



Basic Education

KwaZulu-Natal Department of Basic Education
REPUBLIC OF SOUTH AFRICA

ACCOUNTING

MARCH 2015

COMMON TEST

**NATIONAL
SENIOR CERTIFICATE**

GRADE 11

MARKS: 100

TIME : 1 hour

**N.B. This paper consists of 6 pages and
an answer booklet of 7 pages.**

INSTRUCTIONS AND INFORMATION

Read the following instructions and be sure to follow them carefully:

1. This question paper consists of 6 pages.
2. A special **ANSWER BOOK** consisting of 7 pages is provided in which to answer all the questions.
3. Answer **ALL** the questions.
4. **Workings must be shown in brackets in order to earn part marks.**
5. Non-programmable calculators may be used.
6. You may use dark pencil or black / blue pen to answer the questions.
7. Marks will be deducted for missing details and foreign entries.
8. Use the information in the table below as a guide when answering the question paper:

Question 1: 26 Marks, 16 Minutes	
The topic of this question is:	Content:
Bank Reconciliation	<ul style="list-style-type: none"> • Cash Journals • Bank Reconciliation Statement • GAAP
Question 2: 37 Marks, 22 Minutes	
The topic of this question is:	Content:
Tangible Assets	<ul style="list-style-type: none"> • Ledger accounts
Question 3: 27 Marks, 16 Minutes	
The topic of this question is:	Content:
Financial Accounting of Partnerships	<ul style="list-style-type: none"> • Calculation of Net Profit after adjustments • Appropriation Account • Calculation of Current Account Balance
Question 4: 10 Marks, 6 Minutes	
The topic of this question is:	Content:
Creditors Reconciliation	<ul style="list-style-type: none"> • Reconciliation of statements received from Creditors with accounts in Creditors' Ledger of a business.

QUESTION 1 (26 Marks, 16 Minutes)**BANK RECONCILIATION**

The following information relates to "Fezeka's Florist". This shop is situated in the Liberty Midlands Mall and specializes in flower arrangements for weddings and other special occasions. Supply suitable source documents and folios where necessary.

Required:

- 1.1 Calculate the following totals for February 2015:
 - 1.1.1 Cash Receipts Journal (5)
 - 1.1.2 Cash Payments Journal (9)
- 1.2 Bank Reconciliation Statement for February 2015. (9)
- 1.3 Identify the GAAP concept that businesses apply when showing interest on overdraft as a separate entry in the Cash Payments Journal. Briefly explain this concept. (3)

Information

1 Bank Reconciliation Statement of "Fezeka's Florist" – January 2015

		DR	CR
CR	Balance as per Bank Statement		82 455
CR	Outstanding Deposits		18 900
DR	Outstanding Cheques		
	No.296	3 750	
	No. 304	1 700	
	No. 315 (dated 15 March 2015)	57 000	
	No. 320	1 000	
	No. 326	2 400	
DR	Balance as per Bank Account	35 505	
		101 355	101 355

2 The provisional totals at the end of the February 2015 were as follow:

Cash Receipts Journal	225 675
Cash Payments Journal	252 495

3 The following amounts appeared in the Bank Statement from DD Bank for February 2015 but not in the Journals:

- A deposit of R18 900 on 1 February 2015.
- Dishonoured cheque, R2 250. This cheque was received from debtor R Radebe.
- R4 500 was received from D. Dorasamy. Her debt was written off last year after numerous attempts at collection failed.
- Cheque no. 304 for R1 700; and cheque no. 326 for R2 400.
- Bank charges, R72
- Interest on credit balance, R95
- Debit order for insurance, R5 250, to van den Berg Insurers.

- 4 The following amounts appeared in the Cash Journals for February 2015 but not in the Bank Statement:
- A deposit of R9 825 (on 27 February 2015) and second deposit of R15 345 on 28 February 2015
 - Cheque no. 362 for R36 900 (dated 1 April 2015)

Additional Information

- Cheque no. 296, issued to Stella Suppliers, is stale and must be cancelled. On 28 February, a new cheque (no. 343) was issued to replace this cheque and to pay February's account of R2 550. No entries have been made in the journals to record these entries. The new cheque is still outstanding.
- No entry was made to record a cheque received from S Somayee, a debtor, for R975. This cheque was dated 15 March 2015.
- Cheque no 320 appeared in the Bank Statement for R1 100. The Bank Statement was correct.
- On 28 February 2015, the Bank Statement showed a favourable balance of R78 088.

QUESTION 2 (37 Marks, 22 Minutes)

TANGIBLE ASSETS

Required:

- 2.1 The following accounts in the General Ledger, correctly balanced / closed off for the year ended 28 February 2015:
- 2.1.1 Equipment (11)
 - 2.1.2 Depreciation (12)
 - 2.1.3 Asset Disposal (10)
- 2.2 The owner, Mr B. Worth, is of the opinion that the vehicle does not need to be replaced as it is still in working order. Give **TWO** reasons why you disagree with him. (4)

SHOW ALL CALCULATIONS IN BRACKETS FOR PART MARKS.

