Topic 5

# Cash transactions

## Question 1

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|---|
| The more efficient way to process the financial data of a business and reduce the number of entries in the general ledger is to use subsidiary journals. |
| Subsidiary journals are created for each major group of transactions typically entered by an entity, for example cash receipt, cash payments. |
| It speeds up the accounting process. |

## Question 2

| Document | Purpose of the documents |
|---|---|
| Receipt | Proof of payment of money received |
| Cash sales invoices or cash register rolls | Cash sales or services rendered for cash. |
| Bank statement | Direct deposits or electronic transfers into the bank account of the entity |
| Bank statement | Debit card and credit card sales in the bank account of the business |

## Question 3

| |
|---|
| 3.1 Cash received |
| Electronic fund transfer (EFT) by the client to pay for the sales. |
| Debit card payments when the money is transferred from the bank account of the client to the bank account of the business. |
| Credit card transactions because the client owes the money to the bank. The bank will transfer the money for the credit card transaction on the same day to the business. |
| 3.2 Cash received for sales. |
| Cash received from debtors, cash for rent income. |
| All the cash received are put in the cash till and the total amount received for the day are deposited at the end of the day and the amount transferred to the bank column. |
| 3.3 To record the cash received during the day because it must correspond with the amount deposited |
| 3.4 Electronic fund transfers (EFT) paid, by a client for sales. |
| Debit card transactions because the money is transferred immediately from the bank account of the client to the bank account of the business. |
| Credit card transactions because the client owes the money to the bank. The bank will pay the money on the same day in the bank account of the business. |
| Direct deposits by a client in the bank account of the business. |
| 3.5 The money was not received in cash and deposited with the other cash at the end of the day. |
| 3.6 Cash, EFT, direct deposit, debit card, credit card. |

## Question 4

| |
|---|
| 4.1 Entries that don't take place regularly and don't have their own column are recorded in the sundry account's column. |

| |
|---|
| 4.2 All the columns in the cash journals are totalled and the totals of these columns are posted to the different ledger accounts on the last day of the month.<br>4.3 The amounts in the sundry account column are posted individually to the ledger accounts concerned on the date the transaction occurred. |
| 4.4 Services rendered |

## Question 5

**Pretoria Hairdresser**
**Cash receipts journal – May 2024** **CRJ**

| Doc. | Day | Details | Analysis of receipts | Bank | Services rendered | Sundry accounts | | |
|---|---|---|---|---|---|---|---|---|
| | | | | | | Amount | Fol. | Details |
| 01 | 1 | P Block | 40 000 | 40 000 | | 40 000 | B1 | Capital |
| CRR | 9 | Services rendered | 14 200 | | 14 200 | | | |
| 02 | | P Block | 20 000 | 34 200 | | 20 000 | B1 | Capital |
| CRR | 27 | Services rendered | | 18 600 | 18 600 | 18 600 | | |
| | | | | 92 800 | 32 800 | 60 000 | | |
| | | | | B2 | N1 | | | |

5.1 Post the transactions to the ledger accounts of Pretoria Hairdresser.

**Pretoria Hairdresser**
**General ledger**

| Dr | | | Capital | | | B1 | Cr |
|---|---|---|---|---|---|---|---|
| | | | | May 1 | Bank | CRJ | 40 000 |
| | | | | 9 | Bank | CRJ | 20 000 |
| | | | **Bank** | | | **B2** | |
| May 31 | Total receipts | CRJ | 92 800 | | | | |
| | | | **Current income** | | | **N1** | |
| | | | | May 31 | Bank | CRJ | 32 800 |

## Question 6

**Michael Plumbers**
**Cash receipts journal – June 2024** **CRJ**

| Doc. | Day | Details | Analysis receipts | Bank | Services rendered | Sundry accounts | | |
|---|---|---|---|---|---|---|---|---|
| | | | | | | Amount | Fol. | Details |
| BS | 1 | M Faasen | - | 50 000 | | 50 000 | B1 | Capital |
| BS | | Services rendered | - | 2 800 | 2 800 | | | |
| CRR | 18 | Services rendered | 18 600 | 18 600 | 18 600 | | | |
| BS | | Services rendered | | 4 100 | 4 100 | | | |
| CRR | 24 | Services rendered | | 3 600 | 3 600 | | | |
| 20 | | E Els | | 1 230 | | 1 230 | N2 | Commission received |
| CRR | 30 | Services rendered | 1 500 | | 1 500 | | | |
| 21 | | Piet Services | 800 | 2 300 | | 800 | N3 | Rent income |
| | | | | 82 630 | 30 600 | 52 030 | | |
| | | | | B2 | N1 | | | |
| | | | | Debit | Credit | Credit | | |

| | | | |
|---|---|---|---|
| June 30 | Debit bank | Asset increases with amount received | R82 630 |
| 1 | Credit capital | Equity increase on the credit side | R50 000 |
| 24 | Credit commission received | Income increase on the credit side | R1 230 |
| 30 | Credit rent income | Income increase on the credit side | R800 |
| 30 | Credit services rendered | Income increase on the credit side | R30 600 |

**Michael Plumbers**
**General ledger**
**Balance sheet accounts section**

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | **Capital** | | | | **B1** | |
| | | | | | Jun | 1 | Bank | CRJ | 50 000 |
| | | | | **Bank** | | | | **B2** | |
| Jun | 1 | Total receipts | CRJ | 82 630 | | | | | |
| **Nominal accounts section** | | | | | | | | | |
| | | | | **Services rendered** | | | | **N1** | |
| | | | | | Jun | 30 | Bank | CRJ | 30 600 |
| | | | | **Commission income** | | | | **N2** | |
| | | | | | Jun | 20 | Bank | CRJ | 1 230 |
| | | | | **Rent income** | | | | **N2** | |
| | | | | | Jun | 30 | Bank | CRJ | 800 |

## Question 7

| | |
|---|---|
| 7.1 Withdrawal of cash at the bank. | |
| Supplier was paid by a debit card of the business. | |
| EFT payment by the business to the supplier. | |
| 7.2 Payment of expenses | Purchase of assets |
| Investment in a fixed deposit | Expenses paid |
| Salaries | Payment on loan |
| **7.3 Cash receipts journal** | **Cash payments journal** |
| **Money received** | **Money paid** |
| 7.4 Credit card sales are recorded as cash sales because the bank pays the money on the same day in the bank account of the business. The clien owes the money to the bank and will pay the bank later. | |
| Credit card purchases are not recorded as cash purchases, because the money is not paid immediately and thus not recorded in the CPJ. The business owes the money to the bank and will pay the bank later. The goods were not purchased for cash. | |

## Question 8

**Pretoria Hairdresser**
**Cash payments journal – May 2024** **CPJ**

| **Doc** | **Day** | **Details** | **Fol** | **Bank** | **Hair-products** | **Wages** | **Sundry accounts** | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | **Amount** | **Fol** | **Details** |
| BS | 2 | Rent Collections | | 2 800 | | | 2 800 | N2 | Rent expense |
| BS | 4 | Pret Suppliers | | 22 600 | | | 22 600 | B4 | Equipment |
| BS | 7 | Florient Stores | | 8 300 | 8 300 | | | | |
| BS | 11 | Cash | | 2 500 | | 1 200 | 1 300 | B2 | Drawings |
| BS | 17 | Florient Stores | | 9 400 | 9 400 | | | | |
| BS | 18 | TELCOM | | 240 | | | 240 | N3 | Telephone |
| BS | 20 | Rekord | | 130 | | | 130 | N4 | Advertising |
| BS | 28 | Cash | | 21 100 | | 20 500 | 600 | N7 | Electricity |
| | | | | 67 070 | 17 700 | 21 700 | 27 670 | | |
| | | | | B3 | N5 | N6 | | | |

**Pretoria Hairdresser**
**General ledger**
**Balance sheet accounts section**

| **Dr** | | | | **Drawings** | | **B1** | **Cr** |
|---|---|---|---|---|---|---|---|
| May 11 | Bank | CPJ | 1 300 | | | | |
| | | | | **Bank** | | **B2** | |
| | | | | May 31 | Total payments | CPJ | 67 070 |
| | | | | **Equipment** | | **B3** | |
| May 4 | Bank | CPJ | 22 600 | | | | |
| **Nominal accounts section** | | | | | | | |
| | | | | **Rent expense** | | **N2** | |
| May 2 | Bank | CPJ | 2 800 | | | | |
| | | | | **Telephone** | | **N3** | |
| May 18 | Bank | CPJ | 240 | | | | |
| | | | | **Advertising** | | **N4** | |
| May 20 | Bank | CPJ | 130 | | | | |
| | | | | **Hair products** | | **N5** | |
| May 31 | Bank | CPJ | 17 700 | | | | |
| | | | | **Wages** | | **N6** | |
| May 31 | Bank | CPJ | 21 700 | | | | |
| | | | | **Electricity** | | **N7** | |
| May 31 | Bank | CPJ | 600 | | | | |

