

Tutorial letter 101/3/2018

Financial Accounting Concepts, Principles and Procedures

FAC1502

Semesters 1 & 2

Department of Financial Accounting

IMPORTANT INFORMATION:

This tutorial letter contains important information
about FAC1502.

CONTENTS

	<i>Page</i>
1 INTRODUCTION	4
2 PURPOSE OF AND OUTCOMES FOR FAC1502	5
2.1 Purpose	5
2.2 Outcomes	5
3 LECTURERS AND CONTACT DETAILS	6
3.1 Lecturers and correspondence with lecturers	6
3.1.1 <i>Telephonic contact</i>	7
3.1.2 <i>E-mails</i>	7
3.1.3 <i>Written correspondence</i>	7
3.1.4 <i>Personal visits</i>	7
3.2 Department	8
3.2.1 <i>Student information hub</i>	8
3.2.2 <i>Postal address</i>	8
3.3 Unisa	8
4 RESOURCES FOR FAC1502	8
4.1 Inventory letter	8
4.2 Study material	9
4.3 Prescribed book	9
4.4 Recommended books	9
4.5 Electronic Reserves (e-reserves)	9
4.6 Library services and resources information	9
5 STUDENT SUPPORT SERVICES FOR FAC1502	10
5.1 Free computer and internet access	10
5.2 E-tutors	10
5.2.1 <i>What is the Unisa online tuition programme?</i>	10
5.2.2 <i>Where will I find my online tutoring group?</i>	10
5.2.3 <i>Is it mandatory to participate in e-tutor groups?</i>	10
5.2.4 <i>How do I post a discussion item on my group site?</i>	10
5.2.5 <i>To start a new topic for discussion</i>	11
5.2.6 <i>To reply to another student's comments</i>	11
5.3 Face-to-face tutors	11
6 STUDY PLAN FOR FAC1502	11

7	PRACTICAL WORK AND WORK-INTEGRATED LEARNING FOR FAC1502	11
8	ASSESSMENT	12
8.1	Assessment criteria.....	12
8.2	Assessment plan.....	14
8.3	General assignment numbers	15
8.3.1	<i>Unique assignment numbers</i>	15
8.3.2	<i>Due dates for assignments</i>	15
8.4	Submission of assignments.....	15
8.5	Plagiarism declaration.....	16
8.6	Assignments	16
9	OTHER ASSESSMENT METHODS	16
10	EXAMINATION.....	17
10.1	Examination admission	17
10.2	Examination period	17
10.3	Examination paper	17
10.4	Previous examination papers	18
11	FREQUENTLY ASKED QUESTIONS.....	18
12	CONCLUSION.....	19
13	ANNEXURE A: ASSUMED KNOWLEDGE	20
14	ANNEXURE B: PROPOSED STUDY PROGRAMME FOR 2018	26
15	ANNEXURE C: ASSIGNMENT 01 (SEMESTER 1)	27
16	ANNEXURE D: ASSIGNMENT 02 (SEMESTER 1)	35
17	ANNEXURE E: ASSIGNMENT 01 (SEMESTER 2)	44
18	ANNEXURE F: ASSIGNMENT 02 (SEMESTER 2)	56

1 INTRODUCTION

Dear Student

It is a pleasure to welcome you as a student to FAC1502. We hope that you will find your studies particularly stimulating and rewarding this semester and that you will achieve success. We will do our best to make your study of this module successful. You will be well on your way to success if you start studying early in the semester and resolve to do the assignments properly.

The semester that you register for will be indicated on your registration documentation. Please ensure that you are registered for the correct semester, as you are obliged to write the examination for that semester. The examination for the first semester will be during May/June, and the examination for the second semester will be during October/November.

Should you be faced with specific **subject content** problems in your studies, please do not hesitate to consult us by letter, e-mail, telephone or personally **(by appointment)**.

In this tutorial letter, we would like to draw your attention to a number of very important matters and we request you pay careful attention to them.

You will receive a number of tutorial letters during the semester. A tutorial letter is our way of communicating with you about teaching, learning and assessment. Right from the start we would like to point out that you **must read all the tutorial letters** you receive during the semester **immediately and carefully**, as they always contain important and, sometimes, urgent information.

In this tutorial letter, you will find a scheme of work, resources available, assignments, assessment criteria as well as instructions for the preparation and submission of the assignments. This tutorial letter also provides all the information you need with regard to the prescribed study material and other resources and how to obtain it. Please study this information carefully and make sure that you obtain the prescribed material as soon as possible. We also include certain general and administrative information about this module. Please study this section of the tutorial letter carefully.

Some of the study material may not have been available when you registered and will be posted to you as soon as possible. However, it is also available on myUnisa.

It is important to use myUnisa and the internet regularly. You must be registered on myUnisa to be able to submit assignments online, gain access to the library functions and various learning resources and download study material. You can also “chat” to your fellow students about your studies and the challenges you encounter, and participate in online discussion forums. MyUnisa provides you with additional opportunities to take part in activities and discussions of relevance to your module topics, assignments, marks and examinations.

We trust that you will enjoy this module and wish you all the best!

2 PURPOSE OF AND OUTCOMES FOR FAC1502

2.1 Purpose

The purpose of this module is to:

- ♦ equip students with the fundamental concepts, standards and principles of financial accounting;
- ♦ provide an informed understanding of the collection, processing and recording of relevant financial accounting data of an entity, the preparation of the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of financial position of an entity;
- ♦ provide an informed understanding of the accounting treatment and disclosure of non-current assets and current assets;
- ♦ provide an informed understanding of the accounting treatment and disclosure of non-current liabilities and current liabilities;
- ♦ provide an informed understanding of the accounting treatment and disclosure of the preparation of the financial statements of sole enterprises, non-profit organisations; and
- ♦ provide an informed understanding of the recording of transactions from incomplete records.

2.2 Outcomes

Students must be able to:

Learning outcome 1

Explain what is meant by the nature of financial accounting theory, principles, accounting policy, practice and procedures.

Learning outcome 2

Describe what the primary purpose of accounting is, to explain what the double entry system is, to calculate the financial position of an entity and to know the elements of the basic accounting equation.

Learning outcome 3

Apply the concepts of **income** and **expenditure**, to determine the gross profit and total comprehensive income (or loss) and to know the effect thereof on equity.

Learning outcome 4

Analyse and record transactions in the accounting records of an entity and to prepare a statement of financial position using the basic accounting equation.

Learning outcome 5

Prepare all the journals (books of first entry), do postings to ledger accounts and prepare a trial balance.

Learning outcome 6

Adjust the accounting records of an entity at year-end.

Learning outcome 7

Complete the closing-off procedure, determine the profit or loss of an entity and prepare more advanced financial statements.

Learning outcome 8

Know how to treat transactions related to cash and cash equivalents.

Learning outcome 9

Know how to treat all aspects of debtors in the accounting records of an entity.

Learning outcome 10

Understand the importance of inventory and know how entries related to inventory should be recorded in the accounting records of an entity.

Learning outcome 11

Record transactions related to property, plant and equipment.

Learning outcome 12

Record transactions related to other non-current assets such as investments.

Learning outcome 13

Know how to treat current liabilities in the accounting records of an entity.

Learning outcome 14

Describe non-current liabilities, record the necessary entries in the accounting records and disclose them in the statement of financial position.

Learning outcome 15

Record all transactions related to a sole proprietor and prepare the financial statements.

Learning outcome 16

Record all transactions and prepare the financial statements related to organisations and societies not for gain.

Learning outcome 17

Convert to a double-entry system from incomplete records.

3 LECTURERS AND CONTACT DETAILS**3.1 Lecturers and correspondence with lecturers**

The lecturers responsible for this module are listed below. Remember to have your student number at hand when you contact a lecturer. Lecturers are available for telephone enquiries from 8:00 to 16:00 on weekdays.

3.1.1 Telephonic contact

Module telephone number: 012 429 4245

Please note: This number is linked to all the module lecturers' telephone numbers.

Lecturer	Building and office numbers
Mr V Booï	AJH v/d Walt 2-12
Ms A du Plessis	AJH v/d Walt 2-11
Ms MS du Rand	AJH v/d Walt 2-07
Mr M Engelbrecht	AJH v/d Walt 2-06
Ms L Govender	AJH v/d Walt 2-09
Mr C Modise	AJH v/d Walt 2-20

Direct all queries about the **content** of this module that are **not** of an administrative nature to the lecturers. Please have your study material at hand when you contact us.

3.1.2 E-mails

You can also communicate with your lecturers via e-mail. Please use the following e-mail address: FAC1502@unisa.ac.za

We will respond promptly to e-mails forwarded to this e-mail address, in most cases within one working day.

For **registration** and **examination** changes, send an e-mail to study-info@unisa.ac.za, or an **SMS to 43578**. Remember to always include your student number.

3.1.3 Written correspondence

Postal address

FOR ATTENTION: (name of lecturer and the module number FAC1502)
 Department of Financial Accounting
 School of Accountancy
 College of Accounting Sciences
 AJH van der Walt Building
 PO Box 392
 UNISA
 0003

When you address a letter to Unisa, always mention your student number, the module code and your contact details at the top of the letter.

3.1.4 Personal visits

To avoid any disappointment, **make an appointment** with a lecturer, as we are not always readily available.

Physical address

University of South Africa
 Muckleneuk Campus
 AJH van der Walt Building (second floor)
 Preller Street
 Muckleneuk
 Pretoria

Please have the necessary study material with you when you visit a lecturer.

3.2 Department

3.2.1 Student information hub

If you have any registration or administrative queries relating specifically to the College of Accounting Sciences (CAS), you can direct your query via the following e-mail address or telephone numbers:

CAS specific enquiry e-mail for the College is:

- CASenquiries-Undergraduate@unisa.ac.za.

CAS specific enquiry telephone number for the College is:

- 012 429 4211

3.2.2 Postal address

Send letters to:

The Chair of Department
Department of Financial Accounting
School of Accountancy
College of Accounting Sciences
P O Box 392
UNISA
0003

When communicating with Unisa in writing, always mention your student number, telephone number, the module name and the module code at the top of the letter.

Please note: Do not enclose letters to lecturers with assignments.

3.3 Unisa

You will find general Unisa contact details in the *Studies @ Unisa* brochure, which can be found online on myUnisa. Remember to mention your student number when contacting Unisa.

4 RESOURCES FOR FAC1502

4.1 Inventory letter

You should have received an inventory letter indicating what you have received in your study package and an indication of the items that are still outstanding. Also see the brochure entitled *Studies @ Unisa*.

Check the study material that you have received against the inventory letter. You should have received all the items listed in the letter, unless there is a statement such as “out of stock” or “not available”. If any item is missing, follow the instructions on the back of the inventory letter without delay.

PLEASE NOTE:

Your lecturers cannot help you with missing study material. For any enquiries about your study material, please contact the UNISA despatch department by sending a sms to 43579 or by e-mailing despatch@unisa.ac.za.

4.2 Study material

The despatch department should supply you with the following study material for this module:

- One study guide
- Tutorial letter 101
- Tutorial letter 102

Apart from Tutorial Letters 101 and 102 you will also receive other tutorial letters during the semester. These tutorial letters will not necessarily be available at the time of registration, but will be despatched to you as soon as they are available or needed (for instance, for feedback on assignments).

4.3 Prescribed book

Your prescribed book for this module is:

Doussy, F; Jansen van Rensburg, JS; Ngcobo, RN; Rehwinkel, A; Scheepers, D & Scott, D 2016. *About Financial Accounting*, volume 1, 6th edition, LexisNexis: Durban.

ISBN - Print 978 0 409 12462 0

For a list of the official booksellers and their addresses, please refer to the *Studies @ Unisa* brochure.

You can obtain your prescribed book from Unisa's official booksellers. If you have difficulty in locating your book at these booksellers, please contact the Prescribed Books Section by telephone at 012 429 4152 or by e-mail vospresc@unisa.ac.za.

4.4 Recommended books

There are no recommended books for this module.

4.5 Electronic Reserves (e-reserves)

There are no e-reserves for this module.

4.6 Library services and resources information

For brief information go to:
<http://www.unisa.ac.za/brochures>.

For more detailed information, go to the Unisa website: <http://www.unisa.ac.za/>, click on Library.

For research support and services of Personal Librarians, go to:
<http://www.unisa.ac.za/Default.asp?Cmd=ViewContent&ContentID=7102>.

The Library has compiled numerous library guides:

- find recommended reading in the print collection and e-reserves:
<http://libguides.unisa.ac.za/request/undergrad>.
- request material: <http://libguides.unisa.ac.za/request/request>.
- postgraduate information services: <http://libguides.unisa.ac.za/request/postgrad>.
- finding, obtaining and using library resources and tools to assist in doing research:
<http://libguides.unisa.ac.za/Research Skills>.
- how to contact the Library/find us on social media/frequently asked questions:
<http://libguides.unisa.ac.za/ask>.

