

# FAC1501 / RFA1501

OCTOBER/NOVEMBER 2015  
OKTOBER/NOVEMBER 2015

## INTRODUCTORY FINANCIAL ACCOUNTING INLEIDENDE FINANSIËLE REKENINGKUNDE

STUDENT NUMBER / STUDENTENOMMER									

IDENTITY NUMBER / IDENTITEITSNOMMER											

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

Subject / Vak

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Date of examination / Datum van eksamen

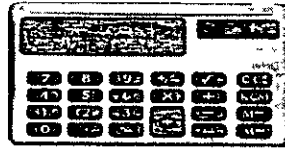
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**FAC1501**

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
	<b>TOTAL</b>	<b>100</b>	<b>120</b>

**[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*

<b>Doc no</b>	<b>Day</b>	<b>Details</b>	<b>Fol</b>	<b>VAT input R</b>	<b>Purchases R</b>	<b>Creditors R</b>

(14)

**TILES TRADERS**

**PURCHASES RETURNS JOURNAL – OCTOBER 2015**

*PRJ10*

<b>Doc no</b>	<b>Day</b>	<b>Details</b>	<b>Fol</b>	<b>VAT input R</b>	<b>Purchases returns R</b>	<b>Creditors R</b>

(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 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**

<b>Details</b>	<b>Bank R</b>

(3)

**BG STORES**

**CASH PAYMENTS JOURNAL (BANK COLUMN ONLY) – FEBRUARY 2015**

**CPJ2**

<b>Details</b>	<b>Bank R</b>

(7)



**QUESTION 3 (continued)**

Question 3 continues on the following page

**[TURN OVER]**



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

Post closing trial balance as at 31 July 2015

	Debit	Credit
	R	R
<b>Financial position section</b>		
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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**[TURN OVER]**



**Rough work**

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