

Tutorial letter 201/2/2012
ACCOUNTING CONCEPTS, PRINCIPLES
AND PROCEDURES

FAC1502

Semester 2

DEPARTMENT OF FINANCIAL
ACCOUNTING

Solution assignment 01/2/2012



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Dear Student

Enclosed you will find the solution to assignment 01 for the second semester of 2012.

It is in your own interest to work through the assignment in conjunction with the solution and your answer.

Refer to paragraph 9 of tutorial letter FAC1502/101/3/2012 for more information regarding the examination. The examination paper is a two-hour paper and consists of "long type" questions.

TELEPHONE NUMBERS

The telephone number assigned to FAC1502 is linked to all the module lecturers' telephone numbers.

◆ **The telephone number assigned to FAC1502 is 012 429 4245.**

Prof D Scott
Ms A du Plessis
Mr P Maraisane
Ms KA Nkome
Mr D von Well

PLEASE NOTE

We are available for telephone enquiries from 08:00 to 16:00 on weekdays.

Due to recent terminology changes which took place after we have already updated the study guide for 2012, we are sending out tutorial letter FAC1502/102/3/2012 with the necessary changes to the study guide.

SOLUTION ASSIGNMENT 01/2/20121. **Option 2:** (e), (a), (d), (b), (c), (f)2. **Option 1:** R3 675

$$[(R2\ 160 \times 10/12 = R1\ 800) + (R4\ 140 \times 5/12 = R1\ 725) + (R1\ 800 \times 1/12 = R150)] = R3\ 675$$

3. **Option 2:** R187 500Calculation:

<u>Assets</u>	R
Delivery truck	135 000
Inventory	45 000
Bank	22 500
Debtors	90 000
	<hr/>
	292 500
<u>Liabilities – Creditors</u>	(105 000)
Equity	<hr/> <hr/>
	187 500

4. **Option 2:** Drawings (Dr), Inventory (Cr), - 2 400 (A) = 0 (L) - 2 400 (E)5. **Option 3:** R9 960 = (R10 440 + R150 + R290 - R920)6. **Option 4:** Bank: R9 120; Settlement discount received: R2 000; Creditors control: R11 400; VAT Output (Cr): R280Calculation:

Bank: R11 400 - [(R11 400 x 20%) = R2 280] = R9 120

Settlement discount received: R11 400 x 20% = R2 280 **Less** VAT on this (R2 280 ÷ 1,14) = R2 000

Creditors control: R11 400

VAT Output (Cr): R11 400 ÷ 1,14 = R10 000 x 20% = R2 000 x 14% = R280

7. **Option 1:** R8 430

Cash receipts journal

Bank	Sales	Debtors	Settlement discount granted	Sundry
29 130	11 400	*8 430	420	9 720
Dr Bank	Cr Sales	Cr Debtors	Dr Settlement discount granted	Cr Sundry

8. **Option 2:** The statement of financial position reflects the financial position of an entity at a specific point in time.

SOLUTION ASSIGNMENT 01/2/2012 (continued)

9. **Option 3:** R219 000

	R	R
Revenue (R220 000 + R380 000 - R4 000)		596 000
Less: Cost of sales		377 000
Opening inventory	21 000	
Purchases (R120 000 + R250 000 - R3 000)	367 000	
Freight on purchases	9 000	
Import duties	5 000	
	402 000	
Less: Closing inventory	25 000	
Gross profit		219 000

10. **Option 4:** Creditors control account

11. **Option 3:** Assets: - R123 000; Equity - R123 000

12. **Option 2:** R102 000 (R120 000 x 85%)

13. **Option 1:** $R200\,000 \times 12\%/12 = R2\,000$; $R202\,000 \times 12\%/12 = R2\,020$; $R2\,000 + R2\,020 = R4\,020$

14. **Option 3:** R30 825 (favourable)

Bank							
			R				R
Balance (preliminary)			38 400	Bank charges			1 875
Rent income			2 700	Municipality expenses			3 525
Interest income			375	Balance	c/d		36 075
			41 475				41 475
Balance	b/d		36 075				

Bank Reconciliation Statement: 30 June 20.4

	Dr R	Cr R
Debit balance (favourable): Bank account	36 075	
Debit: Cheques not yet paid	14 775	
Credit Deposit		20 025
Credit (favourable) balance: Bank statement*		30 825
	50 850	50 850

*Balancing figure

SOLUTION ASSIGNMENT 01/2/2012 (continued)**15. Option 4: R13 200**

	R
Rental for 11 months	12 000
Less: Rental increase (R200 x 5)	1 000
Rental for 11 months without increase	<u>11 000</u>
 Rental per month without increase (R11 000 ÷ 11)	 1 000
 Rental for February (R1 000 + R200)	 1 200
Plus: Rental till January	12 000
Total rental	<u>13 200</u>

16. Option 4:Comment:Option 1: Input VAT is repaid by the South African Revenue Services.Option 2: Output VAT is the tax levied by the entity on sales and is paid to the South African Revenue Services.Option 3: **Output** VAT is the tax levied by the entity on sales of goods and services rendered.Option 4: The balances of the VAT Input and VAT Output accounts are transferred to the "VAT control account" at the end of the tax period. The balance then indicates the amount to be claimed from, or payable to the South African Revenue Services.**17. Option 2:** A cheque issued for payment of salaries.Comment: Salaries paid account is an expense and will decrease the equity.**18. Option 1:**

	Date	Debtors	Settlement discount granted	VAT - Input		Bank
				Dr	Cr	
1.	Apr 12	R 2 228	R 200	R 28		R 2 000

19. Option 5: None of the aboveCalculation:

Adjustment of trial balance	Debit	Credit
	R	R
(a) Bank (cash payments journal)		29 800
(b) Creditors control	300	
(c) Rent paid (2 x R600)	1 200	

To balance the trial balance a **credit (Cr)** entry of R28 300 (R29 800 - R300 - R1 200) must be made.

SOLUTION ASSIGNMENT 01/2/2012 (continued)

20. **Option 1:** The discount column in the cash payments journal must be credited to the settlement discount received account in the general ledger.

Comment:

Option 1: The debit total on the trial balance will exceed the credit total by double the amount of the discount.

Option 2: The trial balance will balance, but the balance of the creditors control account will not correspond with the total of the list of creditors balances.

Option 3: This statement is correct.

Option 4: The trial balance will balance, and the balance of the debtors control account will agree with the total of the debtors list, but the monthly statement of the debtor will be incorrect.