education

Department:
Education
REPUBLIC OF SOUTH AFRICA

NATIONAL SENIOR CERTIFICATE

GRADE 12

ACCOUNTING

NOVEMBER 2008

MARKS: 300

TIME: 3 hours

This question paper consists of 21 pages and an answer book of 20 pages.

INSTRUCTIONS AND INFORMATION

Read the following instructions carefully and follow them precisely.

1. Answer ALL the questions.
2. A special ANSWER BOOK is provided in which to answer ALL the questions.
3. Workings must be shown in order to achieve part-marks.
4. Non-programmable calculators may be used.
5. You may use a dark pencil or blue/black ink to answer the questions.

6. Use the information given in the table below as a guide when answering the question paper. Try NOT to deviate from it.

QUESTION 1: 35 marks; 20 minutes	
Topic of question:	**Learning outcomes covered:**
Company concepts, records and VAT	LO1 Financial accounting - AS1 Define accounting concepts - AS2 Record unique information for companies - AS7 Apply principles of VAT

QUESTION 2: 50 marks; 30 minutes	
The topic of the question is:	**The Learning outcomes covered:**
Budgeting and corporate governance	LO2 Managerial accounting - AS3 Analyse and interpret a cash budget LO3 Managing resources - AS5 Code of ethics - AS6 Apply internal control and audit processes

QUESTION 3: 45 marks; 25 minutes	
Topic of question:	**Learning outcomes covered:**
Manufacturing	LO2 Managerial accounting - AS2 Prepare, analyse and report cost information LO3 Managing resources - AS6 Apply internal control and audit processes

QUESTION 4: 65 marks; 30 minutes	
Topic of question:	**Learning outcomes covered:**
Company reporting	LO1 Financial accounting - AS5 Prepare financial statements - AS6 Analysing an audit report LO3 Managing resources - AS5 Code of ethics and role of professional bodies - AS6 Apply internal control and audit processes

QUESTION 5: 70 marks; 45 minutes	
Topic of question:	**Learning outcomes covered:**
Cash flow and interpretation of a company	LO1 Financial accounting - AS5 Prepare and interpret financial statements LO3 Managing resources - AS5 Code of ethics

QUESTION 6: 35 marks; 30 minutes	
Topic of question:	**Learning outcomes covered:**
Fixed assets and internal control	LO3 Managing resources - AS3 Interpret and report on asset disposal - AS5 Code of ethics - AS6 Apply internal control and audit processes

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QUESTION 1

COMPANY CONCEPTS, RECORDS AND VAT (35 marks; 20 minutes)

You are provided with information relating to Garland Limited for the financial year ended 30 June 2008.

REQUIRED:

1.1 Briefly explain why a company has to have 'Limited' or 'Ltd' in its name. (2)

1.2 Briefly explain why Garland Ltd has to make special entries for VAT in its books. (2)

1.3 Analyse the transactions for the current financial year in the table provided. Show the account debited, account credited and the missing amounts. (25)

1.4 The company plans to issue the remaining unissued shares next year.

1.4.1 How many shares will the company issue? (3)

1.4.2 Gary Garland, the managing director, currently owns 230 000 shares in this company. What is the minimum number of shares Gary will have to buy to keep control of the company? (3)

BACKGROUND INFORMATION AND OPENING BALANCES:

- The business was started in 2004 with an authorised share capital of 500 000 ordinary shares of R2,00 par value each.
- By 1 July 2007, the start of the current financial year, the business had issued 300 000 of these shares at par.

TRANSACTIONS FOR THE YEAR ENDED 30 JUNE 2008:

Example: Directors' fees of R150 000 were paid.

1. Credit purchases of trading stock for the year amounted to R350 000, excluding VAT. The VAT amount is R49 000.
2. Cash sales for the year were R684 000 including VAT of 14%. The cost price of these goods was R400 000. The business uses the perpetual (continuous) inventory system.
3. Provisional tax payments totalling R143 550 were made to SARS.
4. Interim dividends of R24 000 were paid to the shareholders.
5. Further 120 000 shares were issued at a premium of 60 cents each.
6. The tax assessment for income tax for the year amounted to R154 356.
7. A final dividend of 17 cents per share was declared.

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QUESTION 2

BUDGETING AND CORPORATE GOVERNANCE (50 marks; 30 minutes)

2.1 PRESENTATION OF A CASH BUDGET

You are the accountant of Limpopo Traders and you have prepared the cash budget for the three months ending 31 March 2009, to present to the owner, Thabo Mkhize.

