

Monyetla Project – Accounting Gr 12 (2022)

Lesson 1: Companies: Selling and buying of shares – General Ledger accounts

ACTIVITY 1: BROGAM LTD

(40 marks; 32 minutes)

COMPANIES – LEDGER ACCOUNTS

You are provided with information relating to Brogam Ltd, a public company listed on the JSE. Brogam Ltd was registered on 1 January 2013 with authorised share capital of 500 000 ordinary shares.

INFORMATION:

1. At the start of the current financial year, 1 July 2017, the following balances appeared in the general ledger:

Ordinary share capital (300 000 shares)	R1 185 000
Retained income	670 000
SARS (Income tax) (debit)	8 800
Shareholders for dividends	120 000

2. On 1 January 2018, a further 120 000 ordinary shares were issued at a price of 430 cents each.
3. On 31 May 2018, the directors decided to repurchase 46 000 shares at 640 cents each from the estate of a deceased shareholder. A direct transfer was made from the bank account on this date.
4. *Income tax information:*
 - A tax refund was received from SARS on 25 July 2017.
 - Provisional tax paid on 31 December 2017, R102 000.
 - Provisional tax paid on 30 June 2018, R110 200.
 - The income tax rate is 28%.
 - Net income after tax per the 2018 Income Statement was R604 800.
5. *Dividends:*
 - The shareholders were paid the amounts due to them on 25 July 2017.
 - On 31 December 2017, interim dividends of 44 cents per share were declared and paid.
 - On 30 June 2018, a final dividend of 70 cents per share was declared.

REQUIRED:

Use the following information to prepare the following accounts in the general ledger of Brogam Ltd. for the accounting period ended 30 June 2018:

- Ordinary share capital (8)
- Retained income (8)
- SARS (Income tax) (10)
- Dividends on ordinary shares (8)
- Appropriation account (6)

ACTIVITY 2: BROGAM LTD**(40 marks; 32 minutes)****COMPANIES – LEDGER ACCOUNTS**

You are provided with information relating to Brogam Ltd, a public company listed on the JSE.

Brogam Ltd was registered on 1 January 2013 with authorised share capital of 500 000 ordinary shares.

INFORMATION:

1. At the start of the current financial year, 1 July 2017, the following balances appeared in the general ledger:

Ordinary share capital (300 000 shares)	R1 185 000
Retained income	670 000
SARS (Income tax) (credit)	10 800
Shareholders for dividends	120 000

3. On 31 October 2017, the directors decided to repurchase 46 000 shares at 640 cents each from the estate of a deceased shareholder. A direct transfer was made from the bank account on this date.

2. On 1 January 2018, a further 120 000 ordinary shares were issued at a price of 430 cents each.

4. *Income tax information:*

- Paid the amount owed to SARS on 25 July 2017.
- Provisional tax paid on 31 December 2017, R120 000.
- Provisional tax paid on 30 June 2018, R127 200.
- The income tax rate is 28%.
- Income tax per the 2018 Income Statement was R235 200.

5. *Dividends:*

- The shareholders were paid the amounts due to them on 25 July 2017.
- On 31 December 2017, interim dividends of 44 cents per share were declared and paid.
- On 30 June 2018, a final dividend of 70 cents per share was declared.

REQUIRED:

1. Use the following information to prepare the following accounts in the general ledger of Brogam Ltd. for the accounting period ended 30 June 2018:

- Ordinary share capital	(8)
- Retained income	(8)
- SARS (Income tax)	(10)
- Dividends on ordinary shares	(8)
- Appropriation account	(6)