

QUESTION 1

1.1.1

(i) Calculate: Carrying value of the vehicle on hand on 1 March 2020		
Workings		Answer
460 000 – 396 750		63 250 ✓✓
		2
(ii) Calculate: Depreciation on vehicles for the year		
Workings		Answer
25 500 two marks $(510\,000 \times 15\% \times 4/12)$ ✓✓ one part correct $460\,000 \times 15\% = 69\,000$; CV is 63 250. Depreciation is therefore $63\,250 - R1,00 = 63\,249$ ✓✓		25 500 + 63 249 two marks two marks 88 749 ✓ one part correct
		5
(iii) Calculate: Carrying value of equipment sold		
Workings		Answer
$360\,000 - 285\,000$ -41 080 2 marks $75\,000$ ✓ - $36\,600$ ✓ - $4\,480$ ✓ OR: $75\,000$ ✓ - $(36\,600$ ✓ + $4\,480$ ✓)		33 920 ✓ one part correct
		4

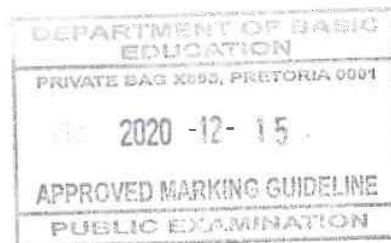
1.1.2

Calculate: Profit/Loss on the sale of equipment		
Workings		Answer
See (iii) above $40\,000 - 33\,920$ OR $-40\,000 + 75\,000 - 41\,080$		If 40 000 - (iii) No part marks 6 080 ✓✓
		2

1.2

Calculate: Trading stock deficit		
Workings		Answer
18 two marks $(280 - 262) \times 4\,050$ 280 one mark 262 one mark 4 050 one mark $(280 \times 4\,050) - (262 \times 4\,050)$ $1\,134\,000 - 1\,061\,100$		R72 900 ✓# # if $\times 4\,050$
		4

NOTE: The relevant figures calculated above must be transferred to the Income Statement.



NSC – Marking Guidelines

1.3 STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 28 FEBRUARY 2021

ignore brackets – check if operation is correct
also award from bottom up if COS calc is done *one part correct

Sales 15 325 200 ✓✓ – 648 000 ✓ OR (6 966 000 X 1,2) + 6 966 000 – 648 000 6 966 000 x 2,2		14 677 200	✓*#
Cost of sales		(6 966 000)	
Gross profit 6 966 000 x 1,2 8 359 200 – 648 000 three marks if not awarded for sales 5		7 711 200	✓
Other income Operation		175 000	✓*
Profit on sale of asset* see 1.1.2 (loss will be in operating expenses)		6 080	✓
Rent income 173 000 ✓ + 9 000 ✓ – 14 000 ✓✓ OR 182 000 – 14 000 OR 173 000 – 5 000 OR 182 000 X 12/13 two marks two marks one mark three marks two marks two marks		168 000	✓*
Provision for bad debts adjustment 7 030 – 6 110		920	✓✓*
Gross operating profit Operation 10		7 886 200	✓
Operating expenses Operation		(6 286 200)	✓*
Salaries and wages		1 468 120	
Depreciation 31 281 ✓ + 88 749 ✓ see 1.1.1 (ii)		120 030	✓*
Trading stock deficit see 1.2		72 900	✓
Directors' fees 3 330 000 ✓ + 180 000 ✓✓ 3 330 000 x 2/37 or x 39/37 or 90 000 x 39 Alternative: 3 330 000 + 135 918 (OR x 51/49) = 3 465 918		3 510 000	✓*
Audit fees 91 000 ✓ + 39 000 ✓✓ OR 91 000 / 0,7 OR x100/70 91 000 + (91 000 x 30/70)		130 000	✓*
Repairs 476 000 + 9 000 if final figure is 476 000 OR 9 000 one mark		485 000	✓✓*
Bad debts 19 200 + 800 if final figure is 19 200 OR 800 one mark		20 000	✓✓*
Advertising 25 680 ✓ + 2 400 ✓ – 240 ✓ (2 400 x8) + (2 160 x4)		27 840	✓*
Sundry expenses		452 310	
Operating profit accept negative depending on figures in this column 22		1 600 000	✓
Interest income		25 000	✓
Profit before interest expense Operation		1 625 000	✓
Interest expense Profit before interest expense – NPbT Accept a positive balancing figure		(75 000)	✓
Net profit before tax 1 054 000 + Income tax 1 054 000 x 100 / 68 two marks		1 550 000	✓
Income tax for the year 1 054 000 x 32/68 If balancing figure, award one mark		(496 000)	✓✓
Net profit after tax 6		1 054 000	

43

-1 foreign items i.e. B/S items (max -2); for misplaced items, award marks for workings only (not the final answer)

TOTAL MARKS

60

