

ADDENDUM TO NEW ERA ACCOUNTING GRADE 12 TEXTBOOK 2020 EDITION

LIST OF CHANGES IN THE CONTEXT OF BANK ENTRIES AND RECONCILIATIONS

Rationale & background:

- New Era Publishers will support Accounting teachers in dealing with the impact of the decision by banks to terminate the use of cheques. This addendum is intended to inform teachers of tasks and explanations that need amendment.
- Teachers will find that many chapters in existing textbooks will contain references to cheques. These should all be substituted by EFTs.
- However certain accounting aspects relating to cheques will no longer apply in the case of EFTs, for example: dishonoured and post-dated items.
- Other Accounting aspects relating to online banking should also be incorporated into tasks, for example: more extensive use of debit orders, debit cards (for cash withdrawals and purchases) and credit cards. It is also still possible for timing differences to occur, usually in cases where the published date of the bank statement does not coincide with the month-end date of cash journals.
- Although new editions of textbooks will reflect these changes, learners can continue to use their existing textbooks by manually making the amendments reflected in the list below. Be aware that some of these changes will affect the marking memos in the Teacher Guide.
- The New Era authors have extensively revised all tasks requiring detailed bank reconciliations. These affect Modules 11, 15 & 16 in the Grade 12 textbook. The revised questions will be reflected in the new editions of the New Era textbooks, but teachers can request free copies of the specific questions in advance.

SPECIAL FREE OFFER TO TEACHERS USING NEW ERA GRADE 11 & GRADE 12 TEXTBOOKS:

- Links to free digital copies of the revised Bank Reconciliation tasks and their marking memos will be provided to teachers using the New Era Grade 11 and Grade 12 textbooks.
- As New Era Publishers are often not able to identify schools using New Era textbooks if orders are placed through DBE agents, we ask teachers to send their contact details to us by:
 - **WhatsApp:** 083-2336456
 - **Email:** newgen@netactive.co.za
- Our **website** address is: www.newerapublishers.co.za

IMPORTANT NOTE: BANK RECONCILIATIONS ARE NOT EXAMINABLE IN 2021 BUT WILL BE EXAMINABLE IN 2022

According to the revised ATP and 2021 Exam Guideline issued by the DBE for Grade 12 in 2021, Bank Reconciliations are one of the non-examinable topics in 2021. The DBE is aware that textbooks are outdated in this topic and content would not reach every learner in good time. Teachers are therefore advised not to teach Bank Reconciliations to Grade 12 in 2021. Further information from the DBE on bank reconciliations in 2022 is expected.

The 2021/2022 edition of the Grade 12 New Era Accounting textbook will reflect amendments to all tasks affected by the outdated bank entries. The adapted questions will be freely available to schools using New Era Accounting.

OTHER FORMS OF RECONCILIATIONS ARE STILL EXAMINABLE i.e. Creditors Reconciliations & Reconciliations to Debtors & Creditors Control accounts & Debtors Age-Analysis

LIST OF CHANGES IN THE CONTEXT OF BANK ENTRIES AND RECONCILIATIONS
Teachers are advised to amend model answers in the teacher guide accordingly.

MODULE 1

Page	Details		Change to
29	1 April 20.1; 2 nd line:	<i>a cheque for R1.5</i>	an EFT for R1,5
31	Task 1.5; 2 nd par, 2 nd line:	<i>a cheque</i>	an EFT
43	Task 1.12; 11th	<i>(Cheque....)</i>	EFT
45	7 th paragraph:	<i>a cheque</i>	an EFT
47	2 nd paragraph; 2 nd line:	<i>cheque</i>	EFT
	3 rd paragraph; 2 nd line:	<i>cheque</i>	EFT
56	Last line:	<i>a cheque</i>	an EFT
58	Task 1.19; last line:	<i>cheque</i>	EFT
59	4 th line from bottom:	<i>A cheque</i>	An EFT

MODULE 3

Page	Details		Change to
93	Delete 3.5.5 and 3.5.6		
114	Replace Adj 5		5. An EFT payment for R750 to a creditor in settlement of a debt of R780 must be reversed as this was an error in posting
117	Task 3.15: No. 7	Delete: <i>He had supplied a post-dated cheque.....</i>	Payment for this is due on 30 November 20.4.
120	Task 3.16: No. 2	Delete: <i>The purchaser has posted.....</i>	The purchaser has promised payment but to date it has not yet been received.
124	Task 3.17: No. 1: Delete 5 th & 6 lines	Delete: <i>Cheque dishonoured by a debtor, M. Miles R480. (This cheque was in settlement of his debt of R500)</i>	2. An EFT from a debtor, M. Miles R480 in settlement of her debt of R500 must be reversed as it was posted erroneously. Re-number adjustments.
176	Task 3.51: Income tax paid	Delete: <i>(28 850)</i>	28 860
	Task 3.51: Cash flows from investing activities	Delete: <i>Proceeds of shares issued</i>	Purchase of non-current assets
		Delete: <i>Repayment of long-term loans</i>	Sale of non-current assets at carrying value

