



GAUTENG PROVINCE
EDUCATION
REPUBLIC OF SOUTH AFRICA

PROVINCIAL EXAMINATION
NOVEMBER 2022
GRADE 11

ACCOUNTING
(PAPER 2)

TIME: 2 hours

MARKS: 150

13 pages + 1 formula sheet and an answer book of 11 pages

Stanmorephysics

INSTRUCTIONS AND INFORMATION

1. Answer ALL the questions.
2. A special ANSWER BOOK is provided in which to answer ALL the questions.
3. A FORMULA SHEET for financial indicators is provided at the back of this question paper. You may use it if necessary.
4. Show ALL workings to earn part-marks.
5. Where applicable, round all calculations to the nearest rand. All other calculations must be rounded off to one decimal place.
6. Read the instructions of each question carefully and follow them precisely.
7. Learners will forfeit marks for:
 - The use of non-standardised abbreviations
 - Overwriting of figures or words
 - Superfluous/foreign entries
8. You may use a non-programmable calculator.
8. Write neatly and legibly.
9. You may use blue/black ink to answer the questions.
10. Use the information in the table below as a guide when answering the question paper. Try NOT to deviate from it.

QUESTION	TOPIC	MARKS	TIME IN MINUTES
1	Reconciliations	40	32 minutes
2	Cost Accounting	40	32 minutes
3	VAT and Inventory Systems	30	24 minutes
4	Cash Budgets and Projected Income Statement	40	32 minutes
	TOTAL	150	120 minutes

QUESTION 1: RECONCILIATIONS**(40 marks; 32 minutes)****MAMBA TRADERS****BANK RECONCILIATION**

Mamba Traders appointed a new bookkeeper who is struggling to prepare a Bank Reconciliation Statement for June 2022.

REQUIRED:**1.1 CONCEPTS**

Choose the correct word/s that match/es with the statements below. Write only the answer next to the question numbers (1.1.1 to 1.1.5) in the ANSWER BOOK.

materiality; prudence; debit; credit; CRJ; CPJ; debit card; credit card; liability; asset
--

(5)

1.1.1 A _____ balance on the Bank Statement is an unfavourable balance.

1.1.2 Interest credited on the Bank Statement is recorded in the _____.

1.1.3 Service fees and ATM deposit fees are added and recorded as bank charges according to the _____ concept.

1.1.4 A _____ is used to buy goods or services from suppliers and the amount used is paid back to the bank at a later date.

1.1.5 An unfavourable balance to the bank is a/an _____ to the business.

1.2 Use the following information taken from the accounting records of Mamba Traders.**REQUIRED:**

1.2.1 Calculate the correct totals for the Cash Receipts Journal and Cash Payments Journal.

(10)

1.2.2 Prepare the Bank Reconciliation Statement as at 30 June 2022.

(8)

INFORMATION:**A Extract from the Bank Reconciliation Statement on 31 May 2022**

	DR	CR
Balance as per Bank Account	15 600	
Outstanding deposits	8 800	
Outstanding EFTs No. 178	5 900	
No. 201	1 750	
No. 220	7 350	
No. 225	5 500	
Balance as per Bank Statement		27 300

B The balance on the Bank Statement on 30 June 2022 was R11 892 (favourable).

C The Cash Journals had the following totals on 30 June 2022, before the Bank Reconciliation was completed:

CASH RECEIPTS	R20 420
CASH PAYMENTS	R29 070

D The following items appeared on the Bank Statement for June 2022, but not in the Cash Journals for June 2022:

- EFT numbers 201 and 220
- Deposit of R8 800
- A direct deposit of R3 500 was made by a tenant for her July 2022 rent.
- Bank charges of R260
- A debit card payment of R250 to purchase new windscreen wipers for the vehicle
- Interest on the credit balance of R52

E The following items appeared in the Cash Journals for June 2022 but not on the Bank Statement.

- EFT number 250 for stationery bought and EFT number 251 for petrol for the owner's private vehicle worth R2 300 and R1 700 respectively.
- An outstanding deposit of R750 from a customer.

F The following errors were noted when preparing the Bank Reconciliation Statement for July.

