



LIMPOPO
PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

DEPARTMENT OF
EDUCATION

National Senior Certificate

GRADE 11

ACCOUNTING PAPER 2
TERM 2 TASK 4: JUNE EXAMINATION 2023
QUESTION PAPER

Stanmorephysics.com

MARKS: 150

TIME: 2 Hours

This question paper consists of 11 pages,
a formula sheet and a 10-page answer book.

INSTRUCTIONS AND INFORMATION

Read the following instructions carefully and follow them precisely.

1. Answer ALL questions.
2. A special ANSWER BOOK is provided in which to answer ALL questions.
3. Show ALL workings to earn part marks.
4. You may use a non-programmable calculator.
5. You may use a dark pencil or blue/black ink to answer questions.
6. Where applicable, show ALL calculations to ONE decimal point.
7. A Financial Indicator Formula Sheet is attached at the end of this question paper.
8. Write neatly and eligibly.
9. Use the information in the table below as a guide when answering the question paper. Try NOT to deviate from it.

QUESTION	TOPIC	MARKS	MINUTES
1	Bank Reconciliation	45	35
2	Fixed Assets, Internal Control & GAAP Principles	55	45
3	Creditors Reconciliation	30	25
4	Periodic inventory	20	15
TOTAL		150	120

QUESTION 1: BANK RECONCILIATION**(45 marks; 35 minutes)****1.1 ZEBRA STORES**

The inexperienced bookkeeper of Zebra Stores closed off the Cash Journals for 31 January 2023 and posted them to the general ledger, before comparing them with the Bank Statement.

REQUIRED:

1.1.1 Enter the necessary transactions directly in the Bank account of Zebra Stores to update their records. Provisional balances on 31 January 2023 have been entered into the Bank account.

NOTE: Contra accounts for the individual entries must be clearly indicated in the Bank account. (25)

1.1.2 Prepare the Bank Reconciliation Statement on 31 January 2023. (9)

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

Credit outstanding deposits:	
• 15 December 2022	R 12 000
• 31 December 2022	R 34 500
Debit outstanding EFTs	
• No.198	R 4 000
• No.204	R 2 000
• No.209	R 3 700
Unfavorable Balance according to bank account	R 15 300

NOTE:

- The outstanding deposit of R34 500 on the Bank Reconciliation Statement was in respect of sales. It was reflected as R27 000 in the January Bank statement. After an investigation, it was decided to write off the missing R7 500.
- All other outstanding deposit and EFTs are now appearing in the January bank statement.

B Provisional totals on 31 January 2023:

Bank column in Cash Receipt Journal (CRJ)	R 195 071
Bank column in Cash Payments Journal (CPJ)	R 250 000

C The following items appeared on the Bank statement for January 2023 but not in the Cash Journals:

- Service fees, R680.
- Cash handling fees, R200.
- EFT Fees, R211.
- Interest on Overdraft, R1 400.
- Stop order to Lion Properties, R9 600 for the monthly rent.
- A deposit from R. Rhino for R4 900 in settlement of his account.
- A deposit of R54 000 from Afrika Bank includes a matured fixed deposit of R50 000 as well as interest.
- An EFT to a creditor, R12 100. Upon investigation, it was discovered that Zebra Stores had incorrectly recorded it in the CPJ as R2 100.
- Debit orders:

Kruger Bank	?	The loan amounts to R120 000. The loan is repaid over 2 years in monthly installments.
Wee-net	R2 500	R2 000 is with respect to the Wi-Fi used in the business, the R500 is for the owner's home connection.

D The following items appeared in the Cash Receipts Journal and Cash Payments Journal only, but not on the Bank statement:

- EFT 280 for R3 700 to Bokkie Traders for trading stock purchased.
- EFT 286, R2 340 to a creditor in settlement of an account of R2600.
- EFT 298, R7 100 for maintenance to be completed on the property.
- Outstanding Deposit, R19 300.
- An EFT for R600 was reflected on the business Bank Statement. This payment does not relate to the business and must be corrected by the bank.
- The balance of the bank statement is the balancing figure.

1.2 ROSE TRADERS

One of Rose Trader's customers, D. Daisy informed the owner Rose, that something strange happened when she settled her account of R2 500 in cash. She stated that the receipt she received did not have the name of the business on it. Rose then investigated this and found that Kaktus, the cashier, did not make an entry of the R2 500 in the actual receipt book. However, the account of D. Daisy was closed by transferring the amount to another debtor's account.

