



Education

KwaZulu-Natal Department of Education
REPUBLIC OF SOUTH AFRICA

ACCOUNTING

MARCH 2017

COMMON TEST

**NATIONAL
SENIOR CERTIFICATE**

GRADE 11

MARKS: 100

TIME : 1 hour

N.B. This paper consists of 8 pages and
an answer booklet of 5 pages.

INSTRUCTIONS AND INFORMATION

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

1. This question paper consists of 8 pages.
2. A special **ANSWER BOOK** consisting of 5 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: 16 Marks, 10 Minutes	
The topic of this question is:	Content:
Creditors' Reconciliation	<ul style="list-style-type: none"> • Identify correct Journal / Ledger • Reconciliation between Statement and Creditors Ledger
Question 2: 45 Marks, 27 Minutes	
The topic of this question is:	Content:
Final Accounts of Partnership	<ul style="list-style-type: none"> • Calculation of Net Profit • Current Account • Appropriation Account
Question 3: 25 Marks, 15 Minutes	
The topic of this question is:	Content:
Tangible Assets	<ul style="list-style-type: none"> • Problem Solving and Ethics • Fixed Asset Register • Asset Disposal Ledger
Question 4: 14 Marks, 8 Minutes	
The topic of this question is:	Content:
Bank Reconciliation	<ul style="list-style-type: none"> • Reconciliation Statement • Internal Control

QUESTION 1 (16 Marks, 10 Minutes)**CREDITORS' RECONCILIATION****REQUIRED:**

- 1.1 Match the transaction column A, to the Journal / Ledger into which this transaction is entered in column B. Write only the correct letter in your answer booklet. (5)

Example: 2.1 F.

1.1.1	The opening balance of a creditor at the beginning of the month.	A	Creditors Allowances Journal
1.1.2	The closing balance of all creditors accounts at the end of the month.	B	Creditors Ledger
1.1.3	The journal in which an error in the creditors control account is corrected.	C	Creditors List
1.1.4	The journal in which Debit notes are recorded.	D	Debtors Allowances Journal
1.1.5	The journal in which Credit notes are recorded.	E	Debtors Ledger
		F	General Journal

- 1.2 Reconcile statement received from A1 Wholesaler and the Creditors Ledger of RB Stores. (11)

INFORMATION:

RB Stores received a statement in the post from A1 Wholesaler, saying that the business owed an amount of R49 050. According to the business calculations in their Creditors Ledger, only R38 750 is owed to this creditor.

ADDITIONAL INFORMATION:

- 1.2.1 The opening balance, on 1 February, on the Statement received from A1 Wholesaler, should have been R35 000 and not R38 000.
- 1.2.2 An invoice RB Stores received from A1 Wholesaler, for R7 180 trading stock purchased, was omitted from the Creditors Ledger.
- 1.2.3 A discount of R2 170 that RB Stores received from A1 Wholesaler was not reflected on the statement received from them. RB Stores is correct.
- 1.2.4 Trading Stock of R7 680, which RB Stores purchased from AB Warehouse, was accidentally entered into A1 Wholesaler's Creditors' Ledger.
- 1.2.5 No entry for an amount of R1 230 for stock returned by RB Stores to A1 Wholesaler was recorded on their statement. RB Stores has the documentation to prove that this clothing was returned.
- 1.2.6 RB Stores accidentally recorded an invoice received from A1 Wholesalers, for R2 200, as a payment in their Creditors Ledger.

QUESTION 2 (45 Marks, 27 Minutes)**FINAL ACCOUNTS OF PARTNERSHIPS**

"Melody's Music Shop", is a store that sells various types musical instruments as well as sheet music to enable people to play popular songs on their chosen instrument. The store is run by MG Tar and MV Lyn.

