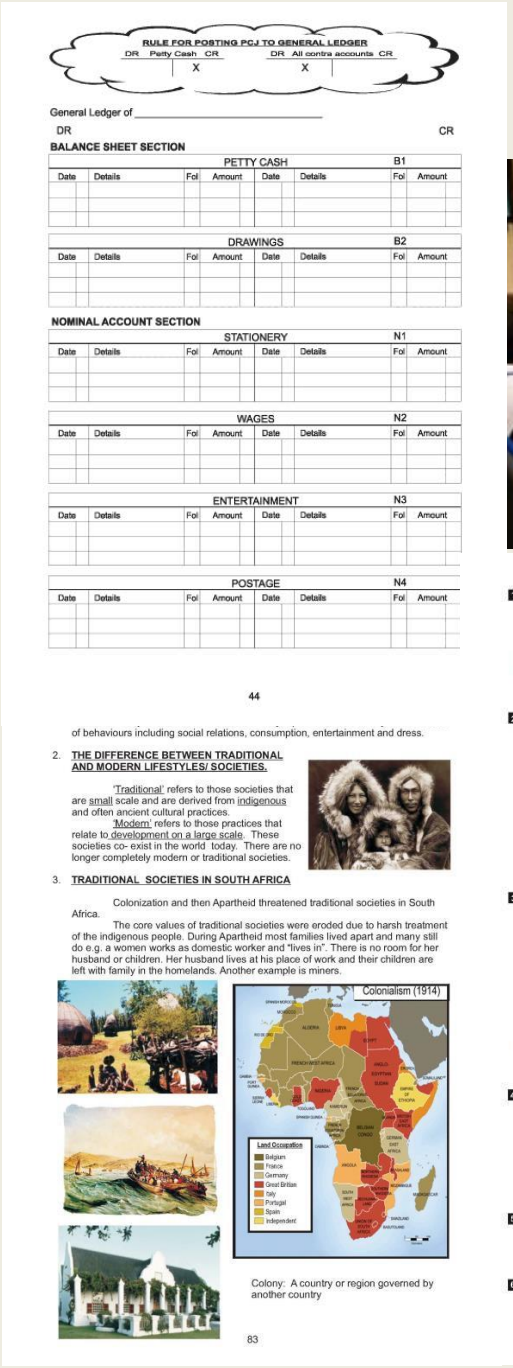
Our eBooks


RULE FOR POSTING PCJ TO GENERAL LEDGER

DR Petty Cash CR | DR All contra accounts CR

X | X

General Ledger of _____

DR CR

BALANCE SHEET SECTION

PETTY CASH B1

DRAWINGS B2

NOMINAL ACCOUNT SECTION

STATIONERY N1

WAGES N2

ENTERTAINMENT N3

POSTAGE N4

Date | Details | Fol | Amount | Date | Details | Fol | Amount

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of behaviours including social relations, consumption, entertainment and dress.

2. THE DIFFERENCE BETWEEN TRADITIONAL AND MODERN LIFESTYLES/ SOCIETIES.

'Traditional' refers to those societies that are small scale and are derived from indigenous and often ancient cultural practices.

'Modern' refers to those practices that relate to development on a large scale. These societies co- exist in the world today. There are no longer completely modern or traditional societies.

3. TRADITIONAL SOCIETIES IN SOUTH AFRICA

Colonization and then Apartheid threatened traditional societies in South Africa.

The core values of traditional societies were eroded due to harsh treatment of the indigenous people. During Apartheid most families lived apart and many still do e.g. a women works as domestic worker and "lives in". There is no room for her husband or children. Her husband lives at his place of work and their children are left with family in the homelands. Another example is miners.

