

FAC 1501

EXAM PACK

INTRODUCTORY FINANCIAL ACCOUNTING

OCTOBER – NOVEMBER 2017

SOLUTION 1: MULTIPLE CHOICE QUESTIONS

1.1. 1

1.2. 1

1.3. 4

1.4. 3

	R
Assets	800 000
Property, plant & Equipment	600 000
Trade and other receivables	200 000
Less Liabilities	(180 000)
Bank overdraft	100 000
Long – term borrowings	80 000
Equity	620 000

1.5. 5

	R
Land & Buildings	2 904 000
Vehicles at carrying amount	1 645 076
Equipment at carrying amount	363 364
Fixed deposit	562 984
Total Non – current assets	5 475 424

1.6. 1

	R
Creditors Control	601 880
Accrued expenses	24 980
Income received in advance	9 140
Current assets	636 000

1.7. 3

1.8. 4

1.9. 4

	Assets =			Equity +		Liabilities
	Equipment	Debtors	Bank	Capital	Income / Expenses	Creditors
	R	R	R	R	R	R
2017						
July 1	+ 60 000			+60 000		
7		+11 000			+11 000	
19			-7 000	-7 000		
27			-50		-50	
Net Effect	+60 000	+11 000	-7 050	+53 000	+10 950	

1.10. 2

SOLUTION 2: RECORDING OF TRANSACTIONS

General ledger			Subsidiary Journal
Date	Account to be debited	Account to be credited	
2017			
August 5	Inventory	Creditors` Control	Purchases Journal
August 7	Debtors Control Cost of Sales	Sales Inventory	Sales Journal
August 14	Packing Materials	Inventory	General Journal
August 23	Bank	Debtors` control	Cash Receipts Journal
August 26	Drawings	Inventory	General Journal
August 31	Insurance	Bank	Cash Payments Journal

SOLUTION 3: BANK RECONCILIATION

(a) MARAKELE TRADERS

CASH RECEIPTS JOURNAL – NOVEMBER 2017

Details	Bank
	R
Provisional Total	1 089 000
Debtor - Direct deposit	48 000
Rental Income - Direct deposit	19 500
Interest Income	9 000
Total Receipts	1 165 500

CASH PAYMENTS JOURNAL – NOVEMBER 2017

Details	Bank
	R
Provisional Total	319 800
Debtor (dishonoured cheque)	16 500
Insurance - Stop order	15 000
Security services – debit order	7 500
Bank charges	2 400
Total Payments	361 200

(b) MARAKELE TRADERS

GENERAL LEDGER

Date	Details	Folio	Amount	Date	Details	Folio	Amount
			R				R
Bank Account							
2017				2017			
November 1	Balance	b/d	233 250	November 30	Total Payments	CPJ	361 200
November 30	Total Receipts	CRJ	1 165 500	November 30	Balance	c/d	1 037 550
			1 398 750				1 398 750
December 1	Balance	b/d	1 037 550				

(c) MARAKELE TRADERS

BANK RECONCILIATION STATEMENT AS AT 30 JUNE 2016

	DR	CR
	R	R
Credit balance as per bank statement		670 350
Wrong Deposit (345 000 + 210 000)	120 000	
Outstanding cheques: 807	1 800	
810	8 250	
815	21 000	
816	28 500	
690	6 000	
701	2 250	
Outstanding Deposits (345 000 + 210 000)		555 000
Debit balance as per bank account	1 037 550	
	1 225 350	1 225 350

SOLUTION 4: STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME

MOKALA TRADERS

STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 SEPTEMBER 2017

	R
Revenue (1 350 600 – 13 050 – 13 800)	1 323 750
Cost of Sales	(858 000)
Opening Inventory	217 950
Purchases (795 150 – 15 900 – 11 100)	768 150
Closing Inventory	(128 100)
Gross Profit	465 750
Other Income	8 400
Interest on Fixed Deposit (105 000 * 8%)	8 400
Total Income	474 150
Expenses	(259 500)
Administration, Distribution & Other Expenses	(247 500)
Water & Electricity	34 800
Salaries & Wages (135 450 + 3 000)	138 450
Telephone expenses	23 850
Stationery (10 200 – 3 750)	6 450
Repairs & Maintenance	2 850
Insurance	19 800
Credit Losses [17 250 + 1 800 + (21 450 – 19 200)]	21 300
Depreciation 11 250 + 112 500)	123 750
Finance Cost	(12 000)
Interest on mortgage (10% * 720 000 * $\frac{2}{12}$)	12 000
Profit for the year	214 650
Other Comprehensive Income	-
Total Comprehensive Income	214 650

MAY – JUNE
2017
(SECOND
PAPER)

SOLUTION 1: MULTIPLE CHOICE QUESTIONS

1.1. 2

1.2. 4

1.3. 1

1.4. 3 $(75\,000 + 5\,000 + 1\,200 + 12\,000 + 24\,000) = 117\,200$

1.5. 1

1.6. 5

1.7. 2

1.8. 4

1.9. 3

1.10. 5

SOLUTION 2: TRADING ACCOUNT & PROFIT OR LOSS ACCOUNT

(a) PROFIT TRADERS

GENERAL LEDGER

Date	Details	Folio	Amount	Date	Details	Folio	Amount
			R				R
Trading Account							
2017				2017			
July 31	Opening Inventory	GJ	90 000	July 31	Sales (325 000 – 40 000 – 20 000)	GJ	265 000
31	Purchases (160 000 – 27 500 – 10 000)	GJ	122 500	31	Closing Inventory	GJ	310 000
31	Profit or Loss (Gross Profit)	CRJ	362 500				
			575 000				575 000

(b) PROFIT TRADERS

GENERAL LEDGER

Date	Details	Folio	Amount	Date	Details	Folio	Amount
			R				R
Profit or Loss Account							
2017				2017			
July 31	Water & Electricity	GJ	39 250	July 31	Trading Account (Gross Profit)	GJ	362 500
31	Telephone expenses	GJ	42 150	31	Interest Income	GJ	15 000
31	Salaries	GJ	157 700	31	Rental Income	GJ	56 000
31	Capital (Profit)	GJ	194 400				
			433 500				433 500

SOLUTION 3: ACCOUNTING EQUATION

Date	Assets =		Equity +	Liabilities	General Ledger Accounts	
		R			R	Dr
2017						
June 3		+20 000			Furniture	Bank
		-20 000				
	9	+10 000		+10 000	Inventory	Trade Creditors Control
	16	-6 000	-6 000		Telephone	Bank

23	+3 000	-3 000 -2 000		Debtors Control Cost of Sales	Sales Inventory
28	-15 000	-15 000		Drawings	Bank

SOLUTION 4: BANK RECONCILIATION

(a) ARIES TRADERS

CASH RECEIPTS JOURNAL – APRIL 2017

Details	Bank
	R
Provisional Total	13 250
T. Stephens - Direct deposit	41 000
M. Khumalo - Direct deposit	4 000
Interest Income	535
Total Receipts	58 785

CASH PAYMENTS JOURNAL – APRIL 2017

Details	Bank
	R
Provisional Total	28 150
B. Badu (dishonoured cheque)	1 700
Your Way Insurers – debit order	4 500
Wealth Investments – debit order	6 000
Bank charges	655
Total Payments	41 005

(b) ARIES TRADERS

GENERAL LEDGER

Date	Details	Folio	Amount	Date	Details	Folio	Amount		
			R				R		
Bank Account									
2017				2017					
April	30	Total Receipts	CRJ	58 785	April	1	Balance	b/d	4 550
						30	Total Payments	CPJ	41 005
						30	Balance	c/d	13 230
									58 785
May	1	Balance	b/d	13 230					

