1. A comparison of the Cash Book of Otjana Traders for November 2006 with their Bank Statement as at 30 November 2006, revealed the following differences:

1. The Cash Book showed a favourable balance of N$3 126,50.
2. The Bank Statement had a favourable balance of N$3 331,00.
3. Cheques drawn but not yet presented for payment
   - No. 495  N$819,50
   - No. 499  N$525,00
   - No. 500  N$672,00
4. Deposits not yet credited by the bank, N$670,00.
5. A debtor, U. Uiras, deposited N$422,00 into the bank account of the business, in settlement of her debt.
6. The following debits appeared on the Bank Statement:
   - Service fees  N$75,00
   - Cash handling fees  N$56,00
   - Cheque book  N$39,00
   - A cheque received from a debtor, A. Wilhelm, marked refer to drawer, N$594,00.
   - A debit order for N$800,00 in favour of Channel Insurers for Insurance.

Instructions:

(a) Use the information above to prepare supplementary entries in the Cash Book of Otjana Traders on 30 November 2006. (8)

(b) Draw up a Bank Reconciliation Statement on that date. (13)

Document numbers may be omitted in the Cash Book.

TOTAL [21]
2. The transactions below were taken from the books of Tukondjeni Enterprises for October 2006.
   • Prepare the books of first entry listed below.
   • Close off the books at the end of the month.

(a) Cash Book (33)
(b) Purchases Journal (5)
(c) General Journal (narrations should be shown) (17)

• Enter document numbers in the correct way.

Balances: 1 October 2006:

<table>
<thead>
<tr>
<th>Account</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash</td>
<td>N$2 750.00</td>
</tr>
<tr>
<td>Bank</td>
<td>N$6 563.00 (Cr)</td>
</tr>
</tbody>
</table>

**Transactions for October 2007**

1. Received a cheque from the People’s Bank N$12 000.00, which was deposited immediately. This was a loan taken from the bank at 19 % per annum interest. Receipt no. 54 was issued. Interest on this loan is payable at the end of each month.

Paid rent for the business premises by means of cheque 28 to High Estates, N$1 910.00.

4. Invoices received from:
   • Usakos Traders for merchandise N$4 032.00 less 10 % trade discount. Invoice renumbered no. 30.
   • Office Quip for Equipment, N$2 991.00.
   • Kamuzeze Suppliers for goods N$3 500.00.

6. Cash sales of merchandise, N$1 663.00 as per Cash Register Roll.

8. Received a cheque from a debtor, B. Kavendi, who owed N$510.00 and was allowed discount of N$10.00. The cheque was kept in the cash register.

10. Goods in the form of sugar, rice and pasta, amounting to N$350.00 were donated to the Safe Haven Children’s Home.

12. Returned goods which were damaged to Usakos Traders and received a credit note, renumbered no. 68 for N$605.00.

14. The cheque received on the 8th from B. Kavendi was returned by the bank marked “Insufficient funds”.

17. Bought goods from Kamuzeze Suppliers and paid by cheque N$2 900.00.

18. Paid Fast Nel N$420.00 by cheque for delivering the merchandise bought on the 17th.

20. Sent a cheque to Kamuzeze Suppliers to settle the amount of the invoice on the 4th less 2.5 % cash discount.
22 Goods sold to Dan Kauete. He paid by cheque N$4 803,00. The cheque remained in the cash register.

25 Charged B. Kavendi’s account with interest at 12 % p.a. being overdue for three months.

27 Paid wages cash, N$420,00.

28 Paid interest on loan to the People’s Bank by cheque.
   The owner, R. Ngataa drew a business cheque to pay his personal telephone account of N$234,00.

29 P. Sabino, whose account was written off last month, paid the amount he owed in full, N$357,00. The amount was presented in cash.

30 B. Kavendi was declared insolvent and his estate paid 25c for every dollar owed. This money was deposited directly into the bank. The remainder was written off as bad debts.

31 Received an amount of N$3 500,00 by cheque for part of the premises let to Ongoniha Entrepreneurs. The cheque was immediately deposited in the business’s bank account.
   Deposited N$3 000,00 cash into the bank.

