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Basic Education  
**REPUBLIC OF SOUTH AFRICA**

## NATIONAL SENIOR CERTIFICATE

**GRADE 12**

**ACCOUNTING**

**NOVEMBER 2019**

**MARKS: 300**

**TIME: 3 hours**

**This question paper consists of 21 pages and a 17-page answer book.**

**INSTRUCTIONS AND INFORMATION**

Read the following instructions carefully and follow them precisely.

1. Answer ALL questions.
2. A special ANSWER BOOK is provided in which to answer ALL questions.
3. Show ALL workings to earn part-marks.
4. You may use a non-programmable calculator.
5. You may use a dark pencil or blue/black ink to answer questions.
6. Where applicable, show ALL calculations to ONE decimal point.
7. Write neatly and legibly.

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

<b>QUESTION 1: 40 marks; 20 minutes</b>	
<b>Topic:</b>	<b>This integrates:</b>
Manufacturing	<b>Managerial accounting</b> Production Cost Statement Break-even analysis <b>Managing resources</b> Internal control

<b>QUESTION 2: 30 marks; 20 minutes</b>	
<b>Topic:</b>	<b>This integrates:</b>
Reconciliation	<b>Financial accounting</b> Bank reconciliation <b>Managing resources</b> Internal control

<b>QUESTION 3: 45 marks; 25 minutes</b>	
<b>Topic:</b>	<b>This integrates:</b>
Inventory Valuation	<b>Managing resources</b> Valuation methods Internal control

<b>QUESTION 4: 70 marks; 45 minutes</b>	
<b>Topic:</b>	<b>This integrates:</b>
Balance Sheet and Audit Report	<b>Financial accounting</b> Concepts Balance Sheet and notes Fixed assets <b>Managing resources</b> Auditing

<b>QUESTION 5: 75 marks; 45 minutes</b>	
<b>Topic:</b>	<b>This integrates:</b>
Cash Flow Statement and Interpretation	<b>Managing resources</b> Concepts Cash Flow Statement Interpretation

<b>QUESTION 6: 40 marks; 25 minutes</b>	
<b>Topic:</b>	<b>This integrates:</b>
Budgeting	<b>Managerial accounting</b> Cash Budget Projected Income Statement <b>Managing resources</b> Internal control

**QUESTION 1: MANUFACTURING****(40 marks; 20 minutes)**

Sihle Sangweni owns two separate factories that manufacture products according to orders received. There is no work-in-progress stock. The year-end is 28 February.

- 1.1 Indicate whether the following statements are TRUE or FALSE. Write only 'true' or 'false' next to the question numbers (1.1.1 to 1.1.3) in the ANSWER BOOK.

1.1.1 Wages of factory cleaners is a direct labour cost.

1.1.2 Delivery costs of finished goods to retailers are a selling and distribution cost.

1.1.3 Depreciation on office equipment is an administration cost. (3 x 1) (3)

1.2 **DESKS FACTORY**

**REQUIRED:**

1.2.1 Complete the Factory Overhead Cost Note. (8)

1.2.2 Calculate the total cost of production of finished goods. (5)

1.2.3 Sihle wants to produce an additional 1 500 desks, while maintaining the selling price and costs.

Calculate the additional profit he can expect. (4)

1.3 **CHAIRS FACTORY**

**REQUIRED:**

1.3.1 Provide a calculation to confirm the break-even point for 2019. (4)

1.3.2 Comment on the break-even point and the production level achieved. Quote figures. (4)

1.3.3 Raw material consists of wood only. In 2019 the cost is R120 per square metre (m<sup>2</sup>) and 1,2 m<sup>2</sup> of wood is needed to make one chair.

During the year, 22 000 m<sup>2</sup> wood was dispatched to the factory. Sihle feels that the wood raw material was not well controlled.

- Provide a calculation to support his opinion. (4)

- Identify TWO possible causes of this problem. Provide a solution for EACH. (4)

1.3.4 Give TWO reasons for the increase in direct labour cost. Provide a solution for EACH. Note that wages and salaries increased by 5% in the current financial year. (4)

**INFORMATION:****A. DESKS FACTORY****Extract of pre-adjustment amounts on 28 February 2019**

	R
Indirect labour	296 500
Depreciation of factory plant	166 000
Advertising	24 500
Water and electricity	248 000
Rent expense	345 600
Insurance allocated to sales department	12 600
Factory sundry expenses	107 700

**Adjustments to factory overheads for desks:**

- Water and electricity for February 2019, R18 000, must be taken into account. 80% is allocated to the factory. The balance is an administration cost.
- Rent must be allocated according to floor area:  
Factory: 810 m<sup>2</sup>      Office: 180 m<sup>2</sup>      Sales department: 90 m<sup>2</sup>
- 75% of insurance must be allocated to the factory. The balance applies to the sales department.

