



## **Education and Sport Development**

Department of Education and Sport Development  
Departement van Onderwys en Sportontwikkeling  
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**NORTH WEST PROVINCE**

### **PROVINCIAL ASSESSMENT**

**GRADE 10**

**ACCOUNTING  
JUNE 2018**

**MEMORANDUM**

**MARKS: 200**

**This memorandum consists of 11 pages.**

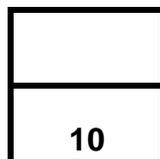


NW/JUNE/ACNG/EMIS/6\*\*\*\*\*

Page 1 of 11

**QUESTION 1:**

<b>COLUMN A</b>	<b>COLUMN B</b>
1.1 The source document used when goods are returned to a supplier.	<b>D. Debit note</b> ✓
1.2 Money the owner gives to start the business.	<b>H. Capital</b> ✓
1.3 The GAAP principle that says that assets purchased by the business are entered at cost price in the accounting records.	<b>I. Historical cost</b> ✓
1.4 The action taken by the business to prevent fraud, losses and to ensure that the business achieve its aims and goals.	<b>A. Internal control</b> ✓
1.5 The employer must deduct income tax from his employees.	<b>B. PAYE</b> ✓
1.6 Basic salary plus birthday bonus.	<b>G. Gross salary</b> ✓
1.7 Other businesses to which the business owes money for purchasing stock.	<b>C. Creditors</b> ✓
1.8 Assets that have a reasonably long life span.	<b>E. Fixed Assets</b> ✓
1.9 The business will continue to operate in the future.	<b>K. Going concern concepts</b> ✓
1.10 The discount allowed to a debtor for early payment is classified as a / an.....	<b>F. Expense</b> ✓



**QUESTION 2:**

No.	Journal	General Ledger		A	OE	L
		Account debited	Account credited			
e.g.	CPJ	Packaging material	Bank	-590	-590	0
2.1	CRJ✓	Bank✓	Debtors Control✓	-4 900✓		0
		Debtors' Allowance✓	Debtors Control✓	+4 900✓	-100✓	0
				-100✓		
2.2	CAJ✓	Creditors control✓	Equipment✓	-8 000✓	0	-8 000✓
2.3	DJ✓	Debtors Control✓	Sales✓	+2 400✓	+2 400✓	0
		Cost of sales✓	Trading stock✓	-1 600✓✓	-1 600✓✓	
2.4	AJ✓	Debtors Control✓	Interest income✓	+27✓	+27✓	0
2.5	AJ✓	Drawings✓	Stationary✓	0	+32✓	0
					-32✓	
2.6	CPJ✓	Wages✓	Bank✓	-560✓	-560✓	0
2.7	CJ✓	Vehicles✓	Creditors control✓	+130 000✓	0	+130 000✓



3.1				DEBTORS CONTROL				B7			
Date		Details	Fol	Amount	Date		Details	Fol	Amount		
2018 Apr	1	Balance	b/d	4650✓	2018 Apr	30	Bank & discount		1 320✓		
	30	Sales 2440✓+260✓		2 700✓ <input checked="" type="checkbox"/>			Debtors allowance		175✓		
		Bank		100✓			Journal Cr		90✓		
		Journal Dr 240✓+200✓+15✓		455✓ <input checked="" type="checkbox"/>			Balance	c/d	6320✓		
				7 905					7 905		
May	1	Balance	b/d	6320							

15

3.2

Debtors	R
B. Brewis (1861✓ + 640 ✓+ 640✓+15✓)	3 156 <input checked="" type="checkbox"/>
R. Kelly (450✓ + 18✓ – 35✓)	433 <input checked="" type="checkbox"/>
F. Frylinck (-200 ✓+ 200✓)	0✓
M. Mustafa (715✓ – 150✓ + 36✓)	601 <input checked="" type="checkbox"/>
J. Jiang (1980✓ + 150✓)	2 130 <input checked="" type="checkbox"/>
	6 320✓ <input checked="" type="checkbox"/>

21



3.3 List TWO internal control procedures that must be applied in a business to maintain proper control over debts

- There should be a policy for credit approval. ✓✓
- Credit checks should be performed regularly. ✓✓
- Interest should be charged on overdue accounts.
- The balance of the Debtors Control must be reconciled monthly with the Debtors list.

(Any other acceptable answer)

(Any 2 x 2)

4

40



**4.1**

Name of the business: <b>BROOKLYN TRADERS</b>										
SALARIES JOURNAL: JULY 2017										SJ 7
Gross salary	Gross salary	Deductions					Net salary	Employer's contribution		
		Pension fund	Medical Aid	SARS (PAYE)	UIF	Total		Pension fund	Medical Aid	UIF
Z. Zinzi	18 000	1 440	450	3 700	150	5740	12 260	3 600	900	180
A.Arthur	15 000✓	1200✓	850✓	2 700✓	150✓	4 900✓	10 100✓	3 000✓	1 700✓	150✓

**10**

**4.2.1** What do the following abbreviations stand for?

PAYE	Pay as you earn ✓
UIF	Unemployment Insurance Fund ✓

**2**

**4.2.2** Briefly explain the difference between “deductions” and “contributions”

Deduction is deducted from the employee’s gross salary. ✓✓  
 Contributions are additional expenses for the business and are made by the employer on behalf of the employees. ✓✓

**4**

**4.2.3** How much money must be paid to the pension fund on 31 July 2017?

R2 640☑ \*+ R6 600☑\* = R9 240 ☑

\*must be the same as Salaries journal

**3**

**4.2.4** One of the employees of this business is of the opinion that by joining a pension fund he is wasting his money. Do you agree with him? Provide a reason for your answer.