5 STUDENT SUPPORT SERVICES FOR FAC1502

The *Studies @ Unisa* brochure is a very important source of information for any general enquiries you may have, such as how to submit assignments, what to do when you are sick during the examination, learning centres near you, etc. Always keep this brochure at hand and always refer to it to enable you to resolve your enquiries in the shortest possible time.

It is advisable to have contact with fellow students. One way to do this is to form **study groups**. Another way to have contact with fellow students is via myUnisa. Students can communicate and assist each other using the **discussion forum** link available under each module code.

5.1 Free computer and internet access

Unisa has entered into partnerships with establishments (referred to as Telecentres) in various locations across South Africa to enable you (as a Unisa student) free access to computers and the Internet. This access enables you to conduct the following academic related activities: registration; online submission of assignments; engaging in e-tutoring activities and signature courses; etc. Please note that any other activity outside of these is for your own costing e.g. printing, photocopying, etc. For more information on the Telecentre nearest to you, please visit www.unisa.ac.za/telecentres.

5.2 E-tutors

5.2.1 What is the Unisa online tuition programme?

Unisa is an open distance learning institution and is providing online tutorial services as part of student support. Previously, tutorials have been mainly offered face-to-face at the various regional centres.

Online tutorials allow a smaller group of students to interact with an academic instructor (tutor) on myUnisa to facilitate the learning process. Due to the large student numbers at Unisa, it is not possible for a lecturer to attend personally to all enquiries from students or manage the online discussion forums. Online tutor groups offer personal attention and focused academic support from tutors.

5.2.2 Where will I find my online tutoring group?

Each group has its own separate site on myUnisa. These sites are numbered and you will receive your group number via email and SMS. Don't be confused. You will now have access to **two** sites for those modules with online tutoring, namely the main module site and the group module site.

On the main module site, you will find the official study material files that you can download. You should also submit your assignments here. From time to time, the primary lecturer of the module may communicate with all the students through this site.

On the group module site, you can interact with your tutor and other group members. Here you can participate in discussions; post academic-related queries and receive specific tutor support.

5.2.3 Is it mandatory to participate in e-tutor groups?

Participation in online discussions is not mandatory, and therefore no marks will be awarded for participating. The e-tutor groups merely form part of the support structure designed to help you with and guide you through your studies. We encourage you to make use of this service to get assistance with any academic-related queries and to help you understand study material and study problems, acquire learning skills, etc.

5.2.4 How do I post a discussion item on my group site?

You have two options for participating in online discussions: you can either reply to an existing discussion or start a new one.

Here are the step by step instructions for writing a comment and participating in an online discussion for the first time:

5.2.5 To start a new topic for discussion

- On your group site on myUnisa, go to the discussions by clicking the “**Discussions**” link in the left menu. Once you have done this, you should see a list of the available forums.
- Click on the title of a forum to view the current discussion topics. If there are no previous topics, this page will be empty.
- Click on the “**New topic**” link in the top horizontal menu.
- You can now write your comment. Enter the details for “Subject” and “Message”. (An **important tip**: Don’t write your comment directly in the editor. First write it down somewhere else. Why? If you lose your internet connection, at least you won’t have lost everything!).
- Remember to click “**Save**”.

5.2.6 To reply to another student’s comments

- On your group site on myUnisa, go to the discussions by clicking the “**Discussions**” link in the left menu.
- Click on the title of a forum to view the ongoing discussion topics.
- Click on the title of the discussion topic you want to read or participate in.
- Once you’ve read the other students’ comments, you may want to reply to some of them. For each comment, there is a link entitled “**Reply**”. Click this link to open the online editor and write your reply.
- Remember to click “**Save**”.

5.3 Face-to-face tutors

Face-to-face tutors are tutors appointed to give class on Saturdays to students of Unisa. It is free, and you only need to register at one of the regional centres nearest to you to attend these classes. Please contact these centres directly, because they are run independently from Unisa. Please do not phone the lecturers to find out about the classes, because we will not be able to assist you with any information concerning the activities of the regional centres. Students who are interested in tutor assistance can obtain the telephone numbers and details from the learning centres in the *Studies @ Unisa* brochure.

6 STUDY PLAN FOR FAC1502

Refer to the *Studies @ Unisa* brochure for information on general time management and planning skills. A specific study plan is attached as Annexure B.

7 PRACTICAL WORK AND WORK-INTEGRATED LEARNING FOR FAC1502

There are no practicals for this module.

8 ASSESSMENT

8.1 Assessment criteria

Specific outcome	Assessment criteria
Learning outcome 1	<ul style="list-style-type: none"> • Ability to indicate the importance of financial information as a basis for decision making • Explain what is meant by accountability Discuss the factors affecting the development of accounting • Discuss the nature of accounting • Explain the difference between financial and management accounting. • Explain the accounting principles • Explain accounting policy • Explain disclosure of accounting policy • Explain International Financial Reporting Standards (IFRS) • Explain accounting standards and statements on accounting • Explain accounting methods and procedures.
Learning outcome 2	<ul style="list-style-type: none"> • Describe the primary purpose of financial accounting • Describe an entity • Describe the financial position of the entity • Describe the double-entry system • Calculate the elements of the basic accounting equation.
Learning outcome 3	<ul style="list-style-type: none"> • Describe income • Describe expenditure • Determine the net profit (net income) • Determine the effect of profit or loss on equity.
Learning outcome 4	<ul style="list-style-type: none"> • Demonstrate the effect of transactions on the basic accounting equation • Name the accounts which are influenced by the various transactions • Prepare a simple statement of financial position from the basic accounting equation.
Learning outcome 5	<ul style="list-style-type: none"> • Write up the following books, taking value added tax into account: <ul style="list-style-type: none"> ○ cash receipts journal ○ cash payments journal ○ purchases journal ○ purchases returns journal ○ sales journal ○ sales returns journal ○ general journal • Post to the following ledgers: <ul style="list-style-type: none"> ○ general ledger ○ trade receivables ledger ○ trade payables ledger • Prepare a trial balance.
Learning outcome 6	<ul style="list-style-type: none"> • Name the accounts and items which have to be adjusted • Distinguish between adjustments in respect of the following: <ul style="list-style-type: none"> ○ short-term adjustments such as prepaid and accrued expenses; ○ inventory; ○ provision for accrued expenses; ○ income received in advance;

	<ul style="list-style-type: none"> ○ accrued income and credit losses; ○ long-term adjustments such as depreciation • calculate the amounts in question • record the necessary entries in the accounting records • distinguish between a pre-adjustment and a post-adjustment trial balance • demonstrate their effect in the statement of profit or loss and other comprehensive income and the statement of financial position.
Learning outcome 7	<ul style="list-style-type: none"> • calculate the gross profit • calculate the total comprehensive income • record transactions according to the perpetual inventory system • record transactions according to the periodic inventory system • post-closing journal entries to the trading and profit or loss accounts • prepare the statement of profit or loss and other comprehensive income • prepare the statement of financial position • calculate appropriate percentages for evaluation purposes
Learning outcome 8	<ul style="list-style-type: none"> • Describe the nature and importance of cash • Define control over cash • Reconcile the bank statement balance with the bank account balance • Prepare a petty cash journal.
Learning outcome 9	<ul style="list-style-type: none"> • Calculate the amount of discount on early payment of debts, its effect on VAT, and how to record it • Calculate and record the allowance for credit losses • Record the entries involving credit losses written off • Indicate how debtors are disclosed in the statement of financial position • Control debtors by using a trade receivables control account
Learning outcome 10	<ul style="list-style-type: none"> • Explain why it is important to value and record inventory accurately • Explain why an inventory valuation method has to be applied consistently and accurately • Define what inventory consists of and how inventory is presented in the statement of financial position.
Learning outcome 11	<ul style="list-style-type: none"> • Define a non-current asset • Distinguish between tangible and intangible assets • Explain how the cost price is determined and how to carry out control over assets • Record the entries for the purchasing of non-current assets • Record the entries for the scrapping or alienation of non-current assets • Calculate the depreciation according to the three methods explained and record the related entries
Learning outcome 12	<ul style="list-style-type: none"> • Describe the form an investment may take • Explain how the cost price of an investment is determined • Record the necessary entries in the accounting records regarding an investment • Calculate the net income on an investment and record the related entries in the accounting records

Learning outcome 13	<ul style="list-style-type: none"> • Explain what a creditor is • Define the different types of current liabilities • Explain what settlement discount received is, and be able to determine the amount involved and record the appropriate entries • Disclose current liabilities in the statement of financial position • Reconcile the balance of the trade payables control account in the general ledger with the total of the list of individual creditor's balances in the trade payables ledger.
Learning outcome 14	<ul style="list-style-type: none"> • Record long-term loans • Record mortgage bonds • Record debentures • Record interest on loans
Learning outcome 15	<ul style="list-style-type: none"> • Describe the equity of a sole proprietorship • Record the transactions relating to the establishment of a sole proprietorship • Calculate amount of the equity and disclose it in the statement of financial position.
Learning outcome 16	<ul style="list-style-type: none"> • Describe the purpose of non-profit entities • Describe and demonstrate receipts and payments and income and expenditure • Differentiate between expendable (income) and non-expendable (capital) funds • Calculate and record membership fees • Compile the financial statements.
Learning outcome 17	<ul style="list-style-type: none"> • Describe the disadvantages of incomplete records • Calculation of a profit or loss from incomplete records • Conversion from a single entry to a double-entry system

8.2 Assessment plan

To enable you to fully benefit from our formative tuition and assessment, the management of Unisa decided to introduce **two compulsory assignments** in all modules to be submitted by set due dates. We provide feedback for the two compulsory assignments in two separate tutorial letters – one for each compulsory assignment. There is also a **self-assessment assignment** which is a comprehensive exercise consisting of questions with solutions. The questions are representative of the type of questions which you can expect in the examination.

If you submit the **first compulsory assignment by its due date**, you will gain **admission to the examination** in FAC1502. The marks obtained in the two compulsory assignments contribute equally towards your **year mark**, and your year mark contributes 20% towards the final mark. Your **examination mark** contributes 80% towards your final mark. Should you fail the examination with less than 40%, the year mark will not count. You require a final mark of 50% to pass FAC1502.

Please note:

Although students may work together when preparing assignments, each student must write and submit his or her own individual assignment. It is unacceptable for students to submit identical assignments on the basis that they worked together. That is copying (a form of plagiarism) and none of these assignments will be marked. Furthermore, Unisa may penalize you or subject you to disciplinary proceedings. Do not copy the assignment solutions of fellow students!

8.3 General assignment numbers

Assignments are numbered, starting from 01. We attach the assignments as annexures.

8.3.1 Unique assignment numbers

The unique assignment numbers allocated to the assignments are as follows:

Semester	Assignment	Unique number
First semester	01	763260
First semester	02	765738
Second semester	01	702687
Second semester	02	709075

8.3.2 Due dates for assignments

Semester	Assignment	Due date
First semester	01	9 March 2018
First semester	02	6 April 2018
Second semester	01	17 August 2018
Second semester	02	7 September 2018

8.4 Submission of assignments

You may submit assignments completed on mark-reading sheets **either** by post **or** electronically via myUnisa. Do **not** submit assignments by fax or e-mail.

- We strongly advise all students that assignments should be submitted electronically via [myUnisa](#).
- Students also have the option to submit assignments electronically at the Unisa regional offices, and/or Unisa partner libraries. The University has provided self-help terminals at all its regional centres where students can submit their assignments electronically via myUnisa. Scanners are provided to cater for students who prepare assignments on hardcopies. These must be scanned and uploaded via myUnisa. Find the complete list of regional centres in the *Studies @ Unisa* brochure
- In the event of electronic systems failure or power outages due to load shedding by Eskom, the regional centres are geared to receive and dispatch assignments free of charge to the university via our approved courier companies.

For the address list as well as contact numbers for regional centres please refer to the *Studies @ Unisa* brochure.

For detailed information on assignments, please refer to the *Studies @ Unisa* brochure.

To submit an assignment via myUnisa:

- Go to myUnisa.
- Log in with your student number and password.
- Select the module.
- Click on “Assessment” in the menu on the left-hand side of the screen.
- Click on the number of the assignment you wish to submit.
- Follow the instructions.

8.5 Plagiarism declaration

PLAGIARISM DECLARATION
I declare that this assignment, submitted by myself, is my own work and that I have referenced all the sources that I have used.
By submitting any FAC1502 assignment, I declare that: <ul style="list-style-type: none">• I have read the Unisa Students’ Disciplinary Code;• I know what plagiarism is, that plagiarism is wrong and that disciplinary steps can be taken against me if I am found guilty of plagiarism;• My assignments for FAC1502 are my own work;• I have not allowed any other student to copy my work;• I know that if I am found to be in violation of this declaration I will receive 0% for the assignments involved.
Please note: You do not have to submit the declaration. By submitting any FAC1502 assignment, you automatically declare that you adhere to all the above with regard to the specific assignment.