REQUIRED:

2.1.1 What is the main purpose of preparing a Cash Budget? (2)

2.1.2 At the end of October 2008 you identified the following figures. Explain what you would mention to Thabo about each of the following items at the end of October:

	October 2008	
	Budgeted	**Actual**
Repairs and maintenance	R23 000	R18 000
Telephone	R15 000	R24 000
Rent income	R72 000	R22 000
Advertising	R25 000	R25 000

(8)

2.1.3 Calculate the total sales that may be expected in February 2009. (4)

2.1.4 Prepare a Debtors Collection Schedule for the period ending 31 March 2009 to check the figures in the Cash Budget. (9)

2.1.5 Thabo is of the opinion that it would be a good idea to start selling on credit, but his shop manager disagrees. Give ONE point from the question to support Thabo's opinion, and ONE point against his opinion. Give figures to support your points. (6)

2.1.6 Refer to the complete Cash Budget for the three months ending 31 March 2009 (see below). Thabo cannot understand what the budget reflects and he asks you to highlight the important aspects.

Explain THREE points other than those mentioned in QUESTIONS 2.1.2 to 2.1.5 above. Give figures (or ratios/percentages) from the question to support your explanations. (9)

INFORMATION:

1. **Credit sales:** Thabo decides to start selling on credit from 1 February 2009. Credit sales are expected to comprise 80% of all sales. The business uses a mark-up of 50% on cost at all times. Debtors are expected to pay as follows:
   - 10% pay in the same month as the credit sales transaction
   - 55% pay in the month following the credit sales transaction month
   - 28% pay in the second month following the credit sales transaction month
   - 7% is expected to be irrecoverable (bad debts)

2. **Mortgage loan:** Thabo decides to take out a mortgage loan on the property which the business bought for cash many years ago. Interest of 15% p.a. is capitalised (added to loan).

LIMPOPO TRADERS
CASH BUDGET FOR THREE MONTHS ENDING 31 MARCH 2009

	2009 JANUARY	2009 FEBRUARY	2009 MARCH
RECEIPTS	675 000	1 176 600	1 093 600
Cash sales	600 000	144 000	162 000
Collection from debtors (see info.1 above)		57 600	381 600
Mortgage loan from ACE Bank (see info.2 above)		900 000	
Rent income	72 000	72 000	80 000
Interest on fixed deposit	3 000	3 000	
Fixed deposit maturing			470 000
PAYMENTS	771 700	960 470	1 240 780
Purchase of stock (all for cash)	400 000	480 000	540 000
Repayment of loan and interest		10 370	10 370
Bank charges	13 000	8 000	8 000
Insurance	7 700	7 700	10 010
Salaries	140 000	140 000	168 000
Wages	60 000	62 400	62 400
Telephone	16 000	16 000	16 000
Advertising	15 000	15 000	15 000
Sundry expenses	20 000	21 000	22 000
Purchase of vehicles			180 000
Vehicle expenses			9 000
Drawings by Thabo	100 000	200 000	200 000
Surplus (Deficit) for the month	(96 700)	216 130	(147 180)
Cash at beginning of month	55 000	(41 700)	174 430
Cash at the end of the month	(41 700)	174 430	27 250

2.2 CASE STUDY: PRESTIGE HOTELS LTD

You are provided with an extract from a newspaper article which is based on an actual case.

REQUIRED:

2.2.1 If you were a major shareholder in this company, what questions would you ask the managing director at the special meeting? Give TWO questions. (6)

2.2.2 What should the managing director say at the special meeting to defend the board's decisions about the budget? Briefly explain TWO points. (6)

INFORMATION:

PRESTIGE HOTELS LTD SLAMMED FOR INAPPROPRIATE DECISIONS
[*By Helen Brown, Daily Views, 24 Nov. 2007*]

The decision by Prestige Hotels Ltd to sponsor the Far East International Soccer tournament to the tune of R5 million at a time when the company is seeking extra loans and finance from investors has been criticised by some of the major shareholders and trade unions.

One of the major shareholders, Glyn Schroda, said this week that Prestige Hotels made an operating loss of R83 million during the 2006/2007 financial year and that the budget for the new year shows huge cash shortfalls. She said that the managing director, Brand Schoon, needed to be held accountable and would have to explain the actions of the board at a special meeting called by shareholders next week. Trade union representative, Vally Pradeep, also criticised the company for not looking after its employees.