## Question 9

**Letaba Hair**
**Cash payments journal – May 2024** **CPJ**

| **Doc** | **Day** | **Details** | **Fol** | **Bank** | **Hair-products** | **Wages** | **Sundry accounts Amount** | **Fol** | **Details** |
|---|---|---|---|---|---|---|---|---|---|
| B/S | 1 | Quality Equipment | | 3 600 | | | 3 600 | B3 | Equipment |
| B/S | 4 | cash | | 10 400 | | 9 600 | 800 | N5 | Electricity |
| B/S | 6 | Pret Suppliers | | 22 600 | 22 600 | | | | |
| B/S | 9 | Florient Stores | | 8 300 | 8 300 | | | | |
| B/S | 11 | Record | | 130 | | | 130 | N7 | Advertising |
| B/S | 15 | Cash | | 11 600 | | 9 600 | 2 000 | B1 | Drawings |
| B/S | 19 | Pretor | | 3 400 | | | 3 400 | N3 | Rent expense |
| B/S | 21 | TELCOM | | 240 | | | 240 | N4 | Telephone |
| B/S | 26 | Kontant | | 9 800 | | 9 600 | 200 | N6 | Stationery |
| B/S | 28 | Cash | | 1 900 | | | 1 900 | B3 | Equipment |
| | | | | 71 970 | 30 900 | 28 800 | 12 270 | | |
| | | | | B2 | N1 | N4 | | | |

9.2 Post the transactions to the accounts in the general ledger of Letaba Hair.

**Letaba Hair**
**General ledger**
**Balance sheet accounts section**

| **Dr** | | | | **Drawings** | | **B1** | **Cr** |
|---|---|---|---|---|---|---|---|
| May 15 | Bank | CPJ | 2 000 | | | | |
| | | | | **Bank** | | **B2** | |
| | | | | May 31 | Total payments | CPJ | 71 970 |
| | | | | **Equipment** | | **B3** | |
| May 1 | Bank | CPJ | 3 600 | | | | |
| 28 | Bank | CPJ | 1 900 | | | | |

| Nominal accounts section | | | | | | | |
|---|---|---|---|---|---|---|---|
| | | | Hair products | | | N1 | |
| May 31 | Bank | CPJ | 30 900 | | | | |
| | | | Wages | | | N2 | |
| May 31 | Bank | CPJ | 28 800 | | | | |
| | | | Rent expense | | | N3 | |
| May 19 | Bank | CPJ | 3 400 | | | | |
| | | | Telephone | | | N4 | |
| May 21 | Bank | CPJ | 240 | | | | |
| | | | Electricity | | | N5 | |
| May 4 | Bank | CPJ | 800 | | | | |
| | | | Stationery | | | N6 | |
| May 26 | Bank | CPJ | 200 | | | | |
| | | | Advertising | | | N7 | |
| May 11 | Bank | CPJ | 130 | | | | |

## Question 10

**Brown Plumbers**
**Cash receipts journal – September 2024** **CRJ**

| Doc no. | Day | Details | Fol. | Analysis of receipts | Bank | Services rendered | Sundry accounts | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | Amount | Fol. | Details |
| 01 | 1 | J Brown | | - | 80 000 | | 80 000 | B1 | Capital |
| CRR | 21 | Services rendered | | 1080 | 1 080 | 1 080 | | | |
| CRR | 30 | Services rendered | | 13 500 | | 13 500 | | | |
| 02 | | J Brown | | 60 | 13 560 | | 60 | N4 | Rent income |
| | | | | | 94 640 | 14 580 | 80 060 | | |
| | | | | | B4 | N1 | | | |
| | | | | | Debit | Credit | Credit | | |

| | | | |
|---|---|---|---|
| Sept 30 | Debit bank | Assets increase with the amount received | R94 640 |
| 1 | Credit capital | Equity increases on the credit side | 80 000 |
| 30 | Credit rent income | Income increases on the credit side | 60 |
| 30 | Credit services rendered | Income increases on the credit side | 14 580 |

**Brown Plumbers**
**Cash payments journal – September 2024** **CPJ**

| Doc | Day | Name of payee | Fol. | Bank | Plumbing parts | Wages | Stationery | Sundry accounts | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | Amount | Fol. | Details |
| 001 | 2 | Quality | | 13 500 | 13 500 | | | | | |
| 002 | 3 | City Council | | 120 | | | | 120 | N3 | Electricity |
| 003 | 4 | Olympic Stores | | 1 350 | | | 270 | 1 080 | B3 | Equipment |
| 004 | 15 | Cash | | 580 | | 280 | | 300 | B2 | Drawings |
| 005 | 22 | Olivetti | | 14 140 | 14 000 | | 140 | | | |
| 007 | 24 | CANSA | | 200 | | | | 200 | N5 | Donation |
| 008 | 27 | Soweto school | | 300 | | | | 300 | B2 | Drawings |
| 009 | 30 | Cash | | 280 | | 280 | | | | |
| | | | | 30 470 | 27 500 | 560 | 410 | 2 000 | | |
| | | | | B4 | N2 | N6 | N7 | | | |

| | | | |
|---|---|---|---|
| Sept 30 | Credit bank | Assets decrease with the amount paid | 30 650 |
| 30 | Debit plumbing parts | Expenses increase on the debit side | 27 500 |
| 30 | Debit wages | Expenses increase on the debit side | 560 |
| 30 | Debit stationery | Expenses increase on the debit side | 410 |
| 3 | Debit electricity | Expenses increase on the debit side | 120 |
| 4 | Debit equipment | Assets increase on the debit side | 1 080 |
| 15 | Debit drawings | Drawings increase on the debit side | 300 |
| 24 | Debit donation | Expenses increase on the debit side | 200 |
| 27 | Debit drawings | Drawings increase on the debit side | 300 |

**Brown Plumbers**
**General ledger**
**Balance sheet accounts section**

| **Dr** | | | | **Capital** | | **B1** | **Cr** |
|---|---|---|---|---|---|---|---|
| | | | | Sep 1 | Bank | CRJ | 80 000 |
| | | | **Drawings** | | | **B2** | |
| Sep 15 | Bank | CPJ | 300 | | | | |
| 27 | Bank | CPJ | 300 | | | | |
| | | | 600 | | | | |
| | | | **Equipment** | | | **B3** | |
| Sep 4 | Bank | CPJ | 1 080 | | | | |
| | | | **Bank** | | | **B4** | |
| Sep 30 | Total receipts | CRJ | 94 640 | Sep 30 | Total payments | CPJ | 30 470 |
| | | | | | Balance | c/d | 64 170 |
| | | | 94 640 | | | | 94 640 |
| Oct 1 | Balance | b/d | 64 170 | | | | |
| **Nominal accounts section** | | | | | | | |
| | | | **Services rendered** | | | **N1** | |
| | | | | Sep 30 | Bank | CRJ | 14 580 |
| | | | **Plumbing parts** | | | **N2** | |
| Sep 30 | Bank | CPJ | 27 500 | | | | |
| | | | **Electricity** | | | **N3** | |
| Sep 3 | Bank | CPJ | 120 | | | | |
| | | | **Rent income** | | | **N4** | |
| | | | | Sep 30 | Bank | CRJ | 60 |
| | | | **Donation** | | | **N5** | |
| Sep 24 | Bank | CPJ | 200 | | | | |
| | | | **Wages** | | | **N6** | |
| Sep 30 | Bank | CPJ | 560 | | | | |
| | | | **Stationery** | | | **N7** | |
| Sep 30 | Bank | CPJ | 410 | | | | |

**Brown Plumbers**
**Trial balance on 30 September 2024**

| **Balance sheet accounts section** | | | |
|---|---|---|---|
| Capital | B1 | | 80 000 |
| Drawings | B2 | 600 | |
| Equipment | B3 | 1 080 | |
| Bank | B4 | 64 170 | |
| **Nominal accounts section** | | | |
| Services rendered | N1 | | 14 580 |
| Plumbing parts | N2 | 27 500 | |
| Electricity | N3 | 120 | |
| Rent income | N4 | | 60 |
| Donation | N5 | 200 | |
| Wages | N6 | 560 | |
| Stationery | N7 | 410 | |
| | | 94 640 | 94 640 |

