



Education and Sport Development

Department of Education and Sport Development
Departement van Onderwys en Sportontwikkeling
Lefapha la Thuto le Tlhabololo ya Metshameko

NORTH WEST PROVINCE

PROVINCIAL ASSESSMENT

GRADE 10

ACCOUNTING

JUNE 2019

MARKS: 200
DATE : JUNE 2019
TIME: 2 hours

This question paper consists of 9 pages and formula sheet an answer book of 9 pages.



NW/JUNE/ACCNG/ EMIS/6*****

Instructions to learners:

1. Answer ALL questions in the special Answer Book provided.
2. Read the instructions carefully and answer them precisely.
3. Where relevant, show all workings to earn part-marks.
4. You may use a black/blue ink or a dark pencil. Write neatly and legibly.
5. Ensure that you have your own non-programmable calculator.
6. The paper consist of 6 compulsory questions. Try to manage your time as per the suggested time guide per question.

QUESTION 1: 65 marks; 40 minutes	
Topic of the question:	This question integrates:
Concepts, analysis and General Ledger	Financial accounting Concepts Accounting equation Ledger accounts

QUESTION 2: 40 marks; 25 minutes	
Topic of the question:	This question integrates:
Credit transactions	Financial accounting Concepts Debtors Ledger account Creditor Ledger account

QUESTION 3: 40 marks; 25 minutes	
Topic of the question:	This question integrates:
Salaries and wages	Financial accounting Calculations Salaries and wages

QUESTION 4: 44 marks; 25 minutes	
Topic of the question:	This question integrates:
Sole trader	Financial accounting Concepts Journal adjustments Ethics and internal control

QUESTION 5: 11 marks; 05 minutes	
Topic of the question:	This question integrates:
VAT	Managerial accounting VAT



QUESTION 1: Concepts, Analysis and General Ledger (65 marks; 40 minutes)

1.1 Match the source document in Column A with a description provided in Column B. Write the letter (A – E) next to each number (1.1.1 – 1.1.5) in the Answer Book.

COLUMN A		COLUMN B	
1.1.1	Cheque counterfoil	A.	This is the business' record of the sale of goods on credit to a debtor.
1.1.2	Authorisation voucher	B.	This shows that the monthly rent from the tenant was collected.
1.1.3	Receipt	C.	This will indicate the amount paid to settle the telephone account
1.1.4	Original invoice	D.	Issued by the manager so that an entry for bad debts can be made.
1.1.5	Duplicate invoice	E.	Received from a creditor for the purchase of goods on credit.

(5)

1.2 **Analyse the following transactions according to the headings on the table provided. Assume that the Bank balance is favourable for all transactions.**

Transactions for August 2018:

- 1.2.1 Received a cheque from C. Claren for the monthly rent, R4 680.
- 1.2.2 Received R220 000 from VBS Bank being a mortgage loan at 12% p.a. interest.
- 1.2.3 Bought cleaning detergents for R210 and paid from petty cash.
- 1.2.4 A cheque for R760 received from a debtor as a part payment of her account was returned by the bank marked "R/D – insufficient funds".
- 1.2.5 Received stationery purchased together with credit invoice for R2 180, from Bunty Suppliers.

(20)

1.3 **The following information appeared in the books of Rufas Stores for July 2018. All goods are sold at a profit mark-up of 60% on cost.**

REQUIRED:

- 1.3.1 Calculate the missing amounts denoted by **(a)** to **(d)**. (12)
- 1.3.2 Post to the following accounts in the General Ledger:
 - Bank (8)
 - Debtors Control (13)
 - Cost of Sales (7)



INFORMATION:

A. Balances and totals on 1 July 2018:

Bank	Debit	R23 500
Debtors Control		R35 380
Cost of sales		R56 120

B. Totals from the journals on 31 July 2018:
Note that the profit mark-up is 60% on cost.

Cash Receipts Journal

BANK	SALES	COST OF SALES	DEBTORS CONTROL		SUNDRY ACCOUNTS
			RECEIPTS	DISCOUNT ALLOWED	
96 500	57 280	(a)	(b)	3 220	15 000