**B. INFORMATION FOR BOTH FACTORIES**

COSTS		DESKS 2019		CHAIRS (Unit costs)	
		Amount	Per unit	2019	2018
Variable	Direct material	R3 060 000	R340	R165	R124
	Direct labour	?	R160	R90	R70
	Selling and distribution	R720 000	R80	R50	R60
	Total variable costs		R580	R305	R250
Fixed	Factory overheads			R76	R75
	Administration	R360 000	R40	R20	R18

SELLING PRICES			
Per unit	R750	R390	R370

UNITS			
Produced and sold	9 000	16 000	15 000
Break-even point	8 471	18 071	12 400

**QUESTION 2: RECONCILIATION****(30 marks, 20 minutes)**

The information relates to Klonex Traders.

**REQUIRED:**

- 2.1 The owner, Ben Joseph, realises that many people are now using electronic funds transfers (EFTs) instead of cheques.
- 2.1.1 State THREE advantages of EFTs. (3)
- 2.1.2 Janet, the bookkeeper, has been assigned the duty of processing and controlling all EFTs.
- Explain TWO reasons why the internal auditor is concerned about this. (4)
- 2.2 Show changes in the Cash Journals for June 2019. (11)
- 2.3 Calculate the correct Bank Account balance on 30 June 2019. (4)
- 2.4 Prepare the Bank Reconciliation Statement on 30 June 2019. (8)

**INFORMATION:****A. Extract: Bank Reconciliation Statement on 31 May 2019**

<b>Outstanding deposit</b>		R9 500
<b>Outstanding cheques</b>		
<b>No.</b>	<b>Date</b>	
321	10 December 2018	R1 500
427	14 May 2019	R1 400
444	27 May 2019	R4 670
516	28 May 2019	R7 950
<b>Favourable balance on Bank Account</b>		<b>R9 200</b>

**NOTE:**

- The outstanding deposit appeared on the June Bank Statement.
- Cheque 321 was issued for the owner's club fees. It was never deposited.
- Cheque 427 did not appear on the June Bank Statement. It was lost and a new cheque will be issued in July.
- Cheque 444 did not appear on the June Bank Statement.
- Cheque 516 appeared on the June Bank Statement with the correct amount of R5 250.

**B. Provisional totals in the Cash Journals on 30 June 2019 before receiving the Bank Statement:**

Cash Receipts Journal: R27 470

Cash Payments Journal: R32 400

**C. Entries in the Cash Journals NOT on the June Bank Statement:**

- Deposit, R9 675
- EFT 14 (30 June 2019), R3 800
- Cheque 522 (12 August 2019), R4 580

**D. Entries on the June 2019 Bank Statement NOT in the Cash Journals:**

DATE	DETAILS	R
15	Debit order: Micro Insurance*	1 125
	Debit order: Micro Insurance*	1 125
16	Unpaid cheque (debtor, B Marais)	1 200
25	M Malan (EFT by tenant)	2 800
30	Interest income	130
30	Service fees	175

\*Insurance appeared twice in error. This will be rectified next month.

**E. Bank Statement balance on 30 June 2019: ...?**



**QUESTION 3: INVENTORY VALUATION****(45 marks; 25 minutes)**

George Grande is the majority shareholder and CEO of Grande Ltd. The company supplies hotels with cabinets and lamps.

The periodic system is used. The year-end is 30 September 2019.

