**11241 FORMATIVE ASSESSMENT WORKBOOK**

Formative assessment

1. Identify fixed and variable costs for a trading business by placing a tick in the box

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|  | **Variable costs** | **Fixed costs** |
| Rental of premises |  |  |
| Water and lights |  |  |
| Telephone |  |  |
| Advertising  |  |  |
| Insurance  |  |  |
| Stationery |  |  |
| Salaries and wages |  |  |
| Cost of goods purchased for resale |  |  |
| Raw materials |  |  |
| Commission |  |  |

1. Calculate the cost of sales in each of the following cases:

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **No**  | **Selling price** | **Profit %** | **Calculation** | **Cost price** |
| **Example**  | **280** | **40%** | **280 X 100** **140** | **200** |
| 1 | 600 |  |  |  |
| 2 | 750 |  |  |  |
| 3 | 240 |  |  |  |

Formative assessment

1. You sold goods to the value of R540.00. The cost price was R164.00
2. Then you sold trading stock to the value of R6540.00 and the cost price was R1935.00. show the accounts that have to be debited with the relevant amounts

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| General Ledger |
| No | Account Debited | Account Credited |
| 1 | Cost of sales |  | Trading stock account | R640.00 |
|  | Bank account |  | Sales Account | R540.00 |
| 2 | Cost of sales |  | Trading stock account | R1935.00 |
|  | Bank account |  | Sales account | R6540.00 |

Formative assessment

XYZ Traders had the following transactions during April. Complete the Cash Receipts Journal for April. An example of a journal is shown on the next page.

1. P Mathebula paid R2300 for rental of an office. Receipt No 32 was issued.
2. Cash sales according to the cash register roll of R315.00. The cost price of the goods is R215.00
3. Cash sales of R870.00 according to the cash register roll. Cost price R600.00
4. Cash sales of R1450.00, cost price R1000.00

Then enter the details into the General Ledger:

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| **Cash Receipts Journal XYZ Trading April 200…** |
| Doc No | Date | Details | Fol | Analysis of receipts | Bank  | Sales | Cost of sales | Sundry accounts |
| Amount | Fol | Details |
| 32 |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
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| **General Ledger XYZ Trading**  |
| **Dr Bank Cr** |
|  |  |  |  |  |  |  |  |  |  |  |
| **Sales** |
|  |  |  |  |  |  |  |  |  |  |  |  |
| **Trading Stock** |
|  |  |  |  |  |  |  |  |  |  |  |  |
| **Cost of sales** |
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| **Rental Income** |
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Formative Assessment

XYZ Trading sold the following goods on credit on 14 April:

To Mrs C.A. Terer 5 table cloths at R25.00 each (cost of sales R16.5); and 50 white dinner plates at R8.00 each (cost of sales R5.60 each). Next invoice number 325.

To P. Khoza 12 serving dishes and cutlery combo sets at R112 each (cost of sales R79). Next invoice number 326.

Do the following:

* Draw up the invoices
* Complete the details in the Debtor’s journal
* Post the necessary entries to the General ledger
* Post the relevant accounts in the debtor’s ledger.

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| Debtor’s ledger XYZ TradingC.A. Terer D1 |
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| Debtor’s ledger XYZ TradingP. Khoza D1 |
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| **General Ledger of XYZ Trading** |
| **Dr Debtor’s Control Cr** |
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| **Sales** |
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| **Trading Stock** |
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| **Cost of sales** |
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Formative assessment

Record the following transactions in the cash payments journal for May:

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| --- | --- | --- | --- | --- | --- |
| Transaction no | Cheque no | Date  | Payee | Purpose | Amount  |
| 01 | 25 | 02 | Cash | Petty cash | 2500 | 00 |
| 02 | 26 | 02 | Cash | Wages | 5400 | 00 |
| 03 | 27 | 05 | Funky Interiors | Trade Stock | 6800 | 00 |
| 04 | 28 | 08 | Business stationers | Stationery | 680 | 00 |
| 05 | 29 | 09 | Telkom | Telephone | 1300 | 00 |
| 06 | 30 | 09 | Cash | Wages | 5400 | 00 |
| 07 | 31 | 13 | Classy Potteries | Trading Stock | 13800 | 00 |
| 08 | 32 | 17 | National Cutlery | Trading Stock | 8700 | 00 |
| 09 | 33 | 17 | Cash | Wages | 5400 | 00 |
| 10 | 34 | 24 | Cash | Wages | 5400 | 00 |
| 11 | 35 | 31 | Cash | Wages | 5400 | 00 |
| 12 | 36 | 31 | Rental Specialists | Rental of premises | 6800 | 00 |

