

SURNAME AND NAME:



Province of the
EASTERN CAPE
EDUCATION

**NATIONAL
SENIOR CERTIFICATE**

GRADE 11

NOVEMBER 2013

**ACCOUNTING
ANSWER BOOK**

QUESTION	MAX. MARKS	MARKS OBTAINED	MODERATION
1	50		
2	100		
3	40		
4	30		
5	35		
6	45		
TOTAL	300		

This answer book consists of 14 pages.

QUESTION 1

RECONCILIATIONS

(50 marks; 30 minutes)

1.1 Bank Reconciliation

1.1.1

CASH RECEIPTS JOURNAL OF BLITZ TRADERS – MARCH 2013

DOC NO.	DAY	DETAILS	BANK	SUNDRY AMOUNTS	DETAILS OF SUNDRY ACCOUNTS
	31	Total	22 250		

10

CASH PAYMENTS JOURNAL OF BLITZ TRADERS – MARCH 2013

DOC NO.	DAY	NAME OF PAYEE	BANK	SUNDRY AMOUNTS	DETAILS OF SUNDRY ACCOUNTS
	31	Total	15 500		

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GENERAL LEDGER OF BLITZ TRADERS
BANK (B6)

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QUESTION 2

FINANCIAL STATEMENTS AND PARTNERSHIPS

(100 marks; 60 minutes)

2.1.1

**GENERAL LEDGER OF STAR TRADERS
ASSET DISPOSAL ACCOUNT**

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2.1.2 Notes to the Balance Sheet

TANGIBLE/FIXED ASSETS

	VEHICLES	EQUIPMENT
Cost (1 March 2012)		
Accumulated Depreciation (1 March 2012)		
CARRYING VALUE (1 March 2012)		
<i>Movements:</i>		
Additions at cost		
Disposal at carrying value		
Depreciation		
CARRYING VALUE (28 February 2013)		
Cost (28 February 2013)		
Accumulated Depreciation (28/02/13)		

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TRADE AND OTHER RECEIVABLES

Trade Debtors	

6

2.2.1 Calculate the missing amounts on the table provided (denoted by A to G).

	YOGA	YASH	TOTAL
Partners salaries	64 800	46 200	111 000
Interest on Capital	A:	7 500	
Bonus	-	E:	
Total primary distribution	B:	D:	C:
Share in the remaining profit Ratio: 11: 8	F:	G:	14 820
Net profit for the year	?	?	154 670

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2.2.2 Calculate the following financial indicators:

(a) Debt/Equity Ratio	
(b) Percentage return earned by Yoga. (Use the average equity)	

3

5

2.2.3 Yoga feels that the business is in a sound liquidity position. Explain why you think he feels this way. Quote TWO financial indicators (with figures) to motivate your answer.

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2.2.4 Yash is not satisfied with her percentage return on equity compared to that of Yoga's. Give ONE possible reason why she feels this way. Quote figures to motivate your response.

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2.2.5 The business wants to expand their operations and have discussed extending the existing building. This venture is expected to cost R200 000. By looking at the financial statements and the indicators, suggest different ways in which this project can be financed. (*Two points*)

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100	
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QUESTION 3

CASH BUDGETS

(40 marks; 24 minutes)

3.1 Calculate the percentage of goods sold on credit during February 2013.

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3.2 Cash expected from debtors during March 2013:

MONTHS	CREDIT SALES	WORKINGS	MARCH 2013
January	75 200		
February	50 400		
March	78 400		
CASH FROM DEBTORS			

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3.3 CASH BUDGET FOR MARCH 2013

RECEIPTS

MARCH 2013

<i>Cash Sales</i>	19 600
TOTAL RECEIPTS	
PAYMENTS	
<i>Bank charges</i>	500
<i>Operating expenses</i>	18 000
TOTAL PAYMENTS	
SURPLUS/(SHORTFALL)	
Bank (Opening Balance)	
BANK (CLOSING BALANCE)	

20

3.4 The business intends to employ two additional shop assistants in April 2013, at the same salary of the existing employees. In your opinion, is this a wise decision? Motivate your answer by making use of figures from the information.

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3.5 Compare the actual figures for February 2013 against the budgeted amounts for March 2013. *(Refer to point 14 of the information provided)*

Advise the owner on what he could do to improve the internal controls of any TWO items on the list. You do not need to quote any figures.

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QUESTION 4

CLUBS

(30 marks; 18 minutes)

4.1.1 Calculate the total amount that is due by all members in respect of membership fees, for this financial year. (Income and expenditure amount)

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**GENERAL LEDGER OF CITY SPORTS CLUB
MEMBERSHIP FEES ACCOUNT**

4.1.2

4.2

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NO	STATEMENT OF RECEIPTS AND PAYMENTS – 31 DECEMBER 2012		STATEMENT OF INCOME AND EXPENDITURE – 31 DECEMBER 2012	
	RECEIPTS	PAYMENTS	INCOME	EXPENDITURE
E.g.		800		600

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30	
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QUESTION 5

COSTING (MANUFACTURING CONCERNS)

(35 marks; 21 minutes)

5.1 Place a cross (X) under the appropriate category for each of the items listed below.

	ITEM	PRIME COST	FACTORY OVERHEADS	ADMINISTRATION COSTS	SELLING AND DISTRIBUTION
5.1.1	Indirect materials				
5.1.2	Advertising				
5.1.3	Direct Labour				
5.1.4	Factory Rent				
5.1.5	Office Stationery				

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5.2.1 Calculate:

a) The total fixed cost	b) The total variable cost
(2)	(2)

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5.2.2 Explain the concept “breakeven”.

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5.2.3 Calculate the selling price at the breakeven point. Will Julius be satisfied with this break-even selling price? Explain.

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5.3

GENERAL LEDGER OF TARGET PRODUCTS
BALANCE SHEET ACCOUNTS

WORK IN PROCESS STOCK (B8)

2012 Mar	1	Balance	b/d	10 200	2013 Feb	28		
				38 420			Balance	c/d
		Direct labour cost		65 480				14 000
		Factory Overheads						
2013 Mar	1	Balance	b/d					

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FINISHED GOODS STOCK (B9)

2012 Mar	1	Balance	b/d	0	2013 Feb	28		
2013 Feb	28						Balance	c/d
2013 Mar	1	Balance	b/d					

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FINAL ACCOUNTS
TRADING ACCOUNT

2013 Feb	28	Cost of Sales		2013 Feb	28	Sales	

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QUESTION 6

VAT AND STOCK SYSTEMS

(45 marks; 27 minutes)

6.1.1 *Indicate whether the following statements are True or False.*

(a)	
(b)	
(c)	
(d)	

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6.1.2

(a) **According to the information above, calculate the amount of VAT that City Cleaning Services will need to pay to SARS on 25th August 2013. (Show all calculations – do not show the final answer only.)**

13

(b) **As a registered accountant, you noticed that the owner, P. Mandla, inflated the cleaning materials account by R5 000.**

- Express your feelings about Mandla’s action, and explain what steps you would take.**

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6.2.1

**GENERAL LEDGER OF JUBILEE STORES
PURCHASES ACCOUNT (N4)**

2013 Sep	30	Balance/total	684 240			Drawings	2 000
						Creditors Allowances	10 350

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**6.2.2 Calculate the Gross profit earned by the business.
(You may construct the Trading Account to calculate this amount)**

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6.2.3 Calculate the Gross profit percentage achieved.

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6.2.4 Provide ONE suitable reason why the 50% mark-up on cost was not achieved.

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TOTAL: 300