**REQUIRED:****CABINETS**

- 3.1 Calculate the value of closing stock for cabinets on 30 September 2019 using the first-in first-out method. (6)
- 3.2 In 2019, the company decided to extend the target market and to grant trade discounts to increase sales.
- 3.2.1 Calculate the % mark-up achieved in 2019. (4)
- 3.2.2 Provide TWO points (with figures) to prove that this decision achieved its aims. (4)
- 3.2.3 The CEO feels that this decision also negatively affected the company.
- Provide TWO points (with figures) to support his opinion. (4)
  - Give the directors advice to solve this problem. Explain TWO points. (2)

**LAMPS**

- 3.3 Calculate the stockholding period for lamps (use closing stock). (3)
- 3.4 George is concerned about the control of lamps. An investigation revealed that the store manager was supplying local boarding houses with lamps without documentation.
- Calculate the number of missing lamps. (5)
  - Give TWO suggestions to solve this problem. (4)

**TELEVISION SETS**

- 3.5 During April 2019, while George was in hospital, Bruce Swann (the chief financial officer) decided to include television sets in their product range. He was able to secure bulk discounts from Roseway on two TV set models, namely LYN and KYA.
- Calculate the value of the closing stock of TV sets on 30 September 2019 using the specific identification method. (7)
- 3.6 An employee of Roseway told George that Bruce received a 10% 'commission' from Roseway for buying excess stock. George wants to discuss this at the next board meeting.
- Explain THREE different concerns that George would have about this problem. (6)

**INFORMATION:****A. Stock records of cabinets and lamps:**

	<b>CABINETS</b>			<b>LAMPS</b>	
	<b>UNITS</b>	<b>UNIT PRICE</b>	<b>TOTAL</b>	<b>UNITS</b>	<b>TOTAL</b>
<b>Stock balances</b>					
1 Oct. 2018	370	R800	R296 000	600	R108 000
30 Sep. 2019	280		?	265	R59 625
<b>Purchases: 2019</b>					
January	800	R920	R736 000	1 200	R240 000
April	1 200	R990	R1 188 000	1 800	R432 000
July	250	R1 100	R275 000	800	R210 000
<b>Total</b>	<b>2 250</b>		<b>R2 199 000</b>	<b>3 800</b>	<b>R882 000</b>
<b>Returns</b>	<b>20</b>	R1 100			
<b>Sales</b>				<b>3 675</b>	
<b>Cost of sales</b>					<b>R930 375</b>

**B. Information relating to cabinets:**

	<b>2019</b>	<b>2018</b>
Sales	R3 480 000	R3 375 000
Cost of sales	R2 170 500	R1 950 000
Units sold	2 320	2 500
Selling price per unit	R1 500	R1 400
% mark-up achieved	?	73%
Customers on record	37	26

**C. Stock records of television sets:**

	<b>MODELS</b>	<b>UNITS</b>	<b>UNIT PRICE</b>	<b>TOTAL</b>
<b>Purchases</b>				
May 2019	LYN	800	R6 000	R4 800 000
	KYA	950	R7 200	R6 840 000
July 2019	LYN	500	R6 000	R3 000 000
	KYA	500	R7 200	R3 600 000
<b>TOTAL</b>		<b>2 750</b>		<b>R18 240 000</b>
<b>Sales</b>				
	LYN	430	R8 400	R3 612 000
	KYA	540	R10 080	R5 443 200

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**QUESTION 4: BALANCE SHEET AND AUDIT REPORT (70 marks; 45 minutes)**

- 4.1 Choose an explanation in COLUMN B that matches the term in COLUMN A. Write only the letters (A–E) next to the question numbers (4.1.1 to 4.1.5) in the ANSWER BOOK.

COLUMN A	COLUMN B
4.1.1 Internal auditor	A appointed by shareholders to manage a company
4.1.2 Memorandum of incorporation (MOI)	B the body responsible for registration of all companies
4.1.3 Limited liability	C employed by a company to ensure good internal control procedures
4.1.4 Director	D indicates that a company has a legal personality of its own
4.1.5 Companies and Intellectual Property Commission (CIPC)	E the document that establishes the rules and procedures of a company

(5 x 1)

(5)

4.2 **VISIV LTD**

The financial year ended on 28 February 2019.

**REQUIRED:**

## 4.2.1 Calculate:

- Amounts for **(i)** and **(ii)** in the Fixed Assets Register (5)
- Profit/Loss on sale of asset (2)
- Fixed assets carrying value on 28 February 2019 (4)

4.2.2 Calculate the correct net profit **after tax** for the year ended 28 February 2019. Indicate (+) for increase and (–) for decrease. (9)

## 4.2.3 Refer to Information A–H. Prepare the following on 28 February 2019:

- Retained Income Note (9)
- Statement of Financial Position (Balance Sheet). (27)

**NOTE:** Show workings. Certain figures are provided in the ANSWER BOOK.

**INFORMATION:****A. Fixed assets:**

A delivery vehicle was sold on 31 October 2018 but no entries were made to record this transaction.

