

# FAC1501 / RFA1501

MAY/JUNE 2017 (SECOND PAPER)  
MEI/JUNIE 2017 (TWEEDE VRAESTEL)

## INTRODUCTORY FINANCIAL ACCOUNTING INLEIDENDE FINANSIELE REKENINGKUNDE

STUDENT NUMBER / STUDENTENOMMER									

IDENTITY NUMBER / IDENTITEITSNOMMER												

**FOR USE BY EXAMINATION INVIGILATOR  
VIR GEBRUIK DEUR EKSAMENOPSIENER**

Question No Vraagnr	Marks / Punte		
	Examiners / Eksaminatore		
	1	2	3
<b>Total / Totaal</b>			

Subject / Vak

Number of paper / Vraestelnommer

Date of examination / Datum van eksamen

Examination centre / Eksamensentrum

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**FAC1501** ( 476695)  
**RFA1501** ( 483839)  
**SECOND PAPER**

May/June 2017

**INTRODUCTORY FINANCIAL ACCOUNTING**

Duration 2 Hours

100 Marks

EXAMINATION PANEL AS APPOINTED BY THE DEPARTMENT

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Use of a non-programmable pocket calculator is permissible

Closed book examination

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This examination question paper consists of TWENTY (20) pages including FIVE (5) pages for rough work (pp 16 – 20) plus instructions for completion of a mark reading sheet.

**PLEASE NOTE**

- 1 This paper consists of FOUR (4) questions
- 2 Ensure that you are writing the correct examination paper
- 3 Question 1 must be answered on a mark reading sheet
- 4 Questions 2 to 4 must be answered on the relevant pages of the examination paper
- 5 Basic calculations, where applicable, must be shown
- 6 Please write legibly in blue or black ink only
- 7 PROPOSED TIMETABLE (try not to deviate from this)

QUESTION	TOPIC	MARKS	TIME (minutes)
1	Multiple choice questions	20	24
2	Trading account and profit or loss account	22	26
3	Accounting equation	28	34
4	Bank reconciliation	30	36
	<b>TOTAL</b>	<b>100</b>	<b>120</b>

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**QUESTION 1 (20 marks)(24 minutes)**

**This question must be answered on a mark reading sheet.**

Select for each question only **ONE** alternative that you consider to be correct

**2 marks per question**

- 1 1 A refundable deposit paid to the city council for water and electricity usage is an example of
- (1) equity
  - (2) a current asset
  - (3) an income
  - (4) a current liability
  - (5) an expense
- 1 2 An example of a non-current liability will be
- (1) a creditor
  - (2) a bank overdraft
  - (3) an amount owing by a customer
  - (4) a mortgage
  - (5) equipment purchased on credit
- 1 3 Equity is
- (1) money or valuables contributed by the owner plus income less expenses
  - (2) money or valuables contributed by the owner of the entity
  - (3) inputs by lenders into the entity
  - (4) money or valuables contributed by the owner plus income
  - (5) money or valuables received from the bank as a loan
- 1 4 The following is a list of balances/totals that appeared in the accounting records of Power Electricians at 31 March 2017

Furniture	R 80 000
Services rendered	150 800
Salaries	75 000
Repairs and maintenance	5 000
Bank (debit)	51 400
Advertisements	1 200
Interest income	8 400
Insurance	12 000
Water and electricity	24 000
Capital	350 000

Calculate the total expenses of Power Electricians for the period ended 31 March 2017

- (1) R197 200
- (2) R125 600
- (3) R117 200
- (4) R350 000
- (5) R112 200

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**QUESTION 1 (continued)**

Use the source document provided below to answer question 1.5:

**Duplicate receipt**

No 0001	Date 1 January 2017	
Received from Mr E Owner		
	<b>R</b>	<b>c</b>
Amount		
Rand <i>Hundred thousand rand only</i>		
Cent <i>None</i>	100 000	00
For <i>Capital contribution by the owner (cheque)</i>	<b>Cheap Plumbers</b>	
Signature <i>B Keeper</i>		

