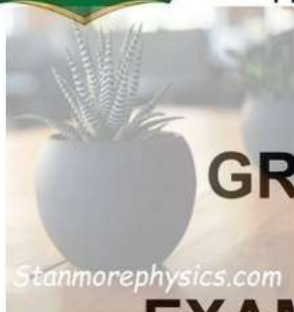




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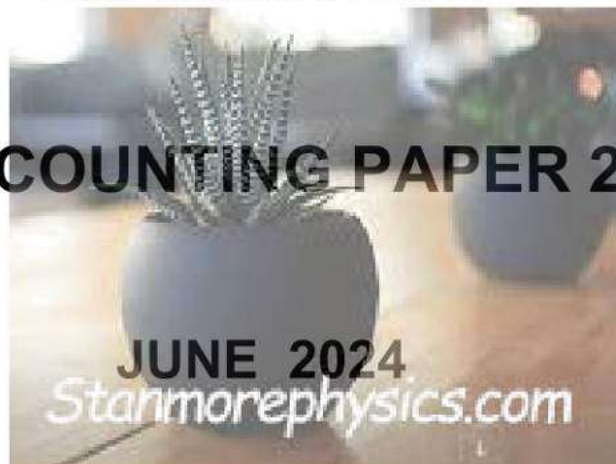
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GRADE 11

EXAMINATION

ACCOUNTING PAPER 2



JUNE 2024

Examiner: Me. P.N Sicwetsha

Moderator: Mr. M Mkhize

MARKS: 150

TIME: 2 hours

This question paper consists of 12 pages, including this one.

INSTRUCTIONS AND INFORMATION

1. Answer ALL the questions. A special ANSWER BOOK is provided in which to answer ALL the questions.
2. A FORMULA SHEET for financial indicators is provided at the back of this question paper.
3. Show ALL workings to earn part-marks.
4. You may use a non-programmable calculator.
5. You may use blue/black ink to answer the questions.
6. Where applicable, show all calculations. Round off answers 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	MINUTES
1	Bank Reconciliation Statement	50	40
2	Creditors Reconciliation Statement	25	15
3	Ratios Analysis and Interpretations	30	25
4	Fixed Assets and Inventory	45	40
TOTAL		150	120

QUESTION 1: BANK RECONCILIATION**(50 marks; 40 minutes)**

1.1 Indicate whether the following statements are true or false. Write only TRUE or FALSE next to the question number.

1.1.1 Costs charged for EFT's do not form part of Bank charges.

1.1.2 A credit balance on the bank statement reflects a negative balance.

1.1.3 Interest credited on the bank statement will be recorded in the Cash Receipts Journal.

(3)

1.2 **HOVEN TRADERS**

The information was extracted from the records of Hoven Traders for June 2024. The business receive the Bank Statement on the 25th of every month.

REQUIRED:

1.2.1 Explain to Reinhard, the owner of Hoven Traders, why it is important that he prepares the Bank Reconciliation Statement at the end of each month. Provide TWO reasons.

(4)

1.2.2 Name TWO advantages of internet banking.

(2)

1.2.3 Juan- Mari, the bookkeeper, has been assigned the duty of processing and controlling all EFTs. Provide TWO reasons why the internal auditors should be concerned about this.

(4)

1.2.4 Complete the Cash Journals for June 2024. (Note: The information from the Bank Statement was not taken into account)

(23)

1.2.5 Prepare the Bank Reconciliation Statement on 30 June 2024.

(10)

1.2.6 Refer to the deposit of R12 800. Explain TWO strategies that the business can use to address the problem of missing cash.

(4)

INFORMATION:

A. Extract from the Bank Reconciliation statement on 31 May 2024:

Outstanding deposits: 5 May 2024	R87 654
16 May 2024	12 800
Outstanding EFT: No. 198	38 100

NOTE:

- The outstanding deposit of R87 654 appeared on the June 2024 bank statement.
- The outstanding deposit on the 16 May 2024 was not reflected on the bank statement. Upon enquiry, the bank confirmed that the deposit was not made. The cashier was robbed on her way to the bank. The business decided to write it off.
- EFT 198 appeared on the Bank Statement for June 2024.

