



Basic Education
KwaZulu-Natal Department of Basic Education
REPUBLIC OF SOUTH AFRICA

ACCOUNTING

JUNE 2015

COMMON TEST

**NATIONAL
SENIOR CERTIFICATE**

GRADE 11

MARKS: 300

TIME : 3 hours

N.B. This paper consists of 12 pages and an answer booklet of 13 pages.

INSTRUCTIONS AND INFORMATION

Read the following instructions and be sure to follow them carefully:

1. This question paper consists of 12 pages.
2. A special **ANSWER BOOK** consisting of 11 pages is provided in which to answer all the questions.
3. Answer **ALL** the questions.
4. **Workings must be shown in brackets in order to earn part marks.**
5. Non-programmable calculators may be used.
6. You may use dark pencil or black / blue pen to answer the questions.
7. Marks will be deducted for missing details and foreign entries.
8. Use the information in the table on the next page as a guide when answering the question paper:

Question 1: 33 Marks, 20 Minutes	
The topic of this question is:	Content:
Non Profit Organisations	<ul style="list-style-type: none"> • Terms and Concepts • Statement of Receipts and Payments
Question 2: 47 Marks, 28 Minutes	
The topic of this question is:	Content:
Accounting Equation	<ul style="list-style-type: none"> • Year-end adjustments • Asset disposal
Question 3: 75 Marks, 45 Minutes	
The topic of this question is:	Content:
Financial Statements of partnerships	<ul style="list-style-type: none"> • Current Accounts note to the Balance Sheet • Balance Sheet
Question 4: 55 Marks, 33 Minutes	
The topic of this question is:	Content:
Analysis and Interpretation	<ul style="list-style-type: none"> • Appropriation Account • Calculations • Comments (including ethics)
Question 5: 61 Marks, 37 Minutes	
The topic of this question is:	Content:
Club Ledger	<ul style="list-style-type: none"> • Theory • General Ledger • Internal Control
Question 6: 29 Marks, 17 Minutes	
The topic of this question is:	Content:
Bank Reconciliation	<ul style="list-style-type: none"> • Entry of figures into Journals and Bank Reconciliation Statement • Calculate of Bank Account balance • Theory

QUESTION 1**(33 Marks, 20 Minutes)****NON PROFIT ORGANISATIONS****1.1 Terms and Concepts****(13)**

Are the following statements TRUE or FALSE? If FALSE change the underlined word to make the statement TRUE. Write only the word TRUE or FALSE and the correction in the space provided in your answer sheet.

- 1.1.1 The directors are the group of people elected by the club members to run the club.
- 1.1.2 The clubs constitution contains the rules and regulations under which the club will operate.
- 1.1.3 Entrance fees are a once off payment that is made when a new member first joins the club.
- 1.1.4 Each year the surplus is transferred to the Capital account.
- 1.1.5 Match Fees are paid to allow a club to belong to a league.

1.2 Statement of Receipts and Payments**Required:**

Select the relevant information from that given below to prepare the Statement of Receipts and Payments for "Tannie's Tennis Club" the year ending 31 December 2014. **(20)**

Information:

1. The club had an unfavourable Bank balance of R5 890 on 1 January 2014.
2. R4 000 was paid for new match balls during the year.
3. A total of R24 250 was received for membership fees during the year. (Included in this amount was R500 was for 2013 and R250 for 2015.)
4. R1 000 was written off for members who did not pay their 2014 fees.
5. 2 new nets were purchased for the tennis courts. These cost R3 400 each.
6. R15 000 was received from Pete Sampras as a donation. A further R2 000 worth of energy drinks was donated by Monster for the annual inter club tournament.
7. 200 tickets at R100 per person were sold to the clubs' annual Valentines Ball. Expenses amounted to R55 per ticket sold.
8. The club ran a tournament for pensioners. 45 players participated at an entry of R30 per player. R600 was spent on various expenses related to the tournament.
9. R8 000 per annum is paid for the maintenance of the 2 tennis courts.
10. Water and Electricity of R12 300 was paid for the club for the year.