Details of vehicle sold:

<b>Delivery Vehicle X43</b> <b>Date purchased:</b> 1 March 2016 <b>Date sold:</b> 31 October 2018 <b>Depreciation rate:</b> 25% p.a. (diminishing-balance method)			
	<b>COST</b>	<b>DEPRECIATION</b>	<b>CARRYING VALUE</b>
28 February 2017	R400 000	R100 000	R300 000
28 February 2018		75 000	225 000
31 October 2018		(i)	(ii)

**B. List of balances/totals on 28 February 2019 (before taking into account all adjustments below):**

Ordinary share capital	R8 152 000
Retained income (1 March 2018)	865 300
Mortgage loan: Prati Bank	1 758 000
Fixed assets (carrying value)	10 190 000
Fixed deposit: Prati Bank (balancing figure)	?
Trading stock	1 102 000
Net trade debtors	1 090 000
Bank (favourable)	?
SARS: Income tax (provisional tax payments)	155 000
Creditors' control	1 906 800

**C. Net profit before tax, R822 700, was calculated **before** correcting the following:**

- Provision for bad debts must be increased by R65 000.
- R9 800 of an advertising contract applies to the next financial year.
- A tenant paid rent of R334 000 for the period 1 March 2018 to 31 March 2019. Rent was increased by R3 000 per month from 1 January 2019.
- Depreciation and profit/loss on the vehicle sold must be recorded.
- A further R43 000 is owed for income tax.

**D. Ordinary shares:**

DATE	DETAILS
1 March 2018	2 000 000 shares in issue; total book value R7 600 000
31 May 2018	360 000 shares repurchased at R4,10 each
1 October 2018	800 000 new shares issued
28 February 2019	2 440 000 shares in issue

**E. Dividends:**

- Interim dividends were paid in September 2018, R295 200.
- Final dividends of 20c per share were declared on 28 February 2019.

**F.** A creditor with a debit balance of R7 600 must be transferred to the Debtors' Ledger.

**G.** A cheque for R75 000, dated 30 April 2019, was issued to a supplier in February.

**H.** After processing all adjustments:

- The current ratio is 0,8 : 1.
- The current liabilities totalled R2 900 000.
- The current portion of the loan is the balancing figure.

**4.3 AUDIT REPORT FOR YEAR-END 28 FEBRUARY 2019**

The financial statements of Visiv Ltd (see QUESTION 4.2.3) were audited. You are provided with extracts from the audit report.

**Extracts from the audit report:**

	<b>Basis for audit report</b>
<b>Point 1</b>	We were unable to obtain sufficient audit evidence to support the amounts provided for certain income and expense items ...
<b>Point 2</b>	Furthermore, the repurchase of shares on 31 May 2018 is not in accordance with provisions of the Companies Act, 1973 (Act 61 of 1973), as the liquidity of the company has been compromised ...
	<b>Opinion</b>
<b>Point 3</b>	Because of the significance of the matters described above, we do not express an opinion ...

**REQUIRED:****4.3.1 Refer to Point 3.**

What type of audit report did the company receive? (1)

**4.3.2 Refer to Point 1.**

Give TWO examples of audit evidence that the auditors would have required regarding this problem. (2)

**4.3.3 Refer to Point 2.**

- Apart from the current ratio, identify and calculate ONE other financial indicator that the auditors would have used in deciding on this opinion. (4)
- Explain what the directors could have done to prevent this comment by the auditors. Provide TWO points. (2)

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**QUESTION 5: CASH FLOW STATEMENT AND INTERPRETATION****(75 marks; 45 minutes)**

- 5.1 Three financial statements are provided as options in which each of the following items would appear. Choose the financial statement and write only the letter (A–C) next to the question numbers (5.1.1 to 5.1.4) in the ANSWER BOOK, e.g. 5.1.5 D.

A	Statement of Financial Position (Balance Sheet)
B	Statement of Comprehensive Income (Income Statement)
C	Cash Flow Statement

5.1.1 Profit on sale of a fixed asset

5.1.2 Amount due to shareholders for final dividends payable

5.1.3 Total amount spent on the repurchase of shares

5.1.4 Total income tax amount for the current financial year (4 x 1) (4)

5.2 **SUNSET LTD**

The financial year ended on 28 February 2019.

