



# NATIONAL SENIOR CERTIFICATE

**GRADE 11**

**NOVEMBER 2024**

**ACCOUNTING P1**

**MARKS: 150**

**TIME: 2 hours**



\* I A C C N E 1 \*



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This question paper consists of 10 pages, including  
a formula sheet and a 7-page answer book.

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**INSTRUCTIONS AND INFORMATION**

Read the following instructions carefully and follow them precisely.

1. Answer ALL the questions.
2. A special ANSWER BOOK is provided in which to answer ALL questions.
3. A Financial Indicator Formula Sheet is attached at the end of this question paper.
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.
9. Use the information in the table below as a guide when answering the question paper. Try NOT to deviate from it.

<b>QUESTION</b>	<b>TOPIC</b>	<b>MARKS</b>	<b>TIME (minutes)</b>
1	Fixed assets and internal controls	25	20
2	Concepts and Statement of Comprehensive Income	50	40
3	Statement of Financial Position and Notes to Financial Statements	40	30
4	Financial Indicators and Interpretation of Financial Statements	35	30
<b>TOTAL</b>		<b>150</b>	<b>120</b>

**QUESTION 1: FIXED ASSETS AND INTERNAL CONTROLS (25 marks; 20 minutes)**

The following information relates to Asande Traders for the year ended 29 February 2024.

**REQUIRED:**

- 1.1 Calculate the missing figures denoted by (i) to (iv) in the fixed asset note. (12)
- 1.2 Prepare the Asset Disposal account. (7)
- 1.3 Calculate the percentage increase in the value of Land and Buildings if their market value as at 29 February 2024 amounts to R5 500 000. (4)
- 1.4 The owner notices that the mileage on one of the vehicles is extremely high. He therefore concluded that the driver is misusing the vehicle. Suggest TWO internal control measures that can be implemented to safeguard the business against the misuse of vehicles. (2)

**INFORMATION:****A. Fixed Asset note:**

	LAND AND BUILDINGS	EQUIPMENT	VEHICLES
Carrying value on 1 March 2023		(ii)	200 000
Cost	(i)	600 000	680 000
Accumulated depreciation		180 000	480 000
Additions at cost	750 000	90 000	120 000
Disposals at carrying value			(iv)
Depreciation for the year		(iii)	
Carrying value on 29 February 2024	4 000 000		
Cost	4 000 000	690 000	440 000
Accumulated depreciation			

**B. Information from the Fixed Asset register:**

- Depreciation is calculated as follows:
  - On equipment at 10% p.a. on diminishing-balance method.
  - On vehicles at 12% p.a. on cost.
- New equipment was purchased on 1 July 2023. No equipment was sold.
- No land and buildings were sold during the year.
- A delivery vehicle was sold for R115 000 cash on 31 December 2023.

**Details extracted from the asset register regarding this vehicle:**

Cost price	?
Accumulated depreciation on 1 March 2023	R215 000

**25**

**QUESTION 2: CONCEPTS AND STATEMENT OF COMPREHENSIVE INCOME****(50 marks; 40 minutes)**

- 2.1 Choose the concepts in COLUMN B that best suits the description in COLUMN A. Write only the letter (A–F) next to the question numbers (2.1.1 to 2.1.5) on the ANSWER BOOK, for example 2.1.6 G.

COLUMN A		COLUMN B	
2.1.1	A fixed amount of depreciation is written off every year on fixed assets	A	Carrying value
2.1.2	A separate record is kept for every asset in the business	B	Depreciation
2.1.3	The disposed asset will be reflected at this value in the accounting records	C	Depreciation on the cost price
2.1.4	The value of asset losses during the year	D	Historical cost Principle
2.1.5	In the note for fixed assets, the original cost price is shown	E	Fixed asset register
		F	Business entity rule

(5 x 1) (5)

- 2.2 The following information relates to Eshowe Traders. Their financial year ends on 30 June 2024.

**REQUIRED:**

Prepare the Statement of Comprehensive Income (Income statement) for the year ended 30 June 2024.

