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Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

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NOVEMBER EXAMINATION
NATIONAL CERTIFICATE
COMPUTERISED FINANCIAL SYSTEMS N4
(6030154)

2 December 2016 (X-Paper)
09:00–12:00

This question paper consists of 19 pages and 2 addenda.

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DEPARTMENT OF HIGHER EDUCATION AND TRAINING
REPUBLIC OF SOUTH AFRICA
NATIONAL CERTIFICATE
COMPUTERISED FINANCIAL SYSTEMS N4
TIME: 3 HOURS
MARKS: 200

INSTRUCTIONS TO INVIGILATORS

1. Only THREE hours are allowed for the completion of the question paper. The three hours include ALL input of data, ALL printing of answers and ALL written work if required.
 2. In the event of a power failure or computer or printer breakdown the candidates involved must be allowed the actual time lost extra.
 3. After completion of the examination session, invigilators must ensure that EXAMINATION NUMBERS and the watermark of the candidates' work station appear on ALL the printouts/answers handed in. NO printout/answer without AN EXAMINATION NUMBER and watermark will be marked.
 4. Printouts/Answers must NOT be stapled together. Candidates will be penalised if printouts are stapled together.
 5. After completion of the examination session, invigilators must collect ALL other printouts not to be handed in for marking purposes. NO printouts whatsoever are allowed to be taken from the examination room by candidates or put into wastepaper bins.
 6. NO examination paper should be removed from the examination room until ONE hour has elapsed since the start of the last examination session on the day of the examination.
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INSTRUCTIONS TO CANDIDATES

1. Answer ALL the questions.
2. Read ALL the questions carefully.
3. Number the answers according to the numbering system used in this question paper.
4. **SECTION B** must be answered on the ADDENDUM and then placed in the ANSWER BOOK.
5. Only THREE hours are allowed for the examination. The three hours include ALL input of data, ALL printing of answers and ALL written work, if required. NO extra time will be allowed for printing.
6. Open the account system CRYSTAL already loaded on the computer. If you are a network user, make sure that you select the set of accounts loaded for your workstation.
7. To ensure that your EXAMINATION NUMBER appears on ALL the printouts, carry out the following instructions before you start answering the question paper:
 - 7.1 Select Setup
 - 7.2 Select Company Parameters
 - 7.3 Enter your EXAMINATION NUMBER and WORKSTATION NUMBER
 - 7.4 Click OK
8. Print on ONE SIDE of the paper only.
9. Arrange the answers/printouts in the correct order and hand in ONLY what is required. If you have used continuous paper, separate the sheets from one another before handing them in.
10. NO printouts/answers should be stapled together.

NOTE: Marks will be deducted if printouts are NOT in the correct order, if you did not separate continuous paper, or if you printed on both sides of the paper.

SECTION A

QUESTION 1

You have been appointed as the bookkeeper of Crystal Glass, a retail business owned by Imelda Stein. The business sells hand-crafted items free of leaded glass and uses the computerised accounting system Pastel.

The financial year of the business runs from **1 July 2016** to **30 June 2017**.

The business is registered for VAT purposes and makes two-monthly payments to the South African Receiver of Revenue according to the invoice basis.

You are requested to complete the setup parameters as shown under ADDITIONAL PARAMETER SETUP. Process the rest of the transactions for July 2016 (PERIOD 1).

1. PARAMETER SETUP

1.1 ENTRY TYPES (already set up)

| No.: | Entry Type |
|------|---|
| 1 | CB 1 Payments (Cash payments journal) |
| 2 | CB 1 Receipts (Cash receipts journal) |
| 3 | CB 2 Payments (Petty cash payments journal) |
| 4 | CB 2 Receipts (Petty cash receipts journal) |
| 5 | General journal |
| 6 | Customers journal |
| 7 | Suppliers journal |
| 8 | Customers allowances journal |
| 9 | Suppliers allowances journal |
| 10 | Bad debts journal |
| 11 | Interest charged journal |
| 12 | Stock journal |