- 1.2.1 Briefly explain the problem which exists in this business. (2)
- 1.2.2 Provide TWO internal control measures that should be implemented to avoid this problem in the future. (4)
- 1.2.3 Rose wants to record her son's Matric Holiday fees of R6 500 as a business expense.
- Advise Rose why this is not acceptable practice. (2)
 - Explain why you as the accountant cannot support her request? (1)
 - How would you correctly record the above transaction in the General Ledger? (2)

QUESTION 2: FIXED ASSETS, INTERNAL CONTROL, AND GAAP PRINCIPLES**(55 marks; 45 minutes)****FIXED ASSET CONCEPTS**

2.1 Indicate whether the following statements are TRUE or FALSE.

Write only 'true' or 'false' next to question number 2.1.1 - 2.1.5 in the Answer Book.

2.1.1 Accumulated depreciation is the depreciation of more than one year. (1)

2.1.2 One asset register should be prepared for all the tangible assets owned by the business. (1)

2.1.3 The value of equipment does not depreciate. (1)

2.1.4 Depreciation is a cash item. (1)

2.1.5 The assets are recorded at their carrying value in the records of the business. (1)

LAYLA TRADERS

The following information was extracted from the records of Layla Traders for the financial year ending 28 February 2023. The business is owned by Layla Jonas.

REQUIRED:**2.2 Fixed Assets:**

2.2.1 Complete the Equipment account in the General Ledger. (4)

2.2.2 Calculate the depreciation on:

- Vehicles (9)
- Equipment (4)

2.2.3 Provide the Asset Disposal Account. (10)

2.2.4 Complete the fixed/tangible asset note on 28 February 2023. (17)

2.3 Internal Control & GAAP Principles:

2.3.1 What is the purpose of keeping an asset register for each asset?
Provide TWO separate points. (4)

2.3.2 The present market value of the land and buildings is R3,5 million, this property was bought 7 years ago for R1 million.

- Which value will be recorded in the books of Layla Traders? (1)
- Identify the GAAP principle applicable. (1)

INFORMATION:**A Extract from the post-closing Trial Balance on 28 February 2023:**

Land and Buildings	R1 000 000
Vehicle cost	R120 000
Accumulated depreciation on vehicles	R48 960
Equipment at cost	R40 000
Accumulated depreciation on equipment	R7 500

B Equipment:

- Equipment was bought on credit, 28 February 2023, and was recorded at R15 000.
- Equipment is depreciated at 10% p.a. on the cost price.
- Depreciation for the current year has not been calculated.

C Vehicles:

- A vehicle was sold on 1 September 2022 for cash R9 000 and the transaction was not recorded. Cost price of the sold vehicle was R45 000. Accumulated depreciation on 1 March 2022 was R26 200.
- Vehicles are depreciated at 20% p.a. on carrying value.
- Depreciation for the current year has not been calculated.

D Land and Buildings:

During the year an invoice was received from Jojo's Construction for the following:

- A new storeroom R50 000
- Repairs to the leaking roof R10 000

The full amount has been debited for repairs.

QUESTION 3: CREDITORS RECONCILIATION**(30 marks; 25 minutes)****3.1 CONCEPTS**

Choose the correct word in brackets and write only the correct word next to the question number (3.1.1 to 3.1.5) in the ANSWER BOOK.

3.1.1	A (credit note /debit note) is sent by the business to the supplier when goods are returned, or an allowance is requested.
3.1.2	(Creditors' list / Statement) is a summary of what each creditor owes.
3.1.3	(Receipt / Invoice) records all purchases on credit.
3.1.4	(Discount allowed / Trade discount) is a percentage reduction from the price list of goods that a business may offer to some customers.
3.1.5	A (credit note/ debit note) will appear on the Creditors' statement to acknowledge that the faulty goods were accepted back by the supplier.

(5)

3.2 TOY SUPPLIERS

A statement of account received from Fun Stores on 25 February 2023 reflects that Toy Suppliers owes them R31 263. The Creditors' Ledger account of Fun Stores in the books of Toy Suppliers reflects an outstanding balance of R35 950.

