



LIMPOPO
PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

DEPARTMENT OF
EDUCATION

**NATIONAL
SENIOR CERTIFICATE**

**ACCOUNTING GRADE 10
CONTROLLED TEST
QUESTION PAPER**

Stanmorephysics.com

MARKS: 100

TIME : 90 MINUTES

This question paper consists of 7 pages including cover page.



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. A FORMULA SHEET for financial indicators is provided at the back of this question paper. You may use this if necessary.
4. Show ALL workings to earn possible 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 questions. Try NOT to deviate from it.

QUESTION 1: 35 marks; 30 minutes	
Topic of the question:	This question integrates:
Concepts	GAAP Accounting Concepts
Financial Statements	Balance Sheet and Notes

QUESTION 2: 50 marks; 45 minutes	
Topic of the question:	This question integrates:
Income Statement	Year-end adjustments Income Statement of a sole trader

QUESTION 3: 15 marks; 15 minutes	
Topic of the question:	This question integrates:
Analysis and interpretation	Concepts Calculation of financial indicators Interpretation of financial indicators

QUESTION 1: CONCEPTS AND BALANCE SHEET

(35 marks; 25 minutes)

1.1 GAAP CONCEPTS

Choose a term from COLUMN B that matches the description in COLUMN A. Write ONLY the letter (A – E) next to the question number (1.1.1 – 1.1.5) in your ANSWER BOOK, for example 1.1.6 G. (5)

COLUMN A	COLUMN B
1.1.1 Financial statements are drawn up on the assumption that the business will continue to trade in the foreseeable future.	A Historical cost principle
1.1.2 Income and the expenses must be recorded in the correct accounting period regardless of whether it's been paid or received.	B Business entity rule
1.1.3 Information that is important and that will influence the decision-making process, must be shown separately in the financial statements.	C Prudence principle
1.1.4 Fixed assets purchased are recorded in the financial statements at its original cost.	D Materiality principle
1.1.5 Money lost due to theft of stock is written-off, even though there is a possibility that it may be recovered in future.	E Matching principle
	F Going-concern principle

(5)

1.2 BALANCE SHEET AND NOTES

- 1.2.1 Complete the Balance sheet on 31 December 2022 for Zomo Traders.
Show workings in brackets where notes are not required.

Complete the following Notes to the financial statements:

- 1.2.2 Trade and other Receivables
1.2.3 Owner's Equity

INFORMATION**POST-CLOSING TRIAL BALANCE OF ZOMO TRADERS ON 31 DECEMBER 2022**

Balance sheet account section			
Capital			555 000
Land and buildings		330 000	
Vehicles		320 000	
Equipment		172 000	
Accumulated depreciation on vehicles			84 000
Accumulated depreciation on equipment			57 000
Trading stock		48 000	
Debtors Control		54 000	
Creditors Control			168 000
Bank		36 000	
Cash float		1 500	
Petty cash		3 000	
Fixed deposit: ABC Bank		12 000	
Loan: XYZ Bank			120 000
Prepaid expense		10 500	
Accrued income		19 500	
Accrued expense			18 000
Income received in advance			9 000
Consumable stores on hand		4 500	
		1 011 000	1 011 000

ADDITIONAL INFORMATION:

- The following amounts have already been included in the Capital amount:
Net profit R69 000
Drawings R15 000
- An amount of R10 000 will be repaid on the Loan on 1 June 2023.

(30)

QUESTION 2: INCOME STATEMENT**(50 marks; 40 minutes)**

The information set out below was taken from the books of RAV Distributors. Their financial year ends on 28 February 2019. The percentage mark-up used by RAV Distributors is 75%.

REQUIRED:

Prepare the Income Statement of RAV Distributors for the year ended 28 February 2019.

