



UNIVERSITY  
OF  
JOHANNESBURG

Department of Commercial Accounting

## CREDIT CONTROL 1B

BCC11B1

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### SUPPLEMENTARY ASSESSMENT OPPORTUNITY

Date of Test: 01 DECEMBER 2014

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Time: 2 hours

Marks: 100

Assessor: Yusuf Patel

Moderator: Fred Hemmings (Internal)

#### INSTRUCTIONS:

- This paper consists of 2 pages (including the cover page).
- Start each question on a new page.
- Where applicable, round all calculations to two decimal places, unless stipulated otherwise.

Question	Topic	Marks	Time
1	Collection instruments	25	30 minutes
2	Collection process	10	12 minutes
3	Non-payment of Debtors	16	19 minutes
4	7 C's model of credit analysis	24	29 minutes
5	Credit policy	25	30 minutes
		100	120 minutes

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**QUESTION 1****(25 marks)**

Discuss in detail five collection instruments that can be used during the collection procedure.

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**QUESTION 2****(10 marks)**

Explain when a collection process is used and list and discuss in detail the three phases of the collection procedure

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**QUESTION 3****(16 marks)**

Give eight reasons for non-payment by debtors and give a reason for each

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**QUESTION 4****(24 marks)**

Briefly discuss the 7 C's of credit.

**(14)**

Discuss five further factors that can be taken into account when granting credit to another enterprise opposed to an individual

**(10)**

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**QUESTION 5****(25 marks)**

Discuss in detail the different components of a credit and collections policy

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