REQUIRED:

- 3.2.1 Calculate the correct balance for Fun Stores in the Creditors' Ledger of Toy Suppliers on 28 February 2023. (9)
- 3.2.2 Prepare a Creditors' Reconciliation Statement on 28 February 2023. (12)
- 3.2.3 State ONE consequence for the business for not paying the amount due to creditors on time. (2)
- 3.2.4 The internal auditor wants to improve the internal control of creditors. State ONE internal control measure for creditors that he may consider. (2)

INFORMATION:**A CREDITORS' LEDGER OF TOY SUPPLIERS
FUN STORES (CL 12)**

DATE	DETAILS	FOL	DEBIT	CREDIT	BALANCE
2023	1	Account			27 450
Feb	4	Invoice No. 902		7 050	34 500
	8	D/N no. 158	650		33 850
	14	EFT No. 414	14 394		19 456
		Discount	1 350		18 106
	15	Invoice No. 292		3 350	21 456
	23	Invoice No. 758		3 594	25 050
	24	Invoice No. 808		6 750	31 800
	28	Invoice No. 824		4 150	35 950

B STATEMENT OF ACCOUNT RECEIVED FROM FUN STORES:

FUN STORES STATEMENT OF ACCOUNT					
14 Danie Joubert Street Tzaneen, 0850			Tel: 015 307 5886 Date: 25 February 2023		
ACCOUNT OF TOY SUPPLIERS			ACCOUNT NO TY 82		
DATE	DETAILS	DEBIT	CREDIT	BALANCE	
2023	1	Balance			27 450
Feb	4	Invoice No. 902	6 300		33 750
	8	Credit Note No. 246	650		34 400
	13	Receipt No. 5140		14 394	20 006
	23	Invoice No. 758	3 594		23 600
	24	Invoice No. 808	7 500		31 100
	25	Interest	163		31 263

C ADDITIONAL INFORMATION:

On comparing the statement received from Fun Stores with the account in the Creditors' Ledger the following were noted:

- Invoice No. 902 on 4 February 2023 was correct according to the statement received from Fun Stores.
- Fun Stores made an error in recording the return of goods on 8 February 2023.
- Toy Suppliers qualified for an early settlement discount with the payment on 14 February 2023. Fun Stores granted R850 as discount. They promised to show this on their statement next month.
- Invoice No. 292 for R3 350 was recorded incorrectly in the Creditors' Ledger Account of Fun Stores. This purchase was made from Joy Suppliers.

- e) A trade discount of 10% was deducted on invoice No. 808. Fun Stores did not take this into account. Fun Stores will correct this error next month.
- f) Invoice No. 824 did not appear on the statement received from Fun Stores as this transaction took place after their statement date.
- g) Fun Stores has correctly levied interest of R163 on the account but was wrongly calculated. The interest must be 1% of the outstanding balance as on 24 February 2023.

QUESTION 4: PERIODIC INVENTORY SYSTEM**(20 marks; 15 minutes)****HOT STUFF TRADERS**

Joe Peri is the owner of Hot Stuff Traders. The business sells Peri-Peri sauce to the public. Hot Stuff Traders use a periodic inventory system and the financial year ended on 28 February 2023. The markup on the cost of sales is 40%.

REQUIRED:

- 4.1 Provide ONE advantage and ONE disadvantage of the periodic system. (2)
- 4.2 Calculate the following for the year ended 28 February 2023:
- Cost of Sales (10)
 - Gross Profit (6)
- 4.3 Provide TWO reasons why a business may fail to achieve the intended mark-up percentage. (2)

INFORMATION:**A Extract from the Trial Balance on 28 February 2023:**

	R
Trading Stock (1 March 2022)	400 000
Total Sales	1 333 000
Total purchases	800 000
Debtors Allowances	33 000
Carriage on Purchases	21 500
Carriage on sales	30 000
Custom Duty	28 000

- B No entry has been made for S.Serano (a debtor) who was issued a credit note for goods returned. The cost price was R2 500.
- C The owner took stock with a selling price of R2 240 for personal use.
- D A donation of Peri-Peri sauce costing, R1 500, was made to a local charity.
- E Goods costing, R51 000, purchased on credit from Jalapeno Wholesalers were not recorded.
- F Hot Stuff Traders returned defective sauce bottles worth, R9 500 to a supplier.
- G Hot Stuff Traders was charged R4 600, for goods transported by Pick-up Couriers.
- H Transport cost of goods sold to customers, R1 550.
- I Stock on hand at the end of the financial year, R510 000.