INFORMATION:**Pre-adjustment Trial Balance of RAV Distributors on 28 February 2019**

	Debit	Credit
Balance Sheet Accounts Section		
Capital		784 490
Drawings	403 860	
Loan: DEF Bank (18% p.a.)		235 000
Land and Buildings	910 000	
Equipment	140 000	
Accumulated Depreciation on Equipment		52 000
Trading Stock	16 500	
Debtors' Control	20 720	
Bank	55 500	
Creditors' Control		135 000
Nominal Accounts Section		
Sales		875 000
Cost of Sales	400 000	
Debtors' Allowances	13 000	
Wages	20 300	
Commission Income		8 400
Salaries	95 250	
Rent Income		37 100
Discount Allowed	800	
Discount Received		880
Insurance	9 800	
Bank Charges	1 210	
Bad Debts	2 300	
Telephone	12 560	
Water and Electricity	11 700	
Stationery	10 800	
Sundry Expenses	3 570	
	2 127 870	2 127 870

Adjustments and additional information:

- A. Commission of R4 000 has not yet been received by the business.
- B. The telephone account for February 2019 was not recorded, R1 450.
- C. The business donated stock with a selling price of R1 400 to a local crèche before the physical stock take. No entry was made of this transaction.
- D. A physical stock count on 28 February 2019 revealed the following on hand:
 - Trading Stock R15 500
 - Stationery R460
- E. A debtor who owed R1 200 was declared insolvent. A dividend of 40 cents to the rand was received and recorded. Write-off the remaining debt as irrecoverable.
- F. An amount of R2 000 received from B. Ben, a debtor whose debt was previously written-off as irrecoverable, was credited to Debtors' Control account and to the account of B. Ben. Correct the error.
- G. The February Bank Statement was received after the pre-adjustment trial balance was drawn up. The following must be adjusted:
 - H. Unpaid EFT, R2 000. This was in settlement of H. Heidi's account of R2 040.
 - Interest on favourable bank balance, R480.
 - Bank charges, R183.
- H. The insurance amount includes an annual premium of R2 160 paid on 1 July 2018.
- I. The rent increased by R400 per month from 1 November 2018. The rent for March 2019 was received and deposited.
- J. Interest on the loan from DEF Bank has not yet been entered. Interest is capitalised. The loan statement received from DEF Bank reflects the following:

Balance on 1 March 2018	270 000
Repayments made during the year	85 000
Interest	?
Balance on 28 February 2019	235 000

- K. Depreciation on equipment is calculated at 10% p.a. on the cost price method. New equipment was bought on 1 September 2018 at a cost price of R24 000. This transaction has been recorded.

(50)

QUESTION 3 : ANALYSIS AND INTERPRETATION**(15 marks; 10 minutes)**

Use the information given for Beatle Bailey to answer the following questions.

Post-closing Trail Balance on 30 June	2019	2018
Tangible assets	222 664	203 804
Fixed Deposit: ABSA (10%)	45 000	45 000
Inventory	54 070	42 120
Trade and other receivables	34 700	25 328
Cash and cash equivalents	1 650	6 200
Owner's equity	271 430	180 000
Mortgage bond: First Bank (15% p.a.)	60 000	120 000
Trade and other payables	26 654	22 452

Additional information:





Cost of Sales	600 000
Operating expenses	158 000
Net profit	130 000

REQUIRED:

- 3.1 Calculate Sales if the firm uses a mark-up of 50% on cost. (2)
- 3.2 Calculate the return on average owner's equity. Should the owner be satisfied with this return? Give a reason for your answer. (6)
- 3.3 Calculate the current ratio for 2019. (3)
- 3.4 Calculate the acid-test ratio for 2019. (4)

(15)

FORMULA SHEET GRADE 10

 $\frac{\text{Gross Profit}}{\text{Sales}} \times \frac{100}{1}$	$\frac{\text{Gross Profit}}{\text{Cost of Sales}} \times \frac{100}{1}$
 $\frac{\text{Net Profit}}{\text{Sales}} \times \frac{100}{1}$	$\frac{\text{Operating expenses}}{\text{Sales}} \times \frac{100}{1}$
$\frac{\text{Operating Profit}}{\text{Sales}} \times \frac{100}{1}$	 $\frac{\text{Net Profit}}{\text{Average owner's equity}} \times \frac{100}{1}$
<p>(Current assets – inventories): Current liabilities</p>	 <p>Current assets: Current liabilities</p>
<p>(Trade and other receivables + Cash and cash equivalents) : Current liabilities</p>	
<p>Total assets: Total liabilities</p>	





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GRADE 10

ANSWER BOOK

ACCOUNTING TERM 3 TASK 2
CONTROLLED TEST: September 2023

Stanmorephysics.com

School: _____

Name of learner: _____

Date: _____

QUESTION NUMBER	TOTAL MARKS	LEARNER MARK	MODERATED MARK	MODERATOR INITIAL
1	35			
2	50			
3	15			
	100			

This answer book consists of 5 pages including the cover page.