Prestige Hotels Ltd is the main sponsor and owns hotels in South Africa and the Far East. They will be providing free accommodation for players for the Far East International Soccer tournament. Spectators will be required to pay for their own rooms.

'We are taking our strong South African brand to the rest of the world with this sponsorship; we are making our presence felt on the world stage,' said Schoon.

Siswe Mashala, chief accountant of the company, said Prestige Hotels had reduced its sponsorships from more than 40 to only five sporting events and had budgeted for 8% salary and wage increases.

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QUESTION 3

MANUFACTURING **(45 marks; 25 minutes)**

3.1 PRODUCTION COST STATEMENT AND INVENTORY SYSTEMS

You are provided with information relating to Valley Bed Manufacturers for the financial year ended 29 February 2008.

The business produces beds, and sells these at a mark-up of 70% on cost. They use the perpetual (continuous) inventory system for finished goods and the periodic system for raw materials and indirect materials.

REQUIRED:

- Prepare the Production Cost Statement for the year ended 29 February 2008. (9)
- Provide workings for Direct Materials Costs and Factory Overhead Costs. (16)

INFORMATION:

1. The following **balances** appeared, amongst others, in the ledger at the beginning and end of the financial year.

	1 March 2007	**29 February 2008**
Raw materials stock	95 000	110 500
Work-in-process stock	71 500	191 600
Finished goods stock	480 000	96 200
Factory indirect materials stock	20 500	18 000

2. **Transactions during the year:**

- Raw materials purchased on credit, R521 000
- Cost of transporting raw materials to the factory, R29 500
- Factory indirect materials bought for cash, R77 500
- Wages paid to factory workers who make the beds, R300 800
- Salary paid to factory foreman (manager), R105 000
- Commission paid to sales staff, R90 000
- Maintenance of factory equipment paid, R37 000 (a further R11 000 is still owed)
- Water and electricity paid, R21 000 (this is to be split between the factory and the office in the ratio 4:1)
- Rent paid, R108 000 (this is to be split across the various departments according to floor area - the factory accounts for 800 square metres out of the total area of 1 200 square metres)
- Depreciation on factory equipment amounts to R60 500

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3.2 UNIT COSTS

REQUIRED:

3.2.1 Calculate the unit costs for 2008 indicated as (a), (b) and (c) in the table below. (6)

3.2.2 Compare the unit costs of 2008 with those of 2007. Some of the unit costs have been affected by inflation (increased prices). In each of the following cases give a possible reason (other than inflation) for the change:
- Direct materials cost per unit
- Direct labour cost per unit
- Factory overhead costs per unit (6)

3.2.3 Break-even point:
- Calculate the break-even point for 2008. (5)
- Comment on the break-even point calculated above. Should the business be satisfied with the number of units that are currently being produced? Explain. (3)

INFORMATION:

1. Springbok T-Shirt Manufacturers made and sold 34 000 T-shirts during the year ended 29 February 2008. They produced 25 000 T-shirts in the previous year.
2. All T-shirts were sold at a fixed price of R45 each in 2007 and 2008.
3. All finished items were sold. There was no work-in-process at the beginning or end of the financial year.
4. The following total and unit costs were identified:

	2008 34 000 units made		**2007 25 000 units made**	
	Total costs	**Unit costs**	**Total costs**	**Unit costs**
Variable costs:	R980 000	R28,82	R801 000	R32,04
Direct materials cost	500 000	**(a)**	462 000	18,48
Direct labour cost	320 000	9,41	205 000	8,20
Selling and distribution cost	160 000	**(b)**	134 000	5,36
Fixed costs:	333 000	9,79	296 000	11,84
Factory overhead costs	205 000	**(c)**	205 000	8,20
Administration cost	128 000	3,76	91 000	3,64
Total costs	R1 313 000	R38,62	R1 097 000	R43,88

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QUESTION 4

COMPANY REPORTING **(65 marks; 30 minutes)**

4.1 INCOME STATEMENT

You are provided with information relating to Samora Sports Limited. The company sells sports equipment and repairs equipment for their customers.

