



Province of the
EASTERN CAPE
EDUCATION

JUNE EXAMINATION PAPER
2023

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GRADE 10

ACCOUNTING

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MARKS: 200

TIME: 3 hours

This question paper consists of 12 pages, an Answer Booklet of 10 pages, and a financial-indicators formula sheet.

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. Workings must be shown to achieve part-marks.
4. Non-programmable calculators may be used.
5. You may use dark pencil or blue/black ink to answer the questions.
6. Only use acceptable abbreviations.
7. 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	GAAP principles and Analysis of transactions	30	25
2	Cash Journals	50	45
3	General Ledger	30	25
4	Salaries and Wages	30	25
5	Debtors reconciliation	40	35
6	Fixed asset management	20	25
TOTAL		200	180 minutes

QUESTION 1: GAAP PRINCIPLES AND ANALYSIS OF TRANSACTIONS**(30 marks; 25 minutes)**

- 1.1** Match the explanations in Column A with the GAAP principle in Column B. Write only the letters next to the numbers (1.1.1 – 1.1.4) in the Answer Book.

COLUMN A	COLUMN B
1.1.1 Fixed assets are recorded at the original price in financial statements, although they may have a higher market value.	A Matching
1.1.2 Items such as interest expense are shown separately because they are significant to users of financial statements.	B Materiality
1.1.3 Income and expenses must be recorded in the period in which they are earned or incurred.	C Business entity
1.1.4 The financial matters of the owner must be kept separate from the financial information of the business.	D Historical cost
	E Consistency

(4)

1.2 ANALYSIS OF TRANSACTIONS

The transactions appeared in the records of Kayee Traders for May 2023.

REQUIRED:

Analyse the transactions according to the headings on the table provided in the Answer Book. Follow the example provided.

Note that the bank balance is favourable for all transactions.

(26)

Example: M. Thabo, the owner provided R120 000 additional capital.

TRANSACTIONS:

- A. Bought the following on credit from Lucky Stores:
- Stationery, R710
 - Trading goods, R10 800 (before receiving a 10% trade discount)
- B. Paid R450 from petty cash to BB Distributors for goods delivered to debtor, S. Small. Note that debtors do not receive free delivery.
- C. Sold goods on credit to K. Samuel for R 4 500 (mark-up: 50% on cost).
- D. Made an EFT payment for R44 000 to FB Bank towards the loan. This includes interest at 10% p.a. for one year. Interest is not capitalised.

30

QUESTION 2: CASH JOURNALS**(50 marks; 45 minutes)**

The information relates to Mange Traders for February 2023.
The business is owned by Mpihlange Zungu.

REQUIRED:

Prepare the Cash Receipts Journal and the Cash Payments Journal in the templates provided in the Answer Book.

- Provide your own document numbers.
- Do not cast (total) the journals.

(50)**TRANSACTIONS FOR FEBRUARY 2023:**

- 04 The owner, M Zungu, increased his capital contribution from R250 000 to R375 000, by making an EFT in the name of the business.
- A fixed deposit at FN Bank matured today. Received an EFT of R13 200, which includes annual interest of R1 200.
- 07 Bought office equipment for R9 000 from Codi Stores and paid by EFT.
- 09 Made the following EFT payments to:
- Mkhize Traders for merchandise, R14 500.
 - Ndlovu Traders in settlement of our account R3 450 after receiving a discount of R250.
 - Zululand municipality for water R1 500 and rates R600.
- 18 Cash sales according to cash register tape, R24 000 (mark-up: 60% on cost).
- 20 EFT made to Shukela Insurers, R800, for the business insurance policy.
- 22 Received and EFT from debtor S.Mncwango in part payment of her account of R2 600.
- 26 Made EFT to S.Msimango to pay his monthly salary R13 500.
- 27 Bank statement received from FN Bank reflected the following:
- Service fees R900
 - EFT charges R595
 - Cash deposit fees R455
 - Interest on overdraft R1 200
- 28 Goods sold for cash as per cash register tape R19 500. Cost price, R11 500

QUESTION 3: POSTING TO THE GENERAL LEDGER**(30 marks; 25 minutes)**

The information relates to Kwabhaca Stores for March 2023.

