



**education**

Department of  
Education  
FREE STATE PROVINCE

# ACCOUNTING

GRADE 11

SEPTEMBER 2023 – TEST



MARKS: 100

Stanmorephysics.com

TIME: 1 ¼ HOURS

This question paper consists of 8 pages and a 6-page answer book.

## 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 the questions.
3. Workings must be shown in order to achieve part- marks.
4. You may use a non- programmable calculator.
5. You may use a dark pencil or blue/black ink to answer the questions.
6. Where applicable, show all calculations to ONE decimal point.
7. Write neatly and legibly.
8. Use the information in the table below as a guide when answering the question paper. Try NOT to deviate from it.

QUESTION	TOPIC	MARKS	TIME GUIDE
1	Budgets	40	30
2	Inventory	10	5
3	Cost Accounting	50	40
<b>TOTAL</b>		100	75

**QUESTION 1: BUDGETS**

**(40 marks; 30 minutes)**

**SCHEEPERS PRINTERS**

You are provided with information relating to Scheepers Printers. The business does printing and sells stationery.

**REQUIRED:**

- 1.1 Complete the Debtors Collection Schedule for the period October 2023 to November 2023. (7)
- 1.2 Complete the Cash Budget for the budget period. Some of the figures have been entered for you. (33)

**INFORMATION:**

**A.** Extracts from the ledger on 30 September 2023:

Fixed deposits (7% p.a.)	630 000
Bank overdraft	250 000

**B.** The business uses a mark-up of 50% on cost. Cash sales amounts to 40% of all sales. Actual and budgeted sales are:

	Actual	Budgeted
July 2023	330 000	
August 2023	360 000	
September 2023		390 000
October 2023		420 000
November 2023		480 000

**C.** Debtors are expected to settle their accounts as follows:

- 60% in the month of the sales transaction. These debtors are entitled to a 6% discount for prompt settlement.
- 20% in the first month following the sales transaction (after 30 days).
- 15% in the second month following the sales transaction (after 60 days).
- 5% will be written off as bad debts after 90 days.

**D.** Purchase of trading stock:

- Trading stock is kept at a constant level. (Goods are replaced in the month in which they are sold).
- 70% of purchases of trading stock are on credit. Payment is made in the month following the purchase. No discount is granted.

- E. Interest on the fixed deposit is transferred directly into the bank account each month. Forty percent of the fixed deposit matures on 31 October 2023 and the rest on 28 February 2024.
- F. The business currently employs five workers who are each paid a basic salary of R8 500 per month. This will be increased by R750 per worker with effect from 1 November 2023.
- G. The business has one salesman. He is paid a commission of 6% on sales.
- H. The business places an advertisement in the Local Newspaper every week. The charge is currently R2 800 per advertisement, but the cost will decrease by 9% in November. There are five Sundays in October and four Sundays in November.
- I. Each month the owner withdrew R25 000 cash.
- J. Sundry operating expenses for September amounts to R25 000. The business will implement cost cutting measures and aims to save 6% each month.





**QUESTION 2: INVENTORY**

**(10 marks; 5 minutes)**

**REQUIRED:**

- 2.1 Explain ONE difference between the perpetual and periodic stock systems. (2)
- 2.2 Calculate cost of sales for the year ended 31 July 2023. (8)

**INFORMATION:**

A Extracted from the accounting period for the year ended 31 July 2023:

	<b>R</b>
Opening stock	180 000
Purchases	660 000
Purchases returned	23 500
Carriages on purchases	45 000
Sales	890 000
Debtors Allowances	12 345

B **No entries were made for the following transactions:**

- (i) Stock purchased on 31 July for R18 800 were not recorded. Delivery fees on this stock amounted to R1 950.
- (ii) Goods returned to creditors, R4 700, at the end of the accounting period were not recorded.
- (iii) After consideration of all the above, the closing stock amounted to R115 800 on 31 July 2023.



**QUESTION 3: COST ACCOUNTING**

**(50 marks; 40 minutes)**

**3.1** Choose the term in COLUMN A that matches the explanation in COLUMN B. Write the letter (A – D) only next to question number (3.1.1 – 3.1.4) in the ANSWER BOOK.

COLUMN A	COLUMN B
3.1.1 Selling and distribution cost	A Salary of supervisor
3.1.2 Direct material cost	B Production wages
3.1.3 Factory overhead cost	C Bad debts
3.1.4 Direct labour cost	D Wood used in production process

(4)

**3.2 WOOD MANUFACTURERS**

The business manufactures wooden tables. The information relates to the financial year ended 28 February 2023.