NB: Although students may work together when preparing assignments, each student must write/type and submit his or her own individual assignment. It is unacceptable for students to submit identical assignments on the basis that they worked together. That is copying (a form of plagiarism) and none of these assignments will be marked. Furthermore, you may be penalised or subjected to disciplinary proceedings by the University.

8.6 Assignments

You will find the assignments in the following annexures:

- Annexure C: Assignment 01 for first semester
Annexure D: Assignment 02 for first semester
Annexure E: Assignment 01 for second semester
Annexure F: Assignment 02 for second semester

9 OTHER ASSESSMENT METHODS

There are no other assessment methods for FAC1502.

10 EXAMINATION

10.1 Examination admission

When you submit Assignment 01 by its due date, you will be **admitted to the examination**.

However, it will be to your advantage to hand in both compulsory assignments and complete the self-assessment assignment (comprehensive exercise), as:

- ♦ the assignments provide practice which is essential for your studies of financial accounting
- ♦ the assignments contain valuable revision material and ensure that you work throughout the semester
- ♦ the self-assessment assignment (the comprehensive exercise) and Tutorial letter 102 contain questions similar to those you can expect in the examination.

Also refer to the *Studies @ Unisa* brochure for general examination and examination preparation guidelines.

10.2 Examination period

This module is offered over a semester period of approximately fifteen weeks. Thus if you are registered for the first semester, you will write the examination during May/June 2018 and may have to write the supplementary examination during October/November 2018. If you are registered for the second semester, you will write the examination during October/November 2018 and may have to write the supplementary examination during May/June 2019.

About a month before the commencement of the examination, the Examination Section will provide you with information regarding the examination in general as well as examination venues, dates and times. You can also get the information on myUnisa if you do not receive it by post.

10.3 Examination paper

At the end of the semester (May/June for the first semester and October/November for the second semester) you will be required to write a **two hour** examination for module FAC1502. **The paper will contain 5 to 6 marks multiple choice questions and the rest of the marks will consist of long questions.**

You will be allowed to use a non-programmable pocket calculator. The official calculation policy of Unisa is given below for your information:

Calculator policy

Candidates may only use silent, electronic, battery-driven calculators subject to the following conditions:

- Calculators must be cordless, and may not have print-out facilities or alpha keys.
- Any financial calculator will be allowed, as the following tables will not be provided:
 - tables of present value factors for various discount rates for varying periods
 - tables of future value factors for various interest rates for varying periods
- You may not use the calculator function on cell (mobile) phones or any electronic device (e.g. laptops or any smart phone).
- You may not share a calculator with another candidate in the examination room.

The examination script consists of a book with 12 pages. Every page has three columns on the right hand side (similar to cashbook paper). If you don't want or cannot use the columns, please ignore them and draw your own columns or T-accounts. You may open the book and use the left hand page for the debit side and the right hand page for the credit side of an account (e.g. ignoring the extra columns).

Start every question on a new (separate) page. Number each sub-question clearly.

When answering a question, always read the “REQUIRED” part before reading through all the information. This will enable you to know immediately what information is needed to answer the question. If you read through the question in its entirety without knowing what is required, you will have to reread all the information and waste precious time in this manner.

If your **final mark** is between 40% and 49%, you may write a **supplementary examination**, which will be written at the end of the following semester. Thus if you qualify for a supplementary examination during the May/June examination, you will write the FAC1502 second semester paper during October/November, and if you qualify for a supplementary examination during the October/November examination, you will write the FAC1502 first semester paper during May/June of the following year. To pass the supplementary examination, you must obtain a final mark of at least 50%. However, you may write only **one supplementary examination** for every module that you are registered for.

If you qualify for a supplementary examination, no further study material will be supplied to you during the following semester and you must not submit any assignments for this module during the following semester.

Please consult the examination time-table well in advance in order to plan your final revision programme. Report any examination problems (e.g. clashes of dates) directly to the Examination Section. Please start studying early to avoid cramming at the last moment.

Ensure that you have received all the assignment solutions at least two weeks before the examination.

10.4 Previous examination papers

Some previous examination papers are available on myUnisa. Suggested solutions to previous examination papers will not be made available.

11 FREQUENTLY ASKED QUESTIONS

The *Studies @ Unisa* brochure contains an A-Z guide of the most relevant study information.

“My assignment is late, will you please mark it?”

Answer: FAC1502 compulsory assignments are in a multiple choice questions format and are marked by a computer. The marking date is determined by the Computer Section. The lecturing staff has no influence on this marking process. If your assignment is thus late or not marked, it most probably did not reach the Assignment Section on time. Please direct all queries in this regard to the Assignment Section.

My assignment mark is incorrect.

Answer: The marking of the compulsory assignments is an automated process and marking is done according to a preset marking scheme. Although we try our best not to set questions that are ambiguous, we sometimes only realise that a question or questions has/have been ambiguous after students completed the assignments. In this case the applicable question will not be marked, and students will not be penalised. You can e-mail assign@unisa.ac.za for any enquiries about your assignment marks.

I am overseas and cannot submit my first assignment on time.

Answer: If you do not submit your first assignment on time, you will not be allowed to write the forthcoming examination. You must e-mail exams@unisa.ac.za timeously to make alternative arrangements.

I received my study material too late to submit my first assignment on time.

Answer: You will have to prove that you indeed received your study material late. Submit the proof with a motivated request to examadmission@unisa.ac.za timeously.

I have already submitted my assignment and the word “resubmit” appears on the screen, must I resubmit my assignment?

Answer: The assignment must only be resubmitted if you want to change some of the answers. If you resubmit the assignment all the answers must be typed in again.

How do I get tutor assistance?

Answer: While the trend at Unisa is more towards e-tutoring, physical tutorials are still held at the centres indicated in the *Studies @ Unisa* brochure. Students who are interested in tutor assistance can contact the centres and enquire about face-to-face classes.

I have problems with the mylife account?

Answer: Please contact mylifeHelp@unisa.ac.za.

12 CONCLUSION

In spite of the care taken to ensure that all the study material are correct you may still find errors. Should you come across errors, or find that parts of the study material are not clearly expressed, kindly let us know to enable us to make the necessary corrections.

We trust that you will enjoy this module and wish you success with your studies.

Kind regards

Mr V Booï
Ms A du Plessis
Ms MS du Rand
Mr M Engelbrecht
Ms L Govender
Mr C Modise

LECTURERS: FAC1502

13 ANNEXURE A: ASSUMED KNOWLEDGE

We assume that you have the knowledge to do some elementary calculations. Some of these calculations are discussed in the following sections to help those students who wish to acquaint themselves with the relevant topics.

1 Basic calculations

Calculating a percentage of an amount or number

For example, what is 13% of R3 900?

The 13% actually means 13 out of 100, or $13 \div 100$; and the word "of" means "multiply by". Therefore, 13% of R3 900 can be read as:

$$13 \div 100 \times R3\,900 = R507,00$$

or, when using a pocket calculator: $3900 \times ,13 = 507,00$.

(By using the factor of ",13", you have already divided the 13 by 100. **All percentages** can be applied in this manner.)

Relating the price of a number of items to a single item

For example, if you paid R39,52 for 13 items, one item will cost $R39,52 \div 13 = R3,04$. You can then use this amount to calculate the price of other quantities of the same item, for example, 27 items will cost $27 \times R3,04 = R82,08$.

2 Interest

Interest is in effect the payment for the use of somebody else's money and is therefore the "price" of money, or a finance cost.

Interest can be receivable (e.g. interest on investments) or it can be payable (e.g. interest on loans, bonds or debentures). To calculate interest, we need the following:

- the **amount** involved,
- the **interest rate** at which it is invested/borrowed
- the **period** for which it is invested/borrowed

Whenever a period is involved, you can consider using a time-line to help you with the calculation. You can prepare a time-line as follows:

(a) Information

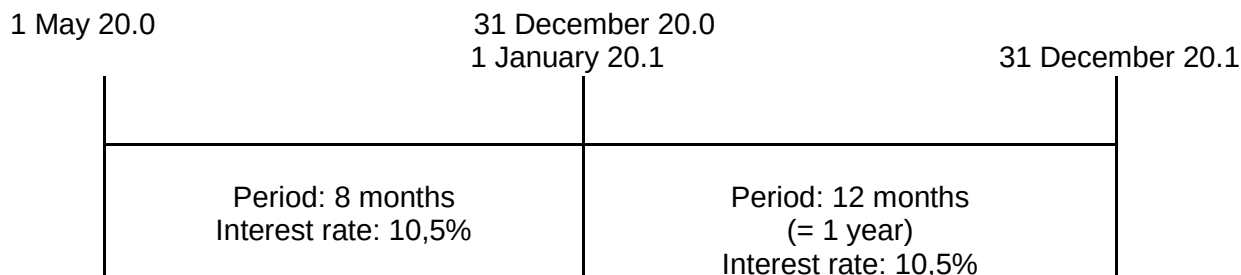
Amount invested (or borrowed): R12 000
Interest rate: 10,5%
Period: 1 May 20.1 to 31 December 20.1 = 8 months

1 May 20.1		31 December 20.1
	Period: 8 months Interest rate: 10,5%	

Total period = 8 months (or $\frac{2}{3}$ of a year = 0,6667 years).

(b) Information:

Amount invested (or borrowed): R12 000
 Interest rate: 10,5%
 Period: 1 May 20.0 to 31 December 20.1 = 1 year 8 months (or 20 months)



Total period = 20 months (or 1 and 2/3 of a year = 1,6667 years).

Examples**1. Period shorter than one year**

Amount invested (or borrowed): R12 000
 Interest rate: 10,5%
 Period: 1 May 20.1 to 31 December 20.1 = 8 months

Calculating interest:

$$[R12\ 000 \times (10,5 \div 100) \times (8 \div 12)] = \underline{\underline{R840,00}}$$

$$\text{OR: } [R12\ 000 \times 0,105 \times (8 \div 12)] = \underline{\underline{R840,00}}$$

$$\text{OR: } [R12\ 000 \times 0,105 \times (2 \div 3)] = \underline{\underline{R840,00}}$$

$$\text{OR: } [R12\ 000 \times 0,105 \times 0,6667] = \underline{\underline{R840,00}}$$

2. Period longer than one year

Amount invested (or borrowed): R12 000
 Interest rate: 10,5%
 Period: 1 May 20.0 to 31 December 20.1 = 1 year, 8 months (or 20 months)

Calculating interest:

$$[R12\ 000 \times (10,5 \div 100) \times (20 \div 12)] = \underline{\underline{R2\ 100,00}}$$

$$\text{OR: } [R12\ 000 \times 0,105 \times (20 \div 12)] = \underline{\underline{R2\ 100,00}}$$

$$\text{OR: } [R12\ 000 \times 0,105 \times (5 \div 3)] = \underline{\underline{R2\ 100,00}}$$

$$\text{OR: } [R12\ 000 \times 0,105 \times 1,6667] = \underline{\underline{R2\ 100,00}}$$

3 Profits and settlement discounts

When we calculate profits and settlement discounts, there is no period involved; and we therefore do not need a time-line. In this case the amount and the percentage are the key factors.

Examples

3.1 Profits

3.1.1 Profit as a percentage of cost price

Cost price: R23 000

Profit as a percentage of cost price: 25%

Calculate: selling price

Calculation of selling price:

$$\{R23\ 000 + [R23\ 000 \times (25 \div 100)]\} = R23\ 000 + R5\ 750 = \underline{\underline{R28\ 750}}$$

OR:

$$[R23\ 000 + (R23\ 000 \times 0,25)] = R23\ 000 + R5\ 750 = \underline{\underline{R28\ 750}}$$

OR:

$$R23\ 000 \times 1,25 = \underline{\underline{R28\ 750}}$$

The rationale behind the last calculation is that if the cost price is R1,00, the profit will be R0,25 and the selling price will be R1,25.

Therefore: If the cost price is R23 000, the selling price will be $R23\ 000 \times 1,25$.

3.1.2 Profit as a percentage of selling price

Selling price: R23 000

Profit as a percentage of selling price: 25%

Calculate: cost price

Calculation of cost price:

$$\{R23\ 000 - [(R23\ 000 \times 25 \div 100)]\} = R23\ 000 - R5\ 750 = \underline{\underline{R17\ 250}}$$

OR:

$$[R23\ 000 - (R23\ 000 \times 0,25)] = R23\ 000 - R5\ 750 = \underline{\underline{R17\ 250}}$$

OR:

$$R23\ 000 \times 0,75 = \underline{\underline{R17\ 250}}$$

In this case, calculating the last amount is not as simple as in the previous case. One must reason as follows: the selling price of R23 000 **includes a profit of 25%**; therefore, if the selling price is R1,00, and the profit is R0,25, the cost price (which is less than the selling price) will be R0,75. Thus, to calculate the cost price:

If the selling price is R23 000, the cost price will be $R23\ 000 \times 0,75$.

