

FAC1501 / RFA1501

OCTOBER/NOVEMBER 2015
OKTOBER/NOVEMBER 2015

INTRODUCTORY FINANCIAL ACCOUNTING INLEIDENDE FINANSIËLE REKENINGKUNDE

STUDENT NUMBER / STUDENTENOMMER									

IDENTITY NUMBER / IDENTITEITSNOMMER											



Question No. Vraagnr.	Marks / Punte					
	Examiners / Eksaminatore					
	1	2	3	4	5	6
Total / Totaal						

Subject / Vak

Number of paper / Vraestelnommer

Date of examination / Datum van eksamen

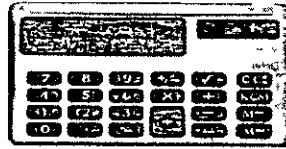
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**FAC1501**

October/November 2015

INTRODUCTORY FINANCIAL ACCOUNTING

Duration 2 Hours

100 Marks

EXAMINATION PANEL AS APPOINTED BY THE DEPARTMENT

Use of a non-programmable pocket calculator is permissible

Closed book examination

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This question paper consists of **SIXTEEN (16)** pages including **FIVE (5)** pages for rough work (pp 12 – 16)**PLEASE NOTE**

- 1 This paper consists of **FOUR (4)** questions
- 2 Ensure that you are writing the correct examination paper
- 3 All questions must be answered
- 4 Basic calculations, where applicable, must be shown
- 5 Please use blue or black ink only
- 6 PROPOSED TIMETABLE (try not to deviate from this)

QUESTION	TOPIC	MARKS	TIME (minutes)
1	Subsidiary journals	25	30
2	Accounting equation	24	29
3	Bank reconciliation statement	25	30
4	Statement of financial position	26	31
	TOTAL	100	120

[TURN OVER]

QUESTION 1 (25 marks) (30 minutes)

Tiles Traders buys and sells tiles and is a registered VAT vendor

On 1 October 2015, the following creditors' balances appeared in the accounting records of Tiles Traders

	R
Cheap Tiles (Folio number - CL1)	4 000
Expensive Tiles (Folio number - CL2)	9 000
Luxury Tiles (Folio number - CL3)	6 000
Exclusive Tiles (Folio number - CL4)	8 000

During October 2015 the following transactions, inclusive of VAT at 14%, were entered into by Tiles Traders

October

- 1 Purchased tiles for R4 924,80 on credit from Luxury Tiles Received invoice no 842
- 3 Purchased tiles for cash from Bathroom Tiles Received invoice no 173 for R2 280,00
- 4 Returned the wrong colour tiles, which were purchased on 1 October, to Luxury Tiles Received credit note no 17 for R1 140,00
- 5 Purchased tiles on credit from Cheap Tiles Received invoice no 25 for R3 420,00
- 11 Returned damaged tiles, which were purchased on 3 October, to Bathroom Tiles Received credit note no 97 for R912,00
- 14 Purchased tiles for R5 472,00 on credit from Exclusive Tiles and received invoice no 877
- 15 Returned the wrong size tiles, which were purchased on 5 October, to Cheap Tiles and received credit note no 14 for R456,00
- 18 Purchased tiles for cash from Kitchen Tiles and received invoice no 236 for R1 596,00
- 20 Purchased tiles on credit from Expensive Tiles Received invoice no 635 for R6 840,00
- 23 Returned the wrong shape tiles, which were purchased on 20 October, to Expensive Tiles Received credit note no 392 for R1 094,40

REQUIRED

Record the appropriate above transactions in the following subsidiary journals of Tiles Traders for October 2015

- | | |
|-------------------------------|------|
| (a) Purchases journal | (14) |
| (b) Purchases returns journal | (11) |

[25]

Note: You don't have to close off the journals.
Show all your calculations

[TURN OVER]

QUESTION 1 (continued)

TILES TRADERS

PURCHASES JOURNAL – OCTOBER 2015

PJ10

Doc no	Day	Details	Fol	VAT input R	Purchases R	Creditors R

(14)

TILES TRADERS

PURCHASES RETURNS JOURNAL – OCTOBER 2015

PRJ10

Doc no	Day	Details	Fol	VAT input R	Purchases returns R	Creditors R

(11)

[25]

[TURN OVER]

QUESTION 2 (24 marks) (29 minutes)

Toto Electrical is a service business. The business is not registered for VAT. Toto Electrical uses the perpetual inventory system. The following transactions were entered into by Toto Electrical during September 2015:

September

- 4 Electrical repair service rendered on credit to L Logo – R1 200
- 10 Advertising fee paid by cheque no 009 – R350
- 15 Electrical tools and equipment bought from Top Electrical for cash – R8 500
- 20 A cheque received from L Logo – R700
- 22 Electrical repair service rendered for cash – R4 050
- 23 The owner took electric wires from the inventory of the business for own use – R450
- 28 Bought electric wires on credit from Wires Inc – R3 000
- 30 Wages paid cash – R5 000

REQUIRED.

