



**higher education
& training**

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

MARKING GUIDELINE

NATIONAL CERTIFICATE FINANCIAL ACCOUNTING N6

23 November 2021

This marking guideline consists of 6 pages.

QUESTION 1

1.1	1.1.1	True		
	1.1.2	False		
	1.1.3	True		
	1.1.4	False		
	1.1.5	False		
	1.1.6	False		
	1.1.7	False		
	1.1.8	True		
	1.1.9	False		
	1.1.10	False		
	1.1.11	False		
	1.1.12	True		
			(12 × 2)	(24)
1.2	1.2.1	E		
	1.2.2	H		
	1.2.3	A		
	1.2.4	G		
	1.2.5	B		
	1.2.6	C		
	1.2.7	F		
	1.2.8	I		
	1.2.9	D		
	1.2.10	J		
			(10 × 2)	(20)
				[44]

QUESTION 2

2.1	- Compulsory registration✓ – A business which has a turnover on taxable supplies of more than 1 million in a 12-month period or which is expected to exceed that amount, must register.✓✓ - Voluntary registration✓ – A business which earned an income that exceeded R50 000 in the past 12-month period, may register voluntarily.✓✓				
			(2 × 3)	(6)	
2.2	2.2.1	$3\,450 \checkmark \times \frac{15 \checkmark}{115}$			
		$= 450 \checkmark$			(3)
	2.2.2	$2\,000 \checkmark \times \frac{15 \checkmark}{100}$			
		$= 300 \checkmark$			(3)
	2.2.3	$750 \times 0\% \checkmark$			
		$= 0 \checkmark$			(2)
	2.2.4	–			
		Exempt ✓✓			(2)

	2.2.5	450 - 300 - 0 = 150 ✓ Payable ✓	(2)
2.3	2.3.1	Output VAT	(2)
	2.3.2	Input VAT	(2)
	2.3.3	VAT control account	(2)
2.4	2.4.1	Statement of financial position	(2)
	2.4.2	It shows the financial position of the business in terms of assets and equity and liabilities at the end of the financial year.	(2)
	2.4.3	Public company	(2)
	2.4.4	Two directors	(2)
	2.4.5	218 500 ✓ – (60 000 + 58 500) ✓✓ = 100 000 ✓	(4)
	2.4.6	- Assets✓ – Resources of the business from which future economic benefits are expected✓✓ - Equities✓ – The owner's interest or worth in the business✓✓ - Liabilities✓ – Obligations of the business arising as a result of past events which must be settled at a future date.✓✓ (3 × 3)	(9)
	2.4.7	- General reserve - Retained earnings - Revaluation surplus - Capital redemption reserve fund - Replacement reserve for machinery/equipment/furniture (Any 2 × 1)	(2)
	2.4.8	- Goodwill - Trade mark - Patent - Copyrights (Any 2 × 1)	(2)
	2.4.9	The amount of dividend declared but not yet paid to shareholders	(2)
	2.4.10	- Income✓ – Increase in the economic benefits during the accounting period in the form of inflow or enhancement of assets or decrease of liabilities that result in increase in equity other than those relating to contributions from equity participants.✓✓ - Expenses✓ – Decrease in the economic benefits during the accounting period in the form of outflow or depletion of assets or incurrences of liabilities that result in a decrease in equity, other than those relating to distribution to equity participants.✓✓ (2 × 3)	(6)
[57]			