REQUIRED:

Prepare the Income Statement for the year ended 30 June 2008 after taking all the adjustments and additional information into account. (50)

INFORMATION:

1. **Figures extracted from the Pre-Adjustment Trial Balance on 30 June 2008:**

Ordinary share capital (R5 par value)	R 1 200 000
Fixed deposit	160 000
Trading stock	215 000
Debtors control	39 090
Equipment (for office and shop)	224 000
Accumulated depreciation on office and shop equipment	130 000
Mortgage loan from Credbank	281 200
Sales	1 703 200
Debtors allowances	17 000
Cost of sales	?
Service fee income (in respect of repair services)	297 140
Rent income	105 000
Interest income	11 200
Salaries and wages	234 750
Employers' contributions to Pension Fund and UIF	53 200
Audit fees	30 000
Directors fees	230 000
Consumable stores	51 100
Bank charges	5 240
Sundry expenses	?

2. **Adjustments and additional information:**

The auditors have identified the following errors or omissions:

2.1 The auditors are owed a further R28 000 after completing the audit.

2.2 Bank charges of R310 reflected on the June 2008 bank statement have not yet been entered in the books.

2.3 A credit note issued to a debtor, A Mona, dated 28 June 2008 was not recorded in the books. The credit note was for:

- Goods returned by A Mona, R 6 200 (the cost was R4 800)
- Price reduction on unsatisfactory repair of a tennis racket, R540

2.4 The stock count on 30 June 2008 revealed the following on hand:

- Trading stock, R202 000
- Consumable stores, R900

2.5 An employee was left out of the Salaries Journal for June 2008. The details from his pay-slip were:

Gross salary	R6 000
PAYE deduction (18%)	(1 080)
Pension deduction (7,5%)	(450)
UIF	(60)
Net salary	R4 410

The business contributions were:

- Pension Fund: 10,5% of gross salary
- UIF: Rand-for-rand basis

2.6 The tenant paid the July and August rent in June 2008. The rent was increased by R700 per month on 1 January 2008.

2.7 Provide for depreciation on office and shop equipment at 10% p.a. on the diminishing-balance method. Note that new shop equipment costing R30 000 was purchased half-way through the financial year (this was properly recorded).

2.8 Interest on the loan was capitalised. The loan statement from Credbank on 30 June 2008 reflects the following:

CREDBANK	
Loan statement on 30 June 2008	
Balance on 1 July 2007	R332 800
Interest charged	?
Monthly payments to Credbank in terms of the loan agreement (12 months x R4 300)	R 51 600
Balance on 30 June 2008	R326 000

The interest expense for the year has not yet been entered in the books.

2.9 Use the following percentages to calculate the missing figures:

- Mark-up % achieved: 60% on cost
- Operating profit on sales: 20%
- Income tax rate: 30% of net profit

4.2 CORPORATE GOVERNANCE AND AUDITING

The following audit report was issued by the auditors of Samora Sports Ltd:

> **Audit opinion – To the shareholders:**
> In our opinion, the financial statements fairly present, in all material respects, the financial position of the company and the group at 30 June 2008 and the results of their operations and cash flows for the year ended, in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act in South Africa.
>
> **I.M. Wright & Associates**
> **Chartered Accountants (SA)**
> **Registered Accountants and Auditors**
> **Pretoria 10 August 2008**

4.2.1 Why does the Companies Act make it a requirement for public companies to be audited? (2)

4.2.2 Although this audit opinion is addressed to the shareholders, other interested persons will also want to read it.

Name ONE other person who would be interested in this audit opinion, and give a reason for his/her interest in the opinion. (3)

4.2.3 At the AGM, one of the shareholders says that he is not happy with the words 'fairly present' in the audit report. He wants the auditors to say that the financial statements are 'correct in all respects'.

What explanation should be given to this shareholder? State ONE point. (3)

4.2.4 The directors are not happy with the high audit fees reflected in the Income Statement.

Explain why improvement in internal control will have a positive effect on the external auditors' fees. State ONE point. (3)

4.2.5 SAICA is one of the main professional bodies governing accountants in this country.

Explain TWO of the main roles performed by SAICA. (4)

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QUESTION 5

CASH FLOW AND INTERPRETATION OF A COMPANY (70 marks; 45 minutes)

You are provided with information relating to Glebo Limited for the year ended 30 June 2008. Glebo Limited is a public company listed on the JSE Securities Exchange. They are based in Pretoria and they sell office stationery.

The directors of Glebo Limited decided to open new branches in Bloemfontein and Witbank halfway through the year.