REQUIRED:

Prepare the following accounts in the General Ledger:

- 3.1 Trading stock
3.2 Creditors control

INFORMATION:

- A. Balances on 1 March 2023:

Trading stock, R34 200
Creditors control, R11 450

- B. Journal totals for March 2023:

CREDITORS JOURNAL				
Creditors Control	Trading Stock	Stationery	Equipment	Sundry Accounts
?	10 500	1 050	4 500	950

CREDITORS ALLOWANCES JOURNAL				
Creditors Control	Trading Stock	Stationery	Equipment	Sundry Accounts
?	800	200	325	75

CASH PAYMENTS JOURNAL				
Bank	Creditors Control		Trading Stock	Sundry Accounts
	Payment	Discount		
27 000	15 000	700	3 000	9 000

GENERAL JOURNAL			
Debtors Control		Creditors Control	
Debit	Credit	Debit	Credit
750	240	1 000	725

Note: Goods taken by the owner for personal use, R800, was also included in the General Journal

QUESTION 4: SALARIES AND WAGES**(30 marks; 25 minutes)****4.1 INTERPRETATING THE SALARY SCALE**

Lizeka was appointed as an administration clerk at Mighty Stores. She received her appointment letter on 1 April 2023, the commencement date of her new job.

The following salary scale appeared on her appointment letter:

207 600 x 12 456 – 232 512 x 16 056 – 280 680

REQUIRED:

- 4.1.1 Calculate her monthly salary in her first year of employment. (2)
- 4.1.2 What will her monthly salary be in her second year of employment? (3)
- 4.1.3 Calculate her percentage increase in salary in her second year of employment. (3)
- 4.1.4 In which year of employment will her increase go up to R16 056 p.a.? (2)

4.2 SALARIES JOURNAL

The incomplete Salaries Journal of Vuyi Bazaar for May 2023 is presented. Vuyi has two employees who receive a salary and four employees who are paid wages.

REQUIRED:

- 4.2.1 List TWO differences between salaries and wages. (4)
- 4.2.2 Complete the salaries Journal provided in the Answer Book.

INFORMATION:

A. The two employees on salary pay are T. Lebenya and S. Koali.

B. Deductions and benefits:

- Employees belong to the Medical Aid fund. The employer contributes R2 for every R1 deducted from an employee.
- All employees belong to the Pension Fund. The deduction is 7,5% of gross salary, while the employer's contribution is 15%.
- UIF deductions are made from the earnings of each employee at 1% of their gross salary – the employer contributes a further 1%.

QUESTION 5: DEBTORS RECONCILIATION**(30 marks; 35 minutes)**

The information is from the records of Loyiso Traders for April 2023.

REQUIRED:

- 5.1 Prepare the correct Debtors Control account in the General Ledger after taking into account the errors and omissions.
- 5.2 Prepare the correct Debtors List on 30 April 2023. Use the table provided.
- 5.3 Provide TWO suggestions on how a business can minimise or prevent writing off debtor's accounts as bad debts. (4)
- 5.4 Explain TWO measures that the business can use to encourage debtors to pay their accounts on time. (4)

INFORMATION:

- A. Debtors Control balance** on 1 April 2023, R47 280.
- B Totals from Journals on 30 April 2023** (before errors and omissions)

Sales	DJ	R 135 525
Debtors allowances	DAJ	561
Bank and discount received	CRJ	128 754
Interest on overdue accounts	GJ	462
Accounts written off	GJ	288

- C. DEBTORS LIST** (Extracted from the Debtors Ledger, before corrections)

Nomsa	DL1	18 950
Thapelo	DL2	9 191
Sbonelo	DL3	6 230
Awonke	DL4	8 691
Sizwe	DL5	7 202
TOTAL		50 159

- D. Errors and omissions** noted after an investigation:

(i)	The Debtors Journal was overcast by R3 000.
(ii)	An entry for R234 in the DAJ was posted to debtor Thapelo's account as R534 by mistake.
(iii)	Goods returned by Sbonelo, R252, was posted in error to the account of Awonke. The DAJ was correct.
(iv)	Nomsa's account in the Debtors Ledger was undercast by R100.
(v)	A receipt for R544 issued to Sizwe in payment of her account was incorrectly recorded in the CRJ as R455 and posted as such.

QUESTION 6: FIXED ASSET MANAGEMENT**(30 marks; 25 minutes)**

The information relates to Sydfred Traders.
The financial year ended on 28 February 2023.

REQUIRED:

- 6.1 Complete the Fixed Asset Register Card provided in your Answer Book.
- 6.2 Provide THREE internal control measures that can be implemented by the owner of the business to avoid any abuse of delivery vehicles by employees.
- 6.3 Comment on Mike's conduct and provide ONE action (besides dismissal) that the business can take against Mike for his conduct.

INFORMATION:

- A. The business has two delivery vehicles. Details of one vehicle are provided on the Fixed Register Card in the Answer Book (and attached).

