

**UNIVERSITY OF SWAZILAND**  
**FACULTY OF SOCIAL SCIENCE**  
**DEPARTMENT OF LAW**  
**MAIN EXAMINATION PAPER**  
**MAY 2011**  
**ACADEMIC YEAR 2010/2011**

**PROGRAMME OF STUDY : BACHELOR OF LAWS**  
**YEAR OF STUDY : YEAR THREE (3)**  
**TITLE OF THE PAPER : ACCOUNTING FOR LAWYERS**  
**COURSE CODE : L307 (M) 2011**  
**TIME ALLOWED : THREE (3) HOURS**  
**TOTAL MARKS : 100**  
**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 your necessary workings.**

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

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**SPECIAL REQUIREMENT: CALCULATOR**

**QUESTION 1:**

198

After several months of planning, Sesikhulile Mabuza started a Law Firm called Sesikhulile Mabuza Attorneys. The following transactions happened during its first month of operation:

**2011**

- April 1 Sesikhulile invested E10,000 cash and E60,000 into a bank account in the name of Sesikhulile Attorneys.
- April 2 He received a loan of E10,000 from his friend Nkosingivile Dlamini by cheque.
- April 2 He bought books for his law library by cheque amounting to E9,000.
- April 2 He bought office furniture on credit from Bears Furnitures amounting to E12,000.
- April 2 He bought a computer for cash amounting to E6,000.
- April 3 He provided legal services on credit for a client, Hezekiel Kunene and billed him E4,600.
- April 5 He completed legal assistance to a client, Melusi Lukhele and immediately collected a fee of E6,000. Melusi paid by cheque.
- April 15 He repaid part of Nkosingivile's loan by cheque amounting to E5,000.
- April 20 The client, Hezekiel paid cash amounting to E3,400 as part-payment for the legal fees billed.
- April 25 He paid E6,000 to Bears Furnitures by cheque.
- April 30 He paid E2,000 cash for his office rent.
- April 30 He paid E4,000 salary for his secretary by cheque.

**Required:**

- A. Record all transactions for the month of April 2011 into the proper accounts in the General Ledger and balance off each account at the end of the month (April 30, 2011). **Journal entries are not required.** (31 marks)
- B. Extract a Trial Balance as at April 30, 2011. (7 marks)

**(Total marks: 38)**

**QUESTION 2:**

The bookkeeper of Wendy Cass practising as an attorney, extracted the following trial balance from the general ledger of Wendy Cass Attorneys at 28 February 2011:

		Dr.	Cr.
	Note	E	E
Office furniture	1	30 000	
Computer equipment	2	36 000	
Clients control		32 000	
Business bank		15 800	
Creditors control			8 400
Capital, Wendy Cass: 1 March 2010		54 000	
Drawings, Wendy Cass		23 600	
Fees earned			211 000
Printing and stationery		5 200	
Rent		33 800	
Insurance	3	3 400	
Salaries and wages		90 000	
Telephone		3 600	
		<u>275 200</u>	<u>275 200</u>

**Notes:**

- The office furniture was acquired on 1 March of the previous year and provision for depreciation must be provided at 15% per annum (straight-line basis).
- The computer equipment was acquired on 1 January of the current year and provision for depreciation must be provided at 33.3% per annum (straight-line basis).
- Included in the insurance of E3 400 is an amount of E400, which is insurance for the months of March and April of the current year, which was paid on 2 February, 2011.

**Required:**

- Prepare the appropriate journal entries in respect of the adjustments required in terms of notes 1 to 3. **(3 marks)**
- Prepare a post-adjustment trial balance as at 28 February 2011. **(10 marks)**
- Prepare an income statement for the year ended 28 February 2011. **(5 marks)**
- Prepare a balance sheet as at 28 February 2011. **(8 marks)**

**(Total marks: 26)**

**QUESTION 3:**

The following relates to the attorney's practice of Thabani Zondo. Transactions during November 2010 were as follows:

		E
1	Paid rent for November to T.Mavuso by cheque	4 000
	Charged fees for services rendered to S.Matsebula and received cash payment	60 000
	Purchased revenue stamps by cheque	1 000
	Issued a petty cash cheque	1 000
2	Received a deposit from M. Matimba for a future purchase of property	100 000
4	Charged fees to register a mortgage bond in favour of client N. Mamba	4 000
5	B. Phakathi instructed Thabani to issue a summons against his wife for a divorce. He paid a deposit in this regard	1 000
15	Paid the following from petty cash	
	Milk and sugar	200
	Tea and coffee	200
	Stationery	350
	Postage stamps	100
25	Issued revenue stamps to prepare mortgage bond in favour of N. Mamba	800
26	Paid costs regarding the divorce case of B. Phakathi	500
27	Paid a deposit for purchasing property on behalf of M. Matimba	70,000
28	Received an account from Sheriff M. Mkhonta in respect of a client, P. Mahlangu	200
30	Paid the following by cheque :	
	Utilities	4,000
	Salaries and wages	6,000
30	Drew a cheque to replenish the petty cash imprest	

**Required:**

Record the above transactions in the undermentioned books of Thabani Zondo Attorneys for the month of November 2010.

- |                        |                          |
|------------------------|--------------------------|
| (A) Business cash book | (10 marks)               |
| (B) Trust cash book    | (7 ½ marks)              |
| (C) Fees Journal       | (1½ marks)               |
| (D) Sheriff's Journal  | (1 marks)                |
| (E) Petty cash book    | (8 ½ marks)              |
| (F) Revenue Stamp Book | (2 ½ marks)              |
|                        | <b>(Total marks: 31)</b> |

**QUESTION 4:**

Briefly discuss **three** rules of the profession as prescribed by the Law Society pertaining to the keeping of accounting records. Also, state **two** consequences of non compliance with the rules. **(5 marks)**

**END**