



**education**

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Department:  
Education  
PROVINCE OF KWAZULU-NATAL

**NATIONAL  
SENIOR CERTIFICATE**

**GRADE 11**

**ACCOUNTING  
SEPTEMBER 2019  
COMMON TEST**

**MARKS:** 100

**TIME** : 1 hour

**This paper consists of 5 pages and  
an answer booklet of 4 pages.**

**INSTRUCTIONS AND INFORMATION**

Read the following instructions and be sure to follow them carefully:

1. This question paper consists of 6 pages.
2. A special **ANSWER BOOK** consisting of 5 pages is provided in which to answer all the questions.
3. Answer **ALL** the questions.
4. **Workings must be shown in brackets in order to earn part marks.**
5. Non-programmable calculators may be used.
6. You may use a dark pencil or black / blue pen to answer the questions.
7. Marks will be deducted for missing details and foreign entries.
8. Use the information in the table below as a guide when answering the question paper:

<b>Question 1: 46 Marks, 28 Minutes</b>	
<b>The topic of this question is:</b>	<b>Content:</b>
Inventory Systems	<ul style="list-style-type: none"> <li>• Periodic Inventory System</li> <li>• General Ledger</li> <li>• Internal Control</li> </ul>
<b>Question 2: 54 Marks, 32 Minutes</b>	
<b>The topic of this question is:</b>	<b>Content:</b>
Projected Income Statement	<ul style="list-style-type: none"> <li>• Debtors Collection Schedule</li> <li>• Projected Income Statement</li> </ul>

**QUESTION 1****(46 Marks, 28 Minutes)****INVENTORY SYSTEMS**

- 1.1 Use the information provided below to complete the following accounts in the General Ledger for the year ended 28 February 2019. Show the entries as it would have been posted from the relevant subsidiary book.
- 1.1.1 Purchases (14)
- 1.1.2 Sales (10)
- 1.1.3 Trading Account (14)
- 1.2 Zandile Zulu is concerned about the increase of shop-lifting within her business. She has heard that businesses that implement the perpetual inventory system find it easier to detect theft. Explain why this is so, as well as how theft can be detected using the perpetual stock system. (8)

**Information:**

	28 February 2019	28 February 2018
Trading Stock	236 800	248 900
Carriage on Purchases	22 400	
Cash Purchases for the year	215 500	
Credit Purchases for the year	163 600	
Cash Sales	296 000	
Credit Sales	361 400	
Cost price of stock taken by the owner for personal use	18 500	
Goods returned to creditors during the year	10 300	
Donation of stock to local children's home	8 000	
Goods returned by debtors	7 600	

**QUESTION 2****(54 Marks, 32 Minutes)****PROJECTED INCOME STATEMENT**

MM Stores is a clothing retailer situated in Bergville.

**Required:**

- 2.1 Explain the difference between a Cash Budget and Projected Income Statement. (4)
- 2.2 Complete the Debtors Collection Schedule for July and August 2019. (16)
- 2.3 Complete the missing amounts labelled A to K in the Projected Income Statement for July and August 2019. Show calculations to earn part marks. (34)

**Information:**

	June 2019	July 2019	August 2019
Sales	240 000	252 000	<b>A</b>
Cost of Sales	(150 000)	<b>B</b>	<b>C</b>
<b>Gross Profit</b>	90 000	?	?
<b>Operating Income</b>	13 000	13 200	13 400
Rent Income	8 000	8 000	8 000
Commission Income	5 000	5 200	5 400
<b>Gross Operating Income</b>	103 000	?	?
<b>Operating Expenses</b>	(56 250)	?	?
Water and Electricity	5 000	5 000	5 000
Bad Debts	4 200	<b>D</b>	<b>E</b>
Salaries and Wages	31 000	31 000	<b>F</b>
Sundry Expenses	6 760	6 760	<b>G</b>
Advertising	7 200	<b>H</b>	<b>I</b>
Depreciation	2100	2100	<b>J</b>
<b>Operating Profit</b>	46 750	?	?
Interest Income	875	875	<b>K</b>
<b>Net Profit for the year</b>	47 625	?	?

**Additional Information:**

- Sales are expected to increase by 5% per month.
- Credit Sales account for 40% of total sales.
- Debtors are expected to settle their accounts as follows:
  - 50% settle accounts in the month of sale and receive 5% discount.
  - 45% settle accounts in the month following the sale.
  - Provision is made for 5% bad debts.
- The business applies a 60% mark up on all items sold.
- The business currently employs one manager at a gross salary of R15 000 as well as two shop assistants who are paid equally. The business plans to employ a third shop assistant from 1 August 2019 at the same rate as the two current shop assistants.
- Sundry expenses are expected to increase by R200 from 1 August 2019.
- Advertising costs will remain fixed at 3% of sales.
- The current fixed deposit of R210 000 at an interest rate of 5% per annum, will mature on 31 July 2019. R60 000 will be withdrawn to purchase additional equipment on 1 August 2019.
- Depreciation will be provided at 20% per annum on cost. The business has equipment valued at R126 000 on 1 June 2019.

**TOTAL MARKS: 100**



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**ACCOUNTING**  
**ANSWER BOOK**  
**SEPTEMBER 2019**  
**COMMON TEST**

**NATIONAL  
SENIOR CERTIFICATE**

**GRADE 11**

Name: \_\_\_\_\_ Grade: \_\_\_\_\_

Question	Topic	Learners Mark	Moderators Mark
1	Inventory Systems		
2	Projected Income Statement		

**This answer book consists of 4 pages.**



- 1.2 Zandile Zulu is concerned about the increase of shop-lifting within her business. She has heard that businesses that implement the perpetual inventory system find it easier to detect theft. Explain why this is so, as well as how theft can be detected using the perpetual stock system.