FIXED ASSET REGISTER ENTRY:			
Asset Description	DELIVERY VAN		
Date purchased	31 AUGUST 2021		
LEDGER ACCOUNT:	VEHICLES (at cost)		
COST PRICE:	R 280 000		
Depreciation policy:	20% on diminishing balance		
RECORDS OF DEPRECIATION			
FINANCIAL YEAR-END	DEPRECIATION	ACCUMULATED DEPRECIATION	CARRYING VALUE
28 FEBRUARY 2022			
28 FEBRUARY 2023			

- B. An investigation into the use of the delivery vehicles revealed that the vehicle driven by Mike Sly has exceeded the average kilometres that should be covered on a monthly basis.

Mike confessed that he used the vehicle for his personal matters after hours.

20

TOTAL: 200



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GRADE 10 ACCOUNTING

JUNE EXAMINATION – 2023

ANSWER BOOK

QUESTION	TOTAL	MARKS	MOD.
1			
2			
3			
4			
5			
6			
TOTAL			

This Marking Guideline consists of 9 pages.

QUESTION 1**1.1**

1.1.1	
1.1.2	
1.1.3	
1.1.4	

4

1.1.2 ANALYSIS OF TRANSACTIONS

No.	GENERAL LEDGER		ASSETS	EQUITY	LIABILITIES
	ACCOUNT DEBITED	ACCOUNT CREDITED			
Eg	Bank	Capital	+120 000	+120 000	

26

Q1	30	
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QUESTION 2

CASH RECEIPTS JOURNAL MANGE TRADERS FOR FEBRUARY 2023

Doc	Day	Details	Analysis of reciepts	Bank	Sales	Cost of sales	Debtors control	Discount allowed	Sundry accounts	
									Amount	Details

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Q2

50

TRADING STOCK ACCOUNT

[illegible]

14

CREDITORS CONTROL ACCOUNT

[illegible]

16

Q3	30	
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QUESTION 4

4.1.1		4.1.3		
4.1.2		4.1.4		11

4.2.1 List TWO differences between Salaries and Wages

SALARIES	WAGES	
Difference 1		
Difference 2		4

2.1

SALARIES JOURNAL OF VUYI BAZAARS – MAY 2023

EMPLOYEES	GROSS SALARY	DEDUCTIONS					NET SALARY	EMPLOYERS CONTRIBUTIONS			
		PAYE	MED AID	PENSION	UIF	TOTAL		MED AID	PENSION	UIF	TOTAL
T. Lebenya	34 000	6 300	1 320	2 550							
S. Koali		3 850						600	1 980	132	

15

Q4

30

QUESTION 5:

5.1

GENERAL LEDGER OF LOYISO TRADERS

DEBTORS CONTROL ACCOUNT

16

5.2

DEBTORS LIST ON 30 APRIL 2023

DEBTOR	WORKINGS	BALANCE
Nomsa		
Thapelo		
Sbonelo		
Awonke		
Sizwe		
TOTAL		

16

5.3

Provide TWO suggestions on how a business can minimise or prevent writing off debtors accounts as bad debts.



4

5.4

Explain TWO measures that the business can use to encourage debtors to pay their accounts on time.

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4

Q5

40

QUESTION 6

6.1

FIXED ASSET REGISTER ENTRY:

Asset Description	DELIVERY VAN		
Date purchased	31 AUGUST 2021		
LEDGER ACCOUNT:	VEHICLES (at cost)		
COST PRICE:	R 280 000		
Depreciation policy:	20% on diminishing balance		
RECORDS OF DEPRECIATION			
FINANCIAL YEAR-END	DEPRECIATION	ACCUMULATED DEPRECIATION	CARRYING VALUE
28 FEBRUARY 2022			
28 FEBRUARY 2023			

10

6.2

Provide **THREE** internal control measures that can be implemented by the owner of the business to avoid any abuse of delivery vehicles by employees.

6

6.3

Comment on Mike's conduct and provide **ONE** action (besides dismissal) that the business can take against Mike for his conduct.