## Question 11

**Menlyn Plumbers**
**Cash receipts journal – May 2024** **CRJ**

| Doc | Day | Details | Fol | Analysis of receipts | Bank | Current income | Sundry accounts | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | Amount | Fol | Details |
| CRR | 9 | Services rendered | | 24 200 | | 24 200 | | | |
| 80 | | Menlyn Electricians | | 1 000 | 25 200 | | 1 000 | N4 | Rent income |
| 81 | 12 | P Blom | | 20 000 | | | 20 000 | B1 | Capital |
| CRR | | Services rendered | | 32 600 | 52 600 | 32 600 | | | |
| CRR | 27 | Services rendered | | 18 600 | 18 600 | 18 600 | | | |
| | | | | | 96 400 | 75 400 | 21 000 | | |
| | | | | | B3 | N1 | | | |

**Menlyn Plumbers**
**Cash payments journal – May 2024** **CPJ**

| Doc | Day | Details | Fol | Bank | Plumbing parts | Wages | Sundry accounts | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | Amount | Fol | Details |
| B/S | 2 | Rent Collections | | 2 800 | | | 2 800 | N2 | Rent income |
| B/S | 4 | Pret Supplier | | 22 600 | | | 22 600 | B4 | Equipment |
| B/S | 8 | Plumbing Suppliers | | 14 800 | 14 800 | | | | |
| B/S | 11 | Cash | | 2 500 | | 1 200 | 1 300 | B2 | Drawings |
| B/S | 17 | Plumbing Suppliers | | 11 400 | 11 400 | | | | |
| B/S | 18 | TELKOM | | 280 | | | 280 | N3 | Telephone |
| B/S | 20 | Record | | 80 | | | 80 | N9 | Advertising |
| B/S | 28 | Cash | | 21 100 | | 20 500 | 600 | N7 | Electricity |
| B/S | 31 | Cash | | 900 | | | 900 | N8 | Vehicle expenses |
| | | | | 76 460 | 26 200 | 21 700 | 28 560 | | |
| | | | | B3 | N5 | N6 | | | |

**Menlyn Plumbers**
**General ledger**
**Balance sheet accounts section**

**Dr** **Capital** **B1** **Cr**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | | | | May 1 | Saldo | a/b | 95 210 |
| | | | | 12 | Bank | CRJ | 20 000 |
| | | | | | | | 115 210 |

**Drawings** **B2**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| May 1 | Saldo | a/b | 800 | | | | |
| 11 | Bank | KBJ | 1 300 | | | | |
| | | | 2 100 | | | | |

**Bank** **B3**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| May 1 | Saldo | a/b | 22 300 | May 31 | Totale betalings | KBJ | 76 460 |
| 31 | Totale ontvangstes | ` | 96 400 | | Saldo | o/b | 42 240 |
| | | | 118 700 | | | | 118 700 |
| Jun 1 | Saldo | a/b | 42 240 | | | | |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | | **Equipment** | | | **B4** | | |
| May | 1 | Saldo | a/b | 29 600 | | | | |
| | 4 | Bank | KBJ | 22 600 | | | | |
| | | | | 52 200 | | | | |
| | | | **Vehicles** | | | **B5** | | |
| May | 1 | Saldo | a/b | 77 400 | | | | |
| **Nominal accounts section** | | | | | | | | |
| | | | **Current income** | | | **N1** | | |
| | | | | | May 1 | Totaal | | 108 700 |
| | | | | | 31 | Bank | CRJ | 75 400 |
| | | | | | | | | 184 100 |
| | | | **Rent expense** | | | **N2** | | |
| May | 1 | Total | | 5 600 | | | | |
| | 2 | Bank | CPJ | 2 800 | | | | |
| | | | | 8 400 | | | | |
| | | | **Telephone** | | | **N3** | | |
| May | 1 | Totaal | | 610 | | | | |
| | 18 | Bank | KBJ | 280 | | | | |
| | | | | 890 | | | | |
| | | | **Rent income** | | | **N4** | | |
| | | | | | May 1 | Totaal | | 2 000 |
| | | | | | 9 | Bank | CRJ | 1 000 |
| | | | | | | | | 3 000 |
| | | | **Plumbing parts** | | | **N5** | | |
| May | 1 | Totaal | | 32 100 | | | | |
| | 31 | Bank | KBJ | 26 200 | | | | |
| | | | | 58 300 | | | | |
| | | | **Wages** | | | **N6** | | |
| May | 1 | Totaal | | 35 600 | | | | |
| | 31 | Bank | KBJ | 21 700 | | | | |
| | | | | 57 300 | | | | |
| | | | **Electricity** | | | **N7** | | |
| May | 1 | Totaal | | 1 100 | | | | |
| | 28 | Bank | KBJ | 600 | | | | |
| | | | | 1 700 | | | | |
| | | | **Vehicle expenses** | | | **N8** | | |
| May | 1 | Totaal | | 800 | | | | |
| | 31 | Bank | KBJ | 900 | | | | |
| | | | | 1 700 | | | | |
| | | | **Advertising** | | | **N9** | | |
| May | 20 | Bank | KBJ | 80 | | | | |

**Menlyn Plumbers**
**Trial balance on 31 May 2024**

| | Fol | Debit | Credit |
|---|---|---|---|
| **Balance sheet accounts section** | | | |
| Capital | B1 | | 115 210 |
| Drawings | B2 | 2 100 | |
| Bank | B3 | 42 240 | |
| Equipment | B4 | 52 200 | |
| Vehicles | B5 | 77 400 | |
| **Nominal accounts section** | | | 184 100 |
| Current income | N1 | 8 400 | |
| Rent expense | N2 | 890 | |
| Telephone | N3 | | 3 000 |
| Rent income | N4 | 58 300 | |
| Parts | N5 | 57 300 | |
| Wages | N6 | 1 700 | |

| | | | |
|---|---|---|---|
| Electricity | N7 | 1 700 | |
| Vehicle expenses | N8 | 80 | |
| Advertising | N9 | 302 310 | 302 310 |

## Question 12

| | | | |
|---|---|---|---|
| Purchase price | 100% | | 8 000 |
| Trade discount | 20% | 8 000 x 20/100 | (1 600) |
| Cost price | 80% | 8 000 x 80/100 | 6 400 |

**Brown Traders**
**General ledger**

| | | | | | |
|---|---|---|---|---|---|
| | | **Trading stock** | | | |
| May 1 | Bank | 6 400 | | | |
| | | **Bank** | | | |
| | | | May 1 | Trading stock | 6 400 |

### Accounting equation

| Account debited | Account credited | Source document | Journal | A | E | L |
|---|---|---|---|---|---|---|
| Trading stock | Bank | Bank statement | CPJ | +6 400<br>-6 400 | | |

## Question 13

13.1 What is the difference between cash discount and trade discount?

| Cash discount | Trade discount |
|---|---|
| Cash discount is allowed when goods are sold for cash. | Trade discount is allowed on bulk purchases. |

13.2 Why is cash discount and trade discount allowed in an undertaking?

| |
|---|
| Cash discount: To encourage clients to pay cash when goods are sold. |
| Trade discount is allowed on bulk purchases to encourage people to buy more. |

13.3 Why is cash discount and trade discount not recorded?

| |
|---|
| The goods are purchased at a lower price. The cost price is lower, and the amount payable is lower after the discount was subtracted. |
| The goods are sold at a lower price. The sales price is lower, and the amount receivable is lower after the discount was subtracted. |

## Question 14

| | | | |
|---|---|---|---|
| Cost price | 100% | 100/160 x 3 840 | 2 400 |
| Profit | 60% | | |
| Sales price | 160% | | 3 840 |

## Question 15

| 15.1 | Profit percentage on cost | Cost price | Profit | Sales price |
|---|---|---|---|---|
| 1. | 50% | 6 000 x 100/150<br>**4 000** | 6 000 x 50/150<br>**2 000** | R6 000 |
| 2. | 80% | R8 000 | 8 000 x 80/100<br>**6 400** | 8 000 x 180/100<br>**14 400** |
| 3. | 60% | R1 200 | 1 200 x 60/100<br>**720** | 1 200 x 160/100<br>**1 920** |
| 4. | 75% | 3 500 x 100/175<br>**2 000** | 3 500 x 75/175<br>**1 500** | R3 500 |

| **15.2** | **Cost price** | **Proft** | **Sales price** |
|---|---|---|---|
| 1. | R7 000 | 7 000 x 70/100<br>4 900 | 7 000 x 170/100<br>11 900 |
| 2. | 23 800 x 100/170<br>**14 000** | 23 800 x 70/170<br>**9 800** | R23 800 |
| **15.3** | $\frac{\text{Profit}}{\text{Cost of sales}} \times \frac{100}{1}$ | $\frac{240}{600} \times \frac{100}{1}$ | 40% |

| | | | | |
|---|---|---|---|---|
| **15.3** Cost price | 100% | 600 | | |
| Profit | y% | 240 | y/100 x 600 = 240 | 40% |
| Sales price | 100 + y% | 840 | | |