(45)

**A. INFORMATION:**

List of some of the balances and totals of Eshowe Traders on 30 June 2024.	R
Trading stock	371 000
Equipment	118 000
Vehicles	450 000
Debtors control	88 480
Fixed deposit: AC Bank	120 000
Provision for bad debts (1 July 2023)	4 444
Loan: Amazing Bank	?
Sales	1 696 080
Cost of sales	998 000
Salaries and wages	156 000
Insurance	56 400
Telephone	18 000
Rent income	95 600
Packing materials	21 450
Bad debts recovered	640
Employer's contributions	54 000
Bad debts	3 450
Bank charges	5 800
Discount allowed	1 200
Interest on fixed deposit	?
Sundry expenses	34 000

**B Adjustments and additional information:**

- (i) A credit note for goods costing R2 800, issued to a debtor was not recorded. Goods were sold at a mark-up of 60% on cost. Goods were placed back on the shelves.
- (ii) A fire occurred in the storeroom and destroyed goods costing R18 000. The insurance company agreed to pay 85% of the total claim. No entries have been made.
- (iii) Stock count on 30 June 2024 revealed the following on hand:  
 Trading stock R358 000  
 Packing materials R4 000
- (iv) A debtor A. Susan was declared insolvent. Her estate paid R480, which represented 30 cents in the rand from the insolvent estate which was properly recorded. The balance must still be written off as irrecoverable.
- (v) Provision for bad debts must be calculated at 5% of good book debtors.
- (vi) Included in the amount for insurance is R4 800 paid for the second and third quarters of 2024.
- (vii) Rent was received until 31 August 2024. The monthly rent was increased by 8% on 1 April 2024.
- (viii) 20% of the telephone account was still outstanding.
- (ix) The salary of an employee, Mr. Osana, was omitted from the June 2024 salaries journal. His salary details are as follows:  
 Net salary R7 800  
 Deductions R1 200  
 Employer's contribution to the UIF is 1% of the gross salary.
- (x) The following information appeared in the bank statement received from IFM bank:
- Internet banking fees, R420
  - Service fees, R880
- (xi) The following loan statement was received from Africa Bank:

Balance on 1 July 2023	280 000
Monthly repayments made during the year (including interest)	4 500
Interest capitalised	?
Balance on 30 June 2024	249 800

- (xii) Provide for depreciation of R17 250.
- (xiii) The following financial indicator was calculated at the end of the financial year, after all the above adjustments were recorded:  
 Percentage Net profit on sales 22%.

**QUESTION 3: STATEMENT OF FINANCIAL POSITION AND NOTES****(40 marks; 30 minutes)****3.1 Tiny-Tony Traders**

The following information relates to Tiny-Tony Traders for the financial year ending 30 September 2024.

**REQUIRED:**

- 3.1.1 Prepare the Trade and Other Receivables Note. (5)
- 3.1.2 Prepare the Equity and Liabilities section of the Statement of Financial Position on 30 September 2024. (17)

**INFORMATION:**

- A. The following balances appeared amongst others in the General Ledger of Tiny-Tony Traders on 30 September 2024.

Capital: Tiny (01/10/2023)	210 000
Capital: Tony (01/10/2023)	230 000
Current Account: Tiny (Cr)	15 600
Current Account: Tony (Dr)	3 600
Trading Stock	125 600
Debtors Control	85 800
Loan: AMP Bank	180 000
Creditors Control	79 500
Equipment	107 900
Bank (Cr)	5 250
Petty Cash	580
Accrued income	1 200
SARS: PAYE	3 980
Deposit for electricity	620
Accrued expenses	450
Pension fund	1 210
Income received in advance	990

**B. Adjustments and additional information:**

- (i) The debit balance of A. Sign, R800, in the debtors' ledger must be transferred to their account in the creditors' ledger.
- (ii) The loan from AMP Bank was originally received on 1 October 2022 and was to be repaid in equal monthly instalments over 5 years. Repayments were made and recorded to date. Interest is not capitalised.
- (iii) Tiny contributed additional equipment to the value of R40 000 into the partnership halfway through the year. No entries were made in the books for this transaction.

### 3.2 BECO TRADERS

The following information was extracted from the accounting records of BECO Traders. The store is owned by Ben and Collin.