B. Provisional totals from the Cash Journals on 30 June 2024:

- Cash Receipts Journal, R162 900
- Cash Payments Journal, R172 900

C. The following information on the June 2024 Bank Statement from Sauer Bank did not appear in the June 2024 Cash Journals:

- Debit orders:
 - Speedy Insurers, R8 590 for the monthly insurance premium.
 - EMF Municipality, R8 000 for the business' rates and taxes.
 - R6 900 for the monthly repayment of loan from Bez Bank.
 - R800 interest for the month is included in the amount.
- A deposit from B. Marais, R11 600 for her monthly rent.
- Cash handling fee, R221
- EFT fees, R291
- Service Fees, R324
- Interest on bank overdraft, R317
- Interest on fixed deposit, R725, received from Visagie Bank.
- A debit order for R9 850 appeared on the business bank statement, on 29 April 2024. This was not an account of the business and fortunately, the owner was able to instruct the bank to cancel this entry. The bank will rectify the error on the next statement.
- A direct deposit of R17 200 was wrongly reflected on the business Bank Statement. The bank will rectify the error.
- A deposit from B. Brook for R4 300 in settlement of his account of R4 500.
- The owner withdrew R13 860 from an ATM to pay wages on 29 June 2024 but did not inform the bookkeeper.

D. The following information in the June 2024 Cash Journals did not appear on the Bank Statement for June 2024:

- Outstanding deposit, R18 700
- EFT 254 for R7 777 to Carla Suppliers.
- Positive balance on the Bank Statement on 30 June 2024, R13 600.

QUESTION 2: CREDITORS' RECONCILIATION**(25 marks; 15 minutes)****2.1 ROSSOUW SOUND CLINIC**

Rossouw Sound Clinic is in operation for six months, from 1 January 2024. Instead of appointing a qualified bookkeeper, Rulani, the owner's wife, prepares the books of the business.

Rossouw's Sound Clinic buys most of its sound accessories from Peyler Music, their only creditor.

REQUIRED:

- 2.1 Provide TWO reasons for preparing a Creditors' Reconciliation (2)
- 2.2 The owner of Rossouw's Sound Clinic is not completely satisfied with the service and quality of goods received from Peyler Music. He is thinking off finding a new supplier. State TWO factors that he should consider before changing suppliers. (4)
- 2.3 An investigation into a transaction revealed that Retha (purchasing manager) ordered goods for herself. These goods were not taken into stock. State TWO internal control measures that the business can use to prevent similar incidents from happening in the future. (4)
- 2.4 Calculate the correct balance of Rossouw Sound Clinic in the Creditors' Ledger of Peyler Music. Show the changes to the balance of R47 064. (7)
- 2.5 Prepare a Creditors' Reconciliation Statement for Peyler Music on 30 June 2024. (8)

INFORMATION:**A. Creditors' Ledger of Rossouw Sound Clinic**

PEYLER MUSIC (CL1)					
Date			Debit	Credit	Balance
2024	1	Account rendered			35 920
June	5	Invoice 346		11 808	47 728
	7	Debit note 69	816		46 912
	13	EFT 207	22 788		24 124
		Discount	3 532		20 592
	14	Invoice 135		6 929	27 521
	16	EFT 675	1 000		26 521
	23	Invoice 378		7 188	33 709
	24	Invoice 396		8 829	42 538
	30	Invoice 407		4 526	47 064

