



Province of the **EASTERN CAPE**  
DEPARTMENT OF EDUCATION  
CHW & NMB DISTRICTS  
CURRICULUM SUPPORT AND MANAGEMENT

2022

**ACCOUNTING: GRADE 11**  
**CONTROLLED TEST: TERM 3**  
Stanmorephysics.com

TIME: 1½ hours

MARKS: 100

### INSTRUCTIONS AND INFORMATION:

1. The question paper consists of THREE questions.
2. Answer the questions in the ANSWER BOOK provided.
3. Show all workings to earn part marks.
4. Non-programmable calculators may be used. You may use a dark pencil or blue/black ink to answer the questions.
5. Questions and time-guide are as follows: Manage time effectively.

QUESTION	TOPIC/SECTION	MARKS	TIME
1	Manufacturing	50	45 minutes
2	Budgets	40	35 minutes
3	Inventory systems	10	10 minutes
<b>TOTAL</b>		<b>100</b>	<b>90 minutes</b>

### QUESTION 1: MANUFACTURING

(50 marks; 45 minutes)

#### 1.1 AQHAMA MANUFACTURES

The business manufacture towels. The information below is from the financial records for the financial year ended 31 May 2022.

#### REQUIRED:

Complete the following accounts in the general ledger.

- 1.1 Raw material stock (6)
- 1.2 Work-in-progress stock (8)
- 1.3 Finished goods stock (6)
- 1.4 Factory overheads (13)



**INFORMATION:**

<b>A. Balances</b>	<b>31 May 2022</b>	<b>31 May 2021</b>
Raw material stock	R 102 500	R 140 000
Work-in-progress stock	180 750	167 500
Finished goods stock	?	62 500
Consumable stores	1 000	2 000

**B. TRANSACTIONS DURING THE YEAR:**

- i) Raw Materials:
  - R600 000 bought for cash.
  - R900 000 bought on credit.
  - R50 000 goods bought on credit were returned.
  - Carriage on raw materials paid during the year amounted to R12 500.
- ii) The following wages and salaries were paid during the year:
  - Factory workers R450 000
  - Factory cleaners and supervisors R210 000
  - Administration salaries R300 000
- iii) Rent paid amounted to R675 000. The factory occupies 60% of the floor space.
- iv) Water and electricity:
  - Three quarters ( $\frac{3}{4}$ ) must be allocated to the factory.
  - The remaining, which amounts to R13 750, is for the administration, selling and distribution departments.
- v) Consumable stores bought for cash during the year amounted to R6 000.
- vi) Factory maintenance of R135 000 was paid during the year. However, R15 000 of this was for a machine that will be fixed only during June 2023.
- vii) Depreciation on factory machinery amounted to R40 000.
- viii) Total sales for the year amounted to R4 102 500. A mark-up of 50% on cost was maintained during the financial year.

## 1.2 KS RUGBY BALLS

The information relates to the financial year ended 28 February 2022.  
The business manufacture and sells rugby balls.

### REQUIRED:

1.2.1 Calculate the following for the year ended 31 May 2022:

- Total fixed cost (3)
- Total cost of production (4)
- Selling and distribution cost per unit (5)

1.2.2 The owner, K. Solisi, was aiming at a net profit of R800 000 for the financial year.

- How many rugby balls should he have produced to meet this objective? (5)

### INFORMATION:

A. Rugby balls produced, sold and selling price for each financial year.

	FEBRUARY 2022	FEBRUARY 2021
Rugby balls produced and sold	4 700	4 200
Selling price per ball	R456	R435

B. There was no work-in-progress at the beginning or end of each financial year.

C. Unit costs:

	TTPE	FEB. 2022	FEB. 2021
Administration cost per unit	Fixed	R 43	R 47
Direct labour cost per unit	Variable	76	62
Factory overhead cost per unit	Fixed	52	63
Selling & distribution cost per unit	Variable	?	28
Direct materials cost per unit	Variable	88	90

D. Total variable cost for year ended 28 February 2022 amounted to R982 300

**QUESTION 2: BUDGETS**

**(40 marks; 35 minutes)**

**PHAPHANI TRADERS**

You are provided with information relating to Phaphani Traders who sells games and toys.

**REQUIRED:**

- 2.1 Name TWO items that will appear in the Projected Income Statement, but not in the Cash Budget. (2)
- 2.2 Name TWO items that will appear in the Cash Budget, but not in the Projected Income Statement. (2)
- 2.3 Complete the Debtors Collection Schedule for the two months ending 30 November 2022. (9)
- 2.4 Complete the Cash Budget for the two months ending 30 November 2022. (22)
- 2.5 Refer to **Information F** and the Cash Budget.
- 2.5.1 Calculate the percentage increase in salaries and wages on 1 November 2022. (3)
- 2.5.2 Give ONE reason why the workers should be satisfied with this increase. (2)

**INFORMATION:**

**A. Total sales:**

MONTH	ACTUAL	BUDGETED
July	R 147 000	
August	142 800	
September	134 400	
October		R 168 000
November		136 000

- Goods are sold at a profit mark up of 40% on cost.
- Cash sales comprise 25% of all sales.