- 1 5 The entry in the journal with columns for analysis of receipts, bank, sales, VAT output, debtors, settlement discount granted (dr), VAT input (dr) and sundry accounts for the above document will be
- (1) In the analysis of receipts column - R100 000,00, in the bank column - R100 000,00 and in the sundry accounts column - capital of R100 000,00
  - (2) In the analysis of receipts column - R100 000,00, in the bank column - R100 000,00, in the VAT input column - R12 280,70 and in the sundry accounts column - capital of R87 719,30
  - (3) In the analysis of receipts column - R100 000,00, in the bank column - R100 000,00, in the VAT output column - R12 280,70 and in the sundry accounts column - capital of R87 719,30
  - (4) In the analysis of receipts column - R100 000,00, in the bank column - R100 000,00, in the sales column - R87 719,30 and in the VAT output column - R12 280,70
  - (5) In the analysis of receipts column - R100 000,00, in the bank column - R100 000,00 and in the debtors column - R100 000,00

Use the information provided below to answer question 1 6:

Dr	General Ledger			Cr
	Debtors control			
Sept 15	Sales	SJ	15 000	

- 1 6 The ledger entry above resulted from
- (1) merchandise purchased on credit
  - (2) returns to suppliers
  - (3) returns from customers
  - (4) merchandise sold for cash
  - (5) merchandise sold on credit
- 1 7 The source documents used when preparing the purchases returns journal are
- (1) cheque counterfoils
  - (2) credit notes
  - (3) general journal vouchers
  - (4) duplicate receipts
  - (5) duplicate tax invoices

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**QUESTION 1 (continued)**

Use the source document provided below to answer questions 1 8 to 1.10:

**Original tax invoice**

<b>Plumbing Suppliers</b>				
213 Back Street Pretoria Tel (012) 335-6255 E-mail accounts@plumbingsuppliers.co.za			P O Box 2222 PRETORIA 0001 Fax (012) 335-6254 VAT registration number 4910416681	
<b>Date.</b> 10 January 2017		<b>TAX INVOICE</b>		<b>No</b> 5369
<b>To</b> Cheap Plumbers 238 Swann Drive Pretoria VAT registration number 4960134750			<b>Payment method</b> Cheque/debit card Cash Credit card <b>Account</b>	
Code	Description	Qty	Unit price (R)	Total price (R)
IPPT1550	Intumescent putty	10	299,99	2 999,90
PTPT2556	Petro tape 10m x 100mm	20	199,99	3 999,80
<b>Subtotal</b>				6 999,70
<b>VAT @ 14%</b>				979,96
<b>Total</b>				7 979,66
<b>Amount tendered</b>				0 00
<b>Amount due</b>				7 979,66
<b>E &amp; OE</b>				

1 8 The account(s) debited and the account(s) credited in the general ledger will be

	<b>Account(s) to be debited</b>	<b>Account(s) to be credited</b>
(1)	Purchases	Creditors control
(2)	Creditors control	Purchases and VAT input
(3)	Creditors control	Purchases and VAT output
(4)	Purchases and VAT input	Creditors control
(5)	Purchases and VAT output	Creditors control

1 9 The transaction relating to the above document will be entered in the \_\_\_\_\_ as book of first entry

- (1) cash payments journal
- (2) purchases returns journal
- (3) purchases journal
- (4) sales journal
- (5) general journal

**[TURN OVER]**

**QUESTION 1 (continued)**

- 1 10 The amount that must be entered in the book of first entry for the creditors control account will be
- (1) R6 999,70
  - (2) R3 999,80
  - (3) R979,96
  - (4) R2 999,90
  - (5) R7 979,66

**[20]****[TURN OVER]**

**QUESTION 2 (22 marks)(26 minutes)**

The following balances/totals were taken from the accounting records of Profit Traders for the year ended 31 July 2017

	<b>R</b>
Capital	150 000
Drawings	75 000
Land and buildings	740 000
Vehicles	420 000
Inventory (1 August 2016)	90 000
Debtors control	70 000
Bank (Dr)	115 000
Creditors control	60 000
Sales	325 000
Sales returns	40 000
Purchases	160 000
Purchases returns	27 500
Settlement discount granted	20 000
Settlement discount received	10 000
Water and electricity	39 250
Telephone expenses	42 150
Salaries	157 700
Interest income	15 000
Rental income	56 000

**Additional information**

- 1 A physical inventory count showed the value of closing inventory to be R310 000 on 31 July 2017
- 2 The entity uses the periodic inventory system

**REQUIRED**

	<b>Marks</b>
(a) Prepare the trading account in the general ledger of Profit Traders for the year ended 31 July 2017	11½
(b) Prepare the profit or loss account in the general ledger of Profit Traders for the year ended 31 July 2017	10½
	<b>[22]</b>