- EFT number 178 was incorrectly recorded in the Cash Payment Journal for May 2022. The correct amount of R2 300 appears on the Bank Statement for June 2022.
- EFT number 225 was incorrectly recorded in the Cash Payments Journal for May 2022. The correct amount of R10 450 appears on the Bank Statement for June 2022.

1.3 CREDITORS' RECONCILIATION**ADAMJEE FOODS**

Adamjee Foods is a restaurant located in Sandton, Gauteng. This business caters for workers in the area and provides them with healthy meals during tea and lunch breaks. Adamjee Foods has an account with Kajee Meats from where they purchase meat.

REQUIRED:

- 1.3.1 Use the table provided in your ANSWER BOOK to reconcile the Creditors' Ledger of Adamjee Foods with the statement received from Kajee Meats at the end of April 2022.

Write only the amounts in the appropriate column with a plus (+) or (-) sign to indicate an increase or a decrease in the balance.

Calculate the correct balance/total at the end of the month. (13)

- 1.3.2 Kajee's bookkeeper advised him to stop accepting cash payments from the businesses that he supplies with meat. He was advised to request that all payments should be made electronically using the customers' numbers as references. Discuss TWO advantages of using this method of payment. (4)

INFORMATION:

- A The balances on 30 April 2022 before the completion of the Creditors' Reconciliation were as follows.**

Adamjee Foods Creditors' Ledger	R56 500
Account Statement from Kajee Meats	R67 500

- B Errors and omissions discovered during the reconciliation process.**

- i The opening balance on 1 April 2022 in the Creditors' Ledger of Adamjee Foods was recorded as R76 000 instead of R67 000.
- ii Stock amounting to R2 500 that was returned by Adamjee Foods was not recorded in the statement of account from Kajee Meats.
- iii An invoice of R11 000 issued by Kajee Meats had not been recorded in the Creditors' Ledger of Adamjee Foods.
- iv Stock of R6 000 returned by Akojee Foods was accidentally recorded as Adamjee Foods on the statement received from Kajee Meats.

- v A cash payment of R5 000, from Adamjee Foods was not reflected on the statement from Kajee Meats. Upon investigation, it was discovered that Kajee Meats did not have a receipt book on the day the money was received, therefore no source document was issued. It was assumed that Adamjee Foods was correct.
- vi Interest of R500 charged by Kajee Meats on the overdue account of Adamjee Foods needs to be cancelled as the account was paid on time.
- vii An invoice for R3 500 received from Kajee Meats was recorded as a debit note in the Creditor's Ledger of Adamjee Foods.

40

QUESTION 2: COST ACCOUNTING**(40 marks; 32 minutes)****2.1 CONCEPTS**

For each item below, indicate the appropriate cost category from the following options. Write only the word/s next to the question numbers (2.1.1 to 2.1.5) in the ANSWER BOOK.

Selling and distribution;	Direct materials;	Factory overheads;
Indirect labour;	Administration	

- 2.1.1 Wages paid to the factory supervisor
- 2.1.2 Advertising
- 2.1.3 Office telephone
- 2.1.4 Materials used to make the final product
- 2.1.5 Insurance paid by the factory (5)

2.2 FASHION JEANS MANUFACTURERS

You are provided with the following information relating to Fashion Jeans Manufacturers. The financial year ends on 28 February each year.

REQUIRED:

Prepare the following accounts in the General Ledger.

NOTE: You are required to balance all accounts.

- 2.2.1 Raw Material Stock (8)
- 2.2.2 Factory Overhead Cost (12)
- 2.2.3 Work-in-progress Stock (5)
- 2.2.4 Finished Goods Stock (3)

P.T.O.

INFORMATION:

A The following balances appeared in the books of Fashion Jeans Manufacturers.

	28 February 2022	1 March 2021
Raw Material Stock	54 000	72 000
Consumable stores on hand (indirect materials)	3 800	7 000
Work-in-progress Stock	62 000	81 000
Finished goods Stock	165 000	138 000

B Summary of transactions for the year ended 28 February 2022

Raw materials purchased for cash during the year	850 000
Carriage on purchases paid on raw materials purchased	53 000
Customs duties paid	124 000
Advertising paid	55 000
Wages: Factory workers	763 000
Factory cleaner	72 000
Factory foreman's salary	142 000
Rent paid	320 000
Water and electricity paid	28 000
Indirect material purchased	43 000
Sundry expenses paid	17 400
Office assistant's salary for the year	130 000
Commission paid to salespersons	100 000
Insurance paid	42 000
Motor vehicle expenses paid: Selling and distribution	25 200
Administration	56 000
Stationery and printing paid (all administration)	11 000