## Question 16

| |
|---|
| 16.1 Cash received |
| EFT by the client to pay for sales. |
| Debit card payments when the bank transfers the money from the account of the client to the bank account of the business. |
| Credit card payments because the client owes the money to the bank.The bank will pay the money on the same day in the bank account of the business. |
| 16.2 Cash received for sales |
| Cash received from debtors, rent income, etc |
| All the cash received is in the cash register and at the end of the date the total amount received during the day is paid in the bank account and the total amount is transferred to the bank column because the amount in the bank column must be the same as the amount paid into the bank account. |
| 16.3 EFT payments by the client for sales. |
| Debit card transactions because the money is transferred to the bank account of the business. |
| Credit card transactions because the client owes the money to the bank. The bank transfer the money to account of the business on the same day. |
| Direct deposit by a client into the bank account of the business. |

| **16.4 Debit card payments** | **Credit card payments** |
|---|---|
| The debit card is linked to the bank account of the client. | The credit card is not linked to the bank account of the client. |
| The money is immediately transferred from the client's bank account to the bank account of the supplier. | The business receives the money for all credit card payments daily. The client owes the money to the credit card department and will pay the bank. |
| As the money is received immediately it is treated as a cash transaction and recorded in the CRJ. | As the money is received immediately it is treated as a cash transaction and recorded in the CRJ. |

| **16.5 Debit card payments** | **Credit card payments** |
|---|---|
| The debit card is linked to the bank account of the business. | The credit card is not linked to the bank account of the business. |
| When goods are purchased, the bank transfer the money immediately from the bank account of the business to the bank account of the supplier. | The bank will pay the money the same day to the supplier. The business will pay the bank at the end of the month. |
| Because the cash is transferred immediately, it is a cash transaction and recorded in the CPJ. | Money is not paid out of the bank account of the business and will not be recorded in the CPJ. |

| **16.6 Debit card payments** | **Electronic Fund Transfers** |
|---|---|
| The debit card is linked to the bank account of the business. | The EFT is paid out of the bank account of the business with an electronic transfer |
| When goods are purchased, the bank transfer the money immediately from the bank account of the business to the bank account of the supplier. | When goods are purchased, the business uses the computer to transfer money immediately from the bank account of the business to the bank account of the supplier. |

| **16.7 Service undertaking** | **Retail business** |
|---|---|
| Renders a service to generate an income. | Sells trading stock at a profit to generate income. |
| Does not sell goods. No necessary to calculate cost of sales. | Must calculate the cost of sales for every sales transaction to determine the gross profit. The |

| | |
|---|---|
| | difference between the sales price and cost price s the gross profit. |

## Question 17

| |
|---|
| 17.1 Totals of specific columns are posted to the appropriate accounts on the last day of the month. |
| Entries in the sundry account's column are posted the ledger accounts on the date the transaction occurred. |
| 17.2 All the transactions without a specific column are recorded in the sundry account's column. |
| Transactions that don't occur on a regular basis are recorded in the sundry account's column. |
| 17.3 All the cash received in the business are recorded in the analysis of receipts column. At the end of the day all the cash received in the business is deposited in the bank and transferred to the bank column. |

## Question 18

**Mokoena Dealers**

**Cash receipts journal – September 2024** **CRJ**

| Doc no. | Day | Details | Fol. | Analysis of receipts | Bank | Sales | Cost of sales | Sundry accounts | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | Amount | Fol. | Details |
| B/S | 1 | B Mokoena | | - | 90 000 | | | 90 000 | B1 | Capital |
| CRR | | Sales<br>1 440 x 100/180 | | 1 440 | 1 440 | 1 440 | 800 | | | |
| CRR | 12 | Sales | | 1 620 | | 1 620 | 900 | | | |
| 101 | | P Louw | | 2 000 | 3 620 | | | 2 000 | N3 | Rent income |
| CRR | 23 | Sales<br>21 600 x 100/180 | | 21 600 | | 21 600 | 12 000 | | | |
| CRR | | Services rendered | | 4 200 | 25 800 | | | 4 200 | N4 | Services rendered |
| B/S | 29 | J Smith | | | 120 | | | 120 | N3 | Rent income |
| CRR | 29 | Sales<br>15 120 x 100/180 | | 15 120 | 15 120 | 15 120 | 8 400 | | | |
| | | | | | 136 100 | 39 780 | 22 100 | 96 320 | | |

**Mokoena Dealers**

**General ledger**

**Balance sheet accounts section**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | | | **Capital** | | | **B1** | |
| | | | | Sep 1 | Bank | CRJ | 90 000 |
| | | | **Trading stock** | | | **B2** | |
| | | | | Sep 30 | Cost of sales | CRJ | 22 100 |
| | | | **Bank** | | | **B3** | |
| Sep 30 | Total receipts | CRJ | 136 100 | | | | |

**Nominal accounts section**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | | | **Sales** | | | **N1** | |
| | | | | Sep 30 | Bank | CRJ | 39 780 |
| | | | **Cost of sales** | | | **N2** | |
| Sep 30 | Trading stock | CRJ | 22 100 | | | | |
| | | | **Rent income** | | | **N3** | |
| | | | | Sep 12 | Bank | CRJ | 2 000 |
| | | | | 29 | Bank | CRJ | 120 |
| | | | **Services rendered** | | | **N4** | |
| | | | | Sep 23 | Bank | CRJ | 4 200 |

## Question 19

**Menlyn Stores**
**Cash receipts journal – June 2024** **CRJ**

| Doc no. | Day | Details | Fol. | Analysis of receipts | Bank | Sales | Cost of sales | Sundry accounts | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | Amount | Fol. | Details |
| 34 | 1 | M Koen | | 20 000 | | | | 20 000 | B1 | Capital |
| CRR | | Sales | | 3 900 | 23 900 | 3 900 | 2 600 | | | |
| BS | 11 | Sales | | | 9 600 | 9 600 | 6 400 | | | |
| CRR | | Sales | | 3 600 | 3 600 | 3 600 | 2 400 | | | |
| CRR | 24 | Sales | | 4 500 | 4 500 | 4 500 | 3 000 | | | |
| | | | | | 41 600 | 21 600 | 14 400 | 20 000 | | |
| | | | | | **B5** | **N1** | | | | |
| | | | | | **Debit** | **Credit** | | **Credit** | | |

**Transfer to the general ledger:**

| | | | |
|---|---|---|---|
| Junie 30 | Debit bank | Asset increases with amount received | 41 600 |
| 1 | Credit capital | Equity increases on the credit side | 20 000 |
| 30 | Credit sales | Income increases on the credit side | 26 400 |
| 30 | Debit cost of sales | Expenses increase on the debit side | 14 400 |
| 30 | Credit trading stock | Expense (cost of sales) increase on the debit side | 14 400 |
| | | Asset (trading stock) decreases on the credit side | |

**Menlyn Stores**
**General ledger**
**Balance sheet accounts section**

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | **Capital** | | | | | **B1** |
| | | | | | Jun | 1 | Bank | CRJ | 20 000 |
| | | | | **Trading stock** | | | | | **B2** |
| | | | | | Jun | 30 | Cost of sales | CRJ | 14 400 |
| | | | | **Bank** | | | | | **B3** |
| Jun | 30 | Total receipts | CRJ | 41 600 | | | | | |
| | | | | **Sales** | | | | | **N1** |
| | | | | | Jun | 30 | Bank | CRJ | 21 600 |
| | | | | **Cost of sales** | | | | | **N2** |
| Jun | 30 | Trading stock | CRJ | 14 400 | | | | | |