#### REQUIRED:

Prepare the Current Account Note as it would appear in the notes to the financial statements for the year ending 30 September 2024.

(18)

#### INFORMATION:

##### A. The following balances appeared in the ledger of BECO Traders on 30 September 2024:

Capital: Ben	160 000
Capital: Collin	190 000
Current Account: Ben (01/10/2023) (Dr)	13 500
Current Account: Collin (01/10/2023) (Cr)	29 000
Drawings: Ben	119 600
Drawings: Collin	105 550
Profit and Loss	?

##### B. Adjustments and additional information:

- (i) Ben decreased his capital contribution by R40 000 cash on 31 May 2024. This was recorded in their books.
- (ii) Collin returned the merchandise that was not suitable for his personal use before the stocktaking was completed. The cost price was R750. No entry was made in the books for the goods returned.

##### C. Partnership agreement:

- (i) **Partners' salaries:**  
Ben is earning a monthly salary of R8 500. Collin is earning 8% less than Ben.
- (ii) **Interest on capital:**  
Interest on capital is calculated at 15% p.a. Note information B (i).
- (iii) **Bonus to partners:**  
Only Ben is entitled to receive a bonus of R15 300 at the end of the financial year.
- (iv) **Remaining profits/losses:**  
The remaining profits/losses are shared between Ben and Collin in the ratio 3 : 2 respectively. Collin's secondary distribution amounted to R23 980.

**QUESTION 4: ANALYSIS AND INTERPRETATION OF FINANCIAL STATEMENTS**  
**(35 marks; 30 minutes)**

The following information was extracted from the accounting records of Mila Traders, a partnership between Mills and Langa. Their financial year ends on the last day of February each year.

**REQUIRED:**

- 4.1 Calculate the following financial indicators for the year ended 29 February 2024:
- 4.1.1 % Operating expenses on turnover (3)
  - 4.1.2 Acid test ratio (4)
  - 4.1.3 % Return on average equity earned by partners (5)
- 4.2 Explain whether the business is managing its operating activities efficiently. Quote TWO financial indicators with figures. (4)
- Explain how the business can improve their sales in future. Quote ONE financial indicator. (2)
- 4.3 The partners decided to increase their business activities in 2024 and agreed to take up a loan. Explain how their decision affected the financial risk of the business. Quote ONE financial indicator with figures. (4)
- Provide TWO suggestions that the partners can consider instead of increasing the loan. (2)
- 4.4 Should the partners be satisfied with the % return on their investment? Explain and provide TWO points with relevant figures. (5)
- 4.5 Comment on the liquidity position of the business for 2024. Quote TWO financial indicators with comparative figures. (6)

**INFORMATION:****A. Extract from the Statement of Comprehensive Income:**

	2024	2023
Sales	3 459 000	3 450 000
Cost of sales	2 161 875	2 156 250
Operating expenses	585 000	621 000
Interest expense	83 100	64 500
Net profit for the year	629 025	608 250



**B. Extract from the Statement of Financial Position:**

	<b>2024</b>	<b>2023</b>
Non-current assets (fixed assets)	810 000	670 000
Inventories	323 100	300 000
Trade and other receivables	223 100	175 000
Cash and cash equivalents	100 000	25 000
Capital accounts	2 550 000	1 830 000
Current accounts	120 000	140 000
Mortgage loan	1 869 000	591 000
Current liabilities	359 000	250 000

**C. Financial indicators:**

	<b>2024</b>	<b>2023</b>
% operating profit on sales	22,2%	19,5%
% gross profit on cost of sales	60%	60%
% operating expenses on sales	?	18%
Current ratio	1,8 : 1	2 : 1
Acid-test ratio	?	0,8 : 1
Stock turnover rate	5,2 times	8 times
Debtors' collection period	56 days	32 days
Creditors payment period	35 days	40 days
Debt equity ratio	0,7 : 1	0,3 : 1
% Return on partner's equity	?	22%
Interest on fixed deposit	8,5%	7,5%

