

Monyetla Project – Accounting Gr 11

Lesson 1: Reconciliation

QUESTION 1: MNGUNI TRADERS	(52 marks, 42 minutes)
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Bank Reconciliation

1.1	<p>Indicate how cheque 204 must be treated when preparing the Financial Statements if September 2009 was the end of the financial period.</p> <p>You must add the amount of R850 to the Bank / debit the Bank ✓✓ because the money is not paid out yet – add to Cash and cash equivalents.</p> <p>You must add the amount of R850 to the Creditors control / credit Creditors control ✓✓ because the creditors are not paid yet – add to Trade and other payables.</p>	4
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1.2 CASH JOURNALS OF MNGUNI TRADERS

CASH RECEIPTS JOURNAL			
Total			55 580
Donation (112)	✓	✓✓	845
Interest on current account	✓	✓	420
Insurance (correction of error)	✓	✓✓	1 200
Rent income	✓	✓	1 500
		☑	59 545

CASH PAYMENTS JOURNAL			
Total			51 670
Donation (201)	✓	✓✓	900
Trading stock (152) [1 620 – 1 320]	✓	✓✓	300
Bank charges	✓	✓	182
Debtors control	✓	✓✓	560
Insurance	✓	✓	1 200
Creditors control (204)	✓	✓✓	850
		☑	55 662

GENERAL LEDGER OF MNGUNI TRADERS

1.3				Bank					
2009 Sep	30	Total receipts ✓	CRJ	59 545	2009 Sep	1	Balance	b/d	7 615
		Balance	c/d	3 732		30	Total payments ✓	CPJ	55 662
				63 277					63 277
					Oct	1	Balance	b/d	3 732

[8]

1.4 BANK RECONCILIATION STATEMENT OF MNGUNI TRADERS ON 30 SEPTEMBER 2009

	Debit	Credit
Debit balance as per Bank Statement	6 722	
Credit outstanding deposit		5 200
Debit outstanding cheques No. 195	920	
No. 198	740	
No. 201	900	
No. 204	850	
Credit incorrect insurance		1 200
Credit balance as per Bank account		3 732
✓	10 132	10 132

(-1) Cheque 112, R845; Cheque 152, R1 320 / R1 620 / R300

12

TOTAL MARKS		52
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Lesson 1: Reconciliation

QUESTION 2: KJ TRADERS

(30 marks, 24 minutes)

Bank Reconciliation

2.1

GENERAL LEDGER OF KJ TRADERS

				Bank					
2012 Jun	1	Balance (11 500 – 500 – 12 250 – 4 200 + 18 600)	b/d	√√ 13 150	2012 Jun	30	Total payments	CPJ	532 200
	30	Total receipts	CRJ	620 500			Bank charges		√ 1 860
		Creditors control	√	√√ 1 800			Insurance	√	√ 3 000
		Interest on current account	√	√ 600			Debtors control	√	√ 9 420
		Donations (983)		√ 500			Maintenance/ Repairs (1167)		√ 12 250
		Maintenance/ Repairs (1123)		√ 12 250			Balance	c/d	90 070
				648 800					648 800
Jul	√ 1	Balance	b/d	90 070					

Deposits: R18 600 (-1) R45 600 (-1)

[16]

Error done by the Bank: R1 250 (-1) **Max (-2)**

2.2 BANK RECONCILIATION STATEMENT OF KJ TRADERS ON 30 JUNE 2012

	DEBIT	CREDIT
Credit balance as per Bank Statement (Check operation)		√ 84 370
Credit outstanding deposit		√ 45 600
Debit outstanding cheques: no. 1143	√ 21 400	
<i>number order (-1)</i> 1156	√ 7 500	
1167	√√ 12 250	
Credit wrong debit/payment		√√ 1 250
Debit balance as per Bank account (<i>from Bank account</i>)	√ 90 070	
(Check operation – the totals must be the same) √	131 220	131 220

Deposit of R18 600 (-1)

[10]

Cheque 983, R500 (-1) Cheque 1136, R4 200 (-1) **Max (-2)**

2.3	<p>Explain TWO points how monthly reconciliation with the Bank Statement can be useful in detecting and preventing mismanagement of cash and fraud.</p> <ul style="list-style-type: none">- It is an internal control mechanism.- Records outstanding cheques and deposits.- Detects bank and journal errors.- Notes any discrepancies in the recording of information.- Notes transactions with the bank such as charges, debit and stop orders, direct deposits, etc. <p style="text-align: right;">Any two valid points ✓✓ ✓✓</p>	4
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TOTAL MARKS		30
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Lesson 1: Reconciliation

QUESTION 3: LOCKWOOD TRADERS**(29 marks, 24 minutes)****Bank Reconciliation****3.1 CASH JOURNALS OF LOCKWOOD TRADERS**

CASH RECEIPTS JOURNAL	
Total	27 537
Trading stock (cheque 114)	576 ✓
Rent income	2 800 ✓
Debtors control	975 ✓
Interest on current account	35 ✓
Creditors control (795 – 525)	270 ✓
Bank charges (correct error)	194 ✓✓
	32 387