B. Statement of account received on 30 June 2024:

PEYLER MUSIC					
PO Box 8875, Bloemfontein 9300			Tel: 015 975 2587		
Rossouw Sound Clinic			Date: 25 June 2024		
50 Nelson Mandela Drive			Credit limit: R90 000		
Bloemfontein, 9300			Payment terms: 60 days		
DATE		DETAILS	DEBIT	CREDIT	BALANCE
2024	1	Balance			35 920
June	5	Invoice 346	10 296		46 216
	7	Credit Note 109	816		47 032
	13	Receipt 5140		22 788	24 244
	16	EFT 675		1 000	23 244
	23	Invoice 378	7 188		30 432
	24	Invoice 396	9 810		40 242
	25	Interest	29		40 271

C. Additional Information:

1. Invoice 346 on 5 June 2024 was correct according to the statement.
2. Peyler Music made an error when recording goods returned on 7 June 2024.
3. Rossouw Sound Clinic qualified for a discount with the payment on 13 June 2024. Peyler Music granted only R2 532 as a discount. They will show this on their statement next month.
4. Invoice 135 for R6 929 was recorded incorrectly in the Creditors' Ledger Account of Peyler Music. This purchase was from Proppies Suppliers.
5. A trade discount of 10% was deducted on Invoice 396. Peyler Music did not take this into account. This will be rectified on the next statement.
6. The statement shows transactions up to 25 June 2024.

QUESTION 3: RATIOS AND INTERPRETATIONS**(30 marks; 25 minutes)**

You are provided with the following information relating to MB Traders for the year ending 29 February 2024. The partners are Mkhize and Barnard.

REQUIRED:

- 3.1 Calculate the missing financial indicators for 29 February 2024:
- 3.1.1 Mark-up percentage (3)
 - 3.1.2 Stock turnover rate (5)
 - 3.1.3 Debtors' collection period (5)
- 3.2 Comment on the mark-up percentage. Was the strategy successful to change the mark-up percentage? Quote figures. (4)
- 3.3 Name TWO strategies that the business can make use of to improve the debtors' collection period. (4)

INFORMATION:**A**

	2024	2023
Sales (80% of sales are on credit)	4 350 000	4 320 000
Cost of sales	2 900 000	2 400 000
Gross profit	1 450 000	1 920 000
Operating expenses	1 000 500	950 400
Inventory	250 000	300 000
Trade debtors	470 000	530 000

B**Financial indicators for two consecutive years:**

	2024	2023
Mark-up percentage	(i)	80%
% Operating expenses on sales	23%	22%
Debtors' collection period	(ii)	52,3 days

3.4 Problem solving

Metro Printing sells one brand of printer. The owner, Michaela Selloane, has three branches operating in Sasolburg, Vaalpark and Alberton. The three branches are managed by Cathy, Cloe and Chris, respectively. Michaela has the figures from the three branches for the financial period ending 29 February 2024.

REQUIRED:

- 3.4.1 Identify ONE problem in relation to each branch, quote figures to identify the problem. In each case, offer Michaela advice on how to solve the problem. (9)

INFORMATION:

	Sasolburg (Cathy)	Vaalpark (Cloe)	Alberton (Chris)
Number of printers	400	375	660
Number of printers sold	220	310	120
Closing stock	180	50	540
Selling price per printer	R3 600	R3 600	R3 600
Total amount deposited	R772 000	R1 116 000	R432 000
Advertising per year	R30 000	R30 000	R60 000
Manager salary per month	R24 000	R18 000	18 000

QUESTION 4: FIXED ASSETS AND PERIODIC INVENTORY**(45 marks; 40 minutes)**

The following information relates to the fixed/tangible assets of the financial year ended on 29 February 2024.

