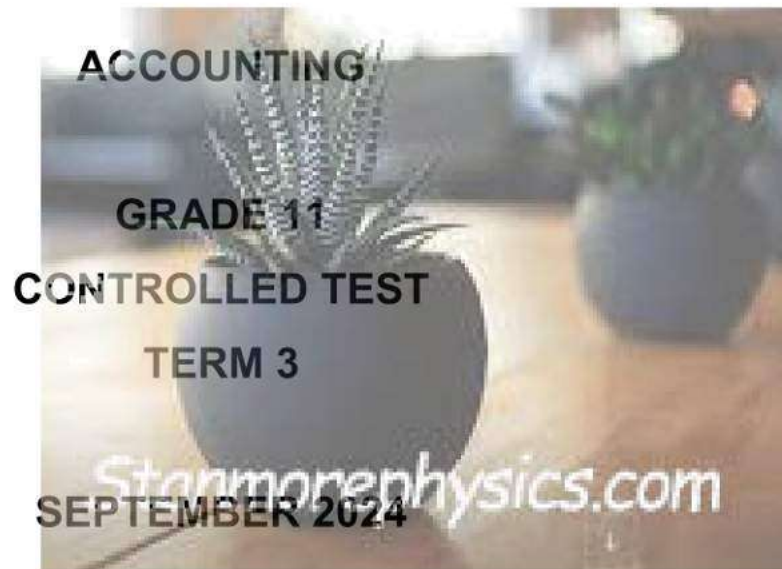




Northern Cape Department of Education



MARK: 100

TIME: 1½ hour

This question paper consists of 7 pages and a 7-page answer book.

INSTRUCTIONS:

Read the following instructions carefully and follow them precisely.

1. Answer ALL questions.
2. A special ANSWER BOOK is provided in which to answer ALL the questions.
3. Show ALL workings to earn part-marks.
4. You may use a non-programmable calculator.
5. You may use a dark pencil OR blue ink to answer the question.
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
1	Cash budgets	50	45 minute
2	Cost accounting	50	45 minute
	TOTAL	100	90 minute

QUESTION 1: BUDGETS

(50 marks; 40 minutes)

- 1.1 Name any TWO items that would appear in a Projected Statement of Comprehensive Income but not in a Cash Budget. (2)
- 1.2 You are provided with information relating to James Traders. The company sells sports equipment.

REQUIRED:

- 1.2.1 Complete the Debtors' Collection Schedule for the period October to November 2024. (9)
- 1.2.2 Complete the Cash Budget for the period October to November 2024. Some of the amounts have been already filled in. (31)

INLIGTING:

- A. Extract from the Ledger on 30 September 2024:

Fixed deposit (8% p.a.)	R720 000
Bank overdraft	R153 650
Vehicles	R650 000
Accumulated depreciation on vehicles	R480 000

- B. The business uses a markup of 60% on cost. Cash sales amount to 40% of all sales.

Total actual and budgeted sales are:

	Actual	Budget
August 2024	R450 000	
September 2024		R420 000
October 2024		R480 000
November 2024		R520 000

- C. Debtors are expected to settle their accounts as follows:
- 20% is collected in the month of sales. These debtors are entitled to a 12% discount.
 - 60% in the month following the month of sales. (after 30 days).
 - 15% in the second month following the month of sales (after 60 days).
 - 5% will be written off as bad debt after 90 days.

D. Purchase of trading stock:

- Trading stock is maintained at a constant (base stock) level. (Goods are replaced in the month in which they are sold).
- 70% of merchandise purchases are on credit. Payments to creditors are made two months after purchases. No discount is received.

E. Interest on the fixed deposit is transferred directly to the bank account every month. 30% of the fixed deposits expire on 31 October 2024 and the rest on 28 February 2025.

F. The company currently employs five workers who are each paid a basic salary of R11 000 per month. One worker will resign on 31 October 2024. Salaries will be increased by R675 per worker with effect from 1 November 2024.

G. The business places an advertisement in the local newspaper every week. The cost is currently R2 300 per advertisement, but the cost will decrease by R150 per week from November. There are five Fridays in October and four Fridays in November.

H. The business will purchase a delivery vehicle on 30 October 2024 for R480 000. The business will pay a deposit of 25% and the rest will be paid in 24 equal installments from 30 November 2024. Depreciation is calculated at 20% per year according to the cost price method.

I. Sundry operating expenses for November amount to R14 490. This increases by 5% every month.

1.3 SMITH TRADERS

The information below is extracted from the records of Smith Traders.