Cash Payments Journal

BANK	TRADING STOCK	STATIO-NERY	CREDITORS CONTROL		SUNDRY ACCOUNTS
			PAYMENTS	DISCOUNT RECEIVED	
(c)	42 400	3 400	28 900	3 680	18 500

Debtors Journal

SALES	COST OF SALES
(d)	14 200

Debtors Allowances Journal

DEBTORS ALLOWANCES	COST OF SALES
3 100	1 120

General Journal

GENERAL LEDGER		DEBTORS LEDGER		CREDITORS LEDGER	
DEBIT	CREDIT	DEBIT	CREDIT	DEBIT	CREDIT
12 000	7 500	3 000	1 200	2 500	8 800



QUESTION 2: Credit Transactions

(40 marks; 25 minutes)

2.1 Answer the following questions regarding credit sales:

- 2.1.1 List TWO advantages for the business when goods are sold on credit. (4)
- 2.1.2 Before granting credit the business must obtain the correct address and contact details of the applicant. Provide TWO other vital information that must be checked before allowing anyone to buy goods on credit. (4)
- 2.1.3 Once credit has been granted, how can the business ensure that debtors pay their account on time? Provide TWO points. (4)

2.2 The following Debtors Ledger account appeared in the books of the FIVE Traders.

Study the account and answer the questions.

FRANK THULO (DL6)

DATE		DETAILS	FOL	DEBIT	CREDIT	BALANCE
2017 Sept	1	Account rendered	b/d			?
	5	Invoice No. x23	DJ3	4 380		17 490
	7	Credit Note No. 11	?		520	16 970
	10	? No. 76	CRJ3		4 500	12 470
		Discount allowed	CRJ3		225	12 245
	15	Invoice No. x56	DJ3	3 755		16 000
	21	Interest/Receipts	?		50	?

Questions:

- 2.2.1 Provide the folio reference for the transaction on the 7th and the 21st. (2)
- 2.2.2 Provide the detail for the transaction on the 10th. (1)
- 2.2.3 Calculate the amount owed by F. Thulo on 1 September 2018. (3)
- 2.2.4 Calculate the percentage discount granted when R4 500 was received. (4)
- 2.2.5 Comment on the entry for Interest on the 21st. Calculate the final balance. (6)

2.3 The incomplete Creditors Ledger account of Marang Suppliers is provided. Complete the account by filling in the missing details.

(12)

MARANG SUPPLIERS (CL8)

DATE		DETAILS	FOL	DEBIT	CREDIT	BALANCE
2018 Sept	1	Account rendered	b/d			12 840
	6		CJ3			19 680
	14					17 850
	22	Cheque No. 2211		7 500		
	25					

- Unsatisfactory goods purchased on 6th was returned on 14th.
- Trading goods purchased on the 25th was subject to a 5% trade discount. Invoice total before the trade discount amounted to R8 200.



QUESTION 3: Salaries and Wages

(40 marks; 25 minutes)

3.1 Calculating Wages

C. Mogale works in Marry Marie Ltd, a chocolate factory.

REQUIRED:

- 3.1.1 Calculate Mogale’s net wage for the week. Show all workings. (15)
- 3.1.2 Calculate the amount due to the SIZWE Medical on behalf of C. Mogale for the week ending 28 October 2018. (5)
- 3.1.3 Complete the posting to the CF Pension Fund account in the General Ledger. Take into account that a cheque to settle the amount due was issued on the 21 October 2018. (8)

INFORMATION: Details of C. Mogale for the week ending 28 October 2018.

C. Mogale - Hours worked for the week	Normal time (hours per week)	Normal time rate (per hour)	Overtime rate (per hour)
52	40	R78,50	R117,50

	Employee deductions	Employer’s contribution
SARS – PAYE	18 % of gross	-
CF Pension Fund	8 % of basic	10% of basic
GW Medical aid	R320	R1,20 for every R1
Unemployment Insurance	1% of basic	1% of basic
Staff Fund	R12 per week	-
Skills Development	-	1% of basic

3.2 Analysing Salary Information

The salary information of Piet Molotsi, a sales assistant, is presented below.