REQUIRED:

- 4.1 List TWO points for good internal control over movable fixed assets. (4)
- 4.2 **Refer to Information A and B.**
Calculate the cost of land and buildings purchased on 30 November 2023. (2)
- 4.3 **Refer to Information A and C.**
Calculate depreciation on the vehicle for the year ended 29 February 2024. (3)
- 4.4 **Refer to Information A and C.**
The business depreciates equipment at 20% p.a. on the diminishing-balance method. On 1 December 2023, they decided to trade in a photocopy machine for a new model.
- Calculate the loss on the photocopy machine that was traded in on 1 December 2023. (7)

INFORMATION:**A. Extract from the Trial Balances on 29 February:**

	2024 R	2023 R
Balance Sheet accounts section		
Land and building	1 995 000	1 450 000
Vehicles	880 000	880 000
Accumulated depreciation on vehicles	?	850 000
Equipment	2 250 000	2 000 000
Accumulated depreciation on equipment	?	1 250 000

B. Vehicles:

The company has only one vehicle. The depreciation rate is 20% p.a. on the cost price.

C. Equipment:

The depreciation rate is 20% p.a. on diminishing-balance method.

A photo copy machine was traded in on 1 December 2023 for R60 000 for a better model. The fixed asset register reflected the following:

Fixed asset register:

Category:	Photo Copy machine	
Model:	Bright Light 335	
Date purchased:	1 March 2021	
Cost price:	R120 000	
Depreciation rate:	20% on diminishing-balance method	
Date	Depreciation	Carrying value
28 February 2022	R24 000	R96 000
28 February 2023	R19 200	R76 800
1 December 2023	?	?

4.5 INVENTORY**REQUIRED:**

- 4.5.1 Explain the difference between the perpetual and periodic stock systems. (2)
- 4.5.2 Calculate cost of sales for the year ended 30 April 2024. (10)

INFORMATION:

- A Extracted from the accounting period for the year ended 30 April 2024:

Opening stock	R195 000
Purchases	670 000
Purchases returned	28 400
Carriages on purchases	49 600
Sales	890 000
Debtors Allowances	12 345

- B **No entries were made for the following transactions:**

- (i) Stock purchased on 29 April 2024 for R28 600 were not recorded. Delivery fees on this stock amounted to R2 350.
- (ii) Goods returned to creditors, R4 700, at the end of the accounting period were not recorded.
- (iii) After consideration of all the above, the closing stock amounted to R215 800 on 30 April 2024.

4.5.3 TIPIJAN TRADERS**REQUIRED:**

Analyse the following transactions under the headings given in your answer book. Indicate 'no entry' for entries not applicable on a specific transaction. (17)

- 
- (i) Bought stock on credit, R7 200.
 - (ii) Speedy Deliveries charged the business R600 for deliveries of goods to the business and made an EFT payment.
 - (iii) Returned R1 300 goods back to the supplier. See (i) above.
 - (iv) Sold goods on credit, R6 600. Profit mark-up was 60% on cost price.
 - (v) A debtor returned stock with a **selling** price of R480. See no. (iv) above. Issue him a credit note.
 - (vi) Donated stock to a local charity, R500.

45**TOTAL MARKS: 150**

GRADE 11 ACCOUNTING FINANCIAL INDICATOR FORMULA SHEET			
$\frac{\text{Gross profit}}{\text{Sales}} \times \frac{100}{1}$	$\frac{\text{Gross profit}}{\text{Cost of sales}} \times \frac{100}{1}$	$\frac{\text{Net profit}}{\text{Sales}} \times \frac{100}{1}$	
$\frac{\text{Operating expenses}}{\text{Sales}} \times \frac{100}{1}$	$\frac{\text{Operating profit}}{\text{Sales}} \times \frac{100}{1}$		
$\frac{\text{Total earnings by partner}}{\text{Partner's average equity}} \times \frac{100}{1}$	$\frac{\text{Net profit}}{\text{Average owners 'equity}} \times \frac{100}{1}$		
Current assets : Current liabilities	(Current assets – Inventories) : Current liabilities		
(Trade and other receivables + Cash and cash equivalents) : Current liabilities			
$\frac{\text{Average debtors}}{\text{Credit sales}} \times \frac{365}{1}$	$\frac{\text{Average creditors}}{\text{Credit purchases}} \times \frac{365}{1}$		
$\frac{\text{Average inventories}}{\text{Cost of sales}} \times \frac{365}{1}$ or $\frac{12}{1}$	$\frac{\text{Cost of sales}}{\text{Average inventories}}$		
Non-current liabilities: Owners' equity	Total assets: Total liabilities		



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GRADE 11 PAPER 2
ACCOUNTING
JUNE 2024

SURNAME: _____

NAME: _____

SCHOOL: _____

QUESTION	MARKS	MARKER	MODERATOR
1			
2			
3			
4			
TOTAL			

This answer book consists of 11 pages.