## Question 20

**Menlyn Stores**
**Cash receipts journal – June 2024** **CRJ**

| Doc no. | Day | Details | Fol. | Analysis of receipts | Bank | Sales | Cost of sales | Sundry accounts | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | Amount | Fol. | Details |
| 34 | 1 | L Kok | | 4 000 | | | | 4 000 | N3 | Rent income |
| CRR | | Sales | | 6 825 | 10 825 | 6 825 | 3 900 | | | |
| BS | 11 | Sales | | | 16 800 | 16 800 | 9 600 | | | |
| CRR | 17 | Sales | | 10 500 | 10 500 | 10 500 | 6 000 | | | |
| BS | | P Nel | | | 20 000 | | | 20 000 | B1 | Capital |
| BS | 24 | Sales | | 8 400 | 8 400 | 8 400 | 4 800 | | | |
| | | | | | 66 525 | 42 525 | 24 300 | 24 000 | | |
| | | | | | **B5** | **N1** | | | | |
| | | | | | **Debit** | **Credit** | | **Credit** | | |

**Posting to general ledger:**

| | | | |
|---|---|---|---|
| Junie 30 | Debit bank | Asset increase on debit side | 66 525 |
| 4 | Credit rent income | Income increases on the credit side | 4 000 |
| 17 | Credit capital | Equity increases on the credit side | 20 000 |
| 30 | Credit sales | Income increases on the credit side | 26 400 |
| 30 | Debit cost of sales | Expenses increase on debit side | 14 400 |
| 30 | Credit trading stock | Asset decreases on the credit side | 14 400 |

**Menlyn Stores**
**General ledger**
**Balance sheet accounts section**

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | **Capital** | | | | | **B1** |
| | | | | | Jun | 1 | Bank | CRJ | 20 000 |
| | | | | **Trading stock** | | | | | **B2** |
| | | | | | Jun | 30 | Cost of sales | CRJ | 24 300 |
| | | | | **Bank** | | | | | **B3** |
| Jun | 30 | Total receipts | CRJ | 66 525 | | | | | |
| | | | | **Sales** | | | | | **N1** |
| | | | | | Jun | 30 | Bank | CRJ | 42 525 |
| | | | | **Cost of sales** | | | | | **N2** |
| Jun | 30 | Trading stock | CRJ | 24 300 | | | | | |
| | | | | **Rent income** | | | | | **B2** |
| | | | | | Jun | 4 | Bank | CRJ | 24 300 |

## Question 21

| |
|---|
| 21.1 Withdrawal of money out of the bank account. |
| Pay the supplier with the debit card of the business. |
| EFT payment by the business to the supplier. |
| 21.2 Credit card sales are recorded as cash sales in the CRJ because the bank will pay the money on the same day into the bank account of the business. The client owes the money to the bank and will pay the bank later although the business already received the money from the bank. |
| Credit card purchases are not recorded as cash purchases and recorded in the CPJ because the money will not be paid out of the bank account of the business. The business owes the money to the bank and will pay the bank later. The trading stock was not purchased for cash. |

## Question 22

**Prinsloo Stores**
**Cash payments journal – September 2024** **CPJ**

| Doc | Day | Name of payee | Fol. | Bank | Trading stock | Wages | Stationery | Sundry Accounts Amount | Fol. | Details |
|---|---|---|---|---|---|---|---|---|---|---|
| B/S | 1 | Pretor | | 2 000 | | | | 2 000 | N4 | Rent income |
| B/S | 2 | Quality | | 15 000 | 10 500 | | | 4 500 | B3 | Equipment |
| B/S | 3 | City Council | | 430 | | | | 430 | N3 | Electricity |
| B/S | 4 | Olympic | | 2 790 | | | 270 | 2520 | B3 | Equipment |
| B/S | 17 | Cash | | 780 | | 480 | | 300 | B2 | Drawings |
| B/S | 24 | Quick | | 1 920 | 1 920 | | | | | |
| B/S | 30 | Cash | | 528 | | 528 | | | | |
| | | | | 23 448 | 12 420 | 1 008 | 270 | 9 750 | | |
| | | | | **Credit** | **Debit** | **Debit** | **Debit** | **Debit** | | |
| | | | | B5 | B4 | N6 | N7 | B5 | | |

**Prinsloo Stores**
**General ledger**
**Balance sheet accounts section**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | | | **Drawings** | | | **B2** | |
| Sep 17 | Bank | KBJ | 300 | | | | |
| | | | **Equipment** | | | **B3** | |
| Sep 2 | Bank | KBJ | 4 500 | | | | |
| 4 | Bank | CPJ | 2 520 | | | | |
| | | | **Trading stock** | | | **B4** | |
| Sep 30 | Bank | KBJ | 12 420 | | | | |
| | | | **Bank** | | | **B5** | |
| | | | | Sep 30 | Total payments | CPJ | 23 448 |

**Nominal accounts section**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | | | **Electricity** | | | **N3** | |
| Sep 3 | Bank | KBJ | 430 | | | | |
| | | | **Rent expense** | | | **N4** | |
| Sep 1 | Bank | KBJ | 2 000 | | | | |
| | | | **Wages** | | | **N5** | |
| Sep 30 | Bank | KBJ | 1 008 | | | | |
| | | | **Stationery** | | | **N6** | |
| Sep 30 | Bank | KBJ | 270 | | | | |

## Question 23

**Menlyn Stores**
**Cash payments journal – June 2024** **CPJ**

| **Doc** | **Day** | **Name of payee** | **Bank** | **Trading stock** | **Wages** | **Sundry accounts Amount** | **Fol.** | **Details** |
|---|---|---|---|---|---|---|---|---|
| B/S | 2 | City Council | 400 | | | 400 | B2 | Deposit: Electricity |
| B/S | 8 | Olivetti Limitedk | 17 000 | 2 400 | | 14 600 | B3 | Equipment |
| B/S | 10 | We Buy Cars | 52 000 | | | 52 000 | B4 | Vehicles |
| B/S | 11 | Old Mutual | 1 230 | | | 1 230 | N2 | Rent expenses |
| B/S | | Protea Wholesalers | 7 600 | 7 600 | | | | |
| B/S | 13 | Cash | 880 | | 880 | | | |
| B/S | 19 | Telcom | 560 | | | 380 | N4 | Telephone |
| | | | | | | 180 | B1 | Drawings |
| B/S | 25 | Cash 880 x 110/100 | 968 | | 968 | | | |
| | | | 80 638 | 10 000 | 1 848 | 68 790 | | |
| | | | **B6** | **B5** | **N3** | | | |
| | | | **Credit** | **Debit** | **Debit** | **Debit** | | |

| | | | |
|---|---|---|---|
| June 30 | Credit bank | Asset decrease with the amount paid | R80 638 |
| 30 | Debit trading stock | Asset increase on debit side | R10 000 |
| 30 | Debit wages | Expense increase on debit side | R1 848 |
| 2 | Debit deposit: electricity | Asset increase on debit side | R1 230 |
| 8 | Debit equipment | Asset increase on debit side | R14 600 |
| 10 | Debit vehicles | Asset increase on debit side | R52 000 |
| 11 | Debit rent expense | Expense increase on debit side | R1 230 |
| 19 | Debit telephone | Expense increase on debit side | R380 |
| 19 | Debit drawings | Equity decrease on the credit side | R180 |

| **Menlyn Stores** | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **General ledger** | | | | | | | | | |
| **Balance sheet accounts section** | | | | | | | | | |
| | | | | **Drawings** | | | | | **B1** |
| Jun | 19 | Bank | CPJ | 180 | | | | | |
| | | | | **Deposit: Electricity** | | | | | **B2** |
| Jun | 2 | Bank | CPJ | 400 | | | | | |
| | | | | **Equipment** | | | | | **B3** |
| Jun | 8 | Bank | KBJ | 14 600 | | | | | |
| | | | | **Vehicles** | | | | | **B4** |
| Jun | 10 | Bank | CPJ | 52 000 | | | | | |
| | | | | **Trading stock** | | | | | **B5** |
| Jun | 30 | Bank | CPJ | 10 000 | | | | | |
| | | | | **Bank** | | | | | **B5** |
| | | | | | Jun | 30 | Total payments | CPJ | 80 638 |
| **Nominal account section** | | | | | | | | | |
| | | | | **Rent expense** | | | | | **N2** |
| Jun | 11 | Bank | CPJ | 1 230 | | | | | |
| | | | | **Wages** | | | | | **N3** |
| Jun | 30 | Bank | CPJ | 1 848 | | | | | |
| | | | | **Telephone** | | | | | **N4** |
| Jun | 19 | Bank | CPJ | 380 | | | | | |