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| --- | --- | --- | --- | --- | --- | --- | --- |
| Doc No | Date  | Name of payee | Fol | Bank | Wages | Trading stock | Sundry accounts |
| Amount | Fol | Details |
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Formative assessment

Record the following source documents in the Creditor’s Journal for XYZ Trading:

|  |  |
| --- | --- |
| INVOICENationwide Catering SuppliesTimbuktu | No 1092Renumbered to 01 |
| To:XYZ Traders321 Church StreetTimbuktu 12458 | Date: 12 May 200… |
| Quantity | Description | Price | Amount Due |
| 500 | Dinner plates |  R 5 | 60 |  R2800 | 00 |
| 500  | Cutlery sets |  R 40 | 00 |  R20000 | 00 |
| 50 | Table cloths |  R 17 | 50 |  R875 | 00 |
| Total |  R23675 | 00 |
| Terms 30 days from date of invoice |

|  |  |
| --- | --- |
| INVOICEBusiness Stationery SuppliesTimbuktu | No 448Renumbered to 02 |
| To:XYZ Traders321 Church StreetTimbuktu, 12458 | Date: 22 May 200… |
| Quantity | Description | Price | Amount Due |
| 20 | Reams photocopy paper |  R 25 | 00 |  R 1250 | 00 |
| 20  | Rols fax paper |  R 15 | 00 |  R 300 | 00 |
| 20 | Black bic pens |  R 8 | 00 |  R 160 | 00 |
| Total |  R 1710 | 00 |
| Terms 30 days from statement |

|  |  |
| --- | --- |
| INVOICEReliable ComputersTimbuktu | No 99Renumbered to 03 |
| To:XYZ Traders321 Church StreetTimbuktu, 12458 | Date: 23 May 200… |
| Quantity | Description | Price | Amount Due |
| 2 | Computer systems |  R 6999 | 00 |  R 13998 | 00 |
|  |  |  |  |  |  |
|  |  |  |  |  |  |
| Total |  R 13998 | 00 |
| Terms 30 days from statement |

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Post the transactions to the relevant accounts in the General and Creditor’s Ledger. Please note that the contra entry now is Creditor’s control.

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| **General Ledger of XYZ Trading** |
| **Dr Creditor’s Control Cr** |
|  |  |  |  |  |  | 200...May | 31 | Sundry purchases | CJ1 | **39383** | **00** |
| **Equipment** |
|  |  |  |  |  |  |  |  |  |  |  |  |
| **Trading Stock** |
|  |  |  |  |  |  |  |  |  |  |  |  |
| **Stationery** |
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Creditors’ journal of XYZ Traders May 200…

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| --- |
| Nationwide Catering Supplies |
| Date | Details | Fol | Debit | Credit | Balance |
|  |  |  |  |  |  |  |  |  |
| Business Stationery Supplies |
| Date | Details | Fol | Debit | Credit | Balance |
|  |  |  |  |  |  |  |  |  |
| Reliable Computers |
| Date | details | Fol | Debit | Credit | Balance  |
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Formative assessment

Compare the bank statement with the cash journals and make the necessary supplementary entries in the CRJ and CPJ.

Post it to the bank account in the general ledger

Prepare the bank reconciliation statement.

Note: Only the bank columns of the CRJ and CPJ are given.

Cash receipts journal of In Touch Stores May 200…:

|  |  |  |  |
| --- | --- | --- | --- |
| Doc No | Day | Details | Bank |
|  | 02 |  | 520 |
|  | 05 |  | 784 |
|  | 08 |  | 643 |
|  | 15 |  | 705 |
|  | 21 |  | 684 |
|  | 30 |  | 741 |
|  |  |  | 3577 |

Cash payments journal of In Touch Stores May 200…

|  |  |  |  |
| --- | --- | --- | --- |
| Doc no | Day | Payee | Bank |
| 130 | 03 | M. Midas | 263 |
| 131 | 06 | P. Gould | 600 |
| 132 | 09 | Sanders & Co | 325 |
| 133 | 12 | S. Sebastian | 182 |
| 134 | 19 | P. Pam | 324 |
| 135 | 21 | B. Sutton | 240 |
| 136 | 24 | M. Midas | 161 |
| 137 | 28 | Cash | 361 |
|  |  |  | 2456 |

