



Province of the
EASTERN CAPE
EDUCATION

**NATIONAL
SENIOR CERTIFICATE**

GRADE 10

NOVEMBER 2017

**ACCOUNTING
ANSWER BOOK**

QUESTION	MAX MARKS	MARKS OBTAINED	MODERATED MARKS
1	55		
2	55		
3	65		
4	40		
5	30		
6	55		
	300		



This answer book consists of 15 pages.

QUESTION 1: ACCOUNTING CONCEPTS, DEBTORS, INTERNAL CONTROL AND ACCOUNTING EQUATION

1.1 ACCOUNTING CONCEPTS

1.1.1	
1.1.2	
1.1.3	
1.1.4	
1.1.5	

1.1.6	
1.1.7	
1.1.8	
1.1.9	
1.1.10	

10

1.2 DEBTORS

1.2.1 DEBTORS LEDGER OF MARY LEE STORES

TT Rosie

DATE	DETAILS	FOL	DEBIT	CREDIT	BALANCE

12

1.2.2 What information about a prospective debtor does this business need before an account can be opened? Give a reason for your answer.

INFORMATION	REASON

4

1.2.3 Name TWO methods the business can apply to improve the collection of outstanding amount from debtors.

2

1.3 ACCOUNTING EQUATION

NO	JOURNAL	ASSETS		OWNER'S EQUITY		LIABILITIES	
		REASON	EFFECT	REASON	EFFECT	REASON	EFFECT
E.g.	CPJ	Bank	- 200	Drawings	- 200		
1.3.1							
1.3.2							
1.3.3							
1.3.4							

27

Q1

55

2.2 GENERAL LEDGER

GENERAL LEDGER OF AM TRADERS
Trading Stock

DATE	DETAILS	FOL	AMOUNT	DATE	DETAILS	FOL	AMOUNT
2017 Oct				2017 Oct			

14

Creditors Control

DATE	DETAILS	FOL	AMOUNT	DATE	DETAILS	FOL	AMOUNT
2017 Oct				2017 Oct			
				Nov			

9

Stationery

DATE	DETAILS	FOL	AMOUNT	DATE	DETAILS	FOL	AMOUNT
2017 Oct				2017 Oct			

6

2.3 INTERNAL CONTROL

What can the owner of AM Traders do to ensure that stock is not stolen by his employees? State THREE internal control measures.

6

Q2	55	
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QUESTION 3: FIXED ASSETS, INTERNAL CONTROL AND INCOME STATEMENT**3.1.1 ASSET REGISTER**

MALAMBO TRADERS			
ASSET REGISTER: VEHICLES			
Item:	Mahindra Pik-up-Loader	Purchased from:	Mahindra PE
Date of purchase:	1 December 2015	Cost price:	R110 000
Depreciation method:	20% on diminishing balance		
DATE	DEPRECIATION	ACCUMULATED DEPRECIATION	BOOK VALUE
29 Feb 2016		26 400	
28 Feb 2017			

MALAMBO TRADERS			
ASSET REGISTER: EQUIPMENT			
Item:	Canon Pixma MX924	Purchased from:	Capital contribution
Date received:	1 March 2016	Cost price:	R14 000
Depreciation method:	10% on cost price		
DATE	DEPRECIATION	ACCUMULATED DEPRECIATION	BOOK VALUE
28 Feb 2017			

10

3.1.2 **State ONE reason why the asset register is a valuable tool in asset management.**

2

3.1.3 **Make TWO suggestions on how the business can improve the safety of their vehicles.**

4

3.2.1 **INCOME STATEMENT OF MALAMBO TRADERS FOR THE YEAR ENDING 28 FEBRUARY 2017**

Sales	
Cost of sales	
Gross profit	
Other operating income	
Gross operating income	
Expenses	
Packaging	3 656
Advertising	1 900
Salaries	170 000
Operating profit	
Profit before interest expense	
Net profit for the year	

43

3.2.2 **Interest income**

6

Q3	65	
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QUESTION 4: GAAP PRINCIPLES AND INTERPRETATION OF FINANCIAL STATEMENTS**4.1 GAAP PRINCIPLES**

4.1.1	
4.1.2	
4.1.3	
4.1.4	
4.1.5	

5

4.2.1 INTERPRETATION OF FINANCIAL STATEMENTS

(a) **Current ratio**

--

3

(b) **Acid test ratio**

--

4

(c) **Net profit percentage on sales**

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3

4.2.2 **Comment on the return on owner's equity. Provide a calculation to support your comment. (Use average equity.)**

8

4.2.3 **Solvency ratio**

**Is Langa Traders in a position to acquire another long term loan?
Motivate your answer.**

11

4.2.4 **Mark-up percentage**

Give TWO reasons why the target was not achieved.

6

Q4	40	
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QUESTION 5: VAT, SALARIES AND INTERNAL CONTROL**5.1 VAT**

5.1.1	
5.1.2	
5.1.3	
5.1.4	
5.1.5	

5

5.2 SALARIES

5.2.1 **Name TWO methods that the employer can use to improve the productivity of employees.**

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4

5.2.2 SALARIES JOURNAL

Salaries journal of Jakaranda Traders – October 2017

EMPLOYEES	GROSS SALARY	DEDUCTIONS			PAYE	TOTAL	NET SALARY	CONTRIBUTIONS	
		UIF	MEDICAL AID	PENSION FUND				UIF	PENSION FUND
G Zikwe	13 700	137	1 000	822				137	
T Titus	17 900	179	800				12 459		2 148
C Cartoon	12 900			774	2 322	4 225		129	

21

CALCULATIONS OF PAYE

Q5

30

QUESTION 6: COST ACCOUNTING AND BUDGET

6.1.1 CHOOSE THE CORRECT TERM

(a)	
(b)	
(c)	

6

6.1.2 COST CALCULATIONS AND ADVICE

A

COST ITEM	CALCULATION	ANSWER
DIRECT LABOUR COST		
DIRECT MATERIAL COST		
OVERHEAD COST		
TOTAL COST OF PRODUCTION		
UNIT COST OF PROCUTION		
SELLING PRICE		

17

B

Name TWO things that Mary can do in order to decrease her cost.

4

C

Advise Mandy on THREE marketing strategies that she can implement at the school to improve her sales.

6

6.2 BUDGETS

6.2.1 Calculate the total cost of the tour for the players.

INCOME		
Sponsorship		
Donation		
TOTAL INCOME		
EXPENSES		
BUDGET ITEM	CALCULATION	ANSWER
Transport		
Accommodation		
Meals and refreshments		
Kit		
TOTAL EXPENSES		
TOTAL COST OF THE TOUR FOR THE PLAYERS		

18

6.2.2 The team has financial problems as some players cannot afford the amount expected of them. Suggest TWO ways to solve the problem.

4

Q6	55	
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TOTAL: 300

