



KWAZULU-NATAL PROVINCE
EDUCATION
REPUBLIC OF SOUTH AFRICA



**NATIONAL
SENIOR CERTIFICATE**

GRADE 11

ACCOUNTING
JUNE 2022
COMMON TEST

Stanmorephysics.com

MARKS: 100

TIME : 1.5 hours

**N.B. This paper consists of 9 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 9 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	TOPIC	MARKS	MINUTES
1	General Ledger	35	30
2	Appropriation Statement and Balance Sheet	33	30
3	Analysis and Interpretation	32	30
TOTAL		100	90

QUESTION 1 PARTNERSHIPS GENERAL LEDGER (35 Marks, 30 Minutes)

The following information was extracted from the books of KK Plumbing Supplies, a business with partner's K Khoza and K Khuzwayo on 28 February 2022, the last day of the financial year.

The business uses a mark-up of 25% on cost.

**REQUIRED:**

- 1.1 Calculate the gross profit for the year ended 28 February 2022. (7)
- 1.2 Complete the following accounts, correctly closed off, in the General Ledger for the year ended 28 February 2022.
SHOW CALCULATIONS SO THAT PART MARKS CAN BE AWARDED.
- 1.2.1 Asset Disposal (8)
- 1.2.2 Profit and Loss (20)

INFORMATION:**Extract from the Pre-adjustment Trial Balance on 28 February 2022**

Balance Sheet Section	Debit	Credit
Capital: K Khoza		800 000
Capital: K Khuzwayo		800 000
Vehicle	235 000	
Accumulated Depreciation on Vehicle (1 March 2021)		45 000
Loan: BC Bank (7% p.a.)		210 000
Nominal Section		
Sales		2 360 000
Cost of Sales	1 815 000	
Debtors Allowances	26 300	
Salaries and Wages	72 000	
Water and Electricity	26 500	
Advertising	6 800	
Discount received		3 850
Rent Income		49 500
Interest on Loan	12 250	
Sundry Expenses	31 800	

ADJUSTMENTS AND ADDITIONAL INFORMATION

- A. A credit sale of R3 000 made on 28 February 2022 has not yet been recorded. Not that a trade discount of R200 has already been deducted from the amount charged to this debtor.
- B. A credit note for R160 was issued to a debtor to correct an overcharge on an invoice.
- C. KK Plumbers' only vehicle was stolen during February 2022. The insurance company notified the business on 28 February 2022, that it would be paying out an amount of R135 000 on 7 March 2022. The business has incurred a loss of R8 000 on this asset.
Note: Vehicles are depreciated at 20% p.a. on cost price.
- D. A portion of the shop has been rented out to AJ's Electrical Repairs since 1 July 2022. Rent has already been received for March 2022.
- E. No entry has been made to record an EFT for R12 000 that was paid to a creditor to settle an account of R12 240.
- F. A direct deposit for R850 was received from a debtor who was written off at the end of the previous financial year.
- G. As per a physical count, consumable stores on hand at the end of the financial year amounted to R4 300. Consumable stores are recorded as a sundry expense.
- H. Provide for the outstanding interest on the mortgage loan. The loan amount has remained unchanged for the year. Interest is capitalised.
- I. The partnership agreement stipulates the following:
- The partners are each entitled to a monthly salary of R16 500
 - The partners are to receive interest at a rate of 5% p.a. on the capital invested in the business.
 - The remaining profits and losses are to be shared equally.



QUESTION 2 APPROPRIATION STATEMENT AND BALANCE SHEET**(33 Marks, 30 Minutes)**

You are provided with extracts from the financial statements of MK Stores owned by M Michael and K Kenneth. This store sells a wide range of hardware items to the public.

REQUIRED:

- 2.1 **Refer to information A**
Complete the Appropriation Statement for the year ended 28 February 2022. (12)
- 2.2 Use the information provided below to complete the Statement of Financial Position (Balance Sheet) of MK Stores for the year ended 28 February 2022. SHOW CALCULATIONS IN BRACKETS SO PART MARKS CAN BE AWARDED. (21)

INFORMATION:

- A. **Extract from the Post Adjustment Trial Balance for the year ended 28 February 2022**

	DR	CR
Balance Sheet Section		
Capital: Michael		?
Capital: Kenneth		?
Current Account Michael	50 000	
Current Account Kenneth		10 000
Trade Debtors	345 000	
Provision for Bad Debts		?
Bank Overdraft		15 000
Petty Cash	?	
Trade Creditors		220 000
Mortgage Loan: BBC Bank		800 000
Trading Stock	?	
Nominal Section		
Sales (90% on credit)		2 880 000

B. Additional Information

- I. The Net Profit for the year ended 28 February 2022 amounted to R824 000.
- II. Michael is entitled to an annual salary of R216 000, whereas Kenneth is entitled to an annual salary that is 15% larger than that earned by Michael.
- III. Remaining profits are split between Michael and Kenneth in the ratio of 0.5 : 1.
- IV. The provision for bad debts is calculated at 5% of book debts.

