





REPUBLIC OF SOUTH AFRICA



PROVINCIAL EXAMINATION

JUNE 2024

GRADE 11

ACCOUNTING PAPER 2

- TIME: 2 hours
- MARKS: 150
- 10 pages + 1 formula sheet and an answer book of 10 pages



INSTRUCTIONS AND INFORMATION

- 1. Answer ALL the questions.
- 2. A special ANSWER BOOK is provided in which ALL questions are to be answered.
- 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. You may use a non-programmable calculator.
- 6. You may use black/blue ink to answer the questions.
- 7. Where applicable, show all calculations to ONE decimal point.
- 8. Write neatly and legibly.
- 9. Use the information in the table below as a guide when answering the question paper. Try NOT to deviate from it.

QUESTION	ΤΟΡΙϹ	MARKS	TIME IN MINUTES
1	Bank Reconciliation and Internal Control	55	44 minutes
2	Creditors' Reconciliation and Ethics	25	20 minutes
3	Fixed Assets	50	40 minutes
4	Internal control	20	16 minutes
TOTAL		150	120 minutes



QUESTION 1: BANK RECONCILIATION AND INTERNAL CONTROL

(55 marks; 44 minutes)

1.1	State whether the following statements are TRUE or FALSE .	(03)

- 1.1.1 Favourable balance as per bank statement is a debit balance.
- 1.1.2 Interest on overdraft is recorded in the Cash Payment Journal.
- 1.1.3 Cash deposits increase your bank balance.

SK TRADERS

1.2 The following information relates to SK Stores for February 2024. The business banks with Honey Bank. The bookkeeper prints out statements at the end of the month from the banking app.

REQUIRED:

1.2.1	Complete the Cash Receipts Journal and the Cash Payments Journal for February 2024. Use the correct details (contra account).	(26)
1.2.2	Calculate the correct bank account balance on 29 February 2024.	(04)
1.2.3	Prepare the Bank Reconciliation statement on 29 February 2024.	(10)
1.2.4	Provide TWO internal control measures to control cash.	(04)
1.2.5	Indicate TWO internal control measures that can be implemented regarding EFT payments.	(04)
1.2.6	A payment made to one of our creditors on the 19 th was not received by the creditor. It was discovered that the money was sent to the creditor's old account which is now closed. Give TWO points explaining why it is important to verify account details before making any payments.	(04)



INFORMATION:

A. Extract from the Bank Reconciliation Statement on 31 January 2024:

Outstanding deposit: 15 January 2024	15 000
Outstanding deposit: 20 January 2024	21 500
Outstanding deposit: 30 January 2024	12 000
Outstanding EFT 410	7 200
Favourable balance as per bank account on 31 January 2024	17 500

NOTE:

- The outstanding deposit on the 15th and 30th of January 2024 both appeared on the bank statement with the correct amounts.
- The outstanding deposit on the 20th of January 2024 appeared in the February bank statement with the correct amount of R19 500. This amount was received from a debtor.
- The outstanding EFT 410 of R7 200 was a scheduled payment for the purchase of stationery. The order was cancelled, and the payment must be reversed.

B. The provisional totals in the Cash Journals

- Cash Receipt Journal R 205 500
- Cash Payment Journal R 178 400

C. The following appeared in the bank statement for February but not in the cash journals:

- A deposit made for monthly rent by a tenant for R11 500.
- R 50 000 received from Honey Bank for a fixed deposit that has matured.
- Payment made to Mogale Municipality for water and electricity R1 500.
- The bank statement shows a debit order of R780 from MTT Stores, the business does not haS MTT Stores as a service provider.

- Cash handling fees R1 000.
- Service fees amount to R940
- Interest earned on a current account R 570
- A credit card payment of R645 for food purchased for the owner's private residence.
- The statement reflected an EFT for R3 000 for trading stock, this was incorrectly recorded in the journals as R1 345.
- Monthly repayment for a loan from EN Bank, R 10 500.
- An EFT payment of R750 to Shine Stores. This amount was for goods purchased by the cashier for her own use.
- A deposit of R18 000, this amount was deposited into our account by mistake by the bank. The bank agreed to correct the error next month.
- D. The following appeared in the Cash Journals for February but not in the bank statement:
 - Outstanding deposit 20 February 2024 R 10 600
 - Outstanding deposit 27 February 2024 R15 000
 - Outstanding EFT 510 of R8 500 made to a creditor.
- E. Balance at the end of the month as per bank statement?