REQUIRED:

1.3.1 Comment on the effectiveness of advertising. (4)

1.3.2 Comment on the control over the telephone account. Quote figures. Give the owner advice on how to improve control. (4)

INFORMATION:

	Budgeted figures	Actual figure
Sales	R380 000	R340 000
Telephone	R7 400	R9 000
Advertising	R30 000	R35 000

[50]

QUESTION 2: COST ACCOUNTING

(50 marks; 45 minutes)

2.1 COST CONCEPTS

Match the description in COLUMN B with the concept in COLUMN A. Write only the letter (A–E) next to the question number (1.1.1– 1.1.5) in the ANSWER BOOK.

KOLOM A	KOLOM B
2.1.1 Fixed cost	A Telephone expenses of the office
2.1.2 Selling and distribution cost	B Costs that do not change according to the level of production
2.1.3 Administrative cost	C Interest on loan
2.1.4 Financing cost	D Bad debts
2.1.5 Variable cost	E Costs that change according to the level of production

(5)

2.2 RED DRESS TRADERS

Red Dress Traders manufacture dresses. Their financial year ends on 30 June 2024. The business maintains a mark-up of 50% on cost price.

REQUIRED:

- 2.2.1 Calculate the direct labour cost. (6)
- 2.2.2 Prepare the following ledger accounts and balance / closed off on 30 June 2024. (10)
- Work-in-progress stock (7)
 - Finished goods stock (7)
 - Factory overheads (12)

INFORMATION:

A Balances of inventory on:

	30 June 2024	1 July 2023
Raw material stock	R88 800	R138 000
Work-in-progress stock	R336 050	R93 900
Finished goods stock	R125 800	R57 750
Consumable stores on hand (indirect material)		R6 000

B Transactions for the year ended on 30 Junie 2024:

	R
Material issued to the factory for production	740 600
Salary paid to the foreman	112 300
Consumable stores for factory purchased (indirect material)	43 800
Factory maintenace	55 500
Water and electricity	25 500
Rent paid	98 500
Wages paid to factory workers	?
Selling expenses	123 456
Total sales for the year	2 400 000
Depreciation	
• Factory equipment	77 700
• Delivery vehicle	44 600
Bad debts	2 468

D Additional information:

- The bookkeeper forgot to record the factory foreman's overtime of R8 500 for June.
- Water and electricity must be divided between the factory, administrative block and sales department in the ratio 3 : 1 : 1
- Each department pays rent according to floor space. The factory occupies 60% of the total area, the sales department 25% and the administration department 15%.
- Wages paid to the factory workers:

NUMBER OF WORKERS	WAGES	EARNING PER WORKER	
5	Basic (normal wage)	R60 per hour	2 400 hours
	Overtime	1,5 times the basic tariff per hour	100 hours
NOTE: Employer's contribution: 5% of the basic wage			

2.3 JAKES CLOTHING

Jakes Clothing produced and sold 16,800 shirts for the year ended 29 February 2024.

INFORMATION:

The following information is extracted from the books of Jakes Clothing.

	TOTAL	UNIT COST	
		2024	2023
	R	R	R
Sales		75,50	
Total variable cost	719 040	?	
Direct material cost	201 600	12,00	12,00
Direct labour cost	403 200	24,00	18,00
Selling and distribution cost	114 240	6,80	6,60
Total fixed cost	638 400		
Factory overhead cost	487 200	29,00	29,40
Administrative cost	151 200	9,00	8,80

REQUIRED:

- 2.3.1 Calculate the break-even point for the year ended 29 February 2024. (4)
- 2.3.2 Should the business be satisfied with the number of shirts they currently produced? Briefly explain. Provide ONE reason for your answer with figures. The break-even point for 2023 was 14,000 shirts. (3)
- 2.3.3 Which variable costs are not managed well? Quote figures and also give a possible solution. (3)

[50]



Northern Cape Department of Education

ACCOUNTING

GRADE 11

6 SEPTEMBER 2024

CONTROLLED TEST

NAME: _____

SPECIAL ANSWER BOOK

QUESTION	MARKS	INITIAL	MODERATOR
1			
2			
TOTAL			

This answer book consists of 7 pages.