## Question 24

**Brooklyn Stores**
**Cash payments journal – June 2024** **CPJ**

| Doc | Day | Name of payee | Bank | Trading stock | Wages | Sundry accounts Amount | Fol. | Details |
|---|---|---|---|---|---|---|---|---|
| B/S | 2 | Old Mutual | 4 000 | | | 4 000 | N2 | Rent expense |
| B/S | 7 | Quality Equipment | 27 000 | | | 24 800 | B4 | Equipment |
| | | | | | | 2 200 | N3 | Stationery |
| B/S | 10 | ABC Suppliers | 39 600 | 39 600 | | | | |
| B/S | 11 | Goodey Stores | 41 230 | 41 230 | | | | |
| B/S | | Protea Wholesale | 7 220 | 7 220 | | | | |
| B/S | 13 | Cash | 2 880 | | 2 880 | | | |
| B/S | 19 | Telcom | 820 | | | 480 | N5 | Telephone |
| | | | | | | 340 | B2 | Drawings |
| B/S | 28 | Cash 880 x 110/100 | 3 168 | | 3 168 | | | |
| | | | 125 918 | 88 050 | 6 048 | 31 820 | | |
| | | | **B5** | **B3** | **N4** | | | |
| | | | **Credit** | **Debit** | **Debit** | **Debit** | | |

| | | | |
|---|---|---|---|
| June 30 | Credit bank | Asset decrease with the amount paid | R125 918 |
| 30 | Debit trading stock | Asset increase on the debit side | R88 050 |
| 30 | Debit wages | Expenses increase on the debit side | R6 048 |
| 2 | Debit rent expense | Expenses increase on the debit side | R4 000 |
| 7 | Debit equipment | Asset increase on the debit side | R24 800 |
| 7 | Debit stationery | Expenses increase on the debit side | R2 200 |
| 19 | Debit telephone | Expenses increase on the debit side | R480 |
| 19 | Debit stationery | Equity decrease on the debit side | R340 |

| **Brooklyn Stores** | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **General ledger** | | | | | | | | | |
| **Balance sheet accounts section** | | | | | | | | | |
| | | | | **Capital** | | | | | **B1** |
| | | | | | Jun | 1 | Bank | CPJ | 20 000 |
| | | | | **Drawings** | | | | | **B2** |
| Jun | 19 | Bank | CPJ | 340 | | | | | |
| | | | | **Trading stock** | | | | | **B3** |
| Jun | 30 | Bank | CPJ | 88 050 | | | | | |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **Equipment** | | | | | | | | | **B4** |
| Jun | 7 | Bank | KBJ | 24 800 | | | | | |
| **Bank** | | | | | | | | | **B5** |
| | | | | | Jun | 30 | Total payments | CPJ | 125 918 |
| **Rent expense** | | | | | | | | | **N2** |
| Jun | 2 | Bank | CPJ | 4 000 | | | | | |
| **Stationery** | | | | | | | | | **N3** |
| Jun | 7 | Bank | CPJ | 2 200 | | | | | |
| **Wages** | | | | | | | | | **N4** |
| Jun | 30 | Bank | CPJ | 6 048 | | | | | |
| **Telephone** | | | | | | | | | **N5** |
| Jun | 19 | Bank | CPJ | 480 | | | | | |

## Question 25

25.1 Complete the cash receipts journal and cash payments journal.

**Molefi Retailers**
**Cash receipts journal – September 2024** **CRJ**

| Doc no | Day | Details | Fol | Analysis of receipts | Bank | Sales | Cost of sales | Sundry accounts Amount | Fo | Details |
|---|---|---|---|---|---|---|---|---|---|---|
| B/S | 1 | P Molefi | | | 120 000 | | | 120 000 | B1 | Capital |
| CRR | 6 | Sales<br>1 800 x 100/150 | | 1 800 | | 1 800 | 1 200 | | | |
| 01 | | A Mongwe | | 100 | 1 900 | | | 100 | N4 | Rent income |
| CRR | 16 | Sales<br>3 300 x 100/150 | | 3 300 | | 3 300 | 2 200 | | | |
| 02 | | P Molefi | | 10 000 | 13 300 | | | 10 000 | B1 | Capital |
| | | | | | 135 200 | 5 100 | 3 300 | 130 100 | | |
| | | | | | B5 | N1 | B4/N2 | | | |

**Molefi Retailers**
**Cash payments journal – September 2024** **CPJ**

| Doc | Day | Name of payee | Fol. | Bank | Inventory | Stationery | Sundry accounts Amount | Fol | Details |
|---|---|---|---|---|---|---|---|---|---|
| B/S | 1 | Olivetti Equipment | | 15 000 | | | 15 000 | B3 | Equipment |
| B/S | 2 | Soweto Stores | | 13 800 | 13 800 | | | | |
| B/S | 3 | Speedy Suppliers | | 150 | 150 | | | | |
| B/S | 5 | Peterson Brothers | | 5 000 | | | 5 000 | B3 | Equipment |
| B/S | 11 | Snowy Traders | | 6 200 | 5 300 | 200 | 700 | N5 | Packing material |
| B/S | 12 | CDA Suppliers | | 3 650 | 3 500 | 150 | | | |
| B/S | 22 | Telcom | | 300 | | | 100 | N7 | Telephone |
| | | | | | | | 200 | B2 | Drawings |
| B/S | 29 | City Council | | 150 | | | 150 | N6 | Electricity |
| B/S | 30 | Protea Buildings | | 2 400 | | | 2 400 | N3 | Rent expense |
| B/S | | C Sudana | | 1 800 | | | 1 800 | N8 | Salaries |
| | | | | 48 450 | 22 750 | 350 | 25 350 | | |
| | | | | B5 | B4 | N9 | | | |

25.2 Post to the general ledger accounts.

**Molefi Retailers**
**General ledger**

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **Capital** | | | | | | | | | **B1** |
| | | | | | Sep | 1 | Bank | CRJ | 120 000 |
| | | | | | | 16 | Bank | CRJ | 10 000 |
| | | | | | | | | | 130 000 |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | **Drawings** | | | | **B2** | |
| Sep | 22 | Bank | CPJ | 200 | | | | | |
| | | | | **Equipment** | | | | **B3** | |
| Sep | 1 | Bank | CPJ | 15 000 | | | | | |
| | 5 | Bank | CPJ | 5 000 | | | | | |
| | | | | 20 000 | | | | | |
| | | | | **Trading stock** | | | | **B4** | |
| Sep | 30 | Bank | CPJ | 22 750 | Sep | 30 | Cost of sales | CRJ | 3 300 |
| | | | | | | | Balance | c/d | 19 450 |
| | | | | 22 750 | | | | | 22 750 |
| Oct | 1 | Balance | b/d | 19 450 | | | | | |
| | | | | **Bank** | | | | **B5** | |
| Sep | 30 | Total receipts | CRJ | 135 200 | Sep | 30 | Total payments | CPJ | 48 450 |
| | | | | | | | Balance | c/d | 86 750 |
| | | | | 135 200 | | | | | 135 200 |
| Oct | 1 | Balance | b/d | 86 750 | | | | | |
| | | | | **Sales** | | | | **N1** | |
| | | | | | Sep | 30 | Bank | CRJ | 5 100 |
| | | | | **Cost of sales** | | | | **N2** | |
| Sep | 30 | Trading stock | CRJ | 3 300 | | | | | |
| | | | | **Rent expense** | | | | **N3** | |
| Sep | 30 | Bank | CPJ | 2 400 | | | | | |
| | | | | **Rent income** | | | | **N4** | |
| | | | | | Sep | 6 | Bank | CRJ | 100 |
| | | | | **Packing material** | | | | **N5** | |
| Sep | 11 | Bank | CPJ | 700 | | | | | |
| | | | | **Electricity** | | | | **N6** | |
| Sep | 29 | Bank | CPJ | 150 | | | | | |
| | | | | **Telephone** | | | | **N7** | |
| Sep | 22 | Bank | CPJ | 100 | | | | | |
| | | | | **Salaries** | | | | **N8** | |
| Sep | 30 | Bank | CPJ | 1 800 | | | | | |
| | | | | **Stationery** | | | | **N9** | |
| Sep | 30 | Bank | CPJ | 350 | | | | | |

25.3 Complete a trial balance on 30 September 2024.

**Molefi Retailers**
**Trial balance on 30 September 2024**

| | Fol | Debit | Credit |
|---|---|---|---|
| **Balance sheet accounts section** | | | |
| Capital | B1 | | 130 000 |
| Drawings | B2 | 200 | |
| Equipment | B3 | 20 000 | |
| Inventories | B4 | 19 450 | |
| Bank | B5 | 86 750 | |
| **Nominal accounts section** | | | |
| Sales | N1 | | 5 100 |
| Cost of sales | N2 | 3 300 | |
| Rent expense | N3 | 2 400 | |
| Rent income | N4 | | 100 |
| Packing material | N5 | 700 | |
| Electricity | N6 | 150 | |
| Telephone | N7 | 100 | |
| Salaries | N8 | 1 800 | |
| Stationery | N9 | 350 | |
| | | 135 200 | 135 200 |