QUESTION 2**(47 Marks, 28 Minutes)****ACCOUNTING EQUATION**

The following information appeared in the accounting records of NZ Traders, a partnership with owners Nelly and Zama for the year ending April 2015:

Required:

- Use the information below to complete the table provided in your answer book.
- Note: the bank balance is favourable at all times

	General Ledger		Amount
	Account DR	Account CR	
<i>E.g.</i>	<i>Trading Stock</i>	<i>Creditors Control</i>	<i>500</i>

Information:

- 2.1. The annual insurance premium was R7 200 was paid during the year. This policy will cover the business assets until 31 July 2015.
- 2.2. R3 000 has already been received from NZ Traders' tenant for her monthly rental for May 2015.
- 2.3. Zama took stock with selling price of R600 cost for personal use. (Mark up 25%)
- 2.4. The Trading Stock account in the businesses General Ledger reflected an amount of R89 500, however the amount of stock on hand after a physical stock take was R90 250.
NOTE: 2.3 has been taken into account.
- 2.5. A debtor who owed R850 was declared insolvent. His estate paid out a dividend of 30 cents in the rand during April 2015. The balance of this account must be written off.
No entries have been made.
- 2.6. Equipment of R545 000 (accumulated depreciation of R215 000) is to be depreciated at 10% per annum according to the diminishing balance method.
- 2.7. There was an accident involving one of the vehicles belonging to the business in April 2015. The original cost of this vehicle was R280 000 and the accumulated depreciation up to the date of the accident was R176 000. The insurance company will not pay out as the driver was under the influence of alcohol at the time of the accident. The car was badly damaged so the business decided to scrap it. The scrap dealer will deposit R45 000 into the business bank account during May 2015.
- 2.8. NZ Traders was charged interest of 8% per annum on our overdue account of R2 400 at a creditor for 1 month.
- 2.9. Nelly gave the business a vehicle, valued at R97 000, to increase her capital contribution.

QUESTION 3**(75 Marks, 45 Minutes)****PARTNERSHIP FINANCIAL STATEMENTS**

The following information was taken from the books of Moodley Traders, a partnership with partners Mikashen Moodley and Odelia Moodley, on 31 May 2015, the end of the financial year.

Required:

- 3.1 The Current Accounts note to the Balance Sheet (33)
- 3.2 Prepare the Balance Sheet on 31 May 2015. (Provide calculations in brackets so part marks can be awarded) (42)

Information:

Moodley Traders
Extract from Pre Adjustment Trial Balance on 31 May 2015

Balance Sheet Section	DR	CR
Capital: M Moodley		500 000
Capital: O Moodley		350 000
Current Account: M Moodley (1 June 2014)		10 600
Current Account: O Moodley (1 June 2014)	5 435	
Drawings: M Moodley	398 000	
Drawings: O Moodley	334 500	
Vehicles	380 000	
Equipment	456 000	
Accumulated Depreciation on Vehicles		109 000
Accumulated Depreciation on Equipment		94 500
Loan: Luther Bank (10% p.a.)		180 000
Fixed Deposit: Lane Bank (6% p.a.)	120 000	
Bank	70 326	
Trading Stock	310 126	
Consumable Stores on Hand	1 100	
Debtors Control	25 600	
Creditors Control	23 632	
Accrued Income	4 500	
Accrued Expenses		12 780
Deferred Income		6 345
Deferred Expenses	2 650	

Additional Information**a. Current Accounts**

- The correct net profit for the year ended 31 May 2015 was calculated to be R752 400 **after taking into account all the adjustments below.**
- Partners are entitled to the following salaries:
 - Mikashen Moodley earned R15 200 per month.
 - Odelia Moodley 's annual salary amounted to R204 000.
- Both partners are entitled to a bonus of 10% of the Net Profit for the year.
- Partners are entitled to interest on capital. The interest rate was increased on 1 January 2015 from 9 % to 12%. There were no changes to the capital contributions during the year.
- Profits / losses are between Mikashen Moodley and Odelia Moodley in the ratio of 3 : 2.

b. Fixed Assets

- Vehicles are depreciated at 20% per annum on their carrying value.
- Equipment is depreciated by R12 000 this year

c. Provision for Bad Debts

- A provision for bad debts of 5% of book debts needs to be created.

d. Mortgage Loan

- Interest on the Mortgage loan is outstanding for 1 month.
- Interest is capitalized.
- The capital portion of the monthly repayment will be R3 000 per month for the next financial year.