QUESTION 1:

1.1 Name any TWO items that would appear in a Projected Statement of Comprehensive Income but not in a Cash Budget.

--

2

1.2.1 **JAMES TRADERS**
DEBTORS' COLLECTION SCHEDULE FOR OCTOBER AND NOVEMBER 2024

MONTH	CREDIT SALES	OCTOBER	NOVEMBER
August	270 000	40 500	
September	252 000	151 200	
October	288 000	50 688	
November			
		242 388	

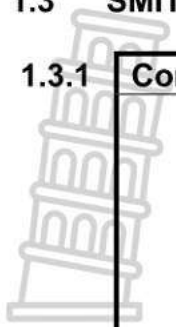
9

1.2.2 CASH BUDGET FOR OCTOBER AND NOVEMBER 2024

	OKTOBER	NOVEMBER
CASH RECEIPTS		
Cash sales		208 000
Cash from debtors		
TOTAL RECEIPTS		
CASH PAYMENTS		
Payments to creditors	196 875	
Cash purchases		97 500
Advertising	11 500	
Vehicles		
Sundry operating expenses		14 490
TOTAL PAYMENTS		
SURPLUS/ (SHORTFALL)		
Bank balance at beginning of month		
Bank balance at end of the month		

1.3 SMITH TRADERS

1.3.1 Comment on the effectiveness of advertising.



--

4

1.3.2 Comment on the control over the telephone account. Quote figures. Give the owner advice on how to improve the control.

<p>Comment:</p> <p>Advice:</p>

4

TOTAL MARKS
50

QUESTION 2:

2.1 Match the description in COLUMN B with the concept in COLUMN A. Write only the letter (A–E) next to the question number (1.1.1– 1.1.5)

2.1.1	
2.1.2	
2.1.3	
2.1.4	
2.1.5	

5

2.2.1 Calculate the direct labour cost. (Show all calculation)

6

2.2.2

BALANCE SHEET ACCOUNTS SECTION

WORK-IN-PROGRESS

B

10

2.3 JAKES CLOTHING

2.3.1 Calculate the break-even point for the year ended 29 February 2024.

--

4

2.3.2 Should the business be satisfied with the number of shirts that they currently produced? Briefly explain. Provide ONE reason for your answer with figures. The break-even point for 2023 was 14,000 shirts.

--

3

2.3.3 Which variable costs are not managed well? Quote figures and also give a possible solution.

<p>Cost</p> <p>Amount</p> <p>Solution</p>

3

TOTAL MARKS

50



Northern Cape Department of Education

ACCOUNTING GRADE 11 CONTROLLED TEST 6 SEPTEMBER 2024 MARKING GUIDELINES

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. Full marks for correct answer. If the answer is incorrect, mark the workings provided.
4. If a pre-adjustment figure is shown as a final figure, allocate the part-mark for the workings 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. 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.

QUESTION 1:

1.1 Name any TWO items that would appear in a Projected Statement of Comprehensive Income but not in a Cash Budget.

Any TWO items ✓ ✓

- Discount allowed
- Discount received
- Bad debts
- Depreciation
- Provision for bad debts adjustment

2

1.2.1 **JAMES HANDELAARS**
DEBTORS' COLLECTION SCHEDULE FOR OCTOBER AND NOVEMBER 2024

MONTH	CREDIT SALES	OCTOBER	NOVEMBER
August	270 000	40 500	
September	252 000	151 200	37 800 ✓✓
October	288 000	50 688	172 800 ✓✓
November	312 000 ✓✓		54 912 ✓☑#
		242 388	265 512 *☑

9

credit sales x 20/100 x 88/100

* one part correct

1.2.2 CASH BUDGET FOR OCTOBER AND NOVEMBER 2024

KONTANTONTVANGSTE	OKTOBER	NOVEMBER
CASH RECEIPTS		
Cash sales	192 000 ✓✓	208 000
Cash from debtors	242 388 ✓	265 512 <input checked="" type="checkbox"/>
Interest on fixed deposit	4 800 ✓✓	3 360 ✓✓
Fixed deposit expires	216 000 ✓	
TOTAL RECEIPTS	655 188 <input checked="" type="checkbox"/> <small>both totals</small>	476 872
CASH PAYMENTS		
Payments to creditors	196 875	183 750 ✓✓
Cash purchases	90 000 ✓✓	97 500
Salaries of workers	55 000 ✓	46 700 ✓✓
Advertising	11 500	8 600 ✓✓
Vehicles	120 000 ✓	15 000 ✓✓
Sundry operating expenses	13 800 ✓✓	14 490
TOTAL PAYMENTS	487 175 <input checked="" type="checkbox"/> <small>both totals</small>	366 040
SURPLUS/ (SHORTFALL)	168 013 <input checked="" type="checkbox"/>	110 832 <input checked="" type="checkbox"/>
Bank balance at beginning of month	(153 650) ✓	14 363 <input checked="" type="checkbox"/>
Bank balance at end of the month	14 363 <input checked="" type="checkbox"/>	125 195 <input checked="" type="checkbox"/>

-1 for foreign items (e.g. Depreciation)

1.3 SMITH TRADERS

1.3.1 Comment on the effectiveness of advertising.

Comment on control (actual vs budgeted can be implied in response) effect on sales figure

Advertising ✓✓ Sales ✓✓

R35 000 was spent on advertising while only R30 000 was budgeted/R5 000/16.7% more spent than budgeted.

