



education

Department:
Education
REPUBLIC OF SOUTH AFRICA

GREENBURY SECONDARY SCHOOL

ACCOUNTING: GRADE 11

FIRST CONTROL TEST: 2017

EXAMINER : C. MAHARAJ

DURATION : 1 HOUR

MODERATOR : A.RAJOO

MARKS: 100

INSTRUCTIONS TO LEARNERS:

1. This paper consists of 5 pages.
2. Answer ALL questions on the special answer booklet provided.
3. Show all workings so that part marks can be allocated.
4. You must attempt to comply with the suggested time allocations

Question 1: 45 Marks ; 27 Minutes

The topic of this question is:	Content
Bank Reconciliation	<ul style="list-style-type: none"> • CRJ and CPJ • Bank account in general ledger • Bank reconciliation

Question 2: 10 Marks ; 6 Minutes

Creditors Reconciliation	<ul style="list-style-type: none"> • Creditors ledger with statement of account
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Question 3: 45 Marks ; 27 Minutes

Asset Disposal and Internal Control	<ul style="list-style-type: none"> • Calculation of depreciation • General ledger • Internal control
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QUESTION ONE : BANK RECONCILIATION AND INTERNAL CONTROL**(45 marks; 27 minutes)**

- 1.1. What is the purpose of bank reconciliation? (2)
- 1.2. Indicate whether the following statements are True or False (5)
- 1.2.1. An internal auditor would want to inspect the Bank Reconciliation Statement at the end of each month.
- 1.2.2. A credit balance on the bank statement is favourable.
- 1.2.3. Service fees and interest on overdraft are debited to bank charges.
- 1.2.4. A cheque older than six months will be cancelled in the CPJ.
- 1.2.5. A post-dated cheque received from a debtor will be recorded in the CRJ.

1.3. BANK RECONCILIATION

You are provided with information taken from the records of Moscow Traders for March 2017. The business is owned by R. Russia.

Required :

- 1.3.1. Prepare the correct totals for the Cash Receipts Journal and Cash Payments Journal. (21)
- 1.3.2. Prepare the Bank Account in the general ledger for March 2017. (7)
- 1.3.3. Prepare a **Bank Reconciliation Statement** on 31 March 2017. (10)

Information :

Bank Reconciliation Statement on 28 February 2017	
Debit balance as per bank statement	19 200
Outstanding deposit	15 400
Outstanding cheques:	
No.60	3 500
No 120	4 150
No.122	6 500
No.124 (dated 27 April 2017)	3 800
Balance as per bank account	?

Moscow Traders operates a current bank account at World Bank.

Provisional totals of the bank columns in the Cash Journals on 31 March 2017	
Cash Receipts Journal	43 100
Cash Payments Journal	43 170

A comparison of the Bank Statement with the Bank Reconciliation on 28 February 2017 revealed the following:
<ul style="list-style-type: none"> The deposit of R 15 400 appears on the bank statement.
<ul style="list-style-type: none"> Cheque no 60 was issued on 10 September 2016 to Operation Hunger as a donation. The organisation has been disbanded.
<ul style="list-style-type: none"> Cheque nos. 120 and 122 was presented for payment.

A comparison of the Salary Journal with the bank statement showed the following as outstanding:

Employee	Gross salary	Net salary	Cheque no.
A. Africa	10 500	8 600	150
Z. Zim	13 600	11 700	151

A comparison of the Cash Journal with the bank statement showed the following :

- The following appears in the Cash Journals but not on the bank statement:
 - Deposit of R 9 200
 - Cheque no. 145 for R 7 600 (dated 5 May 2017)
- Cheque no. 140 issued to Sanlam for insurance appears in the Cash Payments Journal as R 2 840. The amount on bank statement is R 2 140. The bank statement is correct.
- A stop order for monthly vehicle instalment for R 3 800 appears on the bank statement only.
- An unpaid cheque for R 680 received in settlement of account of R 700 appears only on the bank statement. The cheque was received from a debtor N.Ntuli.
- A deposit of R 12 500 was made directly into the current account of the business by a tenant, P.Pillay.
- Cheque no. 139 for R 2 650 was issued to Waltons for stationery was lost in the mail. This cheque must be cancelled and replaced with cheque no. 163.
- World Bank debited the current of the business with the following:
 - Interest on debit balances R 140
 - Bank charges R 260
- The bank statement shows a favourable balance of R 15 150 on 31 March 2017.