C. Financial Indicators for the year ended 28 February 2022:

Current Ratio	2.5 : 1
Mark up achieved	50%
Stock turnover rate	7.5 times
Return on average partners equity	25%

QUESTION 3 ANALYSIS AND INTERPRETATION**(32 Marks, 30 Minutes)**

The information provided below was extracted from the accounting records of PM Traders, with partners P. Phungula and M. Moodley, for the financial year ended 30 April 2022.

REQUIRED:

- 3.1 Calculate the following financial indicators, to one decimal place, for the financial year ended 30 April 2022:
- 3.1.1 Acid test ratio (4)
- 3.1.2 The total amount earned by P. Phungula. (4)
- 3.1.3 Percentage return earned by Moodley (5)
- 3.1.4 Debt/equity ratio for 2022 (4)
- 3.2 Is PM Traders liquid at the end of the April 2022? Discuss TWO financial indicators, with figures for both years, to support your answer. (6)
- 3.3 Did PM Traders make the correct decision to increase the long term loan? Identify ONE financial indicator, with figures to support your answer. (3)
- 3.4 Phungula is not happy with his return on investment for the current financial year. Explain TWO reasons he may feel this way. Quote comparison figures to support your answer. (6)

INFORMATION:**A. Extract from the partners current accounts on 30 April 2022:**

	Phungula	Moodley
Total primary distribution	?	379 570
Share in the remaining profit	?	59 010
Drawings	198 095	?

**B. Details of the partners' equity on 30 April**

	Phungula		Moodley	
	2022	2021	2022	2021
Capital	650 000	535 000	325 000	350 000
Current Accounts	205 720	22 300	59 580	69 000
Total	855 720	557 300	384 580	419 000

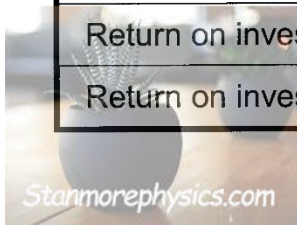
C. Extract from the Balance Sheet on 30 April:

	2022	2021
Long term Loan: Simi Bank	742 380	85 000
Current Assets*	598 080	441 600
Current liabilities	427 200	368 000

* Note that current assets include trading stock of R273 400 in 2022.

D. Financial Indicators on 30 April:

	2022	2021
Current ratio	1,4 : 1	1,2 : 1
Acid test ratio	?	0,7 : 1
Debt/equity ratio	?	0,1 : 1
Return on investment : Phungula	54%	46%
Return on investment : Moodley	?	81%



32

TOTAL MARKS
100

FORMULAE SHEET: GRADE 11

$\frac{\text{Gross Profit}}{\text{Sales}} \times \frac{100}{1}$	$\frac{\text{Gross Profit}}{\text{COS}} \times \frac{100}{1}$	$\frac{\text{Net Profit}}{\text{Sales}} \times \frac{100}{1}$
$\frac{\text{Operating Expenses}}{\text{Sales}} \times \frac{100}{1}$	$\frac{\text{Operating Profit}}{\text{Sales}} \times \frac{100}{1}$	
$\frac{\text{Total Earnings By Partner}}{\text{Partners' Average Equity}} \times \frac{100}{1}$	$\frac{\text{Net Profit}}{\text{Av Partners' Equity}} \times \frac{100}{1}$	
Current Assets : Current Liabilities	(CA – Inventory) : Current Liabilities	
$\frac{\text{Average Debtors}}{\text{Credit Sales}} \times \frac{365 \text{ (or 12)}}{1}$	$\frac{\text{Average Creditors}}{\text{Credit Purchases}} \times \frac{365 \text{ (or 12)}}{1}$	
$\frac{\text{Average Inventories}}{\text{Cost of Sales}} \times \frac{365 \text{ (or 12)}}{1}$	$\frac{\text{Cost of Sales}}{\text{Average Trading Stock}}$	
Non-Current Liabilities : Partners' Equity	Total Assets : Total Liabilities	