REQUIRED:

- 2.1 Calculate the correct Net Profit for the year ending 28 February 2017 using the adjustments provided. (9)
- 2.2 Calculate the Interest on Capital due to each partner at the end of the 2017 financial year. (4)
- 2.3 Complete the following accounts in the General Ledger of 'Melody's Music Shop' for the year ended 28 February 2017.
- 2.3.1 Current Account: MG Tar (18)
- 2.3.2 Appropriation (14)

BALANCES ON 28 FEBRUARY 2017:

Capital: MG Tar	R200 000
Capital: MV Lyn	R175 000
Current Account: MG Tar (1 March 2016)	R5 400 (CR)
Current Account: MV Lyn (1 March 2016)	R3 200 (DR)
Drawings: MG Tar	R176 000
Drawings: MV Lyn	R180 000

YEAR END ADJUSTMENTS:

- The net profit, before the adjustments below were taken into account, was R411 450.
- Consumable stores on hand at the end of the year amounted to R950.
- After the year end stock take, it was noted that R2 560 more stock was on hand than was recorded in the trading stock account.
- Insurance includes an annual premium paid on 1 November 2016 for R7 200.
- B. Barcello cannot be traced. His account of R1 300 must be written off.
- The provision for bad debts must be decreased by R140.
- February 2017 Rent of R6 400 is still owed by the business.

ADDITIONAL INFORMATION:

- MG Tar increased his capital by R50 000 on 1 September 2016. MV Lyn's capital remained unchanged.
- Both partners are entitled to interest on their capital of 15% per annum.
- MG Tar is entitled to a salary of R12 000 per month, and MV Lyn R10 900 per month.
- MG Tar withdraws R16 000 per month for personal use. His drawings for February 2017 have not yet been recorded.
- Profits and Losses are shared equally by both partners.

QUESTION 3 (25 Marks, 15 Minutes)**TANGIBLE ASSETS**

BS Builders (owner Barry Sithole) purchased a second hand caravan, to accommodate their four staff members while working on building sites far from their homes in Durban. This asset is considered to be part of the vehicles that is taken to building sites. The businesses financial year ends on 31 July each year.

INFORMATION:

- The details of the caravan are provided below:

Asset	Caravan	Cost Price	R80 000
Registration No.	ND 123 567	Depreciation Method	Diminishing Bal
Date Purchased	1 August 2014	Depreciation Rate	20% p.a.

- The caravan was sold for R50 000 cash on 30 January 2017.

REQUIRED:

- 3.1 Provide **TWO** advantages of purchasing a caravan for the staff, rather than booking them alternative accommodation. (4)
- 3.2 Is it ethical for Barry Sithole, the owner of BS Builders, to use business funds to pay for his personal accommodation in a hotel during the duration of the contract. (3)
- 3.3 Complete the Fixed Asset Register for this caravan. (9)
- 3.4 Prepare the Asset Disposal account in the General Ledger to calculate whether a profit or a loss was made on the disposal of this caravan. (9)

QUESTION 4 (14 Marks, 8 Minutes)**BANK RECONCILIATION**

The bookkeeper of Sewpershad Stores (owner S Sewpershad) completed the following Bank Reconciliation Statement for February 2017.

Bank Reconciliation Statement on 28 February 2017

Entry number		DR	CR
	Favourable Balance as per Bank Statement		40 670
One	Outstanding Deposit		3 500
	Outstanding Cheques:		
Two	No.872 dated (1 September 2016)	5 600	
	No.975 dated (15 January 2017)	8 900	
	No.980 dated (20 February 2017)	730	
Three	Debit amount wrongly credited	2 600	
Four	Balance as per Bank Account	?	

QUESTIONS

- 4.1 Questions 4.1.1 to 4.1.4 are multiple choice questions. Choose the most correct answer for each of the following. Mark an "X" in the column of your choice in your answer book, as shown in the example below: (8)

	A	B	C
Example		X	

- 4.1.1 A possible transaction that led to **entry number one** of the Bank Reconciliation Statement is:
- Rent Income of R3 500 was deposited directly into the bank account by the businesses tenant after the statement for February had been printed by the bank.
 - S Sewpershad deposited the daily takings of R3 500 into the businesses bank account after the statement for February had been printed by the bank.
 - R3 500 was deposited directly into the business bank account, by "Wentzel Wholesalers, as a refund for items that the business was overcharged for.
 - None of the above
- 4.1.2 **Entry number two** shows a stale cheque that was originally issued to MR Clean, a supplier. The correct way to cancel this cheque is to:
- DR Creditors Control; CR Bank
 - DR Bank; CR Debtors' Control
 - DR Bank; CR Creditors Control
 - None of the above

