

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

07 FEBRUARY / 07 FEBRUARIE 2018

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

[45]

TRUST CASH BOOK

Correspondent	128 500	T/F	24000
		Correspondent	104 500
	128 500		128 000

TRUST LEDGER
Correspondent (T)

Cash – Bus a/c	24 000	Cash	128 500
Cash	104 500		
	128 500		128 500

BUSINESS CASH BOOK

Correspondent	114 500	Disbursement	500
T/F ex Trust	24 000	Counsel	4500
		Sheriff	500
		Counsel	3000
		Counsel	33 000
		Counsel	22 000
		Expert	35 000
		Balance	40 000
	138 500		138 500

BUSINESS LEDGER
CORRESPONDENT (B)

Cash – Disbursements	500	Fees 1/3 allowance	8000
Cash – Paid Counsel drafting	4500	Cash	114500
Cash – Paid Sheriff	500	Fees 1/3 allowance	12000
Cash – Paid Counsel pre-trial	3000	T/F	24000
Cash – Paid Counsel 1 st day	33000		
Cash – Paid Counsel 2 nd day	22000		
Cash – Paid Expert witness	35000		
Interim fees	24000		
Attorney and client fee	36000		
	<u>158 500</u>		<u>158 500</u>

FEES

Correspondent	8 000	Correspondent	24 000
Correspondent	<u>12 000</u>	Correspondent	<u>36 000</u>
	20 000		60 000

(one mark each entry)

(32)

STATEMENT OF ACCOUNT

Paid Disbursement	500		
Paid Counsel	4500		
Paid Sheriff	500		
Paid Counsel	3000		
Paid Counsel	33000		
Paid Counsel	22000		
Paid Expert	35000		
Our Fees	24000	8000	
Cash you		114500	
Fees	36000	12000	
Received costs		128 500	
Cheque herewith	<u>104 500</u>		
	<u>263 000</u>	<u>263 000</u>	

(5)

FEE JOURNAL

Correspondent B	Dr	24000	
<u>Fees</u>	Cr		24000
Fees	Dr	8000	
<u>Correspondent B</u>	Cr		8000
Correspondent B	Dr	36000	
<u>Fees</u>	Cr		36000
Fees	Dr	12000	
<u>Correspondent B</u>	Cr		12000

(8)

TRUST JOURNAL

Correspondent T
Correspondent B

24 000

24 000

Transfer fees

(45)

QUESTION 2

[40]

TRUST CASH BOOK

Stevens	10 000	Nedbank	500 000
Ben	500 000	R/D cheque	5000
Ben	34 200	Stevens	1 500 000
Stevens (Reynolds)	5 000	Ben	7800
Bank	1 000 000	Transfer	34200
Nedbank	507800	Transfer	6840
		Stevens	3160

BUSINESS CASH BANK

Ben	50 000	Transfer Duty	50 000
T/F	6840	Counsel	2850
T/F	34200		

TRUST LEDGER

STEVENS

Cash (RD Cheque)	5000	Cash	10 000
T/F	6840	Cash - Reynolds	5000
Cash	3160		
	<u>15 000</u>		<u>15 000</u>

BEN

Cash	1 500 000	Cash - deposit	500 000
Cash	7800	Cash - costs	34 200
T/F	34 200	Cash	1 000 000
		S78 (2)(A)	7800
	<u>1 542 000</u>		<u>1 542 000</u>

NEDBANK S78 (2)(A) - BEN

Cash	500 000	Cash	507 800
Ben	<u>7 800</u>	Cash	

BUSINESS LEDGER

STEVENS

Fees	570	T/F	6840
Fees	1140		
Fees	2280		
Counsel	2850		
	<u>6840</u>		<u>6840</u>

FEEES

	Stevens	500
	Stevens	1000
	Stevens	2000
	Ben	30 000

BEN

Cash – Transfer duty	50 000	Cash	50 000
Fees	34 200	T/F	34 200
	84 200		84 200

VAT

	Stevens	70
	Stevens	140
	Stevens	280
	Ben	4200

(½ mark each)

FEE JOURNAL

Stevens	570	
Stevens	1140	
Stevens	2280	
Black	34 200	
Fees		33 500
VAT		4 690

(6)

TRANSFER JNL

Stevens (Trust)	6840	
Stevens (Business)		6840
Ben (Trust)	34200	
Ben (Business)		34200

(4)

STATEMENT TO STEVENS

Purchase price from Ben	1 500 000	
Cash paid to you		1 500 000
Fees (Collection)	570	
By cash debtor		10 000
Fees	1 140	
Cash (cheque)		5 000
Cheque unpaid	5 000	
Paid Counsel	2 850	
Fees	2 280	
Cheque herewith	3 160	
	1 515 000	1 515 000

STATEMENT TO BEN

Cash for received - deposit		500 000
Paid transfer duty	50 000	
Cash you - costs		50 000
Fees	34 200	
Cash you - costs		34 200
Cash you - guarantee		1 007 800
Cash from Guarantee	1 500 000	
Paid Stevens (Seller)		
Cheque herewith	7 800	
	<u>1 592 000</u>	<u>1 592 000</u>

(5)

QUESTION 3

[15]

Supplementary Business Cash Book March 2017(1)

Balance (1)	1 482	Adj Deposit (1)	500
Electronic transfer (1)	4 000	Interest on OD (1)	911
		Stop Order (1)	1 000
		RD Cheque (1)	1 360
		Balance (1)	1 711
	<u>5 482</u>		<u>5 482</u>
Balance (1)	1 711		

Bank Reconciliation Statement at 31 March 2017 (1)

Balance as per bank statement (1)	(11 400)
Less: Bank Error (1)	<u>4 911</u>
	(6 489)
Add o/s eft (1)	<u>2 800</u>
	(9 289)
Add o/s deposit (1)	<u>11 000</u>
Balance as per cash book (1)	<u>1 711</u>

TOTAL: [100]