QUESTION 1

1.1 Choose the term from COLUMN B that matches the description in COLUMN A. Write only the letter (A – E) next to the question number (1.1.1–1.1.5). E.g. 1.1.6 G.

1.1.1	
1.1.2	
1.1.3	
1.1.4	
1.1.5	

5

1.2
BALANCE SHEET ON 28 FEBRUARY 2023

	Notes	R
ASSETS		
NON-CURRENT ASSETS		
	3	
Financial assets:		
CURRENT ASSETS		
	4	
	5	
	6	
TOTAL ASSETS		
EQUITY AND LIABILITIES		
EQUITY	7	
NON-CURRENT LIABILITIES		
CURRENT LIABILITIES		
	8	
TOTAL EQUITY AND LIABILITIES		

(22)

5. Trade and other receivables (debtors)	

7. EQUITY	



8

Total marks
35



QUESTION 2
RAV DISTRIBUTORS
INCOME STATEMENT FOR THE YEAR ENDED 28 FEBRUARY 2019

Sales	
Cost of sales	
Gross profit	
Other operating income	
Gross operating income	
Operating expenses	
Wages	20 300
Salaries	95 250
Water and electricity	11 700
Sundry expenses	3 570
Operating profit	
Profit before interest expense	
Net profit for the year	



TOTAL MARKS
50

QUESTION 3	
3.1	Calculate sales if the business uses a mark-up of 50% on cost.
3.2	Calculate the return on average owner's equity.
3.3	Should the owner be satisfied with this return? Give a reason for your answer.
3.4	Calculate the current ratio for 2019.
3.5	Calculate the acid-test ratio for 2019.

TOTAL MARKS
15



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MEMORANDUM

ACCOUNTING TERM 3 TASK 2
CONTROLLED TEST: September 2023

Stannmorephysics.com

MARKS: 100

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 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. Full marks for correct answer. If answer incorrect, mark the workings provided.
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. Where penalties are applied, the marks for that section of the question cannot be a final negative.
8. Operation means 'check operation'. 'One part correct' means operation and one part correct. Note: check operation must be +, -, x, ÷, or per memo.
9. 'One part correct' means 'operation and one part correct'. Where method marks are awarded for one part correct, the marker must inspect the reasonableness of the answer and at least one part must be correct before awarding the mark. If a figure has earned a method-mark, this will be regarded as 'one part correct'.
10. In calculations, do not award marks for workings if numerator and denominator are swapped – this also applies to ratios.
11. 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 .
12. Be aware of candidates who provide valid alternatives beyond the marking guideline.
13. Codes: f = foreign item; p = placement/presentation.