Colonialism (1914)

Land Occupation: Belgium, France, Germany, Great Britain, Italy, Portugal, Spain, Independent

Colony: A country or region governed by another country

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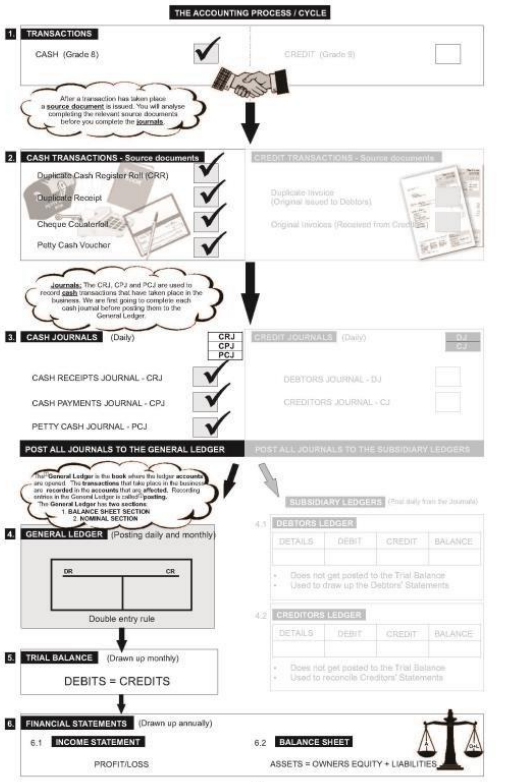
THE ACCOUNTING PROCESS / CYCLE

1 TRANSACTIONS

CASH (Grade 8)

CREDIT (Grade 9)

After a transaction has taken place a source document is issued. You will analyse completing the relevant source documents before you complete the journals.

2 CASH TRANSACTIONS - Source documents

Duplicate Cash Register Roll (CRR)

Duplicate Receipt

Cheque Counterfoil

Petty Cash Voucher

CREDIT TRANSACTIONS - Source documents

Duplicate Invoice (Original issued to Debtors)

Original Invoices (Received from Creditors)

Journals: The CRJ, CPJ and PCJ are used to record cash transactions that have taken place in the business. We are first going to complete each cash journal before posting them to the General Ledger.

3 CASH JOURNALS (Daily)

CRJ CPJ PCJ

CREDIT JOURNALS (Daily)

DJ CJ

CASH RECEIPTS JOURNAL - CRJ

CASH PAYMENTS JOURNAL - CPJ

PETTY CASH JOURNAL - PCJ

DEBTORS JOURNAL - DJ

CREDITORS JOURNAL - CJ

POST ALL JOURNALS TO THE GENERAL LEDGER

POST ALL JOURNALS TO THE SUBSIDIARY LEDGERS

The General Ledger is the book where the ledger accounts are opened. The transactions that take place in the business are recorded in the accounts that are affected. Recording entries in the General Ledger is called posting. The General Ledger has two sections: 1. BALANCE SHEET SECTION 2. NOMINAL SECTION

SUBSIDIARY LEDGERS (Final daily from the Journals)

