



EKURHULENI NORTH DISTRICT

**MARCH 2022**

**GRADE 11**

<b>SUBJECT</b>	:	<b>ACCOUNTING</b>
<b>CODE</b>	:	<b>ACCN</b>
<b>TASK</b>	:	<b>CONTROLLED TEST 1</b>
<b>TIME</b>	:	<b>90 minutes</b>
<b>MARKS</b>	:	<b>100</b>
<b>DATE</b>	:	<b>14 MARCH 2022</b>

## QUESTION PAPER

This paper consists of 6 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. Show ALL workings to earn part-marks.
4. You may use a non-programmable calculator.
5. You may use a blue ink to answer the questions. **NO PENCIL!!!!**
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 1: 40 marks; 36 minutes	
<b>Topic of the question:</b>	<b>This question integrates:</b>
Bank reconciliation	<b>Financial Accounting</b> Concepts, Internal control and Bank reconciliation.
QUESTION 2: 60 marks; 54 minutes	
<b>Topic of the question:</b>	<b>This question integrates:</b>
Fixed Assets	<b>Financial Accounting</b> Concepts, Asset disposal, General ledger, and Internal Control.

**QUESTION 1: RECONCILIATIONS****Marks: 40 Time: 36 minutes****BANK RECONCILIATIONS**

**1.1. Indicate whether the following statements are TRUE or FALSE. Write only "true" or "false" next to the question number (1.1.1 – 1.1.5) in the ANSWER BOOK.**

1.1.1 A favourable balance on the Bank Statement is indicated with a debit. (1)

1.1.2 A deposit which has not yet reflected on the Bank Statement will be recorded in in the CRJ as an outstanding deposit. (1)

1.1.3 An EFT that was never processed due to a technical error needs to be cancelled in the Cash Receipts Journal. (1)

1.1.4 A payment made by EFT must be recorded in the Cash Payments Journal when it reflects on the bank statement. (1)

1.1.5 A bank overdraft is indicated with a credit in the Bank Account. (1)

**1.2. The following information relates to Simba Traders for the month ended 31 March 2022.**

**The owner of Simba Traders, Timone Joseph, realises that many people are now using electronic fund transfers (EFT's) instead of paying cash. He has just embraced this method of payment. He has the following questions:**

1.2.1 State THREE advantages of using EFT's (3)

1.2.2 Nala, the bookkeeper is generally assigned the duty of ordering, receiving, making payment as well as recording in the relevant journals. Explain TWO reasons why the internal auditor has advised Timone Joseph against this practice. See transaction i below to support your answer. (4)

1.2.3 Show changes that need to be made in the Cash Journals for March 2022. (14)

1.2.4 Calculate the correct bank balance on 31 March 2022. (4)

1.2.5 Prepare the Bank Reconciliation Statement on 31 March 2022. (10)



**INFORMATION**

A. Extract of the Bank Reconciliation Statement on 28 February 2022:

Outstanding deposit	R16 250
Outstanding EFTs	
223	R 1 500
289	R1 340
315	R4 870
515	R8 750
Unfavourable balance on Bank Account	R10 600

**NOTE:**

- i. The outstanding deposit appeared on the March Bank Statement. It was however reflected as R12 650. After extensive investigation, it was found that the bookkeeper had intentionally recorded it incorrectly in the Journal.
- ii. EFT 223 was made to Netflorist. It was to pay for flowers for the owner's wife. The EFT was unsuccessful due to a technical error and Netflorist never received payment.
- iii. EFT 289 appeared on the March 2022 Bank Statement.
- iv. EFT 315 did not appear on the March Bank Statement. Upon investigation it appeared the bookkeeper processed the payment in error.
- v. EFT 515 appeared on the Bank Statement as R7 850. The Bank was correct in this regard.

B. Provisional totals in the Cash Journals on 31 March 2022 before receiving the Bank Statement were as follows:

Cash Payments Journal	R24 880
Cash Receipts Journal	R35 660

C. Take the following transactions into consideration:

- a. A debtor, Mufasa Stores settled their account of R5 000. The money to date has not reflected in Simba Traders Bank Account. Upon investigation the bank confirmed that Muafsa Stores has no money in their bank account. Simba Traders has not recorded anything to deal with this transaction.
- b. A debit order for telephone, R 547, reflected twice on the bank statement in error. The bank has confirmed they will rectify this in the next month's statement.