QUESTION 1

1.1 Indicate whether the following statements are TRUE or FALSE.

1.1.1	
1.1.2	
1.1.3	

3

1.2.1 Explain to Reinhard, the owner of Hoven Traders, why it is important that he prepares the Bank Reconciliation Statement at the end of each month. Provide TWO reasons.



4

1.2.2 Name TWO advantages of internet banking.

2

1.2.3 Juan-Mari, the bookkeeper, has been assigned the duty of processing and controlling all EFTs. Provide TWO reasons why the internal auditors should be concerned about this.

4

CRJ 6

7

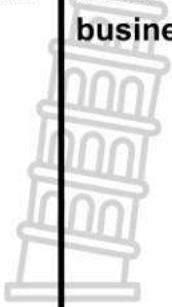
CPJ 6

16

10

1.2.6

Refer to the deposit of R12 800. Explain TWO strategies that the business can use to address the problem of missing cash.



4

TOTAL MARKS

50

QUESTION 2

2.1

Provide TWO reasons for preparing a Creditors' Reconciliation

2

2.2

The owner of Rossouw's Sound Clinic is not completely satisfied with the service and quality of goods received from Peyler Music. He is thinking off finding a new supplier. State TWO factors that he should consider before changing suppliers.

4

2.3

State TWO internal control measures that the business can use to prevent similar incidents from happening in the future.

4

**CREDITORS' LEDGER OF ROSSOUW SOUND CLINIC
PEYLER MUSIC (CL1)**

7

CREDITORS' RECONCILIATION STATEMENT ON 30 JUNE 2024

8

TOTAL MARKS

25

QUESTION 3

Calculate the following financial indicators on 29 February 2024

3.1.1 Mark-up percentage

3

3.1.2 Stock Turnover Rate

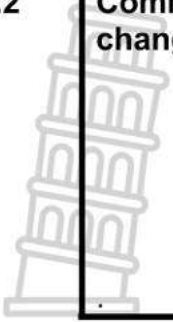
5

3.1.3 Debtors' collection period

5

3.2

Comment on the mark-up percentage. Was the strategy successful to change the mark-up percentage? Quote figures.



4

3.3

Name TWO strategies that the business can make use of to improve the debtors' collection period.



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4

3.4

Identify ONE problem in relation to each branch, quote figures to identify the problem. In each case, offer Michaela advice on how to solve the problem.

BRANCH	COMMENT AND FIGURE	ADVICE
SASOLBURG		
VAALPARK		
ALBERTON		

9

TOTAL MARKS
30

QUESTION 4

4.1 List TWO points for good internal control over movable fixed assets.

--

4

4.2 Calculate: Cost of land and buildings purchased on 30 November 2023.

WORKINGS	ANSWER

2

4.3 Calculate: Depreciation on vehicles for year ended 29 February 2024

WORKINGS	ANSWER


3

4.4 Calculate: Loss on photocopy machine traded in on 1 December 2023

WORKINGS	ANSWER

7

4.5.1 Explain the difference between the perpetual and periodic stock systems.

Perpetual	Periodic
	

2

4.5.2 Calculate cost of sales for the year ended 30 April 2024.

	R
Opening stock	

10

4.5.3 Analyze the following transactions under the headings given in your answerbook. Indicate 'no entry' for entries not Applicable on an applicable transaction