QUESTION TWO: CREDITORS RECONCILIATION**(10 marks; 6 minutes)**

SRK Traders received a statement of account from a creditor Bollywood Suppliers. The balance on the statement did not agree with the account of Bollywood Suppliers in the Creditors Ledger of SRK Traders.

Required :

- 2.1. Complete the table in the **Answer Book** to show how the differences must be treated to reconcile the Creditor's Ledger Account with the Statement of Account. **(8)**
- Write the amounts in the appropriate columns to indicate the increase or decrease with a **(+)** or **(-)** with each amount.
- Total the columns to show the correct balances as at the end of April 2017.**
- 2.2. List **two** points for good internal control over creditors. **(2)**

Information :

Balance of Bollywood Suppliers in the Creditors Ledger of SRK Traders	9 320
Balance on the statement received from Bollywood Suppliers	14 670

A comparison between the Creditors Ledger Account and the statement of account received showed the following differences:

- A. SRK Traders entered a discount of R 400 relating to a payment of R 5 000 on 10 April 2017. Bollywood Suppliers did not approve of the discount as the payment was received late.
- B. The statement of account reflected returns valued at R912. The creditor's ledger account showed R712. It was established that SRK Traders miscalculated the value of the goods returned.
- C. An invoice for R 6 580 received from Bollywood Suppliers was correctly recorded in the Creditor's Ledger Account. The amount was incorrectly recorded as R 5 780 on the statement.
- D. An invoice for R 1 750 was received from Bollywood Suppliers was incorrectly recorded as a debit note in the Creditor's Ledger.
- E. A direct transfer of R 2 450 by SRK Traders was recorded in the Cash Payments Journal on 28 April 2017. The statement of account from Bollywood Suppliers was dated 25 April 2017.

QUESTION THREE: ASSET DISPOSAL AND INTERNAL CONTROL**(45 marks; 27 minutes)**

You are provided with information of Fast Transporters.
The financial year ends on 28 February 2017.

Required :

- 3.1. Refer to information A to D.
- 3.1.1. Calculate the depreciation of the equipment sold on 31 October 2016. (2)
- 3.1.2. Calculate the **TOTAL DEPRECIATION** on equipment for the year ended 28 February 2017. (6)
- 3.2. Prepare the following accounts in the General Ledger. Balance / close off accounts. (7)
- Equipment (10)
 - Asset Disposal (14)
- 3.3. Complete the **Tangible Asset** note to the Balance Sheet. (14)
- 3.4. The owner discovered the actual distances travelled far exceed their scheduled points of delivery by 40 %. Name **three** control measures that they can introduce to solve the problem. (6)

