



# LIMPOPO

PROVINCIAL GOVERNMENT  
REPUBLIC OF SOUTH AFRICA

DEPARTMENT OF  
**EDUCATION**



**MARKS: 100**

**TIME : 1.5 Hours**

**N.B : This paper consist of 8 pages and an answer booklet of pages**

**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. Where applicable, workings (In Brackets) 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 black/blue ink to answer the questions.
6. Where applicable, all calculations must be rounded off to ONE decimal place.
7. A breakdown of the questions is provided below. You must attempt to comply with the suggested time allocation for each question. To exercise good time management, try NOT to deviate from it.

<b>QUESTION 1: 43 MARKS;40 MINUTES</b>	
<b>Topic of the question</b>	<b>Content</b>
Budgeting	<ul style="list-style-type: none"><li>• Debtors' collection schedule</li><li>• Cash budget</li><li>• Problem solving</li></ul>

<b>QUESTION 2: 43 MARKS; 35 MINUTES</b>	
<b>Topic of the question</b>	<b>Content</b>
Cost accounting	<ul style="list-style-type: none"><li>• Calculation of direct material stock</li><li>• Factory overhead cost account</li><li>• Work in progress account</li><li>• Break- even point</li></ul>

QUESTION 3 :14 MARKS;15 MINUTES	
Topic of the question	Content
Inventory Systems	<ul style="list-style-type: none"> <li>• Purchases</li> <li>• Sales</li> <li>• Cost of sales</li> </ul>

**QUESTION 1: BUDGETING**

**(43 MARKS; 40 MINUTES)**

**1.1 MATCHING ITEMS**

Choose the answer from COLUMN B that matches the question in COLUMN A. Write only the letter (A – F) next to the question number (4.1.1 to 4.1.5) in the ANSWER BOOK

(5)

COLUMN A	COLUMN B
1.1.1 Cash budget	A. Financial Manager of Mokone and West Traders
1.1.2 This item will appear in the cash budget	B. It shows expected cash receipts and cash payments
1.1.3 Projected income statement	C. Cash Sales
1.1.4 This item is a non cash/imputed expense	D. It projects expected income and expenditure so that areas of concerns can be identified.
1.1.5 This person is responsible for preparing a cash budget	E. Depreciation

**1.2 CASH BUGDET**

The information relate to Mosa stores for 2022

**REQUIRED**

- 1.1.1 Complete the Debtors' Collection schedule for September and October of Mosa Stores for 2022 (10)
- 1.2.2 Complete the Cash budget for September and October 2022 (20)

**INFORMATION**

**A. Summary of Transactions**

Details	Actual		Budgeted	
	July	August	September	October
Cash Sales	200 000	250 000	240 000	230 000
Total purchases	140 000	160 000	130 000	170 000
Rent income	12 000	12 000	15 000	15 000
Salaries	75 000	75 000	75 000	?

- Cash Sales are 25% of total Sales
- Credit purchases are 50% of total purchases

**B. Collection of debt from debtors is according to the following pattern:**

- 30% of debtors settle their accounts during the transaction month of sales to receive 5% early settlement discount.
- 40% of debtors settle their accounts in the month following the transaction month.
- 25% of Debtors settle their accounts in the second month after the transaction month.
- 5% of the debt is written off as irrecovable during the third month

**C. Creditors are paid one month after the month of transaction for purchases**

**D.** The owner makes monthly cash drawings of R7 500 for his son's school fees.

**E.** Advertising is calculated at 1% of the previous months total sales.

**F.** The salaries of all employees will increase by 6% in October

**1.3 PROBLEM SOLVING**

RCN Transport owned by Sonny Mkize is a small business that offers delivery



service. Their financial year ends on 30 September each year. The following information was taken from the books of RCN Transport and the Sonny Mkize has approached you for your advice and comments because of the experience you have on Financial planning and management

	SEPTEMBER 2022	
	BUDGETED (R)	ACTUAL (R)
Maintenance of vehicles	24 500	21 380
Collection from debtors	147 171	115 620
Telephone	2 300	4 860

1.3.1 Explain what you would mention to Sonny about each of the items listed. Give ONE point of advice in each CASE. (6)

1.3.2 List any **TWO** non-cash item that will appear in the projected income statement but **NOT** in the **CASH BUDGET** of RCN transport.

