



ACCOUNTING PAPER MEMORANDUM

QUESTION 1

1.1 BANK RECONCILIATION

1.1.1	<p>Any TWO points</p> <p>Possible answers:</p> <ul style="list-style-type: none"> • For internal control purposes • To identify the correct bank balance/update records • Deposits made and cheques issued not only affect the business but also the bank concerned • The business keeps a record of all cash transactions • The bank also keeps a record of its transactions with the business • The books of the business and that of the bank should agree and the bank balance should be the same in both books • Comparisons between the books of the business and that of the bank must be made on a monthly basis by preparing a Bank Reconciliation Statement • Errors and dishonesty can be detected on a monthly basis. 	(2)
1.1.2	<p>Cheque no. 421 for R3 500 is stale (older than six months).</p> <p>The correct course of action.</p> <p>It must be cancelled in the cash receipts journal (CRJ).</p>	(2) (2)
1.1.3	<p>$R32\ 650 - R18\ 650 + R4\ 900 = R18\ 900$</p>	

QUESTION 2

<p>2.1</p>	<p>Any TWO valid and separate points Note any alternative words with the same meaning (repetition). Note two separate points in the same sentence.</p> <ul style="list-style-type: none"> • There are several major rugby events each year – Super 14, Currie Cup, Tri-Nations as well as all the local and overseas tours. Since the business carries stock of all these events, it's a good opportunity to make a profit, provided it is managed properly • Consider the financial implications for the business, also with regard to future prospects, such as the Rugby World Cup in 2012 • Cost implications of retrenching personnel • Property prices are low and it is the right time to invest /property prices are expected to rise in the near future • Property can be rented out during the Soccer World Cup this year, and can also ensure a steady income in future • Will the owner get a reasonable price for his business in these economic times? 	<p>(4)</p>
<p>2.2</p>	$1\ 200 + 3\ 400 - 3\ 500 - 900 = 200$	<p>(5)</p>
<p>2.3</p>	$(144\ 000 + 502\ 000 + 30\ 200) / 4\ 600 \times 900 = R132\ 000$ $(100 \times R300) + (150 \times R255) = R68\ 250$ $R30\ 000 + R38\ 250$	<p>(6)</p> <p>(5)</p>
<p>2.4</p>	<ul style="list-style-type: none"> • Cost of sales $166\ 400 + 602\ 000 - 68\ 250 = 700\ 150$ <p style="text-align: center;">*</p> <p>* See Question 2.3.</p> <p>OR</p> $R166\ 400 + [R80\ 000 + R135\ 000 + R318\ 750] = R700\ 150$ $(520 \times R320) + [(400 \times R200) + (600 \times R225) + (1\ 250 \times R250)] = R700\ 150$ <p>Other variations are possible.</p> • Mark-up % on cost $\frac{(1\ 108\ 000 - 700\ 150) \times 100}{700\ 150} = 58,3\%$ <p style="text-align: center;">*</p> <p>* See previous answer.</p> <p>OR</p> $\frac{407\ 850}{700\ 150} \times 100 = 58,3\% \text{ (accept 58,2\% or 58,25\%)}$ 	<p>(4)</p> <p>(5)</p>

	<ul style="list-style-type: none"> • Stock turnover rate $\frac{700\ 150}{(68\ 250 + 166\ 400) / 2}$ $= \frac{700\ 150}{117\ 325}$ $= 5,97 \text{ times}$ <p>Accept 6 times</p>	(5)
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2.5	<p>Excellent advice = 2 marks; good advice = 1 mark; wrong advice = 0 marks Relevant financial indicators/figure = 1 mark each Any TWO valid and separate points: Point 1: advice indicator Point 2: advice indicator Note any alternative words with the same meaning (repetition). Note two separate points in the same sentence. Two marks for advice and 1 mark for indicator:</p> <ul style="list-style-type: none"> • Implement stricter controls over the rugby balls – 200 balls were stolen • Advertise to increase the demand for rugby balls and also to increase the stock turnover rate (3,9 times) compared to jerseys (6 times) • Only sell jerseys, because the profit margin is larger ((58,25% compared to 48,5%) and the stock turnover rate is better (6 times compared to 3,9 times) • The business carries a lot of stock, especially rugby balls – 900 in stock at the end of the year • The rugby balls need to be sold faster – the stock turnover rate is 3,9 times per year • Consider getting another supplier, or to import the balls, because the cost price has increased by 50% from R120 to R180 (or by 22,5% from R120 to R147) • Consider changing the % mark-up (increase/decrease) on rugby balls from 58,3%, so that you can increase your chances of sales – during Super 14 or Tri-Nations, or even the winter season, customers may be willing to pay a higher price • Consider using another delivery service, so as to reduce carriage of R8,88 per ball (R30 200/3 400 balls). <p>One mark for advice and one mark for indicator:</p> <ul style="list-style-type: none"> • Advertise to increase the sale of the rugby balls R1 200 000 • The sales price of R320 needs to change if the costs increase (this is only worth one mark) • Consider importing the rugby balls if they are of better quality (no mark for a financial indicator in this instance). 	(6)
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TOTAL: 40