- c. A deposit of R5 670, received from S Scar, was banked at the end of the month, after the bank statement had already been received from Waterhole Bank.
- d. The tenant Mrs. Sahar made an EFT for R2 300. She did not inform Simba Traders of this and as such it was not recorded in the relevant journal.
- e. The following bank charges reflected on the bank statement:
  - Interest on favourable balance, R54
  - Service fees, R145
  - Cash deposit fees, R89
- f. The following EFT payments were made after the bank statement was received:
  - EFT 113 R5 780
  - EFT 159 R4 223
  - EFT 161 R678
- g. A deposit for R4 590 was reflected on the bank statement as R 5 490. Upon investigation, Waterhole Bank admitted their error and has assured Simba Traders that the error will be rectified next month.

## QUESTION 2: FIXED ASSETS:

(60 marks: 54 minutes)

### 2.1 Concepts.

Indicate whether the following statements are True or False. Write 'true or false' next to the question number (2.1.1 to 2.1.3)

- 2.1.1 Land and buildings are depreciated at cost method. (1)
- 2.1.2 Fixed assets are recorded at their original cost price according to the materiality concept. (1)
- 2.1.3 A separate Asset Register is kept for each fixed asset the business owns. (1)

2.2 What factors should be considered when a new equipment is to be acquired? State two points. (4)

2.3 Explain the importance of a Fixed Asset Register. Give two points. (4)

**2.4 The following information was extracted from the financial records of SEBEKO TRADERS for the financial year ended 28 February 2022.**  
**The business is owned by Sisters, Nicky and Tumelo Sebeko.**



**You are required to:**

2.4.1 Calculate the cost of the equipment that was traded in for a new one. (2)

2.4.2 Calculate depreciation on vehicles on 28 February 2022. (7)

2.4.3 Calculate depreciation on equipment on 28 February 2022. (11)

2.4.4 Prepare the following ledger accounts:

Accumulated depreciation on equipment. (6)

Asset Disposal (6)

2.4.5 Calculate the missing amounts denoted by (i) to (vii) (Refer to Information A. (13)

2.5 Sebeko Traders' vehicles are now worn out and look like they were bought 10 years ago yet they were bought as new 5 years ago. The business employs two drivers.

Advise the owners of Sebeko Traders on what measures to put in place to prolong the lifespan of their vehicles. Give TWO points of advice. (4)

## INFORMATION

### A. TANGIBLE/FIXED ASSET NOTE

	Land and buildings	Vehicles	Equipment
Carrying value (01/03/2021)		(ii)	138 510
Cost	5 000 000	460 000	(v)
Accumulated depreciation		(414 000)	(51 490)
<b>MOVEMENT</b>			
Additions at cost	1 500 000	(iii)	90 000
Disposal at carrying value	0	0	(vi)
Depreciation			(15 393)
Carrying value (28/02/2022)	(i)	190 002	
Cost		660 000	220 000
Accumulated depreciation		(iv)	(vii)

### B. Vehicles

The business had Two Vehicles that were bought same date same price.

A new vehicle was bought on 1 December 2021.

No vehicles were sold during the year.

Vehicles are depreciated at 20% p.a on cost.

**C. Equipment**

A compressor (equipment) was traded-in for a new one on 31 October 2021.

The accumulated depreciation on this compressor on 1 March 2021 was R16260.

Equipment is depreciated at 10% p.a on diminishing balance method.

**TOTAL MARKS: 100**



## EKURHULENI NORTH DISTRICT

### GRADE 11 ACCOUNTING ANSWER BOOK CONTROLLED TEST 1

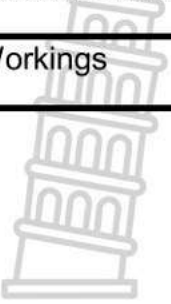
<b>NAME OF LEARNER</b>	:	
<b>NAME OF SCHOOL</b>	:	
<b>DATE</b>	:	

