

**CONTROL TEST 1**

**TOTAL: 70**

NAME: \_\_\_\_\_

**Question 1**

**(36 Marks)**

The following information relates to Always Talking Stores, owned by Ruby Uys

**Required:**

Use the information given below to complete the general ledger accounts properly balanced in the books of the business for November 2009:

- Trading stock
- Debtors Control
- Stationery

**Note: Goods sold for cash are sold at cost plus 50%, and goods sold on credit are sold at cost plus 75%**

**Information:**

- The following balances appeared amongst others in the books of the business on 1 November 2009:

Trading stock	R45 000
Debtors control	R23 000
Stationery	R1 500

- The following totals appeared in the journals on 30 November 2009

<b>Cash receipts Journal</b>		<b>Cash Payments Journal</b>	
Bank	R61 380	Bank	R80 000
Sales	?	Trading stock	?
Cost of sales	R25 080	Creditors control	R29 500
Debtors control	?	Equipment	R3 000
Sundry accounts	R20 000	Debtors control	R475
		Sundry accounts	R3 500
<b>Debtors Journal</b>		<b>Creditors Journal</b>	
Sales	R35 000	Creditors control	R47 000
Cost of sales	?	Trading stock	R25 000
		Equipment	R8 800
		Stationery	R1 200
		Sundry accounts	R12 000
<b>Petty Cash Journal</b>			
Petty cash	R150		
Trading stock	R30		
Wages	R50		
Stationery	R40		
Sundry accounts	R30		

Trading Stock									
Debtors Control									
Stationery									

**Value added Tax**

**Question 2.1**

**(20 Marks)**

Complete the VAT Table by completing all cells marked with an “\*”. Answer directly on the table provided

<i>Vendor</i>			<i>VAT Returns</i>		
Sales to manufacturer	R40 000		Tax on sales (output tax)		*
VAT (14%)	*	*	Tax on purchases (input tax)		*
			VAT payable		*
Sales to wholesaler	R60 500		Tax on sales (output tax)		*
VAT (14%)	*	*	Tax on purchases (input tax)		*
			VAT payable		*
Sales to retailer	R90 000		Tax on sales (output tax)		*
VAT (14%)	*	*	Tax on purchases (input tax)		*
			VAT payable		*
Sales to consumer	R100800		Tax on sales (output tax)		*
VAT (14%)	*	*	Tax on purchases (input tax)		*
			VAT payable		*

**Question 2.2**

**(10 Marks)**

List in table form 5 products or services that are Zero-rated or that are exempt from VAT.

	<b>Zero Rated</b>	<b>Exempt</b>
1		
2		
3		
4		
5		

**Question 2.3**

**(4 Marks)**

Briefly explain the difference between input and output VAT.


**STANDARDISED TEST 1**

**TOTAL: 70**

NAME:     Memo    

**Question 1**

**(36 Marks)**

The following information relates to Always Talking Stores, owned by Ruby Uys

**Required:**

Use the information given below to complete the general ledger accounts properly balanced in the books of the business for November 2009:

- Trading stock
- Debtors Control
- Stationery

**Note: Goods sold for cash are sold at cost plus 50%, and goods sold on credit are sold at cost plus 75%**

**Information:**

3. The following balances appeared amongst others in the books of the business on 1 November 2009:

Trading stock	R45 000
Debtors control	R23 000
Stationery	R1 500

4. The following totals appeared in the journals on 30 November 2009

<b>Cash receipts Journal</b>		<b>Cash Payments Journal</b>	
Bank	R61 380	Bank	R80 000
Sales	?	Trading stock	?
Cost of sales	R25 080	Creditors control	R29 500
Debtors control	?	Equipment	R3 000
Sundry accounts	R20 000	Debtors control	R475
		Sundry accounts	R3 500
<b>Debtors Journal</b>		<b>Creditors Journal</b>	
Sales	R35 000	Creditors control	R47 000
Cost of sales	?	Trading stock	R25 000
		Equipment	R8 800
		Stationery	R1 200
		Sundry accounts	R12 000
<b>Petty Cash Journal</b>			
Petty cash	R150		
Trading stock	R30		
Wages	R50		
Stationery	R40		
Sundry accounts	R30		

**Trading Stock**

Nov	1	Balance	b/d	45000	Nov	30	Cost of Sales	Crj	25080
	30	Bank	Cpj	43525			Cost of Sales	Dj	20000
		Creditors Control	Cj	25000			Balance	c/d	68475
		Petty Cash	pcj	30					
				<b>113 555</b>					<b>113 555</b>
Dec	1	Balance	b/d	68475					
<b>Debtors Control</b>									
Nov	1	Balance	b/d	23000	Nov	30	Bank	crj	3760
	30	Sales	Dj	35000			Balance	c/d	54240
				<b>58000</b>					<b>58000</b>
Dec	1	Balance	b/d	54240					
<b>Stationery</b>									
Nov	1	Total	b/d	1500					
		Creditors Control	Cj	1200					
		Petty Cash	pcj	40					
				2740					

### Value added Tax

#### Question 2.1

(20 Marks)

Complete the VAT Table by completing all cells marked with an "\*". Answer directly on the table provided

<i>Vendor</i>			<i>VAT Returns</i>	
Sales to manufacturer	R40 000		Tax on sales (output tax)	5600*
VAT (14%)	5600*	45600*	Tax on purchases (input tax)	0*
			VAT payable	5600*
Sales to wholesaler	R60 500		Tax on sales (output tax)	8470*
VAT (14%)	8470*	68970*	Tax on purchases (input tax)	(5600)*
			VAT payable	2870*
Sales to retailer	R90 000		Tax on sales (output tax)	12600*
VAT (14%)	12600*	102600*	Tax on purchases (input tax)	(8470)*
			VAT payable	4130*
Sales to consumer	R100800		Tax on sales (output tax)	14112*
VAT (14%)	14112*	114912*	Tax on purchases (input tax)	(12600)*
			VAT payable	1512*

#### Question 2.2

(10 Marks)

List in table form 5 products or services that are Zero-rated or that are exempt from VAT.

	<b>Zero Rated</b>	<b>Exempt</b>
1	Fresh Milk	Certain financial services
2	Fresh Meat	Certain Fringe benefits
3	600g Bread (government)	Certain services supplied by the government
4	Goods Exported	Government education
5	Fresh Fruit and Vegetables	Residential letting

**Question 2.3**

**(4 Marks)**

**Briefly explain the difference between input and output VAT.**

Input: Paid when purchases were made
Output: Charged on sales