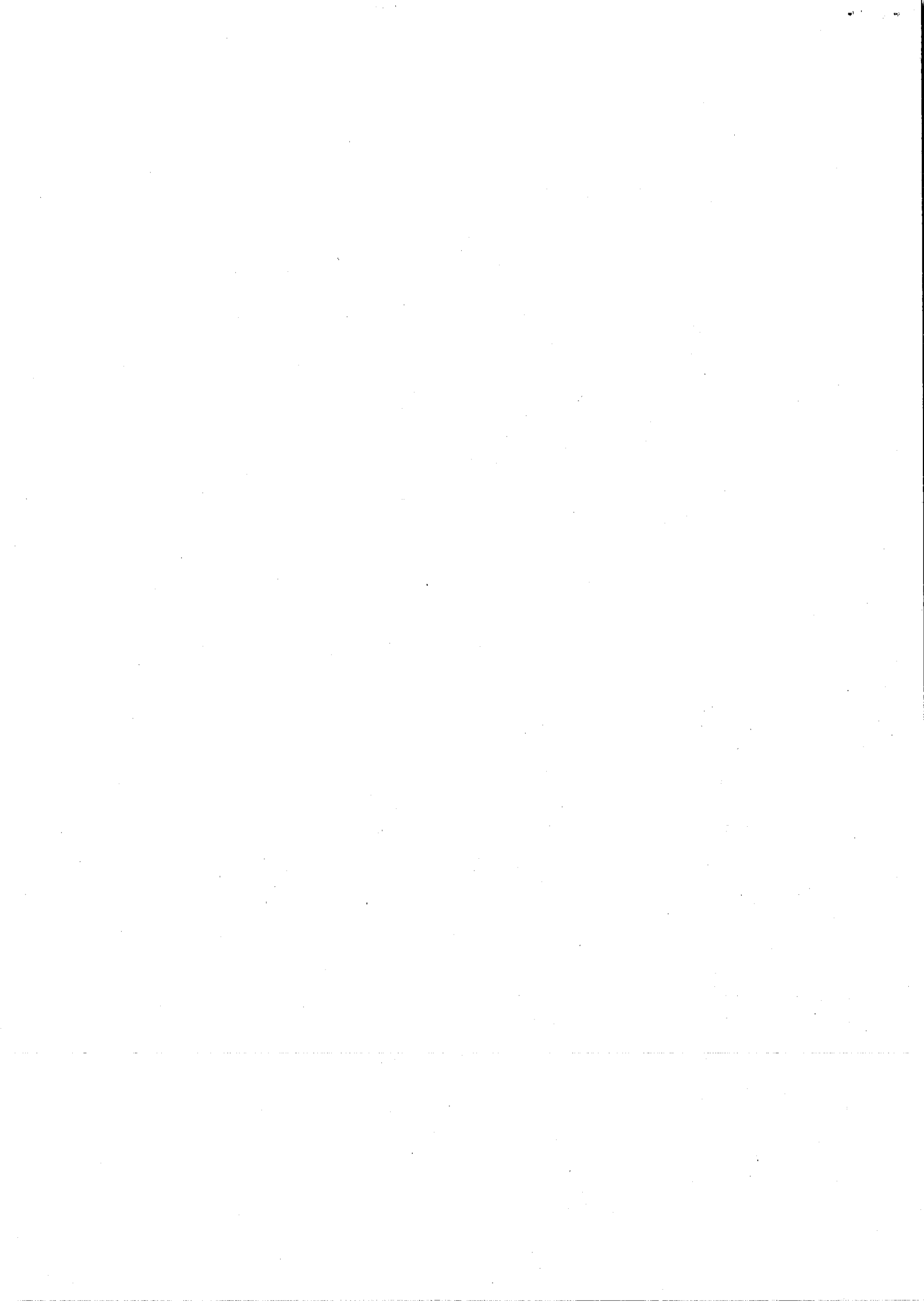
Information :

- A Part of the land and buildings were sold during the year.
- B. An additional vehicle was bought on 31 August 2016.
- C. On 31 October 2016 old equipment with an original cost price of R 90 000 was traded in against new equipment worth R 130 000. The accumulated depreciation on the old equipment was R 60 000 on 1 March 2016. After the trade in, Fast Transporters still owed the creditors R 104 000.
- D. **Note : Tangible Asset**

TANGIBLE ASSET	Land and buildings	Vehicles	Equipment
Cost	3 100 000	1 200 000	510 000
Accumulated depreciation	-	(420 000)	(*)
Carrying value(beg. of year)	3 100 000	*	240 000
Movements:			
Additions at cost	0	*	*
Disposals at carrying value	*	0	*
Depreciation	-	*	*
Carrying value(end of year)	2 200 000	*	*
Cost	2 200 000	1 500 000	*
Accumulated depreciation	-	(606 000)	*

E. Depreciation:

- Vehicles are depreciated at 20% p.a. on carrying value method.
- Equipment is depreciated at 15 % p.a. on cost.





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ACCOUNTING

ANSWER BOOK

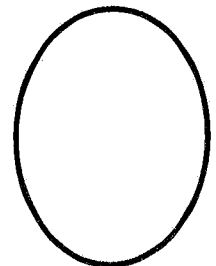
GRADE 11

NAME OF LEARNER: _____

GRADE: 11 _____

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QUESTION	MAX.	FINAL MARKS
1	45	
2	10	
3	45	
	100	



ANSWER BOOK CONSIST OF 6 PAGES

MODERATOR	
DATE	

QUESTION ONE:

1.1. What is the purpose of bank reconciliation?

2

1.2.

1.2.1.	
1.2.2.	
1.2.3.	
1.2.4.	
1.2.5.	

