



GAUTENG PROVINCE

Department: Education

REPUBLIC OF SOUTH AFRICA

ACCOUNTING GRADE 12

SCHOOL BASED ASSESSMENT



Question	Topic	Marks	Time Allocated
1	Bank Reconciliation Statement and VAT	40	45 minutes
2	Cash Budget	30	35 minutes
	TOTAL	70	80 minutes
	Conversion: $70 \div 1.4 = 50$		

NOTE:

- The case study must be administered in class under supervision of the educator.
- Learners must not refer to the notes during the administration process.

This question paper consists of 6 pages.

QUESTION 1: BANK RECONCILIATION AND VAT

(40 marks: 45 minutes)

1.1 BANK RECONCILIATION

JSB TRADERS

J S Bokgatholo is the owner of JSB Traders. He started this business on 1 March 2024. His bookkeeper has recently resigned, he received a scholarship to study abroad.

The post has been advertised and you have been temporarily requested to assist with the bank reconciliation.

REQUIRED:

The owner has requested you to prepare the financial records and respond to questions provided below.

- 1.1.1 Explain why it is important to prepare the Bank Reconciliation Statement. Provide ONE point. (2)
- 1.1.2 Prepare the supplementary Cash Receipts Journal and Cash Payment Journal on 31 July 2024. (8)
- 1.1.3 Prepare the Bank Account on 31 July 2024. (3)
- 1.1.4 Prepare the Bank Reconciliation Statement on 31 July 2024. (7)
- 1.1.5 The internal auditor noticed that the outstanding deposit of R10 500, dated 15 June 2024 on the Bank Reconciliation Statement does not appear on 31 July 2024 Bank Statement.
- The owner took a decision to write off this amount as the business will not be able to recover the money.
- 1.1.5.1 Mention and explain the GAAP principle applicable if the amount is written off. (3)
- 1.1.5.2 Provide ONE internal control measure that should be applied to avoid loss of cash in future. (2)

INFORMATION:

A Totals in the bank columns of the journals on 31 July 2024 are as follows:

Cash Receipts Journal	R32 400
Cash Payment Journal	R13 300

B. Bank Reconciliation Statement of JSB Traders on 30 June 2024:

Unfavourable balance as per bank Statement	R27 500
Outstanding deposits	
Dated 15 June 2024	R10 500
Dated 28 July 2024	R15 600
Outstanding EFT's:	
No. 241	R1 700
No. 245	R2 200
No. 247	R3 250
Favourable balance as per Bank account	R3 450

ADDITIONAL INFORMATION:

C. NOTE:

- EFT 241 and 245 appeared on the Bank Statement for July 2024.
- The outstanding deposit of R15 600 appeared on the July 2024 bank statement.
- The internal auditor noticed that the outstanding deposit of R10 500 dated 15 June 2024 on the Bank Reconciliation Statement does not appear on 31 July 2024 Bank Statement. write off this amount as the business will not be able to recover the money.

D. The following appeared in the bank statement received from West Gold Bank on 25 July 2024 but not the cash journals for July:

• **Debit orders:**

Mogale Council	R4 800	Water and electricity
Thabong Insurers	R7 740	R5 740 is for the business and the balance is for the owner's vehicle

- EFT Fees, R166
- Cash handling fee, R106
- Interest on favourable balance, R142
- EFT 670 for R6 300 was wrongly deducted on the business bank statement. The bank will rectify the error.
- A deposit of R6 900 from a tenant, S Rankgo.
- EFT 247 appeared as R2 250 in the bank statement. The bank amount is correct.

D. The following transactions appear in the cash journals not in the bank statement for July 2024:

- Outstanding deposit, R12 000
- EFT 360 for R6 455 to BP Suppliers for stationery purchased
- EFT 362 for R7 200 to Wholesalers for goods bought

E. Balance according to the bank statement on 31 July 2024 was R?

1.2 VALUE ADDED TAX

MM TRADERS

Maronga Mathola is trading as MM Traders. The business is selling groceries and makes a turnover that exceeds R50 000 per annum. MM Traders is registered as a VAT vendor and uses invoice-based method. The business charges VAT at 15% on all sales. The owner has requested you to assist with the VAT returns for two-month period ending 31 July 2024. Their bookkeeper is on sick leave.