3.1.3 Selling price is given, but the percentage profit is on cost price

Selling price: R23 000

Profit as a percentage of cost price: 25%

Calculate: cost price

Calculation of cost price:

$$\{R23\ 000 - [R23\ 000 \times (25 \div 125)]\} = R23\ 000 - R4\ 600 = \underline{\underline{R18\ 400}}$$

OR:

$$[R23\ 000 - (R23\ 000 \times 0,20)] = R23\ 000 - R4\ 600 = \underline{\underline{R18\ 400}}$$

OR:

$$R23\ 000 \div 1,25 = \underline{\underline{R18\ 400}}$$

The calculation of the last amount is reasoned as follows: The selling price of R23 000 includes a profit of 25% on **cost price**; therefore, if the selling price is R1,25, and the profit is R0,25, the cost price (which is less than the selling price) will be R1,00. Thus, to calculate the cost price:

If the selling price is R23 000, the cost price will be $R23\ 000 \div 1,25$.

To summarise :

Cost price		1,00	
Profit	x	1,25	0,25
Selling price		1,25	
			÷ 1,25

The cost price is given, and you have to calculate the **selling price** (which is **more** than the cost price) - thus, **multiply** the cost price by 1,25 (if the profit percentage is 25%).

The selling price is given, and you must calculate the **cost price** (which is **less** than the selling price) – thus, **divide** the selling price by 1,25 (if the profit percentage is 25%).

3.2 Discounts (settlement discount granted or received)

3.2.1 Cash or trading discount on sales

Selling price R23 000

Discount on selling price 5%

Calculate: net selling price

Calculation of net selling price:

$$\{R23\ 000 - [R23\ 000 \times (5 \div 100)]\} = R23\ 000 - R1\ 150 = \underline{\underline{R21\ 850}}$$

OR:

$$[R23\ 000 - (R23\ 000 \times 0,05)] = R23\ 000 - R1\ 150 = \underline{\underline{R21\ 850}}$$

OR:

$$R23\ 000 \times 0,95 = \underline{\underline{R21\ 850}}$$

The last calculation is reasoned as follows: The selling price of R23 000 must be reduced by 5%. Therefore, if the selling price is R1,00, the discount will be R0,05, and the net selling price (which is less than the original selling price) will be R0,95. Therefore, if the selling price is R23 000, the net selling price will be R23 000 x 0,95.

3.2.2 Settlement discount on payment of accounts

Amount outstanding on account = R23 000

Settlement discount on payment made on or before a specified date = 5%

Calculate: net amount to be paid

Calculation of net amount to be paid:

$$\{R23\ 000 - [R23\ 000 \times (5 \div 100)]\} = R23\ 000 - R1\ 150 = \underline{R21\ 850}$$

OR:

$$[R23\ 000 - (R23\ 000 \times 0,05)] = R23\ 000 - R1\ 150 = \underline{R21\ 850}$$

OR:

$$R23\ 000 \times 0,95 = \underline{R21\ 850}$$

The last calculation is reasoned as follows: The amount of R23 000 must be reduced by 5%. Therefore, if the full account is R1,00, the settlement discount will be R0,05, and the net amount to be paid (which will be less than the original amount to be paid) will be R0,95. Therefore, if the amount of the account is R23 000, the net amount to be paid will be R23 000 x 0,95.

4 Ratios

4.1 Percentage as a ratio

A percentage can also be regarded as a ratio: a ratio to 100. This means that a ratio of 15% actually means 15 out of 100 or 15:100. If a student obtained 43 marks out of 60, his ratio will be 43 to 60 (indicated as 43:60), or

$$43 \div 60 \times 100 = 71,7\% \text{ (or 71,7 out of 100 or 71,7:100).}$$

By dividing the values on both sides of the colon by 100, you get a ratio of 0,717:1 (refer to par 4.2 below).

Similarly, if the sales of an entity are R245 000, and the gross profit on these sales is R147 000, the gross profit as a percentage of sales, is:

$R147\ 000 \div R245\ 000 \times 100 = 60\%$. Without doing a complicated calculation, one can immediately say that the cost price is 40% (= 100% - 60%) of sales. This 40% can also be calculated as follows:

$$R245\ 000 - R147\ 000 = R98\ 000 \div R245\ 000 \times 100 = 40\%.$$

4.2 Simple ratios

This type of ratio is often found in the apportionment of profits between partners. The numbers in the ratio are added and the total is divided into the amount to be apportioned. Each partner will then receive his part (portion) by multiplying his ratio with the portion thus calculated, for example:

If the partners receive an **equal part** of the profits, we merely divide the total amount of the profit by the number of partners. For example, when a profit of R180 000 must be apportioned equally

to three partners, the ratio is 1:1:1, which means that each partner will receive the same amount:
 $R180\,000 \div 3 = R60\,000$.

A more complicated example is when the profits of a partnership (e.g. R120 000) are apportioned to partners A, B and C in the ratio 3:2:1. We add the numbers of the ratio ($3 + 2 + 1 = 6$) and then divide the profit of R120 000 by 6, which equals R20 000. Partner A will then receive 3 portions ($R20\,000 \times 3 = R60\,000$), partner B will receive 2 portions ($R20\,000 \times 2 = R40\,000$), and partner C will receive 1 portion ($R20\,000 \times 1 = R20\,000$). The total amount allocated to the three partners should be the total profit (i.e. $R60\,000 + R40\,000 + R20\,000 = R120\,000$).

Quite often, profits should be apportioned in relation to the capital invested by each partner. If, for example, partners X, Y, and Z invested R200 000, R100 000 and R400 000 in the partnership, the ratio will now be $R200\,000 + R100\,000 + R400\,000 = R700\,000 = 2:1:4 = 7$ (parts are equal to the amounts of the capital portions as well as the total capital, divided by 100 000).

A profit of R280 000 will be apportioned as follows:

Partner X: $(R280\,000 \div 7 \times 2) = R\ 80\,000$	OR $(R280\,000 \div R700\,000 \times R200\,000)$
Partner Y: $(R280\,000 \div 7 \times 1) = R\ 40\,000$	OR $(R280\,000 \div R700\,000 \times R100\,000)$
Partner Z: $(R280\,000 \div 7 \times 4) = \underline{R160\,000}$	OR $(R280\,000 \div R700\,000 \times R400\,000)$
$= \underline{R280\,000}$	

14 ANNEXURE B: PROPOSED STUDY PROGRAMME FOR 2018

Please note:

The **due date** is the date on which the Assignment **must reach** the Unisa campus in Pretoria. You can submit the assignments via the **Unisa Mobile MCQ Application** or **myUnisa**. If you are using the postal services please provide sufficient time for any delays due to your distance from Pretoria.

First semester

Date	Study material and assignments
± 12/01 to 21/02	Study: Study units 1 to 9
22/02 to 25/02	Do Assignment 01 (compulsory)
09/03	Due date: Assignment 01
26/02 to 20/03	Study: Study units 10 to 17
21/03 to 24/03	Do Assignment 02 (compulsory)
06/04	Due date: Assignment 02
25/03 to 28/03	Do Self-assessment assignment (comprehensive exercise)
May/June examination (study units 1 to 17)	

Second semester

Date	Study material and assignments
± 12/07 to 07/08	Study: Study units 01 to 09
08/08 to 11/08	Do Assignment 01 (compulsory)
17/08	Due date: Assignment 01
12/08 to 28/08	Study: Study units 10 to 17
29/08 to 01/09	Do Assignment 02 (compulsory)
07/09	Due date: Assignment 02
02/09 to 05/09	Do Self-assessment assignment (comprehensive exercise)
October/November examination (study units 1 to 17)	

15 ANNEXURE C: ASSIGNMENT 01 (SEMESTER 1)

**THIS ASSIGNMENT IS COMPULSORY
AND IS NECESSARY FOR
EXAMINATION ADMISSION.**

**MARKS COUNT 50% TOWARDS YOUR
YEAR MARK.**

**FOR STUDENTS REGISTERED
FOR THE FIRST SEMESTER**

Due date: 9 March 2018

Unique number: 763260

ANNEXURE C: ASSIGNMENT 01 FOR THE FIRST SEMESTER

Do NOT submit assignments by means of fax or e-mail.

1. Answer this assignment on a **mark-reading sheet** or submit it via the **Unisa Mobile MCQ Application** or **myUnisa**. This assignment is marked electronically, hence the **strict adherence** to the due date.
2. Before doing this assignment, please read paragraph 8 of this tutorial letter.
3. This assignment covers study units 1 to 9 and comprises of 15 multiple-choice questions.
4. **We shall not move the due date of this assignment, allow you to submit it late, or enter into correspondence or telephone conversations in this regard.**
5. **Important aspects regarding multiple-choice question (MCQ) assignments**
 - ♦ If you do not submit Assignment 01 electronically via the Unisa Mobile MCQ Application or myUnisa, you will need a mark-reading sheet. Before completing the mark-reading sheet, please see the instructions in this year's issue of *Studies @ Unisa*. Read these instructions **carefully** and follow them **exactly** to avoid mistakes.
 - ♦ Carefully work through the relevant tutorial matter before you attempt the assignment.
 - ♦ Calculate your answer on a separate piece of paper before you complete the mark-reading sheet.

REMEMBER

There is only **one** correct answer to each question.

All questions are equal in value.

If you use a mark-reading sheet:

- Use only the provided mark-reading sheet.
- Colour in the correct block with a HB pencil.
- Fill in your student number correctly.
- Fill in the assignment number correctly.
- Fill in the **unique assignment number** for the specific semester correctly. Every assignment which is marked by the computer has a unique number. The number contains information on the module code and assignment number. For example, when the computer reads the unique number 763260 on the mark-reading sheet, the computer identifies that it is Assignment 01 for FAC1502.
- Send **only** your mark-reading sheet to the Assignment Section in the appropriate envelope.
- Make sure that you have enough mark-reading sheets.

DO NOT

- colour more than one block per question
- tear or fold the mark-reading sheet
- staple the mark-reading sheet to another piece of paper
- colour outside the block
- colour in the block with a pen
- make corrections with correction fluid
- submit answers on a written sheet of paper
- try to repair a torn mark-reading sheet with sticky tape (Use another mark-reading sheet.)

ASSIGNMENT 01 FOR THE FIRST SEMESTER

DUE DATE: 9 March 2018

UNIQUE NUMBER: 763260 (MULTIPLE-CHOICE QUESTIONS)

Do this assignment on a mark-reading sheet and mail it, or submit it via the Unisa Mobile MCQ Application or myUnisa.

To submit the assignment:

- Go into myUnisa with your password.
- Choose assessment info.
- Choose the module code, FAC1502.
- Choose assignment 01, with the unique code 763260.
- Choose view at the back of assignment 01.
- Create a mark-reading sheet for 15 MCQ's.
- Now choose the correct option from the five options given for each question.
- Click on the option chosen in the mark-reading sheet (in front).
- Please make sure that the answer in front is the correct option chosen. If you decide that (2) are the correct option for question 1, you must click on the round block in front of the 2 on the mark-reading sheet created. A [2] will then appear in the answer block in front.
- Submit the assignment after all the questions were answered and you have made sure all the answers on the mark-reading sheet corresponds with the options you have chosen.
- You will receive a message that the assignment was uploaded successfully.
- A resubmit button will appear. Only resubmit the assignment if you feel some of the answers is not correct. Then all the options must be entered again and not just the answers you want to change. If you do not want to change your original submission please do not click on the resubmit button because then all your answers of the first submission will disappear and you will have naught for the assignment.

1. Which of the following users is **not** a user of financial information?
 - (1) Suppliers and other trade payables.
 - (2) Public
 - (3) Government
 - (4) Labour brokers
 - (5) Employees
2. What is, according to the framework, the underlying assumption for financial statements?
 - (1) Comparability
 - (2) Faithful representation
 - (3) Going concern
 - (4) Understandability
 - (5) Verifiability
3. What will the journal entry be if an entity buys inventory on credit when the periodic inventory system is in use (Ignore any VAT implications.)?
 - (1) Debit purchases account and credit trade payables control account.
 - (2) Debit purchases account and credit bank account.
 - (3) Debit cost of sales account and credit trade payables control account.
 - (4) Debit inventory account and credit trade payables control account.
 - (5) Debit inventory account and credit bank account.