COMMENT**ACTION AGAINST MIKE**

4

Q6

20

TOTAL: 200



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MARKING GUIDELINE
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QUESTION 1

1.1

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

4

1.1.2 ANALYSIS OF TRANSACTIONS

No.	GENERAL LEDGER		ASSETS	EQUITY	LIABILITIES
	ACCOUNT DEBITED	ACCOUNT CREDITED			
Eg	Bank	Capital	+120 000	+120 000	
A.	Stationery ✓	Creditors control ✓		- 710 ✓	+ 710 ✓
	Trading stock ✓	Creditors control	+ 9 720 ✓✓		+ 9 720 ☑
B.	Debtors control ✓	Petty cash ✓	+ 450 ✓ - 450 ✓		
C.	Debtors control	Sales ✓	+ 4 500 ✓	+ 4 500 ✓	
	Cost of sales ✓	Trading stock ✓	- 3 000 ✓	- 3 000 ✓	
D	Loan: FB Bank ✓	Bank ✓	- 40 000 ✓		- 40 000 ☑
	Interest on loan ✓	Bank	- 4 000 ☑	- 4 000 ☑	

26

Q1	30	
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QUESTION 2

CASH RECEIPTS JOURNAL MANGE TRADERS FOR FEBRUARY 2023

Doc	Day	Details	Analysis of receipts	Bank	Sales	Cost of sales	Debtors control	Discount allowed	Sundry accounts	
									Amount	Details
01	04	M.Zungu	125 000 ✓						125 000 ✓✓	Capital ✓
02	04	FN Bank	12 000 ✓						12 000 ✓	Fixed deposit ✓
			1 200 ✓	13 200					1 200 ✓	Interest on fixed deposit ✓
03	18	Cash sales	24 000 ✓	24 000 ✓	24 000 ✓	15 000 ✓✓				
04	20	S.Mncwango	2 600 ✓	2 600 ✓			2 600 ✓			
05	28	Cash	19 500 ✓	19 500 ✓	19 500 ✓	11 500 ✓				
✓										

CASH PAYMENT JOURNAL MANGE TRADERS FOR FEBRUARY 2023

EFT	Day	Name of payee	Bank	Trading stock	Equipment	Creditors control	Discount Received	Sundry accounts	
								Amount	Details
02	7	Codi stores	9000 ✓		9000 ✓				
03	9	Mkhize traders	14500 ✓	14 500 ✓					
04	9	Ndlovu stores	3 450 ✓			3 450 ✓	250 ✓		
05	9	Zululand municipality	2100 ✓✓					1500 ✓	Water ✓
								600 ✓	Rates ✓
06	20	Shukela traders	800 ✓					800 ✓	Insurance ✓
07	26	S.msimango	13500 ✓					13500 ✓	Salary ✓
b/s	27	FNB Bank	1950 ✓✓					1950 ✓	Bank charges ✓
		FNB Bank	1200 ✓					1200 ✓	Interest on overdraft ✓
✓ for documents									

QUESTION 3

GENERAL LEDGER OF KWABHACA STORES

TRADING STOCK ACCOUNT

2023 Mar	1	Balance	b/d	34 200 ✓	2023 Mar	31	Cost of sales ✓	CRJ	26 400
	31	Creditors control ✓	CJ	10 500 ✓			Creditors control ✓	CAJ	800 ✓
		Cost of sales	DAJ ✓	200			Drawings ✓	GJ	800 ✓
		Bank ✓	CPJ	3 000 ✓					
							Balance	c/d	19 900 ✓
				47 900	✓	both totals			47 900
2023 Apr	1	Balance	b/d	19 900 ✓					

14

CREDITORS CONTROL ACCOUNT

2023 Mar	31	Total allowances / ✓ Sundry accounts	CAJ	1 400 ✓	2023 Mar	1	Balance	b/d	11 450 ✓
		*Bank ✓	CPJ	*15 000 ✓		31	Total purchases / ✓ Sundry accounts	CJ	17 000 ✓✓
		*Discount received ✓	CPJ	*700 ✓			Sundry accounts / ✓ Sundry credits	GJ	725 ✓
		Sundry accounts / ✓ Sundry debits	GJ	1 000 ✓					
		Balance	c/d	11 075 ✓					
				29 175					29 175
		*could be combined			2023 Apr	1	Balance	b/d	29 175 ✓

16

Q3

30

QUESTION 4

4.1.1	$207\,600 \div 12 = 17\,300 \checkmark \checkmark$	4.1.3	$\frac{12\,456 \checkmark}{207\,600 \checkmark} \times 100 = 6\% \checkmark$	
4.1.2	$(207\,600 \checkmark + 12\,456 \checkmark) \div 12 = 18\,338 \checkmark$ 220 056 two marks	4.1.4	220 056 ✓ (Year 2) ; 220 056 + 12 456 = 232 512 ✓ (Year 3) Therefore new increase will start in Year 4 ✓	11