**35****TOTAL: 150**

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	
(Trade and other receivables + Cash and cash equivalents) : Current liabilities		
$\frac{\text{Average debtors}}{\text{Credit sales}} \times \frac{365}{1}$	$\frac{\text{Average Creditors}}{\text{Credit purchases}} \times \frac{365}{1}$	
$\frac{\text{Average inventories}}{\text{Cost of sales}} \times \frac{365}{1}$ or $\frac{12}{1}$	$\frac{\text{Cost of sales}}{\text{Average inventories}}$	
Non-current liabilities : Owners' equity	Total Assets : Total liabilities	





Name:

**NATIONAL  
SENIOR CERTIFICATE**

**GRADE 11**

**NOVEMBER 2024**

**ACCOUNTING P1  
ANSWER BOOK**

QUESTION	MAX. MARKS	MARKS OBTAINED	MODERATED MARKS	
			School	District
1	25			
2	50			
3	40			
4	35			
	150			

This answer book consists of 7 pages.



\* I A C A B E 1 \*



1.3 Calculate the percentage increase in the value of Land and Buildings if their market value as at 29 February 2024 amounts to R5 500 000.

--

4

1.4 The owner notices that the mileage on one of the vehicles is extremely high. He therefore concluded that the driver is misusing the vehicle. Suggest TWO internal control measures that can be implemented to safeguard the business against misuse of vehicles.

POINT 1	
POINT 2	

2

<b>TOTAL MARKS</b>
25



**QUESTION 2**

**2.1 CONCEPTS**

2.1.1	
2.1.2	
2.1.3	
2.1.4	
2.1.5	

5

**2.2 Statement of Comprehensive Income for the year ended 30 June 2024**

Sales (1 696 080	
Cost of sales (998 000	
Gross profit	
Other income	
Bad debts recovered	640
Gross operating income	
Operating expenses	
Discount allowed	1 200
Sundry expenses	34 000
Operating profit	375 490
Profit before interest expense	
Net profit for the year	

45

<b>TOTAL MARKS</b>
50

**QUESTION 3**

**3.1 TINY-TONY TRADERS**

**3.1.1 TRADE AND OTHER RECEIVABLES NOTE**

Trade debtors (85 800)	

5

**3.1.2 STATEMENT OF FINANCIAL POSITION ON 30 SEPTEMBER 2024  
EQUITY AND LIABILITIES SECTION**

<b>OWNERS EQUITY</b>	
<b>NON-CURRENT LIABILITIES</b>	
<b>CURRENT LIABILITIES</b>	
Trade and other payables (79 500)	
<b>TOTAL EQUITY AND LIABILITIES</b>	

17

**3.2 BECO TRADERS**

<b>CURRENT ACCOUNTS</b>	<b>BEN</b>	<b>COLLIN</b>
Partner's salaries		
Bonus	15 300	
Interest on capital		
Secondary distribution		23 980
Drawings		
Retained earnings		
Balance at the beginning		29 000
Balance at the end		

18

<b>TOTAL MARKS</b>
<b>40</b>

**QUESTION 4**

**4.1 Calculate the following financial indicators for the financial year ended 29 February 2024:**

**4.1.1**

% Operating expenses on turnover	
WORKINGS	ANSWER

3

**4.1.2**

Acid-test ratio	
WORKINGS	ANSWER

4

**4.1.3**

% Return on average equity earned by partners	
WORKINGS	ANSWER

5

**4.2 Explain whether the business is managing its operating activities efficiently. Quote TWO financial indicators with figures.**

FINANCIAL INDICATOR	EXPLANATION (WITH FIGURES)

4

**Explain how the business can improve their sales in future. Quote ONE financial indicator.**

FINANCIAL INDICATOR	EXPLANATION (WITH FIGURES)

2



4.3 The partners decided to increase their business activities in 2024 and agreed to take up a loan. Explain how their decision affected the financial risk of the business. Quote ONE financial indicator with figures.

FINANCIAL INDICATOR (WITH FIGURES)	EXPLANATION (COMMENT ON RISKS)

4

Provide TWO suggestions that the partners can consider instead of increasing the loan.

SUGGESTION 1	
SUGGESTION 2	

2

4.4 Should the partners be satisfied with the % return on their investments? Explain and provide TWO points with relevant figures.