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GRADE 11

**ACCOUNTING
ANSWER BOOK
JUNE 2022
COMMON TEST**



MARKS : 100

TIME : 1.5 hours

Date: _____

Name: _____ **Grade:** _____

Question	Topic	Learners Mark	Moderators Mark
1	General Ledger		
2	Appropriation Statement and Statement of Financial Position		
3	Analysis and Interpretation		

N.B. This answer book consists of 5 pages

QUESTION 2

APPROPRIATION STATEMENT AND STATEMENT OF FINANCIAL POSITION

2.1 Appropriation Statement of MK Stores for the year ended 28 February 2022.

	M Michael	K Kenneth	Total
Profit per Income Statement			
Partners' Salaries			
Interest on Capital	14 600	15 000	29 600
Primary distribution of profits			
Final distribution of profits			

12

2.2 Statement of Financial Position of MK Stores as at 28 February 2022

Assets	
Non-current Assets	
Current Assets	
Total Assets	
Equity and Liabilities	
Partners Equity	
Non-current Liabilities	
Current Liabilities	
Total Equity and Liabilities	



21

33



QUESTION 3

ANALYSIS AND INTERPRETATION

3.1.1 Acid test ratio

4

3.1.2 The total amount earned by P. Phungula.

4

3.1.3 Percentage return earned by Moodley

5

3.1.4 Debt/equity ratio for 2022

4

3.2 Is PM Traders liquid at the end of the April 2022? Discuss TWO financial indicators, with figures for both years, to support your answer.


6

3.3 Did PM Traders make the correct decision to increase the long term loan? Identify ONE financial indicator, with figures to support your answer.

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3

3.4 Phungula is not happy with his return on investment for the current financial year. Explain TWO reasons he may feel this way. Quote comparison figures to support your answer.



6

32



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GRADE 11

**ACCOUNTING
MARKING GUIDELINE**

JUNE 2022

COMMON TEST

MARKS : 100

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MARKING PRINCIPLES:

1. Penalties for foreign items are applied only if the candidate is not losing marks elsewhere in the question for that item. No double penalty applied.
2. Penalties for placement or poor presentation (e.g. details) are applied only if the candidate is earning marks on the figures for that item.
3. Full marks for correct answer. If answer incorrect, mark the workings provided.
4. If a pre-adjustment figure is shown as the final figure, award one mark. Not the method mark for the answer. Note: if figures are stipulated in memo for components of workings, these do not carry the method for final answer.
5. Unless otherwise indicated, the positive or negative effect of any figure must be considered to award the mark. If no + or – sign or bracket is provided, assume that the figure is positive.
6. Where indicated, part-marks may be awarded to differentiate between differing qualities of answers from candidates.
7. Where penalties are applied, the marks for that section of the question cannot be a final negative.
8. Where method marks are awarded for operation, the marker must inspect the reasonableness of the answer before awarding the mark.
9. 'Operation' means 'Check operation'. 'One part correct' means 'Operation & one part correct'. Note: check operation must be +, -, x, ÷, or per candidates operation.
10. In awarding method marks, ensure that candidates do not get full marks for any item that is incorrect, indicate with a . Note: do not award marks for workings if numerator and denominator are swapped-this also applies to ratios.
11. Be aware of candidates who provide valid alternatives beyond the marking guideline.
12. Codes: f=foreign item; p=placement.

This marking guideline consists of 5 pages.

QUESTION 1 PARTNERSHIPS GENERAL LEDGER**1.1 Calculate the gross profit for the year ended 28 February 2022.**

$$2\,360\,000\checkmark - 26\,300\checkmark - 1\,815\,000\checkmark + 3\,000\checkmark - 2\,560\checkmark - 160\checkmark$$

$$= 518\,980 \quad \checkmark \text{ One part correct}$$

7

1.2.1 Asset Disposal

2022 Feb	28	Vehicles✓	235 000 ✓	2022 Feb	28	Accumulated Depreciation: Vehicles✓	92 000 ✓
						Accrued Income/ Creditors Control	135 000 ✓
						Loss on disposal of asset✓	8 000✓
			235 000			Both totals	235 000

8

1.2.2 Profit and Loss

2022 Feb	28	Salaries and Wages	72 000✓	2022 Feb	28	Trading Account	518 980 See 1.1 ✓
		Water and Electricity	26 500✓			Discount Received (3 850✓ + 240✓)	4 090✓
		Advertising	6 800✓			Rent Income (49 500✓ - 5 500✓)	44 000✓
		Interest on Loan (12 250✓ + 2 450✓)	14 700✓			Bad Debts Recovered	850✓
		Sundry Expenses (31 800✓ - 4 300✓)	27 500✓				
		Loss on disposal of asset	8 000✓				
		Depreciation	47 000✓				
		Appropriation	365 420 ✓				
			567 920				567 920