**[TURN OVER]**

**QUESTION 2 (continued)**

**Profit Traders  
General Ledger  
Trading account**

Dr				Cr			
Date	Details	Fol	R	Date	Details	Fol	R

(11½)

**Dr Profit or loss account Cr**

Date	Details	Fol	R	Date	Details	Fol	R

(10½)

[22]

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**QUESTION 3 (28 marks)(34 minutes)**

Professional Plumbers is a service entity. The entity is not registered for VAT. Professional Plumbers uses the perpetual inventory system. The following transactions were entered into by Professional Plumbers during June 2017:

**June**

- 3 Professional Plumbers purchased furniture for cash – R20 000
- 9 Inventory was purchased on credit from a supplier – R10 000
- 16 The telephone expenses for the month was paid with a cheque – R6 000
- 20 Received money for plumbing services rendered for cash – R5 000
- 23 Sold inventory on credit to a debtor – R3 000. The cost price of the inventory – R2 000
- 28 The owner transferred money from the entity's bank account to his personal bank account – R15 000

**REQUIRED:**

<p>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.</p> <p>Where applicable assume that the bank balance is positive.</p>	<b>Marks</b>
	<b>[28]</b>

**Example: The owner transferred R100 000 to the entity's bank account from his personal bank account.**

Date	Assets = R	Equity + R	Liabilities R	General Ledger Accounts	
				Dr	Cr
Example	+ 100 000	+ 100 000	0	Bank	Capital

**[TURN OVER]**



**QUESTION 4 (30 marks)(36 minutes)**

Aries Traders prepared the following bank reconciliation statement on 31 March 2017

**Aries Traders****Bank reconciliation statement as at 31 March 2017**

	Debit R	Credit R
Credit balance as per bank statement		10 500
Credit outstanding deposit		10 000
Debit outstanding cheques 274	4 750	
275	3 300	
277	14 000	
283	3 000	
Credit balance as per bank account		4 550
	25 050	25 050

Aries Traders received the following bank statement for April 2017

<b>Bank statement of Aries Traders for April 2017</b>				
Address 25 Katrene Street Johannesburg 0001				
Date	Details	Debits R	Credits R	Balance R
01/04/2017	Balance			10 500
	Deposit		10 000	20 500
	Deposit		4 200	24 700
	Cheque no 292	3 500		21 200
02/04/2017	Cheque no 274	4 750		16 450
	Cheque no 275	3 300		13 150
07/04/2017	Deposit		1 500	14 650
08/04/2017	Cheque no 293	6 600		8 050
10/04/2017	Deposit		3 850	11 900
	Debit order Your Way Insurers	4 500		7 400
12/04/2017	Cheque no 294	800		6 600
	Cheque no 283	3 000		3 600
13/04/2017	Deposit (direct) Mr T Stevens		41 000	44 600
	Cheque unpaid Ms B Badu	1 700		42 900
14/04/2017	Deposit		1 100	44 000
15/04/2017	Cheque no 295	5 000		39 000
25/04/2017	Debit order Wealth Investments	6 000		33 000
	Deposit (direct) Mr M Khumalo		4 000	37 000
	Interest income		535	37 535
30/04/2017	Bank fees	655		36 880

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**QUESTION 4 (continued)****Aries Traders****Cash receipts journal (Bank column only) – April 2017****CRJ04**

Day	Details	Bank R
01	Cash sales	4 200
07	Mr H Small	1 500
10	Cash sales	3 850
14	Cash sales	1 100
30	Ms D Smitten	1 900
	Cash sales	700
		13 250

**Aries Traders****Cash payments journal (Bank column only) – April 2017****CPJ04**

Cheque number	Day	Details	Bank R
292	01	Cash	3 500
293	08	AJ Whole Dealers	6 600
294	12	Cash	800
295	15	Cash	5 000
296	23	Vailcom	4 450
297	30	Vossel Distributors	7 800
			28 150

**Additional information**

- 1 The unpaid cheque in the bank statement on 13 April 2017 is a dishonoured cheque. The cheque was dishonoured due to insufficient funds in Ms B Badu's, a customer of Aries Traders, account.