POINT 1	
POINT 2	

5

4.5 Comment on the liquidity position of the business for 2024. Quote TWO financial indicators with comparative figures.

INDICATOR 1	
INDICATOR 2	
COMMENT ON LIQUIDITY	

6

TOTAL MARKS
35



TOTAL: 150



# NATIONAL SENIOR CERTIFICATE

GRADE 11

NOVEMBER 2024

## ACCOUNTING P1 MARKING GUIDELINE

**MARKS: 150**

### 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 penalty for misplaced items). 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. Unless otherwise stated, give full marks for correct answer. If answer incorrect, mark workings.
4. If a pre-adjustment figure is shown as a final figure, allocate the part-mark as a working mark for that figure (not the method mark for the answer). **Note:** if figures are stipulated in marking guideline 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. If candidates provide more than the required number of responses, inspect all responses to give benefit to the candidate. Penalties may be applied for foreign entries if candidates earn full marks on a question (max -2 per Question).
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, 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, ÷, as per candidate's calculation (if valid) or per marking guideline.
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. Note that one comment could contain different aspects.
14. Codes: f = foreign item; p = placement/presentation.

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This marking guideline consists of 7 pages.

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**QUESTION 1**

**1.1 FIXED ASSETS**

<b>(i)</b>	<b>Calculate: Cost of Land and Buildings at the beginning of the year.</b>		<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">2</div>
	<b>WORKINGS</b>	<b>ANSWER</b>	
	4 000 000 – 750 000	3 250 000 ✓✓	

<b>(ii)</b>	<b>Calculate: Carrying value of equipment at the beginning of the year.</b>		<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">1</div>
	<b>WORKINGS</b>	<b>ANSWER</b>	
	600 000 – 180 000	420 000 ✓	

<b>(iii)</b>	<b>Calculate: Depreciation on equipment.</b>		<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">4</div>
	<b>WORKINGS</b>	<b>ANSWER</b>	
	<small>see 1.1 (ii)</small> <b>Old:</b> 420 000 x 10/100 = 42 000 ✓  <b>New:</b> 90 000 x 10/100 x 8/12 ✓ = 6 000 ✓	48 000 ✓ <small>one part correct</small>	

<b>(iv)</b>	<b>Calculate: Carrying value of vehicle disposed.</b>		<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">5</div>
	<b>WORKINGS</b>	<b>ANSWER</b>	
	680 000 + 120 000 – 440 000  = 360 000 x 12/100 x 10/12 = 36 000 ✓✓ <small>See calculation above</small> 360 000 ✓ – 215 000 ✓ – 36 000	109 000 ✓ <small>one part correct</small>	

**1.2 Asset Disposal**

2023 Dec	31	Vehicles ✓	360 000 ✓ <small>see 1.1 (iv)</small>	2023 Dec	31	Accumulated depreciation on vehicles ✓	251 000 ✓ <small>one part correct</small>
		Profit on sale of asset ✓	6 000 ✓ balancing figure			(215 000 + 36 000)	
						Bank	115 000 ✓
			366 000				366 000

<b>1.3</b>	<b>Calculate the percentage increase in the value of Land and Buildings if their market value as at 29 February 2024 amounts to R5 500 000.</b>		<div style="border: 1px solid black; width: 30px; height: 30px; margin: 0 auto; display: flex; align-items: center; justify-content: center;">4</div>
	<small>must be together 1 500 000 two marks</small> $\frac{[5\ 500\ 000 - 4\ 000\ 000]}{4\ 000\ 000} \times \frac{100}{1} = 37,5\% \checkmark$		
	<small>one part correct and x 100</small>		

1.4

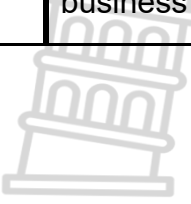
The owner notices that the mileage on one of the vehicles is extremely high. He therefore concluded that the driver is misusing the vehicle. Suggest TWO internal control measures that can be implemented to safeguard the business against misuse of vehicles.

