

SOLUTIONS TO HOMEWORK: SESSION 13: CONSOLIDATION EXERCISES
QUESTION 1**1.1****1.1.1**

- $(R175000 + R1150000) / (2500 + 15000 \text{ units})$
 $= R1325000 / 17500 \text{ units (or 2 marks each here)}$
 $= R75.71$

Stock value = 3020 units \checkmark x R75.71 \checkmark transfer from above.
 $= R228644,20 \checkmark$

(9)

1.1.2

- $2500 + 15000 - 14400 - 3020 = 80 \text{ units}$

Value at weighted average:

$80 \checkmark \times R75.71 \checkmark = R6057 \checkmark$

(7)

1.1.3 Any three valid **and separate** points $\checkmark\checkmark \checkmark\checkmark \checkmark\checkmark$

Expected responses for 2 marks:

- Security measures at the door to improve, e.g. alarm at door with tags on CDs.
- Consider till points - possible collusion or error by employees when CDs are sold.
- Consider purchase procedures-proper authorisation and checking of CDs received.
- Division of duties amongst members of the accounting department so that one person serves as a check on another.
- Conduct internal audits to minimise the possibility of fraud or error / of CDs by employees.

(6)

1.2

1.2.1 Any valid points, e.g. ✓✓

- This is dishonest. (2)
- Failure to pay over VAT is an offence.

1.2.2 Any valid points, e.g. ✓✓

- SARS would require documentation as proof of all transactions
- Conduct audits. (2)

1.2.3 Any two zero –rated items below. ✓ ✓

Rice or Maize or Cooking oil. (2)

1.2.4 Rice = R8.20

Maize = R8.25

Cooking oil = R12.65

✓ ✓

Total R29.10 x14/114 = R3.57✓

(3)

1.2.5

| Offences | Stakeholders affected |
|--------------------------------|-----------------------|
| Price-fixing or over-charging✓ | Customers✓ |
| Not paying over VAT✓ | SARS✓ |

(4)

TOTAL MARKS: 35