QUESTION 3

BAYETE BAGS

PRODUCTION COST STATEMENT FOR THE YEAR ENDED 28 FEBRUARY 2010

	Note	
DIRECT COSTS		764 500
Direct material costs	1	430 000
Direct labour costs	2	334 500
FACTORY OVERHEAD COSTS	3	274 720
Total manufacturing costs		1 039 220
Add: Work-in-progress at beginning of year		15 280
		1 054 500
Less: Work-in-progress at end of year		(37 000)
Cost of production of finished goods		1 017 500

[9]

NOTE 1 DIRECT MATERIALS COST

Opening stock	20 000
Purchases	400 000
Carriage on purchases	50 000
	470 000
Less: Closing stock	40 000
Direct materials cost	430 000

[9]

NOTE 2 DIRECT LABOUR COST

Factory wages	300 000
Pension fund contributions (300 000 × 10,5%)	31 500
UIF contributions (300 000 × 1%)	3 000
Direct labour cost	334 500

[7]

NOTE 3 FACTORY OVERHEAD COST

Indirect materials (30 000 – 1 200)	31 200
Indirect labour (12 000 + 120)	12 120
Depreciation: factory equipment (35 000 + 7 500)	42 500
Maintenance: factory equipment (65 000 + 1 500)	66 500
Rent of factory buildings (78 000 × 80%)	62 400
Factory insurance, electricity and water (75 000 × 80%)	60 000
Factory overhead cost	274 720

[13]

3.2.1	<ul style="list-style-type: none"> • Fixed costs: Fixed costs are those costs that do not change with the number of units produced e.g. factory rent or salaries. (2) • Variable costs Variable costs are those that change in relation to the number of units produced e.g. direct materials (2) 	
3.2.2	<ul style="list-style-type: none"> • Direct material cost per unit 620 000/4 000 = R155 (2) 	