Any TWO points ✓✓

<b>POINT 1</b>	Signing in and out of vehicles to track where they are and who used them / putting tracking devices on the vehicles / have a log book to record the movement on vehicles.
<b>POINT 2</b>	Have a policy on what time should the vehicles be returned on business premises / lock them on business premises at night.

2

<b>TOTAL MARKS</b>
25



## QUESTION 2

## 2.1 CONCEPTS

2.1.1	C ✓
2.1.2	E ✓
2.1.3	A ✓
2.1.4	B ✓
2.1.5	D ✓

5
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## 2.2 ESHOWE TRADERS

## Statement of Comprehensive Income for the year ended 30 June 2024

<b>Sales</b> (1 696 080 – 4 480 ✓)	1 691 600	<input checked="" type="checkbox"/> *
<b>Cost of sales</b> (998 000 – 2 800 ✓)	(995 200)	<input checked="" type="checkbox"/> *
<b>Gross profit</b> operation (Sales – COS)	696 400	<input checked="" type="checkbox"/>
<b>Other income</b>	84 400	<input checked="" type="checkbox"/> *
<b>Bad debts recovered</b>	<b>640</b>	
Rent Income (95 600 ✓ – 14 340 ✓✓)	81 260	<input checked="" type="checkbox"/> *
Provision for bad debts adjustment (4 444 – 4 144 ✓✓)	300	<input checked="" type="checkbox"/> *
Trading stock surplus (371 000 + 2 800 ✓ – 18 000 ✓ – 358 000 ✓)	2 200	<input checked="" type="checkbox"/> *
<b>Gross operating income</b>		
<b>Operating expenses</b>		
<b>Discount allowed</b>	<b>1 200</b>	
<b>Sundry expenses</b>	<b>34 000</b>	
Loss due to fire (18 000 x 15/ 100) or (18 000 – 15 300)	2 700	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> *
Depreciation	17 250	<input checked="" type="checkbox"/>
Salaries and wages (156 000 ✓ + 9 000 ✓)	165 000	<input checked="" type="checkbox"/> *
Employer's contribution (54 000 ✓ + 90 ✓)	54 090	<input checked="" type="checkbox"/> *
Insurance (56 400 ✓ – 2 400 ✓✓)	54 000	<input checked="" type="checkbox"/> *
Telephone (18 000 x 100/80 ✓) or (18 000 + 4 500 <i>1 mark</i> )	22 500	<input checked="" type="checkbox"/> *
Packing material (21 450 – 4 000)	17 450	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> *
Bad debts (3 450 + 1 120 ✓✓)	4 570	<input checked="" type="checkbox"/> *
Bank charges (5 800 + 1 300 ✓) OR (5 800 + 420 + 880) one mark for both	7 100	<input checked="" type="checkbox"/> *
<b>Operating profit</b>	<b>375 490</b>	
Interest income operation	20 462	<input checked="" type="checkbox"/>
<b>Profit before interest expense</b>	<b>395 952</b>	<input checked="" type="checkbox"/>
Interest expense (249 800 + 54 000 – 280 000) signs may be reversed	(23 800)	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/> *
<b>Net profit for the year</b> if 22% of sales	<b>372 152</b>	<input checked="" type="checkbox"/> <input checked="" type="checkbox"/>

45
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-1 foreign items. Maximum -2. For misplaced items, mark workings only. \* One part correct  check operation

<b>TOTAL MARKS</b>
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<b>50</b>
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**QUESTION 3**

**3.1 TINY-TONY TRADERS**

**3.1.1 TRADE AND OTHER RECEIVABLES NOTE**

Trade debtors (85 800 – 800 ✓)	85 000 <input checked="" type="checkbox"/> *
Deposit paid	620 ✓
Accrued Income	1 200 ✓
	86 820 <input checked="" type="checkbox"/> *
<input checked="" type="checkbox"/> * One part correct <input checked="" type="checkbox"/> check operation	