(c) ARIES TRADERS

BANK RECONCILIATION STATEMENT AS AT 30 APRIL 2017

	DR	CR
	R	R
Credit balance as per bank statement		36 880
Outstanding cheques: 807	14 000	
296	4 450	
297	7 800	
Outstanding Deposits (1 900 + 700)		2 600
Debit balance as per bank account	13 230	
	39 480	39 480

MAY – JUNE

2017

SOLUTION 1: MULTIPLE CHOICE QUESTIONS

1.1. 2

1.2. 4

1.3. 1

1.4. 3

1.5. 1

1.6. $5 \left(34\,200 * \frac{14}{114} \right) = 4\,200$

1.7. 2

1.8. 4

1.9. 3

1.10. 5

SOLUTION 2: BANK RECONCILIATIONS

GAUTENG TRADERS

(a) CASH RECEIPTS JOURNAL – OCTOBER 2016

Details	Bank
	R
Provisional Total	19 400
Debtor - Direct deposit	5 300
Total Receipts	24 700

CASH PAYMENTS JOURNAL – OCTOBER 2016

Details	Bank
	R
Provisional Total	11 600
Debtor (dishonoured cheque)	900
Bank charges	600
Total Payments	13 100

(b) GAUTENG TRADERS

GENERAL LEDGER

Date	Details	Folio	Amount	Date	Details	Folio	Amount
			R				R
Bank Account							
2016				2016			
October 31	Total Receipts	CRJ	24 700	October 1	Balance	b/d	7 000
				October 31	Total Payments	CPJ	13 100
				October 30	Balance	c/d	4 600
			24 700				24 700
November 1	Balance	b/d	4 600				

(c) GAUTENG TRADERS

BANK RECONCILIATION STATEMENT AS AT 30 OCTOBER 2016

	DR	CR
	R	R
Credit balance as per bank statement		8 300
Outstanding cheques: 652	1 500	
730	700	
736	6 000	
Outstanding Deposits		4 500
Debit balance as per bank account	4 600	
	12 800	12 800

SOLUTION 3: CASH RECEIPTS JOURNAL, CASH PAYMENTS JOURNAL, SALES JOURNAL & PURCHASES JOURNAL

LIMPOPO TRADERS

(a) CASH RECEIPTS JOURNAL – JULY 2016

CRJ07

Doc No.	Day	Details	Analysis of receipts	Bank	Sales	VAT Output	Debtors
			R	R	R	R	R
250	2	Small Stores (i)	11 400	11 400	10 000	1 400	
251	17	Tiny Stores	13 794	13 794			13 794
			25 194	25 194	10 000	1 400	13 794

Calculations

(i) July 2 Sales

Total Sales	R 11 400
VAT $\left(11\,400 \times \frac{14}{114}\right)$	(1 400)
Net Sales	10 000

(b) CASH PAYMENTS JOURNAL – JULY 2016

CPJ07

Doc No.	Day	Details	Bank	Purchases	VAT Input	Creditors
			R	R	R	R
890	8	Maxi Wholesalers	25 536			25 536
891	14	Large Wholesalers (i)	27 360	24 000	3 360	
			52 896	24 000	3 360	25 536

(i) July 14 Purchases

Total Purchases	R
VAT $\left(27\,360 * \frac{14}{114}\right)$	27 360
Net Purchases	(3 360)
	<hr/>
	24 000

(c) SALES JOURNAL – JULY 2016

SJ07

Doc No.	Day	Details	VAT Output	Sales	Debtors
			R	R	R
320	11	Mini Stores (i)	1 540	11 000	12 540
321	20	Little Stores (ii)	1 960	14 000	15 960
			3 500	25 000	28 500

Calculations

(i) July 11 Sales

Total Sales	R
VAT $\left(12\,540 * \frac{14}{114}\right)$	12 540
Net Sales	(1 540)
	<hr/>
	11 000

(ii) July 20 Sales

Total Sales	R
VAT $\left(15\,960 * \frac{14}{114}\right)$	15 960
Net Sales	(1 960)
	<hr/>
	14 000

(d) PURCHASES JOURNAL – JULY 2016

PJ07

Doc No.	Day	Details	VAT Input	Purchases	Creditors
			R	R	R
130	5	Huge Wholesalers (i)	2 940	21 000	23 940
560	24	Big Wholesalers (ii)	3 500	25 000	28 500
			6 440	46 000	52 440

Calculations

(i) July 5 Purchases

Total Purchases	R 23 940
VAT $\left(23\,940 * \frac{14}{114}\right)$	(2 940)
Net Purchases	<hr/> 21 000 <hr/>

(ii) July 24 Purchases

Total Purchases	R 28 500
VAT $\left(28\,500 * \frac{14}{114}\right)$	(3 500)
Net Purchases	<hr/> 25 000 <hr/>

SOLUTION 4: CALCULATIONS & STATEMENT OF FINANCIAL POSITION

(a) Calculation of Depreciation on Vehicles = $(100\,000 * 25\%) = 25\,000$

(b) Calculation of Depreciation of Equipment = $(30\,000 - 9\,000) * 30\% = 6\,300$

(c) Calculation of the Capital amount = $(352\,000 - 25\,000 - 6\,300) = 320\,700$

(d) Calculation of property, plant & Equipment

	R
Land & Buildings	700 000
Vehicles $(100\,000 - 25\,000 - 25\,000)$	50 000
Equipment $(30\,000 - 9\,000 - 6\,300)$	14 700
Property, plant & Equipment	<hr/> 764 700 <hr/>

(e) Calculation of trade & other receivables amount = $(20\,000 - 3\,500) = 16\,500$

(f) Calculation of the cash & cash equivalents amount

$$= (40\,500 + 2\,500 + 1\,500) = 44\,500$$

(g) Calculation of the trade & other payables amount

$$= (17\,000 + 23\,000 + 5\,000) = 45\,000$$

(h) MPUMALANGA TRADERS

STATEMENT OF FINANCIAL POSITION AS AT 31 AUGUST 2016

	R
ASSETS	
NON CURRENT ASSETS	854 700
Property, Plant & Equipment (d)	764700
Financial Assets	90 000
CURRENT ASSETS	111 000
Inventories	50 000
Trade & other receivables (e)	16 500
Cash & cash equivalents (f)	44 500
TOTAL ASSETS	965 700
EQUITY AND LIABILITIES	
EQUITY	320 700
Capital (c)	320 700
LIABILITIES	645 000
NON – CURRENT LIABILITIES	600 000
Long – term Borrowings	600 000
CURRENT LIABILITIES	45 000
Trade & Other Payables (g)	45 000
	965 700

OCTOBER – NOVEMBER 2016

SOLUTION 1: MULTIPLE CHOICE QUESTIONS

1.1. 3

When the perpetual inventory system is in use, the inventory account is always updated whenever there are movements in inventory. In this particular case inventory increases due to the purchase of inventory, as such the inventory account is updated to record the increase in inventory.

If the periodic inventory system was in use, this purchase could have been recorded in the purchases account.