	<ul style="list-style-type: none"> • Factory overhead cost per unit 568 000 / 4 000 = R142 • Total variable cost per unit (1 604 000 / 4 000) + 98 = 401 + 98 = R499 	(2)																																																																		
		(3)																																																																		
3.2.3	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%;">Sales</td> <td style="width: 10%; text-align: center;">–</td> <td style="width: 10%;">Cost</td> <td style="width: 10%;"></td> <td style="width: 10%;"></td> <td style="width: 10%;">= Profit</td> </tr> <tr> <td>815</td> <td style="text-align: center;">–</td> <td>[155 + 246 + 98]</td> <td></td> <td></td> <td>= [860 000 + 568 000]</td> </tr> <tr> <td>815</td> <td style="text-align: center;">–</td> <td>499</td> <td></td> <td></td> <td>= 1 428 000</td> </tr> <tr> <td></td> <td></td> <td></td> <td style="text-align: right;">316</td> <td></td> <td>= 1 428 000</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td>1 428 000 / 316 = 4 518,98 boots</td> </tr> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> <td style="text-align: right;">= 4 519 boots</td> </tr> <tr> <td colspan="6"> </td> </tr> <tr> <td>Or</td> <td>SP</td> <td style="text-align: center;">–</td> <td>VC</td> <td style="text-align: center;">=</td> <td>MP</td> </tr> <tr> <td></td> <td>815</td> <td style="text-align: center;">–</td> <td>499</td> <td style="text-align: center;">=</td> <td>16</td> </tr> <tr> <td></td> <td colspan="2" style="text-align: center;"><u>860 000 + 568 000</u></td> <td></td> <td style="text-align: center;">=</td> <td></td> </tr> <tr> <td></td> <td colspan="2" style="text-align: center;">316</td> <td></td> <td style="text-align: center;">=</td> <td>4 519 boots</td> </tr> </table>	Sales	–	Cost			= Profit	815	–	[155 + 246 + 98]			= [860 000 + 568 000]	815	–	499			= 1 428 000				316		= 1 428 000						1 428 000 / 316 = 4 518,98 boots						= 4 519 boots							Or	SP	–	VC	=	MP		815	–	499	=	16		<u>860 000 + 568 000</u>			=			316			=	4 519 boots	(9)
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3.2.4	<ul style="list-style-type: none"> • The costs that need to be better controlled Valid point mentioned Appropriate figures quoted The administration costs need to be controlled better. This has increased from R160 per unit in 2009 to R215 per unit in 2010. • Whether or not the price of the boots should be increased Valid point mentioned Appropriate figures quoted No, the price of boots cannot be increased. Similar pairs of boots cost R790, which is less than our current selling price of R815. In order to make a profit, the business needs to sell more boots; this may prove difficult if the price is increased. • Whether the business will be in a position to meet the break-even point the next year Valid point mentioned Appropriate figures quoted Based on the given information, the business will not be able to meet break-even point. They have produced 4 000 pairs of boots, whereas the calculation in 3.2.3 determined that the business needs to produce 4 519 pairs of boots in order to break even. This is 519 units short, which means that the business needs to increase production and sales by 13%. 	(4)
		(4)
		(4)

TOTAL: 70

QUESTION 4

4.1 LULAMA LIMITED

4.1.1	$22\ 000 - 5\ 500 - 1\ 650 - 800 = R14\ 050$ OR $22\ 000 - (5\ 500 + 1\ 650) - 800 = R14\ 050$ OR <table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 60%;">Cost price</td> <td style="text-align: right;">22 000</td> </tr> <tr> <td>Accumulated depreciation (5 500 + 1 650)</td> <td style="text-align: right;"><u>(7 150)</u></td> </tr> <tr> <td>Net Book Value</td> <td style="text-align: right;">14 850</td> </tr> <tr> <td>Sales/Bank</td> <td style="text-align: right;"><u>800</u></td> </tr> <tr> <td>Loss on sale of asset</td> <td style="text-align: right;"><u>14 050</u></td> </tr> </table>	Cost price	22 000	Accumulated depreciation (5 500 + 1 650)	<u>(7 150)</u>	Net Book Value	14 850	Sales/Bank	<u>800</u>	Loss on sale of asset	<u>14 050</u>											
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		(8)																				

4.1.2 LULAMA LIMITED

INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2010

Marks	Sales (3 125 000 – 6 200 – 9 600)	3 109 200
	Cost of sales (1 525 600 – 6 400)	(1 519 200)
8	Gross profit	1 590 000
	Other operating income	203 298
	Fee income (121 500 – 750)	120 750
	Rent income (72 800 – 10 400)	62 400
	Bad debt recovered	648
12	Trading stock surplus (492 100 – [479 000 + 6 400])	19 500
	Gross operating income	1 793 298
	Operating expenses	(1 394 010)
	Salaries and wages	252 000
	Discount allowed	1 100
	Insurance	9 000
	Sundry expenses (35 520 – 5 400)	30 120
	Directors' fees (390 000 + 390 000 + 195 000)	975 000
	Audit fees	45 600
	Consumable stores	12 500
	Provision for bad debts	390
	Depreciation (1 650 + 16 800 + 35 800)	54 250
22	Loss on sale of assets	14 050
	Operating profit	399 288
	Interest income	1 800

	Profit before interest / finance charges	401 088
	Interest paid / finance charges	(18 000)
	Profit before tax	383 088
	Income tax	(114 920)
5	Net profit after tax	268 168

Irregular items: deduct 1 mark (max 2 marks deducted)

(47)