4.2.1 List TWO differences between Salaries and Wages ✓✓ ✓✓

Salaries	Wages	
Paid monthly	Paid weekly	
Fixed monthly amount (basic)	Based on hours worked or units produced	
No overtime, may receive bonuses, commission	Overtime rate is higher, if needed to do additional work.	4

2.1

SALARIES JOURNAL OF VUYI BAZAARS – MAY 2023

EMPLOYEES	GROSS SALARY	DEDUCTIONS					NET SALARY	EMPLOYERS CONTRIBUTIONS			
		PAYE	MED AID	PENSION	UIF	TOTAL		MED AID	PENSION	UIF	TOTAL
T. Lebenya	34 000	6 300	1 320	2 550	340 ✓✓	10 510 ✓	23 490 ✓	2 640 ✓✓	5 100 ✓✓		
S. Koali	13 200 ✓✓	3 850	300 ✓✓	990 ✓✓	132 ✓			600	1 980	132	

Gross salary:
Koali = pension
contribution(1980
X 100/15) or
UIF(132 X 100/1)

15

Q4

30

QUESTION 5:

5.1

GENERAL LEDGER OF LOYISO TRADERS**DEBTORS CONTROL ACCOUNT**

2023 Apr	1	Balance	b/d	47 280 ✓	2023 Apr	30	Bank and discount allowed ✓ 128 754 + 89	CRJ	128 843 ✓✓
	30	Sales ✓ 135 525 – 3 000	DJ	132 525 ✓✓			Debtors allowances ✓	DAJ	561 ✓
		Sundry accounts ✓	GJ	462 ✓			Sundry accounts ✓	GJ	288 ✓
							Balance	c/d	50 575 ✓
				180 267	✓	both totals			180 267
2023 May	1	Balance	b/d	50 575 ✓					

16

5.2

DEBTORS LIST ON 30 APRIL 2023

DEBTOR	WORKINGS	BALANCE
Nomsa	18 950 ✓ + 100 ✓	19 050 ✓
Thapelo	9 191 ✓ + 300 ✓	9 491 ✓
Sbonelo	6 230 ✓ – 252 ✓	5 978 ✓
Awonke	8 691 ✓ + 252 ✓	8 943 ✓
Sizwe	7 202 ✓ – 89 ✓	7 113 ✓
TOTAL		50 575 ✓

16

5.3

Provide TWO suggestions on how a business can minimise or prevent writing off debtors accounts as bad debts.

- Thorough background check on customers before they open an account.
- Check salary advice/pay slip for affordability
- Check bank statement
- Check ID AND proof of residence
- Identify slow or defaulting debtor (not abiding to the credit terms) so that action can be taken.

4

5.4

Explain TWO measures that the business can use to encourage debtors to pay their accounts on time. Any 2 valid points ✓✓ ✓✓

- Issue monthly statements in good time/timeously.
- Stop selling to debtors until overdue accounts are settled.
- Send reminders through text messages (SMS).
- Offer discounts to debtors for paying within the 30-day period.
- Charge interest on overdue accounts.

4

Q5

40

QUESTION 6

6.1

FIXED ASSET REGISTER ENTRY:			
Asset Description	DELIVERY VAN		
Date purchased	31 AUGUST 2021		
LEDGER ACCOUNT :	VEHICLES (at cost)		
COST PRICE :	R 280 000		
Depreciation policy:	20% on diminishing balance		
RECORDS OF DEPRECIATION			
FINANCIAL YEAR-END	DEPRECIATION	ACCUMULATED DEPRECIATION	CARRYING VALUE
28 FEBRUARY 2022	28 000 ✓✓✓	28 000 ✓	252 000 ✓✓ If 280 000 – Acc Depr
28 FEBRUARY 2023	50 400 ✓✓ If 20% of CV	78 400 ✓	201 600 ✓

10

6.2

Provide **THREE** internal control measures that can be implemented by the owner of the business to avoid any abuse of delivery vehicles by employees. ✓✓✓✓✓✓

- restrict usage of vehicles by drivers by putting trackers on vehicles
- The vehicles must have a stipulated time to be returned to business premises
- Deliveries should be done early
- All trips should be approved by owner

6

6.3

Comment on Mike's conduct and provide **ONE** action (besides dismissal) that the business can take against Mike for his conduct.

COMMENT ✓✓

- His conduct is unethical.
- May lead to dismissal.
- The owner may not be able to trust him.
- Has NO chance of getting a promoted

ACTION AGAINST MIKE ✓✓

- Written warning
- Disciplinary hearing
- Open case against mike

4



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Q6	20	
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TOTAL: 200