**REQUIRED:**

5.2.1 Calculate the following figures for the 2019 Cash Flow Statement:

- Income tax paid (4)
- Dividends paid (4)
- Proceeds of shares issued (6)
- Fixed assets purchased (5)

5.2.2 Calculate financial indicators for the year ended 28 February 2019:

- % operating profit on sales (4)
- Net asset value per share (4)
- Debt-equity ratio (4)

**INFORMATION FOR SUNSET LTD:****A. Information from Income Statement on 28 February 2019:**

Sales	R8 725 000
Gross profit	3 525 000
Depreciation	408 000
Operating profit	2 033 900
Interest expense	441 000
Income tax	477 900
Net profit after tax	1 138 000

**B. Information from Balance Sheet on 28 February:**

	2019	2018
Fixed assets (carrying value)*	R11 835 100	R10 658 000
SARS: Income tax	18 000 <b>Cr</b>	63 000 <b>Dr</b>
Shareholders' equity	8 625 000	10 065 000
Ordinary share capital	7 724 000	9 300 000
Loan: Funza Bank	3 500 000	2 800 000
Shareholders for dividends	372 000	195 000
*NOTE: Fixed assets were sold at carrying value, R490 000.		

**C. Share capital and dividends:**

SHARE CAPITAL		NUMBER OF SHARES	DETAILS OF SHARES
<b>2018</b>	1 March	1 500 000	In issue at R6,20 per share
	30 April	300 000	Repurchased at R6,90 per share
<b>2019</b>	1 January	40 000	New shares issued
	28 February	1 240 000	In issue

DIVIDENDS			DIVIDENDS PER SHARE
<b>Final</b>	2 March 2018	Paid	13 cents
<b>Interim</b>	31 August 2018	Paid	35 cents
<b>Final</b>	28 February 2019	Declared	30 cents

### 5.3 HORIZON LTD and OPTIMA LTD

#### Refer to Information D to F.

Mike Mbele owns shares and is a director in both these companies.

He recently invested another R420 000 in each company by buying shares on the JSE at market value as follows:

HORIZON LTD	OPTIMA LTD
R8,40	R4,00

#### REQUIRED:

**NOTE:** Provide figures, financial indicators or calculations in EACH case to support your comments and explanations.

##### 5.3.1 Purchase of shares:

- Explain why directors should be interested in the price of their companies' shares on the JSE. (2)
- Calculate the number of additional shares in Horizon Ltd that Mike was able to buy on the JSE in 2019. (3)
- Comment on the price that Mike paid for these shares and give TWO reasons why he might have been satisfied to pay this price. (6)

##### 5.3.2 Dividends and earnings:

- Explain your opinion on which company has the better dividend pay-out policy. (6)
- Compare and comment on the % return on equity earned by EACH company. (4)
- Mike feels that the earnings per share (EPS) of Optima Ltd is much better than that of Horizon Ltd. Explain why he feels this way. (5)

##### 5.3.3 Refer to the Cash Flow Statements.

The poor economy has negatively affected Horizon Ltd more than Optima Ltd.

- Explain TWO decisions taken by the directors of **Horizon Ltd** in response to the state of the economy, and how these decisions will affect the company in future. (6)
- Explain TWO decisions taken by the directors of **Optima Ltd** that affect risk and gearing. Quote and comment on TWO financial indicators. (8)

**D. Shareholding of Mike Mbele in two companies:**

	<b>HORIZON LTD</b>	<b>OPTIMA LTD</b>
Number of shares bought in 2017	580 000 shares	1 430 000 shares
Total shares issued by each company	1 240 000 shares	2 600 000 shares
Additional shares bought by Mike	?	105 000 shares
Mike's % shareholding before buying additional shares	46,8%	55,0%

**E. Financial indicators and additional information on 28 February 2019:**

	<b>HORIZON LTD</b>	<b>OPTIMA LTD</b>
Earnings per share (EPS)	97 cents	83 cents
Dividends per share (DPS)	65 cents	80 cents
Debt-equity ratio	0,1 : 1	0,7 : 1
% return on average equity	6,2%	18,2%
% return on average capital employed	9,4%	15,1%
Net asset value (NAV)	750 cents	445 cents
<b>Additional information:</b>		
Interest rate on loans	12,0%	12,0%
Interest on investments	6,5%	6,5%