QUESTION	TOTAL	MARK OBTAINED	MOD
QUESTION 1	40		
QUESTION 2	60		
TOTAL	100		

This Answer Book consists of 8 pages



Show changes that need to be made in the Cash Journals for March 2022:		
Cash Receipts Journal		Cash Payments Journal
	TOTALS	

Calculate the correct bank balance on 31 March 2022.	
Workings	Answer
	



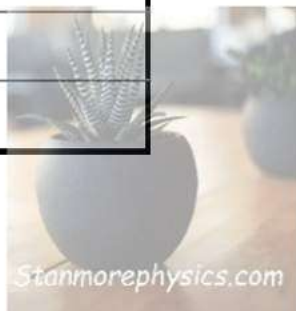
1.2.5.

Bank Reconciliation Statement of Simba Traders on 31 March 2022

	Debit	Credit
_____ balance as per Bank Statement		
10		

**QUESTION 2: ASSET DISPOSAL****60 Marks 54 Minutes****2.1. TRUE OR FALSE**

2.1.1	
2.1.2	
2.1.3	




<b>3</b>

2.2.	What factors should be considered when a new equipment is to be acquired? Give two points.	
	Point 1.          Point 2	
		<b>4</b>

2.3.	Explain the importance of a Fixed Asset Register?	
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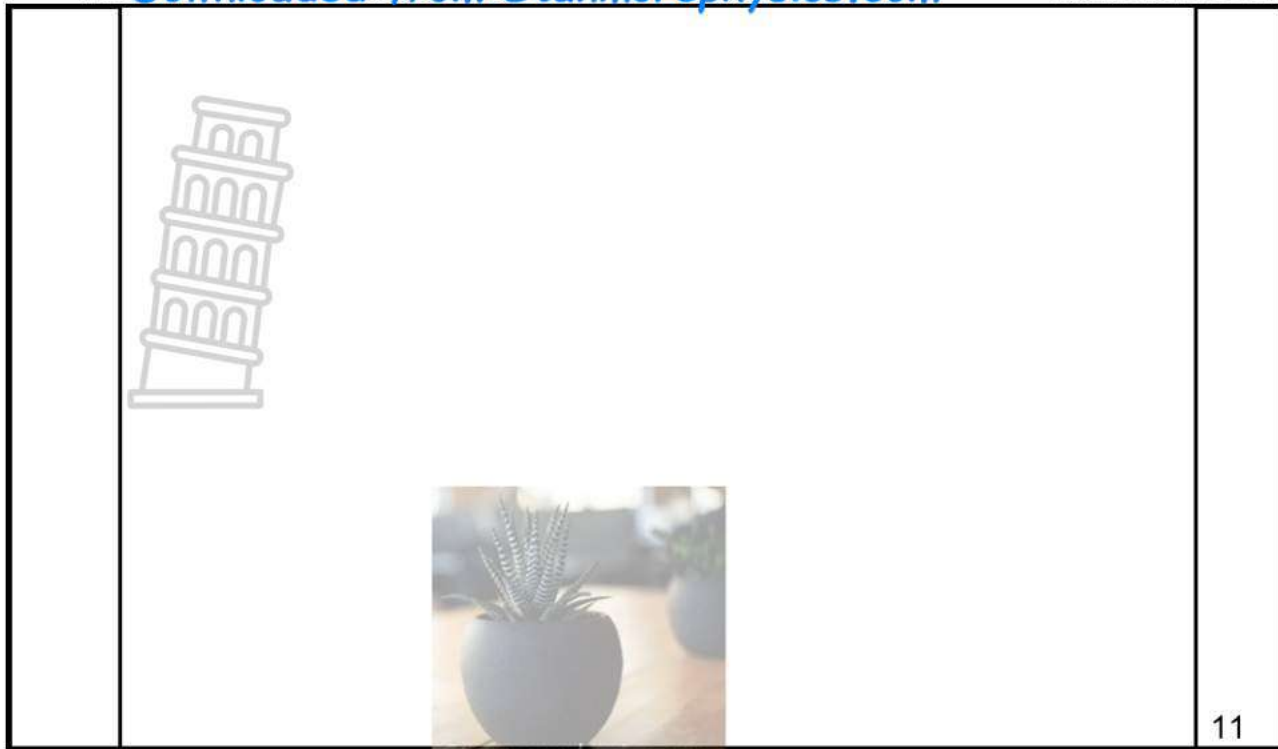


	<p>Point 1.</p>  <p>Point 2.</p>	<div>4</div>
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2.4.1.	<p>Calculate the cost of the equipment that was traded-in for a new one.</p>	<div>2</div>
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2.4.2.	<p>Calculate depreciation on vehicles on 28 February 2022.</p>	<div>7</div>
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2.4.3.	<p>Calculate depreciation on equipment on 28 February 2022.</p>	
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2.4.4.