1.2

GENERAL LEDGER ACCOUNTS (already set up)

| Account | Number |
|--|---------------|
| Sales | 1000/000 |
| Purchases | 2000/000 |
| Opening stock | 2010/000 |
| Closing stock | 2020/000 |
| Bad debts recovered | 2850/000 |
| Advertising and promotions | 3050/000 |
| Bad debts | 3150/000 |
| Bank charges | 3200/000 |
| Cleaning | 3250/000 |
| Donations | 3600/000 |
| Electricity and water | 3650/000 |
| Insurance | 3850/000 |
| Interest paid | 3900/000 |
| Motor vehicles – petrol and oil | 4150/010 |
| Printing and stationery | 4200/000 |
| Rent paid | 4300/000 |
| Salaries and wages | 4400/000 |
| Telephone and fax | 4600/000 |
| Capital | 5100/000 |
| Retained income | 5200/000 |
| Drawings | 5400/000 |
| Motor vehicles | 6200/000 |
| Motor vehicles: Cost | 6200/010 |
| Motor vehicles: Accumulated depreciation | 6200/020 |
| Office equipment | 6300/000 |
| Office equipment: Cost | 6300/010 |
| Office equipment: Accumulated depreciation | 6300/020 |
| Trading stock | 7700/000 |
| Customers control | 8000/000 |
| Bank | 8400/000 |
| Petty cash | 8410/000 |
| Suppliers control | 9000/000 |
| Opening balance | 9990/000 |

1.3 SUPPLIERS SCHEDULE (already set up)

| Code | Supplier | 60 days | 30 days | Current |
|------|-----------------|---------|----------|----------|
| F001 | Fanel Suppliers | | 789,00 | 1 234,56 |
| L001 | Lockhart | 987,65 | | 1 357,91 |
| Y001 | Yellow Leads | | 2 468,00 | |

1.4 CUSTOMERS SCHEDULE (already setup)

| Code | Customers |
|------|------------|
| S001 | Smith, G |
| Z002 | Zwebu, XL |
| Z99 | Cash Sales |

1.5 STOCK AS ON 30 JUNE 2016 (Stock items already set up)

The stock system of the business is dealt with on a continuous basis with the computer program. All stock purchases are made by means of purchase notes, and all sales by means of the computerised invoice system.

Stock items have already been set up. The business adds a 125% profit markup to the cost price of stock items.

Exclusive tax processing is applied to all stock purchases and sales except where indicated otherwise on invoices.

The following stock codes and prices (VAT Excl.) are applicable:

| Stock code | Description | Unit | Cost price | Selling price |
|------------|-------------|------|------------|---------------|
| 690 | Angela | Each | 8,89 | 20,00 |
| 650 | Bistro | Each | 17,77 | 39,98 |
| 370 | Concer | Each | 13,33 | 29,99 |
| 450 | Forum | Each | 20,00 | 45,00 |
| 460 | Honey | Each | 22,22 | 50,00 |
| 240 | Margot | Each | 11,11 | 25,00 |
| 180 | Rhapsody | Each | 15,55 | 34,99 |

2. **ADDITIONAL PARAMETER SETUP**

The details on the Setup, Customer, Documents screen and the Supplier documents screen are incomplete. These details must be completed using the information below.

- Allocate the correct original name to the documents where the ??? appear.
- The tax invoice starts with TI701.
- The debit note starts with DN25.
- Add the following service item:

Code: DC

Description: Delivery cost

Discount type: None

Selling price: R125,00 (exclusive)

Untick: Show quantity and unit

3. **TRANSACTIONS FOR JULY 2016 (PERIOD 1)**

- 3.1 You are required to do the bank reconciliation for July 2016. Do NOT update the cash receipts and cash payments batches until after you have completed the bank reconciliation.
- 3.2 Use the REFERENCE RECONCILIATION METHOD for bank reconciliation purposes.
- 3.3 When processing computerised source documents, select the option to display Tax Percentages in the line entries on these documents.
- 3.4 Once you have completed the input of computerised source documents and journal batches, you must print and update it.
- 3.5 Refer to the attached ADDENDUM A concerning the admissible deductions with regards to Input Tax.
- 3.6 If there is no ledger account to enter a specific transaction, such an account must be created. Apply the account structure as it is set out.

4. **TAKE-ON BALANCES**

Use the information at 1.3 to process the opening balances of the suppliers in the relevant journal. Print and update the batch.