QUESTION 4**(55 Marks, 33 Minutes)****ANALYSIS AND INTERPRETATION**

You are provided with the Financial Statements of Zulu Land Curios, a business owned by Nkosi Tshabala and Zama Mfeka. This business sells various craft items, such as woven mats and beaded jewellery, made by the local community, to tourists visiting the area. **ROUND ALL ANSWERS TO ONE DECIMAL PLACE, WHERE NEEDED.**

Required:

- 4.1 Calculate the Net Profit for the year by drafting the Appropriation accounting in the General Ledger. (14)
- 4.2.1 Calculate the mark up percentage achieved by Zulu Land Curios. (5)
- 4.2.2 Do you feel that it is ethical for Mfeka and Tshabala to earn such a large income when the members of the community get paid very little for the craft works that they provide to the shop? Give **TWO** reasons for your answer. (5)
- 4.3 Is this business solvent? Complete the necessary ratio and explain your decision. (9)
- 4.4 Calculate the following:
- 4.4.1 Partners' equity on 28 February 2015. (5)
- 4.4.2 The return on average equity for the business for 2015. (7)
- 4.4.3 The interest rate on the mortgage loan. (4)
- 4.5 Comment on the businesses return and gearing for 2015. Quote figures to support your answer. (6)

Information**Zulu Land Curios****1. Extract from the Income Statement for the Year Ended 28 February 2015**

Sales	1 397 300
Cost of sales	890 000
Interest on Loan	31 413

Zulu Land Curios**2. Extract from the Balance Sheet as at 28 February 2015**

	2015
Non-Current Assets	1 020 220
Current Assets (Includes Trading Stock)	493 391
Capital: Mfeka	430 000
Capital: Tshabala	575 000
Current Account: Mfeka	9 963 CR
Current Account: Tshabala	837 DR
Salary: Mfeka	96 000
Salary Tshabala	80 000
Interest on Capital	33 500
Mfeka	15 000
Tshabala	18 500
Mortgage Loan	392 662
Current Liabilities	106 823

Additional Information

- Each partners Current Account was debited with R45 737 when calculating the amount due to them for secondary distribution.
- Partners Equity on 28 February 2014 was R961 662.
- The Return earned on Average Equity was 13.5% in 2014.

QUESTION 5**(61 Marks, 37 Minutes)****CLUB LEDGER**

The information below relates to Thunderbirds Basketball Club for their financial year ending 31 December 2014.

Required:

- 5.1 Identify **TWO** differences between a club and a partnership. (8)
- 5.2 Calculate how much money was received and banked for membership fees during the 2014 year. (4)
- 5.3 The following accounts in the General Ledger:
- 5.3.1 Membership Fees Account (25)
- 5.3.2 Match Kit Account (20)
- 5.4 Explain **TWO** methods that clubs can use to ensure that all cash is banked. (4)

SHOW ALL CALCULATIONS IN BRACKETS SO PART MARKS CAN BE AWARDED.

Information**1. Membership Fees**

- Membership fees amounts to R270 per member for the 2014 year. Note that there was an increase of R20 per member for fees. This increase was implemented on 1 January 2014.
- R1 250 was received from members during December 2013 for the 2014 year. (This was at the old rate as the increase had not been implemented yet.)
- R2 500 was still receivable from members for the 2013 year at the end of 2013.
- 4 members paid their 2013 membership fees during January 2014.
- Any member whose 2013 fees was still outstanding, was written off in February 2014 and they were expelled from the club.
- 56 members paid their 2014 membership fees during the year.
- R200 was refunded to one club member who resigned from the club during the year as he was transferred to another city.
- 3 members paid their 2015 membership fees during 2014. There will not be an increase in fees for 2015.
- 2 members still owed their membership fees on 31 December 2014.

2. **Match Kit (Mark-up of 25% was maintained throughout the year. Supplier keep the same price for 2013 and 2014.)**

- There were 4 kits on hand with a cost price of R300 each at the beginning of the year.
- 30 match kits were purchased for cash from the supplier on 15 February 2014.
- 31 match kits were sold for cash.
- 1 kit was sold to a club member who promised to pay for it in January 2015.

QUESTION 6

(29 Marks, 16 Minutes)

BANK RECONCILIATION

Required:

- 6.1 Read the information relating to Furry Friends Animal Hospital, for the month ending 28 February 2015 below and complete the table provided in your answer booklet. (17)
- 6.2 Calculate the Balance as per Bank account on 28 February 2015. State whether this balance is a Debit or Credit balance. (6)
- 6.3 Identify **THREE** reasons (other than insufficient funds) for cheques being dishonored. (3)
- 6.4 Explain how a business would treat post dated cheques that are received from their customers. (3)

Example:

- I. Mrs Mkhize paid the R900 that she owed directly into the business bank account.
 II. Bad debts for the month amounted to R350.