5

**3.1.2 STATEMENT OF FINANCIAL POSITION ON 30 SEPTEMBER 2024  
EQUITY AND LIABILITIES SECTION**

<b>OWNERS EQUITY</b>	492 000 <input checked="" type="checkbox"/>
Capital (210 000 + 40 000 + 230 000)	480 000 <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> *
Current account (15 600 – 3 600)	12 000 <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>
<b>NON-CURRENT LIABILITIES</b>	120 000
Loan (180 000 – 60 000 ✓✓)	120 000 <input checked="" type="checkbox"/> *
<b>CURRENT LIABILITIES</b>	150 580
Trade and other payables (79 500 – 800 ✓ + 3 980 ✓ + 450 ✓ + 1 210 ✓ + 990 ✓)	85 330 <input checked="" type="checkbox"/> *
Current portion of loan <span style="float: right;">see Loan</span>	60 000 <input checked="" type="checkbox"/>
Bank overdraft	5 250 ✓
<b>TOTAL EQUITY AND LIABILITIES</b>	762 580 <input checked="" type="checkbox"/>

17

\* One part correct  check operation

**3.2 BECO TRADERS**

<b>CURRENT ACCOUNTS</b>	<b>Ben</b>	<b>Collin</b>
Partner's salaries	102 000 ✓	93 840 ✓✓
Bonus	15 300	–
Interest on capital	28 000 ✓✓	28 500 ✓
Primary distribution	145 300 <input checked="" type="checkbox"/>	122 340 <input checked="" type="checkbox"/>
Secondary distribution	35 970 ✓✓	23 980
Net profit for the year	181 270	146 320
Drawings	(119 600) ✓	(104 800) ✓✓
Retained earnings	61 670 <input checked="" type="checkbox"/>	41 520 <input checked="" type="checkbox"/>
Balance at the beginning	(13 500) ✓	29 000
Balance at the end	48 170 <input checked="" type="checkbox"/>	70 520 <input checked="" type="checkbox"/>

18

check operation

<b>TOTAL MARKS</b>
<b>40</b>

**QUESTION 4**

**4.1 Calculate the following financial indicators for the financial year ended 29 February 2024:**

**4.1.1**

% operating expenses on turnover	
WORKINGS	ANSWER
$\frac{585\,000 \checkmark \times 100}{3\,459\,000 \checkmark \quad 1}$	16,9% <input checked="" type="checkbox"/> One part correct, x 100 not one part correct Assume % if not specified

3

**4.1.2**

Acid-test ratio	
WORKINGS	ANSWER
$223\,100 \checkmark + 100\,000 \checkmark : 359\,000 \checkmark$	0,9:1 <input checked="" type="checkbox"/> One part correct

4

**4.1.3**

% return on average equity earned by partners	
WORKINGS	ANSWER
$\frac{629\,025 \checkmark}{\frac{1}{2} \checkmark (2\,670\,000 \checkmark + 1\,970\,000 \checkmark)} \times \frac{100}{1}$ <p style="margin-left: 40px;">4 640 000 two marks OR 2 320 000 three marks</p>	27,1% <input checked="" type="checkbox"/> One part correct, x 100 not one part correct Assume % if not specified

5

**4.2**

• Explain whether the business is managing its operating activities efficiently. Quote TWO financial indicators with figures.	
Financial Indicator <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	Explanation (with figures) <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>
% operating profit on sales	Improved from 19,5% to 22,2%
% operating expenses on sales	Well managed as they decreased from 18% to 16,9%

Do not accept % gross profit on cost of sales  
-1 for superfluous entries, max 2

4

• Explain how the business can improve their sales in future. Quote ONE financial indicator.	
Financial Indicator <input checked="" type="checkbox"/>	Explanation (with figures) <input checked="" type="checkbox"/>
% gross profit on cost of sales	Decrease mark-up / % gross profit on cost of sales from 60%

2

4.3 • The partners decided to increase their business activities in 2024 and agreed to take up a loan. Explain how their decision affected the financial risk of the business, quote ONE financial indicator with figures.

Financial Indicator (with figures) ✓✓	Explanation ( <i>comment on risk</i> ) ✓✓ <i>(allocate part marks for incomplete answers)</i>
Debt equity ratio increased from 0,3 : 1 to 0,7 : 1	The business is now on high risk / rely too much on borrowed funds / debt has increased from 30% to 70% of own capital.