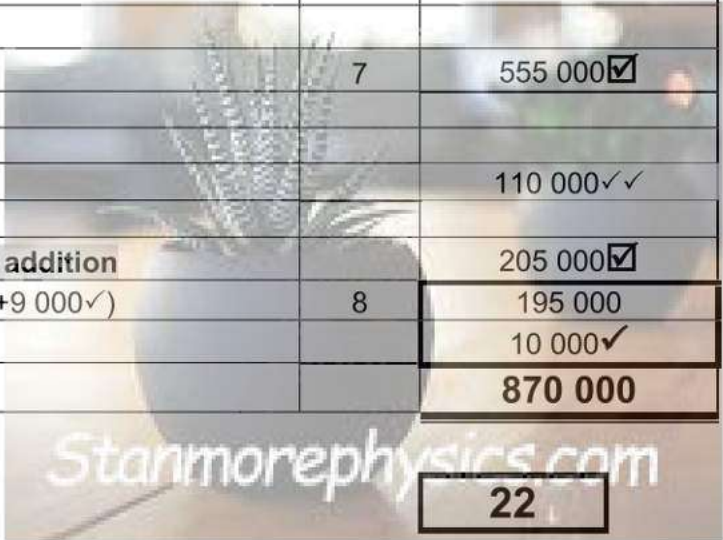
1.1 GAAP PRINCIPLES

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

5

BALANCE SHEET OF ZOMO TRADERS ON 31 DECEMBER 2012

	Notes	R
ASSETS		
NON-CURRENT ASSETS method mark for addition		693 000
(320000-84000)/(172000-57000)		
Tangible assets [330000✓+236000✓+115000✓]	3	681 000✓
Financial assets		
Fixed deposit		12 000✓
CURRENT ASSETS method mark for addition		177 000✓
Inventories (48000+4500)	4	52 500✓✓
Trade and other debtors (54000✓+10 500✓+19 500✓)	5	84 000
Cash and cash equivalents (36000✓+3000✓+1500✓)	6	40 500
TOTAL ASSETS		870 000
EQUITY AND LIABILITIES		
Equity	7	555 000✓
NON-CURRENT LIABILITIES		
Loan (120 000 – 10 000)		110 000✓✓
CURRENT LIABILITIES method mark for addition		205 000✓
Trade and other creditors (168000✓+18 000✓+9 000✓)	8	195 000
Short term loan		10 000✓
TOTAL EQUITY AND LIABILITIES		870 000



5. Trade and other receivables (debtors)	
Trade debtors	54 000✓
Prepaid expenses	10 500✓
Accrued income	19 500✓
	84 000✓

7. Capital	
Balance at beginning of the year	501 000✓
Net profit for the year	69 000✓
Additional capital contributed	0
Drawings	(15 000)✓
Balance end of the year	555 000✓

QUESTION 2

RAV DISTRIBUTORS		
INCOME STATEMENT FOR THE YEAR ENDED 28 FEBRUARY 2019		
Sales (875 000✓ – 13 000✓)	one part correct	862 000☑*
Cost of Sales		(400 000) ✓
Gross profit	calculation	462 000☑*
5		
Other operating income	calculation	49 280☑
Commission income (8 400✓ + 4 000✓)		12 400☑*
Rent income (37 100 ✓ – 3 100✓✓✓)		34 000☑*
Discount received		880✓
Bad debts recovered		2 000✓✓
Gross operating income	calculation	
13		511 280☑
Operating expenses	calculation	(183 223) ☑
Wages		20 300
Salaries		95 250
Water and electricity		11 700
Sundry Expenses		3 570
Discount allowed (800– 40✓)		760✓*
Insurance (9 800 ✓ – 720✓)		9 080☑*
Bank charges (1 210✓ + 183✓)		1 393☑*
Bad Debts (2 300 + 720)		3 020✓✓
Telephone (12 560✓ + 1 450✓)		14 010☑*
Stationery (10 800– 460)		10 340✓✓*
Donations		800✓✓
Trading Stock Deficit (16 500✓ – 800☑ – 15 500✓)	See donations	200☑*
Depreciation (11 600✓ + 1 200✓) or (5 800 + 7 000)		12 800☑*
Operating profit	calculation	
26		328 057☑
Interest income		480✓
Profit before interest expense		328 537
Interest expense (235 000 ✓ + 85 000✓ - 270 000✓)		(50 000✓)
Net profit for the year	calculation	
6		278 537☑

☑* calculation one part correct

TOTAL MARKS
50

QUESTION 3

3.1 Calculate sales if the firm uses a mark-up of 50% on cost.

$$600\,000 \times \frac{100}{150} = 900\,000 \checkmark \checkmark$$

2

3.2 Calculate the return on average owner's equity.

$$\frac{130\,000 \checkmark}{\frac{1}{2} \checkmark (271\,430 \checkmark + 180\,000 \checkmark)} \times \frac{100}{1}$$

=57.6% ✓

Should the owner be satisfied with this return? Give a reason for your answer.

Yes, it is more than any other investment like Fixed Deposit 10%. ✓

6

3.3 Calculate the current ratio for 2019.

$$\begin{aligned} 54\,070 + 34\,700 + 1\,650 &: 26\,654 \\ 90\,420 \checkmark &: 26\,654 \checkmark \\ 3.4 &: 1 \checkmark \end{aligned}$$

3

3.4 Calculate the acid-test ratio for 2019.

$$\begin{aligned} \frac{(90\,420 - 54\,070)}{34\,700 \checkmark + 1\,650 \checkmark} &: 26\,654 \checkmark \\ 36\,350 &: 26\,654 \\ 1.4 &: 1 \checkmark \end{aligned}$$

4

TOTAL MARKS

15