4.2.1	<p>Any valid reason, e.g. May allocate partial marks for partial, unclear or incomplete answers.</p> <ul style="list-style-type: none"> • So that people reading the financial statements can trust his opinion • Assuring that he/she is properly trained on a continuous basis • Disciplinary action where there is negligence in the course of carrying out duties • Awareness of the latest trends e.g. IFRS, Companies Act, King Code • Ethical behaviour (integrity, adheres to an ethical code of conduct) • Setting the goal posts high to ensure quality of workmanship. 	(2)
4.2.2	<p>Any valid reason e.g. May allocate partial marks for partial, unclear or incomplete answers.</p> <ul style="list-style-type: none"> • The auditor is voicing an opinion; he does not prepare the financial statements. • If the auditor had been involved in any way in the preparation of the financial statements, he would not have been able to voice an opinion (conflict of interest). • The auditor operates control on a test basis only. The directors are responsible for the figures. • The directors work in the company on a daily basis – they have to be held accountable for any mistakes or fraud. • Directors may not delegate their responsibility in drawing up the financial statements. 	(2)

4.2.3	<p>(a) Any valid proof of entries in the books, or values in the financial statements with regard to cash, fixed assets, loans, inventory e.g. bank statements, stock control sheets, invoices (source document and supporting documents), fixed assets register, etc.</p> <p>(b)</p> <table border="1"> <thead> <tr> <th>One principle e.g.</th> <th>Explanation or reason e.g.</th> </tr> </thead> <tbody> <tr> <td>Stock valuation method</td> <td>Can lead to differences in profits</td> </tr> <tr> <td>Valuation of fixed assets (historical costs and depreciation)</td> <td>Can lead to differences in profits or NBV</td> </tr> <tr> <td>Principle of periodicity</td> <td>To ensure that income and expenses are reflected in the correct periods</td> </tr> <tr> <td>Principle of prudence</td> <td>Results should be reported in a conservative manner</td> </tr> <tr> <td>Principle of going concern</td> <td>Affects the valuation of assets</td> </tr> </tbody> </table> <p>Any other valid principles or reasons are acceptable.</p>	One principle e.g.	Explanation or reason e.g.	Stock valuation method	Can lead to differences in profits	Valuation of fixed assets (historical costs and depreciation)	Can lead to differences in profits or NBV	Principle of periodicity	To ensure that income and expenses are reflected in the correct periods	Principle of prudence	Results should be reported in a conservative manner	Principle of going concern	Affects the valuation of assets	(2)
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	Accept transparency, even if it is a King Code principle.	(3)
4.2.4	<p>Any valid answer May allocate partial marks for partial, unclear or incomplete answers. Possible answers:</p> <ul style="list-style-type: none"> • The auditors voice their satisfaction with all aspects of the financial reporting of the company • It is a standard report – one cannot expect more (prudence) • No negative comments are reported – if the auditor is unhappy about any aspect, he will not mention it here • Agrees with IFRS and the Companies Act • The auditors have not stated that the report is qualified or withheld. 	(2)
4.2.5	<p>(a) Any valid reason May allocate partial marks for partial, unclear or incomplete answers.</p> <ul style="list-style-type: none"> • Allen benefits from a very low price for an asset that is worth a lot more, so the company (and therefore the shareholders) are prejudiced as a result of this transaction (the sale of the asset resulted in a huge loss) • It creates a bad precedent for the company (misuse of his position as a director); other employees may feel that they are entitled to similar benefits. • The directors are not the owners of the company; the shareholders are the actual owners • There are also tax implications – the director should pay tax on this benefit • The transaction is not transparent – no discussion or declaration was made prior to the sale • The asset could still have been used in the company; the director had no right to take ownership of it. <p>(b) Any valid reason May allocate partial marks for partial, unclear or incomplete answers.</p> <ul style="list-style-type: none"> • The computer is already more than 3 years old, and computers have a relatively short lifespan • The computer is obsolete, and cannot be upgraded • The depreciation at 10% on cost price is unrealistic for computers, and should therefore have a lower NBV. <p>NB: Don't assume that the directors are the owners.</p>	(2)