5. CREDIT INVOICES (PERIOD 1)

| <h1>House of Crystal^①</h1> | | | | | |
|---|-------------|-------------------------|---|---------------|-----------|
| ☎ 021 510 2468 📧 hollyo@gmail.com | | VAT Reg. No.: 753951462 | | HC02 | |
| TO: Crystal Glass 80 Voortrekker Road 7530 BELLVILLE | | | 📍 98 BELLVILLE 7531 5 Smith Drive PAROW 7500 | | |
| TERMS: 15% discount within 30 days 7.5% trade discount | | | 07/07/2016 | | |
| Quantity | Description | Unit Price | | Amount | |
| 48 | Angela | 9 | 89 | 474 | 72 |
| 36 | Concer | 15 | 55 | 559 | 80 |
| 48 | Margot | 12 | 12 | 581 | 76 |
| Subtotal | | | | 1 616 | 28 |
| 7.5% discount | | | | 121 | 21 |
| | | | | 1 495 | 07 |
| 14% VAT | | | | 209 | 31 |
| TOTAL | | | | R1 704 | 38 |

- ① Crystal Glass decided to use a new supplier, namely House of Crystal. Supplier code: H001. The contact person is Holly Owen and she can be contacted at 082 663 6636. Credit limit: R5 000,00.

Yellow Leads

☎ 021 510 9876
VAT Reg. No.: 951357462

YL01

TAX INVOICE

TO: Crystal Glass
80 Voortrekker Road
7530 BELLVILLE

28 Raleigh Street
7530 BELLVILLE

TERMS: 10% discount within 30 days
12.5% trade discount

14/07/2016

| Quantity | Description | Unit Price | Amount |
|----------------|-------------|------------|------------------|
| 24 | Rhapsody | 15 55 | 373 20 |
| 36 | Bistro | 19 99 | 719 64 |
| 48 | Forum | 20 20 | 969 60 |
| 60 | Honey | 24 24 | 1 454 40 |
| Subtotal | | | 3 516 84 |
| 12.5% discount | | | 439 60 |
| | | | 3 077 24 |
| 14% VAT | | | 430 82 |
| TOTAL | | | R3 508 06 |

No. **L03**

Lockhart

21/07/2016

25 Mandela Drive
CAPE TOWN
8000

VAT Reg. No.:
258963714

☎ 021 765 8521
☎ 086 543 2101


INVOICE

TO: Crystal Glass
80 Voortrekker Road
7530 BELLVILLE

TERMS: 5% discount within 60 days
10% overall discount

| Quantity | Description | Unit Price | Amount |
|--------------|--------------------|------------|------------------|
| 36 | Concer | 16 66 | 599 76 |
| 72 | Irish ² | 25 00 | 1 800 00 |
| Subtotal | | | 2 399 76 |
| 10% discount | | | 239 98 |
| | | | 2 159 78 |
| 14% VAT | | | 302 37 |
| TOTAL | | | R2 462 15 |

- ② Crystal Glass decided to stock a new inventory item namely Irish. Capture the new inventory. Item code 120. Key in the cost and selling price.

| TAX INVOICE VAT Reg. No. 456987123 | | |
|--|---|---|
| Fanel Suppliers ① 021 864 3791 TERMS: Strictly 30 days |  | <div style="text-align: right;">F04</div> <div style="text-align: right; margin-top: 10px;"> <i>Customer details:</i> Crystal Glass 80 Voortrekker Road 7530 BELLVILLE </div> <div style="text-align: right; margin-top: 10px;"> DATE: 28/07/2016 </div> |
| Description | Inclusive Amount | |
| 3 glass locker cabinets | 15 000 | 00 |
| 1 HP printer | 7 500 | 00 |
| 2 boxes of letterhead printing paper | 1 250 | 00 |
| TOTAL | R23 750 | 00 |

6. **RETURNS TO SUPPLIERS (PERIOD 1)**

| DATE | SUPPLIER | REASON |
|------------|------------------|--|
| 15/07/2016 | House of Crystal | 6 Angela – wrong size 12 Margot – received Rhapsody |
| 30/07/2016 | Fanel Suppliers | 1 glass locker cabinet – glass broken |

