



UNIVERSITY
OF
JOHANNESBURG

Department of Commercial Accounting

CREDIT CONTROL 1A – BCC11A1

LAST ASSESSMENT OPPORTUNITY

Date of Examination: JUNE 2016

Time: 2 hours

Marks: 100

Assessor: John-B Mabejane

Internal Moderator: Fred Hemmings

INSTRUCTIONS:

This paper consists of 2 pages (including the cover page).

- Where applicable, round all calculations to two decimal places, unless stipulated otherwise.
- Start each question on a new page.

Question	Topic	Marks	Time
1	Define concepts	20	24 minutes
2	Advantages and disadvantages of credit	16	19 minutes
3	Strategic planning and objectives	36	40 minutes
4	Credit granting cycle and	20	27minutes
5	Credit terms	8	10 minutes

100

120

QUESTION 1**(20 Marks)****Define the following credit related concepts:****(Each sub-question counts for 2 marks each)**

- 1.1 Revolving credit
- 1.2 Options Account
- 1.3 Mortgage Loan
- 1.4 General crossing
- 1.5 Special crossing
- 1.6 Restrictive crossing
- 1.7 Promissory Note
- 1.8 Bills of exchange
- 1.9 A cash discount
- 1.10 inherent risk

QUESTION 2**(16 Marks)**

- 2.1 List the advantages of credit for business
- 2.2 List the advantages of credit for individuals

8 marks
8 marks

QUESTION 3**(36 Marks)**

- 3.1 List the seven qualities of a good strategic objective of an enterprise.

(Hint: *How strategic objectives should be*)

- 3.2 List steps in planning which forms part of elements of management
- 3.3 List the advantages and disadvantages of planning

14 marks
8 marks
14 marks

QUESTION 4**(20 Marks)**

- 4.1 Critically discuss the credit granting cycle and all its elements

QUESTION 5**(8 Marks)**

- 5.1 Outline and briefly explain any four factors that influence credit terms

8 marks