



# Basic Education

KwaZulu-Natal Department of Basic Education  
REPUBLIC OF SOUTH AFRICA

**ACCOUNTING**

**JUNE 2016**

**COMMON TEST**

**NATIONAL  
SENIOR CERTIFICATE**

**GRADE 10**

**MARKS: 200**

**TIME : 2 hours**

**This paper consists of 9 pages and answer booklet of 7 pages.**

**INSTRUCTIONS AND INFORMATION**

1. You are provided with a question paper and an ANSWER BOOKLET in which to answer ALL questions.
2. This question paper comprises FOUR compulsory questions. Answer ALL the questions.
3. Use the format provided in the answer book in order to reflect your answers.
4. Where applicable-workings must be shown in order to achieve part-marks.
5. Non-programmable calculators may be used.
6. You may use dark pencil or blue/black ink to answer the questions.
7. Use the information in the table, below, as a guide when answering the question paper. Try NOT to deviate from it.

<b>QUESTION 1</b>		<b>(72 Marks; 43 Minutes)</b>	
<b>Topic of the question</b>		<b>This question integrates:</b>	
Salaries And Wages		<b>Financial accounting</b> <ul style="list-style-type: none"> <li>• Wages Journal</li> <li>• Ledger Accounts</li> </ul> <b>Managing resources</b> <ul style="list-style-type: none"> <li>• Internal controls</li> </ul>	
<b>QUESTION 2</b>		<b>(28 Marks; 17 Minutes)</b>	
<b>Topic of the question</b>		<b>This question integrates:</b>	
Value Added Tax		<b>Managing resources</b> <ul style="list-style-type: none"> <li>• Ethics</li> </ul> <b>Financial accounting</b> <ul style="list-style-type: none"> <li>• Concepts</li> <li>• VAT calculations</li> </ul>	
<b>QUESTION 3</b>		<b>(65 Marks; 39 Minutes)</b>	
<b>Topic of the question</b>		<b>This question integrates:</b>	
SOLE TRADER Final Ledger Accounts		<b>Financial accounting</b> <ul style="list-style-type: none"> <li>• Capital account</li> <li>• Trading Account</li> <li>• Profit and loss account</li> </ul>	
<b>QUESTION 4</b>		<b>(35 Marks; 21 Minutes)</b>	
<b>Topic of the question</b>		<b>This question integrates:</b>	
Concepts and Problem Solving		<b>Managing resources</b> <ul style="list-style-type: none"> <li>• Ethics and Problem Solving</li> </ul> <b>Financial accounting</b> <ul style="list-style-type: none"> <li>• Calculating prices</li> </ul>	

**QUESTION 1****(72 Marks; 43 Minutes)****SALARIES AND WAGES****1.1 WAGES JOURNAL**

You are provided with information related to Nkandla Traders for June 2016

**REQUIRED:**

- 1.1.1 Complete the wages journal for the week ending 30 June 2016. (46)
- 1.1.2 The owner is concerned that the manager may be paying some employees for days/hours not worked. Explain TWO points that can be used by the owner to avoid this action. (4)

**INFORMATION:**

Nkandla Traders is a business manufacturing school tables, They employed three workers (Ngcebo Mbhele , Geqemba Sukazi and Supporta Zulu) on the same wage rate of R200 per hour and each employee has worked 40 hours except for Geqemba who was absent during the week and only worked for 25 hours. Due to unexpected power cuts at Nkandla both Ngcebo and Supporta worked 12 hours and 8 hours of overtime respectively. The overtime rate is 1.5 times the normal time rate.

The following deductions must be taken into account:

- The PAYE is calculated at 22% of gross wages.
- Medical aid is R 250 main member and (R80 per additional member) Ngcebo is married and has two children whilst both other employees had no additional members registered under their medical schemes.
- The UIF is 1% of normal wage for each employee
- Pension fund deduction is at 7,5% of normal basic wages

Nkandla Traders contributes on behalf of the employers as follows:

- Pension fund is 10.5% of basic wages
- Medical aid is R2 for every rand deducted from the employee's wages.