Note:

- ***Answer the questions below.***
- ***Where you are asked to comment on financial indicators you must quote the name of the relevant indicator as well as the figure, which is provided or calculated in the question for that indicator.***

REQUIRED:

5.1 Calculate the following financial indicators for 2008:

5.1.1 Debt/Equity ratio (3)
5.1.2 Acid-test ratio (4)
5.1.3 Stock turnover rate (4)
5.1.4 % return on average shareholders' equity (after tax) (4)
5.1.5 Net asset value per share (4)

5.2 Solvency and liquidity:

5.2.1 Briefly explain the difference between *solvency* and *liquidity*. (2)

5.2.2 Comment on the solvency of this business. Quote a financial indicator from the question to support your opinion. (3)

5.2.3 Comment on the liquidity of this business. Quote the financial indicators and the changes (trends) from the previous year to support your opinion. (10)

5.3 Returns and share price:

5.3.1 Comment on the earnings, dividends and % return. Quote financial indicators and the changes (trends) from the previous year to support your opinion. (6)

5.3.2 You have been a shareholder since the company started many years ago. The price of the share on the JSE is now 350 cents which is a 6% increase over the past year. Would you be satisfied with the performance of the share price? Comment and compare this to a financial indicator from the question to support your opinion. (4)

5.4 Calculate the missing figures in the Cash Flow Statement. The missing figures are indicated (a) to (e). (12)

5.5 The Cash Flow Statement highlights some significant (important) decisions taken by the directors over the past year. Explain TWO of these significant decisions. Quote figures to support your answer. Also explain how these decisions would benefit the company and the shareholders. (8)

5.6 At the AGM, the directors announce that the company will:
- Conduct training of all employees in terms of morals and ethics
- Donate funds towards cleaning up the environment

Explain why this is necessary although this will cost the company a lot of money each year. State THREE points. (6)

INFORMATION:

GLEBO LIMITED
EXTRACT FROM INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

	2008	**2007**
Sales (70% of sales were on credit)	9 000 000	7 000 000
Cost of sales	5 625 000	4 070 000
Operating profit	1 423 200	947 600
Income tax	426 000	270 000
Net profit after tax	904 000	630 000

GLEBO LIMITED
BALANCE SHEET AS AT 30 JUNE 2008

	2008	**2007**
ASSETS		
Non-current assets	4 626 000	2 209 000
Fixed assets	4 326 000	1 489 000
Financial assets	300 000	720 000
Current assets	2 557 000	2 508 000
Inventories (all trading stock)	1 640 000	1 510 000
Trade and other receivables (all trade debtors)	810 000	960 000
SARS (Income tax)	0	18 000
Cash and cash equivalents	107 000	20 000
TOTAL ASSETS	7 183 000	4 717 000
EQUITY AND LIABILITIES		
Ordinary shareholders' equity	4 123 000	2 640 000
Ordinary share capital (R2,00 par value)	2 200 000	1 600 000
Share premium	710 000	200 000
Retained income	1 213 000	840 000
Non-current liabilities	1 980 000	700 000
Mortgage loan: Jozi Bank (13% p.a.)	1 980 000	700 000
Current liabilities	1 080 000	1 377 000
Trade and other payables (all trade creditors)	705 000	819 000
SARS (Income tax)	32 000	0
Shareholders for dividends	275 000	240 000
Bank overdraft	0	250 000
Current portion of loan	68 000	68 000
TOTAL EQUITY AND LIABILITIES	7 183 000	4 717 000

FINANCIAL INDICATORS:

The following financial indicators were calculated for the past two years:

	2008	**2007**
Debt/Equity ratio	?	0,27:1
Total assets to total liabilities	2,2:1	2,3:1
Current ratio	2,4:1	1,8:1
Acid-test ratio	?	0,7:1
Stock-turnover rate	?	2,4 times
Debtors collection period	51 days	72 days
Creditors payment period	49 days	67 days
% return on average shareholders' equity (after tax)	?	23,9 %
% return on total capital employed (before tax)	43,3 %	39,7 %
Net asset value per share	?	330 cents
Dividends per share	57 cents	65 cents
Earnings per share	95,2 cents	78,8 cents

