

MEMORANDUM**MARKS: 100****TIME: 1 HOUR****QUESTION 1**

1 ✓ × 35 000 ✓ = R38 500 ✓ × 1.1 ✓ = R42 350 ✓ (5)

2 R10 000 ✓ (1)

3.1 DEBTORS COLLECTION SCHEDULE

	Credit sales R	January R	February R	March R
November 20.8	22 000	6 600	-	-
December 20.8	23 500	14 100	✓ 7 050	-
January 20.9	24 000	2 400	✓ 14 400	✓ 7 200
February 20.9	30 000	-	✓ 3 000	✓ 18 000
March 20.9	36 000	-	-	✓ 3 600
		23 100	✓ 24 450	✓ 28 800

(8)

3.2 Yes ✓. The business does not experience any bad debts. At least 10% is collected in the month of sales and 70% by the following month of sales. Accept any reasonable answer. ✓✓✓ (4)

4 R7 000 ✓ + R3 000 ✓ = R10 000 ✓ (3)

QUESTION 2**1****GENERAL LEDGER OF TERO STORES
TRADING ACCOUNT**

Dr				Cr			
20.9				20.9			✓✓✓
Feb 28	Opening stock	GJ ✓	✓ 60 000	Feb 28	Sales (R580 000 ✓ – R4 800 ✓)	GJ ✓	575 200
	Purchase (R332 000 ✓ + R5 400 ✓ – R2 300 ✓)	GJ ✓	✓✓✓✓ 335 100 ✓✓✓		Closing stock (R42 000 ✓ + R3 000 ✓)	GJ ✓	✓✓✓ 45 000
	Carriage on purchases (R18 000 ✓ + R650 ✓)	GJ ✓	18 650				
	Profit and loss	GJ ✓	✓ 206 450				
			620 200				620 200

(21)

2 Calculate the mark-up percentage
 $R60\,000 + R335\,100 + R18\,650 - R45\,000 = R368\,750$ ✓

 $368\,750 - 206\,450 = 162\,300$ ✓

Therefore, $\frac{R162\,300}{R368\,750} \times 100 = 44\%$ ✓✓ (5)

3 Comment

The 44 % compares favourably to the aim of 50%. The difference can be attributed to trade discount. Although, sales decreased the past year by R24 800 (R600 000 – R575 200), the gross profit increased by R42 300 (R162 300 – 120 000). According to this it is clear that the % mark-up was increased and this was to the advantage of the business. Accept any two. ✓✓✓ ✓✓✓ (6)

- 4 The balance of the TRADING STOCK account is kept up to date continuously. This makes it possible to identify deficits quickly and to apply the necessary corrective measure. ✓✓ (2)
- 5 Less work and therefore cheaper to maintain because there is no recording of cost of sales. ✓✓ (2)
- 6.1 Bar coding
Unique to each product and when scanned will give the price and the product. Prevents incorrect amounts been entered. ✓✓✓ (3)
- 6.2 Special plastic devises attached to inventory
These are plastic discs or magnetic strips attached to inventory. This device is removed when purchased. If not removed from inventory then at the exit it will trigger the alarm. ✓✓✓ (3)

QUESTION 3

1.1

Direct materials Issued

	R
Opening Stock	✓ 38 640
Purchases/Bank	✓ 354 000
Delivery Costs	✓ 11 500
Sale of unprocessed goods at cost	✓ (2 640)
Closing Stock	✓ (36 000)
	<u>✓ 365 500</u>

(6)

1.2

Factory overhead Costs

	R
Indirect labour	✓ 122 720
Depreciation (10% × R310 000)	✓✓ 31 000
Maintenance of factory	✓ 16 900
Water and electricity (70% × R43 200)	✓✓ 30 240
Insurance	✓ 5 300
Indirect material ((R14 760 – R3 960) ÷ 3 × 2)	✓✓ 7 200
	<u>✓ 213 360</u>

(10)

GENERAL LEDGER
BALANCE SHEET ACCOUNTS SECTION
WORK-IN-PROCESS STOCK

Dr				B2				Cr
20.8				20.8				
Jul 1	Balance	b/d	✓ 26 700	Jun 30	Finished goods stock	✓ GJ	✓✓ 724 246	
20.9					Balance	c/d	✓ 23 790	
Jun 30	Direct materials cost	✓ GJ	✓ 365 500					
	Direct labour cost	✓ GJ	✓ 142 476					
	Factory overhead cost	✓ GJ	✓ 213 360					
			748 036					748 036
20.9								
Jul 1	Balance	b/d	✓ 23 900					

(12)

FINISHED GOODS STOCK

				B3				
20.8				20.9				
Jul 1	Balance	b/d	✓ 28 800	Jun 30	Cost of sales	✓ GJ	✓✓✓ 587 000	
20.9					$\left(\frac{100}{220} \times R1\,291\,400\right)$			
Jun 30	Work-in-process stock	✓ GJ	✓ 724 246		Balance	c/d	✓ 166 046	
			753 046					753 046
20.9								
Jul 1	Balance	b/d	✓ 166 046					

(9)

[Total: 100]