

UNIVERSITY OF FORT HARE  
NELSON R. MANDELA SCHOOL OF LAW  
East London

NUMERACY SKILLS  
LNS 121 L / LNS 122 E / LNS 121 E

SUPPLEMENTARY DEGREE EXAMINATIONS  
JANUARY/FEBRUARY 2020

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Time: 3 hours  
Subject: NUMERACY SKILLS – LNS 112 L  
Marks: 100

This paper consists of 5 printed pages including the cover page

Internal Examiners

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INSTRUCTIONS

ANSWER ALL QUESTIONS AND WRITE LEGIBLY. PROVIDE PRECISE  
CALCULATIONS AND SHOW ALL YOUR WORKING WHERE REQUIRED.

**QUESTION ONE [20]:**

1.1 Noz'ncinci is a slow driver who always drives at an average speed of 50km/h. At that speed it takes her 20 minutes to drive to her workplace from her house. How far is her workplace from her home? Give your answer to the nearest km. [4]

2.2 Mazinyo lives and works 2 600 km from his birthplace where both his parents still live. He occasionally visits his parents. During one such trip to visit his parents he drives at a constant speed of 140 km/h. How long did it take him to get to his birthplace?

Give your answer in hours and minutes. [4]

2.3 Masakhane Attorneys Inc has four Directors; Masonwabe, Masithandaze; Mizamoyethu and Masizole. The four Directors are allocated a discretionary bonus of one million two hundred and thirty four thousand five hundred rand in total. The bonus is divided according to their respective shareholding in their firm. Masonwabe holds 23 shares. Masithandaze holds 35 shares. Mizamoyethu holds 66 shares, and Masizole holds 2 shares. Calculate the actual amounts due to each of the four Directors. [4]

2.4 Nomchobotho types  $2\frac{1}{3}$  pages in an hour. How many pages does she type in  $4\frac{1}{2}$  hours? [4]

2.5 Zincinci, an irate serial complainer expresses his disgust at the increases in the municipal billing rate. The billing rate for his property was R2 400 per month. It has now been increased  $2\frac{1}{2}$  times more. What is his new billing rate? [4]

**QUESTION TWO [10]**

Mathuso started working as a Professional Assistant at the Law Firm Mazonne Munic, in King Williams' Town in January 2016. When she started, her annual salary amounted to R480 000. In January 2018 her salary was increased by 9.5% back-dated to 1<sup>st</sup> September 2017.

2.1 How much in Rand has Mathuso earned between 1<sup>st</sup> September 2017 and 31<sup>st</sup> September 2018. [5]

2.2 On 3<sup>rd</sup> October 2018, Mathuso receives a letter from SARS informing her that her employer had only just registered her for tax at SARS effective 1<sup>st</sup> September 2018. Additionally, SARS also advises her that, according to their investigations it had been picked up that, due to her employer's omission, her tax obligations for the tax period between 1<sup>st</sup> January 2016 and 31<sup>st</sup> August 2018 had not been paid. Furthermore, that according to their tax classifications, her annual salary bracket throughout her employed attracted a tax bracket of 28% per annum. She is then given 6 months within which to clear her tax arrears.

Calculate the total amount in Rand Mathuso owes SARS?

[5]

**QUESTION THREE [10]:**

3.1 Biggie Gabs is a successful entrepreneur who loves the finer things in life. He loves sporty SUVs especially the mean looking big black type machines. In order to keep and maintain his love and enjoy continued satisfaction from his black machines, he continuously invests his money in different portfolios. One day he decides to invest his *Forty Eight Million Five Hundred and Forty Thousand Six Hundred and Fifty Four Rand* with Home Affries Bank for *just 4 days*. Home Affries Bank has offered him an interest rate of *8.5% per annum*.

How much interest does Biggie earn in the 4 days?

