



higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

MARKING GUIDELINE

NATIONAL CERTIFICATE

FINANCIAL ACCOUNTING N5

3 June 2025

This marking guideline consists of 11 pages.

QUESTION 1

- 1.1 1.1.1 True
 1.1.2 False
 1.1.3 False
 1.1.4 True
 1.1.5 False
 1.1.6 False
 1.1.7 True
 1.1.8 True
 1.1.9 False
 1.1.10 True

(10 × 2) (20)
- 1.2 1.2.1 Zero rate
 1.2.2 Standard rate
 1.2.3 Zero rate
 1.2.4 Standard rate
 1.2.5 Standard rate
 1.2.6 Standard rate

(6 × 1) (6)
- 1.3
 - Public accountability
 - Fire insurance
 - Loss of inventory insurance
 - Motor car insurance
 - Employers' accountability
 - Fidelity guarantee insurance

(Any 4 × 1) (4)
- 1.4 1.4.1 Suspense account – is a temporary account for an entry that will at a later stage be entered in its own account.

 1.4.2 Value-Added Tax (VAT) – is indirect tax levied on the supply of goods and services by vendors.

 1.4.3 Partnership – is an agreement between two to twenty people, who are contractually bound to one another.

 1.4.4 Insurance – is a contract in which an individual or entity receives financial compensation against losses and damage from an insurance company in return for payment of premiums.

 1.4.5 Non-current liabilities – are financial obligations in the business balance sheet that are not expected to be paid within one year.

(5 × 2) (10)

[40]

QUESTION 2

2.1

Names of partners: Randy, Brandy and Mandy

Trading as Beauty Salon

Statement of Profit or Loss and Other Comprehensive Income for the year ended 30 December 2022

	R	R
Net profit		✓ 502 400
Less : salaries		(108 000)
Randy (R4 000 × 12)	✓✓ 48 000	
Mandy (R5 000 × 12)	✓✓ 60 000	
Less : finance cost		(12 800)
Interest on loan (Brandy) R80 000 × 16%	✓✓ 12 800	
Profit for the year		✓ 381 600
Other comprehensive income for the year		-
Total comprehensive income for the year		✓ 381 600

(9)

2.2 Statement of Changes in Equity

Details	Capital			Current account			Appropriation	Total
	Randy	Brandy	Mandy	Randy	Brandy	Mandy		
Balance at the beginning	260 000	430 000	100 000	80 800	(43 700)	(59 100)		✓768 000
Total comprehensive income							✓381 600	✓381 600
Interest on capital				✓✓20 800	✓✓34 400	✓✓8 000	✓ (63 200)	
Interest on current account				✓✓6 464	✓✓(3 496)	✓✓ (4 728)	✓1 760	
Interest on loan				-	✓2 300	-		2 300
Salary				✓27 600	-	✓25 000		52 600
Bonus to Brandy				-	✓3 8160	-	✓(38160)	
Drawings				✓ (10 300)	✓ (34 500)	✓ (16 900)		✓(61 700)
Partners' share				84 600☑	141 000☑	56 400☑	282 000☑	
Balance at the end	260 000	430 000	100 000	209 964	134 164	8 672		1 142 800☑

(31)
[40]

QUESTION 3

3.1

Branch bank

Date	Details	Amount (R)	Date	Details	Amount (R)
01 May 2022	Balance b/d	✓4 000	30 April 2023	Branch Municipal expense	✓4 500
	Branch inventory	✓360 000		Branch Telephone	✓1 600
	Branch trade receivables	✓150 000		Balance c/d	✓507 900
		✓514 000			✓514 000
1 May 2023	Balance b/d	✓507 900			

(9)

3.2

Branch inventory

Date	Details	Amount (R)	Date	Details	Amount (R)
1 May 2022	Balance b/d	✓20 900	30 April 2023	Inventory to branch	✓56 000
	Inventory to branch	✓356 000		Branch bank	✓360 000
	Branch trade receivables	15 000			
	Branch profit or loss✓	469 100✓		Branch trade receivables	✓400 000
				Balance c/d	✓45 000
		✓861 000			✓861 000
1 May 2023	Balance b/d	✓45 000			

(11)

3.3 BRANCH TRADE RECEIVABLES

Date	Details	Amount (R)	Date	Details	Amount (R)
1 May 2022	Balance b/d	✓38 400	30 April 2023	Branch inventory	✓15 000
	Branch inventory	✓400 000		Branch bank	✓150 000
				Branch credit losses	✓620
				Branch settlement discount granted	✓3 200
				Balance c/d	✓269 580
		✓438 400			✓438 400
1 May 2023	Balance b/d	✓269 580			

(10)

3.4 INVENTORY TO BRANCH

Date	Details	Amount (R)	Date	Details	Amount (R)
1 May 2022	Branch inventory	✓56 000	30 April 2023	Branch inventory	✓356 000
	Head office trading account✓	300 000☑			
		✓356 000			✓356 000

(6)

3.5 BRANCH CREDIT LOSSES

Date	Details	Amount (R)	Date	Details	Amount (R)
1 May 2022	Branch trade receivables✓	✓56 000			

(2)