### ACCUMULATED DEPRECIATION ON EQUIPMENT

Date	Details	Fo l	amount	Date	Details	Fo l	amount
				2021 Mar 1	Balance	b/d	51 490

6

### ASSET DISPOSAL

Date	Details	fol	amount	Date	Details	fol	amount
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2021 Oct 31				2021 Oct 31			



6

2.4.5.	Calculate the missing amounts denoted by (i) to (vii)	ANSWER
(i)		
(ii)		
(iii)		
(iv)		
(v)		
(vi)		
(vii)		

13

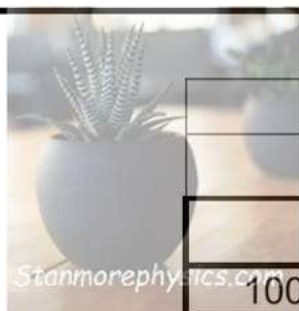
2.5	Advise the owners of SEBEKO TRADERS on what measures to put in place in order to prolong the lifespan of their vehicles.	
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Point 1

Point 2

4



	60
100	



## EKURHULENI NORTH DISTRICT



This Answer Book consists of 7 pages

**QUESTION 1: BANK RECONCILIATION****( Marks: 40 Time: 36 minutes )****QUESTION 1.1.**

	ANSWER
1.1.1	False ✓
1.1.2	False ✓
1.1.3	True ✓
1.1.4	True ✓
1.1.5	True ✓
5	

**QUESTION 1.2.**

1.2.1	State THREE advantages of using EFT's	
	<ul style="list-style-type: none"> <li>➤ Less fraud</li> <li>➤ Convenient and easy to use</li> <li>➤ Can be done from the business computer, doesn't require driving to the bank / time saving.</li> <li>➤ Cheaper bank charges</li> </ul>	
	<b>ANY THREE</b> ✓✓✓	3
1.2.2	Nala, the bookkeeper is generally assigned the duty of ordering, receiving, making payment as well as recording in the relevant journals. Explain TWO reasons why the internal auditor has advised Timone Joseph against this practice. See transaction i below to support your answer.	
	<ul style="list-style-type: none"> <li>➤ There is no division of duties as she is in charges of everything. She has too many job functions.</li> <li>➤ Possible fraud</li> <li>➤ Should she be absent from work, no one can assist as she is does everything herself.</li> <li>➤ She may be negligent in performing her work as she does too much.</li> </ul>	



ANY TWO ✓✓ ✓✓	4
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1.2.3.

Show changes that need to be made in the Cash Journals for March 2022:

Cash Receipts Journal		Cash Payments Journal
35 660		24 880
	i.	3 600 ✓✓
1 500 ✓	ii.	
4 870 ✓✓	iv.	
900 (7 850 – 8 750) ✓✓	v.	
	a.	5 000 ✓✓
2 300 ✓✓	d.	
54 ✓	e.	145 + 89 = 234 ✓✓
	TOTALS	
14		

1.2.4.



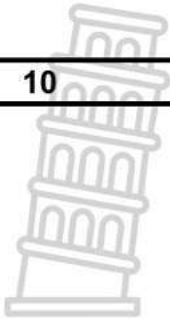
Calculate the correct bank balance on 31 March 2022.		
Workings		Answer
$- 10\,600 + 45\,284 - 33\,714$ $\quad \quad \quad \checkmark \quad \quad \quad \square \quad \quad \quad \square$		970 $\square$
4		

1.2.5.