4 GENERAL LEDGER (Posting daily and monthly)

DR CR

Double entry rule

4.1 DEBTORS LEDGER

DETAILS | DEBIT | CREDIT | BALANCE

Does not get posted to the Trial Balance

Used to draw up the Debtors' Statements

4.2 CREDITORS LEDGER

DETAILS | DEBIT | CREDIT | BALANCE

Does not get posted to the Trial Balance

Used to reconcile Creditors' Statements

5 TRIAL BALANCE (Drawn up monthly)

DEBITS = CREDITS

6 FINANCIAL STATEMENTS (Drawn up annually)

6.1 INCOME STATEMENT

PROFIT/LOSS

6.2 BALANCE SHEET

ASSETS = OWNERS EQUITY + LIABILITIES

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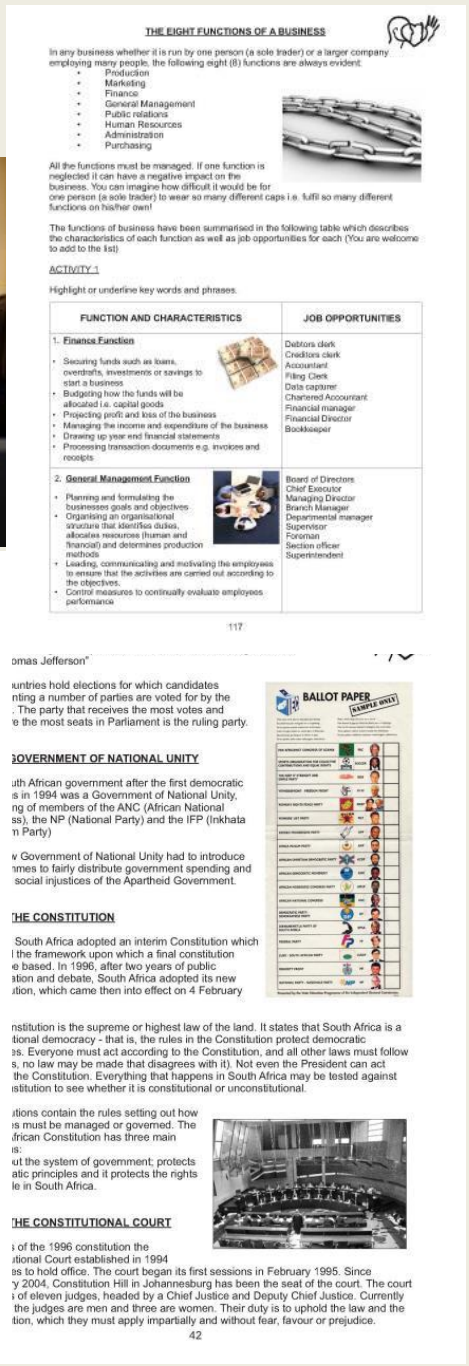
THE EIGHT FUNCTIONS OF A BUSINESS

In any business whether it is run by one person (a sole trader) or a larger company employing many people, the following eight (8) functions are always evident:

- Production
- Marketing
- Finance
- General Management
- Public relations
- Human Resources
- Administration
- Purchasing

All the functions must be managed. If one function is neglected it can have a negative impact on the business. You can imagine how difficult it would be for one person (a sole trader) to wear so many different caps i.e. fulfil so many different functions on his/her own!

The functions of business have been summarised in the following table which describes the characteristics of each function as well as job opportunities for each (You are welcome to add to the list)

ACTIVITY 1

Highlight or underline key words and phrases.

FUNCTION AND CHARACTERISTICS	JOB OPPORTUNITIES
1. Finance Function • Securing funds such as loans, overdrafts, investments or savings to start a business • Budgeting how the funds will be allocated i.e. capital goods • Projecting profit and loss of the business • Managing the income and expenditure of the business • Drawing up year end financial statements • Processing transaction documents e.g. invoices and receipts	Debtors clerk Creditors clerk Accountant Filing Clerk Data capturer Chartered Accountant Financial manager Financial Director Bookkeeper
2. General Management Function • Planning and formulating the businesses goals and objectives • Organising an organisational structure that identifies duties, allocates resources (human and financial) and determines production methods • Leading, communicating and motivating the employees to ensure that the activities are carried out according to the objectives. • Control measures to continually evaluate employees performance	Board of Directors Chief Executor Managing Director Branch Manager Departmental manager Supervisor Foreman Section officer Superintendent

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omas Jefferson"

untries hold elections for which candidates nting a number of parties are voted for by the . The party that receives the most votes and e the most seats in Parliament is the ruling party.

BALLOT PAPER SAMPLE ONLY

OVERNMENT OF NATIONAL UNITY

uth African government after the first democratic s in 1994 was a Government of National Unity, ng of members of the ANC (African National ss), the NP (National Party) and the IFP (Inkhata n Party)

w Government of National Unity had to introduce mes to fairly distribute government spending and social injustices of the Apartheid Government.