[5]

3.2 Cheryl Motors is a business lady with interests in the cosmetics industry. Her bank: Galaxy Horizon Bank has made an offer for investment to her. After careful consideration of her bank's offer, she invests her *Twenty Three Million Five Hundred and Forty Thousand Six Hundred and Fifty Four Rand* for *just 3 months*. Her bank has offered her an interest rate of *5.1 % per annum, compounded monthly*.

How much will her investment yield for her at the end of the 3 months?

[5]

**QUESTION FOUR [30]:**

4.1 You run a general legal practice and among other things you also do debt collection. You act for your client A. B owes A an amount of R5000. On 29 January 2014, B signs a Settlement Agreement in terms of which he offers to pay off the debt in instalments of

R1 000 per month. A collection commission of 10% is payable on every instalment paid and interest of 15.5% per annum is also payable on the amount outstanding from time to time, calculated monthly in advance.

B's payments will first be applied to cover collection commission, then interest payable from month to month, thereafter to cover the capital amount. B makes cash payments at your offices on the dates listed below:

- 28 February 2014: R1 000
- 31 March 2014: R1 000
- 31 May 2014: R1 000

After the 31 May 2014 payment, B asks you for a comprehensive statement indicating the amount due so that he can settle all that is remaining. Prepare the requested statement showing all your calculations and figures clearly. [20]

4.2 Masakhane Attorneys Inc has four Directors; Masonwabe, Masithandaze; Mizamoyethu and Masizole. The four Directors are allocated a discretionary bonus of one million two hundred and thirty four thousand five hundred rand in total. The bonus is divided according to their respective shareholding in their firm. Masonwabe holds 23 shares. Masithandaze holds 35 shares. Mizamoyethu holds 66 shares, and Masizole holds 2 shares. Calculate the actual amounts due to each of the four Directors. [10]

**QUESTION FIVE [30]:**

5.1 Thami is a Municipal general worker. He works from 6am to 4pm each day and is allowed a one hour lunch break. His contract pays him R14.50 during normal hours and also pays R18.00 per hour or any part thereof for approved overtime work. During the festive month of December 2011, Thami worked his normal hours the whole month without disturbance. He also worked a total of four (4) approved overtime hours for a total of 22 days during the same month. Calculate:

5.1.1 The total overtime hours Thami worked during that month. [2]

5.1.2 Thami's total pay (inclusive of overtime pay) for December 2011. [3]

5.2 Daniel Scott, in his will, leaves his house to his wife (Martha), his car to his daughter (Mangato) and the residue to his twin sons (Asanda and Ayanda) in equal shares. Calculate what Asanda and Ayanda will inherit if the net value of Daniel's estate is R952 390, the house is worth R556 500, and the car is worth R98 890. [5]

5.3 Zodwa, Zonge and Zine are partners in a business venture. At the end of their financial year the business made a profit of R48 000. In terms of their agreement, profits are to be shared in the ratio of 5:4:3.

Calculate each partner's share in the profit made. [5]

5.4 A motorist uses 125 of petrol to travel 2 400 km. How many litres of petrol will he need to travel 7 200 km. [2]

5.5 John works for an Attorney. He gets paid R 975.30 a week. He works 30 hours a week. How much does he earn per hour. [3]

5.6 In his Audit Report relating to travel by the President during Nelson Mandela's tenure, the Auditor-General noted that the President had undertaken 21 flights to the USA of America at a total costs of R1 250 000 to the tax-payer. The Auditor-General also noted that the United Nations (UN) had undertaken and indeed paid, a fifth ( $\frac{1}{5}$ ) of the total costs of travel per trip undertaken by the President. This gesture was in recognition of the elder statesman's contribution to peace and democracy the world over. Calculate:

5.6.1 The total UN contribution in Rand for all the trips undertaken by the President. [5]

5.6.2 The total cost to the tax-payer in Rand of the President's twenty one trips to the USA. [5]

[EXAM TOTAL MARKS = 100]

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