C Additional information and adjustments:

1. Raw material costing R127 500 purchased on credit from Alt Traders, a foreign based company, has not been recorded. Customs duties of 15% on this purchase that was paid was not recorded.
2. Rent and sundry expenses are allocated according to the percentage of floor space used. Factory 80%, office 5% and shop 15%.
3. Insurance is to be apportioned in the ratio of 4:1:1 to factory, selling and distribution and administration costs respectively.
4. Water and electricity of R21 000 relates to the factory. The rest is shared equally between the administration and sales departments.

2.3 LITTLE ANGELS TOY MANUFACTURERS

Little Angels Toy Manufacturers manufactures scooters for toddlers. The information below was taken from their records for the financial year ended 28 February 2022.

REQUIRED:

- 2.3.1 Provide calculations to show that the break-even point for the year ended 28 February 2022 is 507 units. (3)
- 2.3.2 Explain using figures why the owner is not happy with the break-even point. (2)
- 2.3.3 The owner has been importing plastic material from Botswana. She wants to change to a local supplier who is supplying plastic material which is of a lower quality.
- Do you agree or disagree with her decision. Give a reason for your answer. (2)

INFORMATION:

The following information was extracted from the books of Little Angels Toy Manufacturers.

Selling price per unit	R860
Variable cost per unit	R590
Fixed costs	R136 890
Number of units produced and sold	480 units
Break-even point	507 units

QUESTION 3: VAT AND INVENTORY SYSTEMS**(30 marks; 24 minutes)****3.1 VAT****KAMA STORES**

You are provided with extracts from the books of Kama Stores, a registered VAT vendor. Goods are subject to VAT at a rate of 15%.

REQUIRED:

- 3.1.1 State whether the following statement is TRUE or FALSE. Explain the reason for your answer.

All goods are charged VAT at 15% in South Africa.

(4)

- 3.1.2 Calculate the amounts marked **A – D** in the table given below.

(4)

INFORMATION:

Excluding VAT	Including VAT	VAT
A	R736 000	B
R4 600	C	
R890 000		D

3.2 INVENTORY SYSTEMS

Indicate whether the following statements are TRUE or FALSE. Write only True or False next to the question numbers (3.2.1 to 3.2.5) in the ANSWER BOOK.

- 3.2.1 Carriage on sales increases the value of trading stock when using the periodic inventory system.

- 3.2.2 One advantage of the perpetual inventory system is that stock theft is easily detected.

- 3.2.3 Cost of sales is calculated at the end of a certain period in the perpetual inventory system.

- 3.2.4 The periodic inventory system is mainly used when large volumes of high cost items are sold.

- 3.2.5 The perpetual inventory system is costly to administer.

(5)

S. SMITH

3.3 The information provided below relates to a business run by S. Smith which sells school sun hats. The business uses the Periodic Inventory System. The financial year ends on 30 September 2022.

REQUIRED:

- 3.3.1 Calculate the cost of sales for the year ended 30 September 2022. Show all your calculations. (12)
- 3.3.2 Calculate the average rate of stock turnover for 2022. (5)

INFORMATION:**Balances/Totals in the General Ledger**

	30 September 2022	1 October 2021
Stock of school sun hats	?	34 000
Creditors' Control	96 000	103 000

Additional adjustments not taken into account:

- A. School sun hats are bought on credit by the business.
- B. The supplier charges R500 per delivery. 19 separate orders were made and delivered during the year.
- C. Creditors were paid R424 570 during the financial year.
- D. Four sun hats with a cost price of R80 each were damaged and returned to the supplier during the financial year.
- E. Old stock to the value of R12 000 was donated to a local orphanage.
- F. At the year-end physical stocktaking, 275 hats were on hand at an average cost of R90 each.



QUESTION 4: CASH BUDGETS AND PROJECTED INCOME STATEMENT**(40 marks; 32 minutes)****4.1 CASH BUDGETS AND PROJECTED INCOME STATEMENT****JADEN STORES**

The following transactions were taken from the records of Jaden Stores for the period ending 31 October 2022.