'HE CONSTITUTION

South Africa adopted an interim Constitution which l the framework upon which a final constitution e based. In 1996, after two years of public ation and debate, South Africa adopted its new ution, which came then into effect on 4 February

nstitution is the supreme or highest law of the land. It states that South Africa is a tional democracy - that is, the rules in the Constitution protect democratic s. Everyone must act according to the Constitution, and all other laws must follow s, no law may be made that disagrees with it). Not even the President can act the Constitution. Everything that happens in South Africa may be tested against stitution to see whether it is constitutional or unconstitutional.

tions contain the rules setting out how s must be managed or governed. The frican Constitution has three main is:

ut the system of government; protects atic principles and it protects the rights le in South Africa.

'HE CONSTITUTIONAL COURT

of the 1996 constitution the tional Court established in 1994 s to hold office. The court began its first sessions in February 1995. Since y 2004, Constitution Hill in Johannesburg has been the seat of the court. The court of eleven judges, headed by a Chief Justice and Deputy Chief Justice. Currently the judges are men and three are women. Their duty is to uphold the law and the tion, which they must apply impartially and without fear, favour or prejudice.

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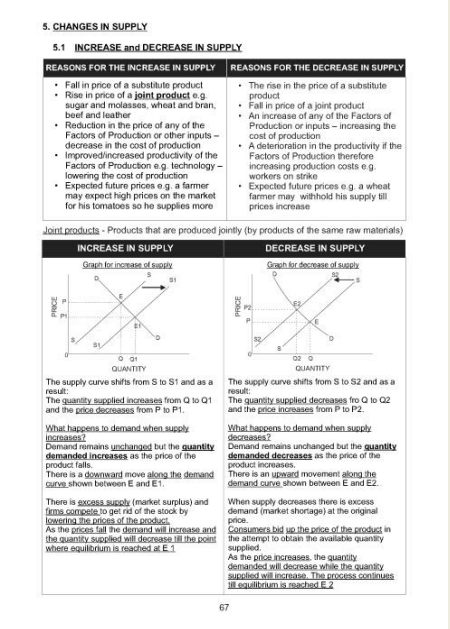
5. CHANGES IN SUPPLY

5.1 INCREASE and DECREASE IN SUPPLY

REASONS FOR THE INCREASE IN SUPPLY	REASONS FOR THE DECREASE IN SUPPLY
• Fall in price of a substitute product • Rise in price of a **joint product** e.g. sugar and molasses, wheat and bran, beef and leather • Reduction in the price of any of the Factors of Production or other inputs – decrease in the cost of production • Improved/increased productivity of the Factors of Production e.g. technology – lowering the cost of production • Expected future prices e.g. a farmer may expect high prices on the market for his tomatoes so he supplies more	• The rise in the price of a substitute product • Fall in price of a joint product • An increase of any of the Factors of Production or inputs – increasing the cost of production • A deterioration in the productivity if the Factors of Production therefore increasing production costs e.g. workers on strike • Expected future prices e.g. a wheat farmer may withhold his supply till prices increase

Joint products - Products that are produced jointly (by products of the same raw materials)

INCREASE IN SUPPLY	DECREASE IN SUPPLY
Graph for increase of supply	Graph for decrease of supply
The supply curve shifts from S to S1 and as a result: The quantity supplied increases from Q to Q1 and the price decreases from P to P1. What happens to demand when supply increases? Demand remains unchanged but the **quantity demanded increases** as the price of the product falls. There is a downward move along the demand curve shown between E and E1. There is excess supply (market surplus) and firms compete to get rid of the stock by lowering the prices of the product. As the prices fall the demand will increase and the quantity supplied will decrease till the point where equilibrium is reached at E 1	The supply curve shifts from S to S2 and as a result: The quantity supplied decreases fro Q to Q2 and the price increases from P to P2. What happens to demand when supply decreases? Demand remains unchanged but the **quantity demanded decreases** as the price of the product increases. There is an upward movement along the demand curve shown between E and E2. When supply decreases there is excess demand (market shortage) at the original price. Consumers bid up the price of the product in the attempt to obtain the available quantity supplied. As the price increases, the quantity demanded will decrease while the quantity supplied will increase. The process continues till equilibrium is reached E 2

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