**1.2 SALARIES JOURNAL AND LEDGER ACCOUTS**

You are provided with information taken from Mevamlhlophe Traders.

**REQUIRED:**

Study the ledger accounts provided and then answer the questions that follow. Mevamlhlophe Traders employs one salary earner only i.e. Manager Mpandlana Mangwe.

**INFORMATION:****General ledger of Mevamlhlope Traders****Balance Sheet Accounts**

## Creditors for salaries

2016 Jun	30	?	CPJ	5 420	2016 Jun	30	?	SJ	5 420
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## Medical Aid Fund

2016 Jun	30	Bank	?	?	2016 Jun	30	Salaries	SJ	320
							?	SJ	480

## Pension Fund

2016 Jun	30	Bank	?	1 000	2016 Jun	30	?	SJ	500
							Pension Contributions	SJ	500

## SARS: PAYE

2016 Jun	30	Bank	CPJ	?	2016 Jun	30	?	SJ	?
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**Nominal Accounts Section**

## Salaries account

2016 Jun	30	?	SJ	8 000					
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**QUESTIONS:**

- 1.2.1 Provide the folio for the entry of R 1 000 on the debit side of the Pension Fund Account. (1)
- 1.2.2 How much was deducted from the employee's salary in respect of Medical Aid? (1)
- 1.2.3 How much was contributed on a Rand to Rand basis, by the business on behalf of the employee to the Medical Aid Fund? (3)
- 1.2.4 How much was deducted from the employee's gross salary in respect of PAYE if there are no other deductions? (5)
- 1.2.5 Calculate the rate of PAYE deduction. Use amount calculated above. (4)
- 1.2.6 Calculate the total operational expense in respect of salaries for the month of June 2016. (4)

1.2.7 Provide the contra account details for the following entries.

- 1.2.7.1 R 5 420 on the debit side of the creditors for salaries account (1)
- 1.2.7.2 R 480 on the credit side of the medical aid account (1)
- 1.2.7.3 R 5 420 on the credit side of the creditors for salaries Account (1)
- 1.2.7.4 R 8 000 on the debit side of the salaries account (1)

## QUESTION 2

(28 Marks; 17 Minutes)

Value Added Tax

### 2.1. CONCEPTS

- 2.1.1. What does VAT means? (2)
- 2.1.2. At what rate is VAT charged on the value of brown bread? (2)
- 2.1.3. To which institution is VAT paid to? (2)
- 2.1.4. Differentiate between VAT exempt and Zero rated supplies. (4)

### 2.2. VAT CALCULATIONS

REQUIRED:

- 2.2. Calculate the missing figures denoted by letter A – I. (18)

No	Cost price	Mark – up %	Selling price VAT Excl.	VAT amount	Selling price VAT Incl.
2.2.1	<b>C</b>	20%	<b>B</b>	<b>A</b>	R 2 736
2.2.2	R 500	30%	<b>D</b>	<b>E</b>	<b>F</b>
2.2.3	R 400	<b>G</b>	R 640	<b>H</b>	<b>I</b>

**QUESTION 3****(65 Marks; 39 Minutes)****SOLE TRADER: FINAL LEDGER ACCOUNTS****REQUIRED:**

- 3.1. Capital Account (7)  
 3.2. Trading Account (9)  
 3.3. Profit and Loss Account (49)

**INFORMATION:**

The following information was taken from the books of Supporta Traders; the financial year end is 29 February 2016.

**Pre-adjustment Trial Balance of Supporta Traders on 29 February 2016.**

	Debit	Credit
<b>Balance Sheet Accounts Section</b>		
Capital		291 896
Drawings	45 000	
Mortgage Loan : Rama Bank (18% p.a)		50 000
Land and Buildings	360 000	
Equipment	24 000	
Vehicles	156 000	
Accumulated Depreciation on Equipment		4 700
Accumulated Depreciation on Vehicles		21 000
Trading Stock	35 900	
Debtors Control	65 500	
Bank		63 795
Petty Cash	2 000	
Cash Float	3 000	
Creditors Control		48 399
Fixed Deposit: Dingukwazi Bank (12% p.a)	38 000	
Pension Fund		4 500
Creditors for Salaries		26 800
<b>Nominal Accounts Section</b>		
Sales		455 000
Cost of Sales	213 000	
Debtors Allowances	4 500	
Salaries and Wages	39 100	
Rent Income		42 560
Interest on Overdraft	590	
Rates	2 700	
Insurance	3 800	
Repairs	2 600	
Telephone	1 840	

