

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

23 AUGUST / 23 AUGUSTUS 2017

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

[15]

1.1

SUPPLEMENTARY BUSINESS CASHBOOK FOR 28 FEB 2016 (1)

Deposit	3 000	(1)	Balance	10 000	(1)
Deposit error	7 000	(1)	R.D Cheque	26 000	(1)
Balance	40 000	(1)	Interest paid	3 000	(1)
			Bank charges	4 000	(1)
			Stop order	7 000	(1)
	50 000			50 000	

(9)

1.2

BUSINESS BANK RECONCILIATION STATEMENT AT 28 FEB 2016 (1)

Balance as per Cash book	(1)	(40 000)
Less Bank error	(1)	<u>10 000</u>
	(1)	(30 000)
		<u>12 000</u>
Less Bank error	(1)	(18 000)
Add outstanding cheques	(1)	<u>10 545</u>
Balance as per Bank Statement		<u>(28 455)</u>

(6)

Or Format Based on Bank Statement Layout:

		Debit	Credit
Balance as per Cash Book	(1)		40 000
Add bank error	(1)	10 000	
Add bank error	(1)	12 000	
Less Outstanding deposit	(1)		10 545
Balance as per bank statement	(1)	<u>28 455</u>	
		<u>50 545</u>	<u>50 545</u>

QUESTION 2

[30]

TRUST CASH BOOK

Correspondent (1)	13 352	Black	11 528 (1)
		Transfer to business	1 824 (1)
	<u>13 352</u>		<u>13 352</u>

BUSINESS CASH BOOK

Transfer from trust (1)	1 824
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CORRESPONDENT – TRUST ACCOUNT

Black	18 000	Cash	13 352 (1)
Transfer to business (1)	1 824	Black	6 472 (1)
	<u>19 820</u>		<u>19 820</u>

BLACK – TRUST ACCOUNT

Correspondent (1)	6 472	Correspondent	18 000 (1)
Cash – self (1)	11 528		
	<u>18 000</u>		<u>18 000</u>

CORRESPONDENT – BUSINESS ACCOUNT

<u>1/3 Allowance</u> (1)	<u>1 824</u>	Transfer from Trust	<u>1 824</u> (1)
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FEES

		Correspondent - 1/3 Allowance	<u>1 600</u> (1)
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VAT OUTPUT

		Correspondent - 1/3 Allowance	<u>224</u> (1)
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TRUST JOURNAL (1)

Black – Trust Account	6 472 (1)	
Correspondent – Trust Account		6 472 (1)
Correspondent fees and disbursements (1)		
Correspondent – Trust Account	18 000 (1)	
Black – Trust Account		18 000 (1)
Transfer collection ex White (1)		

FEES JOURNAL (1)

Correspondent – Business Account	1 824 (1)	
Fees		1 600 (1)
VAT Output		224 (1)
1/3 Allowance Black vs. White (1)		

TRANSFER JOURNAL (1)

Correspondent – Trust Account	1 824 (1)	
Correspondent – Business Account		1 824 (1)
Transfer 1/3 Allowance (1)		

QUESTION 3

[25]

TRUST CASH BOOK

David 1/2 (1)	50 000	Transfer to business	36 000 (1)
		David	14 000 (1)
DAVID (T)			
Transfer to business (1)	36 000	Deposit	50 000 (1)
Bank self (1)	14 000		

BUSINESS CASH BOOK

Transfer ex trust (1)	36 000		
DAVID (B)			
Revenue stamps (1)	1800	Transfer ex trust	36 000 (1)
Fees (1)	34 200		
	36 000		36 000

FEES

	David	30 000 (1)
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REVENUE STAMPS

	David	1 800 (1)
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VAT OUTPUT

David	4 200 (1)
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FEES JOURNAL

David (B)	34 200 (1)	
Fees		30 000 (1)
Vat Output		4 200 (1)

Fees in respect of registration of trust and preparation of estate plan

REVENUE/STAMP BUSINESS JOURNAL

David (B)	1 800 (1)	
Revenue Stamps		1 800 (1)

Stamps issued for registration of trust

TRANSFER JOURNAL

David (T)	36 000 (1)	
David (B)		36 000 (1)

Transfer fees and disbursements

ACCOUNTING STATEMENT

David

Re: Registration of trust and preparation of estate plan

Deposit		50 000 (1)
Revenue stamps	(1)	1 800
Our fees	(1)	30 000

Vat at 14%	(1)	4 200	
Cheque herewith	(1)	14 000	
		<u>50 000</u>	<u>50 000</u>

QUESTION 4

[30]

4.1

TRUST CASH BOOK

Reddy	400 000	Bank	400 000
Van Der Merwe	1 000 000	Nedbank	1 500 000
Ngubane	685 000	Seller	500 000
Adams	300 000	Att Fidelity Fund	15 000
Khoza	500 000	Reddy	22 000
Nedbank	1 515 000	Balance	2 385 000
Bank	422 000		
	<u>4 822 000</u>		<u>4 822 000</u>

(½) S78(2)(a) NEDBANK

Cash	1 500 000	Cash	1 515 000
Cash – Law Society	15 000		
	<u>1 515 000</u>		<u>1 515 000</u>

TRUST LEDGER

REDDY

	Cash	400 000
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VAN DER MERWE

	Cash	1 000 000
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(½) BANK S78(2)(A) (REDDY)

Cash	400 000	Cash	422 000
Reddy	22 000		
	<u>422 000</u>		<u>422 000</u>

NGUBANE

	Cash	685 000
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ADAMS

	Cash	300 000
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KHOZA

Seller	<u>500 000</u>	Cash	<u>500 000</u>
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(25)

4.2 TRUST LIABILITIES

Reddy	400 000
Van Der Merwe	1 000 000
Ngubane	685 000
Adams	300 000
	<u>2 385 000</u>

(5)

TRUST FUNDS AVAILABLE

Trust cash book	2 385 000
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Note to marker: one mark for each ledger and cash book entry and ½ mark for the bank investment headings.

TOTAL: [100]