(-1) Deposit, R5 625

CASH PAYMENTS JOURNAL	
Total	32 399
Trading stock (cheque 650)	576 ✓
Drawings	1 125 ✓
Debtors control (RD)	1 200 ✓✓
Bank charges	130 ✓
	35 430

(-1) max (-2) Discount on RD, R50 (12)
Cheque 634, R2 250 & 640, R8 242

3.2	<p>Calculate the correct Bank account balance on 30 June 2019. You can prepare a Bank account if needed.</p> <p>– 1 129 ✓ + 32 387 ✓ from CRJ – 35 430 ✓ from CPJ</p> <p>= – 4 172 ✓ one part correct <i>Must indicate unfavourable/favourable</i></p>	4
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3.3 **BANK RECONCILIATION STATEMENT OF LOCKWOOD TRADERS ON
30 JUNE 2019**

	Debit	Credit
Credit balance as per Bank Statement		1 604 ✓
Credit outstanding deposit		9 675 ✓
Debit Outstanding cheques and EFT		
No 643	675 ✓	
No 650	576 ✓✓	
EFT 13	10 590 ✓	
EFT 14	3 804 ✓✓	
Credit wrong bank charges / Credit wrong debit		194 ✓✓ ✓
Credit balance as per Bank account		4 172 ✓
	15 645	15 645

(-1) Cheque 114, R576

(11)

3.4	<p>Indicate how cheque 650 must be treated when preparing the Financial Statements if June 2019 was the end of the financial period.</p> <p>In the Balance Sheet:</p> <p>Add R576 to the Bank in the Cash and Cash Equivalents note. ✓</p> <p>Add R576 to the Creditors control in the note for Trade and other payables. ✓</p> <p>→ No debit and credit</p>	2
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TOTAL MARKS		29
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Lesson 1: Reconciliation

QUESTION 4: BUYELWA TRADERS**(30 marks, 24 minutes)****Creditors Reconciliation**

4.1

CREDITORS LEDGER OF BUYELWA TRADERS**DE JAGER TRADERS**

Balance as per Ledger account	34 394	√
Invoice 354 corrected	(1 800)	√√
Discount cancelled	450	√√
Interest charged	244	√√
Cancel invoice 122	(800)	√√
Trade discount on invoice 412	(1 488)	√√
Credit note 288 corrected (3 200) √ (3 200) √√	(6 400)	√√√
	24 600	
		[14]

4.2

**CREDITORS RECONCILIATION STATEMENT OF DE JAGER TRADERS
ON 31 MARCH 2013**

	DEBIT (+)	CREDIT (-)
	27 206 x	
Debit balance as per Statement received on 24 March	√ 29 206	
Correction of calculation error		√√ 2 000
Invoice 479 not on statement	√√ 9 800	
Payment not on statement		√√ 11 000
Debit note not on statement		√√ 1 406
Credit balance as per Creditors Ledger		☑ 24 600
	39 006	39 006

(-1) Foreign items, e.g. Invoice 122, R800; Discount, R450; Trade discount, R1 488

Max (-2)

[10]

4.3	<p>Give THREE control measures that management should put in place to ensure that creditors are well managed.</p> <p>Make sure that:</p> <ul style="list-style-type: none"> - The correct amount of items that were ordered from creditors are received and are in a good condition. - Creditors are paid on time so that the business qualifies for the necessary discounts. - Full use is made of the credit terms (60-90 days) in order to maintain good cash flow. - There is division of duties among employees so that one person can check another person's work. - The balance in the Creditors control account is reconciled to the total of the Creditors list to ensure that records are accurately updated (inside the business). - The statements received from individual creditors is reconciled with their accounts in the Creditors Ledger. - Internal audits to are conducted in order to minimise the possibility of fraud or error. - The creditors clerk does his job efficiently. - The procurement policy is being adhered, in that purchases are authorised. - Access to the accounts of creditors must be limited to authorized people. It is possible to create documents for goods, pretending it has been ordered and then receive the payment for it. - Source documents and accounts must be kept properly. <p style="text-align: right;"><i>Any three relevant reasons √√ √√ √√</i></p>	6
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TOTAL MARKS		30
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Lesson 1: Reconciliation

QUESTION 5: NELSPRUIT TRADERS**(9 marks, 7 minutes)****Creditors Reconciliation**

	Account of Superior Suppliers in the Creditors Ledger of Nelspruit Traders	Statement received from Superior Suppliers
Balance	R10 705	R19 120
A		+ 1 080 ✓✓
B	+ 375 ✓	
C	- 200 ✓✓	
D	+ 4 320 ✓✓ (+ 2 160 + 2 160)	
E		- 5 000 ✓
Final balance	R15 200 <input checked="" type="checkbox"/> both totals; must include opening balances – totals can be different	R15 200

TOTAL MARKS		9
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