

**QUESTION 1 (33 marks) (39 minutes)**

Commence this question on a new (separate) page.

<b>PRE-ADJUSTMENT TRIAL BALANCE OF MILL TRADERS AS AT 30 JUNE 2012</b>		
	<b>Debit</b>	<b>Credit</b>
	<b>R</b>	<b>R</b>
Capital	-	202 000
Drawings	27 000	-
Debtors control	18 560	-
Vehicles (at cost)	202 100	-
Accumulated depreciation Vehicles	-	19 100
Inventory Trading (1 July 2011)	28 300	-
Bank	56 520	-
Mortgage loan	-	105 000
Loan from Africa Bank (at 19.5% p.a.)	-	15 000
Sales	-	272 195
Carriage on purchases	750	-
Import duty on purchases	782	-
Insurance on purchases	329	-
Commission income	-	18 000
Depreciation	19 100	-
Insurance	8 575	-
Packaging materials	4 600	-
Purchases	190 800	-
Purchases returns	-	245
Rent income	-	6 500
Sales returns	1 860	-
Settlement discount granted	465	-
Settlement discount received	-	225
Telephone	2 420	-
Carriage on sales	1 250	-
Repairs	2 160	-
Petrol	3 479	-
Wages	64 115	-
Water and electricity	5 100	-
	<b>638 265</b>	<b>638 265</b>

**Additional information**

- 1 On 1 July 2012 trading inventory had a balance of R22 750
- 2 Rental income for the year should have been R6 000
- 3 Packaging material on hand at 30 June 2012 amounted to R1 200
- 4 Commission income of R3 600 is still outstanding
- 5 Water and electricity of R500 is still due
- 6 The mortgage loan was obtained from XYZ Bank and bears interest at a rate of 11.5% per annum. Interest for the current year must still be provided for

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**QUESTION 1** (continued)

- 7 The loan from Africa Bank is unsecured and interest for the current year must still be provided for
- 8 A debtor who owes the business R4 640 was declared insolvent and his account must be written off as irrecoverable
- 9 The insurance amount includes the premiums for the months of July and August 2012

**REQUIRED:**

- 1 1 Prepare the **statement of profit or loss and other comprehensive income** of Mill Traders for the year ended 30 June 2012  
All calculations must be shown (29)
- 1 2 Prepare the **statement of changes in equity** of Mill Traders for the year ended 30 June 2012 (4)

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**QUESTION 2 (19 marks) (23 minutes)**

Commence this question on a new (separate) page.

The following information relates to People Traders for April 2013.

- 1 On 30 April 2013, the debtors ledger of People Traders showed the following trade debtors

<b>LIST OF DEBTORS: 30 APRIL 2013</b>	
<b>Name</b>	<b>Balance</b>
	<b>R</b>
Hoop CC	10 283
Slot Stationers	237
Dormat Cleaners	596
Fill Design	801
Emily Suppliers	1 980
<b>TOTAL</b>	<b>13 897</b>

- 2 On 30 April 2013, the debtors control account showed a preliminary balance of R15 123
- 3 After an investigation of the individual accounts, source documents and other relevant information, the following errors/omissions were detected
- 3 1 The total of the debtors column in the sales journal was undercast by R350
- 3 2 The account of Hoop CC was incorrectly balanced The amount should read R9 734
- 3 3 The total of the column for debtors in the sales journal was R6 890 The amount was posted to the debtors control account, as R8 960.
- 3 4 Credit note no SD2653 for R45, to Dormat Cleaners, was entered in the sales returns journal, but not posted to the account of Dormat Cleaners
- 3 5 The account of debtor Slot Stationers was written off All entries must still be made
- 3 6 A cheque of R1 850 received from Emily Suppliers in full settlement of her account, was incorrectly analysed as sales in the cash receipts journal
- 3 7 Interest of R150 was charged on the account of Emily Suppliers during the year Entries were only made in the debtors ledger
- 3 8 A cheque of R250 received from Fill Design, was returned by the bank marked "R/D" Relevant entries must still be made in the debtors ledger All other entries were done correctly

**REQUIRED:**

- 2 1 Use the information above and prepare the **debtors control account** of People Traders as at 30 April 2013
- Show all the entries regarding the corrections and/or omissions (10)
- 2 2 Reconcile the **total of the list of trade debtors** of People Traders with the balance of the debtors control account (9)

For both 2 1 and 2 3, input and output VAT must be **ignored**

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