



**QUESTION 1:**

1.1

(a)	Input VAT ✓
(b)	Credit ✓
(c)	Increase ✓
(d)	Salaries ✓

4
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1.2

No.	VAT AMOUNT	INCREASES THE AMOUNT DUE TO SARS	DECREASES THE AMOUNT DUE TO SARS
(a)	240 ✓✓		X ✓
(b)	1 305 ✓✓	X ✓	
(c)	1 365 ✓✓		X ✓

9
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**QUESTION 2:**

**Calculate the amount receivable from or payable to SARS for VAT on 31 August 2016.**  
Mark one line only. Cannot mix signs. Inspect candidates' responses. Award highest mark.

✓    ✓✓    ✓    ✓✓    ✓✓     One part correct

$14\ 250 - 29\ 700 + 3\ 150 - 1\ 200 - 1\ 425 + 43\ 800 = 28\ 875$

**OR**

$- 14\ 250 + 29\ 700 - 3\ 150 + 1\ 200 + 1\ 425 - 43\ 800 = - 28\ 875$

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Mark one account only. Cannot mix sides. Inspect candidates' responses. Award highest mark.  
Items marked \* may be shown on the opposite side in brackets.

VAT CONTROL	
29 700	14 250
*1 200	3 150
*1 425	43 800
<b>28 875</b>	
61 200	61 200

VAT CONTROL	
14 250	29 700
*3 150	*1 200
43 800	*1 425
	<b>28 875</b>
61 200	61 200

**Receivable/Payable: Payable ✓** Do not accept Receivable (irrespective of workings)

**QUESTION 3:**

**3.1 VAT CONCEPTS**

<b>3.1.1</b>	Output VAT	✓
<b>3.1.2</b>	South African Revenue Services (SARS)	✓
<b>3.1.3</b>	0% (Zero)	✓

3
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**3.2 VAT CALCULATIONS**

**Calculate the correct amount of VAT the business has to pay. Show ALL workings.**

43 820 ✓ + (1 440 ✓✓ + 2 790 ✓✓ + 120 ✓ + 810 ✓) – (192 ✓✓ + 7 305 ✓)

= 41 483 ✓✓ One part correct

**OR** 43 820 + 1 440 + 2 790 + 120 + 810 – 192 – 7 305

**OR** -43 820 - 1 440 - 2 790 - 120 - 810 + 192 + 7 305

**VAT CONTROL**

192	43 820
7 305	1 440
<b>41 483</b>	2 790
	120
	810
48 980	48 980

12
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**QUESTION 4:**

**4.1**

**Calculate the amount of VAT either receivable from or payable to SARS on 31 July 2016.**

16 800 ✓ – 189 000 ✓✓ + 123 750 ✓✓ – 1 350 ✓ + 900 ✓

= – 62 400 ✓ One part correct

**OR**

– 16 800 + 189 000 – 123 750 + 1 200 – 900 = 62 400

**VAT CONTROL**

16 800	202 500
123 750	1 350
900	
62 400	

**Receivable/Payable:** Payable ✓

**4.2**

**The owner wants to change the VAT amount on bad debts from R840 to R4 200. Give ONE reason why you would disagree with him.**

Any valid reason ✓✓

Possible responses for two marks:

- It is unethical to forward incorrect information to SARS in order to reduce the amount payable/increase amount receivable.
- It is illegal /fraudulent to provide falsified information to SARS as this will lead to fines or a jail sentence to the offender.

Possible responses for one mark :

Unethical / illegal / Fraud

**QUESTION 5:**

5.1

5.1.1	True ✓
5.1.2	False ✓
5.1.3	False ✓

<b>3</b>

5.2.1

**VAT amount that is either payable to or receivable from SARS.**

44 800 ✓ + 69 300 ✓ – 7 500 ✓✓  
 – 27 750 ✓ – 6 900 ✓ – 5 250 ✓  
 + 900 ✓✓ – 2 175 ✓✓  
 = 65 425 ✓  
 appropriate operations one part correct

VAT CALCULATION	
VAT INPUT	VAT OUTPUT
27 750	44 800
6 900	69 300
5 250	900
7 500	
2 175	
<b>65 425</b>	
115 000	115 000

<b>12</b>

5.2.2

**What comment would you offer Nelson concerning this practice? State ONE point.**

Any valid comment ✓✓ (must mention legal/ethical issue) Award part marks for incomplete answer

Nelson must keep accurate records of VAT and make timeous submissions to SARS for the following reasons:

- It is illegal/unethical business practice (fraud)/not prudent practice.
- The business is an agent of SARS –money collected on behalf of SARS.
- The business will be liable for penalties and fines.

<b>2</b>

**QUESTION 6 :**

6.1

**Calculate the VAT amount that is either receivable from or payable to SARS on 31 July 2017.**

27 200 ✓ – 72 000 ✓ + 23 850 ✓ + 3 300 ✓  
 + 2 250 ✓✓ – 1 350 ✓✓ – 4 200 ✓✓ = – 20 950 ✓  
 One part correct

OR +67 200 two marks –21 000 two marks  
 – 27 200 + 72 000 – 3 300 – 23 850 + 1 350 – 4 200  
 + 2 250 = 20 950

VAT CONTROL CALCULATION	
VAT INPUT	VAT OUTPUT
27 200	*72 000
#23 850	#1 350
*3 300	4 200
2 250	
<b>20 950</b>	
<b>77 550</b>	<b>77 550</b>

<b>11</b>

6.2

**Comment on the offer made by Jim. State TWO points.**

TWO valid points ✓✓ ✓✓ part-mark for unclear / incomplete answer

- Tax evasion / buying stolen goods is illegal / unethical
- The issuing of documents is important for internal control purposes / It is fraudulent not to issue an invoice
- Unethical/illegal activity will tarnish the image of the business.
- Discount limits must be formalised by management (otherwise fraudulent)

<b>4</b>