## Question 26

**Robert Stores**
**Cash receipts journal – May 2024** **CRJ**

| Doc | Day | Details | Fol | Analysis of receipts | Bank | Sales | Cost of sales | Sundry accounts Amount | Fol | Details |
|---|---|---|---|---|---|---|---|---|---|---|
| BS | 01 | R Ross | | - | 80 000 | | | 80 000 | B1 | Capital |
| CRR | 09 | Sales/Cash (27 000 x 100/180) | | 27 000 | 27 000 | 27 000 | 15 000 | | | |
| CRR | 21 | Sales/Cash (43 200 x 100/180) | | 43 200 | | 43 200 | 24 000 | | | |
| 01 | | R Ross | | 10 000 | 53 200 | | | 10 000 | B1 | Capital |
| CRR | 30 | Sales/Cash (34 200 x 100/180) | | 34 200 | 34 200 | 34 200 | 19 000 | | | |
| | | | | | 194 400 | 104 400 | 58 000 | 90 000 | | |
| | | | | | B5 | N2 | B4/N1 | | | |

**Robert Stores**
**Cash payments journal – May 2024** **CPJ**

| Doc | Day | Details | Fol | Bank | Wages | Trading stock | Sundry accounts Amount | Fol | Details |
|---|---|---|---|---|---|---|---|---|---|
| BS | 01 | Rentcor | | 5 500 | | | 5 500 | N3 | Rent expense |
| BS | 02 | Trevor Stores | | 12 900 | | | 12 900 | B3 | Equipment |
| BS | 03 | Star | | 900 | | | 900 | N4 | Advertising |
| BS | 04 | Profit Stores | | 34 000 | | 34 000 | | | |
| BS | 17 | Flower Stores | | 36 400 | | 36 000 | 400 | N5 | Stationery |
| BS | 18 | Cash | | 810 | 400 | | 410 | N5 | Stationery |
| BS | 24 | City Council | | 400 | | | 400 | N6 | Electricity |
| BS | 31 | Cash | | 1 400 | 400 | | 1 000 | B2 | Drawings |
| | | | | 92 310 | 800 | 70 000 | 21 510 | | |
| | | | | B5 | N7 | B4 | | | |

26.2 Post the entries in the subsidiary journals of Robert Stores to the accounts in the general ledger of Robert Stores. The accounts must be balanced.

**Robert Stores**
**General ledger**
**Balance sheet accounts section**

**Capital** **B1**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | | | | May 01 | Bank | CRJ | 80 000 |
| | | | | 21 | Bank | CRJ | 10 000 |
| | | | | | | | 90 000 |

**Drawings** **B2**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| May 31 | Bank | CPJ | 1 000 | | | | |

**Equipment** **B3**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| May 02 | Bank | CPJ | 12 900 | | | | |

**Trading stock** **B4**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| May 31 | Bank | CPJ | 70 000 | May 31 | Cost of sales | CRJ | 58 000 |
| | | | | | Balance | c.d | 12 000 |
| | | | 70 000 | | | | 70 000 |
| Jun 01 | Balance | b/d | 12 000 | | | | |

**Bank** **B5**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| May 31 | Total receipts/ Sundry accounts | CRJ | 194 400 | May 31 | Total payments/ Sundry accounts | CPJ | 92 310 |
| | | | | | Balance | c/d | 102 090 |
| | | | 194 400 | | | | 194 400 |
| Jun 01 | Balance | b/d | 102 090 | | | | |

| **Nominal accounts section** | | | | | | | |
|---|---|---|---|---|---|---|---|
| | | | | **Cost of sales** | | **N1** | |
| May 31 | Trading stock | CRJ | 58 000 | | | | |
| | | | | **Sales** | | **N2** | |
| | | | | May 31 | Bank | CRJ | 104 400 |
| | | | | **Rent expense** | | **N3** | |
| May 01 | Bank | CPJ | 5 500 | | | | |
| | | | | **Advertising** | | **N4** | |
| May 3 | Bank | CPJ | 900 | | | | |
| | | | | **Stationery** | | **N5** | |
| May 17 | Bank | CPJ | 400 | | | | |
| 18 | Bank | CPJ | 410 | | | | |
| | | | 810 | | | | |
| | | | | **Electricity** | | **N6** | |
| May 24 | Bank | CPJ | 400 | | | | |
| | | | | **Wages** | | **N7** | |
| May 31 | Bank | CPJ | 800 | | | | |

## Question 27

**Charley Stores**
**Cash receipts journal – May 2024** **CRJ**

| Doc | Day | Details | Fol | Analysis of receipts | Bank | Sales | Cost of sales | Sundry accounts | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | Amount | Fol | Details |
| BS | 01 | C Smith | | - | 100 000 | | | 100 000 | B1 | Capital |
| CRR | 09 | Sales/Cash (43 200 x 100/180) | | 43 200 | | 43 200 | 24 000 | | | |
| 02 | | Commission (4 200 x 20/100) | | 840 | 44 040 | | | 840 | N8 | Commission received |
| CRR | 21 | Sales/Cash (42 000 x 100/150) | | 64 800 | 64 800 | 64 800 | 36 000 | | | |
| | | | | | 208 840 | 108 000 | 60 000 | 100 840 | | |
| | | | | | B5 | N2 | B4/N1 | | | |

**Charley Stores**
**Cash payments journal – May 2024** **CPJ**

| Doc | Day | Details | Fol | Bank | Wages | Trading stock | Sundry accounts | | |
|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | Amount | Fol | Details |
| BS | 02 | Rentcor | | 6 000 | | | 6 000 | N3 | Rent income |
| BS | 03 | Quality Stores | | 8 300 | | | 8 000 | B3 | Equipment |
| BS | | | | | | | 300 | N5 | Stationery |
| BS | 04 | Star | | 1 200 | | | 1 200 | N4 | Advertising |
| BS | 06 | Moss Stores | | 38 000 | | 38 000 | | | |
| BS | 07 | Cash | | 400 | 400 | | | | |
| BS | 11 | Moss Stores | | 38 000 | | 38 000 | | | |
| BS | 19 | Cash | | 810 | 600 | | 210 | N5 | Stationery |
| BS | 24 | City Council | | 600 | | | 600 | N6 | Electricity |
| BS | 25 | TELCOM | | 480 | | | 480 | N9 | Telephone |
| BS | 28 | Flower Stores | | 22 000 | | 18 000 | 4 000 | B3 | Equipment |
| BS | 31 | Cash | | 2 600 | 600 | | 2 000 | B2 | Drawings |
| | | | | 118 390 | 1 600 | 94 000 | 22 790 | | |
| | | | | B5 | N7 | B4 | | | |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Charley Stores<br>General ledger** | | | | | | | |
| **Balance sheet accounts section** | | | | | | | |
| | | | **Capital** | | | **B1** | |
| | | | | May 1 | Bank | CRJ | 100 000 |
| | | | **Drawings** | | | **B2** | |
| May 31 | Bank | CPJ | 2 000 | | | | |
| | | | **Equipment** | | | **B3** | |
| May 3 | Bank | CPJ | 8 000 | | | | |
| 28 | Bank | CPJ | 4 000 | | | | |
| | | | 12 000 | | | | |
| | | | **Trading stock** | | | **B4** | |
| May 31 | Bank | CPJ | 94 000 | May 31 | Cost of sales | CRJ | 60 000 |
| | | | | | Balance | c/d | 34 000 |
| | | | 94 000 | | | | 94 000 |
| Jun 1 | Balance | b/d | 34 000 | | | | |
| | | | **Bank** | | | **B5** | |
| May 31 | Total receipts | CRJ | 208 840 | May 31 | Total payments | CPJ | 118 390 |
| | | | | | Balance | c/d | 90 450 |
| | | | 208 840 | | | | 208 840 |
| Jun 01 | Balance | b/d | 90 450 | | | | |
| **Nominal accounts section** | | | | | | | |
| | | | **Cost of sales** | | | **N1** | |
| May 31 | Trading stock | CRJ | 60 000 | | | | |
| | | | **Sales** | | | **N2** | |
| | | | | May 31 | Bank | CRJ | 108 000 |
| | | | **Rent expense** | | | **N3** | |
| May 02 | Bank | CPJ | 6 000 | | | | |
| | | | **Advertising** | | | **N4** | |
| May 04 | Bank | CPJ | 1 200 | | | | |
| | | | **Stationery** | | | **N5** | |
| May 03 | Bank | CPJ | 300 | | | | |
| 20 | Bank | CPJ | 210 | | | | |
| | | | 510 | | | | |
| | | | **Electricity** | | | **N6** | |
| May 24 | Bank | CPJ | 600 | | | | |
| | | | **Wages** | | | **N7** | |
| May 31 | Bank | CPJ | 1 600 | | | | |
| | | | **Commission income** | | | **N8** | |
| | | | | May 09 | Bank | CRJ | 840 |
| | | | **Telephone** | | | **N9** | |
| May 25 | Bank | CPJ | 480 | | | | |