ASSIGNMENT 01 (continued)

4. What will the journal entries be if an entity sells goods on credit when the perpetual inventory system is in use (Ignore any VAT implications.)?
- (1) Debit trade receivables control and credit inventory (selling price); debit cost of sales and credit sales (cost price).
 - (2) Debit bank and credit sales (selling price); debit cost of sales and credit inventory (cost price).
 - (3) Debit trade receivables control and credit sales (selling price); debit inventory and credit cost of sales (cost price).
 - (4) Debit trade receivables control and credit sales (selling price); debit cost of sales and credit inventory (cost price).
 - (5) Debit trade receivables control and credit sales (selling price); debit purchases and credit inventory (cost price).
5. Nomzi Traders sold furniture to a customer for R1 596 cash, the mark up on cost is 15%. Assuming Nomzi Traders uses a perpetual inventory system, is a registered VAT vendor and the VAT rate is 14%. What will the cost of sales be for this transaction?
- (1) R1 400,00
 - (2) R1 387,83
 - (3) R1 217,39
 - (4) R1 237,21
 - (5) R1 190,00
6. Nana Traders sold goods for R1 140, inclusive of VAT at 14%, to Henry Traders. Henry Traders paid cash and received a trade discount of 10% on the amount. What will the total in the sales column in the cash receipts journal be?
- 1) R1 026
 - 2) R 900
 - 3) R1 126
 - 4) R1 040
 - 5) R 986

Use the following information to answer questions 7 to 11:

The following information relates to Birdie Traders:

When comparing the cash journals for May 2017 with the bank statement of the entity for May 2017, the following was established:

(a)	Balances and totals:	R
	Balances:	
	Bank account – 30 April 2017 (cr)	31 580
	Bank statement – 31 May 2017 unfavourable balance	26 426
	Totals at 31 May 2017:	
	Cash receipts journal	51 250
	Cash payments journal	48 250
(b)	Items appearing on bank reconciliation statement as at 30 April 2017 but not on the bank statement for May 2017:	R
	Cheque no 431 – dated 30/11/2016 (Crazy Dealers)	1 200
	Cheque no 698 – dated 3/05/2017 (Sunflower Dealers).....	1 550
	Cheque no 685 – dated 4/03/2017 (ICT Services)	2 050

ASSIGNMENT 01 (continued)

- (c) Items appearing in the cash journals for May 2017 but not on the bank statement for May 2017:

	R
A deposit on 31 May	2 500
Cheque no 756 – dated 28/05/2017 (Creditor Swan)	4 150
Cheque no 759 – dated 30/05/2017 (Creditor Duck).....	3 085

- (d) Items appearing on the bank statement for May 2016 but not in the cash journals for May 2017:

	R
A direct deposit from Tweety for rent	2 500
Interest on overdraft	750
Ledger fees	231
Cash handling fee.....	650
Refer to drawer (R/D) cheque received from debtor, Parrot Training	450
A deposit to another client of the bank was incorrectly deposited into Birdie Traders' account	3 500
A stop order for the monthly insurance premium.....	1 250
A cheque drawn by another client of the bank was incorrectly debited to the account of Birdie Traders.....	10 350

Additional information

Cheque no 736 for R1 535, issued to Best Foods for food purchased was incorrectly recorded in the cash payments journal for April 2017 as R1 835.

7. The total of the bank column in the cash payments journal after taking the additional information as well as the information on the bank statement into account will be:
- (1) R48 250
 - (2) R50 831
 - (3) R51 581
 - (4) R50 381
 - (5) R51 131
8. The total of the outstanding cheques on the bank reconciliation statement at 31 May 2017 will be:
- (1) R12 035
 - (2) R10 835
 - (3) R12 485
 - (4) R 7 750
 - (5) R 9 285
9. A cheque is stale if it is older than ...
- (1) 6 months.
 - (2) 12 months.
 - (3) the financial year end.
 - (4) 9 months.
 - (5) 3 months.

ASSIGNMENT 01 (continued)

10. Where will the cancellation of a stale cheque be recorded?
- (1) In the bank column of the cash payments journal.
 - (2) In the bank account in the general ledger.
 - (3) In the bank column of the cash receipts journal.
 - (4) On the debit side of the bank reconciliation statement.
 - (5) On the credit side of the bank reconciliation statement.
11. Cheque no 736 for R1 535, issued to Best Foods for food purchased was incorrectly recorded in the cash payments journal for April 2017 as R1 835 must be corrected by making an entry ...
- (1) in the cash payments journal for R1 835.
 - (2) in the cash receipts journal for R1 835.
 - (3) in the cash payments journal for R300.
 - (4) in the cash receipts journal for R300.
 - (5) of R1 835 on the debit side of the bank reconciliation statement.

Use the following information to answer questions 12 to 15:

The following information relates to People Traders for April 2017.

- (a) On 30 April 2017, the trade receivables ledger of People Traders showed the following trade receivables (Ignore any VAT implications):

LIST OF TRADE RECEIVABLES: 30 APRIL 2017	
Name	Balance
	R
Hoop CC.....	10 283
Slot Stationers	237
Dormat Cleaners.....	596
Fill Design.....	801
Emily Suppliers.....	1 980
TOTAL	13 897

- (b) On 30 April 2017, the trade receivables control account showed a preliminary balance of R15 123.
- (c) After an investigation of the individual accounts, source documents and other relevant information, the following errors/omissions were detected:
- (i) The total of the trade receivables column in the sales journal was under cast by R350.
 - (ii) The account of Hoop CC was incorrectly balanced. The amount should read R9 734.
 - (iii) The total of the column for trade receivables in the sales journal was R6 890. The amount was posted to the trade receivables control account, as R8 960.
 - (iv) Credit note no. SD2653 for R45, to Dormat Cleaners, was entered in the sales returns journal, but not posted to the account of Dormat Cleaners.
 - (v) The account of debtor Slot Stationers was written off. All entries must still be made.
 - (vi) A cheque of R1 850 received from Emily Suppliers in full settlement of her account, was incorrectly analysed as sales in the cash receipts journal.
 - (vii) Interest of R150 was charged on the account of Emily Suppliers during the year. Entries were only made in the trade receivables ledger.
 - (viii) A cheque of R250 received from Fill Design, was returned by the bank marked "R/D". Relevant entries must still be made in the trade receivables ledger. All other entries were done correctly.

ASSIGNMENT 01 (continued)

12. For additional information (c)(iii) what will the entry in the trade receivables control account be?
- (1) R2 070 credit
 - (2) R6 890 credit
 - (3) R8 960 credit
 - (4) R8 960 debit
 - (5) R2 070 debit
13. What will the journal entry for additional information (c)(v) be?
- (1) debit allowance for credit losses account with R237 and credit trade receivables control account as well as the account of Slot Stationers with R237.
 - (2) debit trade receivables control account as well as the account of Slot Stationers with R237 and credit allowance for credit losses account.
 - (3) debit credit losses account as well as the account of Slot Stationers with R237 and credit trade receivables control account with R237.
 - (4) debit credit losses account with R237 and credit trade receivables control account as well as the account of Slot Stationers with R237.
 - (5) debit trade receivables control account as well as the account of Slot Stationers with R237 and credit credit losses account with R237
14. What will the journal entry to correct the error for additional information (c)(vi) be? (Exclude the settlement discount granted transaction.)
- (1) debit trade receivables control account as well as Emily Suppliers and credit sales account.
 - (2) debit sales account and credit trade receivables control account as well as the account of Emily Suppliers.
 - (3) debit the account of Emily Suppliers.
 - (4) debit the trade receivables control account.
 - (5) debit sales as well as the account of Emily Suppliers and credit trade receivables control.
15. For additional information (c)(vi), what will the entry for settlement discount granted in the trade receivables control account be?
- (1) R1 980 credit
 - (2) R1 850 credit
 - (3) R 130 credit
 - (4) R 130 debit
 - (5) R1 850 debit

END OF ASSIGNMENT 01 FOR FIRST SEMESTER

16 ANNEXURE D: ASSIGNMENT 02 (SEMESTER 1)

THIS ASSIGNMENT IS COMPULSORY.

**MARKS COUNT 50% TOWARDS YOUR
YEAR MARK.**

**FOR STUDENTS REGISTERED
FOR THE FIRST SEMESTER**

Due date: 6 April 2018

Unique number: 765738

ANNEXURE D: ASSIGNMENT 02 FOR THE FIRST SEMESTER

Do NOT submit assignments by means of fax or e-mail.

1. Answer this assignment on a **mark-reading sheet** or submit it via the **Unisa Mobile MCQ Application** or **myUnisa**. This assignment is marked electronically, hence the **strict adherence** to the due date.
2. Before doing this assignment, please read paragraph 8 of this tutorial letter.
3. This assignment covers study units 1 to 17 and comprises of 15 multiple-choice questions.
4. **We shall not move the due date of this assignment, allow you to submit it late, or enter into correspondence or telephone conversations in this regard.**
5. **Important aspects regarding multiple-choice question (MCQ) assignments**
 - ♦ If you do not submit Assignment 02 electronically via the Unisa Mobile MCQ Application or myUnisa, you will need a mark-reading sheet. Before completing the mark-reading sheet, please see the instructions in this year's issue of *Studies @ Unisa*. Read these instructions **carefully** and follow them **exactly** to avoid mistakes.
 - ♦ Carefully work through the relevant tutorial matter before you attempt the assignment.
 - ♦ Calculate your answer on a separate piece of paper before you complete the mark-reading sheet.

REMEMBER

There is only **one** correct answer to each question.

All questions are equal in value.

If you use a mark-reading sheet:

- Use only the provided mark-reading sheet.
- Colour in the correct block with a HB pencil.
- Fill in your student number correctly.
- Fill in the assignment number correctly.
- Fill in the **unique assignment number** for the specific semester correctly. Every assignment which is marked by the computer has a unique number. The number contains information on the module code and assignment number. For example, when the computer reads the unique number 765738 on the mark-reading sheet, the computer identifies that it is Assignment 02 for FAC1502.
- Send **only** your mark-reading sheet to the Assignment Section in the appropriate envelope.
- Make sure that you have enough mark-reading sheets.

DO NOT

- colour more than one block per question
- tear or fold the mark-reading sheet
- staple the mark-reading sheet to another piece of paper
- colour outside the block
- colour in the block with a pen
- make corrections with correction fluid
- submit answers on a written sheet of paper
- try to repair a torn mark-reading sheet with sticky tape (Use another mark-reading sheet.)

ASSIGNMENT 02 FOR FIRST SEMESTER

DUE DATE: 6 April 2018

UNIQUE NUMBER: 765738 (MULTIPLE-CHOICE QUESTIONS)

Do this assignment on a mark-reading sheet and mail it, or submit it via the Unisa MobileMCQ Application or myUnisa.

To submit the assignment:

- Go into myUnisa with your password.
- Choose assessment info.
- Choose the module code, FAC1502.
- Choose assignment 01, with the unique code 765738.
- Choose view at the back of assignment 01.
- Create a mark-reading sheet for 15 MCQ's.
- Now choose the correct option from the five options given for each question.
- Click on the option chosen in the mark-reading sheet (in front).
- Please make sure that the answer in front is the correct option chosen. If you decide that (2) are the correct option for question 1, you must click on the round block in front of the 2 on the mark-reading sheet created. A [2] will then appear in the answer block in front.
- Submit the assignment after all the questions were answered and you have made sure all the answers on the mark-reading sheet corresponds with the options you have chosen.
- You will receive a message that the assignment was uploaded successfully.
- A resubmit button will appear. Only resubmit the assignment if you feel some of the answers is not correct. Then all the options must be entered again and not just the answers you want to change. If you do not want to change your original submission please do not click on the resubmit button because then all your answers of the first submission will disappear and you will have naught for the assignment.

Use the following information to answer questions 1 to 3:

YONGEZA DISTRIBUTORS

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2017

Property, plant, equipment	Land and buildings	Vehicles	Machinery	Total
<i>Carrying amount:</i>				
Beginning of year	292 500	84 800	57 600	434 900
Cost	450 000	172 000	140 000	762 000
Accumulated depreciation	(157 500)	(87 200)	(82 400)	(327 100)
Additions	-	58 000	72 800	
Depreciation	(22 500)	(12 240)	?	
Disposals	-	?	-	
Cost	-	21 600	-	
Accumulated depreciation	-	?	-	
<i>Carrying amount:</i>				
End of year	?		?	
Cost	?		212 800	
Accumulated depreciation	?		?	

