

General Comment:

1. Many candidates struggled to finish the question paper.
2. The use of correcting fluid, answers in pencil, the use of abbreviations and the overwriting of figures were almost non-existent this year. This was pleasing.
3. Many candidates did not show calculations in brackets and so did not obtain part marks for correct calculations done.

Question 1: Periodic Inventory System

The quality of the answers was good amongst the better candidates, but the weaker candidates struggled with this question.

The change in format was unexpected and no paper was provided for calculations.

Common errors: Many candidates did not bring the opening stock into account in the calculation of the cost of sales and some of the comments were not in line with their calculations.

Question 2: Cash Budget

This question was answered satisfactorily.

Common errors: Drawings from the stock reflected in the cash budget.

Question 2.4 was poorly answered as few candidates could comment on the financing options and the impact on the cash budget.

Question 3: Company analysis

3.1.1 Many candidates could not calculate the amounts for dividends and tax payable for the year.

3.1.2 The cash flow statement question was generally well answered.

3.2 Many candidates do not know how to calculate and use the liquidity, debt/equity and Solvency ratios.

Question 4: Club Accounting

This question was well answered.

Common mistakes:

Incorrect transfers of amounts from the calculation of membership fees to the Income and Expenditure Statement.

Incorrect calculation of loss on sale of fixed asset.

Incorrect calculation of the amount for advertising income.

Membership fees written off not disclosed in the Income and Expenditure Statement.

Question 5: Close Corporations

This question was poorly answered.

Common mistakes:

Calculation of the final net profit after tax was problematic.

Incorrect placement of the items in the balance sheet.

Foreign items in the notes for retained income and trade and other payables.

Question 6: Partnerships

Generally well answered.

Common mistakes:

Use of incorrect contra-accounts in the Appropriation Account.

Calculation of the final share of the net profit and interest on capital.

Question 7: Creditors Control

This question was answered satisfactorily.

Common mistakes:

Poor use of contra-accounts.

Incorrect calculation of final amounts.

Creditors List: Answer sheet provided two columns and this lead to confusion.

Comment on control mechanisms – poorly answered.