(2)

## QUESTION 2: COST ACCOUNTING

(43 MARKS; 35 MINUTES)

### 2.1 MOGOSHI FACE MASK MANUFACTURERS

#### REQUIRED:

Use the information taken from the accounting records of Mogoshi Face Mask Manufacturers, a business that manufactures reusable scented face masks, to:

2.1.1 Calculate the raw materials issued for production in 2022 (6)

2.1.2 Prepare the following accounts in the General Ledger:

- Factory overhead cost (14)
- Work-in-progress stock (9)

#### INFORMATION

A. The following balances appearing in the books of Moshi Face Mask Manufacturers

	30 September 2022	01 October 2021
Direct /Raw material stock	25 000	53 000
Work-in-progress stock	76 000	38 000

Indirect material stock	5 500	5 200
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**B. Transactions for the year**

Raw materials purchased during the year	720 000
Carriage on purchases of raw materials	15 400
Factory maintenance paid	68 400
Advertising paid	23 500
Rent paid	46 700
Water and electricity paid	78 400
Indirect material purchased	49 000
Sundry expenses paid	12 300
Factory Foreman's salary	85 850
Administrators salary for the year	140 000

**C. Additional Information:**

- The total direct labour costs for the year amounted to R847 650.
- Included in the amount for raw materials are goods that were not ordered therefore returned to the suppliers, R5 000.
- Water and electricity and rent are to be split between the three departments according to floor space:

	Factory	Administration	Selling and distribution
Floor Space	400 m <sup>2</sup>	380 m <sup>2</sup>	220 m <sup>2</sup>

4. Depreciation for the year:

- Office equipment, R12 500
- Factory machinery, R22 800

5. Sundry expenses must be allocated in the ratio 3 : 2 : 1 for the factory, office and sales department respectively

**2.2 JOLENE AND JUANE DOLLS**

The partnership manufactures dolls. The financial year ended on 31 December 2022. The mark-up percentage on cost is 50%.

**REQUIRED:**

2.2.1 Calculate

Selling price per unit

(3)

Total fixed cost

(3)

Break even point

(4)

2.2.2 Should the business be satisfied with the number of units manufactured during 2022? Explain by quoting relevant information.

(4)

**INFORMATION:**

**A. Details of the cost accounts:**

**B.**

		UNIT COST	TOTAL AMOUNT
Direct material	Variable cost	R28	R71 400
Direct labour	Variable cost	R23	R58 650
Selling and distribution	Variable cost	R14	R35 700
Total Variable cost		R65	R165 750
Administration	Fixed cost	R10	R25 500
Factory overheads	Fixed cost	R18	R45 900
Total fixed cost		R28	?

550 dolls were made and sold during the financial year.

**C.** Total sales for the year amounted to R242 250.

**QUESTION 3: INVENTORY VALUATION**

**(14 MARKS; 15 MINUTES)**

3.1 Simon and Joreths Munchies sells snacks, biscuits and sweets is owned by Simon and Joreth from Bakone region. The business uses the **Periodic Inventory System**. The financial year ends on 29 February 2022.

**REQUIRED:**

3.1.1 Calculate the purchase figure that will be closed off to the trading account.

(6)



3.1.2 Calculate the sales figure that will be closed off to the trading account. (4)

3.1.3 Calculate the cost of sales. (4)

**INFORMATION**

**A. Extract from Pre- adjustment Trial Balance on 29 February 2022**

	Debit	Credit
<b>Balance sheet account section</b>		
Trading stock/opening stock (1 March 2021)	75 000	
<b>Norminal account section</b>		
Sales		350 000
Purchases	230 000	
Carriage on purchases	17 500	
Debtors' allowances	25 000	

**B. No entries have been made for the following:**

- An invoice of R3 250 for stock purchased on credit from West Suppliers
- Goods costing R12 500 were returned back Matlala trader their supplier before stock taking
- The owner Simon took goods costing R1 250 to give his child during school holidays.
- A debtor, R Moabelo returned goods sold to him for R11 250. The cost price of the goods was R7 500. These goods were transferred to stock before stock taking took place.
- Physical stock count on 29 February 2022 revealed that R90 000 stock on hand.

**TOTAL: [100]**

\*\*\*\*\*END\*\*\*\*\*  
\*\*\*\*\*





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Department of  
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# ACCOUNTING

## GRADE 11 – SEPTEMBER TEST

### MARKING GUIDELINE

**MARKS: 100**

**MARKING PRINCIPLES:**

1. Unless otherwise stated 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. Unless otherwise stated, give full marks for correct answer. If answer is incorrect, mark workings.
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 memo 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 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 Q).
8. This memorandum is not for public distribution as certain items might imply incorrect treatment. The adjustments made are due to nuances in certain questions.
9. Where penalties are applied, the marks for that section of the question cannot be a final negative.
10. Where method marks are awarded for operation, marker must inspect reasonableness of answer.
11. Operation means 'check operation'. 'One part correct' means operation and one part correct. Note: check operation must be +, -, x, ÷, or per memo.
12. In calculations, do not award marks for workings if numerator & denominator are swapped – this also applies to ratios.
13. 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 ⊗.
14. Be aware of candidates who provide valid alternatives beyond the marking guideline. Note that one comment could contain different aspects.
15. Codes: f = foreign item; p = placement/presentation.