Complete the table in the ANSWER BOOK by filling in the amounts only in the relevant column(s). (8)

Example: The stationery account for October 2022, R5 870 was paid by EFT.

No.	Amount in the Cash Budget for October 2022		Amount in the Projected Income Statement for October 2022	
	RECEIPT	PAYMENT	INCOME	EXPENSE
Example	0	R5 870	0	R5 870

Transactions:

- 4.1.1 Total depreciation on tangible assets for the financial year ended 31 October 2022 amounted to R15 870.
- 4.1.2 Cash payments to creditors for October 2022 are expected to be R92 950 after taking out discounts of R3 260 for early payments.
- 4.1.3 An instalment of R8 580 on the loan is expected to be paid on 25 October 2022. R580 of this amount is the interest on loan.
- 4.1.4 The expected cash sales for October 2022 was estimated to be R134 960. The profit mark-up is 40% on cost.



4.2 CASH BUDGETS

TRYHARD STORES

The information below relates to Tryhard Stores. Their financial year ends on 30 September 2022.

REQUIRED:

- 4.2.1 Prepare the Debtors' Collection Schedule for September and October 2022. (10)
- 4.2.2 Calculate the missing amounts indicated by the letters **A** to **J** in the Cash Budgets for September and October 2022. (22)

INFORMATION:

1. **Extract of Cash Budgets for the period September and October 2022**

Cash Receipts	September	October
Cash sales	168 000	A
Collection from debtors	43 700	B
Rent income	15 000	C
Cash Payments		
Cash purchases	20 000	D
Payments to creditors	29 100	E
Sundry expenses	F	6 000
Loan	10 000	--
Interest on loan (12%)	500	G
Salaries	H	42 000
Drawings	I	J

2. **Sales and Purchases**

Months	Credit Sales	Credit Purchases
August	57 000	27 000
September	?	30 000
October	55 000	33 000
November	54 600	36 000

Note: Credit sales are 25% of the total sales.

3. Debtors are expected to pay as follows:

- 50% in the transaction month subject to a 5% discount
- 30% in the month following the transaction month
- 15% in the second month following the transaction month
- 5% will be written off as bad debts after the third month



4. Rent will decrease by 15% from 1 October 2022.

5. Credit purchases are 60% of total purchases.

Creditors are paid one month after purchases subject to a 3% discount.

6. Sundry expenses increase by R800 each month.

7. **Balance on 1 September 2022**

Loan: Big Bank	50 000
----------------	--------

8. Part of the loan will be repaid on 30 September 2022.

9. Salaries will increase by 5% with effect from 1 October 2022.

10. The owner plans to withdraw R15 000 cash per month for personal use. He will also take an additional R2 000 stationery home for his children in October.

40

TOTAL: 150



END

FORMULA SHEET

$\frac{\text{Gross Profit}}{\text{Sales}} \times \frac{100}{1}$	$\frac{\text{Gross Profit}}{\text{Cost of Sales}} \times \frac{100}{1}$	$\frac{\text{Net Profit}}{\text{Sales}} \times \frac{100}{1}$
$\frac{\text{Operating Expenses}}{\text{Sales}} \times \frac{100}{1}$	$\frac{\text{Operating Profit}}{\text{Sales}} \times \frac{100}{1}$	
$\frac{\text{Total earnings by Partner}}{\text{Average Partners' Equity}} \times \frac{100}{1}$	$\frac{\text{Net Profit}}{\text{Average Partners' Equity}} \times \frac{100}{1}$	
Current Assets: Current Liabilities	Current Assets – Inventories: Current Liabilities	
$\frac{\text{Average Debtors}}{\text{Credit Sales}} \times \frac{365}{1} \text{ or } \frac{12}{1}$	$\frac{\text{Average Creditors}}{\text{Credit Purchases or Cost of Sales}} \times \frac{365}{1} \text{ or } \frac{12}{1}$	
$\frac{\text{Average Inventories}}{\text{Cost of Sales}} \times \frac{365}{1} \text{ or } \frac{12}{1}$	$\frac{\text{Cost of Sales}}{\text{Average Inventories}}$	
Non-Current Liabilities: Partners' Equity	Total Assets: Total Liabilities	
$\frac{\text{Fixed Cost}}{\text{Selling price per unit} - \text{Variable costs per unit}}$		