MODULE 4

Page	Details		Change to
183	Financial Institutions: 2 nd line	<i>cheque</i>	current
200	Task 4.10: 2 nd table	Delete: <i>R1 040 000</i>	R104 000
211	Task 4.10: Table: 3 rd line	Delete: <i>Net profit after tax</i>	Dividends for the year

MODULE 9

Page	Details		Change to
349	Documents; Table:	<i>Cheques</i>	EFT's
	Statistical sampling; 1 st , 2 nd & 4 th par:	<i>cheque/s</i>	EFT / EFT's
354	Last line:	<i>a cheque</i>	an EFT

MODULE 10

Page	Details		Change to
358	Explanation of entries: No. [2]	Delete: <i>cheque or</i>	
385	Task 10.18; 3 rd par; 2 nd line	Delete: <i>bank guaranteed cheques</i>	electronic payments

MODULE 11

Page	Details		Change to
389	Creditors Ledger; 10 th	<i>Cheque</i>	EFT
390	3 rd line; table (top)	<i>Cheque</i>	EFT
	Creditors Ledger; 10 th & 31 st ; Creditors Recon	<i>Cheque</i>	EFT
392	Task 11.1; 5 th & 27 th	<i>Cheque</i>	EFT
392	Task 11.2; Creditors Ledger; 12 th & 26 th	<i>Cheque</i>	EFT
393	Task 11.3; No. 1	<i>cheque</i>	EFT
	Task 11.3; No. 4	<i>A cheque</i>	An EFT
393	Task 11.4 No.4	<i>Cheque</i>	EFT
395	Task 11.4 No.9	Delete No.9: <i>The cheque of a debtor is returned by bank due to insufficient funds</i>	<i>Replace with:</i> The amount of an EFT from a debtor was incorrectly overstated when the entry was placed in the CRJ.
395	Task 11.4 No.13	Delete No.13: <i>Cancellation of discount on r/d cheque.</i>	<i>Replace with:</i> Cancellation of discount that was incorrectly entered.
396	Task 11.5 No.3	Delete No.3: <i>Reversal entry for r/d cheques</i>	<i>Replace with:</i> Correction of incorrect amount overstated on an EFT to a creditor.
	Explanation of entries (top): No. 5	<i>cheques</i>	EFTs,
	Explanation of entries (below Creditors control); No. 4	<i>Cash, cheques and direct payments</i>	EFT payments
397	Task 11.6: No. 8		Reversal of discount of R20 which was incorrectly allowed to a debtor of R20.
398	Task 11.7: Sandipa Qwala: 10 th :	Delete: <i>cheque unpaid CPJ</i>	Correction of Rec 128
	Task 11.8	<i>1</i>	The discount on Sandipa's EFT (see 8 th) was overstated by R40.

MODULE 11 (Contd)

Page	Details	Change to
400	Task 11.9: Errors & omissions	Delete: <i>No. 5</i>
		Delete: <i>No. 6</i>
402	Task 11.11: No. 6	Delete: <i>No. 6</i>
404	Task 11.12: No. (m)	Delete: <i>No. [m]</i>
407	Task 11.14: 2 nd statement	Delete: <i>2nd & 3rd entries (Dishonoured cheque & Discount reversed.</i>
	Task 11.14: 2 nd statement	Adjust Invoice 8792 to R5 100
408	Task 11.14: 3 rd statement	Delete the entry on 22 May: <i>Dishonoured cheque 1 000</i>
		Adjust Invoice 9340 to R2 100
410	Task 11.16: No. 3	Delete (a)
		An EFT for R13 500, received from M. Grobler in full settlement of his account of R15 000, was recorded twice by mistake. The correction entry still has to be made.
410-424	Task 11.17 to Task 11.24	Ignore these tasks for 2021 only. SEE SPECIAL OFFER ABOVE: DIGITAL COPIES OF AMENDED QUESTIONS CAN BE REQUESTED FROM NEW ERA PUBLISHERS
425-426	Task 11.30	
427	Task 11.32 Part 11.32.2	Delete: <i>cheques</i>
		Replace with: EFTs
427-428	Task 11.32 Parts 11.32; 11.32.4; 11.32.6; 11.32.7 & 11.32.9	Ignore these sub-questions in 2021 only as they relate to bank reconciliations. Other sub-questions can be used in 2021. SEE SPECIAL OFFER ABOVE: DIGITAL COPIES OF AMENDED QUESTIONS CAN BE REQUESTED FROM NEW ERA PUBLISHERS