ASSIGNMENT 02(continued)**Additional information**

- (a) The vehicle that was sold was an old Nissan 1400 bakkie that was bought on 1 January 2014 for R21 600. It was sold for R5 000 on 31 March 2017.
- (b) On 1 May 2017 Yongeza Distributors bought a new machine for R72 800 cash.
- (c) The following depreciation methods are used by Yongeza Distributors: Buildings and vehicles are depreciated at 5% and 20% on the straight-line method, respectively. Machinery is provided for at 25% per annum based on the diminishing balance method.
- Calculate the profit or loss on the sale of the Nissan 1400 bakkie?
 - R 2 560 profit
 - R 7 560 profit
 - R14 440 profit
 - R 7 560 loss
 - R 2 560 loss
 - Calculate the depreciation for machinery that will be disclosed in the statement of profit or loss and other comprehensive income for the year ended 30 June 2017.
 - R 3 033
 - R17 433
 - R14 400
 - R38 033
 - R53 200
 - What is the carrying amount of land and buildings of Yongeza Distributors for the year ended 30 June 2017.
 - R292 000
 - R270 000
 - R450 000
 - R427 500
 - R157 500

Use the following information to answer questions 4 to 6 (Round off all amounts to the nearest Rand):

The following is an extract from the general ledger of Reclam Waste for June 2017:

Dr				Trade payables control			Cr
2017			R	2017			R
June 30	Bank	CPJ	56 700	May 1	Balance	b/d	56 500
	Purchases returns	PRJ	2 230		Credit purchases		43 400
	Settlement discount granted	CRJ	1 200		Cash purchases		3 050
	Balance	c/d	42 720				
			102 850				102 850
				2017			
				July 1	Balance	b/d	102 850

Additional information

The above trade payables control account was prepared by an inexperienced financial clerk and contains errors.

ASSIGNMENT 02(continued)

- (a) The bank and settlement discount received entry of R56 700 was from the bank column in the cash payments journal, the total in the cash payments journal for the trade payables column was R28 350 and the total for the settlement discount received column was R1 650.
- (b) Ignore any VAT implications for this question.
4. Based **only** on the information provided in the trade payables control account, which debit entry/entries was/were incorrectly posted into this account.
- (1) Purchase returns
 - (2) Bank and purchase returns
 - (3) Settlement discount granted
 - (4) Balance carry down
 - (5) Purchase returns and settlement discount granted
5. Based **only** on the information provided in the trade payables control account, which credit entry/entries was/were incorrectly posted into this account.
- (1) Cash purchases
 - (2) Credit purchases
 - (3) Balance brought down
 - (4) Cash and credit purchases
 - (5) Balance brought down and cash purchases
6. What entry/entries would you use to correct the error made by the finance clerk in posting the additional information (a) in the trade payables control account? Ignore any VAT implications for this question.
- (1) Process a bank debit entry of R28 350 in the trade payables control account.
 - (2) Process a bank credit entry of R28 350 in the trade payables control account.
 - (3) Process a bank and settlement discount received credit entry of R30 000 in the trade payables control account.
 - (4) Process a bank credit entry of R56 700 in the trade payables control account.
 - (5) Process a debit entry in the bank account of R30 000 and a credit entry of R28 350 in the trade payables control account.

Use the following information to answer questions 7 to12 (Round off all amounts to the nearest Rand):

Extract of pre-adjustment trial balance of Moonlight Suppliers as at 30 June 2017		
	Debit	Credit
	R	R
Capital (1 July 2017).....		140 000
Drawings.....	?	
Long-term loan from Zootopia (at 10.5% p.a.).....		125 000
Sales.....		414 072
Sales returns.....	5 800	
Rental income.....		23 760
Purchases.....	150 500	
Purchases returns.....		3 468
Inventory: Trading (1 July 2016).....	74 070	
Insurance.....	15 600	
Water and electricity.....	28 140	
Credit losses.....	1 920	
Allowance for credit losses.....		5 430

The year-end inventory count showed a closing inventory amount of R115 550.

ASSIGNMENT 02(continued)**Additional information**

- (a) An instalment of R12 500 is payable to Zootopia Banks on 31 March 2018, this payment relates to the outstanding loan amount at 30 June 2017. The land and buildings were used as security for the loan.
 - (b) Included in the year-end closing inventory is packaging material of R3 450
 - (c) On 1 July 2016 the water and electricity account showed an accrued amount of R1 520. On 30 June 2017 the water and electricity account was prepaid by R 1 300.
 - (d) The insurance for the year includes an amount of R1 200 for the month of July.
 - (e) The allowance for credit losses amount is estimated to be R4 500 at 30 June 2017.
7. Based on the information provided, calculate the gross profit amount that will be disclosed in the statement of profit or loss and other comprehensive income for the year ended 30 June 2017?
 - (1) R299 270
 - (2) R302 720
 - (3) R219 760
 - (4) R305 572
 - (5) R261 240
 8. Based on the information provided, calculate the water and electricity amount that will be disclosed in the statement of profit or loss and other comprehensive income for the year ended 30 June 2017?
 - (1) R28 140
 - (2) R27 920
 - (3) R28 360
 - (4) R30 960
 - (5) R25 320
 9. What journal entry is necessary at the end of the financial year to make provision for the adjustment for insurance to be able to calculate the amount for the statement of profit or loss and other comprehensive income for the year ended 30 June 2017?
 - (1) Debit insurance account with R15 600 and credit bank account with R15 600.
 - (2) Debit insurance account with R16 800 and credit accrued expense account with R16 800.
 - (3) Debit prepaid expenses account with R16 800 and credit insurance account with R16 800.
 - (4) Debit insurance account with R1 200 and credit accrued expense account with R1 200.
 - (5) Debit prepaid expenses account with R1 200 and credit insurance account with R1 200.
 10. Calculate the amount for credit losses that should be disclosed in the statement of profit or loss and other comprehensive income for the year ended 30 June 2017?
 - (1) R4 500
 - (2) R2 850
 - (3) R6 420
 - (4) R1 920
 - (5) R 990

ASSIGNMENT 02(continued)

11. How will the loan from Zootopia Bank be disclosed in the statement of financial position at 30 June 2017?

(1)

Non-current liabilities	112 500
Long-term borrowings	112 500
Long-term loan secured over land and buildings	112 500
Current liabilities	12 500
Current portion of long-term borrowings	12 500

(2)

Non-current liabilities	62 500
Long-term borrowings	62 500
Long-term loan secured over land and buildings	62 500
Current liabilities	62 500
Current portion of long-term borrowings	62 500

(3)

Non-current liabilities	125 000
Long-term borrowings	125 000
Long-term loan secured over land and buildings	125 000
Current liabilities	12 500
Current portion of long-term borrowings	12 500

(4)

Non-current liabilities	112 500
Long-term borrowings	112 500
Long-term loan secured over land and buildings	112 500

(5)

Current liabilities	12 500
Current portion of long-term borrowings	12 500

12. The owner of Midnight Suppliers, Mr Mehershala, injected an additional amount of R80 000 into the business for expansions in the 2017 financial period but he also withdrew an amount of R8 000 from the business bank account. Using this information and the information provided on the pre-adjustment trial balance, calculate the amount of equity that the owner is entitled to on 30 June 2017 assuming the total comprehensive income amount for year, after all adjustments, was R89 500.

- (1) R220 000
- (2) R212 000
- (3) R301 500
- (4) R317 500
- (5) R140 000

ASSIGNMENT 02(continued)

Use the following information to answer questions 13 to 15:

The following information pertains to the Dancehall Club:

Balances at 30 June 2017	R
Membership fees received.....	15 000
Accrued membership fees (30 June 2016).....	1 860
Membership fees received in advance (30 June 2016).....	3 960
Accumulated funds (30 June 2016).....	45 600

Additional information

The following information must be taken into account for the financial year ended 30 June 2017:

- (a) During the current year only 5 new members joined the club. An entrance fee per member of R800 is payable and half of the entrance fees received should be capitalised to the accumulated fund account and the balance recognised immediately.

- (b) Membership fees:

In arrears at 30 June 2017	R1 152
Received in advance at 30 June 2017	R 675

13. Use the information provided and calculate the membership fees that should be recognised as income in the statement of income and expenditure for the year ended 30 June 2017. Choose the correct answer from the options below:

- (1) R17 577
- (2) R15 000
- (3) R17 100
- (4) R15 477
- (5) R12 423

14. Use the information provided and calculate the entrance fees that should be recognised as income for the year ended 30 June 2017. Choose the correct answer from the options below:

- (1) R4 000
- (2) R6 000
- (3) R2 000
- (4) R 800
- (5) R Nil

15. What is the balance of the accumulated fund account at 30 June 2017 if you assume that the surplus for the year was R10 600 and the capitalised amount of the entrance fees was R3 000?

- (1) R13 600
- (2) R48 600
- (3) R59 200
- (4) R45 600
- (5) R53 200

END OF ASSIGNMENT 02 FOR FIRST SEMESTER

**THIS ASSIGNMENT IS COMPULSORY
AND IS NECESSARY FOR
EXAMINATION ADMISSION.**

**MARKS COUNT 50% TOWARDS YOUR
YEAR MARK.**

**FOR STUDENTS REGISTERED
FOR THE SECOND SEMESTER**

Due date: 17 August 2018

Unique number: 702687

ANNEXURE E: ASSIGNMENT 01 FOR SECOND SEMESTER

Do NOT submit assignments by means of fax or e-mail.

1. Answer this assignment on a **mark-reading sheet** or submit it via the **Unisa Mobile MCQ Application** or **myUnisa**. This assignment is marked electronically, hence the **strict adherence** to the due date.
2. Before doing this assignment, please read paragraph 8 of this tutorial letter.
3. This assignment covers study units 1 to 9 and comprises of 15 multiple-choice questions.
4. **We shall not move the due date of this assignment, allow you to submit it late, or enter into correspondence or telephone conversations in this regard.**
5. **Important aspects regarding multiple-choice question (MCQ) assignments**
 - ♦ If you do not submit Assignment 01 electronically via the Unisa Mobile MCQ Application or myUnisa, you will need a mark-reading sheet. Before completing the mark-reading sheet, please see the instructions in this year's issue of *Studies @ Unisa*. Read these instructions **carefully** and follow them **exactly** to avoid mistakes.
 - ♦ Carefully work through the relevant tutorial matter before you attempt the assignment.
 - ♦ Calculate your answer on a separate piece of paper before you complete the mark-reading sheet.

REMEMBER

There is only **one** correct answer to each question.

All questions are equal in value.

If you use a mark-reading sheet:

- Use only the provided mark-reading sheet.
- Colour in the correct block with a HB pencil.
- Fill in your student number correctly.
- Fill in the assignment number correctly.
- Fill in the **unique assignment number** for the specific semester correctly. Every assignment which is marked by the computer has a unique number. The number contains information on the module code and assignment number. For example, when the computer reads the unique number 702687 on the mark-reading sheet, the computer identifies that it is Assignment 01 for FAC1502.
- Send **only** your mark-reading sheet to the Assignment Section in the appropriate envelope.
- Make sure that you have enough mark-reading sheets.

DO NOT

- colour more than one block per question
- tear or fold the mark-reading sheet
- staple the mark-reading sheet to another piece of paper
- colour outside the block
- colour in the block with a pen
- make corrections with correction fluid
- submit answers on a written sheet of paper
- try to repair a torn mark-reading sheet with sticky tape (Use another mark-reading sheet.)

ASSIGNMENT 01 FOR THE SECOND SEMESTER**DUE DATE: 17 August 2018****UNIQUE NUMBER: 702687 (MULTIPLE-CHOICE QUESTIONS)**

Do this assignment on a mark-reading sheet and mail it, or submit it via the Unisa Mobile MCQ Application or myUnisa.

To submit the assignment:

- Go into myUnisa with your password.
- Choose assessment info.
- Choose the module code, FAC1502.
- Choose assignment 01, with the unique code 702687.
- Choose view at the back of assignment 01.
- Create a mark-reading sheet for 15 MCQ's.
- Now choose the correct option from the five options given for each question.
- Click on the option chosen in the mark-reading sheet (in front).
- Please make sure that the answer in front is the correct option chosen. If you decide that (2) are the correct option for question 1, you must click on the round block in front of the 2 on the mark-reading sheet created. A [2] will then appear in the answer block in front.
- Submit the assignment after all the questions were answered and you have made sure all the answers on the mark-reading sheet corresponds with the options you have chosen.
- You will receive a message that the assignment was uploaded successfully.
- A resubmit button will appear. Only resubmit the assignment if you feel some of the answers is not correct. Then all the options must be entered again and not just the answers you want to change. If you do not want to change your original submission please do not click on the resubmit button because then all your answers of the first submission will disappear and you will have naught for the assignment.

Please ignore VAT in ALL the questions of this assignment where no VAT rate is given.

1. Mr S Jacobs owns SJ Plumbing. The following is the characteristics of SJ Plumbing:
 - (a) All the decisions regarding the business entity are taken by Mr S Jacobs.
 - (b) The profit and loss of the business entity accrue to Mr S Jacobs.
 - (c) Mr S Jacobs is personally liable for the debts of the entity.
 - (d) When Mr S Jacobs dies, SJ Plumbing will cease to exist.

After taking into account the above characteristics, what type of business ownership do these characteristics refer to?

- (1) A sole trader.
- (2) A partnership.
- (3) A public company.
- (4) A non-profit company.
- (5) A private company.

