

Tutorial letter 201/2/2015

**Financial accounting concepts, principles
and procedures**

FAC1502

Semester 2

Department of Financial Accounting

**This tutorial letter contains the solutions to assignment
01/2/2015 and 01/1/2015**

BAR CODE

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1. INTRODUCTION

Dear Student,

This tutorial letter contains the following:

- the solution to assignment 01 for the second semester of 2015.
- the solution to assignment 01 for the first semester of 2015.

It is in your own interest to work through the assignments in conjunction with the solutions and your written answers.

Refer to paragraph 11 of tutorial letter FAC1502/101/3/2015 for additional information regarding the October 2015 examination. **The examination paper will consist of accounting application questions only (thus no multiple choice questions) which should be answered within two hours.** Examples of examination type questions are in tutorial letter FAC1502/101/3/2015 (self-assessment assignment) and in tutorial letter FAC1502/102/3/2015.

Please note that you should NOT expect the October 2015 examination paper to have the same topics as previous examination papers. In your preparation for the exam you cannot work through previous examination papers only. All your study material should be studied in order for you to achieve success.

LECTURERS AND CONTACT DETAILS

Please use only the following **e-mail address** for electronic communication with the lecturers:

FAC1502@unisa.ac.za

Please use **telephone number** (012) 429 4245 for all telephonic communication with the lecturers. This telephone number is assigned to FAC1502 and linked to all the telephone numbers of the lecturers on the module.

Lecturers	Office
Ms MS du Rand	AJH 02-07
Ms A du Plessis	AJH 02-11
Mr M Engelbrecht	AJH 02-06
Mr C Modise	AJH 02-20
Ms R Phasha	AJH 02-30

PLEASE NOTE:

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

Kind regards

LECTURERS: FAC1502

2. SOLUTION TO ASSIGNMENT 01/2/2015

1. (1) Please refer to page 230 of the study guide.
2. (2) Please refer to page 62 of the study guide.
3. (1) Please refer to page 61 of the study guide.
4. (4) Please refer to page 70 of the study guide.
5. (3) Please refer to page 68 of the study guide.
6. (1) Please refer to page 61 of the study guide.
7. (2) Please refer to page 76 of the study guide.
8. (2) $R800\ 000 + R100\ 000 - R750\ 000 + R5\ 000 = R155\ 000$
9. (1) Please refer to study unit 8 of the study guide.
10. (2) Please refer to study unit 8 of the study guide.
11. (4) Please refer to study unit 14 of the study guide.
12. (3) Please refer to the example on page 74 of the study guide.
13. (2) $R50\ 000 \times \frac{12}{100} \times \frac{6}{12} = R3\ 000$
14. (3) $R57\ 000 \times \frac{20}{100} \times \frac{6}{12} = R5\ 700$
The gross amount includes VAT due to the fact that the entity is not registered as a VAT vendor.
15. (3) Please refer to study unit 10 of the study guide.
16. (2) Please refer to study unit 7 of the study guide.
17. (4) $\frac{R570}{114} \times 100 = R500$
Remember the VAT must be taken out first.
 $\frac{R500}{125} \times 100 = R400$
18. (5) $R2\ 432 - R1\ 538 = R894$
 $R894 + R1\ 450 = R2\ 344$
An increase in the provision for credit allowances is an additional expense.
19. (3) It is a reversal of a normal sale transaction that must then be processed as a normal purchase transaction.
20. (4) Please refer to page 230 of the study guide.