MODULE 12

Page	Details	Change to
435	Under NOTE:	Delete: <i>and dishonoured cheques</i> EFTs
436	No. 12	Delete: <i>Sizwe reversed discount of R345 from a debtor</i> Sizwe reversed a discount of R345 which was mistakenly allowed to a debtor.
438	Task 12.4: No. 12.4.10	Delete: <i>Hari reverses cash discount..... by cheque</i> Hari reverses a discount which was mistakenly allowed to a debtor.
	Task 12.4: No. 12.4.11	Delete: <i>cheque</i> EFT
440	No. 1	Delete: <i>cheque</i> EFT
	No. 6	Delete: <i>cheque</i> EFT
	No. 12	Delete: <i>Carol reversed cash discount on a dishonoured cheque.</i> Carol reversed a discount which was erroneously allowed to a debtor.
442	Task 12.6: (a)	Delete: <i>cheque</i> EFT
	Task 12.6: (f)	Delete: <i>cheque</i> EFT
	Task 12.6: (i)	Delete: <i>Kally reverses discount on a dishonoured cheque</i> Kally reverses discount which was mistakenly allowed to a debtor.
443	Task 12.7: (j)	Delete (j) Re-number
	Task 12.8: (h)	Delete 2 nd bullet Reversal of discount mistakenly allowed to a debtor, R69
446	3 rd line from top	Delete: <i>a cheque</i> an EFT payment
452	SUBMITTING A RETURN: 7 th line	Delete: <i>cheque</i>
	RECORDS: 3 rd bullet	Delete: <i>cheque books, paid cheques</i>
466	Task 13.2: Transaction no. 3	Delete: <i>cheque</i> EFT

MODULE 13

Page	Details	Change to
466	Task 13.2: No. 3	Delete: <i>cheque</i> EFT

MODULE 15

Page	Details	Change to
541	Task 15.18: Transactions: April 15	Delete: <i>a cheque</i> an EFT
551-553	Task 15.28 to 15.29 Part A	Ignore these questions in 2021 only as they relate to Bank Reconciliations. Other sub-questions can be used in 2021. SEE SPECIAL OFFER ABOVE: DIGITAL COPIES CAN BE REQUESTED FROM THE PUBLISHERS

Module 15 (Contd)

Page	Details	Change to
554	Task 15.28 Part B Creditors Reconciliation – 2 nd bullet	Delete twice: <i>cheque</i> EFT (twice)
555	Task 15.29: Debtors Ledger: 24 th	Delete: <i>Dishonoured cheque</i> Invoice 782
		Delete the 5 th bullet: <i>Discount should have dishonoured cheque.</i>
557	Task 15.30	Delete: Opening balance in the Debtors control <i>86 500</i> 96 200
		Delete the 3 rd entry on the debit side of the Debtors control a/c: <i>Bank CPJ 9 700</i>
558	Task 15.31: No. 3.3	Delete the sentences. An EFT for R1 200 received from I. Page in settlement of a debt of R1 320, during February has been erroneously posted twice. No entry has been made to correct this.
562	Task 15.35: No. 15.35.4: Table: first 3 lines	Delete: <i>cheque</i> EFT
564	Task 15.37: No. 5	Delete: <i>cheques</i> EFTs

MODULE 16

Page	Details	Change to
579-614	Examination papers	Note that these papers were constructed before the finalisation by the DBE of the 2-paper structure. These papers will be amended to count out of 150 marks each. Apart from the bank reconciliations, the other questions are still applicable for revision purposes. SEE SPECIAL OFFER ABOVE: DIGITAL COPIES CAN BE REQUESTED FROM THE PUBLISHERS. PLEASE REFER TO THE NEW ERA WEBSITE FOR EXEMPLAR PAPERS: www.newerapublishers.co.za/english/ www.newerapublishers.co.za/afrikaans/
580	Question 1: Adjustment 2	Delete the last sentence: <i>The purchaser..... been received.</i> Payment has not yet been received.
589-590	Question 2: Bank Reconciliation Part 2.1 to 2.6	Ignore these sub-questions in 2021 only as they relate to Bank Reconciliations. Other sub-questions can be used in 2021. SEE SPECIAL OFFER ABOVE: DIGITAL COPIES CAN BE REQUESTED FROM THE PUBLISHERS

MODULE 16 (Contd)

Page	Details	Change to	
591	Question 3 Creditors Reconciliation	Creditors Ledger: 21 st : Delete: <i>Cheque 5075</i> 27 th : Delete: <i>Cheque 3360</i> Statement of account: Delete <i>Receipt 281</i>	EFT 10075 EFT 10160 EFT
594	Question 4.5	Note that these topics relate more to Paper 1.	
609-611	Question 3.1 Bank Reconciliation	Ignore this sub-question in 2021 only. Mark Q3 out of 28. SEE SPECIAL OFFER ABOVE: DIGITAL COPIES CAN BE REQUESTED FROM THE PUBLISHERS	

GLOSSARY

Page	Details	Change to	
618	Direct transfer	Delete: (<i>i.e. without.....</i>)	
	Dishonoured cheque	Delete	
620	Interest income	Delete: <i>bank cheque</i>	current banking
622	Overdraft	Delete: <i>bank cheque</i>	current banking
		Delete: <i>cheque</i>	current banking
	Post-dated cheques	Delete	
624	Stale cheques	Delete	