**REQUIRED:**

	Marks
(a) Complete the cash receipts journal and the cash payments journal of Aries Traders for April 2017 (Details and bank column only)	13½
(b) Prepare the properly balanced/closed off bank account for April 2017 in the general ledger of Aries Traders	7½
(c) Prepare the bank reconciliation statement of Aries Traders as at 30 April 2017	9
	<b>[30]</b>

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**QUESTION 4 (continued)**

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**QUESTION 4** (continued)

Question 4 continues on the following page

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**Rough work**

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**Rough work**

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Rough work

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**Rough work**

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**PART 1 (GENERAL/ALGEMEEN) DEEL 1**

STUDY UNIT (e.g. PSY100-X)  
 STUDIE-EENHEID (bv. PSY100-X)

1

INITIALS AND SURNAME  
 VOORLETTERS EN VAN

3

PAPER NUMBER  
 VRAESTELNOMMER

2

DATE OF EXAMINATION  
 DATUM VAN EKSAMEN

4

EXAMINATION CENTRE (E.G. PRETORIA)  
 EKSAMENSENTRUM (BV. PRETORIA)

5

STUDENT NUMBER  
 STUDENTENOMMER

6

UNIQUE PAPER NO.  
 UNIEKE VRAESTEL NR.

8

7

9

For use by examination invigilator  
 Vir gebruik deur eksamenopsiener

**IMPORTANT**

**BELANGRIK**

- 1 USE ONLY AN HB PENCIL TO COMPLETE THIS SHEET
- 2 MARK LIKE THIS
- 3 CHECK THAT YOUR INITIALS AND SURNAME HAS BEEN FILLED IN CORRECTLY
- 4 ENTER YOUR STUDENT NUMBER FROM LEFT TO RIGHT
- 5 CHECK THAT YOUR STUDENT NUMBER HAS BEEN FILLED IN CORRECTLY
- 6 CHECK THAT THE UNIQUE NUMBER HAS BEEN FILLED IN CORRECTLY
- 7 CHECK THAT ONLY ONE ANSWER PER QUESTION HAS BEEN MARKED
- 8 DO NOT FOLD

- 1 GEBUIK SLEGS 'N HB POTLOOD OM HIERDIE BLAD TE VOLTOOI
- 2 MERK AS VOLG
- 3 KONTROLEER DAT U VOORLETTERS EN VAN REG INGEVUL IS
- 4 VUL U STUDENTENOMMER VAN LINKS NA REGS IN
- 5 KONTROLEER DAT U DIE KORREKTE STUDENTENOMMER VERSTREK HET
- 6 KONTROLEER DAT DIE UNIEKE NOMMER REG INGEVUL IS
- 7 MAAK SEKER DAT NET EEN ALTERNATIEF PER VRAAG GEMERK IS
- 8 MOENIE VOU NIE

