

UNIVERSITY OF ESWATINI
FACULTY OF SOCIAL SCIENCE
DEPARTMENT OF LAW
MAIN EXAMINATION PAPER MAY 2019

PROGRAMME OF STUDY : BACHELOR OF LAWS

TITLE OF PAPER : ACCOUNTING FOR LAWYERS

COURSE CODE : L307 (M) MAY 2019

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

Bongi Attorneys commenced operations on 1 January 2018 by introducing E500,000 into the business bank account. Other transactions during January 2018 included the following:

2	Paid office rent by cheque to Khanyi Dlamini for January 2018	E5 000
3	Debited Yoliswa Masuku with fees in respect of a criminal matter	E7 000
4	Paid membership fees to the Swaziland Law Society by cheque for	E2 000
8	Bheki Khumalo instructs Bongi Attorneys to institute divorce proceedings against his wife and he paid an advance deposit of E10,000 in this regard.	
12	Bought books for a law library paying by cheque	E30 000
20	Receive an account from Sheriff Celumusa Ndlangamandla in respect of Yoliswa Masuku	E1 000
23	Receive a cheque from Yoliswa Masuku in settlement of her account	E8 000
23	Bongi 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	E50,000
31	Withdraw from the business bank account of Bongi Attorneys for private use	E10,000
31	Receive a cheque of E30 000 from Sifiso Dlamini 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 2018.	

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 2018 in the books of Bongi Attorneys. (16 Marks)
- c) Extract a trial balance for Bongi Attorneys as at 31 January 2018. (10 Marks)

NB: Ignore VAT

Total: (40 Marks)

QUESTION 2

Write short notes on the following:

- a) Trust money (5 Marks)
- b) Business creditors (5 Marks)
- c) Trust creditors (5 Marks)
- d) Trust bank account (5 Marks)
- e) Trust transfers (5 Marks)

Total: (25 Marks)

QUESTION 3

Mark Attorneys was appointed as conveyancing attorneys in regard to the sale of property for Jane Dlamini to Yake Khumalo for E100 000 in the month of June 2017. In connection with the sale, the following transactions took place in the month of June 2017:

- 1 June 2017 Mark Attorneys received instructions from Jane Dlamini to transfer property for E100 000 and agreement was signed on this date.
- 2 June 2017 You receive a guarantee for E60 000 from Chadbank Limited on behalf of the Yale Khumalo.
- 3 June 2017 Mark Attorneys receive a deposit of E10 000 and estimate costs (pro-forma costs) from Yale Khumalo of E8 000.
- 4 June 2017 Mark Attorneys receive E30 000 from a second bond holder called Finex Limited on behalf the Yale Khumalo.
- 5 June 2017 Mark Attorneys paid to the Receiver of Revenue a transfer duty of E3 000, City Council of Manzini E2,000 for rates and Paid Mr. Themba Dlamini E250 for the electricity certificate.
- 6 June 2017 Mark Attorneys registered transfer of the property. In terms of the agreement the firm of Attorneys was to pay the previous bond holder Chiara Limited E50 000 and E50 000 was remitted to Jane Dlamini.
- 6 June 2017 Mark Attorneys charged transfer fees of E2 000 and bond fees of E750 and all ledger entries in connection with the sale of the property were closed off on the same date.

Required:

Show all the entries in the relevant ledger accounts. Ignore VAT. Dates for all entries must be shown.

Total: (25 Marks)

QUESTION 4

Discuss the requirements that should be met before a transfer is made from the Trust account to the business account (10 Marks)