[55]



QUESTION 2: CREDITORS' RECONCILIATION AND INTERNAL CONTROL (25 marks; 20 minutes)

BaseM TRADERS

BaseM Traders buys goods on credit from various suppliers, including Mokoena Suppliers.

REQUIRED:

2.1 The new bookkeeper employed at BaseM has not been preparing the Creditors' Reconciliation Statement every month. Provide TWO reasons why is it important to have control over creditors?

(02)

2.2 **Refer to INFORMATION A:**

Prepare a correct creditors' list in the books of BaseM Traders after considering all the adjustments referred to in **INFORMATION A**. (09)

2.3 **Refer to INFORMATION B:**

Reconcile the creditors' ledger of Mokoena Suppliers in the books of BaseM Traders to the statement of account received from Mokoena Suppliers. (11)

2.4 The bookkeeper found out that the owner was ordering merchandise for his personal use and was putting through the cost as purchases of the business. What should the bookkeeper say to the owner? (02)



INFORMATION:

Creditors' List on 29 February 2024.	
Masuku Suppliers	R 18 000
Maleka Suppliers	R 5 900
Hadebe Suppliers	R 10 300
Matshaba Suppliers	R 7 000
Ngubeni Suppliers	R 6 800
Mokoena Suppliers	R 21 700
	R 69 700

The creditors' list above was prepared before considering the following adjustments.

- A payment of R10 000 made to Masuku Suppliers has not been recorded.
- An invoice of R2 200 for goods purchased from Ngubeni Suppliers was incorrectly recorded in the account of Hadebe Suppliers.
- A trade discount of 2.5% granted by Matshaba Suppliers on merchandise purchased has not been recorded. The amount after the trade discount was R6 630.
- Goods to the value or R 1 500 were returned to Masuku Suppliers.



B. The following balances were extracted from the books of BaseM Traders and the Statement of Account received from Mokoena Suppliers.

Note: Mokoena Suppliers closes their books on the 25TH of each month.

Balance of the account of Mokoena Suppliers in the creditor's ledger of BaseM Traders on 29 February 2024:	R21 700
Balance on the Statement received from Mokoena Suppliers on 25 February 2024.	R23 900

Errors and omissions

- (i) Mokoena Suppliers omitted to record the invoice for goods purchased for R 3 000.
- (ii) The statement incorrectly recorded merchandise returned for R580 as an invoice.
- (iii) Goods ordered by BaseM Traders for R250 was not recorded in both the creditors ledger and the creditors statement.
- (iv) A payment reflected on the creditors' ledger of Mokoena Suppliers for R2 250, as actually a payment made to Makoena Ltd.
- (v) A discount of R180 received for an early payment as correctly recorded in the statement only.
- (vi) The statement reflects a transfer of a credit balance of R420 for BaseM Traders in the debtor's ledger to their balance in the creditor's ledger.
- (vii) The creditors ledger reflected a payment of R1 550 made on the 26 February 2024.

[25]



QUESTION 3: FIXED ASSETS

(50 marks;40 minutes)

MZIZI TRADERS

The following information was extracted from the books of Mzizi Traders. Their financial year ends on 30 April 2024.

REQUIRED:

- 3.1.1 Calculate the depreciation of Vehicles and Equipment. Use the table provided as a guide. (12)
- 3.1.2 Complete the Asset disposal account in the General Ledger. (11)
- 3.1.3 Prepare the Tangible Asset note. Show calculations where necessary. (27)

INFORMATION:

Α.

Balances on 30 April 2024			
Land and buildings	1 050 000		
Vehicles	900 000		
Accumulated depreciation on vehicles (1 May 2023)	555 000		
Equipment	480 000		
Accumulated depreciation on equipment (1 May 2023)	438 000		

B. ADDITIONAL INFORMATION:

Land and buildings

- During the year a mortgage loan of R300 000 was taken from KIN Bank to purchase a new property.
- Further repairs worth R15 000 was done on the old building.
- No entries have been made.

Vehicles



- A new vehicle costing R160 000 was bought on 29 February 2024.
- A delivery vehicle was sold for R81 250 cash on 01 December 2023. The accumulated depreciation on 01 May 2023 was R360 000 and the carrying value on the same day amounted to R70 000.
- Vehicles are depreciated at 15% p.a. on the carrying value method.