GLEBO LIMITED
CASH-FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2008

Cash effects of operating activities		744 000
Cash generated from operations		**?**
Interest paid		(134 000)
Dividends paid		(496 000)
Income tax paid	(a)	**?**
Cash effects of investing activities		(3 217 000)
Purchase of fixed assets for new branches		(3 357 000)
Proceeds of sale of fixed assets		140 000
Cash effects of financing activities		2 810 000
Proceeds of issue of shares	(b)	**?**
Proceeds of increase in mortgage loan	(c)	**?**
Proceeds of financial assets matured		420 000
Net change in cash equivalents	(d)	**?**
Cash equivalents – beginning of year		(230 000)
Cash equivalents – end of year	(e)	**?**

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QUESTION 6

FIXED ASSETS AND INTERNAL CONTROL (35 marks; 30 minutes)

You are provided with information in respect of Bloemfontein Hardware for the year ended 29 February 2008. The business is owned by Mike Moore and Milly Miles.

REQUIRED:

6.1 Prepare the Asset Disposal Account for office equipment (computers) stolen on 30 June 2007 (see information 1 below). (12)

6.2 One of the office employees, Di Vulge, knows that the insurance policy only covers theft if there is evidence of forced entry. She also knows that Mike broke the security gate of the office to make the incident look like forced entry. She is not sure if Milly knows about this.

What advice would you give Di? Explain ONE point. (3)

6.3 Explain how and why the Fixed Assets Register will assist the internal auditor in his duties. (3)

6.4 In order to solve their cash flow problems, Mike has sold a portion of the premises at cost price. Milly disagrees with him on this.

Do you support Milly's opinion? Give a reason. (3)

6.5 The business owns three delivery vehicles. Refer to the information in respect of each delivery vehicle from the Fixed Asset Register (see information 4 below).

- Identify the cost price of delivery vehicle 3. (3)
- Explain why delivery vehicle 2 is shown at a book value of R1,00 (one rand). (2)

6.6 As a service to their customers, the business delivers goods within Bloemfontein. They charge a flat rate of R250 per delivery. Clients pay cash directly to the drivers.

A total of 3 680 deliveries was done during the year. The delivery service operated on 260 days during the year.

You are the internal auditor and you are concerned about possible problems relating to the delivery vehicles and their drivers.

Refer to the information in point 4 below. Identify and explain ONE major problem relating to each delivery vehicle or its driver. Quote figures from the information to support your answer. Provide a valid solution to each problem. (9)

INFORMATION:

1. Office equipment and disposals:
Office equipment includes the office computers. Six of the office computers were stolen on 30 June 2007. These six computers were originally bought at a cost price of R13 200 each. The insurance company, Ace Insurers, only paid out R5 000 for each computer. These computers were replaced at a higher price on 31 August 2007.

2. Delivery vehicles:
The business owns three delivery vehicles that they use to generate their income.

3. Information from the financial statements for year ended 29 February 2008:

FIXED ASSETS	Land & buildings	Office equipment	Vehicles
Carrying value at beginning of year	1 200 000	630 000	403 501
Cost	1 200 000	980 000	699 000
Accumulated depreciation		(350 000)	(295 499)
Movements	(700 000)	19 560	(111 000)
Additions		240 000	
Disposals at carrying value	(700 000)	(63 360)	
Depreciation		(157 080)	(111 000)
Carrying value at end of year	500 000	649 560	292 501
Cost	500 000	1 140 800	699 000
Accumulated depreciation		(491 240)	(406 499)

4. Information from the Fixed Assets Register and the accounting records on 29 February 2008:

Fixed Assets Register	Delivery vehicle 1	Delivery vehicle 2	Delivery vehicle 3
Date purchased	1 April 2007	1 January 1999	1 April 2005
Cost price of vehicle	R315 000	R144 000	?
Accumulated depreciation	R94 500	R143 999	R168 000
Carrying value	**R220 500**	**R1**	**R72 000**

Information from the accounting records	Delivery vehicle 1	Delivery vehicle 2	Delivery vehicle 3
Name of driver	***Solly***	***Themba***	***Goldie***
Number of days worked	210 days	260 days	260 days
Number of deliveries done	280 deliveries	2 100 deliveries	1 300 deliveries
Cash paid in by drivers	R70 000	R525 000	R275 000
Salary paid to drivers	R52 000	R52 000	R52 000
Fuel and maintenance costs for the year	R36 400	R430 500	R201 500
Fuel and maintenance costs per kilometre	R1,30	R2,05	R1,55

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TOTAL: 300