REQUIRED:

- 1.2.1 Explain the difference between Output and Input VAT. (2)
- 1.2.2 The owner, Maronga Mathola used the business funds, R250 000, to buy car for his wife. He has instructed you to record R37 500 for VAT as VAT input.
- Explain briefly why you are against this instruction? Provide ONE point. (1)
 - What are the consequences of recording the transaction above as VAT input? Provide ONE point. (2)
- 1.2.3 Calculate the amount receivable or payable to SARS. (10)

INFORMATION:

- A. Amount owed to SARS on 1 June 2024: R27 800.
- B. Transaction for the month ended 31 July 2024:

No	Transactions	VAT exclusive amount R	VAT amount R	VAT inclusive amount R
i.	Trading stock bought for cash	95 000		
ii.	Credit sales		6 600	
iii.	Goods returned by debtors	1 600		1 840
iv.	Equipment sold for cash		6 000	
v.	Debtor's account written off			529

QUESTION 2: CASH BUDGET

(30 marks; 35 minutes)

ZUURBE LTD

Zuurbe Ltd's business premises are next to Sky City Mall. The business sells goods on credit and for cash. It has been brought to the attention of the directors that an inexperienced bookkeeper has not completed the records for projected payments and receipts. You have been requested to assist the bookkeeper with the projected calculations for the budget period ending on 30 June 2024.

REQUIRED:

- 2.1 Explain why it is important to compare the actual figures and budgeted figures. Provide ONE point. (2)
- 2.2 Complete the Debtors Collection Schedule for June 2024. (7)
- 2.3 Calculate the following:
- 2.3.1 Percentage increase in salaries and wages with effect from June 2024. (3)
- 2.3.2 Missing figures, (i) to (iv) in the extract of the Cash Budget. (10)
- 2.4 Respond to the following questions by referring to **Information D and F**.
- Explain what you would mention to shareholders about expenses provided in **Information F**.
 - In each case provide ONE corrective action that must be implemented by a business. (4)
- 2.5 The directors are considering purchasing the business premises instead of renting. Explain ONE advantage and ONE disadvantage of this option. (4)

INFORMATION:

A. Sales, purchases of stock and cost of sales:

Total sales for March 2024 to June 2024 were as follows:

Month	Total sales
March	R360 000
April	R600 000
May	R840 000
June	R960 000

- 30% of all sales are cash, the rest is on credit.
- The mark-up is always 60% on cost.
- Stock is replaced on monthly basis.
- 75% of all purchases are cash, the rest is on credit.

B. Debtors' collection:

Debtors are expected to pay as follows:

- 30% are expected to pay their account in the month of sale (current) to qualify for 3% discount for early payment.
- 50% pay in the month following the sales transaction month (30 days).
- 18% pay in the second month (60 days).
- 2% are written off.

C. Creditors payment:

Creditors are paid in the month after purchases.

D. ZUURBE LTD

EXTRACT FROM CASH BUDGET FOR MAY AND JUNE 2024

	May 2024	June 2024
RECEIPTS		
Cash sales	R 252 000	R (i)
Collection from debtors	?	?
Loan: ABZA Lenders	-	(iv)
PAYMENTS		
Directors' fees	600 000	510 000
Audit fees	-	150 000
Salary and wages	270 000	302 400
Payment to creditors	93 750	(ii)
Cash purchase of stock	393 750	(iii)
Repayment of loan		?
Interest on loan		6 000
Advertising	60 000	60 000
Land and buildings	-	8 000 000
Rent expense	92 250	92 250

E. Zuurbe LTD has successfully negotiated a loan with ABZA lenders at 12% p.a. interest. Interest is not capitalised. The loan will be received on 1 June 2024 and is repaid in 60 equal monthly instalments commencing on the 30 June 2024.