Equipment

- New equipment was purchased half-way through the financial year for R90 000. This transaction was not yet recorded.
- Equipment is depreciated at 10% p.a. on the cost price.



QUESTION 4: CONCEPTS

(20 marks; 16 minutes)

[50]

REQUIRED:

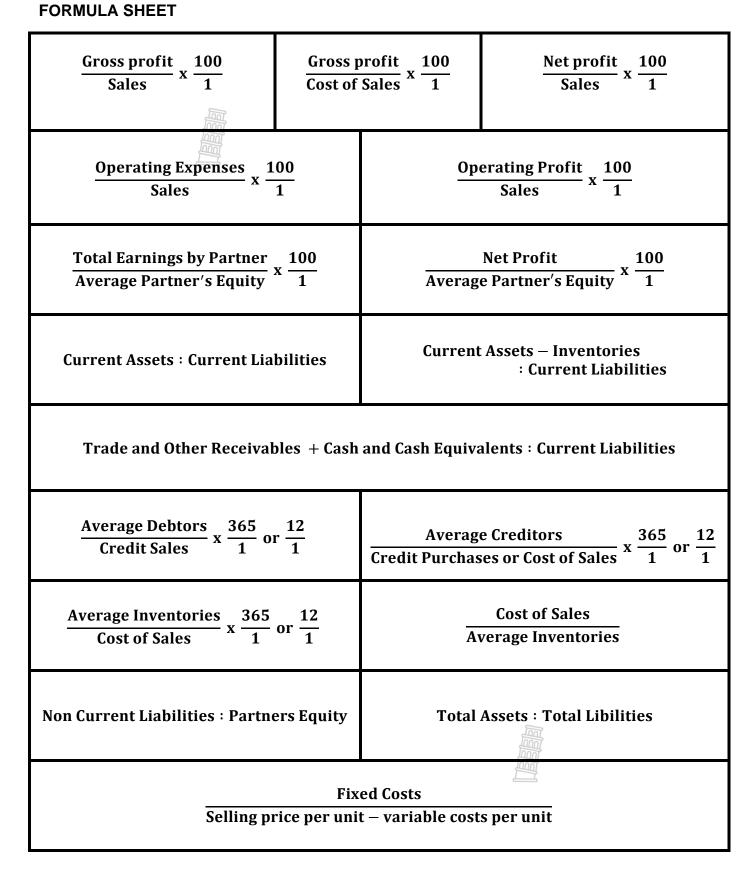
Read the case studies below and answer the questions that follow:

INFORMATION:

4.1 James Nxumalo is the manager of Tic Comp Traders. He is considering replacing the current computers the business has. Some of the employees feel that this is not a necessary expenditure since the computers were purchased three years ago.

		TOTAL:	150
4.2	expen large a	upervisor in the copying and duplicating room is concerned about the large se on repairs and maintenance of copying machines. She also noticed that amounts of money is spent on copying paper, toners, and stencils. est THREE measures that can be put in place to control these expenses.	(06) [20]
	4.1.5	"When on asset is sold at book value/carrying value the net profit decreases." Is this statement True or False ? Provide a reason for your answer.	(02)
	4.1.4	If the computer was sold and the business made a loss, in which financial statement would the loss be recorded.	(02)
	4.1.3	Provide TWO points in support of the employees.	(04)
	4.1.2	Provide TWO points in favour of the manager's proposal.	(04)
	4.1.1	Depreciation is an unusual expense in that it does not involve the outflow of cash from a business. Identify ONE other example of a similar type of expense.	(02)

ANNEXURE







PROVINCIAL EXAMINATION

JUNE 2024

GRADE 11

ACCOUNTING PAPER 2

ANSWER BOOK

TIME: 2 hours

MARKS: 150

10 pages

Name of school	
Name of learner	
Date	

Question	Торіс	Possible Marks	Obtained Marks	Moderated Marks
1	Bank Reconciliation and Internal Control	55		
2	Creditors' Reconciliation and Ethics	25		
3	Fixed Assets	50		
4	Internal control	20		
TOTAL		150		

QUESTION 1: BANK RECONCILIATION AND INTERNAL CONTROL (55 marks;44 minutes)

1.1	State v	whether the following statements are TRUE or FALSE.	
	1.1.1		
	1.1.2		
	1.1.3		03

1.2.1 Complete the Cash Receipts Journal and the Cash Payments Journal for February 2024. Use the correct details (contra account).