**This marking guideline consists of 4 pages.**

## QUESTION 1

1.1 Match the examples in Column B with the cost account in Column A.

1.1.1	E	✓
1.1.2	C	✓
1.1.3	D	
1.1.4	B	
1.1.5	A	✓

5

1.2.1 Calculate the Direct material cost issue to the production process.

$$33\ 600 + 359\ 700 + 28\ 540 - 31\ 740 - 41\ 450$$

$$= 348\ 650 \quad \text{one part correct}$$

6

Calculate the Direct labour cost

$$\text{Normal time } 4 \times 1\ 920 \times 60 = 460\ 800$$

$$\text{Overtime } 390 \times 90 = 35\ 100$$

$$\text{Contributions } (460\ 800 \times 12\%) = \underline{55\ 296} \quad (50\ 688 + 4\ 608)$$

$$\text{R}551\ 196 \quad \text{one part correct}$$

7

1.2.2

Downloaded from Stanmorephysics.com  
 Work In Progress Stock Account

2021 Jul	1	Balance	52 700	2022 Jun	30	Finished goods	1 147 304
2022 Jun	30	Direct material cost	348 650			Balance	261 800
		Direct labour cost	551 196				
		Factory over-head cost	456 558				
			1 409 104				1 409 104
Jul	1	Balance	261 800				

7

Finished Goods Stock Account

2021 Jul	1	Balance	152 950	2022 Jun	30	Cost of sales	1 103 354
2022 Jun	30	Work in progress	1 147 304			Balance	196 900
			1 300 254				1 300 254
Jul	1	Balance	196 900				

6





Comment with figures

The business produces 16 200 units, and the breakeven point is 16 500 units.  
300 units less than the Breakeven point.

Produce 18 000 units last year and only 16 200 this year / 1 800 less  
Breakeven point increased from 14 200 to 16 500 / with 2 300 units

4

1.3.4 Provide TWO suggestions that Ezilda can implement to improve production levels and profits.

Any TWO suggestions

Set production targets and restrict overtime. / Look for cheaper suppliers of material / or local supplier to reduce transport cost. / Buy in bulk and negotiate discounts. / Control costs more efficiently in the factory (water / electricity). / Limit wastage through better supervision / Train workers

Stanmorephysics.com

2

TOTAL MARKS
55

## QUESTION 2

2.1 Name TWO items that will appear in a Projected Income Statement but not in a Cash Budget.

Discount allowed/ discount received

Bad debts /

Depreciations

2

2.2.1

LEONEDA STORES

## DEBTORS COLLECTION SCHEDULE FOR OCTOBER AND NOVEMBER 2022

MONTH	CREDIT SALES	OCTOBER	NOVEMBER
August	266 000	26 600	
September	280 000	126 000	28 000
October	308 000	113 344	138 600
November	322 000		118 496
	<b>both</b>	265 944	285 096

9

## 2.2.2 CASH BUDGET FOR OCTOBER AND NOVEMBER 2022

CASH RECEIPTS	OCTOBER	NOVEMBER
<b>Cash sales</b>	<b>132 000</b>	138 000 ✓
<b>Collection from debtors</b>	265 944	285 096
Interest on fixed deposit	1 600	800
Fixed deposit matured	160 000	
<b>TOTAL RECEIPTS 10</b>	559 544 <b>both</b>	423 896
CASH PAYMENTS		
<b>Payments to creditors</b>	<b>95 000</b>	100 000
<b>Cash Purchases</b>	165 000	<b>172 500</b>
<b>Salaries of workers</b>	57 000	49 375
<b>Commission of salesman</b>	19 800	20 700
<b>Advertisement</b>	7 500	5 800
<b>Drawings</b>	<b>25 000</b>	25 000
<b>Sundry operating expenses</b>	14 700	<b>15 435</b>
<b>TOTAL PAYMENTS 18</b>	384 000 <b>both</b>	388 810
<b>SURPLUS/ (DEFICIT)</b>	175 544 <b>both</b>	35 086
<b>Bank at the beginning</b>	(23 700)	151 844
<b>Bank at the end 6</b>	151 844 <b>both</b>	186 930





<b>TOTAL MARKS</b>
<b>45</b>

**TOTAL MARKS:100**