20**TOTAL 150 MARKS**

GRADE 11 ACCOUNTING FINANCIAL INDICATOR FORMULA SHEET		
$\frac{\text{Gross profit}}{\text{Sales}} \times \frac{100}{1}$	$\frac{\text{Gross profit}}{\text{Cost of sales}} \times \frac{100}{1}$	$\frac{\text{Net profit}}{\text{Sales}} \times \frac{100}{1}$
$\frac{\text{Operating expenses}}{\text{Sales}} \times \frac{100}{1}$	$\frac{\text{Operating profit}}{\text{Sales}} \times \frac{100}{1}$	
$\frac{\text{Total earnings by partner}}{\text{Partner's average equity}} \times \frac{100}{1}$	$\frac{\text{Net profit}}{\text{Average owners' equity}} \times \frac{100}{1}$	
Current assets : Current liabilities	(Current assets – Inventories) : Current liabilities	
Current assets (Trade and other receivables + Cash and cash equivalents) : Current liabilities		
$\frac{\text{Average debtors}}{\text{Credit sales}} \times \frac{365}{1}$	$\frac{\text{Average creditors}}{\text{Credit purchases}} \times \frac{365}{1}$	
$\frac{\text{Average inventories}}{\text{Cost of sales}} \times \frac{365}{1} \text{ or } \frac{12}{1}$	$\frac{\text{Cost of sales}}{\text{Average inventories}}$	
Non-current liabilities: Owners' equity	Total assets: Total liabilities	



LIMPOPO
PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

DEPARTMENT OF
EDUCATION

National Senior Certificate

GRADE 11

ACCOUNTING PAPER 2
TERM 2 TASK 4: JUNE EXAMINATION 2023
ANSWER BOOK

NAME OF SCHOOL: _____

NAME OF LEARNER: _____

QUESTION	MAXIMUM MARKS	MARKS OBTAINED	SCHOOL MODERATOR	DISTRICT MODERATOR	PROVINCIAL MODERATOR
1	45				
2	55				
3	30				
4	20				
TOTAL	150				

150 MARKS
2 HOURS

This Answer Book consists of 10 pages.

QUESTION 1

1.1 ZEBRA STORES

1.1.1 General Ledger of Zebra Stores

BANK

Total receipts		195 071	Balance		
			Total payments		250 000

1.1.2 Bank Reconciliation Statement of Zebra Stores

	Debit	Credit

1.2 ROSE TRADERS:

1.2.1 Briefly explain the problem, which exists in this business.

--

2

1.2.2 Provide TWO internal control measures that should be implemented to avoid this problem in the future.

--

4

1.2.3 Rose wants to record her son's Matric Holiday fees of R6 500 as a business expense.

Advise Rose why this is not acceptable practice.

--

Explain why you as the accountant cannot support her request.

--

How would you correctly record the above transaction in the General Ledger?

--

5

TOTAL MARKS
45

QUESTION 2

2.1

2.1.1	
2.1.2	
2.1.3	
2.1.4	
2.1.5	

5

2.2 Fixed Assets:

2.2.1 Complete the Equipment account in the General Ledger.

Equipment Account									
Dr					Cr				

4

2.2.2

Calculate the depreciation on: VEHICLES:

9

EQUIPMENT:

4

2.2.3 ASSET DISPOSAL ACCOUNT

Dr	Asset Disposal Account	N6	Cr

10

2.2.4 NOTE TO THE FINANCIAL STATEMENTS ON 28 February 2023

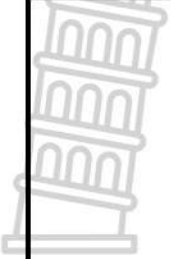
TANGIBLE ASSETS

	Land and Buildings	Equipment	Vehicles
Carrying value (beginning of year)			71 040
Cost	1 000 000	25 000	
Accumulated depreciation		(7 500)	
Movements:			
Additions at cost			
Carrying value at the end of the year	1 050 000		

17

2.3.1

What is the purpose of keeping an asset register for each asset?
Provide TWO separate points.