1.2. 1

1.3. 2

	Amount (R)
Purchases	500 000
Purchases returns	(5 000)
Settlement discount received	(2 000)
Donations of inventory	(6 000)
Drawings of inventory	(1 000)
Net Purchases	486 000

1.4. 4

	Amount (R)
Sales	700 000
Settlement discount granted	(3 000)
Sales Returns	(8 000)
Net Purchases	689 000

1.5. 3

	Amount (R)
Opening Inventory	900 000
Net Purchases (500 000 – 30 000 – 9 000)	461 000
Freight charges on purchases	15 000
Closing Inventory	(700 000)
Cost of Sales	676 000

- 1.6. 1
When the owner contributes money into the business, this is called capital. The amount in the bank (an asset) increases and assets increase on the debit side whilst the capital (owner's contribution into the business) increases and equity increases on the credit side.
- 1.7. 3
Assets will increase as a result of the increase in furniture whilst liabilities will also increase because the furniture was purchased on credit.
- 1.8. 4
The bank account is involved as cash was received and as this amount was received with respect of sales, the sales account will also be involved.
- 1.9. 1
The assets will reduce because the account was paid using a business cheque and water and electricity is an expense, which reduces equity.
- 1.10. 2
The assets increase because of the increase in the amount in the bank and when bank (an asset) increases we debit the bank account. At the same time this amount was received in settlement of a debtor, which reduces an asset (debtors) and assets decrease on the credit side.

SOLUTION 2: BANK RECONCILIATION

(a) ARK TRADERS

CASH RECEIPTS JOURNAL (BANK COLUMN ONLY) – MARCH 2016

CRJ03

Day	Details	Bank
2016		R
March 31	Provisional Total	12 500
31	S. Stone (direct deposit)	40 000
31	C. Carly (direct deposit)	2 000
31	Interest Income	415
31	Total Receipts	54 915

ARK TRADERS

CASH PAYMENTS JOURNAL (BANK COLUMN ONLY) - MARCH 2016

CPJ03

Day	Details	Bank
2016		R
March 31	Provisional Total	23 100
31	McQueen Insurers – insurance (debit order)	4 000
31	A. Naidoo - Debtors control (dishonoured cheque)	1 200
31	West Investments – debit order	5 000
31	Bank charges	500
31	Total Payments	33 800

(b) ARK TRADERS

GENERAL LEDGER

Bank

Date	Details	Folio	Amount	Date	Details	Folio	Amount
			R				R
Bank Account							
			31 700				33 800
			54 915				52 815
			86 615				86 615
April 1	Balance	b/d	52 815				

(c) ARK TRADERS

BANK RECONCILIATION STATEMENT AS AT 31 MARCH 2016

	DR	CR
	R	R
Credit balance as per bank statement		62 115
Debit Outstanding cheques: 240	1 000	
246	3 500	
247	7 000	
Outstanding Deposits (1 800 + 400)		2 200
Debit balance as per bank account	52 815	
	64 315	64 315

SOLUTION 3: SALES JOURNAL, SALES RETURNS JOURNAL & GENERAL JOURNAL

KIARA TRADERS

(a) **SALES JOURNAL – MARCH 2016**

SJ03

Doc no.	Day	Details	Fol	VAT output	Sales	Debtors
				R	R	R
564	3	O. McQueen (c1)	DL1	2 240	16 000	18 240
565	7	T. Smith (c2)	DL3	700	5 000	5 700
566	17	D. Francis (c3)	DL6	630	4 500	5 130
567	25	B. Singh (c4)	DL7	840	6 000	6 840

Calculations

1.	R
Sales inclusive of VAT	18 240
VAT (18 240 * 14 / 114)	<u>(2 240)</u>
Sales exclusive of VAT	<u>16 000</u>
2.	R
Sales inclusive of VAT	5 700
VAT (5 700 * 14 / 114)	<u>(700)</u>
Sales exclusive of VAT	<u>5 000</u>
3.	R
Sales inclusive of VAT	5 130
VAT (5 130 * 14 / 114)	<u>(630)</u>
Sales exclusive of VAT	<u>4 500</u>
4.	R
Sales inclusive of VAT	6 840
VAT (6 840 * 14 / 114)	<u>(840)</u>
Sales exclusive of VAT	<u>6 000</u>

(b) KIARA TRADERS

SALES RETURNS JOURNAL – MARCH 2016

SRJ03

Doc no.	Day	Details	Fol	VAT output	Sales Returns	Debtors
				R	R	R
720	10	A. Thomas (c1)	DL4	56	400	456
721	18	O. McQueen (c2)	DL1	210	1 500	1 710

Calculations

1.	R
Sales returns inclusive of VAT	456
VAT (456 * 14 / 114)	<u>(56)</u>
Sales returns exclusive of VAT	<u>400</u>

2.	R
Sales inclusive of VAT	1 710
VAT (1 710 * 14 / 114)	<u>(210)</u>
Sales exclusive of VAT	<u>1 500</u>

(c) KIARA TRADERS

GENERAL JOURNAL – MARCH 2016

GJ03

Day	Details	Fol	Debit R	Credit R
4	Y. Moloi / Debtors` Control Interest Income (1 200 * 8% * 3 / 12) Interest charged on a debtor`s account which had been three months overdue @ 8% p.a.	DL2	24	24
15	Credit losses (741 - 91) VAT Input (741 * 14 / 114) J. Pillay / Debtors` Control Account of a debtor written off as irrecoverable.		650 91	741

**SOLUTION 5: STATEMENT OF CHANGES IN
EQUITY & STATEMENT OF FINANCIAL
POSITION**

(a) ZEUS TRADERS

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 29 FEBRUARY
2016**

	Capital R
Balance at 1 March 2015	1 540 000
Total Comprehensive Income (5 500 000 – 3 000 000)	2 500 000
Drawings	(20 000)
Balance at 29 February 2016	4 020 000

(b) ZEUS TRADERS

STATEMENT OF FINANCIAL POSITION AS AT 29 FEBRUARY 2016

	R
ASSETS	
NON – CURRENT ASSETS	3 550 000
Property, Plant & Equipment (2 650 000 + 400 000 – 40 000 + 600 000 – 60 000)	3 550 000
CURRENT ASSETS	1 673 000
Inventories	500 000
Prepaid expenses	1 000
Trade & other receivables	270 000
Cash & cash equivalents (900 000 + 2 000)	902 000
TOTAL ASSETS	5 223 000
EQUITY AND LIABILITIES	
EQUITY	4 020 000
Capital	4 020 000
LIABILITIES	1 203 000
NON – CURRENT LIABILITIES	1 000 000
Long – term borrowings (300 000 + 700 000)	1 000 000
CURRENT LIABILITIES	203 000
Trade & other payables (200 000 + 3 000)	203 000
TOTAL EQUITY AND LIABILITIES	5 223 000

MAY – JUNE

2016

SOLUTION 1: MULTIPLE CHOICE QUESTIONS

1. 1

2. 3

3. 4

4. 3

5. 4

6. 2

7. 3

8. 1

9. 3

10. 2

SOLUTION 2: POSTING FROM SUBSIDIARY JOURNALS TO THE GENERAL LEDGER

(a) PT STORES

GENERAL LEDGER

Date	Details	Folio	Amount	Date	Details	Folio	Amount
			R				R
Bank Account							
2015 August 31 31	Total Receipts Balance	CRJ c/d	627 500 46 103	2015 August 1 31	Balance Total Payments	b/d CPJ	160 000 513 603
			673 603				673 603
				September 1	Balance	b/d	46 103

(b)

Date	Details	Folio	Amount	Date	Details	Folio	Amount
			R				R
Debtors Control Account							
2015 August 1 31	Balance Sales and VAT Output	b/d SJ	300 000 264 195	2015 August 31 31	Bank Sales Returns and VAT Output Balance	CRJ SRJ c/d	300 000 63 840 200 355
			564 195				564 195
September 1	Balance	b/d	200 355				