No.	Cash Journals		Bank Reconciliation Statement		No Entry / Other
	Cash Receipts Journal	Cash Payments Journal	DR	CR	
I.	900				
II.					350

Information:

- a. The Bank Statement issued by Kitty Bank also showed a credit balance of R4 623 on 28 February 2015.
- b. Totals of the Bank Column from the Cash Journals for February 2015 were as follows:
 - CRJ: R17 709
 - CPJ: R17 987
- c. An outstanding deposit of R600 appeared on January's Bank Reconciliation Statement. It appeared on the February Bank Statement.
- d. The bank statement showed a direct deposit of R2 500 made by G Shepard. This was in respect of a bad debt that was previously written off.
- e. The bank statement reflected a stop order in favour of Porky Insurers, R800.
- f. A deposit of R1 750 made on 27 February 2015 did not appear on the Bank Statement.
- g. A cheque drawn by B. Uddie, a debtor, for R200, in settlement of a debt of R215, was dishonoured because of insufficient funds. This was shown on the Bank Statement only.
- h. Bank charges of R344 did not appear in the Cash Journal.
- i. Cheque number 463 for R920, issued to Mr Pet, dated 15 August 2014, is stale and must be cancelled.
- j. Cheque number 560 for R2 000, issued to Doggie Meds, dated 13 November 2014, did not appear in the Bank Statement for February 2015.
- k. Cheque no.558 for R3 000 dated 25 February was issued to the Veterinary Assistant, for her salary. Her handbag containing the cheque was stolen on her way to the bank. This cheque is to be cancelled and replaced with cheque no. 598.
- l. Cheque no. 592 issued to DD Suppliers on 20 February had been incorrectly recorded in the Cash Payments Journal as R2 400 instead of R4 200.

TOTAL MARKS:[300]



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MARKS : 300

TIME : 3 hours

Question	Topic	Marks	Minutes
1	Non Profit Organisations	33	20
2	Accounting Equation	47	28
3	Partnership Financial Statements	75	45
4	Analysis and Interpretation	55	33
5	Club Ledger	61	37
6	Bank Reconciliations	29	17
		300	180

N.B. This memorandum consists of 11 pages.

QUESTION 1

(33 Marks, 20 Minutes)

NON PROFIT ORGANISATIONS

1.1 Terms and Concepts

(13)

Are the following statements TRUE or FALSE? If FALSE change the underlined word to make the statement TRUE. Write only the word TRUE or FALSE and the correction in the space provided in your answer sheet.

- 1.1.1 The directors are the group of people elected by the club members to run the club. False✓, Committee✓
- 1.1.2 The clubs constitution contains the rules and regulations under which the club will operate. True✓
- 1.1.3 Entrance fees are a once off payment that is made when a new member first joins the club. True✓
- 1.1.4 Each year the surplus is transferred to the Capital account. False✓, Accumulated Fund✓
- 1.1.5 Match Fees are paid to allow a club to belong to a league. False✓, Affiliation Fees✓

(47 Marks, 28 Minutes)

QUESTION 2
ACCOUNTING EQUATION

1.2 Statement of Receipts and Payments (20)

Statement of Receipts & Payments for the year ended 31 December 2014

Receipts operation	60 800
Membership Fees	24 250
Donation	15 000
Valentines Ball Tickets Sales	20 000
Pensioners Tournament	1 350
Payments operation	(42 700)
Match Balls	4 000
Nets	6 800
Valentines Ball Expenses	11 000
Tournament Expenses	600
Court Maintenance	8 000
Water and Electricity	12 300
Cash Surplus / Deficit for the year operation	17 900
Bank Balance on 1 January 2014	(5 890)
Bank Balance on 31 December 2014 operation	12 010

	General Ledger		Amount
	Account DR	Account CR	
2.1.	Deferred Expenses	Insurance	1 800
2.2.	Rent Income	Deferred Income	3 000
2.3.	Drawings Zama	Trading Stock	480
2.4.	Trading Stock	Trading Stock Surplus	750
2.5.	Bank	Debtors Control	255
	Bad Debts	Debtors Control	595
2.6.	Depreciation	Accumulated Depreciation on Equipment	33 000
2.7.	Asset Disposal	Vehicles	280 000
	Accumulated Depreciation on Vehicles	Asset Disposal	176 000
	Debtors Control / Accrued Income	Asset Disposal	45 000
	Loss on Disposal of Asset	Asset Disposal	59 000
2.8.	Interest on Overdue Account	Creditors Control	16
2.9.	Vehicle	Capital: Nelly	97 000