- 4.1.3 A possible transaction that led to **entry number three** on the Bank Reconciliation Statement is:
- A. R2 600 was erroneously deposited into Sewpershad Stores Bank account by the bank. It was meant to be deposited into S Sewpershad's personal account.
 - B. The Bank Statement showed a withdrawal of R2 600 on the businesses bank statement. This amount was meant to be R26 000.
 - C. R2 600 appeared in the DR column of the Bank Statement. Sewpershad stores does not know what this amount was for.
 - D. None of the above
- 4.1.4 The Balance of the Bank account on 28 February 2017 shown in **entry number four** was....
- A. R23 640, Favourable
 - B. R26 340, Favourable
 - C. R26 340, Unfavourable
 - D. None of the above
- 4.2 The bookkeeper is annoyed that she needs to work late at the end of the month when she is completing the Bank Reconciliation, as well as her normal day-to-day work.
- 4.2.1 Give **TWO** reasons how her employer motivates the necessity of completing the bank reconciliation. (4)
- 4.2.2 Discuss **ONE** possible solution to this problem. (2)

TOTAL MARKS: [100]



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ANSWER BOOK

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GRADE 11

MARKS : 100

TIME : 1 hour

Name: _____ **Grade:** _____

Question	Topic	Learners Mark	Moderators Mark
1	Creditors Reconciliation		
2	Final Accounts of Partnerships		
3	Tangible Assets		
4	Bank Reconciliation		

N.B. This answer book consists of 5 pages.

QUESTION 3 (25 Marks, 16 Minutes)

TANGIBLE ASSETS

3.1 Provide TWO advantages of purchasing a caravan for the staff, rather than booking them alternative accommodation.

4

3.2 Is it ethical for Barry Sithole, the owner of BS Builders, to use business funds to pay for his personal accommodation in a hotel during the duration of the contract.

3

3.3

	Depreciation	Accumulated Depreciation	Carrying Value
31 July 2015			
31 July 2016			
30 January 2017			

9

3.4 **Asset Disposal**

9

QUESTION 4 (14 Marks, 8 Minutes)