7. **STOCK SALES (PERIOD 1)**

- Account Z99 is used for all cash sales transactions.
- Cash sales customers receive a 15% cash discount on all purchases.
- The names and addresses of all cash customers must be indicated on the documents – use the Delivery Address field.
- All new credit customers receive a discount of 7,5% within 30 days.
- Message for credit transactions: Sale from 15–20 July 2016

| NAME | DATE | TERMS | DETAILS |
|--|------------|---|---|
| C Swart 63 Misspell Street GOODWOOD 7530 | 06/07/2016 | Cash sale | 6 Rhapsody 12 Forum 6 Concer Delivery |
| XL Zwebu | 12/07/2016 | 15% invoice discount 5% within 60 days | 24 Angela 6 Concer 12 Honey 6 Margot Delivery |
| G Smith | 18/07/2016 | 10% discount within 30 days | 12 Concer 18 Bistro 6 Angela |
| New customer: L Pieterse ^③ 21 Long Street CAPE TOWN 8000 | 24/07/2016 | 5% trading discount | 24 Forum 12 Bistro 6 Rhapsody |
| T McDonald 45 Robyn Crescent WELGELEGEN 7500 | 30/07/2016 | Cash sale | 12 Honey 6 Concer 12 Irish Delivery |

- ③ Crystal Glass decided to sell to a new credit customer, namely L Pieterse. Telephone: 021 700 1122; cell phone 076 852 1379. The contact person is Lizanne Hough. She can be contacted at lizanne.h@telkomsa.net. Postal Address: PO Box 10, CAPE TOWN, 8001. Credit limit: R7 500,00. VAT Reg. No.: 852963741.

8. **RETURNS BY CUSTOMERS (PERIOD 1)**

| NAME | DATE | DETAILS OF RETURNS |
|----------|------------|--|
| XL Zwebu | 18/07/2016 | 6 Angela – not ordered 6 Honey – wrong quantity |

9. **CHEQUE PAYMENTS (PERIOD 1)**

| | |
|--|---|
| 25 | 26 |
| 01/07/2016 TO/AAN: Outdoor Pty Ltd FOR/VIR: Tables and chairs AMOUNT/ BEDRAG: R22 500,00 | 05/07/2016 TO/AAN: Oakdale Real Estate FOR/VIR: Monthly rent AMOUNT/ BEDRAG: R13 250,00 |
| 27 | 28 |
| 10/07/2016 TO/AAN: Bellville Municipality FOR/VIR: Electricity and Water Owner: R750,00 AMOUNT/ BEDRAG: R5 000,00 | 15/07/2016 TO/AAN: Yellow Leads FOR/VIR: Settled account (01/07) (Discount R123,40) AMOUNT/ BEDRAG: R??? |
| 29 | 30 |
| 20/07/2016 TO/AAN: Bellville Post Office FOR/VIR: Shipping parcels AMOUNT/ BEDRAG: R876,00 | 23/07/2016 TO/AAN: AB de Villiers FOR/VIR: Salary AMOUNT/ BEDRAG: R15 750,00 |
| 31 | 32 |
| 26/07/2016 TO/AAN: Cash FOR/VIR: Restored petty cash imprest amount AMOUNT/ BEDRAG: R??? | 29/07/2016 TO/AAN: Fanel Suppliers FOR/VIR: Settled account AMOUNT/ BEDRAG: R??? |

10. **CASH RECEIPTS (PERIOD 1)**

Cash received according to cash register rolls

| | | |
|---|----------|------------|
| Crystal Glass 80 Voortrekker Road 7530 BELLVILLE | | |
| Cashier Name: M Forrester | | |
| CRR 001 | 10:20:30 | 07/07/2016 |
| Cash purchases | | R1 043,55 |
| <i>Please retain your slip as proof of purchase.</i> | | |

| | | |
|---|----------|------------|
| Crystal Glass 80 Voortrekker Road 7530 BELLVILLE | | |
| Cashier Name: S Zulu | | |
| CRR 002 | 14:28:56 | 21/07/2016 |
| Cash purchases | | R1 552,34 |
| <i>Please retain your slip as proof of purchase.</i> | | |