TOTAL [55]
3. **Trial Balance of Kohere Traders as at 28 February 2007**

<table>
<thead>
<tr>
<th>Balance Sheet Account Section</th>
<th>Fol</th>
<th>Debit</th>
<th>Credit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital</td>
<td>B1</td>
<td>158 000,00</td>
<td></td>
</tr>
<tr>
<td>Drawings</td>
<td>B2</td>
<td>4 910,00</td>
<td></td>
</tr>
<tr>
<td>Land and Buildings</td>
<td>B3</td>
<td>75 000,00</td>
<td></td>
</tr>
<tr>
<td>Vehicles</td>
<td>B4</td>
<td>50 000,00</td>
<td></td>
</tr>
<tr>
<td>Equipment</td>
<td>B5</td>
<td>15 200,00</td>
<td></td>
</tr>
<tr>
<td>Provision for Depreciation on Vehicles</td>
<td>B6</td>
<td>6 000,00</td>
<td></td>
</tr>
<tr>
<td>Provision for Depreciation on Equipment</td>
<td>B7</td>
<td>1 520,00</td>
<td></td>
</tr>
<tr>
<td>Stock (01/03/2006)</td>
<td>B8</td>
<td>12 400,00</td>
<td></td>
</tr>
<tr>
<td>Sales Ledger Control</td>
<td>B9</td>
<td>1 240,00</td>
<td></td>
</tr>
<tr>
<td>Bank</td>
<td>CB12</td>
<td>13 726,00</td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td>CB12</td>
<td>1 720,00</td>
<td></td>
</tr>
<tr>
<td>Purchases Ledger Control</td>
<td>B10</td>
<td>2 982,00</td>
<td></td>
</tr>
</tbody>
</table>

| Nominal Account Section       |     |           |            |
| Sales                         | N1  | 21 698,00 |            |
| Purchases                     | N2  | 13 670,00 |            |
| Carriage inwards              | N3  | 1 360,00  |            |
| Sales Returns                 | N4  | 606,00    |            |
| Purchases Returns             | N5  | 670,00    |            |
| Discount Received             | N6  | 480,00    |            |
| Discount Allowed              | N7  | 324,00    |            |
| Wages                         | N8  | 3 850,00  |            |
| Electricity                   | N9  | 5 400,00  |            |
| Insurance                     | N10 | 980,00    |            |
| Telephone                     | N11 | 876,00    |            |
| Rent Income                   | N12 | 9 912,00  |            |
|                               |    | 201 262,00| 201 262,00 |
Adjustments
1 Stock (28/02/2007) was valued at N$9 300,00.
2 Wages owed to a worker for 1 month N$350,00.
3 Insurance was paid for 14 months.
4 An amount of N$40,00 must be written off as bad debts.
5 Rent was received up to 30 April 2007.
6 Depreciation must be calculated as follows:
   On equipment at 10 % p.a. using the reducing (diminishing) balance method.
   On vehicles at 15 % p.a. on the cost price.

Instructions
Prepare the following:
(a) The Trading Account for the year ended 28 February 2007. (12)
(b) The Profit and Loss Account for the year ended 28 February 2007. (24)
(c) The Balance Sheet as at 28 February 2007. (32)

TOTAL [68]
4. The information below is taken from the books of Mikuija Farming.

You are requested to:

(a) Draw up a Wages Journal for the week ending 31 August 2007. Close off the Wages Journal at the end of the week. (35)

(b) Post the Gross Wages column to the General Ledger. (1)

Information

<table>
<thead>
<tr>
<th>Workers</th>
<th>Normal time rate per hour</th>
<th>Hours worked for the week ending 31 August 2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>M. Mbapeua</td>
<td>N$22,00</td>
<td>44</td>
</tr>
<tr>
<td>B. Hanga</td>
<td>N$36,00</td>
<td>51</td>
</tr>
</tbody>
</table>

The following deductions must be made:
• Pension fund 9% of normal wage.
• Trade union contribution 2% of normal wage, with B. Hanga being the only member affiliated to NUNW.

PAYE tax deductions are as follows:
M. Mbapeua       N$151,80
B. Hanga         N$305,10

Medical aid deductions are as follows:
M. Mbapeua       N$16,00
B. Hanga         N$16,00

Social Security deductions are listed below:
M. Mbapeua       N$ 9,90
B. Hanga         N$16,20

Additional Information
• A normal working week consists of 40 hours. Overtime is paid at a 1½ rate of normal time worked.