PROVINCIAL EXAMINATION

NOVEMBER 2022

GRADE 11

**ACCOUNTING
(PAPER 2)**

ANSWER BOOK

TIME: 2 hours

MARKS: 150

11 pages

Name of school	
Name of learner	
Grade	
Date	

Question	Topic	Maximum Marks	Marks Obtained	Moderated Marks
1	Reconciliations	40		
2	Cost Accounting	40		
3	Vat and Inventory Systems	30		
4	Cash Budgets and Projected Income Statement	40		
Total		150		

QUESTION 1: RECONCILIATIONS

(40 marks; 32 minutes)

1.1 Choose the correct word/s that match/es with the statements below.

1.1.1		
1.1.2		
1.1.3		
1.1.4		
1.1.5		

5

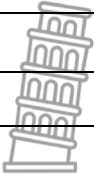
1.2 1.2.1 Cash Receipts Journal and Cash Payments Journal for June 2022

CASH RECEIPTS JOURNAL	CASH PAYMENTS JOURNAL
20 420	29 070

10



1.2.2 Bank Reconciliation Statement of Mamba Traders on 30 June 2022

	Debit	Credit
		

8

1.3 1.3.1 Creditors' Reconciliation of Adamjee Foods

Creditors' Reconciliation on 31 May 2022

	Creditors' Ledger of Adamjee Foods	Statement of Account from Kajee Meats
Balance		
i		
ii		
iii		
iv		
v		
vi		
vii		
Total		



13

1.3.2	Kajee's bookkeeper advised him to stop accepting cash payments from the businesses that he supplies with meat. He is advised to request that all payments should be made electronically using the customers' numbers as references. Discuss TWO advantages of this method of payment.	

4

40

QUESTION 2: COST ACCOUNTING

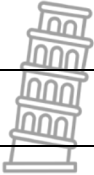
(40 marks; 32 minutes)

2.1

2.1.1	
2.1.2	
2.1.3	
2.1.4	
2.5.5	

5

2.2.3 DR WORK-IN-PROGRESS STOCK ACCOUNT B3 CR

2021 Mar	1	Balance	b/d	81 000					
									

5


2.2.4 DR FINISHED GOODS STOCK ACCOUNT B5 CR

2021 Mar	1	Balance	b/d	138 000					


3



2.3 LITTLE ANGELS TOY MANUFACTURERS

2.3.1	Provide calculations to show that the break-even point for the year ended 28 February 2022 is 507 units.	(3)
		

2.3.2	Explain using figures, why the owner is not happy with the break-even point.	(2)

2.3.3	The owner has been importing plastic material from Botswana. She wants to change to a local supplier who is supplying plastic material which is of a lower quality. Do you agree or disagree with her decision? Give a reason for your answer.	(2)
		

QUESTION 3: VAT AND INVENTORY SYSTEMS (30 marks; 24 minutes)

3.1 VAT

3.1.1	<p>State whether the following statement is TRUE or FALSE. Explain the reason for your answer. All goods are charged VAT at 15% in South Africa.</p>	(4)

3.1.2	<table border="1" style="margin-left: 20px;"> <tr> <td style="width: 10%; text-align: center;">A</td> <td style="width: 80%;"></td> </tr> <tr> <td style="text-align: center;">B</td> <td></td> </tr> <tr> <td style="text-align: center;">C</td> <td></td> </tr> <tr> <td style="text-align: center;">D</td> <td></td> </tr> </table>	A		B		C		D	
A									
B									
C									
D									

4

3.2 INVENTORY SYSTEMS

3.2.1	
3.2.2	
3.2.3	
3.2.4	
3.2.5	

5



3.3

3.3.1	Calculate the cost of sales for the year ended 30 September 2022. Show all your calculations.	(12)										
	<table border="1" style="width: 100%;"> <tr> <td style="width: 80%;">Opening Stock</td> <td style="width: 20%;"></td> </tr> <tr> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> </tr> <tr> <td> </td> <td> </td> </tr> <tr> <td>Cost of Sales</td> <td> </td> </tr> </table>	Opening Stock								Cost of Sales		
Opening Stock												
Cost of Sales												