TOTAL: 70

QUESTION 5

5.1	<table border="1"> <thead> <tr> <th>Column 1</th> <th>Column 2</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>C</td> </tr> <tr> <td>2</td> <td>E</td> </tr> <tr> <td>3</td> <td>D</td> </tr> <tr> <td>4</td> <td>A</td> </tr> <tr> <td>5</td> <td>B</td> </tr> </tbody> </table>	Column 1	Column 2	1	C	2	E	3	D	4	A	5	B	(4)
Column 1	Column 2													
1	C													
2	E													
3	D													
4	A													
5	B													
5.2	<ul style="list-style-type: none"> • Acid-test ratio $R248\ 500 - R99\ 500 = R149\ 000$ $R149\ 000 : R60\ 500 = 2,46 : 1$ or $2,5 : 1$ • Stock turnover rate $R99\ 500 + R62\ 500/2 = R81\ 000$ $R976\ 000/R81\ 000 = 12$ times p.a. • Debt/Equity ratio $R150\ 000 : R1\ 657\ 040 = 0,09 : 1$ or $0,1 : 1$ • Net asset value per share $R1\ 525\ 000/2 = 762\ 500$ shares $R1\ 657\ 040/762\ 500 \times 100$ cents = 217,3 cents • Earnings per share $R525\ 000/762\ 500 = 68,9$ cents 	(18)												
5.3	<p>General comment Good = 2 Satisfactory = 1 No/invalid comment 0</p> <p>The liquidity is generally satisfactory although some of the indicators may be considered to be too high, e.g. current ratio should be lower; creditors should be paid in a shorter period.</p> <p>Any THREE valid indicators named</p> <p>Ratios/percentages quoted for each</p> <p>Current ratio 2,1 : 1 — 4,1 : 1</p> <p>Acid-test ratio 1,3 : 1 — 2,46 : 1</p> <p>Stock turnover rate 8 times p.a. — 12 times p.a.</p> <p>Debtors' collection period 30 — 30 days</p> <p>Creditors' payment period 60 — 90 days</p>	(8)												
5.4	<p>Any THREE valid indicators named</p> <p>Ratios/percentages quoted for each</p> <p>Improvement in % return: 25% — 33,3%</p> <p>Improvement in EPS: 55,2c — 68,9c</p> <p>Increase in DPS: 10c — 20c</p>	(6)												

<p>5.5</p>	<p>Responses may be expressed differently Any valid explanation Explanation Good = 2 Satisfactory = 1 No/invalid explanation = 0</p> <ul style="list-style-type: none"> • The market value is the price at which shares are currently being sold • When the market price is higher than the par value, it is an indication to the shareholders that the company is doing well <p>Authorised shares = 1 000 000 Issued shares = 1 525 000 / 2 = 762 500 Available shares = 1 000 000 – 762 500 = 237 500 Capital to be raised by the issue of unissued shares = 237 500 × R2 = R475 000</p>	<p>(2)</p> <p>(4)</p>
<p>5.6</p>	<p>Any TWO valid indicators named Ratios/percentages quoted for each Return on capital employed for 2009 = 44,3%</p> <ul style="list-style-type: none"> • Current interest rate = 13% • Debt : equity ratio decreased from 0,1 : 1 to 0,09 : 1 	<p>(4)</p>
<p>5.7</p>	<p>Any valid comment</p> <ul style="list-style-type: none"> • There must be transparency regarding what the directors earn • Shareholders have a right to know what directors earn. 	<p>(3)</p>
<p>5.8</p>	<p>Any TWO valid explanations Excellent = 3 Good = 2 Weak = 1 No/invalid explanation = 0</p> <ul style="list-style-type: none"> • A delay would cause shareholders to become suspicious • Shareholders would not vote for these directors next year • New shareholders will avoid the company and share prices could drop • The directors would be guilty of a criminal offence. In terms of the Company's Act they have to produce financial statements within three months • It will affect the ability to raise capital/loans in future, as investors will be suspicious. 	<p>(6)</p>

TOTAL: 55

QUESTION 6

6.1 DEBTORS' COLLECTION SCHEDULE FOR CAPE OF STORMS IRRIGATION FOR THE PERIOD ENDING MARCH 2010.

DEBTORS' COLLECTION				
Month	Credit sales R	January 2010 R	February 2010 R	March 2010 R
November 2009	360 000	64 800		
December 2009	540 000	270 000	97 200	
January 2010	450 000	129 600	225 000	81 000
February 2010	420 000		120 960	210 000
March 2010	420 000			120 960
TOTALS		464 400	443 160	411 960

(13)