(c)

Date	Details	Folio	Amount	Date	Details	Folio	Amount
			R				R
Creditors Control Account							
2015 August 31 31	Bank Purchases Returns and VAT Input Balance	CPJ PRJ c/d	140 000 72 960 478 790	2015 August 1 31	Balance Purchases and VAT Input	b/d PJ	250 000 441 750
			691 750				691 750
				September 1	Balance	b/d	478 790

SOLUTION 3: BANK RECONCILIATION

(d) DG STORES

CASH RECEIPTS JOURNAL- APRIL 2015

Details	Bank
	R
Provisional Total	108 000
Interest Income	150
Total Receipts	108 150

CASH PAYMENTS JOURNAL- APRIL 2015

Details	Bank
	R
Provisional Total	64 700
ABC Insurers – insurance (debit order)	6 500
N. Enough - Debtors control (dishonoured cheque)	1 000
Bank charges	100
Total Payments	72 300

(e) DG STORES

GENERAL LEDGER

Date	Details	Folio	Amount	Date	Details	Folio	Amount
			R				R
Bank Account							
			500 000				72 300
			108 150				535 850
			608 150				608 150
May 1	Balance	b/d	535 850				

(f) DG STORES

BANK RECONCILIATION STATEMENT AS AT 30 APRIL 2015

	DR	CR
	R	R
Credit balance as per bank statement		553 850
Outstanding cheques: 221	16 000	
230	3 000	
234	5 000	
Outstanding Deposits (4 000 + 2 000)		6 000
Debit balance as per bank account	535 850	
	559 850	559 850

SOLUTION 4: STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME AND STATEMENT OF CHANGES IN EQUITY

(a) HSR STORES

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2015

	R
Revenue (7 002 240 – 18 210 - 1 240)	6 982 790
Cost of Sales (5 600 000 – 1 000)	5 599 000
Gross Profit	1 383 790
Less Expenses	(178 925)
Inventory shortfall (1 504 650 – 1 500 000)	4 650
Consumable stores (11 500 – 10 000)	1 500
Insurance (25 000 – 2 000)	23 000
Telephone expenses	10 000
Water and Electricity	32 800
Rental Expense	48 000
Stationery	20 000
Wages	32 000
Depreciation [10% * (213 000 – 143 250)]	6 975
Net Profit	1 204 865

(b)

HSR STORES

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2015

	R
Balance as at 1 July 2014	2 500 000
Total Comprehensive Income	1 204 865
Drawings	(174 300)
	3 530 565

OCTOBER – NOVEMBER 2015

SOLUTION 1: SUBSIDIARY JOURNALS

(a) TILE TRADERS

PURCHASES JOURNAL – OCTOBER 2015

Doc no.	Day	Details	Folio	VAT Input	Purchases	Creditors
				R	R	R
842	1	Luxury Tiles (1)	CL3	604.80	4 320.00	4 924.80
25	5	Cheap Tiles (2)	CL1	420.00	3 000.00	3 420.00
877	14	Exclusive Tiles (3)	CL4	672.00	4 800.00	5 472.00
635	20	Expensive Tiles (4)	CL2	840.00	6 000.00	6 840.00
				<u>2 536.80</u>	<u>18 120.00</u>	<u>20 656.80</u>

Calculations

	R
(1) Total Purchases	4 924.80
VAT (14 / 114 * 4 924.80)	<u>604.80</u>
Purchases	<u>4 320.00</u>

	R
(2) Total Purchases	3 420.00
VAT (14 / 114 * 3 420)	<u>420.00</u>
Purchases	<u>3 000.00</u>

(3) Total Purchases	5 472.00
VAT (14 / 114 * 5 472)	<u>672.00</u>
Purchases Returns	<u>4 800.00</u>

(4) Total Purchases	6 840.00
VAT (14 / 114 * 6 840.00)	<u>840.00</u>
Purchases	<u>6 000.00</u>

(b) TILE TRADERS

PURCHASES RETURNS JOURNAL – OCTOBER 2015

Doc no.	Day	Details	Folio	VAT Input	Purchases Returns	Creditors
				R	R	R
17	4	Luxury Tiles (5)	CL3	140.00	1 000.00	1 140.00
97	11	Bathroom Tiles (6)		112.00	800.00	912.00
14	15	Cheap Tiles (7)	CL1	56.00	400.00	456.00
392	23	Expensive Tiles (8)	CL2	134.40	960.00	1 094.40
				442.40	3 160.00	3 602.40

Calculations

		R
(5)	Total Purchases Returns	1 140.00
	VAT (14 / 114 * 1 140.00)	<u>140.00</u>
	Purchases Returns	<u>1 000.00</u>
(6)	Total Purchases Returns	912.00
	VAT (14 / 114 * 912.00)	<u>112.00</u>
	Purchases Returns	<u>800.00</u>
(7)	Total Purchases Returns	456.00
	VAT (14 / 114 * 456.00)	<u>56.00</u>
	Purchases Returns	<u>400.00</u>
(8)	Total Purchases Returns	1 094.40
	VAT (14 / 114 * 1 094.40)	<u>134.40</u>
	Purchases Returns	<u>960.00</u>

SOLUTION 2: ACCOUNTING EQUATION

TOTO ELECTRICAL – SEPTEMBER 2015

Date	Assets =	Equity +	Liabilities	General ledger accounts	
	R	R	R	Dr	Cr
September 4	+ 1 200	+ 1 200		Debtors Control / L. Logo	Services Rendered
10	- 350	- 350		Advertising	Bank
15	+ 8 500 - 8 500			Tools & Equipment	Bank
20	+ 700 - 700			Bank	Debtors Control / L. Logo
22	+ 4 050	+ 4 050		Bank	Services Rendered
23	- 450	- 450		Drawings	Inventory
28	+ 3 000		+3 000	Inventory	Creditors Control / Wires Inc
30	- 5 000	- 5000		Wages	Bank

SOLUTION 3: BANK RECONCILIATION STATEMENT

(d) BG STORES

CASH RECEIPTS JOURNAL- FEBRUARY 2015

Details	Bank
	R
Provisional Total	30 000
T. Ngcobo – debtor (direct deposit)	35 000
Y. Tyrone – rent income (direct deposit)	12 000
Total Receipts	77 000

CASH PAYMENTS JOURNAL- FEBRUARY 2015

Details	Bank
	R
Provisional Total	21 000
A Singh - Debtors control (dishonoured cheque)	6 500
Tellycom – telephone (debit order)	4 600
K. B Electricity – electricity (debit order)	5 000
Ourway Insurance – insurance (debit order)	3 500
Bank charges	425
Interest on overdraft	180
Total Payments	41 205

(e) **BG STORES**

GENERAL LEDGER

Date	Details	Folio	Amount	Date	Details	Folio	Amount
			R				R
Bank Account							
2015 February 28	Total Receipts	CRJ	77 000	2015 February 1	Balance	b/d	62 770
28	Balance	b/d	26 975	28	Total Payments	CPJ	41 205
			103 975				103 975
				March 1	Balance	b/d	26 975

(f) **BG STORES**

BANK RECONCILIATION STATEMENT AS AT 28 FEBRUARY 2015

	DR	CR
	R	R
Debit balance as per bank statement	17 000	
Outstanding cheques: 568	9 000	
570	11 000	
572	2 000	
575	5 975	
Outstanding Deposits		18 000
Credit balance as per bank account		26 975
	44 975	44 975