3.3.2	Calculate the average rate of stock turnover for 2022.	(4)

30



QUESTION 4: CASH BUDGETS AND PROJECTED INCOME STATEMENT

(40 marks; 32 minutes)

4.1

No.	Amount in the Cash Budget for October 2022		Amount in the Projected Income Statement for October 2022	
	RECEIPT	PAYMENT	INCOME	EXPENSE
Example	0	R5 870	0	R5 870
4.1.1				
4.1.2				
4.1.3				
4.1.4				

8

4.2


4.2.1 **DEBTORS' COLLECTION SCHEDULE FOR SEPTEMBER AND OCTOBER 2022**

	Credit Sales	September	October
August	57 000		
September			
October	55 000		
Debtors' collections			



10

4.2.2 Calculate the missing amounts indicated by the letters A to J in the Cash Budgets for September and October 2022.

	Workings	Answer
 A		
B		
C		
D		
E		
F		
G		
H		
I		
J		

22

40



TOTAL: 150

END



PROVINCIAL EXAMINATION

NOVEMBER 2022

GRADE 11

MARKING GUIDELINES

ACCOUNTING (PAPER 2)

11 pages

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 penalty for misplaced 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 is incorrect, mark the workings provided.
4. If a pre-adjustment figure is shown as a final figure, allocate the part-mark for the working for that figure (not the method mark for the 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. 'Operation' means check operation. 'One part correct' means operation and one part correct. Note: 'check operation' must be +, -, x, ÷ as per memo.
9. 'One part correct' means operation and one part correct. Where method marks are awarded for one part correct, the marker must inspect the reasonableness of the answer and at least one part must be correct before awarding the mark. If a figure has earned a method mark, this will be regarded as 'one part correct'.
10. In calculations, do not award marks for workings if numerator and denominator are swapped – this also applies to ratios.
11. In awarding method marks, ensure that candidates do not get full marks for any item that is incorrect at least in part. Indicate with a ☒
12. Be aware of candidates who provide valid alternatives beyond the marking guideline.
13. Codes: f = foreign item; p = placement/presentation.

QUESTION 1: RECONCILIATIONS

40 marks; 32 minutes

1.1 Choose the correct word/s that match/es with the statements below.

1.1.1	debit ✓	
1.1.2	CRJ ✓	
1.1.3	materiality ✓	
1.1.4	credit card ✓	
1.1.5	liability ✓	

5

1.2 1.2.1 Cash Receipts Journal and Cash Payments Journal for June 2022

CASH RECEIPTS JOURNAL	CASH PAYMENTS JOURNAL
20 420	29 070
3 500 ✓	260 ✓
52 ✓	250 ✓
3 600 ✓✓	4 950 ✓✓
27 572 ✓	34 530 ✓

10



1.3.2	Kajee's bookkeeper advised him to stop accepting cash payments from the businesses that he supplies with meat. He is advised to request that all payments should be made electronically using the customers' numbers as references. Discuss TWO advantages of this method of payment.	
	<ul style="list-style-type: none"> • The bank statement can be used as a source document to record all money received. • Money cannot be lost/spent/misplaced by Kajee while delivering to these businesses. • Kajee will also be safer as he will not be carrying large amounts of cash in his delivery vehicle. <p>Any TWO relevant points. ✓✓</p>	

4

40

QUESTION 2: COST ACCOUNTING

(40 marks; 32 minutes)

2.1 CONCEPTS

2.1.1	Indirect labour ✓ or factory overhead
2.1.2	Selling and distribution costs ✓
2.1.3	Administration ✓
2.1.4	Direct Materials ✓
2.5.5	Factory overhead ✓

5

2.2 GENERAL LEDGER OF FASHION JEANS MANUFACTURERS

2.2.1		DR	RAW MATERIAL STOCK ACCOUNT B2				CR
2021 Mar	1	Balance	b/d	√ 72 000		W-I-P	<input checked="" type="checkbox"/> 1 191 625
		Bank		√ 850 000		Balance	c/d √ 54 000
		Carriages		√ 53 000			
		Customs Duties (124 000 + 19 125)		√ <input checked="" type="checkbox"/> 143 125			
		Creditors' Control		√ 127 500			
				1 245 625			1 245 625
2022 Mar	1	Balance	b/d	54 000			

