost.....	360 000	
Vehicles at carrying value.....	144 000	
Long-term loan.....		80 000
Capital.....		368
Sales.....		000
Drawings.....	200 000	960
Cost of sales.....	600 000	000
Water and electricity.....	9 600	
Depreciation.....	36 000	
Property tax.....	16 240	
Bank charges.....	1 680	
Postage.....	720	
Rental expenses.....	77 320	
Settlement discount granted.....	2 000	
Settlement discount received.....		
Petty cash.....	240	
Bank overdraft.....		400
Debtors control.....	180 000	
Creditors control.....		58 560
Inventory.....	24 000	
		166
		800

2. **Balances according to trade debtors list**

	R
Y Odesola.....	24 000
B Efanga.....	34 800
D Akpu	55 680
G Mhlambiso	66 000
	180 480

ASSIGNMENT 01 (continued)

3. Balances according to trade creditors list

	R
A Fortuin.....	60 000
G Reddy.....	16 000
M Kunene.....	71 600
D Grant.....	20 640
	168 240

An investigation of the accounting records of the entity indicated that:

- 1.1 repairs to vehicles on 1 July 2015 to the value of R1 200 was correctly entered in the cash payments journal but was incorrectly debited to the vehicles account;
 - 1.2 depreciation on vehicles was provided for at 20% per annum on the diminishing balance method. This amount was incorrectly provided for as a result of the incorrect posting of repairs, in point 1.1 above, on 1 July 2015;
 - 1.3 credit sales to the value of R1 680 to Y Odesola was correctly entered in the sales journal, but was debited to the account of D Akpu in the debtors ledger as R960;
 - 1.4 credit purchases from M Kunene to the value of R2 280 was entered in the purchases returns journal and posted to the purchases returns account in the general ledger;
 - 1.5 credit sales to G Mhlambiso to the value of R2 400, was entered in the sales journal as R2 040 and was also posted to the general ledger as R2 040; and
 - 1.6 settlement discount of R340 granted to D Akpu when he paid his account was not entered in the accounting records.
15. What would the journal entry be to correct 1.1 above?
- (1) credit the vehicles account and debit the repairs to motor vehicles account.
 - (2) debit the vehicles account and credit the repairs to motor vehicles account.
 - (3) credit the vehicles account and debit the accumulated depreciation: vehicles account.
 - (4) debit the vehicles account and credit the accumulated depreciation: vehicles account.
 - (5) debit the bank account and credit the repairs to motor vehicles account.
16. What will the journal entry be to correct the depreciation in 1.2 above?
- (1) credit the vehicles account and debit the accumulated depreciation: vehicles account.
 - (2) debit the vehicles account and credit the accumulated depreciation: vehicles account.
 - (3) debit the depreciation account and credit the accumulated depreciation: vehicles account.
 - (4) credit the depreciation account and debit the accumulated depreciation: vehicles account.
 - (5) credit the bank account and debit the accumulated depreciation: vehicles account.
17. The correct depreciation amount after the correction in 1.2 above is
- (1) R 35 760
 - (2) R 36 000
 - (3) R 1 200
 - (4) R180 000
 - (5) R 35 840

ASSIGNMENT 01 (continued)