4

2.3.2

The present market value of the land and buildings is R3,5 million, this property was bought 7 years ago for R1 million.

Which value will be recorded in the books of Layla Traders?

Identify the GAAP principle applicable.

2

TOTAL MARKS
55

QUESTION 3

3.1 CONCEPTS



3.1.1	
3.1.2	
3.1.3	
3.1.4	
3.1.5	

5

3.2 TOY SUPPLIERS

3.2.1 CREDITORS' LEDGER OF TOY SUPPLIERS
 FUN STORES (CL 6)

Balance per Ledger Account	35 950

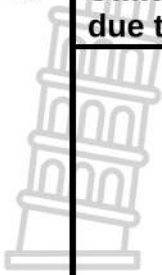
9

3.2.2 CREDITORS RECONCILIATION STATEMENT ON 28 FEBRUARY 2021

Balance as per Creditor's Statement	31 263

12

3.2.3 State ONE consequence for the business for not paying the amount due to creditors on time.



--

2

3.2.4 The internal auditor wants to improve the internal control of creditors. State ONE internal control measure for creditors that he may consider.



--

2

TOTAL MARKS
30

QUESTION 4

4.1 Provide ONE advantage and ONE disadvantage of the periodic system.

Advantage:

Disadvantage:

2

4.2 Calculate the following for the year ended 28 February 2023:

Cost of sales

Opening stock	400 000

10

Gross Profit

Workings	Answer

6

4.3 Provide TWO reasons why a business may fail to achieve the intended mark-up percentage.



2

TOTAL MARKS
20

TOTAL 150 MARKS



LIMPOPO
PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

DEPARTMENT OF
EDUCATION

National Senior Certificate

GRADE 11

ACCOUNTING PAPER 2
TERM 2 TASK 4: JUNE EXAMINATION 2023
MARKING GUIDELINES

MARKING PRINCIPLES:

1. Unless otherwise stated in the marking guideline, 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 the 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). Note: if figures are stipulated in memo for components of workings, these do not carry the method mark for final answer as well.
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. This memorandum is not for public distribution as certain items might imply incorrect treatment. The adjustments made are due to nuances in certain questions.
8. Where penalties are applied, the marks for that section of the question cannot be a final negative.
9. Where method marks are awarded for operation, the marker must inspect the reasonableness of the answer and at least one part must be correct before awarding the mark.
10. Operation means 'check operation'. 'One part correct' means operation and one part correct. Note: check operation must be +, -, x, ÷, or per memo.
11. In calculations, do not award marks for workings if numerator & denominator are swapped – this also applies to ratios.
12. 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 .
13. Be aware of candidates who provide valid alternatives beyond the marking guideline.
14. Codes: f = foreign item; p = placement/presentation.

150 MARKS

These marking guidelines consist of 10 pages.

QUESTION 1

1.1 ZEBRA STORES

1.1.1 General Ledger of Zebra Stores

BANK

Total receipts		195 071	Balance	b/d	15 300✓
Debtors Control ✓	CRJ	4 900✓	Total payments		250 000
Fixed Deposit✓	CRJ	50 000✓	Sales✓		7 500✓
Interest on fixed deposit✓ (54000 – 50000)	CRJ	4 000☒	Bank charges ✓ (680+200+211)	CPJ	1 091 ✓☒
			Interest on overdraft ✓	CPJ	1 400✓
			Rent Expense ✓	CPJ	9 600✓
			Creditors Control ✓	CPJ	10 000✓
			Loan: Kruger Bank ✓ (120000/24)	CPJ	5 000✓☒
			Internet/ WIFI✓	CPJ	2 000✓
Balance	c/d	48 420	Drawings	CPJ	500✓
		302 391			302 391
			Balance	c/d	48 420☒

Operation and one part correct

25

1.1.2 Bank Reconciliation Statement of Zebra Stores

	Debit	Credit
Debit Balance as per Bank Statement	55 180☒	
Credit Outstanding Deposits		19 300 ✓
Debit Outstanding EFTs	280	3 700✓
	286	2 340 ✓
	298	7 100✓
Credit amount wrongly debited		600 ✓✓
Credit Balance as per Bank Account		48 420☒
<input checked="" type="checkbox"/> for both balances, do not have to match	68 320	68 320

9

1.2 ROSE TRADERS:

1.2.1

Briefly explain the problem, which exists in this business.