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**QUESTION 2****(54 Marks, 32 Minutes)****PROJECTED INCOME STATEMENT**

- 2.1 Explain the difference between a Cash Budget and Projected Income Statement.

Cash Budget	
Projected Income Statement	

4
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- 2.2 **Debtors Collection Schedule for June 2019 to August 2019.**

	Credit Sales	June 2019	July 2019	August 2019
May 2019	91 400	41 130		
June 2019	96 000			
July 2019				
August 2019				

16
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2.3

	<b>Calculations</b>	<b>Answer</b>
A		
B		
C		
D		
E		
F		
G		
H		
I		
J		
K		

34

**TOTAL MARKS: [100]**



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PROVINCE OF KWAZULU-NATAL

**ACCOUNTING**  
**MARKING MEMORANDUM**  
**SEPTEMBER 2019**  
**COMMON TEST**

**NATIONAL  
SENIOR CERTIFICATE**

**GRADE 11**

**MARKS** : 100

**TIME** : 1 hour

Question	Topic	Marks	Minutes
1	Inventory Systems	46	28
2	Projected Income Statement	54	32
		100	60

**This marking guideline consists of 4 pages.**

**QUESTION 1****(46 Marks, 28 Minutes)****INVENTORY SYSTEMS**

## 1.1.1

**Purchases**

2019 Feb	28	Bank✓	215 500✓	2019 Feb	28	Drawings✓	18 500✓
		Creditors Control✓	163 600✓			Creditors Control✓	10 300✓
						Donation✓	8 000✓
						Trading Account✓	342 300✓☑
			379 100			☑	379 100

(14)

## 1.1.2

**Sales**

2019 Feb	28	Debtors Allowances✓	7 600✓	2019 Feb	28	Bank✓	296 000✓
		Trading Account✓	649 800✓☑			Debtors Control✓	361 400✓
			657 400			☑	657 400

(10)

## 1.1.3

**Trading Account**

2018 Mar	1	Opening Stock✓	248 900✓	2019 Feb	28	Sales✓	649 800☑
2019 Feb	28	Purchases✓	342 300☑			Closing Stock✓	236 800✓
		Carriage on Purchases✓	22 400✓				
		Profit and Loss✓	273 000✓☑				
			886 600			☑	886 600

(14)

1.2 Zandile Zulu is concerned about the increase of shop-lifting within her business. She has heard that businesses that implement the perpetual inventory system find it easier to detect theft. Explain why this is so, as well as how theft can be detected using the perpetual stock system.

- In the periodic inventory system, there is not a continuous record of the stock that is on hand at any one time. ✓✓
- It is therefore nearly impossible to check actual stock levels after a stock take with the accounting records to determine if theft has taken place. ✓✓
- The perpetual inventory system keeps an accurate record of stock on hand at all times. ✓✓
- The stock records can therefore be compared to the actual stock take to determine the amount of theft that has occurred. ✓✓

(8)

**QUESTION 2****(54 Marks, 32 Minutes)****PROJECTED INCOME STATEMENT**

2.1 Explain the difference between a Cash Budget and Projected Income Statement.

Cash Budget	Includes the predicted inflows and outflows of cash in order to predict the bank balances during each month of the budget period. ✓✓
Projected Income Statement	Contains all the expected incomes and expenses during the budgeted period in order to show the predicted monthly net profit. ✓✓

(4)

2.2 Debtors Collection Schedule fir June to August 2019.

	Credit Sales	June 2019	July 2019	August 2019
May 2019	91 400	41 130		
June 2019	96 000	45 600 ✓✓	43 200 ✓✓	
July 2019 (40% of total sales)	100 800 ✓✓		47 880 ✓☑	45 360 ✓☑
August 2019 (2.3Ax40%)	105 840 ✓☑			50 274 ☑
		86 730 ☑	91 080 ☑	95 634 ☑

(16)

2.3

	Calculations	Answer
A	$252\,000 \checkmark \times 105/100 \checkmark$	264 600☑
B	$252\,000 \checkmark \times 100/160 \checkmark$	157 500☑
C	$264\,600 \text{☑} \times 100/160 \checkmark$	165 375☑
D	$91\,400 \checkmark \times 5\% \checkmark$	4 570☑
E	$96\,000 \checkmark \times 5\% \checkmark$	4 800☑
F	$31\,000 - 15\,000 = 16\,000 \checkmark / 2 = 8\,000 \checkmark$ $8\,000 \times 3 \checkmark = 24\,000 + 15\,000 \checkmark$	39 000☑
G	$6\,760 \checkmark + 200 \checkmark$	6 960☑
H	$252\,000 \checkmark \times 3\% \checkmark$	7 560☑
I	$264\,000 \text{☑} \times 3\%$	7 938☑
J	$126\,000 \checkmark + 60\,000 \checkmark = 186\,000 \times 1/12$ OR $60\,000 \times 20\% \times 1/12 = 1\,000 + 2\,100$	3 100☑
K	$210\,000 \checkmark - 60\,000 \checkmark = 150\,000 \times 5\% \times 1/12$ OR $875 - 250$	625✓

(34)

**TOTAL MARKS: 100**