18. What will the journal entry be to correct 1.3?
- (1) debit Y Odesola's account (debtors control account) with R1 680; credit D Akpu's account (debtors control account) with R960.
 - (2) debit Y Odesola's account (debtors control account) with R720; credit D Akpu's account (debtors control account) with R720.
 - (3) debit D Akpu's account (debtors control account) with R1 680; credit Y Odesola's account (debtors control account) with R1 680.
 - (4) debit Y Odesola's account (debtors control account) with R1 680; credit D Akpu's account (debtors control account) with R1 680.
 - (5) debit Y Odesola's account (debtors control account) with R960; credit D Akpu's account (debtors control account) with R960.
19. What will the journal entry be to **reverse** the incorrect posting of purchase returns in 1.4?
- (1) debit the purchases account and credit the purchases returns account.
 - (2) debit the purchases returns account and credit M Kunene (creditors control account).
 - (3) debit the purchases account and credit M Kunene (creditors control account).
 - (4) debit the purchase returns account and credit the purchases account.
 - (5) debit the inventory account and credit M Kunene (creditors control account).
20. What will the correct journal entry be for 1.4?
- (1) debit the purchases account and credit the purchases returns account.
 - (2) debit the purchases returns account and credit M Kunene's account (creditors control account).
 - (3) debit the purchases account and credit M Kunene's account (creditors control account).
 - (4) debit the purchases returns account and credit the purchases account.
 - (5) debit the inventory account and credit M Kunene (creditors control account).
21. What will the journal entry be for 1.5?
- (1) debit G Mhlambiso's account (debtors control account) with R360 and credit the sales account with R360.
 - (2) debit the sales account with R2 040 and credit G Mhlambiso's account (debtors control account) with R2 040.
 - (3) debit the sales account with R360 and credit G Mhlambiso's account (debtors control account) with R360.
 - (4) debit G Mhlambiso's account (debtors control account) with R2 040 and credit the sales account with R2 040.
 - (5) debit G Mhlambiso's account (debtors control account) with R2 040 and credit the sales account with R 2 400.
22. What will the journal entry be to record 1.6?
- (1) debit the sales account with R340 and credit the settlement discount granted account with R340.
 - (2) debit the settlement discount granted account with R340 and credit the sales account with R340.
 - (3) debit D Akpu's account (debtors control account) with R340 and credit the settlement discount granted account with R340.
 - (4) debit D Akpu's account (debtors control account) with R340 and credit the sales account with R340.
 - (5) debit the settlement discount granted account with R340 and credit D Akpu's account (debtors control account) with R340.

ASSIGNMENT 01 (continued)

23. A debtor of Diamond Dealers, T Jones owed the entity R3 500. He disappeared and could not be traced. It was decided to write off his debt. **(Ignore any VAT implications.)**

What will the journal entry be to record this transaction?

- (1) debit the allowance for credit losses account with R3 500 and credit the credit losses account with R3 500.
 - (2) debit the credit losses account with R3 500 and credit the debtors control account with R3 500.
 - (3) debit the allowance for credit losses account with R3 500 and credit the debtors control account with R3 500.
 - (4) debit the sales account with R3 500 and credit the allowance for credit losses account with R3 500.
 - (5) debit sales account with R3 500 and credit the credit losses account with R3 500.
24. At the end of the financial year of Diamond Dealers, R367 worth of stationery for office use was still on hand.

What is the journal entry to record this transaction?

- (1) debit the inventory account with R367 and credit the stationery account with R367.
 - (2) debit the stationery account with R367 and credit consumable stores on hand account with R367.
 - (3) debit the consumable stores on hand account with R367 and credit the stationery account with R367.
 - (4) debit the purchases returns account with R367 and credit the consumable stores on hand account with R367.
 - (5) debit the inventory account with R367 and credit the stationery account with R367.
25. A machine was bought for a total of R57 000 inclusive of VAT. VAT is levied at 14%. What is the VAT amount?
- (1) R 7 980
 - (2) R 5 700
 - (3) R 5 182
 - (4) R 7 000
 - (5) R50 000

END OF ASSIGNMENT 01 FOR THE SECOND SEMESTER

18 ANNEXURE F: ASSIGNMENT 02 (SEMESTER 2)

THIS ASSIGNMENT IS COMPULSORY.

**MARKS COUNT 50% TOWARDS YOUR
YEAR MARK.**

**FOR STUDENTS REGISTERED
FOR THE SECOND SEMESTER**

Due date: 9 September 2016

Unique number: 601003

ANNEXURE E: ASSIGNMENT 02 FOR SECOND SEMESTER

Do NOT submit assignments by means of fax or e-mail.

1. Answer this assignment on a **mark-reading sheet** or submit it via the **Unisa Mobile MCQ Application** or **myUnisa**. This assignment is marked electronically, hence the **strict adherence** to the due date.
2. Before doing this assignment, please read paragraph 8 of this tutorial letter.
3. This assignment covers study units 1 to 17 and comprises of 25 multiple-choice questions.
4. **We shall not move the due date of this assignment, allow you to submit it late, or enter into correspondence or telephone conversations in this regard.**
5. **Important aspects regarding multiple-choice question (MCQ) assignments**
 - ◆ If you do not submit Assignment 02 electronically via the Unisa Mobile MCQ Application or myUnisa, you will need a mark-reading sheet. Before completing the mark-reading sheet, please see the instructions in this year's issue of *my Studies @ Unisa*. Read these instructions **carefully** and follow them **exactly** to avoid mistakes.
 - ◆ Carefully work through the relevant tutorial matter before you tackle the assignment.
 - ◆ Calculate your answer on a separate piece of paper before you complete the mark-reading sheet.