8

2.2.2		DR	FACTORY OVERHEAD COST ACCOUNT N2				CR	
2022 Feb	28	Foreman's Salary		142 000	2022 Feb	28	W-I-P	<input checked="" type="checkbox"/> 579 120
		Indirect labour		72 000				
		Indirect Materials (7 000√ + 43 000√ - 3 800√)		<input checked="" type="checkbox"/> 46 200 one part correct				
		Factory rent (320 000 x 0,8)		√√ 256 000				
		Sundry Expenses (17 400 x 0,8)		√√ 13 920				
		Insurance (42 000 x 4/6)		√√ 28 000				
		Water and Electricity		√ 21 000				
				579 120				579 120

12

2.2.3 DR WORK-IN-PROGRESS STOCK ACCOUNT B3 CR

2021 Mar	1	Balance	b/d	81 000	2022 Feb	28	Finished Goods Stock		<input checked="" type="checkbox"/> 2 552 745
		Direct Material Cost	GJ	<input checked="" type="checkbox"/> 1 191 625			Balance	c/d	√ 62 000
		Direct Labour Cost	GJ	√ 763 000					
		Factory Overhead Cost		<input checked="" type="checkbox"/> 579 120					
				2 614 745					2 614 745
2022 Mar	1	Balance	b/d	62 000					

05

2.2.4 DR FINISHED GOODS STOCK ACCOUNT B5 CR

2021 Mar	1	Balance	b/d	138 000	2022 Feb	28	Cost of Sales		<input checked="" type="checkbox"/> 2 525 745
2022 Feb	28	Work in Process	GJ	<input checked="" type="checkbox"/> 2 552 745			Balance	c/d	√ 165 000
				2 690 745					2 690 745
2022 Mar	1	Balance	b/d	165 000					

3



2.3 LITTLE ANGELS TOY MANUFACTURERS

2.3.1	Provide calculations to show that the break-even point for the year ended 28 February 2022 is 507 units.	
	$\frac{\text{Total fixed cost}}{\text{Selling price} - \text{Variable cost}}$ $= \frac{136\,890 \checkmark}{860 \checkmark - 590 \checkmark}$ $= \frac{136\,800}{270}$ $= 507 \text{ units}$	(3)
2.3.2	Explain using figures, why is the owner not happy with the break-even point.	
	The business is currently producing less than the BEP by 27 units. \checkmark The business is incurring a loss of R7 290.	(2)
2.3.3	The owner has been importing plastic material from Botswana. She wants to change to a local supplier who is supplying plastic material which is of a lower quality. Do you agree or disagree with her decision? Give a reason for your answer.	
	Disagree \checkmark <ul style="list-style-type: none"> • Quality of the product will not be the same. • The customers may not be made aware of the cheaper quality material. • She will lose customers if quality of final product is poor. • She could be faced with lawsuits if there are accidents related to the poor quality. Any one relevant answer. \checkmark	(2)



QUESTION 3: VAT AND INVENTORY SYSTEMS

(30 marks; 24 minutes)

3.1 VAT

3.1.1	State whether the following statement is TRUE or FALSE. Explain the reason for your answer. All goods are charged VAT at 15% in South Africa.	
	False ✓ Some items are subjected to VAT at the standard rate – VAT charged at 15%. ✓ Others are zero-rated – 0% VAT charged. ✓ Other goods are exempt – No VAT is charged at all. ✓	(4)

3.1.2	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%; text-align: center;">A</td> <td style="text-align: center;">✓ 640 000</td> </tr> <tr> <td style="text-align: center;">B</td> <td style="text-align: center;">✓ 96 000</td> </tr> <tr> <td style="text-align: center;">C</td> <td style="text-align: center;">✓ 5 290</td> </tr> <tr> <td style="text-align: center;">D</td> <td style="text-align: center;">✓ 133 500</td> </tr> </table>	A	✓ 640 000	B	✓ 96 000	C	✓ 5 290	D	✓ 133 500
A	✓ 640 000								
B	✓ 96 000								
C	✓ 5 290								
D	✓ 133 500								