F At the end of June 2024, the following actual and budgeted figures were presented:

	JUNE 2024	
	BUDGETED	ACTUAL
Audit fees	R150 000	R315 000
Advertising	60 000	0

30

TOTAL MARKS: 70



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ACCOUNTING GRADE 12

TERM 3 CASE STUDY


2024

ANSWER BOOK stanmorephysics.com

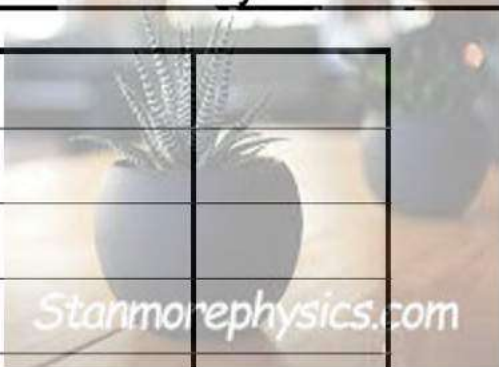
NAME OF LEARNER	
SCHOOL	
DATE	

QUESTION	TOPIC	MARKS	LEARNERS' MARK	MODERATED MARK
1	Bank Reconciliation and VAT	40		
2	Cash Budget	30		
	TOTAL	70		
	Leaners' mark ÷ 1.4	50		

This answer book consists of 8 pages.

1.1.3		Bank account			
					

3

1.1.4 Prepare the Bank Reconciliation Statement on 31 July 2024	
	

7

1.1.5. The owner took a decision to write off this amount as the business will not be able to recover the money.

Mention and explain the GAAP principle applicable if the amount is written off.

GAAP principle

Explanation

3

Provide ONE internal control measure that should be applied to avoid loss of cash in future.



2

1.2 VALUE ADDED TAX

MM TRADERS

1.2.1 Explain the difference between Input VAT and Output VAT.

Input VAT:

Output VAT:

2

1.2.2 The owner, Maronga Mathola used the business funds, R250 000, to buy car for his wife. He has instructed you to record R37 500 for VAT as VAT input.

Explain briefly why you are against this instruction. Provide ONE point.

What are the consequences of recording the transaction above as VAT input? Provide ONE point.

1

2

1.2.3 Calculate the amount receivable or payable to SARS.



10

40

QUESTION 2: CASH BUDGET

2.1 Explain why it is important to compare the actual figures and budgeted figures. Provide ONE point.

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2

2.2 Complete the Debtors Collection Schedule for June 2024

Month	Credit Sales	Collections: June 2024
April	420 000	
May		
June	672 000	

7

2.3.1 Calculate the percentage increase in salaries and wages with effect from June 2024.

WORKINGS	ANSWER

3

2.3.2

Calculate the missing figures, (i) to (iv) in the extract of the Cash Budget.		
	WORKINGS	ANSWER
(i)		
(ii)		
(iii)		
(iv)		

10

2.4

Explain what you would mention to shareholders about expenses provided in Information F. In each case provide ONE corrective action that must be implemented by a business.	
Explanation	Advice
Audit fees:	
Advertising:	

4

2.5

The directors are considering purchasing the business premises instead of renting. Explain ONE advantage and ONE disadvantage of this option.

Advantage:

Disadvantage:

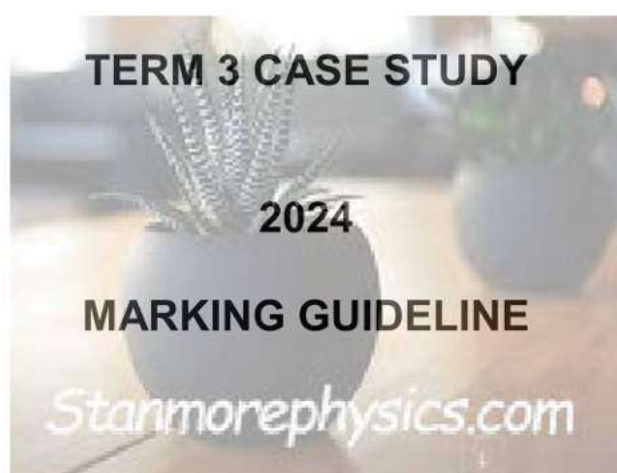
4

30

TOTAL MARKS: 70



ACCOUNTING GRADE 12



QUESTION	TOPIC	MARKS
1	Bank Reconciliation and VAT	40
2	Cash Budget	30
	TOTAL	70
Conversion: $70 \div 1.4 = 50$		50

This marking guideline consists of 7 pages.

