



GAUTENG PROVINCE
EDUCATION
REPUBLIC OF SOUTH AFRICA

PROVINCIAL EXAMINATION

JUNE 2023

GRADE 10

ACCOUNTING

TIME: 2½ hours

MARKS: 100

11 pages and answer book of 9 pages

INSTRUCTIONS AND INFORMATION

1. Answer ALL the questions.
2. Answer all questions in the ANSWER BOOK provided.
3. Show ALL calculations to earn part-marks.
4. Non-programmable calculators may be used.
5. You may use blue or black ink to answer the questions.
6. Where applicable, show ALL calculations to ONE decimal point.
7. Write neatly and legibly.
8. Use the information in the table below as a guide when answering the question paper. Try NOT to deviate from it.

Question	Topics	Marks	Time
1	GAAP Concepts and Transaction Analysis	55	40 minutes
2	Concepts and Sales Journals	45	34 minutes
3	General Journals and Ledger Accounts	30	23 minutes
4	Ledger Accounts and Internal Control	40	30 minutes
5	Creditors' reconciliation and Internal Control	30	23 minutes
Total		200	150 minutes

QUESTION 1: GAAP CONCEPTS AND ANALYSIS OF TRANSACTIONS**(55 marks; 40 minutes)****1.1 GAAP CONCEPTS**

Match COLUMN A to COLUMN B. Write only the letter (A – D) next to the question number (1.1.1 to 1.1.5) in the ANSWER BOOK.

COLUMN A		COLUMN B	
1.1.1	Business entity	A	Financial records prepared should maintain the same accounting principles throughout accounting periods.
1.1.2	Matching	B	Bank charges and interest on overdrafts are recorded separately in the financials.
1.1.3	Materiality	C	The market value of land and buildings is R4 000 000, the original cost price recorded in the financial records is R800 000.
1.1.4	Historical cost	D	Stock taken by the owner for personal use is recorded as drawings in the books of the business.
1.1.5	Going concern	E	The cost of sales should be recorded in the same financial period as the corresponding amount generated from sales of goods.
		F	Trading stocks shown in the financials as R100 000, even though it can only be sold for R75 000 in the foreseeable future.

(1 x 5) (5)

1.2 ANALYSIS OF TRANSACTIONS

The following transactions appeared in the books of Naidoo Traders. The business maintains a gross profit mark-up of 40% on cost.

REQUIREMENTS

Analyse the transactions below according to the table provided in your ANSWER BOOK. The first transaction has been done for you as an example. (50)

NOTE: Assume that bank balance is unfavourable for all the transactions.

Example: Purchased stationery for cash, R3 000.

TRANSACTIONS:

- A. Sold goods for cash to customers, R91 000.
- B. The owner took R15 000 worth of stock for personal use.
- C. Paid J.A. Gupta, a creditor, R13 500 via EFT after a discount of 10% was deducted.
- D. Received R55 000 from NBS Bank. This was for the fixed deposit that matured plus interest. The fixed deposit was taken out 12 months ago at an interest rate of 10% p.a.
- E. The bank statement received from BB Bank at the end of the month showed the following:
- | | |
|---|------|
| • Cash deposit fees | R350 |
| • Administration fees | R200 |
| • Interest on unfavourable bank balance | R700 |
- F. Purchased merchandise from J.A. Gupta, a creditor, for R50 000 and received a 5% trade discount.

QUESTION 2: CONCEPTS AND SALARIES JOURNAL (45 marks; 34 minutes)**2.1 CONCEPTS**

2.1.1 Explain the difference between the *salaries* and *wages*. (2)

2.1.2 To which government departments are the following paid?

- PAYE
 - UIF
- (2)

2.2 SALARIES JOURNAL**HAIRCUT 100**

Haircut 100 is a salon owned by Nick Heyward. He recently started the business and has asked for assistance regarding salaries.

REQUIRED:

2.2.1 Use the information below to prepare the Salaries Journal for December 2022. (41)

INFORMATION A:**Salary information for December 2022**

Details	B. Mtshumo	L. Abrahams	T. Khumalo
Basic salary	?	R10 000	R12 000
Bonus	100% of monthly basic salary	90% of monthly basic salary	None
Deductions	S. Mankwa	J. Murray	K. Mashaba
PAYE	R 900	R1 300	R1 300
First Pension Fund	10% of basic salary	10% of basic salary	10% of basic salary
KG Medical Aid	R2 000 on basic salary of R10 000, in addition, 5% is used to calculate medical deductions for all amounts above R10 000.		
UIF	1% of basic salary	1% of basic salary	1% of basic salary

INFORMATION B:

Employers contributions for the month of December are as follows:

- To the pension fund R1,50 for every R1 deducted from the employee.
- To the medical aid fund R2 for every R1 deducted from the employee.
- To the UIF on a rand for rand basis.

QUESTION 3: GENERAL JOURNAL AND LEDGER ACCOUNTS**(30 marks; 23 minutes)****VICIOUS TRADERS**

The information provided was taken from the accounting records of Vicious Traders on 28 February 2023. The business uses a mark-up of 50% on cost.

REQUIRED:

Record the transactions provided below in the General Journal. Narrations are not necessary.

