

Question 1.1

Calculation of Comprehensive Income

Rent Income	(64 000 + (1750 X 2))	67 500
Commission Income	(2 700 - 750)	1 950
		<hr/>
		69 450
Less: Expenses		-43 603
Stationery	(3 350 - 1 550)	1 800
Credit Losses	(1 600 + 2 650)	4 250
Interest on Mortgage	W1	26 040
Levy		4 333
Insurance	W2	2 220
Water & Electricity	(2 750 + 310)	3 060
Depreciation	W3	1 900
		<hr/>
Comprehensive Income		<u>25 847</u>

Calculations:

W1 -	248 000 X 0,105 = 26 040	<i>(Interest per year)</i>
	26 040 / 12 = 2 170	<i>(Interest for one month)</i>
	23 870 + 2 170 = 26 040	
W2 -	2 405 / 13 = 185	<i>(Premium paid for 13 months, monthly premium)</i>
	2 405 - 185 = 2 220	
W3 -	Carrying Value	19 000
	Cost	34 000
	Accumulated Depreciation	-15 000
	19 000 X 0,1 = 1 900	<i>(Depreciation on Carrying Value)</i>

Question 1.2

Statement of Financial Position for Moon Traders as at 31 March 2011

ASSETS

<u>Non-Current Assets</u>		367 100
Property, Plant & Equipment	W1	367 100

<u>Current Assets</u>		52 893
Cash and Cash Equivalents		24 208
Trade and other Receivables	W2	27 135
Inventory (Consumable Goods on Hand)		1 550

419 993

EQUITY AND LIABILITIES

<u>Equity</u>		168 763
Capital	W4	168 763

<u>Non-current Liabilities</u>		248 000
Long -term loan		248 000

<u>Current Liabilities</u>		3 230
Trade and other Payables	W3	3 230

419 993

Calculations

W1 -	<i>Equipment:</i>	
	Carrying Value	17 100
	Cost	34 000
	Accumulated Depreciation (15 000 + 1 900)	-16 900

$350\,000 + 17\,100 = 367\,100$

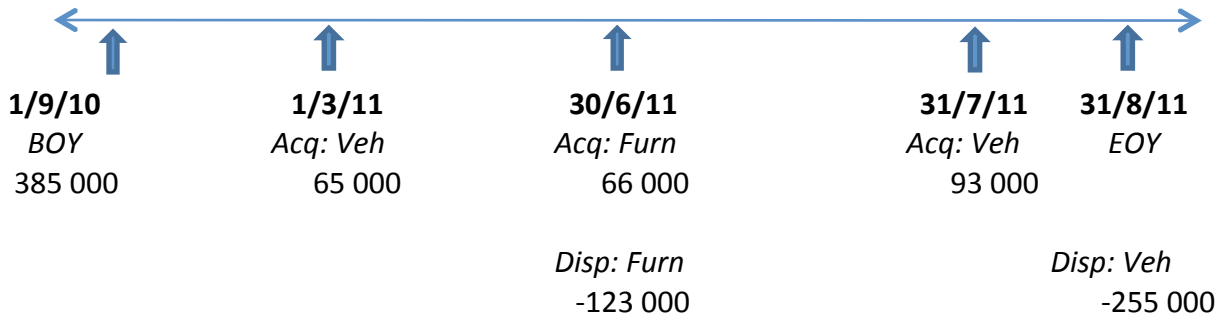
W2 -	Debtors	26 100
	Allowance for Credit Losses	-2 650
	Accrued Income (Rent Income)	3 500
	Prepaid Expense (Insurance)	185
		27 135

W3 -	Income Received in Advance (Commission Income)	750
	Accrued Expenses (Water & Electricity; Interest)	2 480 (310 + 2 170)
		3 230

W4 -	<i>Movement for the year:</i>	
	Equity = Assets - Liabilities (419 993 - 248 000 - 3 230)	168 763
	Capital less Drawings (149 000 - 6 084)	142 916
	Profit	25 847

Question 2.1

Depreciation calculations



	<u>Cost</u>	<u>Depr %</u>	<u>Months</u>	<u>Depreciation</u>
<u>Furniture</u>				
Additions	66 000	20%	2/12	2 200
Old Furniture	385 000 - 123 000	20%	12/12	52 400
Disposal	123 000	20%	10/12	20 500
				<u>75 100</u>

<u>Vehicles</u>				
Addition 1	65 000	20%	6/12	6 500
Addition 2	93 000	20%	1/12	1 550
Old Vehicles	352 000 - 255 000	20%	12/12	19 400
Disposal 1	225 000	20%	12/12	45 000
Disposal 2	30 000	20%	12/12	6 000
				<u>78 450</u>

