

## GAUTENG DEPARTMENT OF EDUCATION PROVINCIAL EXAMINATION NOVEMBER 2018

**GRADE 10** 

ACCOUNTING PAPER 2

## MARKING GUIDELINES

11 pages

MARKING GUIDELINES ACCOUNTING PAPER 2 GRADE 10

## GAUTENG DEPARTMENT OF EDUCATION

#### **PROVINCIAL EXAMINATION**

ACCOUNTING PAPER 2

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## **QUESTION 1: CONCEPTS, VALUE ADDED TAX AND INVENTORY**

## 1.1 VAT CONCEPTS

1.1.1	False ✓	
1.1.2	True 🗸	
1.1.3	False √	Accept abbreviations for True or False
1.1.4	False √	
1.1.5	True ✓	
	·	

#### 1.2 VAT CALCULATIONS

No.	Exclusive	VAT	Inclusive
Eg.	R648	R97.20	R745.20
1.2.1	R5 600√	R840	R6 440
1.2.2	R900√	R135	R1 035√
1.2.3	R420	R63√	R483√
1.2.4	R2 100	R315√	R2 415
1.2.5	R640√	R96√	R736

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## 1.3 INVENTORY

		GE	NERA	L LEDGER	OF N/	AIDO	O TRADERS		
DR	TRADING STOCK						B4	CR	
2018 April	1	Balance	b/d	√10 000	2018 April	30	Cost of sales ✓	CRJ	√√7 900
-	30	Bank√	CPJ	√√√ 3610			Cost of sales√	DJ	√√22 100
		Petty cash√	PCJ	√47			Creditors' control√	CAJ	√1 426
		Creditors' control√	CJ	√14 281			Balance	c/d	2 888
		Cost of sales ✓	DAJ	√√600					
				28 538					28 538
Мау	1	Balance	b/d	☑ 2 888					

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#### **QUESTION 2: CREDITORS' RECONCILIATION AND INTERNAL CONTROL**

#### 2.1.1 GENERAL LEDGER OF BAFANA TRADERS BALANCE SHEET ACCOUNTS SECTION

DR	CREDITORS' CONTROL						<b>B6</b>	CR	
Nov	30 [32	Bank and discount received√ 400√ + 1 850√]	CPJ	√34 250	Nov	1	Balance	b/d	4 380
		Total returns√	CAJ	<b>√</b> 2 108		30	Total purchases✓ [45 700✓ – 900✓]	CJ	⊠44 800
		Journal debits√ [2 650√ + 640√]	GJ	⊠3 290			Journal credits√ [1 290√ + 260√]	GJ	⊠1 550
		Balance	c/d	11 082					
				50 730					50 730
					Dec	1	Balance	b/d	☑11 082

## 2.1.2 CREDITORS' LIST OF BAFANA TRADERS ON 30 NOVEMBER 2018

NAME	Credit
PP Traders [ <b>3 890</b> – 900√ – 640√]	☑ 2 350
Townsend Stores [1 300 ✓ + 1 480 ✓]	√2 780
Longwitz Traders [4 512√ – 1 480√]	√3 032
Numero Motors [4 640√ - 860√ - 860√]	⊠2 920
Fanele Distributors [-260 ✓ + 260 ✓]	√0
	⊠11 082

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#### 2.2.1 What could be the reason for the shortage in stock? Provide ONE reason.

#### Any one valid reason ✓✓

- Stock bought in the name of the company but not delivered to the premises of the business.
- Stock may have been stolen at the warehouse or at the store.
- Poor record-keeping of damaged stock.

## 2.2.2 Which control procedures should be applied by the business to ensure that stock is safeguarded? Provide TWO points.

#### Any two valid reasons $\checkmark \checkmark$

- Proper authorization on purchases of stock
- Stock delivered should be checked against the delivery note and the purchases ordered.
- The entry into the warehouse or store room should be restricted to specific employees.
- Regular physical stock counts
- Segregation or division of duties (Record-keeping, receiving of goods, ordering of goods should be done by different people.)

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42	

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#### **QUESTION 3: MANUFACTURING**

## 3.1 MANUFACTURING CONCEPTS

3.1.1	С	$\checkmark$	
3.1.2	D	$\checkmark$	
3.1.3	В	$\checkmark$	
3.1.4	А	$\checkmark$	

#### 3.2 MANUFACTURING CALCULATIONS

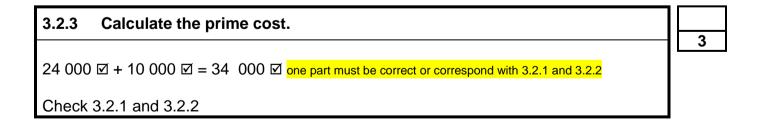
#### **3.2.1** Calculate the direct material cost.