### Bank Reconciliation Statement of Simba Traders on 31 March 2022

	Debit	Credit
<u>CR</u> balance as per Bank Statement		5 364 $\square$
Cr outstanding deposit		5 670 $\checkmark$
Dr Outstanding EFTs		
EFT 113	5 780 $\checkmark$	
EFT 159	4 223 $\checkmark$	
EFT 161	678 $\checkmark$	
Dr amount incorrectly credited	900 $\checkmark\checkmark$	
Cr amount incorrectly debited		547 $\checkmark\checkmark$
Debit balance by bank account	970 $\square$	

	11 581	11 581
10		



## QUESTION 2; TANGIBLE ASSETS, 60 MARKS

### 2.1

2.1.1	False <input type="checkbox"/>
2.1.2	False <input type="checkbox"/>
2.1.3	True <input type="checkbox"/>

3

### 2.2

What factors should be considered when a new equipment is to be acquired?
<ul style="list-style-type: none"> <li>➤ -Asset replacement policy of the business <input type="checkbox"/></li> <li>➤ -If the old one is becoming more costly in terms of maintenance and repairs <input type="checkbox"/></li> <li>➤ -If the existing one is old and outdated <input type="checkbox"/></li> <li>➤ -If the business wants to keep-up to date with new technology <input type="checkbox"/></li> <li>➤ When the existing one can no longer meet the demand or needs of the business <input type="checkbox"/></li> </ul>
(Accept any correct answer) <b>2x2=4</b>

4

### 2.3

Explain the importance of an asset register?
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- It provides proof of the existence of an asset
- To keep track of the book value of an asset
- To determine the depreciation to be calculated and recorded for management and taxation purposes.
- For internal audit purpose, to verify the existence and condition of the asset versus its age.

(Accept any correct responses (2x2)=4

4

2.4.1

Calculate the cost of the equipment that was traded-in

$$190\ 000 + 90\ 000 - 220\ 000 = 60\ 000$$

2

2.4.2

Calculate depreciation on vehicles

On new vehicle $20/100 \times 200\ 000 \times 3/12$	R 10 000
Old vehicle $46\ 000 - R20$	<u>R 45 998</u>
Total	<u>R 55 998</u>

7

2.4.3

Calculate depreciation on equipment	
New equipment $10/100 \times 90\,000 \times 4/12$	R 3 000
Equipment traded-in $60\,000 - 16\,260 = 43\,740 \times 8/12$	R 2 916
Old equipment $138\,510 - 43\,740 = 94\,770 \times 10/100$	R 9 477
Total	R 15 393



11

#### 2.4.4

#### ACCUMULATED DEPRECIATION ON EQUIPMENT

2021 Oct	31	Accumulated depreciation equipment	GJ	19 176	2021 Mar	1	Balance	b/d	51 490
2022 Feb	28	Balance	c/d	47 707	Oct	31	Depreciation	GJ	2 916
					2022 Feb	28	Depreciation	GJ	12 477
				66 883					66 883
					2022 Mar	1	Balance	b/d	47 707

6

#### ASSET DISPOSAL

2021 Oct	31	Equipment	GJ	60 000	2021 Oct	31	Accumulated depreciation on equipment	GJ	19 176
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							Creditors control	GJ	40 824
				60 000					60 000



6



#### 2.4.4

		ANSWER
(i)	5 000 000 + 1 500 000	6 500 000
(ii)	460 000 - 414 000	46 000
(iii)	660 000 - 460 000	200 000
(iv)	660 000 - 190 002	469 998
(v)	138 510 + 51 490	190 000
(vi)	60 000 - 16 260 - 2916	40 824
(vii)	51 490 + 15 393 - 19 176	47 707

13

#### 2.5

Advise the owners of SEBEKO TRADERS on what measures to put in place in order to prolong the lifespan of their vehicles

- Have a scheduled regular maintenance plan for the vehicles
- Introduce a logbook where when ever a vehicle goes out you record the name of the driver, the mileage, the destination, the it leaves and on its return record the mileage and the time
- Vehicles should parked at the business premises after work and over weekends and holidays. Drivers should not be allowed to take them with them after hours or over weekend
- Assign each vehicle to a particular driver who will be held responsible for it.
- Install trackers in the vehicles so that you can keep track of where the vehicle is at any given time

(Accept any correct response but do not accept the following: alarm, camera. (2x2)=4

4

TOTAL 60

GRAND TOTAL: 100