



UNIVERSITY
OF
JOHANNESBURG

Department of Commercial Accounting

PRINCIPLES OF FINANCIAL ACCOUNTING

S3PCAQ1

FINAL ASSESSMENT OPPORTUNITY

11 November 2019

Time: 2 hours

Marks: 100

Assessor: Mr. V. Shandu

Moderator: Mr. H. Coovadia

INSTRUCTIONS:

- This paper consists of **13** pages (including the cover page and answer sheet).
- Answer all questions.
- Write only in blue or black ink.
- Silent non-programmable calculators may be used.
- Where applicable, round all calculations to the nearest rand, unless stipulated otherwise.
- All questions must be answered on the provided answer sheet.

Question	Topic	Marks	Time
1	Theory	8	10 minutes
2	Accounting Equation and VAT	22	26 minutes
3	Control Accounts	19	23 minutes
4	Bank Reconciliation	21	25 minutes
5.	Adjustments and Financial Statements	30	36 minutes
		100	120 minutes

STUDENTS SURNAME & INITIALS.....

STUDENT NO.....GROUP.....

QUESTION ONE**8 MARKS**

Indicate whether the following statements are true or false (1-10) Yes or No (11-20):

	TRUE	FALSE
1. You need a valid email address to register for Sage One Accounting		
2. Sage One Accounting cannot run on Google Chrome.		
3. There is one Dashboard, which summarises your business with a unique drill down functionality.		
4. You have a dedicated function for your accountant		
5. You can delete account masterfiles, which have transactions allocated to it.		
6. When you edit masterfiles, you will notice greyed out fields which you can edit		
7. You cannot create a service item in Sage One Accounting.		
8. You can create multiple bank accounts.		
9. You cannot export transactions from Sage One Accounting		
10. You can import only Masterfile information.		
	YES	NO
11. Does Sage One Accounting allow you to convert a Suppliers Invoice into a Purchase order?		
12. When you have processed and printed a supplier invoice, will you be able to edit the information at a later stage?		
13. Can you add messages or comments to your suppliers invoice?		
14. Can you convert an Invoice into a Quote by linking them?		
15. When you have processed and printed a customer invoice, will you be able to edit the information at a later stage?		
16. Can you add messages or comments to your customer invoice?		

QUESTION TWO**22 MARKS**

Mbombi Traders is a liquor business specialising in buying and selling various liquor products in Zidakwa Township. Mbombi Traders is registered for Vat purposes and deals only with registered vendors. Value Added Tax is added at 15% where applicable. The following transactions appeared in their book for the month ended 28 February 2018.

- 1 Purchased 120 cases of beer (R72 per case), 4 cases of brandy and spirits (R1 800 per case) and 10 cases of soft drinks (R180 per case) on credit from Tshwala Suppliers. Each case has 12 bottles. The invoice is exclusive of VAT
- 8 Paid SpinzaTransporters R1 250 to deliver goods to a client excluding VAT.

- 9 Sent damaged goods back to Tshwala Suppliers and received a credit note for R1 800 excluding VAT.
- 16 Sold 6 cases of beers on credit to Desha Tavern. A case of beers is sold for R180 per case. The invoice is exclusive of VAT.
- 17 Paid R1 600 for fuel cash.
- 18 Desha Tavern returned 2 cases of beers as the all bottles were broken.
- 28 Paid wages of R3 800.

Required

For each of the above transactions indicate the effect that each will have on the accounting equation by entering a (+) for an increase a (-) for a decrease and a (0) for no effect.

For example: The owner deposited R50 000 to the bank as his capital contribution.

Date	Account name	Assets	Equity	Liabilities
Example:	Bank	+50 000		
	Capital		+50 000	0

Date	Account name	Assets	Equity	Liabilities

QUESTION THREE

19 MARKS

The following information was extracted from the records of Velabahleke Stores in February 2019

The following represented the opening balances on 1 February 2019:

Total debit balances in the Receivables Ledger	8 300
Total debit balances in the Payables ledger	87
Total credit balances in the Payables Ledger	9 625
Total credit balances in the Receivables Ledger	230

The following is a summary of Velabahleke Stores during February 2019:

Total credit sales	3 251
Total cash sales	1 328
Cash payments by Receivables	7 328
Cash payments to Payables	8 213
Total discount allowed	132

Total discount received	146
Total credit purchases	7 382
Total cash purchases	2 816
Receivable cheques dishonoured by the bank	238
Interest charged to Receivables on overdue accounts	21
Total returns to Payables	330
Total returns by Receivables	136
Interest charged by Payables on overdue accounts	32
Total debit balances in the Payables ledger	43
Total final credit balances in the Receivables ledger	68

REQUIRED:

- (a) Prepare a Receivables Control Account of Velabahleke Traders on 28 February 2019.
- (b) Prepare a Payables Control Account of Velabahleke Traders on 28 February 2019.