Duplicates of receipts issued


| | | |
|--|------------------|----|
| No. 101 | Date: 02/07/2016 | |
| RECEIVED FROM: <i>N Jacobs</i> | | |
| the sum of <i>Five thousand</i> | | |
| rand | 5 000 | 00 |
| <i>nil</i> cents | | |
| For Account <i>previously written off as irrecoverable</i> | | |
| <i>K Pool</i> | With Thanks | |


| | | |
|--|------------------|----|
| No. 102 | Date: 18/07/2016 | |
| RECEIVED FROM: <i>G Smith</i> | | |
| the sum of ??? | | |
| ??? rand | ??? | ?? |
| ??? cents | | |
| For <i>Settlement of invoice dated 12 July 2016</i> (<i>Discount R136,74</i>) | | |
| <i>K Pool</i> | With Thanks | |


| | | |
|----------------------------------|------------------|----|
| No. 103 | Date: 20/07/2016 | |
| RECEIVED FROM: <i>XL Zwebu</i> | | |
| the sum of | | |
| ??? rand | ??? | ?? |
| ??? cents | | |
| For <i>Settlement of account</i> | | |
| <i>K Pool</i> | With Thanks | |

| | | |
|--|------------------|----|
| No. 104 | Date: 30/07/2016 | |
| RECEIVED FROM: <i>LM Nqgu</i> | | |
| the sum of <i>Seven thousand five</i> | | |
| <i>hundred</i> rand | 7 500 | 00 |
| <i>nil</i> cents | | |
| For <i>Rent received for August 2016</i> | | |
| <i>K Pool</i> | With Thanks | |

Duplicate of deposit slips

| CAPITEC BANK | | | DEPOSIT SLIP | | BDS01 |
|---|----------------|-----------------|--------------|-------------|-------|
| 12/07/2016 | | Account number: | | 10738659813 | |
| Credit: | CRYSTAL GLASS | | Cash | 1 043 | 55 |
| Bank stamp | Name of drawer | Bank | Branch | | |
|  | 1. Smith, G | ABSA | Parow | ??? | ?? |
| | 2. Jacobs, N | FNB | Bellville | 5 000 | 00 |
| | | | TOTAL | ??? | ?? |
| Paid in by: | | K Pool | | | |

| CAPITEC BANK | | | DEPOSIT SLIP | | BDS02 |
|---|----------------|-----------------|--------------|-------------|-------|
| 20/07/2016 | | Account number: | | 10738659813 | |
| Credit: | CRYSTAL GLASS | | Cash | | |
| Bank stamp | Name of drawer | Bank | Branch | | |
|  | 1. XL Zwebu | FNB | Bellville | ??? | ?? |
| | 2. | | | | |
| | | | TOTAL | ??? | ?? |
| Paid in by: | | K Pool | | | |

| CAPITEC BANK | | | DEPOSIT SLIP | | BDS03 |
|---|----------------|-----------------|--------------|-------------|-------|
| 31/07/2016 | | Account number: | | 10738659813 | |
| Credit: | CRYSTAL GLASS | | Cash | 1 552 | 34 |
| Bank stamp | Name of drawer | Bank | Branch | | |
|  | 1. LM Nqgu | Capitec | Goodwood | 7 500 | 00 |
| | 2. | | | | |
| | 3. | | | | |
| | | | TOTAL | 9 052 | 34 |
| Paid in by: | | K Pool | | | |

11. PETTY CASH PAYMENTS (PERIOD 1)

The following is a batch summary of petty cash payments made during July 2016. The last petty cash voucher was PCV78.

| Day | Details | Amount |
|------------|---|---------|
| 05/07/2016 | BLV Motors – repair to motor vehicle tyre | R150,59 |
| 10/07/2016 | R Madiba – daily wage | R180,00 |
| 15/07/2016 | BEL Stationers – purchased receipt books | R59,99 |
| 20/07/2016 | GWD Merchants – cleaning material | R125,50 |

12. BANK STATEMENT RECEIVED (PERIOD 1)


NOTE: The amounts on the bank statement are correct.