REMEMBER

There is only **one** correct answer to each question.

All questions are equal in value.

If you use a mark-reading sheet:

- Use only the provided mark-reading sheet.
- Colour in the correct block with a HB pencil.
- Fill in your student number correctly.
- Fill in the assignment number correctly.
- Fill in the **unique assignment number** for the specific semester correctly. Every assignment which is marked by the computer has a unique number. The number contains information on the module code and assignment number. For example, when the computer reads the unique number 601003 on the mark-reading sheet, the computer identifies that it is Assignment 02 for FAC1502.
- Send **only** your mark-reading sheet to the Assignment Section in the appropriate envelope.
- Make sure that you have enough mark-reading sheets.

DO NOT

- colour more than one block per question
- tear or fold the mark-reading sheet
- staple the mark-reading sheet to another piece of paper
- colour outside the block
- colour in the block with a pen
- make corrections with correction fluid
- submit answers on a written sheet of paper
- try to repair a torn mark-reading sheet with sticky tape (Use another mark-reading sheet.)

ASSIGNMENT 02 FOR THE SECOND SEMESTER

DUE DATE: 9 September 2016

UNIQUE NUMBER: 601003 (MULTIPLE-CHOICE QUESTIONS)

Do this assignment on a mark-reading sheet and mail it, or submit it via the Unisa Mobile MCQ Application or myUnisa.

Use the following information to answer questions 1 to 17:

The following trial balance was taken from the accounting records of Mike’s Rocking Chairs:

PRE-ADJUSTMENT TRIAL BALANCE OF MIKE’S ROCKING CHAIRS AS AT 29 FEBRUARY 2016

	Debit R	Credit R
Capital.....		200 000
Drawings.....	50 000	
Motor vehicles at cost.....	250 000	
Furniture and fittings at cost.....	30 000	
Inventory (Rocking chairs) – 1 March 2015.....	75 000	
Debtors control.....	100 000	
Allowance for credit losses.....		2 500
Accumulated depreciation: Motor vehicles (1 March 2015).....		125 000
Accumulated depreciation: Furniture and fittings (1 March 2015).....		15 000
Creditors control.....		45 000
Bank overdraft.....		18 000
Long-term loan.....		159 000
Sales.....		725 000
Interest expenses.....	12 500	
Interest on bank overdraft.....	2 000	
Rental expenses.....	120 000	
Motor vehicle expenses.....	65 000	
Franchise fees.....	90 500	
Advertising expenses.....	5 500	
Water and electricity.....	4 000	
Purchases (Rocking chairs).....	485 000	
	1 289 500	1 289 500

Additional information

The following transactions must still be taken into account for the year ended 29 February 2016:

- (a) Provision must be made for the outstanding interest on the long-term loan at 10% per annum.
- (b) The first payment of R10 000 on the long-term loan was on 1 March 2016.
- (c) The inventory count at 29 February 2016 recorded 28 rocking chairs valued at R3 000 each on hand. The inventory is valued at the lowest of cost or net realisable value.
- (d) The estate of a client is insolvent. Only R2 000 of the R5 000 owed was recovered from the insolvent estate.
- (e) The allowance for credit losses must be increased with R500 for the year ended 29 February 2016.