Cash Receipt Journal		Cash Payment Journal	
Amount	Details	Amount	
205 500	Provisional totals	178 400	
	Amount	Amount Details	



1.2.2 Calculate the correct Bank Account balance on 29 February 2024.



1.2.3 Prepare the Bank Reconciliation Statement on 29 February 2024.

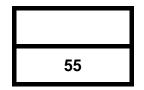
Bank Reconciliation statement of SK Stores on 29 February 2024.				
	DEBIT	CREDIT		

10

1.2.4	Provide TWO internal control measures to control cash.		

1.2.5	Indicate TWO internal control measures that can be implemented regarding EFT payments.

1.2.6	A payment made to one of our creditors on the 19 th was not received by the creditor. It was discovered that the money was sent to the creditor's old account which is now closed. Give TWO points explaining why it is important to verify account details before making any payments.				





QUESTION 2: CREDITORS RECONCILIATION AND ETHICS

(25 marks; 20 minutes)

2.1	Provide TWO reasons why it is important to have control ov creditors.	'eı

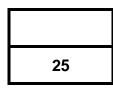


2.2	Prepare a correct creditors' list in the books of BaseM Traders after considering all the adjustments referred to in INFORMATION A.	r
Cred	litors' list on 29 February 2024	
Mas	suku Suppliers (18 000	
Mal	eka Suppliers (5 900	
Hac	debe Suppliers(10 300	
Mat	shaba Suppliers (7 000	
Ngı	ubeni Suppliers (6 800	
Mol	koena Suppliers (21 700	



2.3	Creditors' Ledger Account of Mokoena Suppliers.	Statement of Account received from Mokoena Suppliers.	
Balances	21 700	23 900	
(i)			
(ii)			
(iii)			
(iv)			
(v)			
(vi)			
(vii)			

2.4	The bookkeeper found out that the owner was ordering merchandise for his personal use and was putting through the cost as purchases of the business. What should the bookkeeper say to the owner?





QUESTION 3: FIXED ASSET

(50 marks;40 minutes)

08

3.2.1. CALCULATE DEPRECIATION FOR VEHICLES	Amount
SOLD:	
OLD:	
NEW:	
Total depreciation for the year	



3.2.2 Dt	Asset Disposal Account	N6	Cr

11	

Land and buildings	Vehicles	Equipment
	(555 000)	(438 000)
		buildings



50	

QUESTION 4: INTERNAL CONTROL

(20 marks; 16 minutes)

4.1.1	Depreciation is an unusual expense in that it does not involve the outflow of cash from a business. Identify ONE other example of a similar type of expense.	
		0

4.1.2 **Provide TWO points in favour of the manager's proposal.**

4.1.3 **Provide TWO points in support of the employees**.

04

4.1.4	If the computer was sold and the business made a loss, in which financial statement would the loss be recorded.	
		╏┌╴

4.1.5	"When a asset is sold at book value/ carrying value net profit decreases." Is this statement True or False? Provide a reason for your answer.

 4.2
 The supervisor in the copying and duplicating room is concerned about the large expense on repairs and maintenance of copying machines. She also noticed that large amount of money is spent on copying paper, toners, and stencils.

 Suggest THREE measures that can be put in place to control these expenses.

20	

TOTAL MARKS
150





PROVINCIAL EXAMINATION JUNE 2024 GRADE 11

MARKING GUIDELINES

ACCOUNTING PAPER 2

10 pages

1

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 items). No double-penalty is 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).
- 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. 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.
- 9. In awarding method marks, ensure that candidates do not get full marks for any item that is incorrect at least in part.
- 10. Be aware of candidates who provide valid alternatives beyond the marking guidelines.
- 11. Codes: F=foreign item; P=placement/presentation.

QUESTION 1: BANK RECONCILIATION AND INTERNAL CONTROL (55 marks; 44 minutes)

1.1	State whether the following statements are TRUE or FALSE.		
	1.1.1	False	
	1.1.2	True	
	1.1.3	True ✓	

1.21 Complete the Cash Receipts' Journal and the Cash Payments' Journal for February 2024. Use the correct details (contra account).

