

QUESTION 1: (94 Marks, 56 Minutes)

PART A

Income Statement of Lynnwood Auto for the year ended 29 February 2008

Sales	
Cost of Sales	
Gross Profit	
Other operating income	
Rent Income	
Discount Received	
Operating Expenses	
Salaries and wages	
Pension Contributions	
Advertising	
Bad debts	
Packing material	
Insurance	
Stationery	
Sundry expenses	
Net operating profit / Net profit before interest income	
Interest Income	
Net profit before Interest Expense	
Interest Expense	
Net profit for the year	

(47)

Lynnwood Auto

Notes to the Financial Statements for the year ended 29 February 2008

15. INVENTORY

(6)

16. TRADE AND OTHER RECEIVABLES

Net Trade Debtors	
Trade Debtors (25500	
Provision for Bad Debts	

(7)

17. TRADE AND OTHER PAYABLES

Trade Creditors (35 930	
SARS (PAYE) (1200	
Pension Fund (960	

(13)

PART B

1.3.1

Accounting principle relating to adjustment 9, and why it gets applied

(3)

1.3.2

“For a partnership to be regarded a legal, it must be seen to benefit both partners.”

(3)

1.3.3

The significance of Beaumont’s opening Current Account balance.

(3)

PART C

1.4.1

A favourable bank balance

(1)

1.4.2

Incorrect entry

(4)

1.4.3

Two other entries on the bank reconciliation statement

(4)

1.4.4

How a post-dated cheque received from a debtor should be dealt with.

(3)

Total marks
/94

QUESTION 2: (26 Marks, 16 Minutes)

Transactions for Kidwell Traders

	Source document	Debited	Credited	Amount	A	O	L
2.1							
2.2							
2.3							
2.4							
2.5							

Total marks
/26

QUESTION 3: (15 Marks, 9 Minutes)

Note 1: Debtors Collection schedule

	September	October
July	47 000	-
August	87 000	
September		
October		

Cash Budget for the two months ending 31 October 2008

	September	October
Receipts		
Cash Sales (25%)		
Debtors (From note 1)		
Fee Income		
Rent Income		
Total Receipts		
Payments		
Cash Purchases		
Creditors Payments		
Salaries and Wages		
Rental of Premises		
Total Payments		
Surplus/(Deficit)		
Balance from previous month		
Balance taken to next month		

Total marks
/40

QUESTION 4: (40 Marks, 24 Minutes)

PART A

Detert Sports Store
Note to the Financial Statements for the year ended 30 June 2008

Tangible Assets

	Vehicles	Equipment	Total
Cost Price @ 01/07/2007			
Accumulated depreciation @ 01/07/2007			
Carrying Value @ 01/07/2007			
Movements			
Additions			
Disposals			
Depreciation			
Carrying Value @ 30/06/2008			
Cost Price @ 30/06/2008			
Accumulated depreciation @ 30/06/2008			

(27)

PART B

4.2.1

Four controls to implement to have better control of tangible assets

(8)

4.2.2

Comment on the current system of depreciation

(5)

Total marks
/40

Grand Total: 200 Marks

THE END☺!!!