ASSIGNMENT 02 (continued)

- (f) Depreciation must be provided for on the diminishing balance method. The depreciation rate for motor vehicles is 20% per annum and that of furniture and fittings, 10% per annum. A new vehicle was purchased on 1 January 2016 at a cost price of R48 000. No other non-current asset were acquired or disposed of during the year.
- (g) The owner deposited R40 000 cash into the bank account of the business.
- (h) Sales on credit to Mr Sushi on 26 February 2016 to the value of R8 000 was not yet recorded in the accounting records of Mike's Rocking Chairs, but was taken into consideration during the inventory count.
- (i) The water and electricity account of R1 400 for February 2016 was only received on 1 March 2016 and is payable on or before 10 March 2016.
1. Calculate the accrued interest expenses in additional information (a).
 - (1) R 12 500
 - (2) R 15 900
 - (3) R 3 400
 - (4) R159 000
 - (5) R174 900
 2. What will the journal entry be for additional information (e)?
 - (1) debit the credit losses account and credit the allowance for credit losses account.
 - (2) debit the allowance for credit losses account and credit the credit losses account.
 - (3) debit the sales returns account and credit the allowance for credit losses account.
 - (4) debit the allowance for credit losses account and credit the sales returns account.
 - (5) debit the debtors control account and credit the sales returns.
 3. Calculate the depreciation amount for additional information (f).
 - (1) R 1 600
 - (2) R77 000
 - (3) R17 000
 - (4) R15 400
 - (5) R18 500
 4. What is the journal entry for additional information (g)?
 - (1) debit the capital account and credit the bank account.
 - (2) debit the drawings account and credit the bank account.
 - (3) debit the bank account and credit the capital account.
 - (4) debit the bank account and credit the drawings account.
 - (5) debit the drawings account and credit the capital account.
 5. What will the journal entry be for additional information (h)?
 - (1) debit the sales account and credit the debtors control account.
 - (2) debit the bank account and credit the sales account.
 - (3) debit the debtors control account and credit the sales account.
 - (4) debit the sales account and credit the bank account.
 - (5) debit the cost of sales account and credit the sales account.
 6. What will the journal entry be for additional information (i)?
 - (1) debit the water and electricity account and credit the accrued expenses account.
 - (2) debit the water and electricity account and credit the prepaid expenses account.
 - (3) debit the accrued expenses account and credit the water and electricity account.
 - (4) debit the prepaid expenses account and credit the water and electricity account.
 - (5) debit the water and electricity account and credit the bank account.

ASSIGNMENT 02 (continued)

7. The revenue amount to be recognised in the statement of profit or loss and other comprehensive income of Mike's Rocking Chairs for the year ended 29 February 2016, is ...
- (1) R725 000
 - (2) R717 000
 - (3) R257 000
 - (4) R733 000
 - (5) R173 000
8. The cost of sales in the statement of profit or loss and other comprehensive income of Mike's Rocking Chairs for the year ended 29 February 2016, is ...
- (1) R485 000
 - (2) R560 000
 - (3) R476 000
 - (4) R557 000
 - (5) R401 000
9. The amount for credit losses in the statement of profit or loss and other comprehensive income of Mike's Rocking Chairs for the year ended 29 February 2016, is ...
- (1) R5 000
 - (2) R3 500
 - (3) R2 000
 - (4) R3 000
 - (5) R2 500
10. The amount for inventory in the statement of financial position of Mike's Rocking Chairs for the year ended 29 February 2016, is
- (1) R 84 000
 - (2) R 3 000
 - (3) R 75 000
 - (4) R 78 000
 - (5) R159 000
11. The amount for non-current liabilities in the statement of financial position of Mike's Rocking Chairs for the year ended 29 February 2016, is ...
- (1) R159 000
 - (2) R169 000
 - (3) R149 000
 - (4) R 10 000
 - (5) R177 000
12. The cost price for motor vehicles in the property, plant and equipment note at the beginning of the financial year, 1 March 2015, is ...
- (1) R202 000
 - (2) R250 000
 - (3) R125 000
 - (4) R 77 000
 - (5) R298 000

ASSIGNMENT 02 (continued)

