



NAME:

**NATIONAL
SENIOR CERTIFICATE**

GRADE 10

NOVEMBER 2019

**ACCOUNTING P1
ANSWER BOOK**

QUESTION	MAXIMUM MARKS	MARKS OBTAINED	MODERATED MARKS
1	25		
2	73		
3	27		
4	25		
TOTAL	150		

This answer book consists of 9 pages.



QUESTION 1: ACCOUNTING CONCEPTS AND ACCOUNTING EQUATION**1.1 ACCOUNTING CONCEPTS**

1.1.1	
1.1.2	
1.1.3	
1.1.4	
1.1.5	

5

1.2 ACCOUNTING EQUATION

NO.	JOURNAL	ASSETS		OWNERS EQUITY		LIABILITIES	
		REASON	EFFECT	REASON	EFFECT	REASON	EFFECT
E.G.	CPJ	Bank	-1000	Wages	-1000		
1.2.1	CJ						
1.2.2 (a)	DJ						
(b)	DJ						
1.2.3	CRJ						
1.2.4 (a)	CRJ	Bank	+1 900				
		Debtors Control	-1 900				
(b)	CRJ						

20

Q1: TOTAL MARKS	25	
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QUESTION 2: GAAP PRINCIPLES, INCOME STATEMENT, NOTE AND BALANCE SHEET

2.1 GAAP PRINCIPLES

2.1.1	
2.1.2	
2.1.3	
2.1.4	

4

2.2.1 INCOME STATEMENT OF LOLO TRADERS FOR THE YEAR ENDED 30 JUNE 2019

Sales		
Cost of Sales		
Gross Profit		
Other operating Income		
Fee Income		149 600
Discount Received		2 400
Gross operating Income		
Operating Expenses		
Salaries and Wages		478 000
Rates and Taxes		18 000
Water and Electricity		86 150
Discount allowed		900
Operating Profit		
Profit before Interest Expense		
Interest Expense		
Net Profit for the Year		

40

2.2.2 OWNER'S EQUITY

7

2.2.3 EQUITY AND LIABILITIES SECTION OF THE BALANCE SHEET

OWNER'S EQUITY	
NON-CURRENT LIABILITIES	
CURRENT LIABILITIES	
TOTA EQUITY AND LIABILITIES	

11

2.2.4 G. Grey, the owner of LOLO Traders, is concerned with the size of his trading stock deficit.

<p>(a)</p> <ul style="list-style-type: none"> • What are the causes of this trading stock deficit? Give TWO points.
<ul style="list-style-type: none"> • Suggest TWO realistic measures that you would suggest in order to control and reduce trading stock deficit.

8

(b) The accountant advised the owner (G. Grey) to cash-in the fixed deposit and use the money to pay off part of the loan. Do you agree with the accountant? Give a reason for your answer.

3

Q2: TOTAL MARKS	73	
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QUESTION 3: ACCOUNTING CONCEPTS AND INTERPRETATION**3.1 ACCOUNTING CONCEPTS**

3.1.1	
3.1.2	
3.1.3	
3.1.4	

4

3.2.1 Calculate the following financial indicators.

- **Operating profit on sales**

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- **Acid test ratio**

3

- **Return on average owner's equity**

5

3.2.2

Comment on whether the business was more or less profitable than last year. Quote a financial indicator to substantiate your opinion.

3

3.2.3

Comment on the liquidity of the businesses. Quote TWO financial indicators with figures to substantiate your opinion.

5

3.2.4

Do you think the owner should be satisfied with the return on the average owner's equity? Explain by quoting figures.

4

Q3:		
TOTAL MARKS	27	

QUESTION 4: SALARIES JOURNAL AND INTERNAL CONTROL**4.1.1 SALARIES JOURNAL OF EC SERVICE STATION – APRIL 2019**

EMPLOYEES	GROSS SALARY	DEDUCTIONS					NET SALARY	EMPLOYER'S CONTRIBUTIONS		
		Pension Fund	Medical Aid	PAYE	UIF	Total		Pension Fund	UIF	Medical Aid
C. Can		816	2 000	1 500	102	4 418	5 782	1 020	102	
B. Breeze	10 000	800		1 250	100					2 000
D. Dan			500	1 800				1 200		

14

4.1.2 How much has it cost EC Service Station in total to employ D. Dan for the month of April 2019.

4

4.1.3 In so far as internal control is concerned, what should an effective policy regarding salaries and wages entail. State any TWO points.

4

4.2	The following salary scale was prepared for J Jerry.	
	R288 000 x R14 400 → R 331 200 x R22 600 → R376 400 x R28 400 →R433 200	
	4.2.1	What is J. Jerry's monthly starting salary?
	4.2.2	In which year of employment will J. Jerry earn an annual salary of R404 800?

3

Q4: TOTAL MARKS	25	
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TOTAL: 150