SOLUTION 4: STATEMENT OF FINANCIAL POSITION

POP TRADERS

STATEMENT OF FINANCIAL POSITION AS AT 31 JULY 2015

	R
ASSETS	
NON – CURRENT ASSETS	730 500
Property, Plant & Equipment (550 000 + 65 000 + 35 000 - 15000 – 9 500)	625 500
Financial assets	105 000
CURRENT ASSETS	95 550
Inventories (35 000 + 5 200)	40 200
Prepaid expenses	1 500
Trade & other receivables (16 000 – 3 700)	12 300
Cash & cash equivalents (37 550 + 3 500 + 500)	41 550
TOTAL ASSETS	826 050
EQUITY AND LIABILITIES	
EQUITY	283 100
Capital	283 100
LIABILITIES	542 950
NON – CURRENT LIABILITIES	495 000
Long – term borrowings (420 000 + 75 000)	495 000
CURRENT LIABILITIES	47 950
Trade & other payables (6 300 + 36 000 + 3 350)	45 650
Income received in advance	2 300
TOTAL EQUITY AND LIABILITIES	826 050

MAY – JUNE

2015

SOLUTION 1: ACCOUNTING EQUATION AND BANK RECONCILIATION

PART A

PJ STORES – WEEK ENDED 6 MARCH 2015

Date	A = R	E + R	L R
March 2	+ 20 000 (70 000 – 50 000)	+ 20 000	
3	+ 3 500 - 3 500		
4	+ 5 000		+ 5 000
5	- 600	- 600	
6	- 950	- 950	

PART B

(a) HOUSEHOLD APPLIANCES SERVICES

GENERAL LEDGER

Date	Details	Folio	Amount	Date	Details	Folio	Amount
			R				R
Bank Account							
2015 April	1 30	Balance Total Receipts	b/d CRJ	2015 April	30 30	Total Payments Balance	CPJ c/d
			10 700 35 800				29 300 17 200
			46 500				46 500
May	1	Balance	b/d				
			17 200				

(b) HOUSEHOLD APPLIANCES

BANK RECONCILIATION STATEMENT AS AT 30 APRIL 2015

	DR	CR
	R	R
Credit balance as per bank statement		21 700
Error – wrong deposit	4 200	
Outstanding cheques: 135	1 400	
141	2 500	
Outstanding Deposits		3 600
Debit balance as per bank account	17 200	
	25 300	25 300

SOLUTION 2: CASH RECEIPTS JOURNAL, CASH PAYMENTS JOURNAL AND GENERAL JOURNAL

(a) SANAMUVA DISTRIBUTORS

CASH RECEIPTS JOURNAL (CRJ) – MAY 2015

Date	Details	Bank	Sales	Debtors Control	VAT Output	SUNDRIES	
						Amount	Details
		R	R	R	R	R	
1	Mr Samuva	50 000				50 000	Capital
7	Road Construct (c2)	41 952	36 800		5 152		
20	Cash Sales (c3)	39 900	35 000		4 900		
30	C.Carpenter	3 500		3 500			
		135 352	71 800	3 500	10 052	50 000	

CASH PAYMENTS JOURNAL (CPJ) – MAY 2015

Date	Details	Bank	Purchases	Creditors Control	VAT Input	Sundry Accounts	
						Amount	Details
		R	R	R	R	R	
1	Ingwe Properties (C1)	3 990			490	3 500	Rental Expense
10	Internet payment	45 200		30 200		15 000	Salaries
15	Petty Cash	1 500				1 500	Petty Cash
28	Purchases (c4)	30 267	26 550		3 717		
		80 957	26 550	30 200	4 207	20 000	

Calculations

	R
(1) Total Rent	3 990
VAT (14 / 114 * 3 990)	<u>(490)</u>
Rent Expense	<u>3 500</u>
	R
(2) Total Sales	41 952
VAT (14 / 114 * 41 952)	<u>(5 152)</u>
Sales	<u>36 800</u>
(3) Total Sales	39 900
VAT (14 / 114 * 39 900)	<u>(4 900)</u>
Sales	<u>35 000</u>
(4) Total Purchases	30 267
VAT (14 / 114 * 30 267)	<u>(3 717)</u>
Purchases	<u>26 550</u>

(b) SANAMUVA DISTRIBUTORS

GENERAL JOURNAL

Date	Details	DR R	CR R
2015 May 30	Credit Losses (6 179 – 3 500) C.Carpenter / Debtors Control	2 679	2 679

SOLUTION 3: FINAL ACCOUNTS – TRADING ACCOUNT

CHOCOLATE TRADERS

GENERAL LEDGER

(a)

Date	Details	Folio	Amount R	Date	Details	Folio	Amount R
Sales Returns Account							
2015 March 31	Balance	b/d	80 000	2015 March 31	Sales	GJ	80 000

(b)

Date	Details	Folio	Amount R	Date	Details	Folio	Amount R
Purchases Returns Account							
2015 March 31	Purchases	GJ	55 000	2015 March 31	Balance	b/d	55 000

(c)

Date	Details	Folio	Amount	Date	Details	Folio	Amount
			R				R
Sales Account							
2015 March 31	Sales Returns	GJ	80 000	2015 March 31	Balance	b/d	650 000
	Trading Account	GJ	570 000				
			650 000				650 000

(d)

Date	Details	Folio	Amount	Date	Details	Folio	Amount
			R				R
Purchases Account							
2015 March 31	Balance	b/d	320 000	2015 March 31	Purchases	GJ	55 000
					Returns	GJ	265 000
					Trading account		
			320 000				320 000

(e)

Date	Details	Folio	Amount	Date	Details	Folio	Amount
			R				R
Inventory Account							
2014 April 1	Balance	b/d	180 000	2015 March 31	Trading Account	GJ	180 000
2015 March 31	Trading Account	G/J	130 000				

(f)

Date	Details	Folio	Amount	Date	Details	Folio	Amount
			R				R
Trading Account							
2015 March 31	Purchases	GJ	265 000	2015 March 31	Sales	GJ	570 000
	Inventory (opening)	GJ	180 000		Inventory (closing)	GJ	130 000
	Profit or Loss (gross profit)	GJ	255 000				
			700 000				700 000

SOLUTION 4: PROPERTY, PLANT & EQUIPMENT NOTE AND STATEMENT OF FINANCIAL POSITION

ARK STORES

(a) NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 28
FEBRUARY 2015

PROPERTY, PLANT & EQUIPMENT

	Land and Buildings	Equipment	Vehicles	Total
	R	R	R	
Carrying amount at beginning of year	950 000	180 000	300 000	1 430 000
Cost	950 000	200 000	350 000	1 500 000
Accumulated Depreciation	-	(20 000)	(50 000)	(70 000)
Additions	-	-	-	-
Disposals	-	-	-	-
Depreciation for the year (c1)	-	(20 000) ²	(60 000) ¹	(80 000)
Carrying amount at end of year	950 000	160 000	240 000	1 350 000
Cost	950 000	200 000	350 000	1 500 000
Accumulated Depreciation	--	(40 000)	(110 000)	(150 000)

Calculations

¹ Depreciation for the year on Equipment = 10% * 200 000 = 20 000

² Depreciation for the year on vehicles = 20% * 300 000 = 60 000

(b) ARK STORES

STATEMENT OF FINANCIAL POSITION AS AT 28 FEBRUARY 2015

	R
ASSETS	
NON – CURRENT ASSETS	1 450 000
Property, Plant & Equipment	1 350 000
Financial assets	100 000
CURRENT ASSETS	95 550
Inventories	44 000
Prepaid expenses	2 500
Trade & other receivables	34 950
Cash & cash equivalents	28 500
TOTAL ASSETS	1 559 950
EQUITY AND LIABILITIES	
EQUITY	739 950
Capital	739 950
LIABILITIES	820 000
NON – CURRENT LIABILITIES	780 000
Long – term borrowings	780 000
CURRENT LIABILITIES	40 000
Trade & other payables	36 500
Income received in advance	3 500
TOTAL EQUITY AND LIABILITIES	1 559 950