<p>6.2</p>	<p>Any two separate valid points in each instance. One mark each, figures do not need to be cited. Expected answers include:</p> <ul style="list-style-type: none"> • Advertising Candidates should compare advertising with sales. <ul style="list-style-type: none"> • It has led to an increase in sales of R72 000 • Sales have only increased by 12% • Sales increase by R72 000 (Credit sales are up by R152 000, cash sales down by R80 000). One other point <ul style="list-style-type: none"> • Overspending/underbudgeting by R10 000 (investigate reason) • Overspending by 66%/underbudgeting by 66% (investigate reason) • They used another advertising strategy, e.g. on television instead of in the press. • Repairs and maintenance Any two valid comments: <ul style="list-style-type: none"> • Underspent/overbudgeted by R12 700 • Should consider if this is wise – fixed assets should not be neglected because they generate income for the business, and neglecting repairs will lead to increased expenses in the future • Repairs and maintenance of the equipment were well controlled and utilised, so costs were below budget. • Delivery expenses Candidates should compare delivery expenses with sales. <ul style="list-style-type: none"> • Does not tie up to sales, which increased by 12%, while the delivery expenses increased by 110% • Overspending of R22 000 led to an increase in sales of R72 000. One other point <ul style="list-style-type: none"> • Overspent or underbudgeted by R22 000. They have spent more than double the budgeted amount. • Investigate possible misuse/lack of adequate controls/weak strategies (e.g. outsourcing may be too expensive) • Poor maintenance of vehicles has led to high fuel costs. 	<p>(2)</p> <p>(2)</p>
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			(2)									
6.3	Any valid explanations with regard to the number of customers, based on information of the question, e.g.: Explain problem quote figures advice (may award partial marks)	<table border="1"> <thead> <tr> <th></th> <th>(a) Explain problem, quote figures</th> <th>(b) Advice</th> </tr> </thead> <tbody> <tr> <td>1.</td> <td>Credit sales were R152 000 more than expected, while cash sales were R80 000 less than expected. (This creates a cash flow problem.)</td> <td>Offer more attractive discounts to customers who are buying for cash.</td> </tr> <tr> <td>2.</td> <td>Debtors' collections were R225 812 less than budgeted. It is anticipated that bad debts will increase (2%) or that there will be additional administration costs.</td> <td>Assess debtors more carefully to assess their creditworthiness. OR Apply stricter credit terms before debtors may open accounts. OR Follow up on each debtor by sending statements, phoning for money or raising interest. OR Debtors should be encouraged to pay sooner – offer a settlement discount or raise interest on arrear amounts.</td> </tr> </tbody> </table>		(a) Explain problem, quote figures	(b) Advice	1.	Credit sales were R152 000 more than expected, while cash sales were R80 000 less than expected. (This creates a cash flow problem.)	Offer more attractive discounts to customers who are buying for cash.	2.	Debtors' collections were R225 812 less than budgeted. It is anticipated that bad debts will increase (2%) or that there will be additional administration costs.	Assess debtors more carefully to assess their creditworthiness. OR Apply stricter credit terms before debtors may open accounts. OR Follow up on each debtor by sending statements, phoning for money or raising interest. OR Debtors should be encouraged to pay sooner – offer a settlement discount or raise interest on arrear amounts.	(8)
	(a) Explain problem, quote figures	(b) Advice										
1.	Credit sales were R152 000 more than expected, while cash sales were R80 000 less than expected. (This creates a cash flow problem.)	Offer more attractive discounts to customers who are buying for cash.										
2.	Debtors' collections were R225 812 less than budgeted. It is anticipated that bad debts will increase (2%) or that there will be additional administration costs.	Assess debtors more carefully to assess their creditworthiness. OR Apply stricter credit terms before debtors may open accounts. OR Follow up on each debtor by sending statements, phoning for money or raising interest. OR Debtors should be encouraged to pay sooner – offer a settlement discount or raise interest on arrear amounts.										

6.4	<p>Unfavourable Reason:</p> <ul style="list-style-type: none"> • Debtors' collections are weak • Cash sales are way below the budgeted amount • Cash purchases on trading stock have increased • Cash purchases are more than cash sales and cash received from debtors. <p>Also accept:</p> <ul style="list-style-type: none"> • On average, the variances from the figures are negative • Delivery expenses • Advertising, 		(3)
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TOTAL: 30
TOTAL: 300