



education

Department of
Education
FREE STATE PROVINCE

GRADE 11

PRESENTATION

ACCOUNTING

Stanmorephysics.com

AUGUST 2023

MARKS: 50

TIME: 1 hour

This task consists of 4 pages.

INSTRUCTIONS AND INFORMATION

Read the following instructions carefully and follow them precisely.

1. This task must be administered in class, under the supervision of the teacher.
2. Answer ALL the questions.
3. A special ANSWER BOOK is provided in which to answer ALL the questions.
4. Show ALL workings to earn part-marks.
5. You may use a non-programmable calculator.
6. You may use a dark pencil or blue/black ink to answer the questions.
7. Where applicable, show all calculations to ONE decimal point.
8. Write neatly and legibly.



PART: A BUDGETING

You are provided with the information relating to COCISANI CLEANING, owner by S. Sthe.

REQUIRED:

- 1.1 Explain the difference between a Cash Budget and a Projected Statement of Comprehensive Income. (4)
- 1.2 List TWO items in the Cash Budget that would NOT appear in a Projected Statement of Comprehensive Income. (2)
- 1.3 Complete the Debtors' Collection Schedule for October and November 2023. (9)
- 1.4 Prepare the cash budget for October and November 2023. (33)
- 1.5 **REFER TO INFORMATION I:**

What advice can you give to the owner with reference to the government contract which the business will secure from November 2023? (2)

A. Balances extracted from financial records on 31 August 2023:

Equipment (including computers) at cost price	R162 000
Accumulated depreciation on equipment	R54 000
Bank (Dr)	R101 250

B. Sales

ACTUAL	BUDGETED (PROJECTED)			
	2023 August	2023 September	2023 October	2023 November
R100 000	R130 000	R210 000	R300 000	

- Credit sales: 35% of all sales are on credit.
- **Debtors collection:**
 - 50% in the month of sale when a 5% settlement discount is allowed for prompt settlement.
 - 40% in the month following the sale (after 30 days)
 - 5% in the second month following the sale (after 60 days)
 - The rest is written off as irrecoverable in the third month after the sale (after 90 days)

C. Cleaning Services income

A contract was secured with a chain group of stores for R18 450 per month from 1 October 2023.

D. Purchases

- The business uses a fixed stock base - stock sold are replaced in the same month
- A fixed mark-up percentage of 60% on cost is used
- 40% of the purchases are paid in cash
- Creditors are paid in the month following the purchases (after 30 days)

E. Advertising

Advertising cost are based on projected monthly total sales and are paid in the same month. The advertising costs are expected to increase from 4% to 5% of the sales on 1 November 2023.

F. Salaries

Salaries amount to R324 000 per year and will remain constant during the budget period

G. Equipment

A new laptop valued at R19 800 will be bought on credit for the accountant during October 2023. 50% deposit will be paid on receipt of the laptop. The remaining balance will be settled in two equal amounts from November 2023.

The old laptop will be sold at a loss of R2 700 to a staff member for cash on 15 November 2023. The cost price of the old laptop was R20 250 and the carrying value is calculated to be R6 300 on this date.

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Equipment is depreciated at 15% p.a. on cost price.

H. Loan

A loan was made two years ago. The loan instalment which includes interest is R2 700 per month.

I. Drawings

The owner, S. Sthe, will withdraw R16 200 cash and R675 stationery in October for personal use.

The owner intends to withdraw an additional R18 000 cash, once off, during November 2023. This cash amount will be paid to a friend who works for government as remuneration to secure the contract for the cleaning of the government buildings as from November 2023.

TOTAL	50
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Surname: _____

Name: _____
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GRADE 11 - PRESENTATION
ACCOUNTING - AUGUST 2023
ANSWER BOOK

SECTION	MARKS	INITIAL	MODERATOR
A			
TOTAL			

This question paper consists of 3 pages.

SECTION A: BUDGETING

1.1 Explain the difference between a Cash Budget and a Projected Statement of Comprehensive Income.

Cash Budget:

Projected Income Statement:

4

1.2 List TWO items in the Cash Budget that would NOT appear in a Projected Statement of Comprehensive Income.

2

1.3 **COCISANI CLEANING**
DEBTORS COLLECTION SCHEDULE: 1 OCTOBER 2023 – 30 NOVEMBER 2023

MONTH	CREDIT SALES	COLLECTIONS:	
		OCTOBER	NOVEMBER
August	35 000		
September	45 500		
October	73 500		
November			

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1.4 CASH BUDGET FOR OCTOBER 2023 TO NOVEMBER 2023

RECEIPTS	October	November
PAYMENTS		
Cash purchases		
Cash paid to creditors		
Advertising		
Operating expenses	21 600	21 600
Cash surplus / deficit		
Bank: opening balance		
Bank: closing balance		

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What advice can you give to the owner with reference to the government contract which the business will secure from November 2023?

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TOTAL MARKS
 50



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Marking Guidelines

AUGUST 2023

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MARKS: 50

TIME: 1 hour

This marking guideline consists of 3 pages.

SECTION A: BUDGETING

1.1 Explain the difference between a Cash Budget and a Projected Statement of Comprehensive Income.

Two marks each ✓✓ ✓✓

Cash Budget:

To anticipate future receipts and payments, To determine the future bank balance, To anticipate future cash movement, consists of non-cash items

Projected Income Statement:

To anticipate future incomes and expenses, to determine future profit or loss

4

1.2 List TWO items in the Cash Budget that would NOT appear in a Projected Statement of Comprehensive Income.

Any two ✓ ✓

Cash purchases, Cash paid to creditors Loan repayment, Cash from debtors

2

1.3 **COCISANI CLEANING**
DEBTORS COLLECTION SCHEDULE: 1 OCTOBER 2023 – 30 NOVEMBER 2023

MONTH	CREDIT SALES	COLLECTIONS:	
		OCTOBER	NOVEMBER
August	35 000	1 750 ✓	
September	45 500	18 200 ✓	2 275 ✓
October	73 500	34 913 ✓	29 400 ✓
November	105 000 ✓		49 875 ✓
		54 863 ✓	81 550 ✓

* both columns

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1.4 **CASH BUDGET FOR OCTOBER 2023 TO NOVEMBER 2023**

RECEIPTS	October	November
Cash sales	136 500 ✓	195 000 ✓
Cash from debtors	54 863 ☑	81 550 ☑
Cleaning services	18 450	18 450 ✓
Laptop		3 600 ✓✓
Total receipts	209 813 ☑both	298 600
PAYMENTS		
Cash purchases	52 500 ✓✓	75 000 ✓✓
Cash paid to creditors	48 750 ✓✓	78 750 ✓✓
Advertising	8 400 ✓	15 000 ✓
Operating expenses	21 600	21 600
Laptop	9 900 ✓	4 950 ✓
Loan	2 700 ✓	2 700 ✓
Drawings	16 200 ✓	18 000 ✓
Salaries	27 000 ✓	27 000 ✓
Total payments	(187 050) ☑both	(243 000)
Cash surplus	22 763 ☑	55 600 ☑
Bank: opening balance	99 213 ☑	124 013 ☑
Bank: closing balance	124 013 ☑	179 613 ☑

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What advice can you give to the owner with reference to the government contract which the business will secure from November 2023?

- It is unethical and represents corruption and fraud.
- Report corrupt officials/friends and/or refuse to pay cash bribe.
- The owner may be fined or face jail time if found guilty of unlawful behaviour / corrupting a government official.
- The owner should rather attempt to secure the contract through legal and fair tender processes

2

TOTAL MARKS
50