

UNIVERSITY OF SWAZILAND
FACULTY OF SOCIAL SCIENCE
DEPARTMENT OF LAW
MAIN EXAMINATION PAPER MAY 2017

PROGRAMME OF STUDY : BACHELOR OF LAWS

TITLE OF PAPER : ACCOUNTING FOR LAWYERS

COURSE CODE : L307 (M) MAY 2017

TOTAL MARKS : 100 MARKS

TIME ALLOWED : THREE (3) HOURS

- INSTRUCTIONS
- 1 There are four (4) questions, answer all.
 - 2 Begin the solution to each question on a new page.
 - 3 The marks awarded for a question are indicated at the end of each question.
 - 4 Show all the necessary workings.
 - 5 Round off as you deem appropriate.

Note: You are reminded that in assessing your work, account will be taken of accuracy of the language and general quality of expression, together with layout and presentation of your answer.

THIS PAPER IS NOT TO BE OPENED UNTIL PERMISSION HAS BEEN GRANTED BY THE INVIGILATOR OR SUPERVISOR.

SPECIAL REQUIREMENTS: CALCULATOR

QUESTION 1

Chiara Polverari Attorneys commenced operations on 1 January 2015 by introducing E500,000 into the business bank account. Other transactions during January 2015 included the following:

2	Paid office rent by cheque f to Khanyi Dlamini for January 2015	E5 000
3	Debited Yoliswa Masuku with fees in respect of a third party case	E7 000
4	Paid membership fees to the Swaziland Law Society by cheque for	E2 000
8	Bheki Khumalo instructs Chiara Polverari Attorneys to issue summons against his wife for a divorce and he paid an advance deposit of E10,000 for services yet to be rendered.	
10	Debited Celiwe Shabangu in respect of fees charged for collection from Darrel Nord	E20 000
12	Bought books for a law library paying by cheque	E30 000
20	Receive an account from Sheriff Celumusa Ndlangamandla in respect of the following clients:	
	Celiwe Shabangu	E2 000
	Yoliswa Masuku	E1 000
23	Receive a cheque from Yoliswa Masuku in settlement of her account	E8 000
23	Chiara Polverari Attorneys paid the Sheriff Celumusa Ndlangamandla The E1 000 that was due from Yoliswa Masuku as Yoliswa paid her Account with them.	
24	Billed Bheki Khumalo a final invoice for the Divorce	E6 000
25	Paid the following by cheque:	
	Telephone	E3 000
	Salaries	E100 000
27	Billed Sifiso Dlamini fees for services rendered an amount of	E50,000
31	Withdraw from the business bank account of Chiara Polverari Attorneys for private use	E10,000
31	Receive a cheque of E30 000 from Sifiso Dlamini for as part payment for the fees due from him.	

- 31 Received from Themba Mazibuko a cheque deposit of E20,000 for a criminal matter for which work shall commence in February 2015.

Required:

- a) Record the above transactions in the books of prime entry. (14 Marks)
- b) Prepare the ledger entries in respect of all the above transactions for the month of January 2015 in the books of Chiara Polverari Attorneys. (16 Marks)
- c) Extract a trial balance for Chiara Polverari Attorneys as at 31 January 2015. (10 Marks)

NB: Ignore VAT

Total: (40 Marks)

QUESTION 2

The bank columns in the cash book for June 2016 and bank statement for that month for D. Hogan Attorneys are as follows:

Dr	<u>CASH BOOK</u>		Cr
	E		E
1-Jun-16 Balance b/d	1,410	5-Jun-16 L. Holmes	180
7-Jun-16 J. May	62	12-Jun-16 J. Rebus	519
16-Jun-16 T. Wilson	75	16-Jun-16 T. Silver	41
28-Jun-16 F. Slack	224	29-Jun-16 Blister Disco	22
30-Jun-16 G. Baker	582	30-Jun-16 Balance c/d	1,591
	2,353		2,353

	DR	Cr	Balance
	E	E	E
1-Jun-16 Balance b/d			1,410
7-Jun-16 Cheque		62	1,472
8-Jun-16 F. Lane	180		1,292
16-Jun-16 Cheque		75	1,367
17-Jun-16 J. Rebus	519		848
18-Jun-16 T. Silver	41		807
28-Jun-16 Cheque		224	1,031
29-Jun-16 SLM Standing order	52		979
30-Jun-16 Flynn: Trader's credit		64	1,043
30-Jun-16 Bank charges	43		1,000

You are required to:

- a) Write up the cash book up to date and to take the above into account, and then (6¹/₂ Marks)
- b) Draw up a bank reconciliation statement as on 30 June 2016 (8¹/₂ Marks)

Total: (15 Marks)

QUESTION 3

Write short notes on the following:

- a) Trust money (3 Marks)
- b) Business creditors (3 Marks)
- c) Business money (3 Marks)
- d) Business bank account (3 Marks)
- e) Trust creditors (3 Marks)
- f) Trust bank account (3 Marks)
- g) Trust transfers (2 Marks)

Total: (25 Marks)

QUESTION 4

The following transactions take place in regard to the sale of Mr. Q. Banker's property to Ms Dumo during the month of June 2015.

- 1 June 2015 Agreement signed. Marx Attorneys are appointed as conveyancers. Sale price E180 000.
- 6 June Ms Dumo pays Marx Attorneys a deposit of E40 000 by cheque.
- 7 June As instructed, Marx Attorneys invest the E40,000 with the NBS.
- 10 June Ms Dumo pays Marx Attorney's pro-forma fee account of E14,000 by cheque.
- 19 June Marx attorneys receives a cheque of E11,000 from Ms Dumo and pays the Receiver of Revenue E9 000 in respect of a transfer duty receipt and pays a rates clearance certificate to the City Council of Mbabane. Marx Attorneys receives a guarantee for E140 000 from Allied Bank on behalf of Ms Dumo.
- 30 June Transfer is registered. Marx Attorneys collects E40 820 from NBS and E140 000 from Allied Bank. Mr Q. Banker (Seller) is paid the purchase price and after taking the fees owed Marx Attorneys, Ms Dumo receives a cheque for E820 from the Attorneys.

You are required to:

Show all the entries in the relevant ledger accounts. Make no allowance for VAT. Dates of all entries must be shown. (20 Marks).

Total: (20 Marks)