SOLUTION TO ASSIGNMENT 01/2/2015 (continue)

21. (2)

**ZIZOBENZA TRADERS
GENERAL LEDGER**

Dr	Debtors control				Cr		
			R		R		
2013 Mar 1	Balance	b/d	32 780	2013 Mar 1	Balance	b/d	1 780
2014 Feb 28	Creditors control		2 020	2014 Feb 28	Bank and settlement discount granted		22 750
	Sales		16 840		Sales return		1 200
	Bank		3 200		Sundry journal credits		430
	Sundry journal debits		2 760		Credit losses		1 450
	Creditors control		1 780		Sales (correction of error)		2 736
			59 380		Balance	c/d	29 034
	Balance	b/d	29 034				59 380

22. (5) $R5\,700 - R2\,394 = R3\,306$
Sales less sales returns.
23. (3) $R2\,500/1 \times 100/125 = R2\,000$
The selling price already includes the mark-up.
24. (3) Please refer to study unit 8 of the study guide.
25. (2) $R282 - R228 = R54$
The payment increases due to an error.

3. SOLUTION TO ASSIGNMENT 01/1/2015 (Additional study material)

1. (1) A debtor owes the entity money. The entity owes a creditor money.
2. (4) Cash receipts journal.
3. (3) $R3\,420/1 \times 100/114 = R3\,000$
4. (3) Refer to page 29 of the study guide.
5. (4) $A = E + L$ (Refer to study unit 4 of the study guide.)
6. (3) Refer to study units 4 of the study guide.
7. (1) Refer to study unit 10 of the study guide.
8. (2) $R9\,000/1 \times 100/120 = R7\,500$
9. (2) Refer to study unit 10 of the study guide.
10. (4) Refer to study units 4 and 10 of the study guide.
11. (1) Refer to study units 10 of the study guide.
12. (3) $R750\,000 - R1\,500 - R350 = R748\,150$
Sales - sales returns - settlement discount granted.
13. (3) $R149\,500 + R540\,000 - R2\,000 + R650 - R400\,000 = R288\,150$
Opening inventory + purchases - purchases returns + freight charges on purchases - closing inventory.
14. (2) Turnover – cost of sales
 $R748\,150 - R288\,150 = R460\,000$
15. (4) $R460\,000/1 \times 100/20 = R2\,300\,000$
16. (4) Please see cash receipts journal below.
17. (1) Please see cash payments journal below.
18. (1) Please see total receipts (cash receipts journal) and total payments (cash payments journal) below.
19. (4) Please see bank reconciliation statement below.
20. (2) Please see bank reconciliation statement below.
21. (3) Please see bank reconciliation statement below.
22. (4) $R4\,280 + R540 + R720 - R530 = R5\,010$
Remember the bank reconciliation statement must balance.
23. (1) $R540 + R720 + R4\,340 - R4\,280 = R1\,320$
Remember the bank reconciliation statement must balance.
24. (2) $R540 + R720 + R4\,340 - R700 = R4\,900$ credit
Remember the bank reconciliation statement must balance.

25. (3) R305 650 – (R355 000 + R1 500 – R86 450)
 Cost of sales - purchases - carriage on purchases + closing inventory.

SOLUTION TO ASSIGNMENT 01/1/2015 (continued)

Calculations for questions 16 to 21

NP GLASSWORKS

CASH RECEIPTS JOURNAL – APRIL 2013 (bank column only)

CRJ04

Date	Details	Bank R
30/04/2013	Balance b/d	65 650,00
18/04/2013	Rental income - Mrs A Ngcobo	2 000,00
30/04/2013	Interest income	459,50
		<u>68 109,50</u>

NP GLASSWORKS

CASH PAYMENTS JOURNAL – APRIL 2013 (bank column only)

CPJ04

Date	Details	Bank R
30/04/2013	Balance b/d	15 800,00
12/04/2013	Mrs K Moodley (unpaid cheque)	500,00
30/04/2013	Bank charges	300,00
30/04/2013	Insurance	3 500,00
		<u>20 100,00</u>

NP GLASSWORKS

BANK RECONCILIATION STATEMENT AS AT 30 APRIL 2013

	Debit R	Credit R
Credit balance as per bank statement		46 409,50
Credit outstanding deposit		14 000,00
Debit outstanding cheques no 1652	1 900,00	
1655	1 500,00	
1658	2 000,00	
Debit balance as per bank account	55 009,50	
	<u>60 409,50</u>	<u>60 409,50</u>