For each of the transactions listed above, indicate the effect of the transaction on the accounting equation. Use a “+” sign to indicate an increase and a “-” sign to indicate a decrease in the elements of the accounting equation. Also indicate the General Ledger Accounts affected.

Where applicable assume that the bank balance is positive.

Example: Owner deposited R25 000 into the business

Date	Assets =	Equity +	Liabilities	General Ledger Accounts	
				Dr	Cr
Example	+ 25 000	+ 25 000	0	Bank	Capital

[TURN OVER]

QUESTION 2 (continued)

Date	Assets =	Equity +	Liability	General Ledger Accounts	
				Dr	Cr

[24]

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QUESTION 3 (25 marks) (30 minutes)

You are given the following information for BG Stores for the month ended 28 February 2015

- 1 The total in the cash receipts journal for February 2015 was R30 000 and the total in the cash payments journal for February 2015 was R21 000
- 2 The bank statement had an unfavourable balance of R17 000 on 28 February 2015 and the bank account in the general ledger of BG Stores had a credit balance of R62 770 on 1 February 2015
- 3 The following transactions appeared in the bank statement only
 - a) Bank charges, R425
 - b) Interest on overdraft, R180
 - c) A direct deposit from a customer, Mrs T Ngcobo, for R35 000
 - d) Mr Y Tyrone, a tenant, paid his rent of R12 000 directly into the business bank account
 - e) A cheque originally received from Miss A Singh, a customer of BG Stores for R6 500 was dishonoured due to insufficient funds in her bank account
 - f) The debit orders for BG Stores are listed below
 - To Tellycom in payment of the telephone account of R4 600
 - To KB Electricity in payment of the electricity account of R5 000
 - To Ourway Insurance in payment of the insurance premium of R3 500
- 4 A comparison of the bank statement for BG Stores for February 2015 and the cash journals showed that the following entries did not appear in the bank statement
 - a) Cheque no 568 for R9 000
Cheque no 570 for R11 000
Cheque no 572 for R2 000
Cheque no 575 for R5 975
 - b) An entry made on 28 February 2015 in the cash receipts journal for R18 000, which was received from a customer and receipt number 176 was issued

REQUIRED:

- (a) Complete the cash receipts journal and the cash payments journal of BG Stores for February 2015 (Details and bank column only) (10)
- (b) Prepare the properly balanced/closed off bank account for February 2015 in the general ledger of BG Stores (6)
- (c) Prepare the bank reconciliation statement of BG Stores as at 28 February 2015 (9)

[25]**[TURN OVER]**

QUESTION 3 (continued)

BG STORES

CASH RECEIPTS JOURNAL (BANK COLUMN ONLY) – FEBRUARY 2015

CRJ2

Details	Bank R

(3)

BG STORES

CASH PAYMENTS JOURNAL (BANK COLUMN ONLY) – FEBRUARY 2015

CPJ2

Details	Bank R

(7)

QUESTION 3 (continued)

Question 3 continues on the following page

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QUESTION 3 (continued)

**BG STORES
GENERAL LEDGER**

Dr				Bank				Cr	
Date	Details	Fol	R	Date	Details	Fol	R		

(6)

**BG STORES
BANK RECONCILIATION STATEMENT AS AT 28 FEBRUARY 2015**

	Debit R	Credit R

(9)

[25]

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QUESTION 4 (26 marks) (31 minutes)**Pop Traders**

Post closing trial balance as at 31 July 2015

	Debit	Credit
	R	R
Financial position section		
Capital	-	283 100
Mortgage ABC Bank	-	420 000
Land and buildings at cost	550 000	-
Vehicles at cost	65 000	-
Equipment at cost	35 000	-
Accumulated depreciation Vehicles	-	15 000
Accumulated depreciation Equipment	-	9 500
Fixed deposit Broad Bank (8% p a)	105 000	-
Long term loan Phuphu Bank (11,5% p a)	-	75 000
Inventory (Merchandise)	35 000	-
Inventory (Stationery)	5 200	-
Prepaid expenses	1 500	-
Accrued expenses	-	6 300
Income received in advance	-	2 300
Debtors control	16 000	-
Bank	37 550	-
Petty cash	3 500	-
Cash float	500	-
Creditors control	-	36 000
SARS - VAT	-	3 350
Allowance for credit losses	-	3 700
	854 250	854 250

REQUIRED

Prepare the statement of financial position of Pop Traders as at 31 July 2015

Rough work

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Rough work

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