

**ADMISSION EXAMINATION / TOELATINGSEKSAMEN
BOOKKEEPING / BOEKHOUD
PART 4 / DEEL 4**

10 FEBRUARY / FEBRUARIE 2016

ANSWERS / ANTWOORDE

PLEASE NOTE THAT THE GUIDELINE ANSWERS TO PREVIOUS PAPERS MAY NOT BE A CORRECT REFLECTION OF THE LAW AND/OR PRACTICE AT THE MOMENT OF READING.

NOTE TO EXAMINER: *This guideline records the views of the drafters. There may be justifiable variations in practice which are brought out in the answers. When this happens the examiner should apply his discretion in marking the answer.*

QUESTION 1

[40]

TRUST CASH BOOK

To Minnie (Correspondent)	30 000	By agent (Correspondent)	6 454
		By transfer to Business	23 546

BUSINESS CASH BOOK

To transfer ex Trust	23 546	By Sheriff (Mickey)	900
		By Counsel	7 500
		By Sheriff	1 500

TRUST LEDGER – CORRESPONDENT

To cash	6 454	By cash debtor	30 000
To Business transfer	23 546		

BUSINESS LEDGER - FEES

To correspondent	1 980	By Correspondent	5 950
To correspondent	4000	By Correspondent	12 000

BUSINESS LEDGER – CORRESPONDENT

To paid Sheriff	900	By Fee allowance	2 257
To Fees & Vat	6 783	By Fee allowance	4 560
To Fees & Vat	13 680	By trust transfer	23 546
To paid Counsel	7 500		
To paid Sheriff	<u>1 500</u>		
	<u>30 363</u>		<u>30 363</u>

BUSINESS LEDGER VAT (OUTPUT)

Correspondent	277	Correspondent	833
Correspondent	560	Correspondent	1680

Business Journal

Correspondent	Dr	6 783	
Fees	Cr		5 950
Vat	Cr		833
<u>Fee & Disbursements + VAT</u>			

Fees	Dr	1980	
Vat	Dr	277	
Correspondent	Cr		2 257

Being 1/3 allowance

Correspondent	Dr	13 680	
Fees	Cr		12 000
Vat	Cr		1 680

Being Fees in Divorce matter

Fees	Dr	4 000	
Vat	Dr	560	
Correspondent	Cr		4 560

Being 1/3 allowance

TRUST JOURNAL

Correspondent (T) 23 546
Correspondent (B) 23 546
Being transfer of fees & Disbursements

1 mark each for ledger and cash book entries
2 marks each for journal entries
2 discretionary marks for neatness and layout

Note: *collection commission 1/3 allowance of R330 should not be changed to R333.*

QUESTION 2 [10]

Trust liabilities 643 712.93 (1)
As per schedule

Trust Funds available
As per trust cash book (1) 422 803.52
Trust investment in terms of section 78(2)(a) (1) 200 000.00
Trust investment in terms of section 78(2A) (1) 100 000.00 722 803.52 (1)

Trust surplus (1)
(available for transfer) 79 090.59 (2)

2 discretionary marks for neatness and layout

QUESTION 3 [20]

TRUST CASH BOOK

Deposit client (T)	10 000	Paid Counsel Client (T)	3 000
Transfer from business	<u>3 000</u>	Unpaid Cheque	<u>10 000</u>
Client	7000		

CLIENT TRUST ACCOUNT

Counsel	3000	Deposit	10 000
Unpaid Cheque	<u>10 000</u>	Transfer from Bus	<u>3000</u>
		Bank	7000

CLIENT BUSINESS ACCOUNT

Transfer to trust	3000	Bank	3000
-------------------	------	------	------

BUSINESS CASH BOOK

Client	3000	Transfer to trust	3000
--------	------	-------------------	------

Transfer Journal

Client business account

Client trust account

Reverse transfer

3000

3000

- 1 mark for all cash book entries
3 marks for the transfer journal
3 discretionary marks for neatness and layout

QUESTION 4 [30]

Transferable amount

	Dr	Cr		Dr	CR
AB Products CC	1 106	4 327	1 106 (1)	nil	3 221 (1)
CV Salmon	6 523	1 621	1 621 (1)	4 902 (1)	nil
Ismail Shoes (Pty) Ltd	31 329	62 000	31 329 (1)	nil	30 671 (1)
S Modau	4 379	(1 500)	(1 500) (2)	5 879 (2)	nil
J vd Walt	62 988	42 000	42 000 (1)	20 988 (1)	nil
B Mashilo	(3 000)	5 638	(3 000) (2)	nil	8 638 (2)
M Ntuli	1 000	4 000	1 000 (1)	nil	3 000 (1)
	<u>104 325</u>	<u>118 086</u>	<u>72 556 (1)</u>	<u>31 769 (½)</u>	<u>45 530 ½</u>

Transfer amount R72 556

Irregularities

- | | | |
|-----------------------------|-----------|-----------------------------------|
| • Modau Trust debit | 1 500 (2) | Excess payment from Trust (2) |
| • B Mashilo Business Credit | 3 000 (2) | Incorrect deposit to Business (2) |
| | | Excess transfer from Trust (2) |

TOTAL: [100]



LAW SOCIETY
OF SOUTH AFRICA