BANK RECONCILIATION

4.1

	A	B	C	D
4.1.1				
4.1.2				
4.1.3				
4.1.4				

8

4.2.1 Give **TWO** reasons how her employer motivates the necessity of completing the bank reconciliation.

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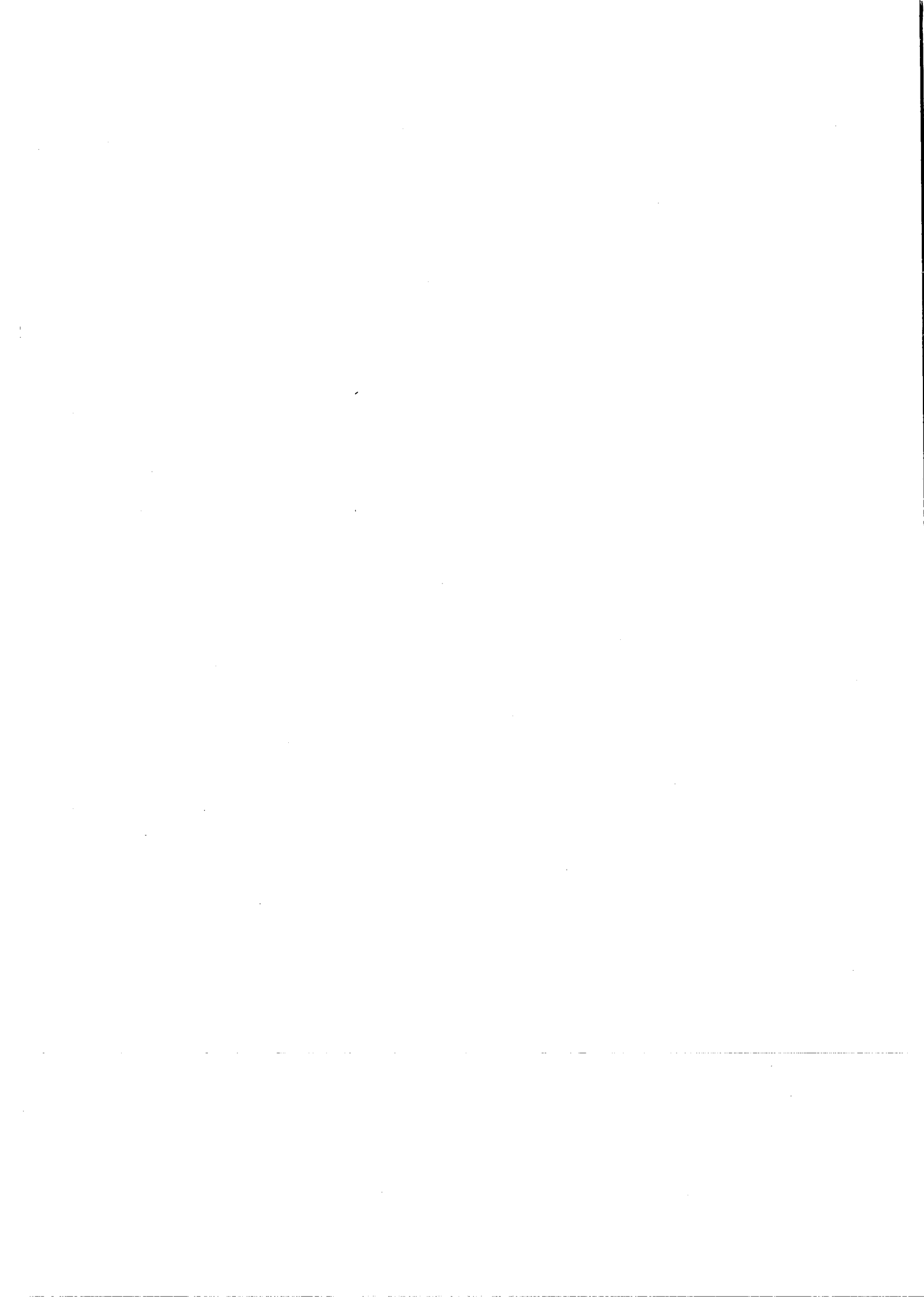
4

4.2.2 Discuss **ONE** possible solution to this problem.

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2

TOTAL MARKS: [100]



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MEMORANDUM
MARCH 2017
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GRADE 11

MARKS : 100

TIME : 1 hour

Question	Topic	Marks	Minutes
1	Creditors Reconciliation	16	10
2	Final Accounts of Partnership	45	27
3	Tangible Assets	25	15
4	Bank Reconciliation	14	8
		100	60

N.B. This memorandum consists of 5 pages.

QUESTION 1 (16 Marks, 10 Minutes)

CREDITORS' RECONCILIATION

1.1.1	B✓
1.1.2	C✓
1.1.3	F✓
1.1.4	A✓
1.1.5	D✓

1.1

5

1.2

No	Creditors' Reconciliation for A1 Wholesaler	Creditors' Ledger in the books of RB Stores
Balance	49 050✓	38 750✓
1.2.1	(3 000)✓	
1.2.2		7 180✓
1.2.3	(2 170)✓	
1.2.4		(7 680)✓
1.2.5	(1 230)✓	
1.2.6		4 400✓✓ OR 2 200✓ + 2 200✓
Total	42 650✓ <small>Operation one part correct</small>	42 650✓ <small>Operation one part correct</small>

11

QUESTION 2 (45 Marks, 27 Minutes)

FINAL ACCOUNTS OF PARTNERSHIPS

2.1 Calculate the correct Net Profit for the year ending 28 February 2017 using the adjustments provided.

411 450✓ + 950✓ + 2 560✓ + 4 800✓✓ - 1 300✓ + 140✓ - 6400✓
= 412 200✓
Operation one part correct