Information:

Butterworth Butchery has the following assets on hand on 1 March 2014, the beginning of their financial year:

Asset	Cost Price	Accumulated Depreciation
Equipment	R250 000	R138 000
Vehicle	R200 000	R185 000

Additional Information:

1. On 1 December 2014, the meat display fridge was sold for R12 000 cash. This fridge had originally cost R40 000 and the accumulated depreciation on 1 March 2014 was R30 000. A new fridge valued at R70 000 was purchased on credit on this day.
2. Equipment is depreciated at 15% per annum according to the diminishing balance method.
3. Vehicles are depreciated at 10% per annum on cost.

QUESTION 3 (27 Marks, 16 Minutes)**FINANCIAL ACCOUNTING OF PARTNERSHIPS**

The following information was extracted from the books of SM Fashion, a clothing retailer owned by Siphon Makhanya and Sanele Makwena on 31 January 2015, the last day of the financial year.

Required:

- 3.1 Calculate the correct Net Profit. (8)
- 3.2 Complete the Appropriation Account in the General Ledger. (12)
- 3.3 Calculate the balance of Siphon Makhanya's Current Account on 31 January 2015. (7)

SHOW ALL CALCULATIONS IN BRACKETS FOR PART MARKS.

Information:

Extract from the Pre-adjustment Trial Balance of SM Fashion on 31 January 2015

Balance Sheet Section	Debit	Credit
Capital: Siphon Makhanya (1 February 2014)		800 000
Capital: Sanele Makwena (1 February 2014)		400 000
Drawings: Siphon Makhanya	221 400	
Drawings: Sanele Makwena	206 600	
Current Account: Siphon Makhanya (1 February 2014)	10 800	
Current Account: Sanele Makwena (1 February 2014)		15 400

The Net Profit before the following adjustments were recorded was R568 321:

1. Siphon Makhanya took clothing valued at R800 as a gift for his girlfriend.
2. R5 200 was paid to a creditor. A discount of R280 was received.
3. The shop's roof leaked during a thunder storm and R15 000 stock was damaged and needed to be written off. According to the SM Fashions insurer, the policy will pay out 80% of the loss during February 2015.
4. R3 200 is owed for the electricity account.
5. A physical stock take revealed the following:
 - Unused packing material of R180
 - R1 680 more clothing on the shelves than reflected in the Trading Stock account. (after taking into account adjustment number 3)
6. The partnership agreement stipulates the following:
 - a. At the start of the financial year, the Siphon Makhanya and Sanele Makwena were each entitled to a monthly salary of R8 000 and R10 000 respectively. Their salaries were increased by 10% from 1 July 2014.
 - b. The partners are to receive interest at a rate of 6% p.a. on the capital invested in the business.
 - c. The remaining profits and losses are to be shared according to their capital contributions on 1 February 2014.

QUESTION 4 (10 Marks, 6 Minutes)**CREDITORS' RECONCILIATION**

When the bookkeeper of Shongweni Superette received the statement of account from one of their suppliers, Peters' Products, she noticed that there were a few discrepancies between the two sets of records.

Required:

Reconcile the Statement received from Peters' Products with the Creditors Ledger of Shongweni Superette. Write only the amounts in the appropriate column with a plus (+) or a minus (-) sign to indicate an increase or decrease in the balance. Calculate the correct amount at the month end.

Peter's Products		
Statement of Account		
Date	Details	Amount
2015 Feb 1	Balance	42 300
3	Interest on overdue account	377
8	Invoice 670	21 480
10	Credit Note 290	(504)
13	Payment received	(46 320)
18	Invoice 895	13 460
21	Invoice 923	10 680
22	Credit Note 235	(1 440)
25	Invoice 972	18 480
	Balance	58 513

Creditors Ledger of Shongweni Superette

Date	Details	Fol	DR	CR	Balance
2015 Feb 1	Balance	b/d			42 300
8	Invoice 670			21 840	64 140
9	Debit Note 354	CAJ	504		63 636
12	Cheque 213	CPJ	46 320		17 316
18	Invoice 895	CJ	13 460		3 856
21	Invoice 923			10 680	14 536
22	Debit Note 362	CAJ	1 440		13 096
25	Invoice 972	CJ		18 300	31 396
28	Invoice 995	CJ		12 240	43 636

Additional Information:

- Shongweni Superette was not aware that Peter's Products had charged them interest on their overdue account.
- Invoice 670 was correctly recorded by Shongweni Superette.
- Shongweni Superette had erroneously recorded invoice 895 in the Debit column.
- The amount shown by Peter's Products on the Statement regarding Invoice 972, excludes the discount received by Shongweni Superette for this purchase.
- Invoice 995 was not shown on the Statement received from Peter's Products