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| MY BANKBank statement In Touch Stores 01 April 200... to 30 April 200… |
| Date | Details | Amount | Balance  | Reference |
| 01 April  | Balance B/F |  | 1000 |  |
| 03 April | Deposit | 520 cr | 1520 | Your branch |
| 05 April | Cheque | 263 | 1257 | 130 |
| 08 April | Cheque | 600 | 657 | 131 |
| 08 April | Deposit | 284 cr | 641 | Your branch |
| 08 April | DO | 280 | 661 | Sanlam 3156685XYZ |
| 10 April | Deposit | 643 cr | 1304 | Your branch |
| 12 April | Cheque | 182 | 1122 | 133 |
| 12 April | Deposit | 705 cr | 1827 | Your branch |
| 12 April | Cheque | 325 | 1502 | 132 |
| 14 April | Cheque | 324 | 1178 | 134 |
| 16 April | Cheque | 240 | 938 | 135 |
| 18 April | CU | 300 | 638 |  |
| 18 April | LV | 6 | 632 |  |
| 18 April | LF | 15 | 617 |  |
| 22 April | Deposit | 684 cr | 1301 | Your branch |
| 25 April | SF | 120 | 1181 |  |
| 30 April | Deposit | 800 cr | 1981 | A. Sithole |
|  |  |  |  |  |

**Notes:**

The bank statement shows all the amounts in one column, where credits to the bank account are indicated with a cr. All other amounts are debits to the account.

**Abbreviations:**

* DO debit order
* LV Government Levy
* LF ledger fees
* CU cheque unpaid
* SF service fees
* IN Interest

The stop order in favour of Sanlam is for insurance

The unpaid (dishonoured) cheque was received from A. Small

A. Sithole made a deposit of R800 for rent

The account balance at the beginning of the month was R1000

* As explained above, compare the CRJ with the credits and the CPJ with the debits of the bank statement.
* Circle all amounts that do not agree
* Make supplementary entries in the CRJ and the CPJ for the circled amounts
* Draw up the bank account in the general ledger with the new totals from the CRJ and CPJ
* Prepare the bank reconciliation statement from the circled amounts in the CRJ and CPJ

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| Cash Receipts Journal April 200… CRJ |
| Doc No | Day | Details | Bank  |  | Sundries | details |
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| Cash Payments Journal April 2000 CPJ |
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| Dr | Bank  | B8 | Cr |
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| **Bank reconciliation statement on 30 April 200…** |
|  |  **Debit**  |  **Credit** |
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Formative assessment

On 1 July 200… the bank account in the general ledger of Hewlett Stores had a debit balance of R3460. The CRJ and CPJ (bank columns only) and the bank statement for July 200… are as follows.

Make the necessary supplementary entries in the CRJ and CPJ.

Post to the bank account in the general ledger

Prepare the bank reconciliation statement on 31 July 200…

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| Hewlett Stores CRJ July 200… |
| Doc No | Day | Details |  Bank  |
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| Hewlett Stores CPJ JULY 200… |
| DocNo | Day | Details | Bank  |
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| **Bank statement Hewlett Stores July 200** |
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CB = cheque book

The SO is in favour of insurance at Old Mutual

The unpaid cheque was received from a debtor S. Sun in settlement of his debt of R45

The deposit of R200 is from Bo Bank for interest on a fixed deposit

Formative assessment

After the cash journals of Shape Shops were compared to the bank statement for August 200… the following differences were found.

Instructions:

Take the differences into account and make the necessary entries in the cash journals

Draw up the bank account in the general ledger

Prepare the bank reconciliation statement on 31 August 200

**Information:**

1. On a August the bank account in the general ledger had a favourable balance of R1031
2. The total deposits for the month were R4108
3. The total payments for the month were R4705
4. The bank statement showed a favourable balance of R718 on 31 August
5. A deposit of R598 appears in the CRJ, but not on the bank statement
6. The following cheques appear in the CPJ but not on the bank statement:
* No 244 R90
* No 245 R236
* No 247 R188
1. The following debits appear on the bank statement but not in the cash journals:
* Ledger fees R28
* Cheque book R12
* Deposit fees R48
* Unpaid cheque R74 (received from B. Buddy)
1. The following credits appear on the bank statement but not in the cash journals:
* Interest on credit balances R 40 (Wen Bank)
* Deposit for rent R500 (received from Hire-It)