9

2.2 Calculate the Interest on Capital due to each partner at the end of the 2017 financial year. (4)

MG Tar	150 000 X 15% X 6/12 = 11 250✓ 200 000 X 15% X 6/12 = 15 000✓	OR 22 500✓ + 3 750✓	
MV Lyn	175 000 X 15% X 12/12 = 26 250✓		
Total:	11 250 + 15 000 + 26 250 = 52 500✓	OR 22 500 + 3 750 + 26 250 = 52 500✓	4

2.3.1 DR Current Account: MG Tar CR

2017 Feb	28	Drawings: MG Tar✓ (176 000✓ + 16 000✓)	192 000✓	2016 Mar	1	Balance	5 400✓
				2017 Feb	28	Salary: MG Tar✓	144 000✓✓✓
						Interest on Capital✓	26 250✓✓✓
						Appropriation✓	42 450✓✓
			218 100✓				218✓
				2017 Mar	1	Balance	26 100✓

2.3.2

2017 Feb	28	Interest on Capital✓	52 500✓	2017 Feb	28	Profit and Loss✓	412 200✓
		Salary: MG Tar✓	144 000✓				
		Salary: MV Lyn✓	130 800✓✓				
		Current Account: MG Tar✓	42 450✓				
		Current Account: MV Lyn✓	42 450✓				
			412 200				412 200

QUESTION 3 (25 Marks, 16 Minutes)

TANGIBLE ASSETS

3.1 Provide TWO advantages of purchasing a caravan for the staff, rather than booking them alternative accommodation.

- Cheaper to buy a caravan than accommodate four staff members.✓✓
 - No daily transportation is needed to take the staff members to the work site.✓✓
 - The workers are on hand to protect the site from damaged / theft 24 hours a day.
 - Savings or reinforcement of security personnel.
 - A caravan will have storage space for their belongings, a fridge a bathroom, and a stove built in.
- ANY LOGICAL ANSWER**

3.2 Is it ethical for Barry Sithole, the owner of BS Builders, to use business funds to pay for his personal accommodation in a hotel during the duration of the contract.

Yes✓ – He is the owner of the business so can choose to spend business money on his business related accommodation.✓✓
OR
No✓ – He should stay on site in a caravan like he expects his workers to do.✓✓
Any logical answer.

3.3

	Depreciation	Accumulated Depreciation	Carrying Value
31 July 2015	16 000✓	16 000✓	64 000✓
31 July 2016	12 800✓	28 800✓	51 200✓
30 January 2017	5 120✓	33 920✓	46 080✓

3.4

Asset Disposal			
2017 Jan	30	2017 Jan	30
Equipment✓	80 000✓	Equipment✓	33 920✓
Profit on Sale of Asset✓	3 920✓	Bank✓	50 000✓
	83 920		83 920

QUESTION 4 (14 Marks, 8 Minutes)**BANK RECONCILIATION**

4.1

	A	B	C	D
4.1.1		x ✓✓		
4.1.2			x ✓✓	
4.1.3	x ✓✓			
4.1.4		x ✓✓		

8

4.2.1 Give **TWO** reasons how her employer motivates the necessity of completing the bank reconciliation.

- Bank Reconciliation is a good form of internal control. ✓✓
- External control of internal record keeping related to Bank account transactions. ✓✓
- Assists in keeping track of and updating outstanding cheques and deposits. ✓✓
- The bookkeeper cannot possibly be accurate all the time. ✓✓
- A way of checking the Bank's records for accuracy. ✓✓
- **ANY LOGICAL ANSWER**

4

4.2.2

Discuss **ONE** possible solution to this problem.

- Hire another employee to assist the bookkeeper. ✓✓
- Permit her to take work home to complete. ✓✓
- Ensure all work is up to date before commencing and the bank reconciliation. ✓✓
- Pay her overtime for working late. ✓✓
- **ANY LOGICAL ANSWER**

2

TOTAL MARKS: [100]