TOTAL MARKS: [100]

QUESTION 1 (26 Marks, 16 Minutes)

BANK RECONCILIATION

1.1 Calculate the total following totals for February 2015:

1.1.1 Cash Receipts Journal
 $225\ 675\checkmark + 4\ 500\checkmark + 95\checkmark + 3\ 750\checkmark$
 $= 234\ 020\checkmark$ (5)

1.1.2 Cash Payments Journal
 $252\ 495\checkmark + 2\ 250\checkmark + 72\checkmark + 5\ 250\checkmark + 6\ 300\checkmark + 100\checkmark$
 $= 266\ 467\checkmark$ (9)

1.2 Bank Reconciliation Statement for February 2015.

Bank Reconciliation Statement of "Fezeka's Florist" – February 2015

	DR	CR
CR Balance as per Bank Statement		78 088✓
CR Outstanding Deposits		9 825✓
		15 345✓
DR Outstanding Cheques		
	No 362	36 900✓
	No 343	6 300✓
	No 315	57 000✓
		3 058✓
DR Balance as per Bank Account		
	103 258	103 258

1.3 Identify the GAAP concept that businesses apply when showing interest on overdraft as a separate entry in the Cash Payments Journal. Briefly explain this concept. (3)

Materiality Concept✓
 Important (material) items must be shown separately in the accounting records whereas unimportant ones can be added together and entered as one entry.✓✓

QUESTION 2 (37 Marks, 22 Minutes)

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 MARKING MEMORANDUM
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GRADE 11

MARKS : 100

TIME : 1 hour

Question	Topic	Marks	Minutes
1	Bank Reconciliation	26	16
2	Tangible Assets	37	32
3	Financial Accounting of Partnerships	27	16
4	Creditors' Reconciliation	10	6
		100	60

N.B. This memorandum consists of 5 pages.

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TANGIBLE ASSETS

2.1.1 General Ledger of Buttenworth Butchery

DR		CR	
2014 Mar	Balance ✓	b/d	250 000 ✓
2014 Dec	Creditors Control ✓	CJ	70 000 ✓
2015 Mar	Balance ✓	b/d	280 000 ✓
			320 000
			40 000 ✓
			280 000 ✓
			320 000

2.1.2

DR		CR	
2014 Dec	Accumulated Depreciation: Equipment ✓	GJ	1 125 ✓
2015 Feb	Accumulated Depreciation: Equipment ✓ (15 300 ✓ + 2 625 ✓)	GJ	17 925 ✓
	Accumulated Depreciation: Vehicles ✓	GJ	14 999 ✓
			34 049
			34 049

2.1.3

DR		CR	
2014 Dec	Equipment ✓	GJ	40 000 ✓
	Profit on sale of Equipment ✓	GJ	3 125 ✓
			43 125
			43 125

2.2 The owner, Mr B. Worth, is of the opinion that the vehicle does not need to be replaced as it is still in working order. Give TWO reasons why you disagree with him.

- The vehicle is worth R1 as it is fully depreciated ✓
- The vehicle is approximately 10 years old ✓
- Older vehicles need more maintenance and are less reliable than newer ones
- **ANY LOGICAL ANSWER**

QUESTION 3 (27 Marks, 16 Minutes)

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FINANCIAL ACCOUNTING OF PARTNERSHIPS

3.1 Calculate the correct Net Profit

$$588\ 321 \checkmark + 280 \checkmark - 3\ 000 \checkmark - 3\ 200 \checkmark + 180 \checkmark + 1\ 680 \checkmark = 564\ 261 \checkmark$$

3.2

DR		CR	
2015 Jan	(48 000 ✓ + 24 000 ✓)	GJ	72 000 ✓
	Interest on Capital	GJ	101 600 ✓
	Salary Makwena	GJ	127 000 ✓
	Current Account Makwena	GJ	175 774 ✓
	Current Account Makwena	GJ	87 887 ✓
			564 261
			564 261

3.3 Calculate the balance of Sipho Makwena's Current Account at on 31 January 2015.

$$-10\ 800 \checkmark + 101\ 600 \checkmark + 48\ 000 \checkmark + 175\ 774 \checkmark - 221\ 400 \checkmark - 800 \checkmark = 92\ 374 \checkmark$$

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QUESTION 4 (10 Marks, 6 Minutes)**CREDITORS' RECONCILIATION**

No.	Peter's Products (Statement)	Shongweni Supercette (Creditors' Ledger)
Balance	58 513 ✓	43 636 ✓
1.		+ 377 ✓
2.	+ 360 ✓	
3.		+ 13 460 ✓ + 13 460 ✓
4.	- 180 ✓	
5.	+ 12 240 ✓	
Total	70 933 <input checked="" type="checkbox"/>	70 933 <input checked="" type="checkbox"/>

OR
26 920 ✓✓

(10)

TOTAL MARKS: [100]