PARTNERSHIP FINANCIAL STATEMENTS

3.1 The Current Accounts note to the Balance Sheet (33)

	Mikashen Moodley	Odella Moodley	Total
Profit per Income Statement operation	385 927	366 473	752 400
Partners' Salaries operation; if one part is correct	182 400	204 000	386 400
Partners' Bonus operation; if one part is correct	75 240	75 240	150 480
Interest on Capital operation; if one part is correct	51 250	35 875	87 125
Primary distribution of profits operation	308 890	315 115	624 005
Final distribution of profits operation	77 037	51 358	128 395
Drawings for the year	(398 000)	(334 500)	(732 500)
Retained Income for the year operation	(12 073)	31 973	19 900
Retained Income at the beginning of the year	10 600	(5 435)	5 165
Retained Income at the end of the year operation	(1 473)	26 538	25 065

Moodley Traders
Balance Sheet as at 31 May 2015

Assets	Note	
Non-Current Assets operation		686 300
Fixed Assets (380 000 - 109 000 - 54 200) + 456 000 - 94 500 - 12 000	3	566 300
Financial Assets / Fixed Deposit		120 000
Current Assets operation		413 022
Inventories (310 126 + 1 100)	4	311 226
Trade & Other Receivables (25 600 - 1 280 + 4 500 + 2 650)	5	31 470
Cash & Cash Equivalents	6	70 326
Total Assets operation		1 099 322
Equity & Liabilities		
Owners' Equity operation		875 065
Capital (500 000 + 350 000)	7	850 000
Current Accounts See 3.1	8	25 065
Non-Current Liabilities		145 500
Loan: Luther Bank (180 000 + 1 500 - 36 000)		145 500
Current Liabilities operation		78 757
Trade & Other Payables (23 632 + 12 780 + 6 345)	9	42 757
Current Portion of Loan		36 000
Total Equity & Liabilities operation		1 099 322

-1 for miss placement (max -2)
-1 for not following the Current assets order.

4.3 Is this business solvent? Complete the necessary ratio and explain your decision. (9)

Calculation:
 $1\ 020\ 220\checkmark + 493\ 391\checkmark : 392\ 662\checkmark + 106\ 823\checkmark$
 $1\ 513\ 611 : 499\ 485$
 $3 : 1\checkmark$ operation

Is this business solvent?
 Yes✓

Reason.
 Total assets are 3 times larger than total liabilities✓

4.4 Calculate the following: (5)

4.4.1 Partners' equity on 28 February 2015.
 $430\ 000\checkmark + 575\ 000\checkmark + 9\ 963\checkmark - 837\checkmark$
 $= 1\ 014\ 126\checkmark$ operation

4.4.2 The return on average equity for the business for 2015. (7)

$\frac{118\ 026\checkmark}{118\ 026\checkmark} \times 100\checkmark$
 $= 100\checkmark$

4.4.3 The interest rate on the mortgage loan. (4)

$\frac{392\ 662\checkmark}{31\ 413\checkmark} \times 100\checkmark$
 $= 8\% \checkmark$ operation

4.5 Comment on the businesses return and gearing for 2015. Quote figures to support your answer. (6)

- The return on average equity has decreased from 13.5% in 2014 to 11.9% in 2015✓
- This return is however still higher than many other investment options.✓
- This business is positively geared✓ as the return on average equity of 11.9% is higher than the interest rate on the loan of 8%✓

QUESTION 4 (65 Marks, 33 Minutes)

ANALYSIS AND INTERPRETATION

4.1 Final Accounts Section (14)

DR		Appropriation		CR	
2015 Feb	Interest on Capital✓	GJ	33 500✓	2015 Feb	Profit and Loss operation✓
	Salary Mfeka✓	GJ	96 000✓		Current Acc Mfeka✓
	Salary Tshabala✓	GJ	80 000✓		Current Acc Tshabala✓
			209 500		
					Both balances must be the same
					118 026✓
					45 737✓
					45 737✓
					209 500

4.2.1 Calculate the mark up percentage achieved by Zulu land Curios. (5)

$\frac{790\ 800\checkmark - 890\ 000\checkmark}{890\ 000\checkmark} \times 100\checkmark$
 $= -11.13\% \checkmark$ operation

4.2.2 Do you feel that it is ethical for Mfeka and Tshabala to earn such a large income when the members of the community get paid very little for the craft works that they provide to the shop? Give TWO reasons for your answer. (5)