ASSIGNMENT 01 (continued)

2. SJ Plumbing bought new plumbing equipment for R50 000 on credit from Plumbing Wholesalers. The correct analysis of the above transaction will be:

	General ledger		A	=	E	+	L
	Account debited	Account credited					
(1)	Trade payables control	Equipment	-R50 000		0		-R50 000
(2)	Trade payables control	Equipment	+R50 000		+R50 000		0
(3)	Equipment	Trade payables control	+R50 000		0		+R50 000
(4)	Equipment	Trade payables control	-R50 000		0		-R50 000
(5)	Inventory	Trade payables control	+R50 000		0		+R50 000

3. The systematic recording of the financial information in a business entity is called the financial accounting cycle which is divided into three stages. The three stages are the input stage, processing stage and the output stage. What order do you follow in the processing stage of the financial accounting cycle?
- (1) Record the transactions on the source documents; post to the subsidiary journals and then post to the ledgers.
 - (2) Post to the ledgers, extract a trial balance and then prepare the annual financial statements.
 - (3) Prepare the subsidiary journals, extract a trial balance and then prepare the annual financial statements.
 - (4) Post to the ledgers, prepare the subsidiary journals and then prepare the annual financial statements.
 - (5) Prepare the subsidiary journals, post to the ledgers and then extract a trial balance.
4. A debtor, Mr T Smith, owed Wilton Stores R5 000 on 1 March 2017. On 15 March Mr T Smith decides to settle his account at Wilton Stores, by paying his account in full. Wilton Stores gives him a 10% discount. Which of the following correctly represents the above transaction (Ignore any VAT implications)?
- (1) Debit the trade receivables control account with R4 500 and credit the settlement discount granted account with R4 500.
 - (2) Debit the trade receivables control account with R5 000 and credit the settlement discount granted account with R5 000.
 - (3) Credit the trade receivables control account with R5 000 and debit the settlement discount granted account with R500 and debit the bank account with R4 500.
 - (4) Credit the trade receivables control account with R5 000 and debit the settlement discount granted account with R5 000.
 - (5) Debit trade receivables control account with R4 500 and credit the settlement discount granted account with R4 500.

ASSIGNMENT 01 (continued)

5. Quantico Electrical paid R27 000 to Lea Insurers on 1 August 2017. This payment was for 18 months insurance cover. The financial year-end for Quantico Electrical is 28 February 2018.

Which of the following represents the correct entry for this transaction in the insurance account in the general ledger of Quantico Electrical on 28 February 2018?

(1)

Dr					Insurance					Cr	
2017 Aug	1	Bank	CPJ6	R 27 000	2018 Feb	28	Prepaid expenses	GJ6	R 16 500		
							Profit or loss	GJ6	10 500		
				27 000					27 000		

(2)

Dr					Insurance					Cr	
2017 Aug	1	Bank	CPJ6	R 27 000	2018 Feb	28	Prepaid expenses	GJ6	R 10 500		
							Profit or loss	GJ6	16 500		
				27 000					27 000		

(3)

Dr					Insurance					Cr	
2018 Feb	28	Prepaid expenses	GJ6	R 10 500	2017 Aug	1	Bank	CRJ6	R 27 000		
		Profit or loss	GJ6	16 500							
				27 000					27 000		

(4)

Dr					Insurance					Cr	
2018 Feb	28	Prepaid expenses	GJ6	R 16 500	2017 Aug	1	Bank	CRJ6	R 27 000		
		Profit or loss	GJ6	10 500							
				27 000					27 000		

(5)

Dr					Insurance					Cr	
2017 Aug	1	Bank	CPJ6	R 27 000	2018 Feb	28	Profit or loss	GJ6	R 27 000		
				27 000					27 000		

ASSIGNMENT 01 (continued)

Use the information provided below to answer questions 6 to 9:

On 31 August 2017 the cash receipts journal of Summerhill Traders has a total of R31 500 and the cash payments journal had a total of R39 000.

On 31 August 2017 the bank account in the general ledger of Summerhill Traders had an unfavourable balance of R7 500 and the bank statement had a credit balance of R25 000.

A comparison of the bank statement with the cash journals revealed the differences listed below:

- (a) The following was noted on the bank statement was not recorded in the cash journals of Summerhill Traders:

Interest on overdraft R450

Service fees R375

A debit order in favour of Pilot Insurers for the monthly insurance premium of R9 000.

A deposit made by Miss K Moodley for R15 000.

- (b) A deposit of R11 150 on 30 August 2017 has not yet been recorded by the bank.

- (c) The following cheques were not yet presented for payment on 31 August 2017:

cheque no 228 - R18 175

cheque no 230 - R20 000

cheque no 231 - R10 800

- (d) A cheque for R3 000 which was originally received by Mrs Y Walker was returned by the bank due to insufficient funds in Mrs Y Walkers bank account.

6. The total of the adjusted cash receipts journal of Summerhill Traders on 31 August 2017 after taking the above differences into account is ...

R

(1) 31 500

(2) 55 500

(3) 58 500

(4) 46 500

(5) 46 950

7. In which journal of Summerhill Traders for August 2017 will interest on overdraft and bank charges be recorded?

- (1) Interest on overdraft will be recorded in the cash receipts journal and bank charges will be recorded in the cash payments journal.
- (2) Interest on overdraft and bank charges will be recorded in the cash payments journal.
- (3) Interest on overdraft will be recorded in the general journal and bank charges will be recorded in the cash payments journal.
- (4) Interest on overdraft will be recorded in the cash receipts journal and bank charges will be recorded in the general journal.
- (5) Interest on overdraft will be recorded in the cash receipts journal and bank charges will be recorded in the purchases journal.

ASSIGNMENT 01 (continued)

8. The bank account in the general ledger of Summerhill Traders had an unfavourable balance of R7 500. This unfavourable balance will be recorded ...
- (1) on the debit side of the bank account in the general ledger of Summerhill Traders.
 - (2) on the debit side of the bank reconciliation statement of Summerhill Traders for August 2017.
 - (3) on the credit side of the bank account in the general ledger of Summerhill Traders.
 - (4) on the credit side of the bank reconciliation statement of Summerhill Traders for August 2017.
 - (5) as the opening total in the cash payments journal.
9. Which of the following is the correct representation of the bank reconciliation statement of Summerhill Traders as at 31 August 2017?

(1)

SUMMERHILL TRADERS**BANK RECONCILIATION STATEMENT AS AT 31 AUGUST 20.17**

	Debit	Credit
	R	R
Credit balance as per bank statement		25 000
Debit outstanding cheques: 228	18 175	
230	20 000	
231	10 800	
Credit balance as per bank account		23 975
	48 975	48 975

(2)

SUMMERHILL TRADERS**BANK RECONCILIATION STATEMENT AS AT 31 AUGUST 20.17**

	Debit	Credit
	R	R
Credit balance as per bank statement		25 000
Debit outstanding deposit	11 150	
Credit outstanding cheques: 228		18 175
230		20 000
231		10 800
Debit balance as per bank account	62 825	
	73 795	73 975

(3)

SUMMERHILL TRADERS**BANK RECONCILIATION STATEMENT AS AT 31 AUGUST 20.17**

	Debit	Credit
	R	R
Credit balance as per bank statement		25 000
Credit outstanding deposit		11 150
Credit outstanding cheques: 228		18 175
230		20 000
231		10 800
Debit balance as per bank account	85 125	
	85 125	85 125

ASSIGNMENT 01 (continued)

(4)

SUMMERHILL TRADERS

BANK RECONCILIATION STATEMENT AS AT 31 AUGUST 20.17

	Debit	Credit
	R	R
Credit balance as per bank statement		25 000
Debit outstanding deposit	11 150	
Debit outstanding cheques: 228	18 175	
230	20 000	
231	10 800	
Credit balance as per bank account		35 125
	60 125	60 125

(5)

SUMMERHILL TRADERS

BANK RECONCILIATION STATEMENT AS AT 31 AUGUST 20.17

	Debit	Credit
	R	R
Credit balance as per bank statement		25 000
Credit outstanding deposit		11 150
Debit outstanding cheques: 228	18 175	
230	20 000	
231	10 800	
Credit balance as per bank account		12 825
	48 975	48 975

Use the information provided below to answer questions 10 and 11:

The following information was taken from the records of Mickey Stores for the year ended 31 December 2017:

	R
Inventory (1 March 2016).....	555 000
Sales.....	1 050 000
Purchases.....	795 000
Sales returns.....	3 000
Purchase returns.....	10 800
Freight charges on sales.....	3 500
Settlement discount received.....	800
Settlement discount granted.....	1 600

A physical inventory count on 31 December 2017 indicated that the inventory on hand amounted to R435 000. Mickey Stores uses the periodic inventory system.

10. What is the cost of sales amount on 31 December 2017?

R

- (1) 904 200
- (2) 903 400
- (3) 914 200
- (4) 899 900
- (5) 915 000

ASSIGNMENT 01 (continued)

11. What is the sales amount for the year ended 31 December 2017?

- R**
- (1) 1 041 900
 - (2) 1 045 400
 - (3) 1 043 500
 - (4) 1 044 900
 - (5) 1 054 600

Use the information provided below to answer question 12.

12. Swan Stores had the following balances on 28 February 2017:

	R
Allowance for credit losses (1 March 2016)	5 000
Trade receivables control	120 000

Swan Stores determined that the allowance for credit losses account should amount to R3 500 on 28 February 2017.

Which of the following is the correct representation of the allowance for credit losses in the general ledger of Swan Stores after taking into account the above information?

(1)

Dr					Allowances for credit losses					Cr	
2017 Feb	28	Credit losses Balance	GJ6 c/d	R 1 500 3 500 <u>5 000</u>	2016 Mar	28	Balance	b/d	R 5 000		
									<u>5 000</u>		
					2017 Mar	1	Balance	b/d		3 500	

(2)

Dr					Allowances for credit losses					Cr	
2017 Feb	28	Credit losses Balance	GJ6 c/d	R 3 500 1 500 <u>5 000</u>	2016 Mar	28	Balance	b/d	R 5 000		
									<u>5 000</u>		
					2017 Mar	1	Balance	b/d		1 500	

(3)

Dr					Allowances for credit losses					Cr	
2016 Mar	1	Balance	b\ d	R 5 000	2017 Feb	28	Credit losses Balance	GJ6 c\ d	R 1 500 3 500 5 000		
				5 000					5 000		
2017 Mar	1	Balance	b\ d	3 500							

ASSIGNMENT 01 (continued)

(4)

Dr					Allowances for credit losses					Cr	
2016 Mar	1	Balance	b\ld	R 5 000	2017 Feb	28	Credit losses	GJ6	R 3 500		
				5 000			Balance	c\ld	1 500		
									5 000		
2017 Mar	1	Balance	b\ld	1 500							

(5)

Dr					Allowances for credit losses					Cr	
2017 Feb	28	Balance	c\ld	8 500	2016 Mar	28	Balance	b\ld	R 5 000		
				8 500			Credit losses	GJ6	3 500		
									8 500		
					2017 Mar	1	Balance	b\ld	8 500		

Use the information provided below to answer question 13.

Summerhill Stores has the following totals in their financial records on 28 February 2017:

	R
Land and buildings.....	780 000
Trade receivables control account.....	125 000
Vehicles.....	100 000
Inventory.....	90 000
Bank (dr).....	110 000
Trade payables control account.....	75 000
Loan: ABC Bank.....	250 000

13. What is Summerhill Stores' net asset value on 28 February 2017?

R

- (1) 720 000
- (2) 680 000
- (3) 935 000
- (4) 1 130 000
- (5) 880 000

14. Summerhill Stores paid the monthly water and electricity account of R9 000 with a business cheque. What effect will the above transaction have on the accounting equation?

- (1) Assets will increase and equity will increase.
- (2) Assets will increase and equity will decrease.
- (3) Assets will decrease and equity will decrease.
- (4) Assets will decrease and equity will increase.
- (5) Assets will decrease and liabilities will increase.

ASSIGNMENT 01 (continued)

15. In which journal will you record the interest charged on an overdue debtors account?
- (1) The cash receipts journal.
 - (2) The general journal.
 - (3) The cash payments journal.
 - (4) The sales journal.
 - (5) The sales returns journal.

END OF ASSIGNMENT 01 FOR THE SECOND SEMESTER

THIS ASSIGNMENT IS COMPULSORY.

**MARKS COUNT 50% TOWARDS YOUR
YEAR MARK.**

**FOR STUDENTS REGISTERED
FOR THE SECOND SEMESTER**

Due date: 7 September 2018

Unique number: 709075

ANNEXURE E: ASSIGNMENT 02 FOR SECOND SEMESTER

Do NOT submit assignments by means of fax or e-mail.