2.6

Branch salaries and wages

Date	Details	Amount (R)	Date	Details	Amount (R)
1 May 2022	Head office✓	✓60 000			

(2)
[40]**QUESTION 4**

4.1

Inventory card : Average cost method

Date	Receipts		Issued		Inventory on hand	
	Units @	Amount	Units @	Amount	Units @	Amount
1					300 @ R102	✓R30 600
2			120 @ R102	✓R12 240	180 @ R102	✓R18 360
5	50 @ R105	✓R5 250			230 @ R102,65*✓✓	✓R23 609,50
11			60 @ R102,65	✓R6 159	170 @ R102,65	✓R17 450,50
20			30 @ R102,65	✓R3 079.50	140 @ R102,65	✓R14 371
23	100 @ R108	✓R10 800			240 @ R104,88**✓✓	✓R25 171,20
30			40 @ R104,88	✓R4 195,20	200 @ R104,88	✓R20 976

(15)

WORKINGS : * $R18\,360 + R5\,250 / 180 + 50 = R102,65$ ** $R14\,371 + R10\,800 / 140 + 100 = R104,88$

4.2

TRADING ACCOUNT

Date	Details	Amount (R)	Date	Details	Amount (R)
	Opening inventory	✓380 000		Sales	✓1 346 200
	Purchases (R850 000 – R5 750)✓	✓844 250		Closing inventory	☑177 810
	Customs duties	✓30 520			
	Profit or loss (gross profit)✓	269 240*☑			
		✓1 524 010			✓1 524 010

(9)
[24]

Workings : Gross profit = R1 346 200 × 25/125 = R269 240*

QUESTION 5

5.1 Name of the business: Sale House Stores

STATEMENT OF FINANCIAL POSITION 30 AUGUST 2023

ASSETS		R	R
Non-current assets			✓51 815
Property, plant and equipment	1	51 815	
Current assets			134 460
Inventory		✓89 060	
Trade and other receivables		✓40 600	
Cash and cash equivalent (R6 250 – R1 450)		✓4 800	
TOTAL ASSETS			186 275
EQUITY AND LIABILITIES			
Total equity			106 675
Capital		✓106 675	
Non-current liabilities			70 000
Long-term borrowings		✓70 000	
Current liabilities			9 600
Trade and other payables		✓9 600	
TOTAL EQUITY AND LIABILITIES			✓186 275

(9)

5.2 **STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDING 30 AUGUST 2023**

Balance at the beginning 1 September 2022:	✓R105 800
Calculations: Land & buildings R25 000 + Furniture R15 800 + Vehicle R12 500 + Inventory R98 000 + Cash R6 200 + Trade receivables R32 400 – (Trade payables R14 100 + Loan R70 000)	
Plus :Comprehensive profit for the year	☑R3 175
Less: Drawings	✓(R2 300)
Balance at the end 30 August 2023	☑R106 675

(5)

5.3 **NOTES TO THE STATEMENT OF FINANCIAL POSITION
PROPERTY, PLANT AND EQUIPMENT**

Details	Land and Building	Furniture	Vehicles	Total
Carrying value at the beginning 1/9/22	R25 000	R15 800	R12 500	R53 300
Cost	✓R25 000	✓R15 800	✓R12 500	✓R53 300
Accumulated depreciation`	-	-	-	-
Additions at cost	-	-	✓R3 000	✓R3 000
Disposal at carrying value	-	-	-	-
Depreciation	-	✓✓ (R3 160)	✓✓ (R1 325)	✓(R4 485)
Carrying value at the beginning 30/8/23	R25 000	R12 640	R14 175	✓R51 815
Cost	R25 000	✓R15 800	✓R15 500	✓R56 300
Accumulated depreciation`	-	✓ (R3 160)	✓ (R1 325)	✓(R4 485)

(18)
[32]

Please

QUESTION 6

6.1 Acid-test ratio

$$\frac{\text{Current assets less stock} \checkmark \checkmark (R115\,000 + R155\,000 + R5\,000 - R155\,000)}{\text{Current liabilities}} \\ = R120\,000 \checkmark : R110\,000 \checkmark \\ = 1,09 \checkmark : 1 \checkmark$$

6.2 Average trade collection period in months

$$\frac{\text{Average trade receivables} \times 12 \text{ months} \checkmark \checkmark}{\text{Credit sales}} \\ \frac{155\,000 \checkmark \times 12 \text{ months}}{R396\,800 \checkmark} \quad (R496\,000 \times 80\% = R396\,800) \\ = 4,69 \checkmark \text{ months} \checkmark$$

6.3 Gross profit percentage on turnover

$$\frac{\text{Gross profit}}{\text{Turnover/sales}} \times 100 \checkmark \checkmark \\ = \frac{R246\,000 \checkmark}{R496\,000 \checkmark} \times 100 \\ = 49,60 \checkmark \% \checkmark$$

6.4 Inventory turnover rates

$$\frac{\text{Cost of sales} \checkmark \checkmark}{\text{Average inventory}} \\ = \frac{R250\,000 \checkmark}{R115\,000 \checkmark} \\ = 2,17 \checkmark \text{ times} \checkmark$$

(4 × 6) [24]

TOTAL: 200