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SECTION A	[20 marks]
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1		1
2		1
3		1
4		1
5		1
6		1
7		1
8		1
9		1
10		1
11		1
12		1
13		1
14		1
15		1
16		1
17		1
18		1
19		1
20		1

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SECTION B**[40 marks]**

21		2
22		2
23		2
24		2
25		2
26		2
27		2
28		2
29		2
30		2
31		2
32		2
33		2
34		4
35		2
36		4
37		2
38		2

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SECTION C**[40 marks]****Answer the following questions in the spaces provided.****QUESTION 1****[8 marks]**

Uber Eats is an online food delivery company. Users can read menu's, order and pay for food from participating restaurants using an application on the iOs or Android platforms. Meals are delivered by couriers using cars or motorbikes.

Jabu is an Uber Eats employee. He purchased a "Big Boy Commercial 150cc" motorbike for R13 999 to use for his deliveries. He financed the motor bike through a loan from Big Bank at an effective rate of 10% p.a. He must repay the loan in monthly instalments over the next 3 years.

REQUIRED:

1.1. Determine the value of his monthly instalment

(3)

1.2. Determine how much Jabu will still own the bank after 18 months?

(1)

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Jabu receives a fixed monthly salary and tips from the customers. Jabu saved all the tips that he received over the 4 months at Big Bank at nominal rate of 9.5% p.a.compounded monthly. The tips were as follow:

Month 1	R3 000
Month 2	R2 800
Month 3	R4 000
Month 4	R3 750

1.3. Determine the value of Jabu's tips at the beginning of month 1? **(2)**

[illegible]

1.4. If the interest that Jabu earns on his savings increased, what impact would that have on the value of his savings at the today? **(2)**

[illegible]

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[illegible]

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QUESTION 3

[6 MARKS]

After experiencing accommodation shortages during their University days, two friends decided to go into the business of providing affordable student accommodation at Auckland Park for University of Johannesburg (UJ's) students and other surrounding universities. They projected the following cash-flows in building and developing their first student accommodation that will lodge 150 students.

Year	Cash flow (million)
0	-R1 590 000
1	R360 500
2	R475 000
3	R450 000
4	R539 000
5	R587 500

Based on their research and the current risk profile of their company, they have determined the following benchmarks in order to ensure that they make decisions in the best interest of the company.

- Profitability Index of the project is 35
- Target Average Accounting Rate of Return (ARR) is 75.76%
- Target Payback Period (PBP) is 2.5 years
- Required rate of return is 12.20%
- Weighted Average Cost of Capital is 12%

REQUIRED:

3.1 Calculate the accounting rate of return (ARR) and advise whether the project should be accepted or rejected? (2)

[illegible]

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3.2 Calculate the payback period and advise whether the project should be accepted or rejected?

(2)

[illegible]

3.3 Calculate the net present value (NPV) and advise whether the project should be accepted or rejected? **(2)**

(2)

[illegible]

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QUESTION 4

[5 MARKS]

Jabulani Limited's accountant has just retired and as yet have not hired anyone to replace her. Management are trying to determine the value of the raw material issued to work-in-progress and have contacted you to assist them with the process. They provided you with the following transactions:

Date	Unit cost price	Purchases from supplier	Returns to supplier	No of units transferred to WIP
3 April	R10	120 units		
10 April				100 units
20 April			20 units	
26 April	R15	150 units		

Additional information:

Opening raw material stock: 25 units at an average price of R12 per unit.

Any returns to suppliers are made at original cost. The return on 20 April relates to purchases made on 3 April.

REQUIRED:

4.1 Using the weighted average method of valuation, prepare the stores ledger account for the month of April. **(5)**

[illegible]

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5.2 Calculate the value of cost of sales for April.

(3)

[illegible]

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QUESTION 6

[8 MARKS]

Sipho is a tutor at UJ, who is employed on a contract basis and is paid per week for the hours that he works. For the past study week before exams, Sipho worked the following hours:

Day of the week	No. of hours worked
Monday	8
Tuesday	8
Wednesday	9
Thursday	10
Friday	10
Saturday	8

Sipho's contract states that he will receive R80 for every hour worked, and he is expected to work 8 hours per day. Overtime is paid at 1.5 times his normal rate, and weekends are paid at double the normal daily rate.

The following deductions are made from Sipho's remuneration:

- Pension fund contributions of 8% (UJ also contributes 8%)
- PAYE is calculated as 15% of taxable remuneration
- Weekly Medical Aid premiums of R150 are payable to MediMed, of which Sipho and UJ contribute 50% each
- UIF payments are made monthly, but are deducted from Sipho's wages each week. 1% is contributed by Sipho and 1% by UJ.

Sipho incurred 9 unproductive hours during this week

6.1 Calculate the net wages for Sipho for the week

(4)

[illegible]

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6.2 Calculate the Labour recovery per hour to UJ for the week

(4)

[illegible]