**B. Credit sales are collected as follows:**

- 30% pay in the month of sale and receive 5% discount.
- 50% pay in the month following the month of sale.
- 18% pay two months after the month of sales.
- 2% is written off as irrecoverable.

**C. Total purchases:**

MONTH	ACTUAL	BUDGETED
September	R 96 000	
October		R 120 000
November		97 000

- The business maintains a fixed-stock base level.
- 80% of purchases are on credit and the rest is cash.
- Creditors are paid in the month following the month of purchases.

**D.** The rent income increase by 5% on 1 November 2022.

**E.** Interest on fixed deposit amounts to R18 000 per annum. This is received in four equal instalments on 30 July, 31 October, 31 January and 30 April each year.

**F.** Salaries and wages:  
Employees are entitled to an increase commencing on 1 November 2022.

**G.** The business have a loan of R350 000 at King bank at an interest rate of 12% p.a. The interest is paid monthly. An additional loan of R50 000 will be taken out on 1 November 2022.

**H.** Sundry expenses amount to 2 450 per month.

**I.** The owner makes monthly drawings of R3 200 which includes trading stock to the value of R1 400.

**QUESTION 3: INVENTORY SYSTEMS**

**(10 marks; 10 minutes)**

**REQUIRED:**

3.1 Analyse the transactions below by completing the table in the ANSWER BOOK.

Note: The Periodic Inventory System is in use.

(6)

**Transactions:**

3.1.1 Sold goods for cash, R10 500.

3.1.2 Purchased stock on account for R4 500 less 10% trade discount.

3.1.3 Paid for the carriage on merchandise bought by EFT, R570.

3.1.4 The business donates goods, cost price R810, to charity.

3.2 Briefly explain TWO advantages of the perpetual inventory system over the periodic inventory system.

(4)

**10**





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**GRADE 11: ACCOUNTING CONTROLLED TEST TERM 3  
 MARKING GUIDELINE**

**QUESTION 1**

1.1

**RAW MATERIAL STOCK**

2021 June	1	Balance b/d	140 000	2022 May	31	Creditors control	*✓ 50 000
2022 May	31	Bank	*✓ 600 000			Work-in-progress stock ✓	<input checked="" type="checkbox"/> 1 500 000
		Creditors control	*✓ 900 000				
		Bank	*✓ 12 500				
						<b>Balance c/d</b>	<b>102 500</b>
			1 652 500				1 652 500
2021 June	1	Balance b/d	102 500				<b>6</b>

\*✓ Award mark for correct figure and details

1.2

**WORK-IN-PROGRESS STOCK**

<b>2021</b>				2022		Finished goods	<input checked="" type="checkbox"/>
<b>June</b>	<b>1</b>	<b>Balance b/d</b>	<b>167 500</b>	May	31	stock✓	2 760 000
2022		Direct material	<input checked="" type="checkbox"/>				
May	31	cost ✓	1 500 000				
		Direct labour	✓450 000				
		cost ✓					
		Factory	<input checked="" type="checkbox"/> 823 250				
		overheads✓					
		Stanmorephysics.com				<b>Balance c/d</b>	<b>180 750</b>
			2 940 750				2 940 750
<b>2022</b>							
<b>June</b>	<b>1</b>	<b>Balance b/d</b>	<b>180 750</b>				<b>8</b>

1.3

**FINISHED GOODS STOCK**

<b>2021</b>				202			<input checked="" type="checkbox"/> <input checked="" type="checkbox"/>
<b>June</b>	<b>1</b>	<b>Balance b/d</b>	<b>62 500</b>	2	31	Cost of sales✓	2 735 000
				May		(4 102 500 x 100 ÷ 150)	
2022		Work-in-	<input checked="" type="checkbox"/>				
May	31	progress-	2 760 000				
		stock✓				<b>Balance c/d</b>	<b>87 500</b>
			2 822 500				2 822 500
<b>2022</b>							
<b>June</b>	<b>1</b>	<b>Balance b/d</b>	<input checked="" type="checkbox"/> 87 500				<b>6</b>



1.4

**FACTORY OVERHEADS**

2022 May	31	Indirect labour (112 000 + 14 560)	✓✓210 000	2022 May	31	Work-in-progress- stock✓	☑823 250
		Rent expense (675 000 x 60%)	✓✓405 000				
		Water and electricity (13 750 x $\frac{3}{4}$ ÷ $\frac{1}{4}$ )	✓✓41 250				
		Consumables (2 000+6 000-1 000)	✓✓7 000				
		Maintenance (135 000-15 000)	✓✓120 000				
		Depreciation	✓40 000				
			823 250				823 250
							<b>13</b>

1.2.1 Calculate the following for the year ended 31 May 2022:

<b>Total fixed cost</b>	
<b>WORKINGS</b>	<b>ANSWER</b>
(43+52) one mark ✓4 700 x ✓95	☑446 500 operation one part correct