Any acceptable answer ✓✓

- It appears that the cashier is defrauding the business/ guilty of corruption.
- False receipts are issued, and all the cash is not banked.

2

1.2.2

Provide TWO internal control measures that should be implemented to avoid this problem in the future.

Any acceptable answer ✓✓ ✓✓ Stanmorephysics.com

- Separation or division of duties/ Sharing of responsibilities: The person in charge of the general ledger and general journal should not also oversee the personal accounts of the debtors and cash receipts.
- Internal auditing. Banking must be checked by a senior person. Check that the entries were recorded properly.
- Check receipts issued and that the actual deposit was made.
- Rotation of duties.

4

1.2.3

Rose wants to record her son's Matric Holiday fees of R6 500 as a business expense.

Advise Rose why this is not acceptable practice.

It is unethical for the owner to record his personal withdrawals or expenses as business expenses. ✓✓

OR

Record keeping of transactions should be done according to the GAAP Principles.

Explain why you as the accountant cannot support her request.

The Business entity principle (GAAP) states that the accounting records of the business must be **kept separate** from the accounting records of the owner of the business. ✓

OR

As an accountant you are governed by a code of ethics, therefore, you need to act professionally and explain to the owner what the correct procedure should be.

How would you correctly record the above transaction in the General Ledger?

Debit Drawings ✓ and Credit Bank ✓

5

TOTAL MARKS
45

QUESTION 2

2.1

2.1.1	True ✓
2.1.2	False ✓
2.1.3	False ✓
2.1.4	False ✓
2.1.5	False ✓

5

2.2 Fixed Assets:

2.2.1 Complete the Equipment account in the General Ledger.

Equipment Account									
Dr					Cr				
March 2022	01	Balance	b/d	✓ 25 000	2023 Feb	28	Balance	c/d	40 000
Feb	28	Creditors Control ✓	CJ	✓ 15 000					
				40 000					40 000
March 2023	01	Balance	b/d	☑ 40 000					

4

2.2.2

Calculate the depreciation on:
VEHICLES:
OLD: $120\ 000 - 45\ 000 = 75\ 000$ ✓ ✓
$75\ 000 - (48\ 960 - 26\ 200) = 52\ 240$ ✓
$52\ 240 \times 20\ \% = 10\ 448$ ☑ *
SOLD: $(45\ 000 - 26\ 200) = 18\ 800$ ✓ ✓
$18\ 800 \times 20\ \% \times \frac{6}{12} = 1\ 880$ ✓ ☑ *
TOTAL: $10\ 448 + 1\ 880 = 12\ 328$ ☑ *

*one part correct

9

EQUIPMENT:

OLD: $40\ 000 - 15\ 000 = 25\ 000$ ✓✓
 $25\ 000 \times 10\% = 2\ 500$ ✓☑*

*one part correct

4

2.2.3 ASSET DISPOSAL ACCOUNT

Dr				Asset Disposal Account				N6	Cr
2022	1	Vehicle✓	GJ	✓45 000	2022		Accumulated depreciation on Vehicles✓ (26 200 + 1 880)	GJ	✓☑*28 080
Sept							Bank✓	GJ	✓9 000
							Loss on sale of asset✓	GJ	✓☑7 920
				45 000					45 000

*one part correct

10

2.2.4 NOTE TO THE FINANCIAL STATEMENTS ON 28 February 2023

TANGIBLE ASSETS

	Land and Buildings	Equipment	Vehicles
Carrying value at the beginning of year	✓1 000 000	✓17 500	71 040
Cost	1 000 000	25 000	✓120 000
Accumulated depreciation		(7 500)	✓(48 960)
Movements:			
Additions at cost	✓50 000	✓15 000	
Asset disposal at carrying value (45 000 – 28 080 <small>See 2.2.3</small>)			✓☑*(16 920)
Depreciation		<small>See 2.2.2</small> ☑ (2 500)	<small>See 2.2.2</small> ☑ (12 328)
Carrying value at the end of the year	1 050 000	#☑ 30 000	#☑41 792
Cost (120 000-45 000)	✓1 050 000	✓40 000	✓75 000
Accumulated depreciation (48 960+12 328 -28 080)		#☑(10 000)	☑*(33 208)

*one part correct # operation

17

2.3.1

What is the purpose of keeping an asset register for each asset? Provide TWO separate points.
Any TWO valid points
To verify the existence of fixed assets, or ownership. ✓✓
To verify if the calculations of depreciation are accurate. ✓✓
To verify the calculations of profit or loss on the sale of assets.