**REQUIRED:**

3.2.1 Calculate the direct labour cost. (6)

3.2.2 Prepare the following Ledger Accounts at the end of the financial year:

(a) Raw Material Account (8)

(b) Work- In- Process Stock Account (8)

(c) Factory Overheads Account (10)

**INFORMATION:**

A. Stock balances:

	28 FEBRUARY 2023 (R)	1 MARCH 2022 (R)
Raw material	?	85 800
Work- in- process	88 450	76 500

**B.** Transactions during the year:

	(R)
Credit purchases of raw material	646 800
Transport cost on raw material paid cash	75 600
Defective raw materials returned to suppliers	31 312
Material issued in the production process	626 000
Cash purchases of factory indirect material	33 380
Production wages	?
Salaries and wages	333 000
Rent expense	332 600
Water and electricity	84 800
Insurance	120 600
Factory sundry expenses	35 900

**C.** Production wages:

Number of employees	3	
Normal time hours worked per employee	1 920 hours	
Overtime hours worked per employee	240 hours	
Normal time rate	R60,00	
Overtime rate	1,5 times the normal rate	
<b>Deductions and contributions:</b>		
	<b>EMPLOYEE</b>	<b>EMPLOYER</b>
Pension Fund	8% of basic wages	10% of Basic wages
Unemployment Insurance Fund (UIF)	1% of basic wages	1% of basic wages

- D.** Indirect material used in the factory amounted to R29 600.
- E.** Included in the salaries and wages is R102 000 for indirect factory labour.
- F.** The rent expense must be apportioned between the factory, sales department and the office in the ratio 7: 2 : 1.
- G.** 80% of water and electricity must be allocated to the factory.
- H.**  $\frac{2}{3}$  of the insurance expense is allocated to the factory.

### 3.3 LOGO MANUFACTURERS

Logo Manufacturers manufactures plastic blocks. The information below was taken from their records for the financial year ended 30 June.

#### REQUIRED:

- 3.3.1 Refer to the information below and calculate the amount denoted by (a). (2)
- 3.3.2 Do a calculation to verify the break-even point for the financial year ended 30 June 2023. (4)
- 3.3.3 Comment on the break-even point and the level of production for both years. Quote relevant figures in your comment. (4)
- 3.3.4 Provide TWO reasons for the change in the direct material cost per unit. (4)

#### INFORMATION:

#### COSTS, PRODUCTION, SALES AND BREAK-EVEN POINT

	JUNE 2023		JUNE 2022
	TOTAL COST	UNIT COST	UNIT COST
<b>Fixed costs</b>	?	28,00	25,00
Factory overhead cost	276 000	20,00	18,00
Administration cost	(a)	8,00	7,00
<b>Variable costs</b>	?	79,00	66,00
Direct labour cost	401 580	29,10	28,50
Direct material cost	579 600	42,00	30,00
Selling and distribution cost	109 020	7,90	7,50
Number of units produced and sold	13 800		12 000
Selling price per unit	R96		R85,00
Break-even number of units	22 730		15 790



FORMULA SHEET

$\frac{\text{Gross profit}}{\text{Sales}} \times \frac{100}{1}$	$\frac{\text{Gross profit}}{\text{Cost of sales}} \times \frac{100}{1}$	$\frac{\text{Net profit}}{\text{Sales}} \times \frac{100}{1}$
$\frac{\text{Operating expenses}}{\text{Sales}} \times \frac{100}{1}$	$\frac{\text{Operating profit}}{\text{Sales}} \times \frac{100}{1}$	
$\frac{\text{Total earnings by partner}}{\text{Partner's average equity}} \times \frac{100}{1}$	$\frac{\text{Net profit}}{\text{Average owners equity}} \times \frac{100}{1}$	
$\frac{\text{Net profit} + \text{Interest on loans}}{\text{Average total capital employed}} \times \frac{100}{1}$		
Current assets : Current liabilities	(Current assets – Inventories) : Current liabilities	
(Trade and other receivables + Cash and cash equivalents) : Current liabilities		
$\frac{\text{Average debtors}}{\text{Credit sales}} \times \frac{365}{1} \text{ OR } \frac{12}{1}$	$\frac{\text{Average creditors}}{\text{Credit purchases}} \times \frac{365}{1} \text{ OR } \frac{12}{1}$	
$\frac{\text{Average inventories}}{\text{Cost of sales}} \times \frac{365}{1} \text{ OR } \frac{12}{1}$	$\frac{\text{Closing inventories}}{\text{Cost of sales}} \times \frac{365}{1} \text{ OR } \frac{12}{1}$	
$\frac{\text{Cost of sales}}{\text{Average inventories}}$	Non-current liabilities : Owners equity	
Total assets : Total liabilities	$\frac{\text{Total Fixed Costs}}{\text{Contribution per unit}}$	