The actual sales were R340 000, while budgeted for R380 000/R40 000 less than budgeted/10.5%

4

1.3.2 Comment on the control over the telephone account. Quote figures. What advice would you give the owner?

Comment: Comment ✓ and figure ✓

Overspent/under-budgeted/not well controlled. (Budget for R7 400, spend R9 000 (R1 600/21,6%) more.

Advice: One valid point ✓✓

- Monitor the use of the telephone.
- She must budget to take into account an increase in rates or usage.
- Keep/check record regularly.
- Investigate reasons for overspending

4

TOTALE PUNTE
50

VRAAG 2:

2.1 Match the description in COLUMN B with the concept in COLUMN A. Write only the letter (A–E) next to the question number (1.1.1– 1.1.5)

2.1.1	B	✓
2.1.2	D	✓
2.1.3	A	✓
2.1.4	C	✓
2.1.5	E	✓

5

2.2.1 Calculate the direct labour cost. (Show all calculation)

$$5 \times 60 \times 2\,400 = 720\,000 \checkmark \checkmark$$

$$5 \times 100 \times 90 = 45\,000 \checkmark * \checkmark \text{ one part correct}$$

$$720\,000 \times 5\% = 36\,000 \checkmark \text{ one part correct}$$

$$720\,000 + 45\,000 + 36\,000 = 801\,000 \checkmark \text{ one part correct}$$

6

2.2.2

**BALANCE SHEET ACCOUNTS SECTION
WORK-IN-PROGRESS**

B

2023 Jul	1	Balance	b/d	✓93 900	2024 Jun	30	Finished goods stock ✓	✓1 677 650 operation
2024 Jun	30	Direct labour cost		✓801 000 see 2.2.1			Balance	c/d ✓336 050
		Direct material cost ✓		✓740 600				
		Factory overheads ✓		✓378 200				
				2 013 700				2 013 700
2024 Jul	1	Balance	b/d	✓336 050				

10

FINISHED GOODS STOCK

B

2023 Jul	1	Balance	b/d	✓ 57 750	2024 Jun	30	Cost of sales		✓ <input checked="" type="checkbox"/> 1 609 600
	30	Goedere-in- bewerking		<input checked="" type="checkbox"/> 1 677 650			Balance	c/d	✓ 125 800
				1 735 400					1 735 400
2024 Jul	1	Balance	b/d	<input checked="" type="checkbox"/> 125 800					

7

FACTORY OVERHEAD COST

2024 Jun	30	Salaries 112 300 + 8 500		✓✓ 120 800	2024 Jun	30	Goedere-in- bewerking ✓		<input checked="" type="checkbox"/> 378 200
		Indirect material (6 000 + 43 800)		✓ <input checked="" type="checkbox"/> 40 200					
		Factory maintainance		✓ 55 500					
		Water and elektricity 25 500 x $\frac{3}{5}$		✓✓ 15 300					
		Rent expense 98 500 x 60%		✓✓ 59 100					
		Depreciation		✓ 77 700					
				378 200					378 200

-1 for foreign items max -2 (only applicable on factory overheads)

12

2.3 JAKES CLOTHING

2.3.1 Calculate the break-even point for the year ending 29 February 2024.

638 400 ✓
75,50 ✓ – 42,80 ✓
32,70 two marks

= 19 522,9 hemde one part correct
Of 19 523 hemde

4

2.3.2 Should the business be satisfied with the number of shirts that are they currently producing? Briefly explain. Provide ONE reason for you answer with numbers. The break-even point for 2023 was 14,000 shirts.

NO ✓ w/s 2.3.1
 Reasons ✓ figures ✓ sien 2.3.1

- Produce and sell (19 523 – 16 800) 2 723 shirts less than the break-even point
- OR business generates a loss on 2 723 shirts

3

2.3.3 Which variable costs are not managed well? Quote figures and also give a possible solution.

Cost
 Direct labour cost ✓

Amount
 Increased per unit cost from R18 to R24 / by R6/ by 33,33% ✓

Solution
 Train workers to be more effective/ less overtime / pay piece rate. ✓

3

TOTALE PUNTE
50