

**ADMISSION EXAMINATION / TOELATINGSEKSAMEN
LEGAL PRACTITIONERS' BOOKKEEPING /
REGSPRAKTISYNSBOEKHOU
PART 4 / DEEL 4**

22 AUGUST / AUGUSTUS 2019

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]

Supplementary Cash Book for February 2019✓

<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">Balance</td> <td style="width: 50%; text-align: right;">211 000✓</td> </tr> <tr> <td>Direct deposit</td> <td style="text-align: right;">150 000✓</td> </tr> <tr> <td>Correct deposit</td> <td style="text-align: right;">1 283✓</td> </tr> <tr> <td></td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">362 283</td> </tr> </table>	Balance	211 000✓	Direct deposit	150 000✓	Correct deposit	1 283✓		362 283	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 50%;">Incorrect deposit</td> <td style="width: 50%; text-align: right;">1 238✓</td> </tr> <tr> <td>Debit order</td> <td style="text-align: right;">26 920✓</td> </tr> <tr> <td>Bank Charges</td> <td style="text-align: right;">200✓¹</td> </tr> <tr> <td></td> <td style="text-align: right;">332</td> </tr> <tr> <td>Balance</td> <td style="text-align: right;">925✓</td> </tr> <tr> <td></td> <td style="text-align: right; border-top: 1px solid black; border-bottom: 3px double black;">362 283✓</td> </tr> </table>	Incorrect deposit	1 238✓	Debit order	26 920✓	Bank Charges	200✓ ¹		332	Balance	925✓		362 283✓
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	362 283✓																				

**Bank reconciliation statement as at 28
February 2019✓**

Balance as per cash book	332 925✓
Less: Outstanding deposits	60 000✓

Subtotal	272 925✓
Less: bank error	<u>12 878✓</u>
Balance as per bank statement	<u>260 047✓</u>

QUESTION 2

[60]

<u>TRUST CASH BOOK</u>			
Sipho (D)	50 000	ABSA	1 500 000
Black	1 500 000	SARS	300 000
Black	415 000	Agent	20 000
Sipho	50 000	Sipho	7 500 000
ABSA	1 700 000	Fidelity Fund	
Nedbank	6 000 000	Black	10 000
		Transfer	190 000
		Transfer	115 000
		Sipho	25 645
		Balance	54 345
<u>BUSINESS CASH BOOK</u>			
Transfer	115 000		
Transfer	25 645		

½ mark each

TRUST LEDGER

SIPHO

Cash	20 000	Cash Debtor	50 000
Transfer	25 645	Cash Debtor	50 000
Cash	<u>54 345</u>		
	<u>100 000</u>		<u>100 000</u>

BUSINESS LEDGER

SIPHO

Fees	2 300	Transfer	25 645
Fees	345		
Fees	23 000		

TRUST LEDGER

BLACK

Cash	300 000	Cash	1 500 000
Cash	7 500 000	Cash	415 000
Transfer	115 000	Cash	6 000 000
	<u>7 915 000</u>		<u>7 915 000</u>

FEEES

Sipho	2 000
Sipho	300
Sipho	20 000
Black	100 000

VAT

Sipho	300
Sipho	45
Sipho	3 000
Black	15000

Fee Journal

Sipho	Dr	2 300	
Fee	Cr		2000
Vat	Cr		300

Being Collection Commission

Sipho	Dr	345	
Fee	Cr		300
Vat	Cr		45

Being fee letter of demand

Sipho	Dr	23 000	
Fees	Cr		20 000
Vat	Cr		3 000

Being fees for Registration of transfer

Black	Dr	115 000	
Fees	Cr		100 000
Vat	Cr		150 000

Being fees in property sale

TRUST LEDGER

S86 (4) ABSA – ITF BLACK

Cash	1 500 000	Cash	1 700 000
Cash	10 000		
Cash	190 000		

BUSINESS LEDGER

BLACK

Fees	115 000	Transfer	115 000
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(1 mark each)

ACCOUNT TO SIPHO

Collection Matter

Fee letter of Demand	345	
Credit Debtor		50 000
Collection Commission	2 300	

Sale of Property

Purchase Price	7 500 000	
Paid You		7 500 000

Registration of Company

By cover You		50 000
Paid Agents	20 000	
Fees	23 000	
EFT herewith	54 355	
	<hr/>	
	7 600 000	7 600 000
		<hr/>

3 marks

QUESTION 3

[25]

- 3.1 Your annual fee income exceeds R1m (2)
- 3.2 Pre numbered
Duplicate
Nature of Receipt
Amount in words and figures
From whom received

Which fee Reference Indicate Trust monies Cash or EFT	(8)
3.3.1 Business Account	(2)
3.3.2 Trust Account	(2)
3.3.3 Account for both payments to your client. Prepare an accounting statement setting out the amounts received, amounts due in respect of fees and disbursements and the EFT to client	(5)
3.4 Trust Reconciliation is a list of ALL the Trust Creditors balances in your Trust Ledger reconciled with the balance in your Trust Cash Book and the Trust Investments in terms of Section 86(3) and Section 86 (4).	(6)

TOTAL: [100]



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