4

2.3.2

The present market value of the land and buildings is R3,5 million, this property was bought 7 years ago for R1 million. Which value will be recorded in the books of Layla Traders?
R1 million. ✓
Identify the GAAP principle applicable.
Historical cost ✓

2

TOTAL MARKS
55

QUESTION 3

3.1 CONCEPTS

3.1.1	Debit note ✓
3.1.2	Creditors' list ✓
3.1.3	Invoice ✓
3.1.4	Trade discount ✓
3.1.5	Credit note ✓

5

3.2 TOY SUPPLIERS

**3.2.1 CREDITORS' LEDGER OF TOY SUPPLIERS
 FUN STORES (CL 6)**

Balance per Ledger Account	35 950
Error corrected on Invoice 902 (7 050-6 300)	✓✓ (750)
Adjustment of discount on EFT 414	✓✓ 500
Correction of error on Invoice 292	✓✓ (3 350)
Interest (31 100 x 1%)	✓☑* 311
	☑* 32 661

9

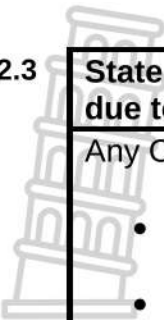
*One part correct & operation. NO part marks, TWO or nothing

3.2.2 CREDITORS RECONCILIATION STATEMENT ON 28 FEBRUARY 2021

Balance as per Creditor's Statement	31 263
Credit note incorrectly recorded (650 + 650) or 650 x2	✓✓ (1 300)
Discount not yet recorded on EFT 414	✓✓ (850)
Trade discount omitted (6 750 /90 x 10)	✓✓ (750)
Correction of interest [(31 100 x 1%) - 163]	✓✓ 148
Invoice issued after the statement date	✓✓ 4 150
Balance as per Creditors Ledger	✓☑* 32 661

12

*One part correct & operation. NO part marks, TWO or nothing



3.2.3 State ONE consequence for the business for not paying the amount due to creditors on time.

Any ONE valid point ✓✓

- Will be charged with interest.
- Can be blacklisted.

2

3.2.4 The internal auditor wants to improve the internal control of creditors. State ONE internal control measure for creditors that he may consider.

Any ONE valid point ✓✓

- Division and/or rotation of duties.
- Internal audits to minimize the possibility of fraud or error.
- Implement a procurement policy.
- Purchases should be authorized.

2

TOTAL MARKS
30

QUESTION 4

4.1 Provide ONE advantage and ONE disadvantage of the periodic system.

Advantage ✓

- It is easy to implement.
- It is relatively cheap to implement/does not need expensive equipment.

Disadvantage ✓

- Shortages / stock losses will only be noticed when physical stock is taken/stock theft or leakages are difficult to identify/control over stock is not effective.
- An accurate record of stock movement is not kept.

Accept any valid answer

2

4.2 Calculate the following for the year ended 28 February 2023:

Cost of sales

Opening stock		400 000
Purchases (800 000 + 51 000) *✓ - 9 500 ✓ - 1 500 ✓ - 1 600 ✓ ✓		☑ 838 400 one part correct
Carriage on purchases (21 500 + 4 600)	no part marks	✓ 26 100
Custom duties		✓ 28 000
Goods available for sale		1 292 500
Less closing stock		✓ (510 000)
Cost of sales	one part correct	☑ 782 500

10

***✓ Allocate one mark for two correct amounts**

Gross Profit

Workings	Answer
(1 333 000 ✓ - 3 500 ✓ ✓ - 33 000 ✓) - 782 500 see COS above ☑	☑ 514 000 One part correct

6

4.3 Provide TWO reasons why a business may fail to achieve the intended mark-up percentage.

Any two valid reasons ✓ ✓

- Goods sold at a cheaper price due to a sale or specials
- Excessive trade discounts
- Errors in mark-up calculations
- Errors in recording

2

TOTAL MARKS
20

TOTAL 150 MARKS