OCTOBER – NOVEMBER 2014

SOLUTION 1: ACCOUNTING EQUATION AND CLASSIFICATION OF ACCOUNTS

LUFANO TRADERS

PART A

No.	Equity	=	Assets	-	Liabilities
	R		R		R
3	+ 100 000 (350 000 – 250 000)		+ 100 000		
4	-4 000		-4 000		
5			+70 000		+ 70 000
6	+ 2 500 -2 000		+2 500 -2 000		
7	- 500		- 500		

PART B

No.	Assets	Equity		Liabilities
		Income	Expenses	
	R	R	R	R
1			Telephone expenses	
2	Bank (favourable)			
3	Equipment			
4		Services rendered		
5	Cash float			
6				Accrued expenses
7				Long term loan: BA Bank
8			Consumables	
9	Machinery			
10		Credit losses recovered		
11	Prepaid expenses			
12				Short term loan: JP Bank

SOLUTION 2: PROFIT OR LOSS ACCOUNT & BANK RECONCILIATION

PART A

PROFIT OR LOSS ACCOUNT FOR THE YEAR ENDED 30 APRIL 2014

	R
Revenue	900 900
Cost of Sales (5 600 000 – 1 000)	485 000
Gross Profit	415 900
Other Income	31 700
Rental Income	30 000
Profit on sale of non – current assets	1 700
Total Income	447 600
Less Expenses	(346 326)
Bank charges	1 378
Interest expenses	948
Advertising	56 000
Telephone expenses	26 000
Water and Electricity	9 200
Stationery	12 000
Wages & Salaries	240 800
Net Profit	101 274

PART B

(a) SPEECH LINGO

GENERAL LEDGER

Date	Details	Folio	Amount	Date	Details	Folio	Amount
			R				R
Bank Account							
2014 March	1 31 31	Balance Total Receipts Balance	b/d CRJ c/d	2014 March 31	Total Payments	CPJ	26 540
			4 895 21 400 245 26 540				26 540
				April 1	Balance	b/d	245

(b) SPEECH LINGO

BANK RECONCILIATION STATEMENT AS AT 30 MARCH 2014

	DR	CR
	R	R
Credit balance as per bank statement		1 210
Error – wrong deposit	3 470	
Outstanding cheques: 114	850	
121	1 125	
123	560	
Outstanding Deposits		4 550
Credit balance as per bank account		245
	6 005	6 005

SOLUTION 3: CASH PAYMENTS JOURNAL AND PURCHASES JOURNAL

APPLIANCES STORES

(a) CASH PAYMENTS JOURNAL (CPJ) – august 2014

Doc no.	Day	Details	Bank	Purchases	VAT Input	Credits	Settlement Discount Received (Cr)	Vat Output (Cr)	Sundry Accounts	
									Amount	Details
			R	R	R			R	R	
251	5	Folio Stationers (1)	1 026		126				900	Stationery
252	7	Telkom (2)	5 700		700				5 000	Telephone
253	14	City Council (3)	5 928		728				5 200	Water & Electricity
254	16	Smart Appliances (4)	228 000	200 000	28 000					
255	25	Big Appliances	114 000			114 000				
256	25	Salaries	50 000						50 000	Salaries
257	26	Big Appliances (5)	168 720			239 400	(62 000)	(8 680)		
			573 374	200 000	29 554	353 400	(62 000)	(8 680)	61 100	

Calculations

	R
(1) Total Stationery	1 026
VAT (14 / 114 * 1 026)	<u>(126)</u>
Rent Expense	<u>900</u>
	R
(2) Total Telephone	5 700
VAT (14 / 114 * 5 700)	<u>(700)</u>
Telephone Expense	<u>5 000</u>
(3) Total Water and Electricity	5 928
VAT (14 / 114 * 5 928)	<u>(728)</u>
Water & Electricity expense	<u>5 200</u>
(4) Total Purchases	228 000
VAT (14 / 114 * 228 000)	<u>(28 000)</u>

Purchases 200 000

(5) Amount paid = (R353 400 * 80% - R114 000) = R168 720

Total amount settled	239 400
Amount paid	<u>(168 720)</u>
Total Settlement Discount	70 680
VAT (14 / 114 * 70 680)	<u>(8 680)</u>
Net Settlement Discount	<u>62 000</u>

(b) APPLIANCE STORES

PURCHASES JOURNAL – AUGUST 2014

Doc no.	Day	Details	VAT Input	Purchases	Creditors
			R	R	R
457	2	Big Appliances (6)	43 400	310 000	353 400
465	20	ABC Appliances (7)	7 000	50 000	57 000
			50 400	360 000	410 400

Calculations

	R
(6) Total Purchases	353 400
VAT (14 / 114 * 353 400)	<u>43 400</u>
Purchases	<u>310 000</u>

	R
(7) Total Purchases	57 000
VAT (14 / 114 * 57 000)	<u>(7 000)</u>
Purchases	<u>50 000</u>

SOLUTION 4: STATEMENT OF FINANCIAL POSITION

(c) DINO'S DEALERS

STATEMENT OF FINANCIAL POSITION AS AT 28 FEBRUARY 2014

	R
ASSETS	
NON – CURRENT ASSETS	2 574 000
Property, Plant & Equipment (1 700 000 + 950 000 – 76 000)	2 574 000
 CURRENT ASSETS	 1 249 000
Inventories	245 000
Prepaid expenses	3 000
Trade & other receivables	150 000
Cash & cash equivalents (850 000 + 600 + 400)	851 000
 TOTAL ASSETS	3 823 000
EQUITY AND LIABILITIES	
EQUITY	2 580 000
Capital (2 900 000 – 15 000 + 2 200 000 – 1 760 000 – 745 000)	2 580 000
 LIABILITIES	 1 243 000
NON – CURRENT LIABILITIES	1 098 000
Long – term borrowings (718 000 + 380 000)	1 098 000
 CURRENT LIABILITIES	 145 000
Trade & other payables (127 000 + 2 000)	129 000
Income received in advance	16 000
 TOTAL EQUITY AND LIABILITIES	3 823 000

MAY – JUNE 2014

SOLUTION 1: ACCOUNTING EQUATION

SCORE TRADERS – APRIL 2014

No.	General ledger		A =	E +	L
	Account debited	Account Credited			
			R	R	R
1	Printing & Stationery	Bank	- 2 550	- 2 550	
2	Repairs & Maintenance	Creditors Control		- 350	+ 350
3	Inventory	Bank	+ 3 000 - 3 000		
4	Bank (250 * 7) Cost of Sales	Sales Inventory	+ 1 750 - 1 050	+ 1 750 - 1 050	
5	Bank	Services Rendered	+ 9 50	+ 9 500	

SOLUTION 2: COST OF SALES & BANK RECONCILIATION

PART A

2.1 COMPUTER TRADERS

CALCULATION OF COST OF SALES FOR THE YEAR ENDED 31 JANUARY 2014

	R
Opening Inventory	50 700
Purchases (230 100 – 5 600)	235 700
Carriage on Purchases	12 400
Customs & excise duties on purchases	8 900
Closing inventory	(40 200)
Cost of sales	267 500