No. ✓ Provides a guaranteed income when an employee retires. ✓✓

or

Yes. ✓ If he can invest this money in an investment that will give him a better return over the long run. ✓✓

**3**



**4.2.5 Name two other “fringe” benefits which can be provided by employers.**

Car allowance✓  
Cell phone allowance✓  
Any other valid example

2

**4.2.6 Brooklyn Traders issued a cheque to SARS to settle the PAYE for July 2017. Name the accounts to be debited and credited.**

**Account debited**  
SARS ( PAYE)✓

**Account credited**  
Bank✓

2

**4.2.7 Name the account to be debited and credited when posting to the net salary from the salaries journal to the general ledger.**

**Account debited**  
Salaries✓

**Account credited**  
Creditors for salaries✓

2

**4.2.8 Name the account and amount to be debited and credited when the pension fund contributions are posted from the salaries journal to the general ledger.**

**Account debited**  
Pension fund contribution✓

**Account credited**  
Pension fund✓

2

40



**QUESTION 5:**

<b>5.1</b>	Calculate the Gross Profit Amount in the Trading Account	(7)
	$\begin{aligned} & \text{Sales } (300\,000\checkmark - (1296\checkmark + 600\checkmark)) - \text{Cost of Sales} \\ & = (200\,000\checkmark - 400\checkmark) \\ & = 98\,504\checkmark (\checkmark) \end{aligned}$	
		<b>7</b>

5.2  
DR**PROFIT AND LOSS ACCOUNT**

CR

2018 Feb	28	Insurance (1 695 – 570✓)	1 125☑	00	2018 Feb	28	Trading Account	98 504 ☑	
		Packaging material (6 029 – 310✓)	5 719☑	00			Rent Income (33 000 + 3000✓)	36 000 ☑	00
		Salaries and Wages	48 000✓	00			Interest income	2 100✓	00
		Delivery cost	10 820✓	00					
		Telephone (13 510 + 840✓)	14 350☑	00					
		Water and Electricity	12 000✓	00					
		Bad debts	396✓✓	00					
		Trading Stock deficit✓ (67 540+400✓ – 51 060✓)	16 880☑	00					
		Depreciation✓ (13 650✓✓ + 2 624✓✓)	16 274☑	00					
		Interest expense	9 000✓	00					
		Capital	2 040☑	00					
			<b>136 604</b>	<b>00</b>			<input checked="" type="checkbox"/> BOTH SIDES	<b>136 604</b>	<b>00</b>

25



**5.3 Post Closing Trial Balance on 28 February 2018**

<b>Post-Closing Trial Balance of The Scene Traders on 28 February 2018</b>					
<b>Balance Sheet Account Section</b>	<b>FOL</b>	<b>DEBIT</b>		<b>CREDIT</b>	
Capital (251 000+2 040✓-7 100✓)	B1			✓245 940	00
Land & Buildings	B3	180 980	00		
Vehicles	B4	91 000	00		
Equipment	B5	20 500	00		
Accumulated depreciation on vehicle (13 650✓+13 650✓)	B6			✓27 300	00
Accumulated depreciation on equipment (7 380✓+2 624✓)	B7			✓10 004	00
Bank(44 000 ✓+ 264✓)	B8	✓44 264	00		
Trading Inventory (67 540✓-16 480✓)	B9	✓51 060	00		
Debtors Control (21780 – 600✓ – (264✓ + 396✓) or -660	B10	20 520	00		
Cash Float	B11	500	00		
Petty cash	B12	200	00		
Mortgage Loan:FNB Bank(14%)	B13			90 000	00
Creditors Control	B14			38 820	00
Accrued expenses	B15			✓ 840	
Accrued income	B16	✓ 3 000			
Prepaid expenses	B17	✓ 570	00		
Consumable Goods on hand	B18	310	00		
		412 904	00	412 904	00



5.4	Give two reasons why a deficit can occur and one control measure to have better control over the trading stock in future. (5)
	A loss of stock means a loss of profit. ✓  Authorization for stock ordering ✓✓✓✓ Division of duties Security cameras (any 2x2)

60



**QUESTION 6:**

6.1 What is the business's VAT registration number?	<b>(1)</b>
<b>372010763</b> ✓	
6.2 Who issued the number to this business?	<b>(2)</b>
<b>The South African Revenue Services(SARS)</b> ✓✓	
6.3 How much is the VAT on the slip?	<b>(1)</b>
<b>R1,80</b> ✓	
6.4 How much would he have paid if the owner of the shop was not Registered for VAT?	<b>(2)</b>
<b>R12,00</b> ✓✓	
6.5 List two zero-rated items that this business would be likely to sell.	<b>(2)</b>
<ul style="list-style-type: none"> <li>• <b>Brown bread, maize products, rice, milk, fruit, vegetables, lentils, vegetable oil, eggs of canned pilchards</b>✓✓ (any 2x1)</li> </ul>	
6.6 Briefly explain the difference between zero-rated items and VAT-Exempted items.	<b>(4)</b>
<b>Zero-rated items are goods or services on which VAT is charged at a rate of 0%,</b> ✓✓ <b>while VAT-exempted items are goods or services on which no VAT is charged, either at the standard rate of zero-rated.</b> ✓✓	
6.7 Study the scenario below and advise Aquilla as to whether she should accept the offer or not.	<b>(3)</b>
<b>No</b> ✓ <b>She should not accept the offer.</b> <ul style="list-style-type: none"> <li>• <b>To accept this offer will be morally and ethically wrong.</b> ✓</li> <li>• <b>It is evident that the owner is trying to evade tax which is fraudulent</b>✓</li> <li>• <b>If she accepts the offer she will be collaborating in an illegal activity</b>✓</li> </ul> <p style="text-align: right;"><b>(any 2x1)</b></p>	