16 000 + 5 500 +1 100 + 300 + 500 + 600 = 24 000√√⊠\*

✓\* Three figures correct

#### 3.2.2 Calculate the direct labour cost.

250 x 40 = 10 000√√



Check 3.2.1 and 3.2.2

24 000 ☑ + 10 000 ☑ + 11 000 ✓ +1 800 ✓ = 46 800 ☑ one part must be correct

3.2.5 Calculate the unit cost of ONE table.

Calculate the total production cost.

46 800  $\square \div 40 \checkmark = 1$  140  $\square$  one part must be correct

Check 3.2.4

3.2.4

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### **QUESTION 4: BUDGETS**

## 4.1 BUDGET CONCEPTS

4.1.1	Budget	$\checkmark$		
4.1.2	Capital Budget	$\checkmark$		
4.1.3	Short -term budget	$\checkmark$		
4.1.4	Тах	$\checkmark$		
			<b>L</b>	

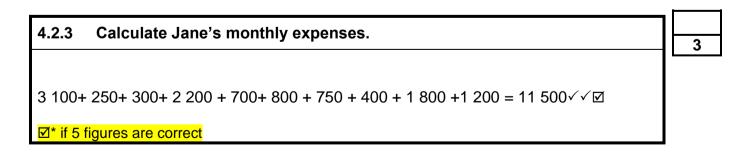
## 4.2 CALCULATIONS ON BUDGETS

|--|

 $150\ 000 \div 12 = 12\ 500 \checkmark \checkmark$ 

4.2.2	Calculate the total income that will be received by Jane in December.		L
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12 500 ☑ + 13 000√ = 25 500 ☑ <mark>one part must be correct</mark> Check 4.2.1



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12 500 √- 11 500 ☑\* =1 000 ☑ One part correct

☑\* check 4.2.3

4.2.5 Will Jane have saved enough money, including her annual bonus, to pay for her holiday in January 2019? Support your answer with a calculation.	8	
Indicate the deficit / shortfall or surplus.		
(1 000 X12 X 90%) ✓ ⊠* + 13 000 ✓ = 23 800 ⊠ 10 800		
⊠* two parts correct		
Deficit or Shortfall		
R26 000 ✓ - 23 800 ☑# =R2 200 ☑ <mark>One part correct</mark>		
☑# Check calculation above		
shortfall√		
shortfall√		

4.2.6 Referring to her monthly expenses below, which TWO expenses could she cut back on in order to increase her monthly savings?

Any valid two , ✓ one mark for each

- Cell phone
- Clothing accounts
- Entertainment

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25	

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## **QUESTION 5 : FIXED ASSETS AND INTERNAL CONTROL**

#### 5.1.1

NOTE 3: FIXED / TANGIBLE ASSETS						
	LAND AND BUILDINGS	VEHICLES	EQUIPMENT			
Carry value @ the beginning of the year	√450 000	<b>√</b> 71 500	☑17 820			
Cost	450 000	<b>√</b> 130 000	√√30 900			
Accumulated depreciation	-	(58 500)	✓ (13 080)			
MOVEMENTS						
Additions at cost			<b>√</b> 12 000			
Depreciation	-	✓⊠ <mark>*</mark> (26 000)	⊠ <mark>*</mark> (3 123)			
Carry value @ the end of the year	<b>√</b> 450 000	☑ 45 500	☑ 26 697			
Cost	<b>√</b> 450 000	130 000	<b>√√</b> 42 900			
Accumulated depreciation	-	<b>√</b> ⊠# (84 500)	<b>√</b> ⊠# (16 203)			

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\*See calculations below

☑# Figure must be greater than depreciation at the beginning of year.

#### CALCULATIONS:

## VEHICLES

 $130\ 000\ x\ 20\%\ x\ 12/12\ =\ 26\ 000$ 

#### EQUIPMENT

OLD:

 $30\ 900-\ 13\ 080\ =\ 17\ 820\ x\ 15\%\ x\ 12/12\ =\ 2\ 673\checkmark\checkmark$ 

NEW:

 $12\ 000\ x\ 15\%\ x\ 3/12\ =\ 450\checkmark$ 

**OLD + NEW**: (2 673 + 450 = 3 123)

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# 5.1.2 According to which GAAP principle should all assets bought be recorded at the original cost price?

Historical cost concept√

## 5.2 INTERNAL CONTROL

As an internal auditor of Bekezela Traders what advice would you give to the owner of business? Provide TWO points.

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1

## Any two valid points $\checkmark \checkmark \checkmark \checkmark$

- Install tracking device or cameras in the trucks.
- Get quotations from different insurance companies.
- Proper screening of employees is essential / Background check on potential employees.

One mark for partly answered questions

29	
29	

TOTAL
150
150