

Revision

Isidingo Traders uses the periodic inventory system.

Information

Balances/totals on 1 February 20.9

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Debtors control	33 400
Creditors control	46 770
Trading Inventory (1 March 20.8)	13 200
Sales	980 000
Drawings	11 300
Purchases	560 000
Carriage on purchases	24 500
Customs duty	13 500
Carriage on sales	22 400
Debtors allowances	8 600
Creditors allowances	17 300

Totals of the Journals for February 20.9

DEBTORS JOURNAL DJ2

Sales
R128 000

DEBTORS ALLOWANCES JOURNAL DAJ2

Debtors allowances
R4 600

CREDITORS JOURNAL

CJ2

Creditors control	Purchases	Stationery	Equipment	Sundry accounts
R114 000	R88 800	R1 200	R20 000	R4 000

CREDITORS ALLOWANCES JOURNAL

CAJ2

Creditors control	Creditors allowances	Stationery	Sundry accounts
R12 250	R9 660	R240	R900

PETTY CASH JOURNAL

PCJ2

Purchases	Carriage on purchases
R160	R300

CASH RECEIPTS JOURNAL

CRJ2

Bank	Sales	Debtors control	Discount allowed	Sundry accounts
R501 000	R65 000	R97 400	R1 400	R340 000

CASH PAYMENTS JOURNAL**CPJ2**

Bank	Purchases	Carriage on purchases	Stationery	Creditors control	Discount received	Sundry accounts
R303 800	92 400	R14 800	R600	R107 700	R3 700	R92 000

Adjustments and additional information on 28 February 20.9.

- 1 Inventory on hand according to a physical stocktaking on 28 February 20.9, R23 900.
- 2 Inventory of R3 200 was donated to the local school. No entry has been made.
- 3 Stationery purchased, R200, was recorded in the Purchases column in the CPJ by mistake and posted as such. Rectify the error.
- 4 Inventory was used to repair the office of the manager. This was recorded by the inexperienced bookkeeper as Drawings by mistake, R4 500.
- 5 Carriage on purchases prepaid for goods which will only be delivered during April 20.9, R1 750.

Required

- 1 Use the information to prepare the following accounts:
CONSUMABLE STORES STOCK PURCHASES ACCOUNT
CARRIAGE ON PURCHASES TRADING ACCOUNT
Show all calculations within brackets. Note: Balance/close off the accounts properly on 28 February 20.9.
- 2 List three ways of increasing the profits of a business.
- 3 List two ways of increasing the turnover of a business.
- 4 Discuss the internal control measures that Isidingo Traders must consider to safeguard trading inventory of the business.
- 5 What internal auditing procedures must be undertaken by the internal auditor concerning trading inventory?