20

QUESTION 2

APPROPRIATION STATEMENT AND STATEMENT OF FINANCIAL POSITION

2.1 Appropriation Statement of MK Stores for the year ended 28 February 2022.

	M Michael	K Kenneth	Total
Profit per Income Statement	340 600 ✓	483 400 ✓	824 000 ✓
Partners' Salaries	216 000 ✓	248 400 ✓	464 400
Interest on Capital	14 600	15 000	29 600
Primary distribution of profits	230 600 ✓	263 400 ✓	494 000
Final distribution of profits (0.5: 1)	110 000 ✓ ✓	220 000 ✓ ✓	330 000 ✓

12

2.2 Statement of Financial Position of MK Stores as at 28 February 2022

Assets		
Non-current Assets	TA - CA	3 743 500 ✓
Current Assets	(CL X 2.5)	587 500 ✓ ✓
Inventories	(COS → 1 920 000 / 7.5)	256 000 ✓ ✓
Trade and other Receivables (345 000 ✓ - 17 250 ✓)	one part correct	327 750 ✓
Cash and Cash Equivalents	Balancing figure	3 750 ✓
Total Assets	TL = TA	4 331 000 ✓
Equity and Liabilities		
Partners Equity	824 000 X 100/25	3 296 000 ✓ ✓
Capital Accounts	missing amount	2 512 000 ✓
Current Accounts (290 600 ✓ + 493 400 ✓)	See 2.1	(784 000) ✓
Non-current Liabilities		800 000
Mortgage Loan: BBC Bank		800 000 ✓
Current Liabilities		235 000 ✓
Trade and other Payables		220 000 ✓
Bank overdraft		15 000 ✓
Total Equity and Liabilities	Partners Equity + NCL + CL	4 331 000 ✓

21

QUESTION 3**ANALYSIS AND INTERPRETATION****3.1.1 Acid test ratio**

$$598\,080\checkmark - 273\,400\checkmark : 427\,200\checkmark$$

$$324\,680 : 427\,200$$

$$0.76 : 1$$

$$0.8 : 1\checkmark \quad \text{One part correct}$$

4

3.1.2 The total amount earned by P. Phungula.

$$205\,720\checkmark + 198\,095\checkmark - 22\,300\checkmark$$

$$= 381\,515\checkmark \quad \text{One part correct}$$

OR

$$(855\,720 \text{ One mark} + 557\,300 \text{ One mark})/2$$

$$= 706\,510 \times 54\% \text{ One mark}$$

$$= R318\,515.40$$

$$= R318\,515 \text{ Method mark}$$

4

3.1.3 Percentage return earned by Moodley

$$\frac{379\,570\checkmark + 59\,010\checkmark}{(384\,580\checkmark + 419\,000\checkmark)/2} \times \frac{100}{1}$$

$$\frac{438\,580}{401\,790} \times \frac{100}{1}$$

$$= 109.15$$

$$= 109.2\%\checkmark \quad \text{One part correct}$$



5

3.1.4 Debt/equity ratio for 2022

$$742\,380\checkmark : 855\,720\checkmark + 384\,580\checkmark$$

$$742\,380 : 1\,240\,300$$

$$0.6:1\checkmark \quad \text{One part correct}$$

4

3.2 Is PM Traders liquid at the end of the April 2022? Discuss TWO financial indicators, with figures for both years, to support your answer.

Financial indicators with trends ✓✓ ✓✓ **Explanation**

The current ratio improved from 1.2 : 1 to 1.4 : 1

The acid test ratio improved from 0.7: 1 to 0.8: 1

PM traders is currently liquid, but may experience problems in the future as there are not enough current assets when compared to current liabilities/short term debts.

There is also currently too much stock on hand which can become absolute.

6

3.3 Did PM Traders make the correct decision to increase the long term loan? Identify ONE financial indicator, with figures to support your answer.

Explanation with financial indicator

✓

✓✓

Yes, although the debt equity ratio increase from 0.1 : 1 to 0.6 : 1, the business is still at a relatively low risk.

3

3.4 Phungula is not happy with his return on investment for the current financial year. Explain TWO reasons he may feel this way. Quote comparison figures to support your answer.

Comparison of figures with explanation

✓✓✓

✓✓✓

- P Phungula's return on equity has increased by 8% (from 46% to 54%) compared to M Moodley's return increased by 28.2% (from 81% to 109.2%)
- Phungula is the partner that has contributed more capital (R650 000 vs R325 000)
- Phungula also has a larger balance on his current account (R205 720 vs R59 580)

6