5

1.3.1.

CASH RECEIPTS JOURNAL	
AMOUNT	DETAILS
43 100	PROVISIONAL TOTALS

CASH PAYMENTS JOURNAL	
AMOUNT	DETAILS
43 170	PROVISIONAL TOTALS

21

1.3.2.

			Bank				

7

1.3.3

BANK RECONCILIATION STATEMENT ON 31 MARCH 2017		
	Debit	Credit

10

Total Marks
45

QUESTION TWO:

2.1.

	CREDITORS LEDGER	STATEMENT OF ACCOUNT
BALANCE	9 320	14 670
A		
B		
C		
D		
E		
TOTAL		

8

2.2. List two points for good internal control over creditors.

•
•

2

Total Marks
10

QUESTION THREE:

3.1.1. Calculate the depreciation of the equipment sold on 31 October 2017.

CALCULATIONS:	ANSWER

2

3.1.2. Calculate the **TOTAL DEPRECIATION** on equipment for the year ended 28 February 2017.

CALCULATIONS:	ANSWER

6

3.2.

		EQUIPMENT					

7

		ASSET DISPOSAL					

10

3.3. TANGIBLE ASSET	Land and buildings	Vehicles	Equipment
Cost	3 100 000	1 200 000	510 000
Accumulated depreciation	-	(420 000)	*
Carrying value(beg. of year)	3 100 000	*	(240 000)
Movements:			
Additions at cost	0	*	*
Disposals at carrying value	*	0	*
Depreciation	-	*	*
Carrying value(end of year)	2 200 000	*	*
Cost	2 200 000	1 500 000	*
Accumulated depreciation	-	(606 000)	*

14

3.4. Name **three** control measures that they can introduce to solve the problem.

6

Total Marks
45



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ACCOUNTING

ANSWER BOOK

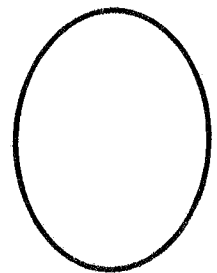
GRADE 11

NAME OF LEARNER: _____

GRADE: 11 _____

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QUESTION	MAX.	FINAL MARKS
1	45	45
2	10	10
3	45	45
		100



ANSWER BOOK CONSIST OF 6 PAGES

MODERATOR	
DATE	

QUESTION ONE:

1.1. What is the purpose of bank reconciliation?

o TO CHECK FOR ERRORS AND OMISSIONS
o TO VERIFY THE BANK BALANCE
o TO DETECT FRAUDULENT ACTIVITIES
o TO UPDATE THE CASH JOURNALS.

2

1.2.

1.2.1.	TRUE	✓
1.2.2.	TRUE	✓
1.2.3.	FALSE	✓
1.2.4.	FALSE	✓
1.2.5.	FALSE	✓

5
5

1.3.1.

CASH RECEIPTS JOURNAL	
AMOUNT	DETAILS
43 100	PROVISIONAL TOTALS
3 500 ✓	DONATION ✓
700 ✓	INSURANCE ✓
12 500 ✓	RENT INCOME ✓
2 650 ✓	STATIONERY ✓
62 450 ✓	

CASH PAYMENTS JOURNAL	
AMOUNT	DETAILS
43 170	PROVISIONAL TOTALS
3 800 ✓	VEHICLE ✓
680 ✓	DEBTORS CONTROL ✓
2 250 ✓	STATIONERY ✓
140 ✓	INTEREST ON OVERDRAFT ✓
260 ✓	BANK CHARGES ✓
50 700 ✓	

21
21

1.3.2.

		Bank						
2017	31	TOTAL RECEIPTS ✓	CRS 62 450 ✓	2017	1	BALANCE	b/d	21 750 ✓
		BALANCE	cb 10 000 ✓		31	TOTAL PAYMENTS ✓	CRS	50 700 ✓
			72 450					72 450
				2017	1	BALANCE	b/d	10 000 ✓

7
7

1.3.4.