PERPETUAL			Amount	PERIODIC	
No.	Account debit	Account credit		Account debit	Account credit
(i)	Trading stock	Creditors control	7 200	Purchases	
(ii)		Bank	600		Bank
(iii)	Creditors control		1 300		
(iv)	Debtors control	Sales	6 600	Debtors control	
			4 125		
(v)		Debtors control	480		Debtors control
		Cost of sales			
(vi)	Donation			Donation	

17

TOTAL MARKS

45

TOTAL MARKS: 150



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GRADE 11

ACCOUNTING P2

MARKING GUIDELINES

JUNE 2024

MARKS: 150

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. Unless otherwise stated, give full marks for correct answer. If answer is incorrect, mark workings.
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. If candidates provide more than the required number of responses, inspect all responses to give benefit to the candidate. Penalties may be applied for foreign entries if candidates earn full marks on a question (max -2 per Q).
8. This memorandum is not for public distribution as certain items might imply incorrect treatment. The adjustments made are due to nuances in certain questions.
9. Where penalties are applied, the marks for that section of the question cannot be a final negative.
10. Where method marks are awarded for operation, marker must inspect reasonableness of answer.
11. Operation means 'check operation'. 'One part correct' means operation and one part correct. Note: check operation must be +, -, x, ÷, or per memo.
12. In calculations, do not award marks for workings if numerator & denominator are swapped – this also applies to ratios.
13. 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 ☒.
14. Be aware of candidates who provide valid alternatives beyond the marking guideline. Note that one comment could contain different aspects.
15. Codes: f = foreign item; p = placement/presentation.

This marking guideline consists of 11 pages.

QUESTION 1

1.1

Indicate whether the following statements are TRUE or FALSE.

1.1.1	False	✓
1.1.2	False	✓
1.1.3	True	✓

3

1.2.1

Explain to Reinhard, the owner of Hoven Traders, why it is important that he prepares the Bank Reconciliation Statement at the end of each month. Provide TWO reasons.

Any TWO reasons: ✓✓ ✓✓ Part marks for partial correct answer.

- Improves internal control by minimising fraud or errors because records are checked against an external source.
- Improves internal controls by identifying outstanding EFTs and outstanding deposits.
- To compare the books of the business with that of the bank in order to detect errors and dishonesty at an early stage.

4

1.2.2

Name TWO advantages of internet banking.

Any TWO advantages ✓✓ accept short answers

- Do not have to stand in queues to pay accounts/not restricted to business hours/time-saving.
- Do not have to walk around with cash hence less fraud/theft/it is safer.
- Maintain your own internet banking limits.
- Payments/receipts can be made immediately/account is updated immediately.
- Send proof of payment to a beneficiary immediately.
- Convenient or easy to use.
- Cheaper bank charges.

2

1.2.3

Juan-Mari, the bookkeeper, has been assigned the duty of processing and controlling all EFTs. Provide TWO reasons why the internal auditors should be concerned about this.

TWO reasons ✓✓ ✓✓

- Too many related job functions/No division of duties/Possibility of fraud.
- She may be negligent in performing her duties.
- Lack of supervision can result in abuse of power.
- Payments not made on time if Juan-Mari is absent

4

1.2.4 CASH RECEIPTS JOURNAL - JUNE 2024

CRJ 6

Doc	Day	Details	Bank	Amount	Details
	31	Total	162 900	162 900	
B/S		B. Marais	11 600✓	11 600	Rent income ✓*
		Visagie Bank	725✓	725	Interest fixed dep ✓*
B/S		B. Brook	4 300✓	4 300	Debtors Control ✓*
			179 525*✓	179 525	