4

• Provide TWO suggestions that the partners can consider instead of increasing the loan.

Suggestion 1 ✓	Contributing more capital / increasing their capital contributions.
Suggestion 2 ✓	Get another partner.

2

4.4 Should the partners be satisfied with the % return on their investments? Explain. Provide TWO points, with relevant figures.

POINT 1	Yes ✓ ( <i>or implied</i> ) % return on capital ✓ increased from 22% to 27,1% ✓ (by 5,1 % points)
POINT 2	% return on their investment exceeds ✓ interest on alternative investment (fixed deposit) of 8,5% ✓ <small>Comparison to interest on alternative investment must be made or implied in the comment to get full marks.</small>

5

4.5 Comment on the liquidity position of the business for 2024. Quote TWO financial indicators with comparative figures.

<p>Financial indicator ✓ ✓ figures ✓ ✓ comment on liquidity ✓✓</p> <ul style="list-style-type: none"> <li>Current ratio decreased from 2 : 1 to 1,8 : 1</li> <li>Acid test ratio increased from 0,8 : 1 to 0,9 : 1 but still indicating the problem of stock piling.</li> <li>Debtors collection period increased from 32 to 56 days</li> <li>Stock turnover rate decreased from 8 times to 5,2 times a year</li> </ul> <p><b>Comment on liquidity</b></p> <p>Partners should be concerned about the liquidity position of their business as it will struggle to meet its short-term obligations – too much cash is tied up in stock/stock piling/ debtors are taking too long to pay which could lead to liquidity problems/ stock turnover rate declined showing a decline in the demand for products.</p>
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6

<b>TOTAL MARKS</b>
<b>35</b>

TOTAL: 150





## CHIEF DIRECTORATE: EXAMINATIONS AND ASSESSMENT

Steve Vukile Tshwete Complex, Zone 6, Zwelitsha, 5608, Private Bag X0032, Bhisho, 5605 REPUBLIC OF SOUTH AFRICA:

Enquiries: Mrs P. Japhta. Tel: 040 602 7031. Fax: 040 608 7295. E-mail: [Penelope.Japhta@ecdoe.gov.za](mailto:Penelope.Japhta@ecdoe.gov.za)

Website: [www.ecdoe.gov.za](http://www.ecdoe.gov.za)

Ref. no. 13/P Tel.: (040) 608 7031/060 523 8658  
Enquire: Mrs P. Japhta Fax: 040 608 7295

### ERRATUM

**TO:** CHIEF EDUCATION SPECIALISTS  
DISTRICT CURRICULUM COORDINATORS  
DISTRICT ASSESSMENT OFFICIALS (DAOs)  
DISTRICT SUBJECT ADVISORS (DSAs)  
PROVINCIAL SUBJECT COORDINATORS  
CIRCUIT MANAGERS  
DEPUTY CHIEF EDUCATION SPECIALISTS  
SENIOR EDUCATION SPECIALISTS  
PRINCIPALS OF SCHOOLS IN THE FET BAND

**SUBJECT:** ERRATUM – ACCOUNTING P1 GRADE 11 NOVEMBER EXAMINATION 2024

**DATE:** 31 OCTOBER 2024

The Accounting P1 Grade 11 November Examination was written on Tuesday, 29 October 2024. We were made aware of an error on the Answer Book, which was discovered during the writing process.

In order to address this and to ensure that learners are not disadvantaged, the following standardised approach to marking must be adopted across the Province. The following guidelines regarding marking was prepared in conjunction with the examiner and moderator.

Issues have been raised regarding QUESTION 2.2, in the answer book, regarding fairness in terms of assessment, there were not enough lines in the answer book (7 instead of 9) for learners to write all the answers under “Operating Expenses”.

### RECOMMENDATION

- The Statement of Comprehensive income must be marked out of 40 instead of 45, since the entries made by candidates will differ from candidate to candidate. This will assist in reducing the impact of the error made.

We sincerely apologise for any inconvenience we might have caused.

Yours in education.

**MRS P.E. JAPHTA**  
**(A) CES: AIDIBM SUBDIRECTORATE**

31 October 2024

**DATE**