BANK RECONCILIATION STATEMENT ON 31 MARCH 2017		
	Debit	Credit
CR. BALANCE AS PER BANK STATEMENT		15 150 ✓
CR. OUTSTANDING DEPOSIT		9 200 ✓
DR. OUTSTANDING CHEQUES:		
No. 149	3 800 ✓✓	
No. 150	8 600 ✓✓	
No. 151	11 700 ✓	
No. 145	7 600 ✓	
No. 163	2 650 ✓	
CR. BALANCE AS PER BANK AMOUNT		10 000 ✓
	34 350	34 350

10
10

Total Marks
45
45

QUESTION TWO:

2.1.

	CREDITORS LEDGER	STATEMENT OF ACCOUNT
BALANCE	9 320	14 670
A	+ 400 ✓	
B	- 200 ✓	
C		+ 800 ✓
D	1750x2 +3500 ✓✓	
E		- 2450 ✓
TOTAL	13 020 ✓	13 020 ✓

8
8

2.2. List two points for good internal control over creditors.

• CHECK STOCK RECEIVED AGAINST INVOICE FROM CREDITOR ✓
• ROTATION OF DUTIES ✓
• DIVISION OF DUTIES ✓
• TWO SIGNATURES TO APPEAR ON EVERY CHEQUE ISSUED ✓

2
2

Any 2

Total Marks
10
10

QUESTION THREE:

3.1.1. Calculate the depreciation of the equipment sold on 31 October 2017.

CALCULATIONS:	ANSWER
$90\,000 \times 15/100 \times 8/12$	9000 ✓

2
2

3.1.2. Calculate the TOTAL DEPRECIATION on equipment for the year ended 28 February 2017.

CALCULATIONS:	ANSWER
SOLD	9000 ✓ OPERATION
NEW: $130\,000 \times 15/100 \times 4/12$	6500 ✓
REMAIN: $\frac{510\,000 - 90\,000}{1} \times 15/100$	63000 ✓
	<u>78500</u> ✓

6
6

3.2.

		EQUIPMENT							
2016	1	BALANCE	b/d	510 000 ✓	2016	31	ASSET DISPOSAL	cr	90 000
Oct	21	CREDITOR CONTROL ✓	cr	130 000 ✓	FEB	28	BALANCE	cl	550 000
				640 000					640 000
2017	1	BALANCE	b/d	550 000 ✓					

7
7

		ASSET DISPOSAL							
2016	31	EQUIPMENT ✓	cr	90 000 ✓	2016	31	AMOUNT DEPR ON VEHICLES	cr	69 000 ✓
							(60 000 + 9000)		
		PROFIT ON SALE ✓		5 000 ✓			CREDITORS CONTROL		26 000 ✓
				95 000					95 000

✓ 9000 OPERATION

$130\,000 - 104\,000 = 26\,000$

10
10

3.3. TANGIBLE ASSET	Land and buildings	Vehicles	Equipment
Cost	3 100 000	1 200 000	510 000
Accumulated depreciation	-	(420 000)	270 000 ✓*
Carrying value(beg. of year)	3 100 000	780 000 ✓*	(240 000)
Movements:			
Additions at cost	0	300 000 ✓✓*	120 000 ✓✓*
Disposals at carrying value	900 000 ✓*	0	(21 000) ✓*
Depreciation	-	(186 000) ✓*	(78 500) ①*
Carrying value(end of year)	2 200 000	894 000 ✓*	270 500 ✓*
Cost	2 200 000	1 500 000	550 000 ✓*
Accumulated depreciation	-	(606 000)	279 500 ✓*

14
14

3.4. Name three control measures that they can introduce to solve the problem.

o INSTALL A TRACKER	✓✓
o PHYSICAL CHECKS COULD BE CONDUCTED BY INSPECTING LOG SHEETS	✓✓
o VEHICLES TO BE PARKED ON BUSINESS PREMISES WHEN NOT IN USE	✓✓
o OWNER TO ^{KEEP} KEYS.	✓✓

6
6

Any 3

$$\begin{aligned} & \checkmark \\ & 510\,000 - 90\,000 + 130\,000 \\ & = 550\,000 \end{aligned}$$

$$\begin{aligned} & \textcircled{1} 270\,000 - 60\,000 + 65\,000 + 63\,000 \\ & = 279\,500 \end{aligned}$$

Total Marks
43
45

GREENBURY SECONDARY SCHOOL



DEPARTMENT OF COMMERCE
H.O.D. MRS C MAHARAJ

Judy