



higher education
& training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

MARKING GUIDELINE

NATIONAL CERTIFICATE
NOVEMBER EXAMINATION
FINANCIAL ACCOUNTING N4

25 NOVEMBER 2016

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QUESTION 1	15
QUESTION 2	64
QUESTION 3	34
QUESTION 4	26
QUESTION 5	31
QUESTION 6	30
TOTAL	200
PERCENTAGE %	100

NOTE:

- Award marks for workings shown with brackets, if final answer is incorrect.
- ☒ Indicates a method mark.

QUESTION 1

No	General ledger		A	O	L
	Account debited	Account credited			
1.1	Bank ✓	Sales ✓	0	+ 7 500	- 7 500 ✓
	Cost of sales ✓	Trading stock ✓	- 6 250	- 6 250	0 ✓
1.2	Trading stock ✓	Creditors control ✓	+ 8 000	0	+ 8000 ✓
1.3	Debtors control ✓	Interest income ✓	+ 570	+ 570	0 ✓
1.4	Bank ✓	Bad debts recovered ✓	0	+ 500	- 500 ✓

(OAL should be correct to earn a mark.)

[15]

QUESTION 2

2.1

**MORNINGSIDE CASH AND CARRY
INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2015**

Sales/Turnover for the year		✓ 803 250
Less: Cost of sales		☑ 487 200
Opening stock	68 400	✓
Add: Purchases (456 700 - 26 750)	429 950	✓ ✓
Carriage on purchases	9 650	✓
Custom duty	7 500	✓
	515 500	
Less: Closing stock	28 300	✓
Gross profit		☑ 316 050
Add: Other income		129 600
Rent income (36 000 + 39 600)	75 600	✓ ✓
Interest of fixed deposit (29 000 + 13 000)	42 000	✓ ✓
Discount received	11 500	✓
Decrease in provision for bad debts/		
Provision for bad debts adjustment	500	✓ ✓
Gross income for the year		445 650
Less: Operating expenses/losses	☑	(681 225)
Interest on loan (11 600 + 88 300)	99 900	✓ ✓
Bad debts (18 450 + 3 220)	21 670	✓ ✓
Provision for discount allowed adjustment	1 900	✓ ✓
Insurance (12 000 - 2 400)	9 600	✓ ✓
Water & electricity	24 800	✓
Carriage on sales	8 400	✓
Salaries	292 500	✓
Consumable stores (6 460 - 1 780)	4 680	✓ ✓
Depreciation (139 400 + 78 375)	217 775	✓ ✓ ✓ ✓
(Two marks each for the depreciation on vehicles and equipment respectively)		
NET LOSS FOR THE YEAR	☑	(235 575)

(Provision for bad debts adjustment and discount allowed adjustments should have the word adjustment also to earn a mark.)

(Indicate 'less' or show brackets to earn the method mark.)

(35)

2.2

ANNEXURES/NOTES TO THE BALANCE SHEET

1. PROPERTY, EQUIPMENT AND VEHICLES	GROSS CARRYING AMOUNT	ACCUMULATED DEPRECIATION	NET CARRYING AMOUNT
Property	✓ 991 360	-	991 360
Equipment	✓ 780 000	<input checked="" type="checkbox"/> 222 400	557 600
Vehicles	✓ 645 000	<input checked="" type="checkbox"/> 177 875	467 125
	2 416 360	400 275	<input checked="" type="checkbox"/> 2 016 085
RECONCILIATION OF CARRYING AMOUNT	PROPERTY	EQUIPMENT	VEHICLES
Balance at beginning of year	✓ 991 360	✓ ✓ 697 000	✓ ✓ 300 500
Additions at cost price	-	-	✓ 245 000
Depreciation for the year	-	<input checked="" type="checkbox"/> (139 400)	<input checked="" type="checkbox"/> (78 375)
Balance at the end of the year	991 360	557 600	467 125

2. STOCK		30 080
Trading stock	✓ 28 300	
Consumable stores on hand	✓ 1 780	

3. TRADE AND OTHER DEBTORS		91 100
Debtors control		✓ 40 000
Less: Provision for bad debts		✓ (2 000)
Less: Provision for discount allowed		✓ (1 900)
Accrued income		52 600
Rent income	✓ 39 600	
Interest on fixed deposit	✓ 13 000	
Prepaid expense		2 400
Insurance	✓ 2 400	

4. CASH AND CASH EQUIVALENTS		54 350
Bank	✓ 49 350	
Petty cash	✓ 5 000	

5. CAPITAL		1 631 425
Balance at the beginning of the year	✓ 2 000 000	
Less: Net loss	☑ (235 575)	
Less: Drawings	✓ (133 000)	

6. CREDITORS CONTROL			355 190
Trade creditors		✓ 266 890	
Accrued expense		88 300	
Interest on loan	✓ 88 300		

(29)
[64]**QUESTION 3**3.1 **CASH FLOW STATEMENT OF SENZO WHOLESALERS
FOR THE YEAR ENDED 31 MAY 2015**

	NOTES	R	R
CASH FLOW FROM OPERATING ACTIVITIES			☑ 534 000
Cash received from clients		1 217 400	☑
Cash paid to suppliers and employees		(608 600)	☑
Cash generated from operations		608 800	
Interest paid		(8 600)	✓
Interest received		5 600	✓
Drawings		(71 800)	✓
CASH FLOW FROM INVESTING ACTIVITIES			☑ (164 000)
Additions to vehicles		(160 000)	✓ ✓
Additions to equipment		(28 000)	✓ ✓
Proceeds from sale of asset		4 000	✓ ✓
Proceeds from investments		20 000	✓ ✓

CASH FLOW FROM FINANCING ACTIVITIES			<input checked="" type="checkbox"/> (180 000)
Increase in capital		20 000	<input checked="" type="checkbox"/>
Decrease in long-term loan		(200 000)	<input checked="" type="checkbox"/>
Net increase in cash			<input checked="" type="checkbox"/> 190 000
Cash at beginning of year			<input checked="" type="checkbox"/> (140 000)
Cash at the end of the year			<input checked="" type="checkbox"/> 50 000

(21)

3.2

NOTES TO CASH FLOW STATEMENT**CALCULATIONS**

	R	R
1. Cash received from clients/customers		<input checked="" type="checkbox"/> 1 217 400
Sales	<input checked="" type="checkbox"/> 1 240 000	
Increase in debtors	<input checked="" type="checkbox"/> (22 600)	
		<input checked="" type="checkbox"/>
2. Cash paid to suppliers and employees		(608 600)
Sales	<input checked="" type="checkbox"/> 1 240 000	
Less: Net profit	<input checked="" type="checkbox"/> (441 800)	
Expenses for the period	(798 200)	
Depreciation (56 000 + 26 800)	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> 82 800	
Loss on sale of asset	<input checked="" type="checkbox"/> 2 400	
Interest paid	<input checked="" type="checkbox"/> 8 600	
Interest received	<input checked="" type="checkbox"/> (5 600)	
Increase in stock	<input checked="" type="checkbox"/> (40 000)	
Increase in creditors	<input checked="" type="checkbox"/> 141 400	

(Brackets or 'less' should be shown in order to earn marks.)

(13)

[34]