Stationery	2 240	
Bank Charges	1 400	
Bad debts Recovered		480
Bad Debts	960	
Interest on Loan	8 000	
Interest on Fixed Deposit		4 000
Water and Electricity	3 000	
	<b>1 013 130</b>	<b>1 013 130</b>

### Adjustments and Additional Information

- A- Rates include an amount of R 800 paid for the period 1 December 2015 to 30 April 2016.
- B- The rent for March 2016 has already been received.  
NOTE: The rent was increased by R 320 from 1 January 2016.
- C- A debtor, S. Nxumalo, who owed R 1 200, was declared insolvent. His estate paid a first and final dividend of 60 cents in a Rand, for which a cheque was received on 29 February 2016. The remainder must be written off. No entries have been made.
- D- The water and electricity account for February 2016 has not yet been paid, R 200
- E- Provide for outstanding interest on loan.
- F- Provide for depreciation as follows:
- On equipment at 10% p.a. on cost.
  - On vehicles at 20% p.a. on the carrying value method.
- G- Provide for outstanding interest on fixed deposit.
- F- There was the fire in the business storeroom on 14 February 2016 and goods worth R 4 000 were damaged. The insurance company has agreed to settle 80% of the claim, for which the EFT will be made in March 2016. No entries have been made of this transaction.
- H- Stock on hand as per physical count on 29 February 2016 revealed the following:
- Trading stock, R 31 200
  - Stationery , R 280

**QUESTION 4****(35 Marks; 21 Minutes)****ACCOUNTING CONCEPTS AND PROBLEM SOLVING****4.1. ACCOUNTING CONCEPTS****REQUIRED:**

4.1. Match the accounting concepts in column A with examples in column B. (10)

<b>COLUMN A</b>	<b>COLUMN B</b>
4.1.1 Business entity rule	A. Damages payable to a client will be finalized next year. An estimated amount of R25 000 is recorded this year.
4.1.2 Historical Cost	B. An owner owes his sister R2 000 for costs incurred on holiday. This is not recorded in the business books.
4.1.3 Going Concern	C. An entry at the year-end for expenses accrued (payable)
4.1.4 Matching Principle	D. Financial statements reflecting that the business will survive in the near future.
4.1.5 Prudence	E. Land and buildings are shown in the financial statements as R5 million even though the property is worth R12 million.

**4.2. PROBLEM SOLVING**

Sphamandla Nxumalo runs a tuck shop at a high school. He employs learners to assist him in serving at the tuck shop during break times. Sphamandla sells fruit juice, chips and chocolates in his tuck shop.

**REQUIRED:**4.2.1 Calculate the figures labeled **A – C**. Show workings to earn part marks (12)

4.2.2 Sphamandla is experiencing a different problem concerning each of his products.

- State a different problem for each product. (Quote figures to support your answer) (6)
- Give a suitable solution to each problem. (3)

4.2.3 Calculate the profit earned on the sale of chocolates. (4)



**INFORMATION FOR MAY 2016**

	<b>FRUIT JUICE (500ml)</b>	<b>CHIPS (30g packets)</b>	<b>CHOCOLATES (100 g bars)</b>
Number of items at the beginning of the month	Nil	700 units	20 units
Number of items bought during the month	5 000 units	3 160 units	400 units
Number of items sold during the month	4 935 units	3 100 units	335 units
Number of items unsold the end of the month	<b>A</b>	758 units	30 units
Damaged stock items	3	<b>B</b>	20
Selling price per unit	R6,00	R11,00	R9,00
Cash sales collected	R 28 000	<b>C</b>	R 2 835
Mark-up percentage on cost	40%	75%	25%

**Total Marks: 200**