REQUIRED:

- 3.2.1 Calculate Piet’s basic monthly salary in his first year of employment? (3)
- 3.2.2 Piet receives a sales commission of 4% of the monthly sales. Calculate the total sales amount for October 2017. (4)
- 3.2.3 Calculate the total amount that the business pays with regards to Piet’s employment (including his gross salary). (5)

INFORMATION:

A. Piet’s salary scale: **117 600 x 8 160 – 142 080 x 12 240 – 166 560**

B. Information from Piet’s October salary advice:

Basic monthly salary	R11 160
Sales commission	R4 240
Total deductions from employee’s salary	R5 120
Net salary	R10 280
Employer’s contributions	R6 200
Total cost to business	?

40

QUESTION 4: Sole Trader

(44 marks; 25 minutes)

4.1 Choose the correct word/s that best describe each statement below. Write the word/s only, next to each number (4.1.1 – 4.1.5) in the Answer Book.

**CAPITAL ; DRAWINGS ; CURRENT LIABILITY ; DEBTORS CONTROL ;
CREDITORS ;
NON-CURRENT ASSETS; OPERATING PROFIT**

- 4.1.1 The owner uses a business cheque to pay his personal insurance expense.
- 4.1.2 Represents a current asset to the business as money is receivable.
- 4.1.3 Equipment purchased for use in the business.
- 4.1.4 Amount due to creditors for purchase of trading stock.
- 4.1.5 The owner invests additional funds to run the business. (5)

4.2 Ben Traders

The information below relates to Ben Traders for the financial year ended 28 February 2019.

REQUIRED:

4.2.1 Prepare General Journal entries to take into account adjustments **(i)** to **(v)**. (21)

INFORMATION:

- A. Information extracted from the Pre-Adjustment Trial Balance on 28 February 2019:

Fixed Deposit: Trust Bank (9%p.a.)	320 000
Rent income	99 450
Interest on fixed deposit	21 600
Telephone	18 880
Water and electricity	17 300
Insurance	15 160

B. **Adjustments and additional information:**

- (i) The February 2019 telephone account of R1 820 was received but it was not yet paid.
- (ii) The rent for March 2019 was received and deposited.
- (iii) An additional fire insurance policy was taken out on 1 January 2019. A cheque for R3 240 to cover the premiums for six months commencing 1 January 2019 was paid.
- (iv) Interest on fixed deposit for the last quarter of this financial year was not yet received.

4.3 **INTERNAL CONTROL**

(10)

Melt Masuku owns a gift shop. He has the following two problems in his business:

- Stock is going missing from the shop. He suspects that either the customers or his employees are stealing stock from her shop.
- Although Melt puts a fixed amount of R500 in the petty cash every month as an imprest amount, there is never enough money available to make small payments. The petty cashier assured him that the petty cash box is physically safeguarded against theft. Fridah could, however, not explain to Melt what happened to the money.

List the main internal control measures that Melt Masuku should apply in his business to:

4.3.1 Solve the stock problem (THREE points) (6)

4.3.2 Solve the petty cash problem (TWO points) (4)



4.4 Ethics**(8 marks; 8 minutes)**

Code of ethics is a set of rules which governs the financial activities of a business. You have started your own business and have decided on three people you wish to employ. You would like to motivate them to be conscientious and loyal employees who carry out their tasks in a way you would like them to.

REQUIRED:

- 4.4.1 Why you think it is necessary to have a Code of Ethics. (2)
- 4.4.2 Outline **THREE** principles of ethical behaviour that you expect them to adhere to. (6)

QUESTION 5: VAT**(11 marks; 05 minutes)**

- 5.1 Calculate the VAT amount for the following:
Note that the standard VAT rate is 15%.
- (a) Invoice total inclusive of VAT, R10 925 (VAT exclusive amount, R9 500).
- (b) Invoice total : R142 800 (excluding VAT)
- (c) Invoice total : R140 676 (inclusive of VAT) (7)
- 5.2. B. Lentswe (the local grocer) has set his till to charge VAT on all sales at 15%. Do you agree with this practice? Explain. (4)

TOTAL: 200