



<b>FACULTY/COLLEGE</b>	College of Business and Economics
<b>SCHOOL</b>	School of Accountancy
<b>DEPARTMENT</b>	Commercial Accounting
<b>CAMPUS(ES)</b>	APB - STH
<b>MODULE NAME</b>	Financial Management Component
<b>MODULE CODE</b>	TTM22B2
<b>SEMESTER</b>	Second
<b>ASSESSMENT OPPORTUNITY, MONTH AND YEAR</b>	Supplementary Assessment Opportunity January 2020

<b>ASSESSMENT DATE</b>	January 2020	<b>SESSION</b>	
<b>ASSESSOR(S)</b>	Mr R Rhodes		
<b>MODERATOR(S)</b>	Mr K Daly		
<b>DURATION</b>	180 min	<b>TOTAL MARKS</b>	100

<b>NUMBER OF PAGES OF QUESTION PAPER (Including cover page)</b>	5
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#### INFORMATION/INSTRUCTIONS:

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- This is a closed-book assessment.
  - There are 5 questions.
  - Unless otherwise indicated, work in 2 decimals for Rand values and percentages.
  - Answer all questions on the provided template.
  - Read the questions carefully and answer only what is required.
  - Write neatly and legibly on both sides of the paper in the answer book, starting on the first page.
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**QUESTION 1 – Multiple choice****[20 MARKS]**

Required:

- 1.1) Write down the definition of accounting, and the main purpose of accounting. (6)
- 1.2) Explain each of the following terms: (3)
- 1.2.1 – The duality concept
- 1.2.2 – Accrual concept
- 1.2.3 – Financial Performance
- 1.3) When comparing Financial Accounting to Management Accounting, certain differences occur. Discuss these differences under the following topics: (8)
- 1.3.1 – Frequency of reports.
- 1.3.2 – Detail of reports
- 1.3.3 – Types of reports
- 1.3.4 – Users of the reports
- 1.4) Name the three reports that comprise the financial statements. (Full, official names) (3)

**QUESTION 2 - General Journals****[21 MARKS]**

Jenny Moses started a tour operation business to Pielansberg game resort for local visitors. She operates under the name of JM Tours. JM Tours uses the Periodic Inventory system.

Required:

Complete the following Journal entries in the General Journal of JM Tours for June 2019. (Narrations are required.)

2.1	Jenny Moses deposited R1 500 000 into the bank account of JM Tours as start-up capital.	(3)
2.2	JM Tours purchased office furniture for cash to the value of R30 000.	(3)
2.3	JM Tours bought a luxury tour bus for R2 000 000 and paid a deposit of R400 000 in cash to TB Manufacturers. The amount still owing to the creditor (TB Manufacturers) of R1 600 000 must be paid off in 72 equal instalments starting in July.	(3)
2.4	JM Tours received cash income for the June amounting to R30 000.	(3)
2.5	JM Tours had credit sales amounting to R65 000 for June	(3)
2.6	Debtors paid JM Tours R52 000 towards the amounts owing.	(3)
2.7	JM Tours paid rent for the month of R 10 000 in cash to FM Rentals.	(3)

**QUESTION 3 – General ledger****[20 MARKS]**

Jabula Lodge is an up-market lodge in the Kruger Park area. Their bookkeeper has compiled the journals for the month, but was bitten by a snake and is currently in hospital. As you are the manager-in-training you have been tasked to take over and complete the bookkeeper's task.

Required:

3.1) Post the following journal entries accurately into the General ledger of Jabula Lodge for July 2019. The journal code must be reflected in the general ledger, and the GL accounts must be balanced. (16)

3.2) Extract and balance the trial balance. (4)

Jnl Code	Date	Description	Amount Dr. R	Amount Cr R
JU 1	31 Jul	Bank Cr. Sales Cash sales for month	2 325 200	2 325 200
JU 2	31 Jul	Trade debtors Cr Sales Credit sales for month	8 340 550	8 340 550
JU 3	31 Jul	Bank Cr Trade debtors Some debtors paid their accounts	6 660 000	6 660 000
JU 4	31 Jul	Purchases Cr Trade creditors Purchases on credit	2 953 250	2 953 250
JU 5	31 Jul	Trade creditors Cr Bank Paid Creditors amounts owing	2 675 300	2 675 300
JU 6	31 Jul	Furniture Cr Bank Creditor Marloth Furniture Bought furniture on credit and paid the deposit due	1 120 000	130 000 990 000
JU 7	31 July	Wages paid Cr Bank Casual wages for the month paid	500 000	500 000
JU 8	31 July	Salaries Cr Bank Salaries paid	1 200 000	1 200 000

**QUESTION 4 – Bank reconciliation****[19 MARKS]**

Henry Lodge has a Debit balance of R4 000.00 in their cash book at the end of September 2019. However, their bank statement showed a credit balance of R4 270.00 at the same date. On comparison of the cash book and the bank statement, the following differences were found:

- A cheque issued by Henry Lodge amounting to R2 500.00 has not been cashed
- An amount of R140.00 paid by a debtor was rejected by the bank due to insufficient funds.
- An automatic stop-order payment of R700.00 made by Henry Lodge was not entered into the cash book.
- A debtor paid R170.00 directly into the bank without any notice to us.
- Bank charges of R160.00 were entered in the bank statement only.
- A dividend of R250.00 from an investment was paid directly into the bank and not recorded in the cash book.
- Cheques received from debtors for R1 650.00 were entered into the cash book and deposited in the bank but had not been cleared by the bank.

Required: (Note: Marks have been awarded for format used)

- 4.1) Complete the cash book for Henry Lodge for September 2019. (12)
- 4.2) Complete the Bank Reconciliation Statement for Henry Lodge for September 2019. (7)

**QUESTION 5 – Financial statements****[20 MARKS]**

As a part-time bookkeeper, you are presented with the following trial balance extracted from the books of Peaceful Hideaway Tours (PHT). The year-end adjustments have been completed by the assistant.

<b><u>Trial Balance of Peaceful Hideaway Tours at the 28th February 2019</u></b>		
	Dr	Cr
Income from the Tour Operations		45 912 541
Tour cost of sales	20 824 596	
Admin expenses	3 025 654	
Audit expenses	500 000	
General expenses	273 215	
General salaries and wages	6 025 459	
Interest paid on loan	220 000	
Interest on bond	3 400 000	
Interest received from investments		108 000
Tax expense	4 810 787	
<b><u>Assets, Owners Equity and Liabilities</u></b>		
Land and buildings	80 000 000	
Tour Motor vehicles	7 250 000	
Accumulated depreciation on Tour Vehicles		3 262 500
Bank Balance	6 471 457	
Accounts receivable	865 252	
Investment in Ray's Chalets	600 000	
Bond over property		54 000 000
Capital		30 000 000
Accounts Payable		983 379
	<b>134 266 420</b>	<b>134 266 420</b>

Required:

- 5.1) Draft the Trading account, Profit and Loss account, and Balance Sheet for (20) Peaceful Hideaway Tours as at the 28<sup>th</sup> February 2019.

**TOTAL [100]**