QUESTION 1: BANK RECONCILIATION AND VALUE ADDED TAX

1.1 BANK RECONCILIATION

1.1.1 Explain why it is important to prepare the Bank Reconciliation Statement. Provide ONE point.

Accept any valid point✓✓ one mark for partially correct answer

- Internal control procedure that detects fraud.
- To check the outstanding deposit and EFT's.
- To keep track of omissions and errors done by a business or the bank.

2

1.1.2 Prepare the supplementary Cash Receipts Journal and Cash Payment Journal

Cash Receipts Journal of JSB Traders- 31 July 2024 CRJ 5

Doc	Day	Details	Bank
	31	Total	32 400
B/S		S Rankgo	6 900✓
B/S		Overstated amount	1 000✓
B/S		West Gold Bank	142✓
			40 442

- 1 mark for incorrect/no details

3

Cash Payment Journal of JSB Traders- 31 July 2024 CPJ 5

Doc	Day	Details	Bank
	31	Total	13 300
		Missing cash	10 500✓
B/S		Mogale council	4 800✓
B/S		Thabo insurers	5 740✓
			2 000✓
B/S		West Gold Bank	272✓
			36 612

- 1 mark for incorrect/no details

5

1.1.3 Bank account

Balance	b/d	3 450✓	Total payments	CPJ	36 612✓
Total Receipts	CRJ	40 442✓			7 280
		43 892			43 892
Balance b/d		7 280			

- 1 mark for incorrect/no details

3

1.1.4 Prepare the Bank Reconciliation Statement on 31 July 2024

Balance per Bank Statement		2 635 <input checked="" type="checkbox"/>
		Balancing figure
Outstanding deposit		12 000 <input checked="" type="checkbox"/>
Outstanding EFT's		
No. 360	6 455 <input checked="" type="checkbox"/>	
No. 362	7 200 <input checked="" type="checkbox"/>	
Cr amount wrongly debited		6 300 <input checked="" type="checkbox"/>
Balance per Bank account	7 280 <input checked="" type="checkbox"/>	
	see 1.1.3	
# both figures must be the same	20 935 <input checked="" type="checkbox"/> #	20 935

- 1 mark for incorrect/no details

7

1.1.5 The owner took a decision to write off this amount as the business will not be able to recover the money.

GAAP principle:

Prudence

Explanation:

Accept any valid explanation one mark for partially correct answer
 Losses must be taken into account to reflect true financial results in the records of the business.

3

Provide ONE internal control measure that should be applied to avoid loss of cash in future.

Accept any valid point one mark for partially correct answer

- Division of duties/rotation of duties/divide duties amongst employees to avoid fraud.
- All cash received must be deposited daily (deposit slip must agree to receipts).
- Regular audits and monitoring of financial records
- Encourage EFT payments by customers/debtors.
- Arrange with the bank to send confirmation of deposits through SMS.

2

1.2 VALUE ADDED TAX

1.2.1 Explain the difference between Input VAT and Output VAT.

Input VAT:

VAT paid by a registered vendor on purchases from another registered vendor, the vendor can claim VAT Input from SARS. ✓

Output VAT:

Tax collected on behalf of SARS from customers on goods and services rendered. ✓

2

1.2.2 The owner, Maronga Mathola used the business funds, R250 000, to buy car for his wife. He has instructed you to record R37 500 for VAT as VAT input.

Explain briefly why you are against this instruction? Provide ONE point.

Accept any valid point ✓

- It is unethical to engage in such transaction.
- It is tax evasion is a punishable offense.
- Claiming VAT Input, you are not entitled to is a punishable offence.

1

What are the consequences of recording the transaction above as VAT input? Provide ONE point.