QUESTION 3**STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME FOR
MAGAMPA CC FOR THE YEAR ENDED 30 JUNE 2020**

Sales		10 800 000 ✓
Less cost of sales		(8 400 000) ✓
Gross profit		2 400 000 ✓
Plus: Income		81 785 ✓
Interest on loan to member (6 000 – 3 000)	3 000 ✓✓	
Interest on fixed deposit (36 000 + 9 000)	45 000 ✓✓	
Provision for bad debts adjustment	33 785 ✓✓	
Operating income		2 481 785 ✓
Less expenses		(855 250) ✓
Salaries and wages (480 000 – 60 000)	420 000 ✓✓	
Advertisements	90 000 ✓	
Bad debts (24 000 + 1 500)	25 500 ✓✓	
Rent paid	132 000 ✓	
Water and electricity	66 000 ✓	
Interest on loan by member	3 000 ✓	
Interest on long-term loan (24 000 + 5 500)	29 500 ✓✓✓	
Insurance (72 000 – 4 000)	68 000 ✓✓✓	
Depreciation (1 250 + 20 000)	21 250 ✓✓✓	
Profit before tax		1 626 535 ✓
Income tax		(455 430) ✓
Profit for the period		1 171 105 ✓
Other comprehensive income		34 000
Revaluation surplus	34 000 ✓	
Total comprehensive income for the period		1 205 105 ✓

[34]

QUESTION 4**4.1 CASH FLOW STATEMENT OF MAKOFANE LTD FOR THE YEAR ENDED 28 FEBRUARY 2019**

CASH FLOW FROM OPERATING ACTIVITIES		
Cash received from customers	4 746 000 ✓	
Cash paid to suppliers and employees	(4 355 400) ✓	
Cash generated from operations	390 600 ✓	
Interest paid	(26 600) ✓	
Dividends paid	(112 000) ✓	
Taxation paid	(168 000) ✓	
Net cash flow from operating activities		84 000 ✓
CASH FLOW FROM INVESTING ACTIVITIES		
Replacement of equipment	(168 000) ✓✓	
Proceeds from the sale of equipment	14 000 ✓✓	
Net cash flow from investing activities		(154 000) ✓
CASH FLOW FROM FINANCING ACTIVITIES		
Decrease in long-term loan	(84 000) ✓	
Proceeds from issued shares	168 000 ✓	
Increase in short-term loan	42 000 ✓	
Net cash flow from financing activities		126 000 ✓
Net increase in cash		56 000 ✓
Cash at the beginning of the year		(14 000) ✓
Cash at the end of the year		42 000 ✓

(19)

4.2.1 CASH RECEIVED FROM CUSTOMERS

Sales	4 872 000 ✓
Increase in debtors	(126 000) ✓
	4 746 000

(2)

4.2.2 CASH PAID TO SUPPLIERS AND EMPLOYEES

Sales	(4 872 000) ✓
Profit before tax	420 000 ✓
Expenses for the period	(4 452 000)
Depreciation	56 000 ✓
Interest expense	26 600 ✓
Loss on sale of fixed asset	14 000 ✓✓
Decrease in inventory	56 000 ✓
Decrease in trade creditors	(56 000) ✓
	(4 355 400)

(8)

4.2.3 TAXATION AND DIVIDENDS PAID

	TAXATION	DIVIDENDS
Amount payable at the beginning of the year	-	(112 000) ✓
Amounts according to the statement of profit or loss	(168 000) ✓	(168 000) ✓
Amounts payable at the end of the year	-	168 000 ✓
Amounts paid	(168 000) ✓	(112 000) ✓

(6)
[35]**QUESTION 5**

5.1	5.1.1	Unqualified opinion		
	5.1.2	Qualified opinion		
	5.1.3	Withhold an opinion/disclaimer		
	5.1.4	Unqualified opinion		
	5.1.5	Qualified opinion	(5 × 2)	(10)
5.2	• Protect the assets of the business against loss • Evaluate internal system and procedures • Determine the reliability of the accounting data and other data developed • Carry out a specific investigation to identify and curb fraud • Assess the level of performance by responsible persons within the business • Check that internal control policies (rules) are being followed • Keep stringent control over all activities of an organisation			(Any 5 × 2) (10)
5.3	5.3.1	Substantive procedure		
	5.3.2	Substantive procedure		
	5.3.3	Compliance procedures		
	5.3.4	Substantive procedures		
	5.3.5	Compliance procedures	(5 × 2)	(10)
				[30]
TOTAL:				200