QUESTION 2

2.1 Dean Peterson has a clothing account at Markham clothing store. At Markham a customer can choose either a 6-month or a 12-month revolving (ongoing) payment option.

ANNEXURE A shows Dean's clothing store statement from Markham for a certain period of the year.

Use ANNEXURE A to answer the questions that follow.

ANNEXURE A

QUESTION 2.1

MARKHAM ACCOUNT STATEMENT OF D PETERSON

MARKHAM ACCOUNT STATEMENT

STATEMENT DATE: 15 JAN. 2019

MR D PETERSON
27 SECOND AVENUE
COLRIDGE
VRYBURG
8601

TFG REWARDS
MORE FOR YOU

1 CARD, EXCLUSIVE OFFERS
OVER 20 RETAIL BRANDS
Account customers are automatically
TFG **REWARDS** members.

DATE	REFERENCE	DESCRIPTION	AMOUNT	
	6 months revolving	Opening balance	101,99	
31 DEC.	HO FNB electronic payment	Payment	101,99	CR
	Installment 0,00 due	Closing balance	0,00	
	12 months revolving	Opening balance	1 215,36	
17 DEC.	ASJ Zevenwacht Mall	Purchase	3 750,00	
19 DEC.	ASJ Zevenwacht Mall	Purchase	4 000,00	
19 DEC.	ASJ Zevenwacht Mall	Purchase returned	3 750,00	CR
31 DEC.	HO FNB electronic payment	Payment	698,01	CR
12 JAN.		My kitchen	26,70	
12 JAN.		Kids only	20,00	
12 JAN.		Interest	92,66	
	Installment 440,00 Due 38,37	Closing balance	4 656,71	

My current credit allocation	What can I spend?	What is my installment?	By how much am I in arrears?	What is my balance?
8 800,00	**4 143,29**	**440,00**	**0,00**	**4 656,71**
CURRENT	30 DAYS	60 DAYS	90 DAYS	TOTAL DUE (BY 1ST)
38,37	**0,00**	**0,00**	**0,00**	**38,37**

[Adapted from a Markham's account]

2.1.1 Write down the total balance owing on Dean's account. (2)

2.1.2 Give the full date on which the current installment is due. (2)

2.1.3 State the opening balance of the 12-month revolving account option. (2)

2.1.4 Write down the price of the item that was returned. (2)

2.1.5 Determine the total amount paid using FNB electronic payments. (3)

2.1.6 The selling price of an item includes 15% VAT.

Calculate the price of the item purchased on 19 December 2018, excluding VAT. (3)

2.2 Dean, a 25-year-old male, earns a taxable income of R305 174,44. He started his first job on 1 March 2019.

Tax payable by an individual for the tax year 1 March 2019 to 29 February 2020 is indicated in TABLE 1 below.

TABLE 1: INCOME TAX RATES FOR INDIVIDUALS 2019/2020 TAX YEAR (1 MARCH 2019 TO 29 FEBRUARY 2020)

TAX BRACKET	TAXABLE INCOME (R)	TAX RATES (R)
1	0–195 850	18% of taxable income
2	195 851–305 850	35 253 + 26% of taxable income above 195 850
3	305 851–423 300	63 853 + 31% of taxable income above 305 850
4	423 301–555 600	100 263 + 36% of taxable income above 423 300
5	550 601–708 310	147 891 + 39% of taxable income above 555 600
6	708 311–1 500 000	207 448 + 41% of taxable income above 708 310
7	1 500 001 and above	532 041 + 45% of taxable income above 1 500 000

[Adapted from www.treasury.gov.za/Rapport]

NOTE: Dean is not a member of a medical aid.

Use TABLE 1 to answer the questions that follow.

2.2.1 Name the government institution responsible for collecting tax return forms. (2)

2.2.2 Write down the tax bracket that will be used to calculate Dean's tax payable. (2)

2.2.3 Calculate the monthly tax payable by Dean before any rebates are deducted. (5)

2.2.4 TABLE 2 below indicates the rebates for the 2018/2019 and 2019/2020 tax years.

TABLE 2: REBATES FOR 2018/2019 AND 2019/2020 TAX YEARS

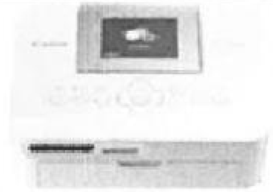
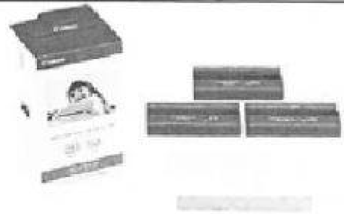
TAX REBATES	TAX YEAR 2019/2020	TAX YEAR 2018/2019
Primary (age below 65)	R14 067	R14 220
Secondary (age 65 and above)	R7 713	R7 794
Tertiary (age 75 and older)	R2 574	R2 601

[Adapted from www.treasury.gov.za/Rapport]

(a) Identify the tax rebate(s) that Dean qualifies for in the 2019/2020 tax year. (2)

(b) State the number of tax rebates a 75-year-old man will qualify for in any tax year. (2)

2.3 Dean's mother, Ella, started her own instant photography business by taking photographs on the beach. She has a camera, but needs to buy a printer, photo paper and ink cartridges for printing.