Question 2.2

Notes for the year ended 31 August 2011

		<u>Furniture</u>	<u>Vehicles</u>	<u>Total</u>
Carrying Amount				
Beginning of year		336 750	283 200	619 950
Cost		385 000	352 000	737 000
Accumulated Depreciation		-48 250	-68 800	-117 050
Additions (65 000 + 93 000)				
		66 000	158 000	224 000
Disposals		-123 000	-255 000	-378 000
Depreciation		-75 100	-78 450	-153 550
Carrying Amount				
End of year		249 750	204 250	454 000
Cost		328 000	255 000	583 000
Accumulated Depreciation	W1	-78 250	-50 750	-129 000

Calculations

				<u>Furniture</u>	<u>Vehicles</u>
W1 -	<i>Accumulated Depreciation</i>				
	Opening Balance			48 250	68 800
	Depreciation			75 100	78 450
	Less: Acc Depr on Disposal			-45 100	-96 500
				<u>78 250</u>	<u>50 750</u>
W2 -	<i>Furniture Disposal @ R123 000 (1/9/09 - 30/6/11)</i>				
	Period 1	1/9/09 - 31/8/10	123 000 * 20% * 12/12		24 600
	Period 2	1/9/10 - 30/6/10	123 000 * 20% * 10/12		20 500
					<u>45 100</u>
	<i>Vehicle Disposal 1 @ R225 000 (1/9/09 - 31/8/11)</i>				
	Period 1	1/9/09 - 31/8/10	225 000 * 20% * 12/12		45 000
	Period 2	1/9/10 - 31/8/11	225 000 * 20% * 12/12		45 000
					<u>90 000</u>
	<i>Vehicle Disposal 2 @ R30 000 (30/7/10 - 31/8/11)</i>				
	Period 1	31/7/10 - 31/8/10	30 000 * 20% * 1/12		500
	Period 2	1/9/10 - 31/8/11	30 000 * 20% * 12/12		6 000
					<u>6 500</u>

Question 3

Profit and Loss

<u>Assets</u>		281 000
Land & Buildings		120 000
Furniture & Fittings	(65 000 - 18 000)	47 000
Bank		13 500
Inventory		30 000
Debtors		35 000
Prepaid Expense		28 000
Accrued Income		7 500
<u>Liabilities</u>		90 000
Loan		75 000
Creditors		15 000
<u>Equity</u>		
Assets - Liabilities	(281 000 - 90 000)	191 000
Less: Opening Balance on Equity		-78 000
Movement for the year		113 000
Add Back: Drawings		34 800
Profit for the year		147 800

Question 4

Bank Account and Bank Reconciliation

Bank Account					
Opening Balance		7 950	Cash	CPJ	12 750
Cash	CRJ	15 960	Bank Charges	B/S	650
			Returned Cheques	B/S	2 354
			Balance	c/d	8 156
		<u>23 910</u>			<u>23 910</u>
Balance	b/d	<u>8 156</u>			

Bank Reconciliation for 31 July 2011

	<u>DR</u>	<u>CR</u>
Bank Balance per Bank Statement		4 756
Bank Error: Cheque incorrectly debited to the account		2 350
Deposit not yet shown		3 600
Cheques not yet posted		
#324	300	
#329	1 300	
#333	950	
Balance per General Ledger	8 156	
	<u>10 706</u>	<u>10 706</u>

Question 5

General Ledger Accounts

Debtors Control

Opening Balance		24 000	Credit Loss	GJ1	2 450
Returned Cheque	GJ2	6 600	Balance	c/d	28 150
		<u>30 600</u>			<u>30 600</u>
Balance	b/d	<u>28 150</u>			

Allowance for Credit Loss

Credit Loss		150	Balance		1 900
Balance	c/d	1 750			
		<u>1 900</u>			<u>1 900</u>
			Balance	b/d	<u>1 750</u>

Credit Loss

Debtors Control	GJ1	2 450	Allowance for Credit Loss		150
			Profit and Loss Account		2 300
		<u>2 450</u>			<u>2 450</u>

VAT Output

VAT Control Account		3 753	Balance		3 489
			Returned Cheque	GJ2	123
			Recovery of Debt		141
		<u>-</u>			<u>-</u>

Credit Loss Recovered

Profit or Loss		1 009	Recovery of Debt		1 009
		<u>1 009</u>			<u>1 009</u>