4

3.2

3.2.1	False ✓
3.2.2	True ✓
3.2.3	False ✓
3.2.4	False ✓
3.2.5	True ✓

5



3.3

3.3.1	Calculate the cost of sales for the year ended 30 September 2022. Show all your calculations.											
	<table border="1"> <tr> <td>Opening Stock</td> <td>√ 34 000</td> </tr> <tr> <td>Purchases (424 570√ + 96 000√ - 103 000√ - 12 000√ - 320√) Operation one part correct</td> <td>☑ 405 250</td> </tr> <tr> <td>Carriage on purchases (500 x 19)</td> <td>√√ 9 500</td> </tr> <tr> <td>Closing Stock (275 x 90)</td> <td>√√ (24 750)</td> </tr> <tr> <td>Cost of Sales Operation one part correct</td> <td>☑ 424 000</td> </tr> </table>	Opening Stock	√ 34 000	Purchases (424 570√ + 96 000√ - 103 000√ - 12 000√ - 320√) Operation one part correct	☑ 405 250	Carriage on purchases (500 x 19)	√√ 9 500	Closing Stock (275 x 90)	√√ (24 750)	Cost of Sales Operation one part correct	☑ 424 000	(12)
Opening Stock	√ 34 000											
Purchases (424 570√ + 96 000√ - 103 000√ - 12 000√ - 320√) Operation one part correct	☑ 405 250											
Carriage on purchases (500 x 19)	√√ 9 500											
Closing Stock (275 x 90)	√√ (24 750)											
Cost of Sales Operation one part correct	☑ 424 000											

3.3.2	Calculate the average rate of stock turnover for 2022.	
	$\frac{\text{Cost of Sales}}{\text{Average Stock}}$ $= \frac{424\,000 \sqrt{}}{\sqrt{\frac{1}{2}(34\,000 \sqrt{+} 24\,750 \sqrt{)}}}$ $= \frac{424\,000}{29\,375}$ $= 14,4 \text{ times } \checkmark \text{ Operation one part correct}$	(5)

30



QUESTION 4: CASH BUDGETS AND PROJECTED INCOME STATEMENT

(40 marks; 32 minutes)

4.1

No.	Amount in the Cash Budget for October 2022		Amount in the Projected Income Statement for October 2022	
	RECEIPT	PAYMENT	INCOME	EXPENSE
Example	0	R5 870	0	R5 870
4.1.1				√ 15 870
4.1.2		√ 92 950	√ 3 260	
4.1.3		√ 8 580		√ 580
4.1.4	√ 134 960		√ 134 960 Accept 38 560 for 2 marks	√ 96 400

8

4.2

4.2.1 DEBTORS' COLLECTION SCHEDULE FOR SEPTEMBER AND OCTOBER 2022

	Credit sales	September	October
August	57 000	√ 17 100	√ 8 550
September	√√ 56 000	☑√ 26 600 Credit sales x 50% x 95%	☑ 16 800 Credit sales x 30%
October	55 000		√ 26 125
Debtors' collections	Operation one part correct	☑ 43 700	☑ 51 475

10

4.2.2 Calculate the missing amounts indicated by the letters A to J in the Cash Budgets for September and October 2022.

	Workings	Answer
A	$55\ 000 \sqrt{x} \times \frac{75}{25} \sqrt{}$ <i>Operation one part correct</i>	<input checked="" type="checkbox"/> $\sqrt{}$ 165 000
B	<i>See 4.2.1</i>	<input checked="" type="checkbox"/> 51 475
C	$15\ 000 \times 85\%$	$\sqrt{}$ 12 750
D	$33\ 000 \sqrt{x} \times \frac{40}{60} \sqrt{}$ <i>Operation one part correct</i>	<input checked="" type="checkbox"/> 22 000
E	$30\ 000 \times 97\%$	$\sqrt{}$ 29 100
F	$6\ 000 - 800$	$\sqrt{}$ 5 200
G	$40\ 000 \sqrt{x} \times 12\% = 4\ 800 \sqrt{x} \times \frac{1}{12} \sqrt{}$ <i>Operation one part correct</i>	<input checked="" type="checkbox"/> 400
H	$42\ 000 \sqrt{x} \times \frac{100}{105} \sqrt{}$ <i>Operation one part correct</i>	$\sqrt{}$ <input checked="" type="checkbox"/> 40 000
I		$\sqrt{}$ 15 000
J		$\sqrt{}$ 15 000

22

40



TOTAL: 150