DR	Receivables Control Account				CR

DR**Payables Control Account****CR**

QUESTION FOUR**21 MARKS**

The following was taken from the records of So and So Stores in December 2018.

Bank Reconciliation Statement as at 1 December 2018

		DEBIT			CREDIT	
Credit balance as per bank statement					210	50
Credit outstanding deposit					88	60
Debit outstanding cheques: 213		50	75			
217		28	50			
Debit balance as per bank Account		219	85			
		299	10		299	10

Cash Receipts journal as at 31 December 2017

Doc No	Date	Details		Bank
D 109	5	P. Paputsi		65 00
D 110	12	Sales		123 00
D 111	26	M. Mabe		60 00
D 112	31	Sales		150 00

Cash Payments journal as at 31 December 2017

Doc No	Date	Details		Bank
218	2	Insurance		30 00
219	8	D. Ndobe		80 00
220	19	Trading Inventory		125 00
221	28	Carriage on trading inventory		12 00

Bank Statement as at 31 December 2017

Date	Details		(Debit)/Credit		Balance
1	Balance				210 50
	Deposit		88 60		299 10
	Cheque 213		(50 75)		248 35
2	Service fee		(2 60)		245 75
3	Cheque 218		(30 00)		215 75
5	Cheque 219		(80 00)		135 75
	Deposit		65 00		200 75
13	Deposit		123 00		323 75
19	Cheque 220		(125 00)		198 75

27	Deposit		60	00		258	75
28	Unpaid cheque (R. Kelly)		(38	25)		220	50
30	Stop order (Insurance)		(20	00)		200	50
	Deposit (Rent Income)		50	00		250	50

REQUIRED:

- (a) Complete the Cash Journals.
- (b) Post the Cash Journals to the bank account and balance it.
- (c) Prepare a Bank Reconciliation Statement

Cash Receipts Journal – December 2017

DETAILS	BANK

Cash Payments Journal – December 2017

DETAILS	BANK

DR**Bank Account****CR**

Bank Reconciliation Statement – December 2017

DETAILS	DEBIT	CREDIT

QUESTION FIVE**30 MARKS**

The following information was extracted from the records of Zako Traders on 31 December 2018

Pre-Adjustment Trial Balance on 31 December 2018

	Debit	Credit
Balance Sheet Section:		
Capital		185 265
Drawings	6 100	
Land and Buildings	164 000	
Vehicles	38 660	
Equipment	21 300	
Accumulated Depreciation : Vehicles		18 400
: Equipment		7 300
Trade Inventory	12 670	
Trade Receivables	2 430	
Bank	1 820	
Cash Float	660	
Petty Cash	140	
Trade Payables		9 620
Mortgage		14 000
Sales		202 400
Cost of Sales	141 200	
Receivables Returns	300	
Rates	410	
Rent Income		4 020
Salaries	34 500	
Wages	6 900	
Telephone	485	
Stationery	710	
Packing Materials	2 380	
Water and Electricity	780	

Fuel	1 340	
Repairs	680	
Insurance	690	
Bank Charges	370	
Interest on mortgage	1 680	
Bad debts	220	
Discount Allowed	365	
Discount Received		415
Advertisements	630	
	441 420	441 420

Adjustments

1. Rent has been received for 10 months only.
2. Water and electricity due amounted to R1 500.
3. Allowances for doubtful debts must be created at 4% of receivables.
4. Interest on mortgage is calculated at 8% p.a.
5. Depreciation is calculated at 20% on vehicles using the straight-line method and 25% on equipment using the diminishing balance method.

REQUIRED:

- (a) Record the adjustments in the general journal of Zako Traders for the year ended 31 December 2018. No narrations required.
- (b) Prepare the Statement of Profit or Loss for the year ended 31 December 2018.

General Journal of Zako Traders on 31 December 2018

	DETAILS	DEBIT	CREDIT

Statement of Profit or Loss for the year ended 31 December 2018

[illegible]