13. The accumulated depreciation amount for furniture and fittings in the property, plant and equipment note for the year ended 29 February 2016, is ... if it is assumed that the depreciation for the year amounted to R3 000.
- (1) R15 000
 - (2) R12 000
 - (3) R 3 000
 - (4) R18 000
 - (5) R 1 500
14. The carrying amount at the beginning of the year for motor vehicles in the property, plant and equipment note for the year ended 29 February 2016, is
- (1) R202 000
 - (2) R125 000
 - (3) R 77 000
 - (4) R250 000
 - (5) R109 600
15. The carrying amount at the end of the year for motor vehicles in the property, plant and equipment note for the year ended 29 February 2016, is ... if it is assumed that the accumulated depreciation on motor vehicles amounted to R140 000
- (1) R110 000
 - (2) R158 000
 - (3) R 62 000
 - (4) R140 000
 - (5) R390 000
16. The amount for capital in the statement of financial position of Mike's Rocking Chairs as at 29 February 2016, is ... if it is assumed that the total comprehensive loss for the year amounted to R36 000.
- (1) R114 000
 - (2) R154 000
 - (3) R226 000
 - (4) R200 000
 - (5) R164 000
17. When does a long term liability become a current liability?
- (1) when it becomes repayable within 24 months.
 - (2) when it becomes repayable within 21 months.
 - (3) when it becomes repayable within 15 months.
 - (4) when it becomes repayable within 12 months.
 - (5) when it becomes repayable within 18 months.

Use the following information to answer question 18 to 22:

The following balances were extracted from the accounting records of Petro Deliveries at 31 July 2015:

	R
Vehicles at cost (31 July 2015)	600 000
Accumulated depreciation: Vehicles (31 July 2015)	120 000

ASSIGNMENT 02 (continued)

Additional information

- (a) The fleet of vehicles consists of four delivery vehicles of equal value, purchased on 1 August 2014. On 30 April 2016 one of the vehicles was traded in at R80 000 for a new delivery vehicle with a cost price of R180 000. The outstanding amount payable on the new vehicle was financed by obtaining a loan from Capt Bank at an interest rate of 9% per annum.
- (b) Depreciation on the vehicles, are provided for at 20% per annum according to the straight line method.
18. The depreciation on the vehicle traded in on 30 April 2016, is ...
- (1) R24 000
 - (2) R22 500
 - (3) R30 000
 - (4) R18 000
 - (5) R 7 500
19. The depreciation on the remaining three vehicles for the year ended 31 July 2016, is ...
- (1) R126 000
 - (2) R 99 000
 - (3) R 72 000
 - (4) R 90 000
 - (5) R 22 500
20. The profit or loss on the vehicle traded in, is ... if it is assumed that the depreciation and the accumulated depreciation at the trade in date, 31 July 2016 respectively amounted to R20 000 and R60 000 for the year.
- (1) R30 000 loss.
 - (2) R30 000 profit.
 - (3) R10 000 loss.
 - (4) R10 000 profit.
 - (5) R60 000 loss.
21. The depreciation on the new vehicles is ...
- (1) R 9 000
 - (2) R36 000
 - (3) R27 000
 - (4) R 6 000
 - (5) R30 000
22. The interest payable on the new vehicle acquired for the year ended 31 July 2016 is ...
- (1) R16 200
 - (2) R 4 050
 - (3) R 2 250
 - (4) R 9 000
 - (5) R 3 000
23. Petro Deliveries owe Enren R80 000 for packing material and has been offered a settlement discount of 2,5% if the account is paid within 30 days. The discount Petro Deliveries will receive if they pay within 30 days is ...
- (1) R20 000
 - (2) R 2 000
 - (3) R 167
 - (4) R 1 667
 - (5) R 6 667

ASSIGNMENT 02 (continued)

24. If Petro Deliveries pays within 30 days, the journal entry in the accounting records of Petro Deliveries will be ...
- (1) debit the packing material account and credit the settlement discount received account.
 - (2) debit the settlement discount granted account and credit the creditors control account.
 - (3) debit the settlement discount received account and credit the packing material account.
 - (4) debit creditors and credit settlement discount received.
 - (5) debit the creditors control account and credit the packing material account.
25. Petro Deliveries decided to offer a discount of 2,5% to its biggest customer if they settle their account within 30 days. What will the journal entry be in the accounting records of Petro Deliveries if the customer of decide to take up the offer?
- (1) debit the settlement discount granted account and credit the debtors control account.
 - (2) debit the debtors control account and credit the settlement discount granted account.
 - (3) debit the sales account and credit the debtors control account.
 - (4) debit the debtors control account and credit the sales account.
 - (5) debit the settlement discount granted account and credit the sales account.

END OF ASSIGNMENT 02 FOR SECOND SEMESTER