PART B

2.2 CAMERA TRADERS

CASH RECEIPTS JOURNAL- APRIL 2014

Details	Bank
	R
Provisional Total	68 300
Interest Income	600
Debtor (direct deposit)	3 100
Radio Dealers – rent income (direct deposit)	3 600
Total Receipts	75 600

CASH PAYMENTS JOURNAL - APRIL 2014

Details	Bank
	R
Provisional Total	53 400
Debtors control - (dishonoured cheque)	2 000
Bank charges	500
Total Payments	55 900

2.3 CAMERA TRADERS

GENERAL LEDGER

Date	Details	Folio	Amount	Date	Details	Folio	Amount
			R				R
Bank Account							
			26 950				55 900
			75 600				46 650
			102 550				102 550
May 1	Balance	b/d	46 650				

2.4 CAMERA TRADERS

BANK RECONCILIATION STATEMENT AS AT 30 APRIL 2014

	DR	CR
	R	R
Credit balance as per bank statement		15 600
Outstanding cheques: 930	2 500	
940	4 700	
970	1 900	
Wrong debit (withdrawal)		4 300
Outstanding Deposits		35 850
Debit balance as per bank account	46 650	
	55 750	55 750

SOLUTION 3: CASH JOURNALS AND POSTING TO THE BANK ACCOUNT

3.1 P HOME DEALERS

CASH RECEIPTS JOURNAL (CRJ) - MARCH 2014

Day	Details	Bank	Sales	Debtors Control	VAT Output	Sundry Accounts	
						Amount	Details
		R	R	R	R	R	
1	P Home	40 000				40 000	Capital
7	A Mali	500		500			
15	Cash Sales (1)	3 990	3 500		490		
25	A Mali	1 000		1 000			
29	Cash Sales (2)	12 426	10 900		1 526		
		57 916	14 400	1 500	2 016	40 000	

Calculations

	R
(1) Total Sales	3 990
VAT (14 / 114 * 3 990)	<u>(490)</u>
Rent Expense	<u>3 500</u>

	R
(2) Total Sales	12 426
VAT (14 / 114 * 12 426)	<u>(1 526)</u>
Sales	<u>10 900</u>

CASH PAYMENTS JOURNAL (CPJ) – MARCH 2014

Day	Details	Bank	Purchases	Creditors Control	VAT Input	Sundry Accounts	
						Amount	Details
		R	R	R		R	
1	Rent – Me Properties (3)	1 482			182	1 300	Rent expense
2	Purchases (4)	24 510	21 500		3 010		
5	Teldigit (5) (798 + 171)	969			98	700 171	Equipment Telephone expenses
15	Wages	1 800				1 800	Wages
22	Equip Supplies	5 000		5 000			
		33 761	21 500	5 000	3 290	3 971	

Calculations

	R
(3) Total Rent	1 482
VAT (14 / 114 * 1 482)	<u>(182)</u>
Rent Expense	<u>1300</u>
	R
(4) Total Purchases	24 510
VAT (14 / 114 * 24 510)	<u>(3 010)</u>
Purchases	<u>21 500</u>
(5) Telephone installation	798
VAT (14 / 114 * 798)	<u>(98)</u>
Equipment	<u>700</u>

Total payment = 798 + 171 = 969

3.2 P HOME DEALERS

GENERAL LEDGER

Date	Details	Folio	Amount	Date	Details	Folio	Amount
			R				R
Bank Account							
			57 916				33 761
			57 916				24 155
April 1	Balance	b/d	24 155				57 916

SOLUTION 4: STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME & THE STATEMENT OF CHANGES IN EQUITY

4.1 RG STORES

STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 28 FEBRUARY 2014

	R
Revenue (1 954 000 – 5 000 – 700)	1 948 300
Cost of Sales (760 000 - 900)	(759 100)
Gross Profit	1 189 200
Other Income	19 500
Rental Income (6 500 * 3)	19 500
 Total Income	 1 208 700
Less Expenses	(227 500)
Bank charges	300
Inventory Shortfall (54 000 – 52 000)	2 000
Depreciation [10% * 400 000 + 20% * (350 000 – 70 000)]	96 000
Insurance (6 750 – 1 350)	5 400
Credit losses (2 000 + 1 500 + 3 000)	6 500
Advertising	4 800
Telephone expenses	36 000
Water and Electricity (24 000 + 1 500)	25 500
Stationery (3 500 – 500)	3 000
Wages & Salaries	48 000
 Net Profit	 981 200

4.2 RG STORES

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 28 FEBRUARY
2014

	R
Balance at beginning of year	390 000
Total Comprehensive income	981 200
Drawings	(50 000)
Balance at end of year	1 321 200

OCTOBER – NOVEMBER 2013

SOLUTION 1: TRIAL BALANCE

Analysis of general ledger accounts for JJ Traders as at 30 April 2013

ASSETS		EQUITY		LIABILITIES	
Non-current assets	Current assets	Income	Expenses	Non-current liabilities	Current liabilities
Accumulated depreciation: Vehicles			Advertising Bank charges		Bank overdraft
	Electricity deposit paid		Cost of sales Credit losses		Creditors control
	Debtors control				
Land and buildings	Prepaid expenses		Interest on overdraft		
	Inventory Petty cash				Income received in advance
		Sales			SARS-Vat payable
			Telephone expenses		
Vehicles at cost				Mortgage bond	

(20)

SOLUTION 2: JOURNALS

SPORT TRADERS

SALES JOURNAL – AUGUST 2013

SJ8

Doc no	Day	Details	Fol	VAT output	Sales	Debtors
				R	R	R
270	3	Pretoria Rugby Club	DL3	1 039,50	7 425,00	8 464,50
271	8	Pretoria Tennis Club	DL2	882,00	6 300,00	7 182,00
272	12	Pretoria Soccer Club	DL1	1 120,00	8 000,00	9 120,00
273	22	Pretoria Golf Club	DL4	1 050,00	7 500,00	8 550,00

(12)

SPORT TRADERS

SALES RETURNS JOURNAL – AUGUST 2013

SRJ8

Doc no	Day	Details	Fol	VAT output	Sales returns	Debtors
				R	R	R
55	9	Pretoria Tennis Club	DL2	196,00	1 400,00	1 596,00
56	13	Pretoria Soccer Club	DL1	280,00	2 000,00	2 280,00
57	25	Pretoria Golf Club	DL4	140,00	1 000,00	1 140,00

(9)

SPORT TRADERS

DEBTORS LIST AS AT 31 AUGUST 2013

Debtors	Fol	R
Pretoria Soccer Club (5 000 + 9 120 - 2 280)	DL1	11 840,00
Pretoria Tennis Club (8 000 + 7 182 - 1 596)	DL2	13 586,00
Pretoria Rugby Club (4 000 + 8 464,50)	DL3	12 464,50
Pretoria Golf Club (7 000 + 8 550 - 1 140)	DL4	14 410,00
		52 300,50

(4)

SOLUTION 3: BANK RECONCILIATION STATEMENT

a) RG TRADERS

CASH RECEIPTS JOURNAL (BANK COLUMN ONLY) – JULY 2013

CRJ07

Day	Details		Bank
31	Total	b/d	R 98 000
B/S	Direct deposit: Mr P Davids		20 000
B/S	Direct deposit: Mrs C Peters		15 000
B/S	Interest income		190
			133 190

(4)