Yes✓

- The local people can earn an income from their crafts✓
- The business creates employment for the local population✓
- Tourists are more likely to stop at large, formal shops than at small stalls on the side of the road.
- Any logical answer

No✓

- Making crafts is time consuming and difficult. The people deserve to get paid more for their pieces✓
- They are merely selling the items and should not be profiting so greatly from the hard work of others.✓
- Any logical answer

QUESTION 5

(61 Marks, 37 Minutes)

CLUB LEDGER

5.1 Identify TWO differences between a club and a partnership. (6)

Club	Partnership
<ul style="list-style-type: none"> Members pay annual fees to be part of the club ✓✓ All income is used to run the club and benefit all members. ✓✓ An Income and Expenditure Statement is drawn up to determine the surplus or deficit. The surplus is transferred to the accumulated fund for future benefit of the club and its members. 	<ul style="list-style-type: none"> Partners contribute capital to become an owner ✓✓ Income is used to buy stock and pay bills in order to make a profit. ✓✓ An Income Statement is drawn up to determine the profit or loss. The profit is shared out between the partners for their personal use.

5.2 Calculate how much money was received and banked for membership fees during the 2014 year. (4)

1 000✓ + 15 120✓ + 810✓
= 16 930✓
(operation)

5.3 General Ledger of Thunderbirds Basketball Club

		Membership Fees		N1			
2014 Jan	1 ✓	Accrued Income✓	2 500✓	2014 Jan	1 ✓	Deferred Income✓	1 250✓
2014 Dec	31 ✓	Deferred Income✓	810 ✓✓	2014 Dec	31 ✓	Bank✓ any figure above 810	16 930
		Bank✓	200✓			Accrued Income✓	540 ✓✓
		Income & Expenditure✓ <i>(operation)</i>	16 710			Membership Fees Written Off✓	1 500 ✓✓
			20 220			<input checked="" type="checkbox"/> Both balances must be the same	20 220

(25)

Nominal Section Match Kit

		N3					
2014 Jan	1 ✓	Stock of Match Kit✓	1 200✓	2014 Dec	31 ✓	Bank (Sales)✓	11 625 ✓✓
2014 Feb	15 ✓	Bank✓	9 000✓			Accrued Income✓	375✓
2012 Dec	31 ✓	Income & Expenditure✓ <i>(operation)</i>	2 400			Stock of Match Kit✓	600✓✓
			12 600			<input checked="" type="checkbox"/> Both balances must be the same	12 600

(20)

5.4 Explain TWO methods that clubs can use to ensure that all cash is banked. (4)

- Receipts must be issued to all people who pay. ✓✓
- Only the treasurer can accept money from club members. ✓✓
- Direct deposits into the bank account should be encouraged
- The financial records of the treasurer should be checked against source documents on a regular basis.
- ANY LOGICAL ANSWER.**

QUESTION 6

(26 Marks, 16 Minutes)

BANK RECONCILIATION

6.1 Read the information relating to Furry Friends Animal Hospital, for the month ending 28 February 2015 below complete the table provided in your answer booklet. (17)

	Cash Journals		Bank Reconciliation Statement		No Entry / Other
	Cash Receipts Journal	Cash Payments Journal	DR	CR	
a.				4 623✓	
b.	17 709✓	17 987✓			
c.					600✓
d.	2 500✓				
e.		800✓			
f.				1 750✓	
g.		200✓			15✓
h.		344✓			
i.	920✓				
j.			2 000✓		
k.	3 000✓	3 000✓	3 000✓		
l.		1 800✓✓			

6.2 Calculate the Balance as per Bank account on 28 February 2015. State whether this balance is a Debit or Credit balance. (6)

$4\ 623\checkmark + 1\ 750\checkmark - 2\ 000\checkmark - 3\ 000\checkmark$
 $= 1\ 373\checkmark$ Debit \checkmark

6.3 Identify THREE reasons (other than insufficient funds) for cheques being dishonored. (3)

- The drawer has stopped payment of the cheques \checkmark .
- The drawer is insolvent \checkmark .
- The drawers account at the bank is closed \checkmark
- The cheques is older than 6 months and therefore stale

6.4 Explain how a business would treat post dated cheques that are received from their customers. (3)

- Record in a post dated cheque register \checkmark
- Keep cheque in a safe place \checkmark
- Record in the Cash Receipts Journal and take to the bank on the date the cheque falls due. \checkmark

TOTAL MARKS: 300