Cash Receipt Jour	nal	Cash Payment Journal	
Details	Amount	Details	Amount
Provisional totals	205 500	Provisional totals	178 400
Stationery √	7 200√√	Debtors' control ✓	2 000√√
Rent income √	11 500√	Water and electricity \checkmark	1 500√
Fixed deposit:Honey Bank√	50 000√	Bank charges √	1 940√
Interest on current account/Interest Income √	570√	Drawings ✓	645√
		Trading stock√	1 655√
		Loan: EN Bank√	10 500√
		Trading stock ✓	750 ✓
	274 770 🗹		197 390团

26

Award method marks only if the totals are greater than R205 500 and R178 400 respectively

1.2.2 Calculate the correct Bank Account balance on 29 February 2024.

R17 500 ✓ + 274 770 Ø - 197 390 Ø = R94 880 Ø

1.2.3 Prepare the Bank Reconciliation Statement on 29 February 2024.

Bank Reconciliation statement of SK Stores on 29 February 2024.			
	DEBIT	CREDIT	
CR Balance as per Bank Statement		95 000⊠	
CR Outstanding Deposit		10 600√	
CR Outstanding Deposit		15 000√	
DR Outstanding EFT	8 500√		
DR Correction of error	18 000√√		
CR the incorrectly Dr amount		780 🗸 🗸	
DR Balance as per Bank Account	94 880⊠		
Award mark if both totals are the same	121 380	121 380	

10

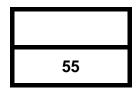
04

1.2.4	Provide TWO internal control measures to control cash.	
 Encourage EFT payments by customers. Cash must be deposited daily (check deposit slip against receipts). Request the bank to send notifications of all transactions. Split duties amongst employees, the person who issues receipts must not be the same person making the deposits. 		
	$\checkmark\checkmark$ For any relevant answers. \checkmark For partial answers.	



1.2.5 Indicate TWO internal control measures that can be implemented regarding EFT payments.		
	 All payments made need to be authorised by a supervisor/senior official. Only specific personnel need to have access to the banking app. Check EFT payments against CPJ. 	
	\checkmark \checkmark For any relevant answers. \checkmark For partial answers	

1.2.6	A payment made to one of our creditors on the 19 th was not received by the creditor. It was discovered that the money was sent to the creditors old account which is now closed. Give TWO points explaining why it is important to verify account details before making any payments.
	 It's the responsibility of the bookkeeper to verify the account number because the bank will not be responsible for any loss incurred. Before confirming the payment, the bank might indicate that the name of the person does not match the account details, if so, do not confirm payment.
	 Save regular payees as beneficiaries so that it is easier to send the money to the correct person with the correct details. Ensure that you update your creditors' details on a regular basis. ✓ For any relevant answers. ✓ For partial answers





QUESTION 2: CREDITORS' RECONCILIATION AND ETHICS

(25 marks; 20 minutes)

2.1	Provide TWO reasons why it is important to have control over creditors
	 To ensure that the correct amount is paid over to the creditor. To ensure that creditors are paid on time to qualify for essential discounts. To make use of the full 60-90 days credit terms to maintain good cash flow.
	1 mark each for any relevant answers.

02

2.2 Prepare a correct creditors' list in the books of B considering all the adjustments referred to in INF	
Creditors' list on 29 February 2024	
Masuku Suppliers (18 000 – 10 000- 1 500)	☑ 6500
Maleka Suppliers (5 900)	✓ 5 900
Hadebe Suppliers(10 300 – 2 200)	✓ 8100
Matshaba Suppliers (7 000 – (6630 $x \frac{2.5}{97.5}$ \checkmark)	☑ 6 800
Ngubeni Suppliers (6 800 +2 200)	✓ 9 000
Mokoena Suppliers (21 700)	√ 21 700
	☑ 51 200

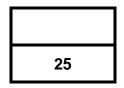


2.3	Creditors' Ledger Account of Mokoena Suppliers.	Statement of Account received from Mokoena Suppliers.
Balances	21 700	23 900
(i)		+ 3 000√
(ii)		—580√ —580√ award 2 marks for <mark>-1160</mark>
(iii)	+250√	+250√
(iv)	+2 250√√	
(v)	–180√	
(vi)	+420√√	
(vii)		–1 550√
	☑ 24 440	24 440