RG TRADERS

CASH PAYMENTS JOURNAL (BANK COLUMN ONLY) – JULY 2013

CPJ07

Day	Details		Bank
31	Total	b/d	R 26 900
B/S	Debit order: PG Insurers		2 000
B/S	Debit order: Tshwane Municipality		6 500
B/S	Bank charges (100 + 100)		200
B/S	Mrs S Singh (dishonoured cheque)		800
			36 400

(5)

b)

RG TRADERS GENERAL LEDGER

Dr		Bank						Cr	
				R					R
2013 July	31	Balance	b/d	56 000	2013 July	31	Total payments	CPJ07	36 400
		Total receipts	CRJ07	133 190			Balance	c/d	152 790
				189 190					189 190
Aug	1	Balance	b/d	152 790					

(6)

c) RG TRADERS

BANK RECONCILIATION STATEMENT AS AT 31 JULY 2013

	Debit	Credit
	R	R
Credit balance as per bank statement		160 490
Credit outstanding deposits		5 000
		4 000
Debit outstanding cheques: 222	9 000	
223	2 500	
225	5 000	
227	200	
Debit balance as per bank account	152 790	
	169 490	169 490

(10)

SOLUTION 4: FINANCIAL STATEMENT

a) Calculation of cost of sales

	R
Opening inventory	125 000
plus: Purchases (365 000 - 5 210)	359 790
plus: Freight on purchases	45 000
plus: Import tariffs	9 300
plus: Custom duties	6 750
less: Closing inventory	<u>(185 000)</u>
	<u>360 840</u>

(7)

b) SELEPE TRADERS

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 JULY 2013

	R	R
Revenue (732 615 - 35 415 - 3 300)		693 900
Cost of sales		<u>(360 840)</u>
Gross profit		333 060
Other income		48 010
Rental income (1 650 x 12) or (21 450 - 1 650)	19 800	
Profit on sale of non-current asset	15 500	
Interest on fixed deposit	3 410	
Credit losses recovered	9 300	
		381 070
Distribution, administrative and other expenses		<u>(363 031)</u>
Salaries	225 000	
Telephone expenses	19 600	
Credit losses (1 500 + 1 200)	2 700	
Insurance (9 000 x 12/18) or (9 000 - 3 000)	6 000	
Advertising	12 300	
Motor expenses	18 945	
Consumable stores (16 000 - 8 300)	7 700	
Water and electricity (27 830 + 2 756)	30 586	
Depreciation (17 000 + 23 200)	40 200	
Finance costs		(28 750)
Interest on mortgage	28 750	
Loss for the year		(10 711)
Other comprehensive income for the year		-
Total comprehensive loss for the year		<u>(10 711)</u>

(23)

MAY – JUNE 2013

SOLUTION 1: ACCOUNTING EQUATION

Date:	General ledger		A =	E +	L
	Account debited	Account credited			
January					
4	Inventory	Creditors control	+ R5 000		+ R5 000
10	Inventory	Bank	+ R62 - R62		
12	Stationery	Bank	- R120	- R120	
14 (a)	Bank	Sales	+ R2 040	+ R2 040	
(b)	Cost of sales	Inventory	- R1 700	- R1 700	
15	Telephone expenses	Bank	- R250	- R250	

(18)

SOLUTION 2: JOURNALS & GENERAL LEDGER

BIG BUILDERS

Dr		CAPITAL						Cr	
					2013 March	3	Bank	CRJ01	R 20 000

(2)

Dr		BANK						Cr	
2013 March	31	Total receipts	CRJ01	R 45 700	2013 March	31	Total payments	CPJ01	R 12 540
				45 700			Balance	c/d	33 160
April	1	Balance	b/d	33 160					45 700

(6)

Dr		RENT INCOME							Cr	
										R
					2013 March	11	Bank	CRJ01		5 000
(2)										

Dr		DEBTORS CONTROL							Cr	
				R						R
2013 March	1	Balance	b/d	30 000	2013 March	31	Bank	CRJ01		20 000
							Settlement discount granted	CRJ01		500
							Vat input	CRJ01		70
(3)										

Dr		SETTLEMENT DISCOUNT GRANTED							Cr	
				R						
2013 March	31	Debtors control	CRJ01	500						
(2)										

Dr		SETTLEMENT DISCOUNT RECEIVED							Cr	
										R
					2013 March	31	Creditors control	CPJ01		250
(2)										

Dr		CREDITORS CONTROL							Cr	
				R						R
2013 March	31	Bank	CPJ01	10 000	2013 March	1	Balance	b/d		15 000
		Settlement discount received	CPJ01	250						
		Vat output	CPJ01	35						
(3)										

Dr		PURCHASES							Cr	
				R						
2013 March	31	Bank	CPJ01	1 000						
(1)										

Dr				VAT INPUT				Cr	
				R					
2013 March	31	Bank Debtors control	CPJ01 CRJ01	140 70					
									(4)

Dr				VAT OUTPUT				Cr	
					2013 March	31	Bank Creditors control	CRJ01 CPJ01	R
									700 35
									(4)

Dr				WAGES				Cr	
				R					
2013 March	31	Bank	CPJ01	1 400					
									(1)

SOLUTION 3: BANK RECONCILIATION STATEMENTS

a) PG TRADERS

CASH RECEIPTS JOURNAL (BANK COLUMN ONLY) – JANUARY 2013

			CRJ01	
Day	Details		Bank	
31	Total	b/d	R 27 500	
B/S	Direct deposit: Mr S Stevens		15 000	
B/S	Direct deposit: Mr P Govender (owner)		25 000	
			<hr/> 67 500	

(3)

PG TRADERS

CASH PAYMENTS JOURNAL (BANK COLUMN ONLY) – JANUARY 2013

			CPJ01	
Day	Details		Bank	
31	Total	b/d	R 13 750	
B/S	Interest on overdraft		350	
	Mrs K Osman (R/D cheque)		1 720	
	Bank charges		170	
			<hr/> 15 990	

(4)

b)

**PG TRADERS
GENERAL LEDGER**

Dr		Bank						Cr	
2013				R				R	
Jan	31	Balance	b/d	14 500	2013	Jan	31	Total payments	CPJ01
		Total receipts	CRJ01	67 500				Balance	c/d
				82 000					
Feb	1	Balance	b/d	66 010					

(6)

c) PG TRADERS

BANK RECONCILIATION STATEMENT AS AT 31 JANUARY 2013

	Debit	Credit
	R	R
Debit balance as per bank statement	11 700	
Credit outstanding deposits		60 000
		26 410
Debit outstanding cheques : 1207	750	
1213	1 800	
1218	350	
1220	2 700	
1221	3 100	
Debit balance as per bank account	66 010	
	86 410	86 410

(11)

SOLUTION 4: STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME

a) PURESURPRISE TRADERS

CALCULATION

Revenue	R
Sales	
[(200 000 x $\frac{175}{100}$) - 1 500 - 600]	347 900
	(3½)

b) PURESURPRISE TRADERS

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE YEAR ENDED 28 FEBRUARY 2013

	R	R
Revenue		347 900
Cost of sales		(200 000)
Gross profit		147 900
Other income		42 000
Rental Income (3 500 x 12) or (45 500 - 3 500)	42 000	
		189 900
Distribution, administration and other expenses		(64 564)
Insurance (850 x 12)	10 200	
Depreciation		
Equipment: (60 000 x 10%)	6 000	
Vehicle: [(30 000 - 10 800) x 20%]	3 840	
Water and electricity	7 500	
Telephone expenses	5 000	
Salaries	21 000	
Advertising	8 524	
Stationery	2 500	
Profit for the year		125 336
Other comprehensive income for the year		-
Total comprehensive income for the year		125 336
		(24½)