| FNB | | | |
|---|------------------------|---|------------|
| Crystal Glass 80 Voortrekker Road BELLVILLE 7530 Acc. No.: 10738659813 | | Statement 001 Date: 31/07/2016 | |
| DATE | DETAILS | DEBIT(-) CREDIT | BALANCE |
| 01/07/2016 | Direct deposit | 35 000,00 | 35 000,00 |
| 02/07/2016 | Cheque 25 | 22 500,00- | 12 500,00 |
| 04/07/2016 | Bellville Municipality | 1 234,56- | 11 265,44 |
| 05/07/2016 | Service fee | 75,43- | 11 190,01 |
| 07/07/2016 | Cheque 26 | 12 350,00- | -1 159,99 |
| 10/07/2016 | BDS01 | 7 274,25 | 6 114,26 |
| 11/07/2016 | Cheque 27 | 5 000,00- | 1 114,26 |
| 14/07/2016 | Cash handling fees | 43,21- | 1 071,05 |
| 15/07/2016 | IRS12 | 2 345,67- | -1 274,62 |
| 19/07/2016 | Cheque book | 45,00- | -1 319,62 |
| 20/07/2016 | House of Crystal | 1 255,18- | -2 574,80 |
| 23/07/2016 | Cheque 30 | 15 750,00- | -18 324,80 |
| 25/07/2016 | Tax levy | 23,45- | -18 348,25 |
| 30/07/2016 | BDS03 | 9 052,34 | -9 295,91 |
| 30/07/2016 | Cheque 29 | 876,00- | -10 171,91 |
| 31/07/2016 | INT | 43,21- | ??? |


Additional information

- 12.1 Record the bank charges and interest.
- 12.2 The direct deposit is from the owner, Beron Nero, for additional capital contribution.
- 12.3 Transaction on 4 July 2015 was for the rates and taxes.
- 12.4 Settlement of House of Crystal through the internet.
- 12.5 IRS12 was for VAT paid to the Receiver of Revenue.

13. **SUNDRY TRANSACTIONS FOR JULY 2016 (PERIOD 1)**

| | |
|---|-------------------------|
|  Office Memo 7/1 | |
| CRYSTAL GLASS | |
| TO: <i>AM Saím</i> | DATE: 01/07/2016 |
| Beron Nero has given his motor vehicle for use in the business. It represents part of his capital contribution and is valued at R75 000,00. Record the transaction. | |

| | |
|---|-------------------------|
|  Office Memo 7/2 | |
| CRYSTAL GLASS | |
| TO: <i>AM Saím</i> | DATE: 31/07/2016 |
| Record the closing stock valued at average cost, R3 839,22. | |

| | |
|---|-------------------------|
|  Office Memo 7/3 | |
| CRYSTAL GLASS | |
| TO: <i>AM Saím</i> | DATE: 31/07/2016 |
| Calculate depreciation for July of motor vehicles at 8% cost price and office equipment at 15% on diminishing balance. Round off to the nearest rand. | |
| Motor vehicles: Cost | R543 210 |
| Motor vehicles: Accumulated depreciation | R34 567 |
| Office equipment: Cost | R234 567 |
| Office equipment: Accumulated depreciation | R27 890 |

14. PRINTOUTS (PERIOD 1)

Hand in the following printouts in the order shown below. The computerised documents must be sorted in the correct numerical order.

| | | |
|------|--|--------------|
| 14.1 | Age analysis of suppliers (June 2016) (Print description; no details) | (5) |
| 14.2 | Computerised source documents (July 2016): | |
| | Supplier invoices | (27) |
| | Debit notes | (9) |
| | Tax invoices | (37) |
| | Credit notes | (7) |
| 14.3 | Batch listings with generated entries (July 2016): | |
| | Supplier journal | (11) |
| | Supplier allowance journal | (6) |
| | General journal (adjustments) | (12) |
| | Cash receipts journal (after bank reconciliation) | (14) |
| | Cash payments journal (after bank reconciliation) | (22) |
| 14.4 | Bank reconciliation statement as at 31 July 2016 | (5) |
| 14.5 | Cash book details of petty cash for July 2016 | (6) |
| 14.6 | Entry type printout of stock journal for July 2016 | (5) |
| 14.7 | Customer listing of L. Pieterse (show details) (NO user defined fields) | (6) |
| 14.8 | Print an inventory listing of delivery cost. | (4) |
| 14.9 | Balance sheet for July 2016. (Do NOT print zero items; alternative layout; capital employed first) | (4) |
| | | [180] |

