



LIMPOPO
PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

DEPARTMENT OF
EDUCATION

MOPANI EAST DISTRICT

GRADE 10

ACCOUNTING
TASK 05: CASE STUDY
TERM 3: 25 AUGUST 2023
QUESTION PAPER



MARKS: 50

TIME:

90 MINUTES



This Question Paper consists of 4 pages and an Answer Book of 3 Pages.

INSTRUCTIONS AND INFORMATION [Downloaded from Stanmorephysics.com](http://Stanmorephysics.com)

Read the following instructions carefully and follow them precisely.

1. The Case Study must be administered in class under the supervision of the teacher.
2. It must be answered individually.
3. Learners are allowed to use extra material in hard copy, during answering the task. No cell phones allowed.
4. An answer book is provided in which to answer all the questions.
5. You may use a non-programmable calculator.
6. You may use a dark pencil or blue/black ink to answer questions.
7. Where applicable, show ALL calculations to ONE decimal point.
8. Write neatly and legibly.



QUESTION 1: JAMAICA TRADERS

The information provided was extracted from the books of Jamaica Traders. The owner, Bob Kingston started the business in 2021 to earn an income after he lost his job as Chef due to Covid-19. Jamaica Traders sells tropical pizzas from a food truck. Bob started doing catering events for birthday parties in 2022 for which he earns a fee income.

He increased the mark-up percentage at the beginning of 2023. He is however disappointed with the current state of business due to the high fuel prices and increasing competition from other food businesses.

Bob aims to expand the business by adding an additional branded food truck to his fleet every second year. Bob Kingston requested your assistance with his financial statements to ensure that his dream can be realized. The information relates to the financial year that ended on 28 February 2023. Goods are sold at a profit markup of 40% on cost.

REQUIRED:

- 1.1 Prepare the Statement of Comprehensive Income for the year ended 28 February 2023. (46)
- 1.2 The owner of the parking area where Bob runs his food truck will increase the rent in the following financial year. Bob feels he will be paying too much rent, negatively impacting his profit. He has established loyal and regular customers in this spot and therefore decided not to move to another location.
Provide Bob with TWO other ideas that he can implement in his business to increase his profit. (4)

INFORMATION:

A Information extracted from the Pre-Adjustment Trial Balance on 28 February 2023.

Capital	500 00
Drawings	70 00
Vehicles	320 00
Accumulated depreciation on vehicles (01/03/2022)	80 000
Equipment	140 000
Accumulated depreciation on equipment (01/03/2022)	26 000
Land and building	1 200 000
Fixed deposit: Palm Bank	180 000
Bank	76 000
Trading stock	231 000
Creditors' control	143 000
Loan: RMU Bank	220 000
Debtors' control	211 000
Sales	950 000
Cost of sales	400 000
Debtors' allowances	14 000
Salaries and wages	168 000
Fee income	82 600
Interest income	900
Consumable stores	5 500
Interest on fixed deposit	1 870
Discount allowed	1 260
Discount received	830
Rent expense	39 000
Stationery	8 800
Insurance	16 800
Bad debts	1 300

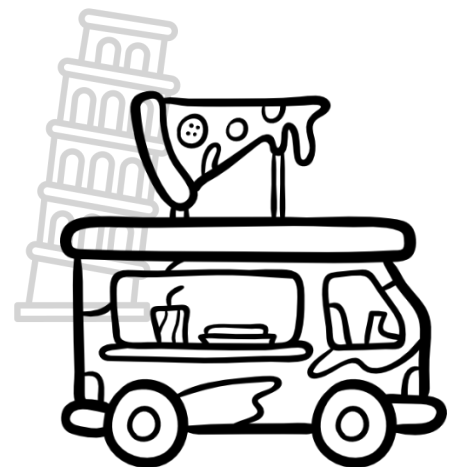
B Additional information and adjustments: [Downloaded from Stanmorephysics.com](http://Stanmorephysics.com)

- Cash sales of R18 200 on 28 February 2023 have not been recorded.
- A Fee income of R2 400 is still outstanding for the current financial period.
- Insurance includes monthly payments up to 30 April 2023.
- Bob's only employee, Pete Tosh, has been left out of the Salaries Journal in error.
He has not yet been paid for February.
The details of his salary are as follows:

Gross salary	?
Net salary	R7 300
PAYE	R2 200
UIF	R400
Pension fund	R100

NOTE: Bob does not contribute to ANY fund, due to financial difficulties.

- Depreciation on vehicles of R32 000 and on equipment of R17 100 must be written off.
- Interest on the loan for the year amounted to R30 800.
- Bad debts of R700 must be written off the account of S. Sizzla.
- The rent was paid for 13 months.
- The physical count of stock revealed the following stock on hand:
 - Trading stock R220 000
 - Unused Consumable stores in stock amounted to R500.



TOTAL 50 MARKS



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ANSWER BOOK

NAME & SURNAME	
SCHOOL	

QUESTION	MAXIMUM MARKS	MARKS OBTAINED	SCHOOL MODERATOR	DISTRICT MODERATOR	PROVINCIAL MODERATOR
1.1	46				
1.2	04				
TOTAL	50				



MARKS: 50

TIME: 90 Minutes

This Answer Book consists of 3 pages.

