



education  
MPUMALANGA PROVINCE  
REPUBLIC OF SOUTH AFRICA

BOHLABELA DISTRICT

**NATIONAL  
SENIOR CERTIFICATE**

**GRADE 11**

QUESTION PAPER

**ACCOUNTING  
CASE STUDY  
TERM 3 TASK 5**

Stanmorephysics.com

**DATE: AUGUST 2024**

**MARKS: 50**

**NOTE:**

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

**This question paper consists of 04 pages**

**QUESTION 1: PERIODIC INVENTORY****(21 Marks: 20 Minutes)****LEGODI TRADERS:**

Peter is the owner of Legodi Traders. The business sells formal suits for Men to the public. Legodi Traders has recently employed an inexperienced accountant who is struggling to complete inventory calculation, you have been requested to assist, as qualified accountant.

The business uses a periodic inventory system and the financial year ended on 28 February 2023. The mark-up on cost of sales is 40%

**REQUIRED:**

Peter has requested you to assist the accountant in completing the following:

- 1.1 Provide ONE advantage and disadvantage of the periodic system. (2)
- 1.2 Explain why it is impossible to calculate the cost of sales amount when goods are sold. (2)
- 1.3 Which type of business is best suited to use the period inventory system. (1)
- 1.4 Use the information provided to calculate. (10)
  - 1.4.1 Cost of sales (6)
  - 1.4.2 Gross profit

**INFORMATION:**

A. Extract from the Trial Balance on 28 February 2023

Trading stock	<b>400 000</b>
Total sales	1 333 000
Total purchases	800 000
Debtors' allowances	33 000
Carriage on purchases	21 500
Carriage on sales	30 000
Customs Duty	28 000

- B. No entry has been made for P Leso (a debtor) who was issued a credit note for goods returned. The cost price was R2 500
- C. Stock with the selling price of R2 240 was taken by the owner for personal use.
- D. A donation of merchandise costing R1 500 was made to a local charity.
- E. Goods costing R51 000 purchased on credit from Malesa Wholesales were not recorded.
- F. Legodi traders returned defective merchandise worth R9 500 to a supplier.
- G. Legodi Traders was charged R4 600 for goods transported by XP couriers.
- H. Transport cost of goods sold to customers R1 550.
- I. Stock on hand at the end of the financial year R510 000.

**QUESTION 2 CASH BUDGET**

**(29 MARKS: 40 MINUTES)**

**PEMPS ACADEMY**

The bookkeeper of PEMPS Academy resigned before completing the budget for June and July 2023. Mams, the owner who is your friend, has asked you to assist with bookkeeping until she finds another bookkeeper.

**REQUIRED:**

- 2.1 Mams is not convinced that a budget is important. Provide TWO reasons why it is important to prepare a budget? (2)
- 2.2 Complete a Debtors Collection Schedule for July 2023. (6)
- 2.3 Calculate the amount of loan owing at the beginning of May. Refer to INFORMATION I (2)
- 2.4 Complete a Cash Budget for the budgeted period June and July 2023 (19)


**INFORMATION:**

	ACTUAL	ACTUAL	BUDGETED	BUDGETED
	APRIL	MAY	JUNE	JULY
Total sales	320 000	336 000	420 000	?
Salaries	8 000	8 000	?	?
Advertising	3 000	3 200	?	?
Interest on loan	1 650	1 500	1 350	?
Drawings	3 000	4 500		5 500

**ADDITIONAL INFORMATION:**

- A. Sales volume is expected to increase by 10% in July 2023, 20% of the total sales are for cash.
- B. All the stock sold is replaced in the same month of sale.
- C. All the stock is bought on credit, a mark – up of 50% is maintained. Creditors are paid in the month following the purchase of stock.
- D. Based on past experience Mams expects debtors to pay as follows.
  - 60% will pay in the month of the sales and will receive a 5% discount.
  - 30% will pay in the month following the month of sale.
  - 6% will pay two months after the month of sale.

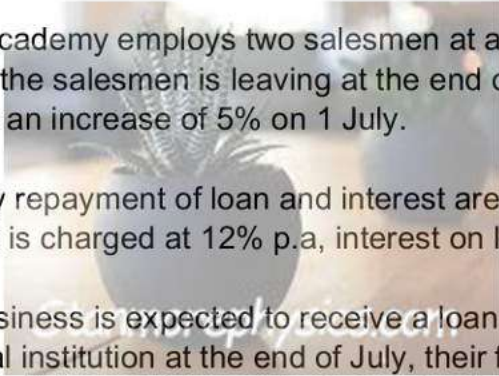




E. Peps Academy will sell an old vehicle in June for R95 000. It will be replaced with a new vehicle costing R250 000 on 1 July. A deposit of 10% will be paid at the beginning of July and the balance will be paid monthly over a period of 5 years starting on 31 July 2023.

F. Advertising expenditure is 1% of the previous month's total sales, it will remain constant.

G. Cash withdrawal will increase by R500 per month starting from June.



H. Peps Academy employs two salesmen at a salary of R4 000 each per month. One of the salesmen is leaving at the end of June, the other salesman will receive an increase of 5% on 1 July.

I. Monthly repayment of loan and interest are done at the of each month, the interest is charged at 12% p.a, interest on loan is not capitalized.

J. The business is expected to receive a loan of R75 000 from a different financial institution at the end of July, their first monthly repayment will start at the end of August, interest is charged at 12% p.a.



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ANSWER BOOK

ACCOUNTING  
CASE STUDY

TERM 3 TASK 5

DATE: AUGUST 2024

Name of Candidate: .....

Name of School: .....

QUESTION	MAX. MARKS	MARKS OBTAINED	SCHOOL MOD.	DISTRICT MOD	PROVINCE MOD.
1	21				
2	29				
TOTAL	50				

**QUESTION1: PERIODIC INVENTORY SYSTEM.**

**1.1 List ONE advantage and disadvantage of the periodic system.**

Advantage.

Disadvantage.

2

**1.2 Explain why it is impossible to calculate the cost of sales amount when goods are sold**

2

**1.3 Which type of business is best suited to use the periodic inventory system**

1

**1.4 Use the information provided to calculate.**

**1.4.1 Cost of sales**

Opening stock	400 000

10

**1.4.2 Gross profit**

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06

**QUESTION 2**

**2.1 Provided Two reasons why is it important to prepare a budget?**

02

**2.2 Debtors collection Schedule for July 2023**

Complete the missing figures.

Month	Credit Sales	June	July
April	256 000	15 360	
May	268 800	80 640	
June	336 000	191 520	
July			
<b>Total</b>		<b>287 520</b>	

06

**2.3 Calculate the amount of loan owing at the beginning of May.**

02

**2.4 Cash Budget for the months June and July 2023**

Complete the missing figure.

	JUNE	JULY
<b>RECEIPTS</b>		
Cash sales		
Receipt from debtors	287 520	
Loan		
Sale of vehicle		
<b>Total receipts</b>	<b>466 520</b>	
<b>PAYMENT</b>		
Payment to creditors	224 000	
Advertising	3 360	
Drawing	5 000	5 500
Salaries		
Monthly repayment of loan		
Interest on loan	1 350	
Deposit on vehicle		
Repayment on vehicle bought		
<b>Total Payment</b>	<b>256 710</b>	
Surplus/Shortfall		
<b>Opening balance</b>	<b>(400 510)</b>	
<b>Closing balance</b>	<b>(190 700)</b>	

19