| **Charley Stores<br>Trial balance on 31 May 2024** | | | |
|---|---|---|---|
| | | **Debit** | **Credit** |
| **Balance sheet accounts section** | | | |
| Capital | B1 | | 100 000 |
| Drawings | B2 | 2 000 | |
| Equipment | B3 | 12 000 | |
| Inventory | B4 | 34 000 | |
| Bank | B5 | 90 450 | |
| **Nominal accounts section** | | | |
| Cost of sales | N1 | 60 000 | |
| Sales | N2 | | 108 000 |
| Rent expense | N3 | 6 000 | |
| Advertising | N4 | 1 200 | |
| Stationery | N5 | 510 | |
| Electricity | N6 | 600 | |
| Wages | N7 | 1 600 | |
| Commission income | N8 | | 840 |
| Telephone | N9 | 480 | |
| | | 208 840 | 208 840 |

## Question 28

**Black Dealers**
**Cash receipts journal – September 2024** **CRJ**

| **Doc. no.** | **Day** | **Details** | **Fol.** | **Analysis of receipts** | **Bank** | **Sales** | **Cost of sales** | **Sundry accounts** | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | **Amount** | **Fol.** | **Details** |
| 01 | 1 | PJ Brown | | 80 000 | | | | 80 000 | B1 | Capital |
| | | Sales (60/100 x 12 000) | | **12 000** | 92 000 | **12 000** | **7 200** | | | |
| | 30 | Sales (60/100 x 36 000) | | 36 000 | | **36 000** | **21 600** | | | |
| 02 | | **J Molefe** | | 600 | **36 600** | | | 600 | N4 | **Rent** |
| | | | | | **128 600** | **48 000** | **28 800** | 80 600 | | |
| | | | | | B6 | N1 | B4/N2 | | | |

**Black Dealers**
**Cash payments journal – September 2024** **CPJ**

| **Doc.** | **Day** | **Name of payee** | **Fol.** | **Bank** | **Inventories** | **Wages** | **Stationery** | **Sundry Accounts** | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | **Amount** | **Fol.** | **Details** |
| 001 | 2 | Quality | | 13 500 | 13 500 | | | | | |
| 002 | 3 | City Council | | **1 230** | | | | **360** | N3 | **Electricity** |
| | | | | | | | | **870** | B2 | **Drawings** |
| 003 | 4 | Olympic | | 1 350 | | | 270 | 1 080 | B4 | Equipment |
| 004 | 15 | Cash | | **980** | | **480** | | **500** | B2 | **Drawings** |
| 005 | 22 | Olivetti Stores | | 14 140 | 14 000 | | 140 | | | |
| 006 | 23 | Speedy | | **500** | **320** | | | **180** | N8 | Carriage on |
| 007 | 30 | Cash | | 280 | | 280 | | | | |
| | | | | 31 980 | 27 820 | 760 | 410 | 2 990 | | |
| | | | | B6 | B5 | N6 | N7 | | | |

**Black Dealers**
**General ledger**
**Balance sheet accounts section**

**Dr** **Capital** **B1** **Cr**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | | | | Sep 1 | Balance | b/d | 151 860 |
| | | | | | Bank | CRJ | 80 000 |
| | | | | | | | 231 860 |

**Drawings** **B2**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Sep 1 | Balance | b/d | 1 600 | | | | |
| 3 | Bank | CPJ | 870 | | | | |
| 15 | Bank | CPJ | 500 | | | | |
| | | | 2 970 | | | | |

**Land and buildings** **B3**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Sep 1 | Balance | b/d | 60 000 | | | | |

**Equipment** **B4**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Sep 1 | Balance | b/d | 21 080 | | | | |
| 4 | Bank | CPJ | 1 080 | | | | |
| | | | 22 160 | | | | |

**Trading stock** **B5**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Sep 1 | Balance | b/d | 15 530 | Sep 30 | Cost of sales | CRJ | 28 800 |
| 30 | Bank | CPJ | 27 820 | | Balance | c/d | 14 550 |
| | | | 43 350 | | | | 43 350 |
| Oct 1 | Balance | b/d | 14 550 | | | | |

**Bank** **B6**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Sep 1 | Balance | b/d | 63 900 | Sep 30 | Total payments | CPJ | 31 980 |
| 30 | Total receipts | CRJ | 128 600 | | Balance | c/d | 160 520 |
| | | | 192 500 | | | | 192 500 |
| Oct 1 | Balance | b/d | 160 520 | | | | |

**Nominal accounts section**

**Sales** **N1**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | | | | Sep 1 | Balance | b/d | 45 900 |
| | | | | 30 | Bank | CRJ | 48 000 |
| | | | | | | | 93 900 |

**Cost of sales** **N2**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Sep 1 | Balance | b/d | 30 600 | | | | |
| 30 | Trading stock | CRJ | 28 800 | | | | |
| | | | 59 400 | | | | |

**Electricity** **N3**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Sep 1 | Balance | b/d | 920 | | | | |
| 3 | Bank | CPJ | 360 | | | | |
| | | | 1 280 | | | | |

**Rent income** **N4**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | | | | Sep 1 | Balance | b/d | 600 |
| | | | | 30 | Bank | CRJ | 600 |
| | | | | | | | 1 200 |

**Telephone** **N5**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Sep 1 | Balance | b/d | 760 | | | | |

**Wages** **N6**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Sep 1 | Balance | b/d | 3 560 | | | | |
| 30 | Bank | CPJ | 760 | | | | |
| | | | 4 320 | | | | |

**Stationery** **N7**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| Sep 1 | Balance | b/d | 410 | | | | |
| 30 | Bank | CPJ | 410 | | | | |
| | | | 820 | | | | |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | | | **Carriage on sales** | | | **N8** | |
| Sep 23 | Balance | b/d | 180 | | | | |

**Black Dealers**
**Trial balance on 30 September 2024**

| | Fol. | Debit | Credit |
|---|---|---|---|
| **Balance sheet accounts section** | | | |
| Capital | B1 | | 231 860 |
| Drawings | B2 | 2 970 | |
| Land and buildings | B3 | 60 000 | |
| Equipment | B4 | 22 160 | |
| Inventories | B5 | 14 550 | |
| Bank | B6 | 160 520 | |
| **Nominal accounts section** | | | |
| Sales | N1 | | 93 900 |
| Cost of sales | N2 | 59 400 | |
| Electricity | N3 | 1 280 | |
| Rent income | N4 | | 1 200 |
| Telephone | N5 | 760 | |
| Wages | N6 | 4 320 | |
| Stationery | N7 | 820 | |
| Carriage on sales | N8 | 180 | |
| | | 326 960 | 326 960 |

**Calculations for unknown figures in the trial balance:**

**1. Determine cost of sales**

| | | | |
|---|---|---|---|
| Cost price | 100% | 100/150 x 45 900 | 30 600 |
| Profit | 50% | | |
| Sales price | 150% | | 45 900 |

**2. Determine the total of the debit column**

| | |
|---|---|
| 1 600 + 60 000 + 21 080 + 15 530 + 63 900 + 30 600 + 920 + 760 + 3 560 + 410 | 198 360 |

**3. Determine the capital balance**

| | |
|---|---|
| 198 360 – 45 900 - 600 | 151 860 |

**Calculations for cash receipts journal:**

**1. Determine cost of sales**

| | | | |
|---|---|---|---|
| Sales price | 100% | | 12 000 |
| Profit | 40% | | |
| Cost price | 60% | 60/100 x 12 000 | 7 200 |

| | | | |
|---|---|---|---|
| Sales price | 100% | 12 000 | |
| Profit | 40% | | |
| Cost price | 60% | $\frac{60}{100}$ X 12 000 | 7 200 |