**3**

<b>Total cost of production</b>	
<b>WORKINGS</b>	<b>ANSWER</b>
(76+52+88) two marks ✓4 700 x ✓✓216	☑1 015 200 operation one part correct

**4**

Selling and distribution cost per unit	
WORKINGS	ANSWER
(982 300 ÷ 4 700) two marks ✓✓209 - ✓76 - ✓88	<input checked="" type="checkbox"/> 45 operation one part correct

5

1.2.2

How many rugby balls should he have produced to meet this objective?	
WORKINGS	ANSWER
1 246 500 one mark + one mark      247 one mark + one mark <input checked="" type="checkbox"/> 446 500 + ✓800 000 ÷      ✓456 - <input checked="" type="checkbox"/> 209	<input checked="" type="checkbox"/> 5 047 operation one part correct

5

TOTAL MARKS	50	
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**QUESTION 2**

**2.1 Name TWO items that will appear in the Projected Income Statement, but not in the Cash Budget.**

Any TWO valid answers ✓ ✓

- Depreciation
- Discount allowed or Discount received
- Bad debts
- Provision for bad debts adjustment
- Trading stock deficit or surplus etc.

2

**2.2 Name TWO items that will appear in the Cash Budget, but not in the Projected Income statement.**

Any TWO valid answers ✓ ✓

- Purchase of assets
- Loan
- Fixed deposit
- Payment to Creditors
- Collection from debtors etc.

2

**2.3 DEBTORS COLLECTION SCHEDULE FOR THE TWO MONTHS ENDING 30 NOVEMBER 2022**

MONTH	CREDIT SALES	OCTOBER	NOVEMBER
<b>July</b>	<b>110 250</b>		
<b>August</b>	<b>107 100</b>	<b>19 278</b>	
<b>September</b>	<b>100 800</b>	✓ 50 400	✓ 18 144
<b>October</b>	✓ 126 000	<b>35 910</b>	*✓ 63 000
<b>November</b>	✓ 102 000		*✓✓ 29 070
		**✓ 105 588	**✓ 110 214

9

\*If calculation is based on incorrect credit sales  
 \*\* Operation

2.4 CASH BUDGET FOR THE TWO MONTHS ENDING  
30 NOVEMBER 2022

CASH RECEIPTS	OCTOBER	NOVEMBER
Cash sales	42 000	34 000
Rent Income	✓✓ 6 000	6 300
Collection from debtors <small>see 2.3 above</small>	☑ 105 588	☑ 110 214
Interest on fixed deposit	✓ 4 500	
Loan from King bank		✓ 50 000
<b>TOTAL RECEIPTS</b>	<b>*☑ 158 088</b>	<b>*☑ 200 514</b>
<b>CASH PAYMENTS</b>		
Cash purchases	24 000	✓ 19 400
Payment to creditors	76 800	✓✓ 96 000
Salaries and wages	35 000	37 100
Sundry expenses	2 450	2 450
Interest on loan	3 500	✓✓ 4 000
Drawings	✓ 1 800	✓ 1 800
<b>TOTAL PAYMENTS</b>	<b>*☑ 143 550</b>	<b>*☑ 160 750</b>
<b>SURPLUS/ (DEFICIT)</b>	<b>*☑ 14 538</b>	<b>*☑ 39 764</b>
<b>BALANCE AT BEGINNING OF MONTH</b>	<b>(20 038)</b>	☑ (5 500) <small>See bal. end June</small>
<b>BALANCE AT END OF THE MONTH</b>	<b>*☑ (5 500)</b>	<b>*☑ 34 264</b>

22

\* operation



2.5.1

Calculate the percentage increase in salaries and wages on 1 July 2022.	
WORKINGS	ANSWER
$\frac{(37\ 100 - 35\ 000)}{35\ 000} \times 100$ $\frac{2\ 100}{35\ 000} \times 100$	<input checked="" type="checkbox"/> 6% operation one part correct

<b>3</b>

2.5.2

Give ONE reason why the workers should be satisfied with this increase.
Any One valid reason: ✓✓ part marks for partial / incomplete / unclear responses
<ul style="list-style-type: none"> <li>• This is not far below the current inflation rate of approximately 7,5% .</li> <li>• The public sector offers it workers only a 3% increase.</li> <li>• Weak economic times – businesses still recuperating after COVID.</li> </ul>

<b>2</b>

<b>TOTAL MARKS</b>	<b>40</b>	
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QUESTION 3

	ACCOUNT DEBITED	ACCOUNT CREDITED	AMOUNT
3.1.1	Bank	Sales	10 500
3.1.2	Purchases ✓	Creditors control ✓	✓ 4 050
3.1.3	Carriage on purchases ✓	Bank	570
3.1.4	Donation ✓	Purchases ✓	810

6

3.2 Briefly explain TWO advantages of the perpetual inventory system over the periodic inventory system.

Any TWO valid answers ✓✓ ✓✓

- Stock movements are recorded immediately.
- Stock shortages are easily detected.
- More sophisticated – bar coding, inventory control computer software.

4

TOTAL MARKS	10	
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