12

Award method mark only if both totals are the same and takes into account the opening balances

2.4	The bookkeeper found out that the owner was ordering merchandise for his personal use and was putting through the purchases as part of the business. What should the bookkeeper say to the owner?	
	What he is doing is unethical.He is committing fraud.	
	2 marks for any relevant answer. $\sqrt{4}$	[





QUESTION 3: FIXED ASSET

(50 marks; 40 minutes)

3.2.1. CALCULATE DEPRECIATION FOR VEHICLES	Amount
SOLD:	
70 000 x 15% x 7/12√=	6 125√ ⊠
430 000 – 360 000 = 70 000 cv	
OLD:	
900 000 - 430 000 = 470 000	41 250√
555 000 - 360 000 = 195 000	11 200
Therefore: 470 000 – 195 000 = 275 000√ ⊡x 15% =	
NEW:	
160 000 x 15% x 2/12 √=	4 000☑
Total depreciation for the year	51 375

08

Amount	
41 999√ ☑	
4 500√	
46 499	



3.2.2	Dr		Asset Disposal Account				N6	Cr	
2024 Apr	30	Vehicles ✓	GJ	430 000√√ (360 000 + 70 000)	2024 Apr	30	Accumulated depreciation on vehicles \checkmark (360 000 \checkmark + 6 125 \checkmark see 3.2.1)	GJ	366 125⊠*
		Profit on sale of asset √	GJ	17 375√			Bank ✓	CRJ	81 250√
					*Award	3 marl	ks on 366 125 if no cald	culations	are shown
				447 375					447 375

11	

3.2.3 Fixed Assets	Land and buildings	Vehicles	Equipment
Carrying value: Beginning of the year	1 050 000	345 000⊠	42 000☑
Cost	1 050 000√	900 000√	480 000√
Accumulated depreciation		(555 000)	(438 000)
Movements			
Additions at cost	300 000√	160 000√	90 000√
Disposal at carrying value		(63 875) √ ☑	
Depreciation for the year		(51 375) √ 🗹	(46 499) √ ☑
Carrying value: End of the year	1 350 000	389 750√ ⊠	85 501√⊠
Cost	1 350 000√	630 000√ ⊠	570 000√ ⊠
Accumulated depreciation		(240 250) √ ☑	(484 499) √ 🗹

27

50	

QUESTION 4: INTERNAL CONTROL

(20 marks; 16 minutes)

4.1.1	1 Depreciation is an unusual expense in that it does not involve the outflow of cash from a business. Identify ONE other example of similar type of expense.			
Any relevant non-cash expense √ √				
Bad d	Bad debts; Discount allowed; Trading stock deficit; Discount Received			

4.1.2	Provide TWO points in favour of manager's proposal.	
Any TW	O valid points $\sqrt[4]{}$ $\sqrt[4]{}$	
• N	eed to update present systems – keep up with technology.	
	urchase latest model to improve productivity.	
	lobal business environment – compatible with competitors.	
• N	aintain the image of the business – reputation.	04

4.1.3	Provide TWO points in support of the employees.	
Any TW	O valid points $\sqrt[4]{}$ $\sqrt[4]{}$	
	ash could be used for other purposes (incentives). /ith new computers, training will be needed.	
	ime wastage in installing and training.	04

	If the computer was sold and the business made a loss, in which financial statement will the loss be recorded.	
Incom	ne statement/Statement of comprehensive income $\sqrt{}$	02

	"When asset is sold at book value/carrying value net profit decreases." Is this statement True or False? Provide a reason for your answer.	
False Since i	it is being sold at carrying value no profit or loss is being made $\sqrt{4}$	

4.2 The supervisor in the copying and duplicating room is concern about the large expense on repairs and maintenance of copying machines. She also noticed that large amount of money is spent copying paper, toners, and stencils. Suggest THREE measures that can be put in place to control the expenses.	ing on
2 marks for each complete answer ✓ ✓ Incomplete/unclear answers 1 mark. ✓	
Replace the copier with an newer one.	
Lease a new copier	
Put measures in place to restrict copying, E.g. Passwords to restrict excess Have one person dedicated to making copies.	
Accept any reasonable answers.	06

20	

TOTAL MARKS
150