Accept any valid point ✓✓

- The owner of the business will be penalised or charged with fraud.
- The owner of the business can face the jail time

2

1.2.3 Calculate the amount receivable or payable to SARS.

Accept ledger and reverse signs amounts.

$$\begin{aligned}
 & -27\,800 \checkmark - 6\,600 \checkmark - 6\,000 \checkmark + \\
 & 14\,250 \checkmark \checkmark + 240 \checkmark \checkmark + 69 \checkmark \checkmark \\
 & = -25\,841 \checkmark \text{ One part correct}
 \end{aligned}$$

OR

14 250 ✓✓	27 800 ✓
240 ✓✓	6 600 ✓
69 ✓✓	6 000 ✓
c/d 25 841	
40 400	40 400
	b/d 25 841 ✓
	One part correct

Reversible calculations:

$$\begin{aligned}
 & +27\,800 + 6\,600 + 6\,000 - 14\,250 \\
 & - 240 - 69 \\
 & = 25\,841
 \end{aligned}$$

OR

27 800	14 250
6 600	240
6 000	69
	c/d 25 841
40 400	40 400
b/d 25 841	

10

40

QUESTION 2: CASH BUDGET

2.1

Explain why it is important to compare the actual figures and budgeted figures. Provide ONE point.

Any ONE valid response ✓✓

- To reflect on whether your projected receipts and payments have been realistic or well controlled.
- To improve future projections.
- To determine variances between projections and actual amounts.
- The business will be able to control receipts and payments on a monthly basis.

2

2.2

Complete the Debtors Collection Schedule for June 2024

Month	Credit Sales	Collections: June 2024
April	420 000	75 600 ✓
May	588 000 ✓	294 000 ✓ <input checked="" type="checkbox"/> * (*50% credit sales)
June	672 000	195 552 ✓ ✓
		565 152 <input checked="" type="checkbox"/> One part correct and operation

7

2.3.1

Percentage increase in salaries and wages with effect from June 2024.

WORKINGS	ANSWER
$\frac{32\,400 \checkmark}{270\,00 \checkmark} \times \frac{100}{1}$	12% <input checked="" type="checkbox"/> One part correct Ignore % Do not consider 100% as one part correct

3

2.3.2

Missing figures, (i) and (iv) in the extract of the Cash Budget.		
	WORKINGS	ANSWER
(i)	$960\,000 \times \frac{30}{100}$ Or $960\,000 - 672\,000$	288 000 ✓
(ii)	$840\,000 \checkmark \times \frac{100}{160} \times \frac{25}{100} \checkmark$ both components	131 250 ☑ One part correct
(iii)	$960\,000 \checkmark \times \frac{100}{160} \times \frac{75}{100} \checkmark$ both components	450 000 ☑ One part correct
(iv)	$6\,000 \checkmark \times \frac{100}{12} \times \frac{12}{1} \checkmark$ both components	600 000 ☑ One part correct

10

2.4

Explain what you would mention to shareholders about expenses provided in Information F. In each case provide ONE corrective action that must be implemented by a business.	
Explanation ✓ ✓	Correct action ✓ ✓
<p>Audit fees:</p> <ul style="list-style-type: none"> Under budget / overspent Poor internal auditing process resulting in a longer and expensive external audit process. The audit fee far exceeds the amount budgeted . <p style="text-align: center;">OR</p> <p>The business budgeted R150 000 for audit fees but paid R315 000.</p>	<ul style="list-style-type: none"> Appoint a new auditor who will charge a market related fee. Improve the internal audit. <p style="text-align: center;">OR</p> <ul style="list-style-type: none"> The company must appoint an internal auditor who will set up efficient internal control processes that meet the standards of external auditors.
<p>Advertising:</p> <ul style="list-style-type: none"> The amount budgeted, R60 000, has not been used. Zero expenditure. 	<ul style="list-style-type: none"> Advertise to attract customers and possibly improve sales. <p style="text-align: center;">OR</p> <ul style="list-style-type: none"> Use the budgeted funds more effectively to improve sales. Review the budget figures if the targeted sales were not achieved, 14.3 % increase in sales for December. Change the advertising strategy.

4

2.5

The directors are considering purchasing the business premises instead of renting. Explain ONE advantage and ONE disadvantage of this option.
Advantages:
Any ONE valid response✓✓ <ul style="list-style-type: none">• Save on rent.• The value of property will appreciate.
Disadvantages
Any ONE valid response✓✓ <ul style="list-style-type: none">• Repairs and maintenance expenses.• Additional loan will be required to finance this option.

4

30

TOTAL MARKS: 70