Canon Selphy CP100 photo printer	Canon photo paper + 3 print cartridges
 Price = R1 125	

[Adapted from www.takealot.com and www.amazon.com]

TABLE 3 shows Ella's income and expenses for producing and selling up to 200 photographs.

TABLE 3: INCOME AND EXPENSES OF ELLA'S PHOTOGRAPHY BUSINESS

NUMBER OF PHOTOGRAPHS	0	25	50	80	100	125	150	170	200
Income (rand)	0	500	1 000	1 600	2 000	2 500	3 000	...	4 000
Expenses (rand)	1 125	1 250	1 375	A	1 625	1 750	1 875	1 975	2 125

[Adapted from www.computermania.co.za]

Use TABLE 3 above to answer the questions that follow.

2.3.1 Determine the selling price of ONE photograph. (2)

2.3.2 Write down the formula that could be used to calculate the total income received. (2)

2.3.3 The total expenses can be calculated using the following formula:

Expenses (in rand) = 1 125 + number of photographs × 5

(a) Write down the variable cost for taking ONE photograph. (2)

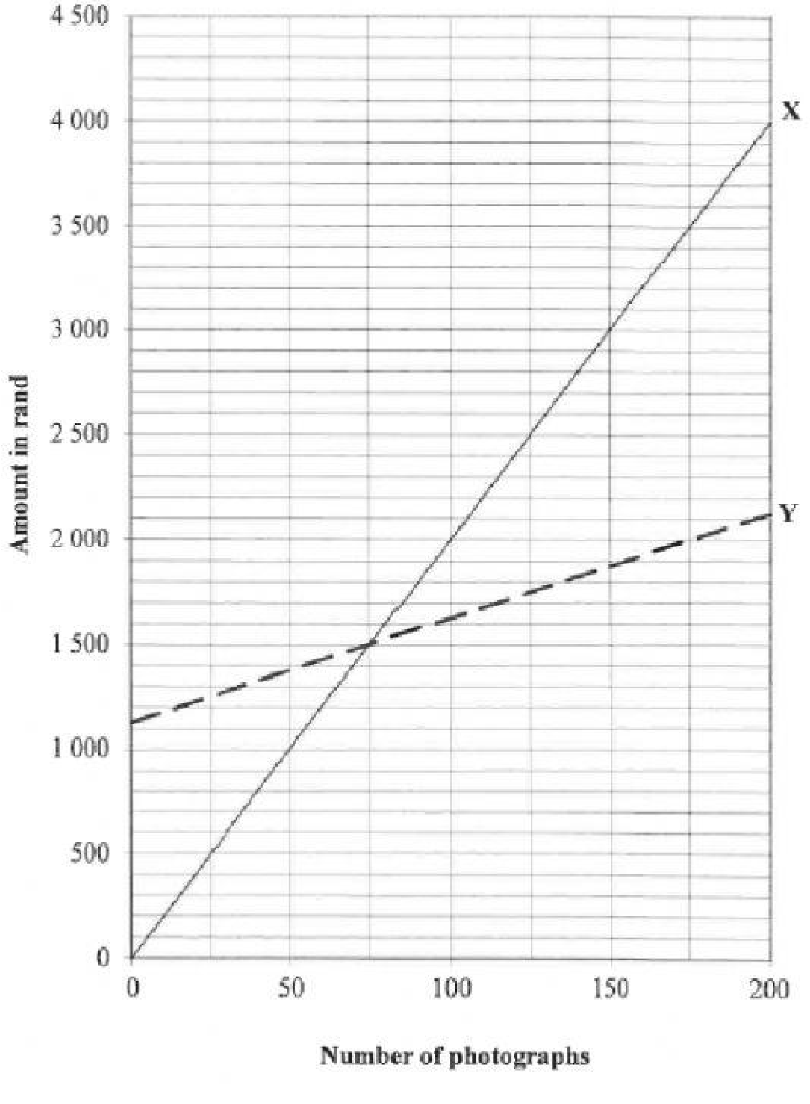
(b) Calculate missing value **A**. (3)

2.3.4 ANNEXURE B shows two graphs, **X** and **Y**, which can be used to represent the business.

Use ANNEXURE B to answer the following questions.

ANNEXURE B

QUESTION 2.3.4



(a) Give a suitable heading for the graphs that were drawn. (2)

(b) State which graph (**X** or **Y**) represents the income received by the business. (2)

(c) Determine how many photographs must be sold to break even. (2)
[42]