**PART 2 (ANSWERS/ANTWOORDE) DEEL 2**

1	(1) (2) (3) (4) (5)	36	(1) (2) (3) (4) (5)	71	(1) (2) (3) (4) (5)	106	(1) (2) (3) (4) (5)
2	(1) (2) (3) (4) (5)	37	(1) (2) (3) (4) (5)	72	(1) (2) (3) (4) (5)	107	(1) (2) (3) (4) (5)
3	(1) (2) (3) (4) (5)	38	(1) (2) (3) (4) (5)	73	(1) (2) (3) (4) (5)	108	(1) (2) (3) (4) (5)
4	(1) (2) (3) (4) (5)	39	(1) (2) (3) (4) (5)	74	(1) (2) (3) (4) (5)	109	(1) (2) (3) (4) (5)
5	(1) (2) (3) (4) (5)	40	(1) (2) (3) (4) (5)	75	(1) (2) (3) (4) (5)	110	(1) (2) (3) (4) (5)
6	(1) (2) (3) (4) (5)	41	(1) (2) (3) (4) (5)	76	(1) (2) (3) (4) (5)	111	(1) (2) (3) (4) (5)
7	(1) (2) (3) (4) (5)	42	(1) (2) (3) (4) (5)	77	(1) (2) (3) (4) (5)	112	(1) (2) (3) (4) (5)
8	(1) (2) (3) (4) (5)	43	(1) (2) (3) (4) (5)	78	(1) (2) (3) (4) (5)	113	(1) (2) (3) (4) (5)
9	(1) (2) (3) (4) (5)	44	(1) (2) (3) (4) (5)	79	(1) (2) (3) (4) (5)	114	(1) (2) (3) (4) (5)
10	(1) (2) (3) (4) (5)	45	(1) (2) (3) (4) (5)	80	(1) (2) (3) (4) (5)	115	(1) (2) (3) (4) (5)
11	(1) (2) (3) (4) (5)	46	(1) (2) (3) (4) (5)	81	(1) (2) (3) (4) (5)	116	(1) (2) (3) (4) (5)
12	(1) (2) (3) (4) (5)	47	(1) (2) (3) (4) (5)	82	(1) (2) (3) (4) (5)	117	(1) (2) (3) (4) (5)
13	(1) (2) (3) (4) (5)	48	(1) (2) (3) (4) (5)	83	(1) (2) (3) (4) (5)	118	(1) (2) (3) (4) (5)
14	(1) (2) (3) (4) (5)	49	(1) (2) (3) (4) (5)	84	(1) (2) (3) (4) (5)	119	(1) (2) (3) (4) (5)
15	(1) (2) (3) (4) (5)	50	(1) (2) (3) (4) (5)	85	(1) (2) (3) (4) (5)	120	(1) (2) (3) (4) (5)
16	(1) (2) (3) (4) (5)	51	(1) (2) (3) (4) (5)	86	(1) (2) (3) (4) (5)	121	(1) (2) (3) (4) (5)
17	(1) (2) (3) (4) (5)	52	(1) (2) (3) (4) (5)	87	(1) (2) (3) (4) (5)	122	(1) (2) (3) (4) (5)
18	(1) (2) (3) (4) (5)	53	(1) (2) (3) (4) (5)	88	(1) (2) (3) (4) (5)	123	(1) (2) (3) (4) (5)
19	(1) (2) (3) (4) (5)	54	(1) (2) (3) (4) (5)	89	(1) (2) (3) (4) (5)	124	(1) (2) (3) (4) (5)
20	(1) (2) (3) (4) (5)	55	(1) (2) (3) (4) (5)	90	(1) (2) (3) (4) (5)	125	(1) (2) (3) (4) (5)
21	(1) (2) (3) (4) (5)	56	(1) (2) (3) (4) (5)	91	(1) (2) (3) (4) (5)	126	(1) (2) (3) (4) (5)
22	(1) (2) (3) (4) (5)	57	(1) (2) (3) (4) (5)	92	(1) (2) (3) (4) (5)	127	(1) (2) (3) (4) (5)
23	(1) (2) (3) (4) (5)	58	(1) (2) (3) (4) (5)	93	(1) (2) (3) (4) (5)	128	(1) (2) (3) (4) (5)
24	(1) (2) (3) (4) (5)	59	(1) (2) (3) (4) (5)	94	(1) (2) (3) (4) (5)	129	(1) (2) (3) (4) (5)
25	(1) (2) (3) (4) (5)	60	(1) (2) (3) (4) (5)	95	(1) (2) (3) (4) (5)	130	(1) (2) (3) (4) (5)
26	(1) (2) (3) (4) (5)	61	(1) (2) (3) (4) (5)	96	(1) (2) (3) (4) (5)	131	(1) (2) (3) (4) (5)
27	(1) (2) (3) (4) (5)	62	(1) (2) (3) (4) (5)	97	(1) (2) (3) (4) (5)	132	(1) (2) (3) (4) (5)
28	(1) (2) (3) (4) (5)	63	(1) (2) (3) (4) (5)	98	(1) (2) (3) (4) (5)	133	(1) (2) (3) (4) (5)
29	(1) (2) (3) (4) (5)	64	(1) (2) (3) (4) (5)	99	(1) (2) (3) (4) (5)	134	(1) (2) (3) (4) (5)
30	(1) (2) (3) (4) (5)	65	(1) (2) (3) (4) (5)	100	(1) (2) (3) (4) (5)	135	(1) (2) (3) (4) (5)
31	(1) (2) (3) (4) (5)	66	(1) (2) (3) (4) (5)	101	(1) (2) (3) (4) (5)	136	(1) (2) (3) (4) (5)
32	(1) (2) (3) (4) (5)	67	(1) (2) (3) (4) (5)	102	(1) (2) (3) (4) (5)	137	(1) (2) (3) (4) (5)
33	(1) (2) (3) (4) (5)	68	(1) (2) (3) (4) (5)	103	(1) (2) (3) (4) (5)	138	(1) (2) (3) (4) (5)
34	(1) (2) (3) (4) (5)	69	(1) (2) (3) (4) (5)	104	(1) (2) (3) (4) (5)	139	(1) (2) (3) (4) (5)
35	(1) (2) (3) (4) (5)	70	(1) (2) (3) (4) (5)	105	(1) (2) (3) (4) (5)	140	(1) (2) (3) (4) (5)

Specimen only