(30)**Transactions for the month of February 2023:**

- A. Charged L. Dlamini, a debtor, interest on overdue account amounting to R1 500 p.a. His balance of R1 500 was two months overdue.
- B. A building was repaired for R6 500, the amount was incorrectly posted to the Land and Buildings account.
- C. Discount of R600 received from Marie Trad was recorded in the account of a creditor, Mario Brothers in error. Correct the error.
- D. A credit note was issued to J.P. Morgan, a debtor, for goods returned by him for R8 600. This entry was omitted from the records.
- E. Received R900 from G. Hansen, a debtor whose account was previously written off. The entry was recorded in the Debtors' Control in the CRJ and posted accordingly. Correct the error.
- F. Received an EFT for R2 520 from a debtor, A.B. Villiers, which is a dividend of 40 cents in every rand he owes the business. The money received was properly recorded in the Cash Receipts Journal. Write off the balance.
- G. Transfer a credit balance of R75 from the account of J. Michil in the Debtors' ledger to his account in the Creditors' ledger.
- H. 25% of the goods that were bought by the business for R18 000 were returned to Ray Suppliers, a creditor. The returned goods were incorrectly recorded in the Creditors' Ledger of Ray Traders.

QUESTION 4: GENERAL LEDGER AND INTERNAL CONTROL**(40 marks; 30 minutes)****4.1 GENERAL LEDGER**

The information provided below relates to the financial records of Maningi Traders for the month ended 28 February 2023. The business uses a mark-up of 50% on cost.

REQUIRED:

Prepare the following accounts in the general ledger :

4.1.1 Debtors' Control (14)

4.1.2 Trading Stock Account (16)

Write folio references and balance the ledger accounts properly.

INFORMATION A:

The following balances appeared in the books on 1 February 2023:

Debtors' control	R67 800
Creditors' control	R80 600
Trading stock	R173 200

INFORMATION B:**Cash Receipts Journal for February 2023**

Bank	Sales	Cost of sales	Debtors' control	Discount allowed	Sundries
290 000	234 000	156 000	?	10 000	1 000

Cash Payments Journal for February 2023

Bank	Trading stock	Creditors' control	Discount received	Stationery	Sundries
433 900	80 000	355 500	4 000	1 500	900

Debtors' Journal for February 2023

Sales	Cost of sales
?	90 600

Debtors' Allowances Journal for February 2023

Debtors' allowances	Cost of sales
17 100	?

Creditors' Journal for February 2023

Creditors' control	Trading stock	Equipment	Consumable stores	Sundries
258 600	84 300	150 000	24 000	300

Creditors' Allowances Journal for February 2023

Creditors' control	Trading stock	Equipment	Provisions	Sundries
81 000	?	10 000	1 500	500

General Journal for February 2023

Debtors' control		Creditors' control	
Dr	Cr	Dr	Cr
3 800	960	1 050	170

4.2 INTERNAL CONTROL

RAINBOW TRADERS

The information provided below is extracted from the books of Rainbow Furnishers. The business is owned by Ray Ndlovu.

REQUIRED:

Refer to the information provided below and answer the questions that follow.

- 4.2.1 Ray is concerned about the stock figures. He suspects that there are employees who are stealing from the business. Provide calculations to support his concern. (Refer to Information A.) (2)
- 4.2.2 Provide TWO internal control measures that must be implemented to protect stock from theft. (4)
- 4.2.3 Comment on goods returned by customers. Provide figures to support your answer. What control measures must be put in place by a business? (Refer to Information B.) (4)

INFORMATION A

Balances and transactions affecting trading stock

Opening balance	R85 000
Trading stock purchased during the month	75 000
Cost of goods sold during the month	63 000
Closing balance	89 000

INFORMATION B

Summary of transactions related to sales and debtors

Balance (1 March 2023)	R19 220
Credit sales	21 000
Debit sales	39 000
Selling price of goods returned by customers	4 680
Bank amount received from debtors during the month	22 480
Balance (31 March 2023)	15 060

QUESTION 5: CREDITORS' RECONCILIATION AND INTERNAL CONTROL

(30 marks; 23 minutes)

5.1 CREDITORS' RECONCILIATION**KAGISO TRADERS**

The information for February 2023 provided below relates to the books of Kagiso Traders.

REQUIRED:

- 5.1.1 Use the information below to correct and reconcile the Creditors' Control account with the Creditors' list. (26)
- 5.1.2 The internal auditor of Kagiso Traders picked up invoices received from suppliers which did not match entries in the stock records of the business. He suspects that some goods were not delivered to the business premises. What measures should be implemented by the business to avoid paying for goods that were not received by the business? Provide TWO points. (4)

INFORMATION:**A. GENERAL LEDGER OF KAGISO TRADERS**

CREDITORS' CONTROL							
Feb 28	Bank and discount received	PJ	80 000	Feb 28	Balance	b/d	8 330
	Creditors' allowance	CAJ	4 800		Total purchases	CJ	48 400
	Journal credits	GJ	580		Journal debits	GJ	450
	Balance b/d		21 000				
			57 180				57 180
				Mar 1	Balance	b/d	21 000

B. CREDITORS' LIST

	Credit
S. Mvelase	7 500
M. Pina	3 800
G. George	2 850
R. Mokoena	6 300
	20 450

ADDITIONAL INFORMATION:

- (i) The opening balance in the Creditors' Control account is overcast by R1 500.
- (ii) The amount for goods bought from R. Mokoena was incorrectly recorded as R6 750 in the books. The correct amount that appears in the invoice is R6 570.
- (iii) An amount of R2 400 has been transferred to S. Mvelase via EFT. The transaction has not been recorded in the books of the business.
- (iv) A debit note issued to R. Mokoena for R360 has not been recorded in the journal but was posted to his account in the Creditors' Ledger.
- (v) P. George was paid R850. This transaction was correctly entered in the journal but not posted to his ledger account.
- (vi) A debit note of R250, sent to M. Pillay, was recorded as purchases in his ledger account. This transaction was correctly recorded in the journal.
- (vii) The total of the Creditors' Allowances Journal was undercast by R300, and was posted as such.

30

TOTAL: 200

END