**F. Extracts from Cash Flow Statements for year ended 28 February 2019:**

	<b>HORIZON LTD</b>	<b>OPTIMA LTD</b>
Cash flows from <b>investing</b> activities	R2 700 000	(R2 730 000)
Purchase of fixed assets	0	(1 580 000)
Sale of fixed assets	1 800 000	0
Change in investments	900 000	(1 150 000)
Cash flows from <b>financing</b> activities	(2 670 000)	4 000 000
Proceeds of new shares issued	0	200 000
Shares repurchased	(1 070 000)	0
Cash effects of long-term loan	(1 600 000)	3 800 000

**QUESTION 6: BUDGETING****(40 marks; 25 minutes)**

The financial year-end of Carpets Galore (Pty) Ltd is 31 October 2019. Thembi Tsomi is the sole shareholder and director.

- 6.1 Indicate amounts in the appropriate blocks for the Cash Budget and Projected Income Statement for three months ending 31 January 2020.
- A printer costing R40 800 will be bought for cash on 30 November 2019. Depreciation will be R680 per month.
  - On 1 January 2020, R48 000 will be paid for a 12-month insurance contract.
  - A loan of R100 000 will be received from Viva Bank on 31 December 2019. This will be repaid in equal instalments over 20 months, commencing on 31 January 2020. Interest at 12% p.a. is paid monthly and is not capitalised. (11)
- 6.2 **Refer to Information A: Debtors' Collection Schedule.**
- Thembi is preparing projections for the period commencing 1 November 2019. Thembi does not grant discount for early payment.
- Calculate the % of debtors:
- Who settle their accounts in the 2<sup>nd</sup> month following the credit sales transaction month (3)
  - Written off as bad debts at the end of the 3<sup>rd</sup> month following the credit sales transaction month (4)
- 6.3 **Refer to Information B: Projected Income Statement for September and October.**
- 6.3.1 Office workers are unhappy with the increase that Thembi gave them on 1 October 2019. Explain what she should say to them. Provide TWO points. Quote figures or a calculation. (6)
- 6.3.2 Thembi pays her son, Jacob, to deliver and install carpets for customers. She budgets R2,80 per metre for this. Comment on the control of this expense. Quote figures or a calculation. (4)
- 6.3.3 A new competitor commenced trading in the area on 1 September 2019.
- Provide figures to illustrate the impact on sales in September. (2)
  - Explain THREE decisions that Thembi took in October in response to the new competitor. Quote figures or a calculation. (6)

- 6.3.4 Stock sold is replaced in the same month. 50% of the stock is bought on credit. Creditors are paid in the month following the purchases month to receive a 5% discount.

Calculate the **actual** amount payable to creditors in November 2019.

(4)

### INFORMATION:

#### A. Debtors' Collection Schedule for the period ending 31 January 2020:

	CREDIT SALES	COLLECTIONS		
		NOV. 2019	DEC. 2019	JAN. 2020
August	R80 000	R17 600		
September	90 000	67 500	R19 800	
October	100 000		75 000	R22 000
November	120 000			90 000
			<b>R94 800</b>	<b>R112 000</b>

#### B. Information identified from the Projected Income Statement:

	SEPTEMBER 2019		OCTOBER 2019	
	Projected	Actual	Projected	Actual
Metres sold	5 000 m	3 800 m	5 000 m	6 000 m
Selling price per metre	R100	R100	R100	R88
Cost price per metre	R60	R60	R60	R60
Sales: cash	R400 000	R310 000	R400 000	R132 000
: credit	90 000	70 000	100 000	396 000
<b>Total sales</b>	490 000	380 000	500 000	528 000
<b>Cost of sales</b>	(300 000)	(228 000)	(300 000)	(360 000)
Gross profit	190 000	152 000	200 000	168 000
Director's fees	50 000	50 000	50 000	40 000
Wages: Office workers	9 200	9 200	9 200	11 040
Salary: Salesperson	20 000	20 000	20 000	0
Commission: Salesperson	0	0	0	52 800
Advertising	5 000	5 000	5 000	5 000
Packing materials	2 500	1 900	2 500	2 550
Delivery and installation of carpets	14 000	14 000	14 000	16 800
Staff training	15 000	0	15 000	40 000

40

**TOTAL: 300**