1. Answer this assignment on a **mark-reading sheet** or submit it via the **Unisa Mobile MCQ Application** or **myUnisa**. This assignment is marked electronically, hence the **strict adherence** to the due date.
2. Before doing this assignment, please read paragraph 8 of this tutorial letter.
3. This assignment covers study units 1 to 17 and comprises of 15 multiple-choice questions.
4. **We shall not move the due date of this assignment, allow you to submit it late, or enter into correspondence or telephone conversations in this regard.**
5. **Important aspects regarding multiple-choice question (MCQ) assignments**
 - ♦ If you do not submit Assignment 02 electronically via the Unisa Mobile MCQ Application or myUnisa, you will need a mark-reading sheet. Before completing the mark-reading sheet, please see the instructions in this year's issue of *Studies @ Unisa*. Read these instructions **carefully** and follow them **exactly** to avoid mistakes.
 - ♦ Carefully work through the relevant tutorial matter before you attempt the assignment.
 - ♦ Calculate your answer on a separate piece of paper before you complete the mark-reading sheet.

REMEMBER

There is only **one** correct answer to each question.

All questions are equal in value.

If you use a mark-reading sheet:

- Use only the provided mark-reading sheet.
- Colour in the correct block with a HB pencil.
- Fill in your student number correctly.
- Fill in the assignment number correctly.
- Fill in the **unique assignment number** for the specific semester correctly. Every assignment which is marked by the computer has a unique number. The number contains information on the module code and assignment number. For example, when the computer reads the unique number 709075 on the mark-reading sheet, the computer identifies that it is Assignment 02 for FAC1502.
- Send **only** your mark-reading sheet to the Assignment Section in the appropriate envelope.
- Make sure that you have enough mark-reading sheets.

DO NOT

- colour more than one block per question
- tear or fold the mark-reading sheet
- staple the mark-reading sheet to another piece of paper
- colour outside the block
- colour in the block with a pen
- make corrections with correction fluid
- submit answers on a written sheet of paper
- try to repair a torn mark-reading sheet with sticky tape (Use another mark-reading sheet.)

ASSIGNMENT 02 FOR THE SECOND SEMESTER**DUE DATE: 7 September 2017****UNIQUE NUMBER: 709075 (MULTIPLE-CHOICE QUESTIONS)**

Do this assignment on a mark-reading sheet and mail it, or submit it via the Unisa Mobile MCQ Application or myUnisa.

To submit the assignment:

- Go into myUnisa with your password.
- Choose assessment info.
- Choose the module code, FAC1502.
- Choose assignment 01, with the unique code 709075.
- Choose view at the back of assignment 01.
- Create a mark-reading sheet for 15 MCQ's.
- Now choose the correct option from the five options given for each question.
- Click on the option chosen in the mark-reading sheet (in front).
- Please make sure that the answer in front is the correct option chosen. If you decide that (2) are the correct option for question 1, you must click on the round block in front of the 2 on the mark-reading sheet created. A [2] will then appear in the answer block in front.
- Submit the assignment after all the questions were answered and you have made sure all the answers on the mark-reading sheet corresponds with the options you have chosen.
- You will receive a message that the assignment was uploaded successfully.
- A resubmit button will appear. Only resubmit the assignment if you feel some of the answers is not correct. Then all the options must be entered again and not just the answers you want to change. If you do not want to change your original submission please do not click on the resubmit button because then all your answers of the first submission will disappear and you will have naught for the assignment.

Use the following information to answer questions 1 to 5:

PRE-ADJUSTMENT TRIAL BALANCE OF JACKO TRADERS AS AT 30 JUNE 2017

	Debit	Credit
	R	R
Capital	-	322 000
Trade receivables control	68 600	-
Vehicles (at cost)	141 700	-
Accumulated depreciation: Vehicles	-	15 400
Inventory: Trading (1 July 2016) (Packing material - R1 800).....	38 740	-
Bank	284 750	-
Mortgage loan	-	105 000
Loan from Africa Bank (at 19,5% p.a.)	-	15 000
Sales.....	-	271 241
Commission income.....	-	26 000
Depreciation.....	19 179	-
Insurance.....	14 304	-
Packaging materials.....	4 600	-
Purchases.....	159 200	-
Sales returns.....	2 590	-
Settlement discount granted	850	-
Settlement discount received	-	385
Purchases returns.....	-	3 548
Rent income.....	-	14 500
Carriage on purchases.....	-	-
Insurance on purchases.....	1 250	-
Petrol	2 160	-
Rent expenses.....	3 479	-
Water and electricity	18 307	-
Interest expenses	5 100	-
	8 345	-
	773 074	773 074

Additional information

- On 30 June 2017 trading inventory had a balance of R26 500, which included packing material on hand of R1 200.
- The entity leased a building from Simphiwe Properties from 1 April 2017 and sub-let part of it to Triumph Estate Agency as from the same date. The estate agency paid a deposit equal to one month's rent and the rent for April 2017. The rent which is still outstanding for the current year must still be accounted for. The monthly rent is R 7 250.
- In terms of the credit policy of the entity, an allowance for settlement discount of 5% is granted if the account is settled within 30 days after the sale took place. The entity has established over the years that 90% of their customers, with outstanding debts at year-end, take up the discount opportunity.
- The mortgage loan was obtained from Rupert Bank and bears interest at a rate of 12,5% per annum. Outstanding interest for the current year must be provided for.
- The entity took out a fire insurance policy on 1 March 2016 and paid an annual premium of R8 496. The next annual premium was paid on 1 March 2017 and amounted to R8 640.

ASSIGNMENT 02 (continued)

1. The **amount of revenue** in the statement of profit and loss and other comprehensive income of Jacko Traders for the year ended 30 June 2017 will be:
 - (1) R268 651
 - (2) R267 801
 - (3) R264 371
 - (4) R264 714
 - (5) R274 661
2. The amount of **cost of sales** in the statement of profit and loss and other comprehensive income of Jacko Traders for the year ended 30 June 2017 will be:
 - (1) R168 157
 - (2) R170 317
 - (3) R174 465
 - (4) R166 907
 - (5) R168 757
3. The amount of **finance costs** in the statement of profit and loss and other comprehensive income of Jacko Traders for the year ended 30 June 2017 will be:
 - (1) R16 050
 - (2) R13 125
 - (3) R21 470
 - (4) R24 395
 - (5) R11 270
4. The amount of **insurance** in the statement of profit and loss and other comprehensive income of Jacko Traders for the year ended 30 June 2017 will be:
 - (1) R17 136
 - (2) R 8 544
 - (3) R14 304
 - (4) R22 944
 - (5) R11 424
5. The amount of **rental income** in the statement of profit and loss and other comprehensive income of Jacko Traders for the year ended 30 June 2017 will be:
 - (1) R21 750
 - (2) R29 000
 - (3) R21 250
 - (4) R14 500
 - (5) R22 650

ASSIGNMENT 02 (continued)

Use the following information to answer questions 6 and 7:

S Suliman runs a small business, Suliman Traders, from home. S Suliman does not keep proper accounting records. He needs to calculate the entity's profit/loss and requests your assistance. You established the following:

BALANCES AS AT 30 APRIL

	2016 R	2017 R
Furniture at carrying value	22 950	25 500
Tools and equipment at carrying value.....	46 350	51 500
Inventory: Trading	10 500	15 200
Investment in shares – African Sky Pty(Ltd)	25 000	-
Bank (favourable).....	-	12 480
Bank (overdraft)	8 500	-
Long-term loan.....	15 500	19 000
Trade payables	9 520	5 700
Credit cards.....	5 380	-
32 Days Notice Deposit.....	21 000	-
Prepaid expenses	1 850	-
Accrued income	2 430	-
Income received in advance.....	3 800	5 000
Accrued expenses.....	1 600	1 300

Additional information

- (a) S Suliman withdrew R35 000 during the 2017 year for own use.
 - (b) During the 2017 financial year S Suliman deposited R25 000 from his personal bank account into the business bank account.
 - (c) The interest on the long-term loan must still be provided for, for the 2017 financial year. Interest is charged at 11% per annum on the outstanding balance on 30 April.
6. The capital account balance of Suliman Traders on 1 May 2016 will be:
- (1) R42 780
 - (2) R86 280
 - (3) R88 020
 - (4) R73 680
 - (5) R85 780
7. The estimated profit or loss of Suliman Traders for the year ended 30 April 2017, assuming that the capital account balance of Suliman Traders was R72 000 and R84 075 on 1 May 2016 and 30 April 2017 respectively, will be:
- (1) R22 075
 - (2) R12 075
 - (3) R10 000
 - (4) R 2 075
 - (5) R35 000

ASSIGNMENT 02 (continued)

Use the following information to answer question 8 and 9:

The Phelindaba Golf Club was formed on 1 July 2015. Each member paid an entrance fee of R300 and it was also agreed that members will also pay a monthly membership fee of R150. The following relates to the club's activities:

▪ Membership fees

	R
Membership fees owing on 1 March 2016.....	2 100
Membership fees received during the current financial year.....	82 500
Membership fees prepaid at 28 February 2017.....	2 500
Membership written off in respect of the previous financial year.....	900
Entrance fees for new members who joined during the current year.....	3 500

▪ Dining room

	R
Purchases.....	28 000
Sales.....	35 000
Wages.....	7 900
Inventory - 1 March 2016.....	1 500

At 28 February 2017, dining room inventory was not counted, but it can be assumed that the usual gross profit margin of 25% on turnover was realised.

The Club's financial year ends on 28 February every year.

8. The amount of membership fees in the income and expenditure statement for the year ended 28 February 2017 will be:
 - (1) R81 300
 - (2) R81 800
 - (3) R78 800
 - (4) R81 400
 - (5) R77 900

9. The amount of closing inventory for the dining room in the income and expenditure statement for the year ended 28 February 2017 will be:
 - (1) R11 150
 - (2) R 1 750
 - (3) R 3 250
 - (4) R 6 150
 - (5) R 250

ASSIGNMENT 01 (continued)

Use the following information to answer questions 10 and 11:

EXTRACT FROM THE TRIAL BALANCE OF BONALA DEALERS AS AT 1 MARCH 2016

	R
Bank (Debit balance).....	2 150
Machinery at cost.....	220 000
VAT input.....	1 600
VAT output.....	1 800
Accumulated depreciation: Machinery.....	22 000
Accumulated depreciation: Equipment.....	7 000

Additional information

- (a) On 31 August 2016, Bonala Traders sold a machine for R37 620 (including VAT) on credit to S Ben. This machine was previously acquired for cash on 1 January 2014 for R41 040 (including VAT).
- (b) The depreciation methods which are used by Bonala Dealers are as follows:
- Machinery: 10% p.a. on the straight-line method; and
 - Equipment: 10% p.a. on the diminishing-balance method.
- (c) Bonala Dealers are registered for VAT and charges VAT at a rate of 14%.
10. The amount for the annual depreciation for machinery for the year ended 28 February 2017 will be:
- (1) R18 400
 - (2) R22 000
 - (3) R22 504
 - (4) R20 200
 - (5) R20 350
11. The carrying amount of the machine which was sold on 31 August 2016, assuming that the machine had a cost price of R32 000 and the accumulated depreciation amounted to R15 000 on 1 March 2016, and was sold at a profit of R2 300:
- (1) R13 100
 - (2) R15 400
 - (3) R19 300
 - (4) R14 700
 - (5) R20 900

ASSIGNMENT 01 (continued)

Use the following information to answer questions 12 to 14:

				Debit R	Credit R
2017 Feb	1	Credit losses Trade receivables control Credit losses written off		3 970	3 970
	2	Trade receivables control account Bank Settlement discount VAT output Reversal of the payment received settlement discount granted to K Kruis on his R/D cheque		9 120	8 208 800 112
	3	Bank VAT output Credit losses recovered Recovery of an amount previously written off		1 710	210 1 500
	4	Credit losses Allowance for credit losses An increase in the allowance for credit losses for the year		450	450

The following are the balances as at 28 February 2017 before the above journals were taken into account:

	R
Trade receivables control	24 500
Allowances for credit losses	2 750
Bank (favourable).....	18 000
Credit losses	1 450
Settlement discount granted.....	750
VAT output.....	1 880

12. The balance of the trade receivable control account, after taking the journals into account, on 28 February 2017 will be:

- (1) R26 900
- (2) R28 200
- (3) R25 450
- (4) R29 650
- (5) R27 770

13. The amount of credit losses in the statement of profit and loss and other comprehensive income for the year ended 28 February 2017 will be:

- (1) R5 420
- (2) R5 870
- (3) R6 060
- (4) R5 770
- (5) R5 960

ASSIGNMENT 01 (continued)

14. The amount of VAT output to be transferred to the VAT control account on 28 February 2017 will be:
- (1) R2 090
 - (2) R1 992
 - (3) R2 202
 - (4) R1 880
 - (5) R1 872
15. Which of the following cannot be classified as a liability?
- (1) Long-term loan
 - (2) Mortgage
 - (3) Debenture
 - (4) VAT payable
 - (5) Investment in shares

END OF ASSIGNMENT 02 FOR SECOND SEMESTER