1.1 INCOME STATEMENT OF JAMAICA TRADERS FOR THE YEAR ENDED 28 FEBRUARY 2023.

Sales		
Cost of Sales		
Gross Profit		
Other operating Income		
Discount received		830
Gross operating income		
Operating Expenses		
Discount allowed		1 260
Stationery		8 800
Operating Profit		
Profit before Interest Expense		
Net Profit for the Year		

1.2

The owner of the parking area where Bob runs his food truck will increase the rent in the following financial year. Bob feels he will be paying too much rent, negatively impacting his profit. He has established loyal and regular customers in this spot and therefore decided not to move to another location.

Provide Bob with TWO other ideas that he can implement in his business to increase his profit.

IDEA 1:

IDEA 2:

4

TOTAL MARKS
50





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TERM 3: 25 AUGUST 2023
MARKING GUIDELINE

Stanmorephysics.com

MARKS: 50

MARKING PRINCIPLES:

1. Unless otherwise indicated in the marking guidelines, 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 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 marking guidelines 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.
7. These marking guidelines are 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.
10. Operation means 'check operation'. 'One part correct' means operation and one part correct. Note: Check operation must be +, -, x, ÷, or per marking guidelines.
11. In calculations, do not award marks for workings if numerator and 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 guidelines. Note that one comment could contain different aspects.
14. Codes: f = foreign item; p = placement/presentation.

This Marking Guideline consists of 3 pages.

QUESTION 1
1.1 INCOME STATEMENT OF JAMAICA TRADERS FOR THE YEAR ENDED 28 FEBRUARY 2023.

Sales (950 000 ✓ + 18 200 ✓ – 14 000 ✓)	<input checked="" type="checkbox"/>	954 200
Cost of Sales (400 000 ✓ + 13 000 ✓✓)	<input checked="" type="checkbox"/>	(413 000)
Gross Profit	<input checked="" type="checkbox"/> *	541 200
Other operating Income	<input checked="" type="checkbox"/>	87 830
Discount received		830
Fee Income (82 600 ✓ + 2 400 ✓)	<input checked="" type="checkbox"/>	85 000
Trading stock surplus (231 000 ✓ – 13 000 ✓ – 220 000 ✓)	<input checked="" type="checkbox"/> #	2 000
Gross operating income	<input checked="" type="checkbox"/> *	629 030
Operating Expenses	<input checked="" type="checkbox"/> *	(294 560)
Discount allowed		1 260
Stationery		8 800
Salaries and wages (168 000 ✓ + 10 000 ✓✓) OR (168 000 ✓ + 7 300 ✓ + 2 700 ✓)	<input checked="" type="checkbox"/>	178 000
Insurance (16 800 ✓ – 2 400 ✓✓)	<input checked="" type="checkbox"/>	14 400
Bad Debts (1 300 ✓ + 700 ✓)	<input checked="" type="checkbox"/>	2000
Consumable Stores (5 500 ✓ – 500 ✓)	<input checked="" type="checkbox"/>	5 000
Rent expense (39 000 ✓ – 3 000 ✓)	<input checked="" type="checkbox"/>	36 000
Depreciation (32 000 ✓ + 17 100 ✓)	<input checked="" type="checkbox"/>	49 100
Operating Profit	<input checked="" type="checkbox"/> *	334 470
Interest Income (900 ✓ + 1 870 ✓)	<input checked="" type="checkbox"/>	2 770
Profit before Interest Expense	<input checked="" type="checkbox"/> *	337 240
Interest Expense	<input checked="" type="checkbox"/>	(30 800)
Net Profit for the Year	<input checked="" type="checkbox"/> *	306 440
<input checked="" type="checkbox"/> operation & one part correct. <input checked="" type="checkbox"/> * operation only. Foreign entries -1 (max -2) # If T/S surplus is shown under expenses, mark workings but -1 P for wrong placement on the final answer.		

1.2

The owner of the parking area where Bob runs his food truck will increase the rent in the following financial year. Bob feels he will be paying too much rent, negatively impacting his profit. He has established loyal and regular customers in this spot and therefore decided not to move to another location.

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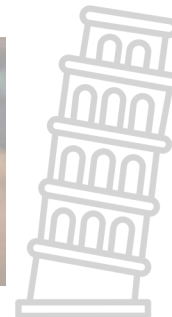
Any TWO separate ideas ✓✓ ✓✓

DO NOT ACCEPT: Move to another permanent location OR Increase Mark-up

- Expand catering to also cater for other events such as Batchelor parties, baby showers, or other occasions.
- Expand the product range with another food option besides Pizzas.
- Have a special day once a week where you can buy one pizza and get the other for half price.
- Use weekends to run the truck from markets or festivals.
- Find a cheaper supplier for ingredients without compromising the quality of the current product.
- Bob should see if he cannot manage on his own and let his employee go, this way he can save a lot of money.
- Bob should minimize his drawings for personal use as this is reducing his net profit.
- Bob should reduce his Debtors allowance and sell for cash only, then his bad debts will also not be a challenge anymore.
- Bob can reduce his Stationery expense by conducting his business online where possible.
- Advertise on social media to increase sales.

4

TOTAL MARKS
50



TOTAL 50 MARKS