TOTAL SECTION A: 180

SECTION B

1. It is the duty of Ghouwa Manuel, the bookkeeper, to complete ADDENDUM B. The VAT registration number is 987654321.

Use the information below to complete the attached form as on 13 September 2016.

| TAX TYPE REPORT of Crystal Glass as at 31/08/2016 for 2 periods back | | | | | | |
|---|-------------------|-------------------|------------------|------------------|------------------|-------------------|
| | OUTPUT TAX | | INPUT TAX | | NETT TAX | |
| | Tax | Inclusive | Tax | Inclusive | Tax | Inclusive |
| Standard | -6 497,79 | -52 910,54 | 4 414,68 | 35 948,07 | -2 083,11 | -16 962,47 |
| Capital | -4 697,36 | -38 250,00 | 2 935,86 | 23 906,25 | -1 761,50 | -14 343,75 |
| Bad debts | -767,05 | -6 245,98 | 1 150,58 | 9 368,97 | 383,53 | 3 122,99 |
| TOTAL | -11 962,20 | -97 406,52 | 8 501,12 | 79 547,72 | -3 461,08 | -28 183,23 |

(9)

Use the **Note facility** to answer the following question. Print the note.

Note category: Other

Code: SECTION B

Subject: Examination number (workstation number)

Entry date: Today's date

Action date: Today's date

2. To whom is the difference between the output and input tax is paid? (1)

3. A dealer who is registered for VAT receives the following invoice:

Machinery for enterprise R45 000,00
 VAT (14%) R6 300,00
 Total due R51 300,00

- 3.1 Which amount will be debited to the machinery account as the cost of the asset?

- 3.2 Which amount, if any, will be credited to the VAT control account? (2 × 1) (2)

4. A customer pays his account within the prescribed time as stipulated by invoice conditions and a 2,5% discount of R2 768,22 is allowed. Show ALL calculations.

- 4.1 Which amount will be credited to the customer's account? (2)

- 4.2 Which amount will be debited to the discount allowed account? (3)

- 4.3 Which amount will be debited to the VAT control account? (3)

[20]

TOTAL SECTION B: 20
GRAND TOTAL: 200

ADDENDUM A**ADMISSIBLE DEDUCTIONS WITH REGARD TO INPUT TAX**

| | Is VAT charged | | Input VAT deductible | |
|-------------------------------|----------------|----|----------------------|----|
| | Yes | No | Yes | No |
| Advertisements | X | | X | |
| Bank charges: Service fees | X | | X | |
| Cash handling fees | X | | X | |
| Cheque book | X | | X | |
| Tax levy | | X | | |
| Commission received | | X | | X |
| Depreciation | | X | | |
| Electricity and water | X | | X | |
| Insurance | X | | X | |
| Interest paid/received | | X | | |
| Investments | | X | | |
| Office equipment | X | | X | |
| Packing material | X | | X | |
| Petrol and oil | | X | | |
| Printing and stationery | X | | X | |
| Rates and taxes | | X | | |
| Refreshments | X | | | X |
| Rent paid/received | X | | X | |
| Salaries and wages | | X | | |
| Telephone | X | | X | |

ADDENDUM B **EXAMINATION NUMBER:**

| | | | | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| | | | | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|

SECTION BRemove **ADDENDUM B**, complete it and put it in the **EXAMINATION FOLDER**.

1.

| TRADING NAME | VAT REGISTRATION NUMBER | PERIOD END |
|---------------------------------------|-------------------------------|-----------------------------|
| CALCULATION OF OUTPUT VAT | RANDS ONLY | VAT (2 decimals) |
| Standard rate | | |
| Capital goods | | |
| Other | | |
| TOTAL OUTPUT VAT | | |
| CALCULATION OF INPUT VAT | | |
| Capital goods | | |
| Standard rate | | |
| Bad debts | | |
| Other | | |
| TOTAL INPUT VAT | | |
| AMOUNT PAYABLE/RECEIVABLE | | |
| | | |
| Signature of authorised person | Capacity | Date |

(9)