*✓ one part correct and include opening total

✓* - one mark for both amount and detail

7

1.2.4 CASH PAYMENTS JOURNAL - JUNE 2024

CPJ 6

Doc	Day	Details	Bank	Amount	Details
	31	Total	172 900	172 900	
B/S		Sauer Bank	12 800✓	12 800	Loss due to theft ✓*
D/O		Speedy Insurance	8 590✓	8 590	Insurance ✓*
D/O		EMF Municipality	8 000✓	8 000	Rates and Taxes ✓*
D/O		Bank	6 900✓	6 100	Loan: Bez Bank ✓*
				800	Interest on loan ✓*
B/S		Sauer Bank	# 1 153✓✓	836	Bank charges ✓*
				317	Interest on overdraft. ✓*
DC		Cash	13 860✓	13 860	Wages ✓*
			224 203*✓	224 203	

*✓ one part correct and include opening total
can be split R836 and R317 one mark each

✓* - one mark for both amount and detail

16

1.2.5 Prepare a Bank Reconciliation Statement for June 2024:

	Debit	Credit
Cr Balance according to bank statement		13 600 ✓
Cr Outstanding deposit		18 700 ✓
Dr amount wrongly credited	17 200 ✓✓	
Cr Debit orders wrongly debited		9 850 ✓✓
Dr ATM withdrawal for fees	13 860 ✓	
Dr Outstanding EFT – 254	7 777 ✓	
Dr Balance according to the bank account	3 313 ✓	
Balancing figure		
	42 150 ✓	42 150
	both figures must be the same	

10

1.2.6

Refer to the deposit of R12 800. Explain TWO strategies that the business can use to address the problem of missing cash.

Any TWO strategies

✓✓✓✓

Award part-marks for incomplete answers

- Receiving and banking of cash should be done by different people / divide or delegate or rotate duties to prevent mismanagement of cash that can lead to missing money or theft.
- Request SMS notifications from the bank / check bank statements (mini statements on App) regularly – ensure correct amounts deposited.
- Outsource the transportation of cash to security companies (large amounts).
- Accompany the person in charge of depositing cash / escorted by security guard.
- Encourage customers to pay online (EFTs) / strive towards cashless or minimal cash handling.
- Do deposits regularly, at different times, using different routes for security purposes / train employees on security or emergency responses.
- Alarm systems or GPS tracking on vehicles used to transport cash.
- Background checks on staff involved with cash – reliable, trustworthy.

For 1 mark

Division of duties

4

TOTAL MARKS

50

QUESTION 2

2.1

Provide TWO reasons for preparing a Creditors' Reconciliation

Any TWO valid points ✓ ✓

- The statement could contain errors.
- This is an internal control measure.
- This will lead to detection of errors/omissions/fraud.
- To compare/check/reconcile the account to the statement.
- To ensure VAT return is correct / to assist in doing the VAT return.

2

2.2

The owner of Rossouw's Sound Clinic is not completely satisfied with the service and quality of goods received from Peyler Music. He is thinking off finding a new supplier. State TWO factors that he should consider before changing suppliers.

Any TWO valid points ✓✓ ✓✓ Must be 2 separate points; Award part-marks for incomplete answers

- The credit terms offered.
- Will they offer discounts for early payments?
- Will the alternative supplier be able to meet the demands of the business?
- The quality of the products they are able to deliver.
- The price of the goods offered.

4

2.3

State TWO internal control measures that the business can use to prevent similar incidents from happening in the future.

Any TWO relevant control measures ✓✓ ✓✓ Award part-marks for incomplete answers

- Division of duties – Retha should not be the only person to order and receive goods. Rotate duties.
- Have special order forms to be signed by two people.
- Check documents regularly against deliveries.
- Do regular/random stock counts to verify stock records.

4

2.4

**CREDITORS' LEDGER OF ROSSOUW SOUND CLINIC
PEYLER MUSIC (CL1)**

Balance per Ledger Account	47 064	
Invoice 346 corrected	(1 512)	✓✓
Correction of discount on EFT 207	1 000	✓✓
Invoice 135 corrected	(6 929)	✓
Interest	29	✓
one part correct must include opening total	39 652	☑*

7

2.5

CREDITORS' RECONCILIATION STATEMENT ON 30 JUNE 2024

Balance as per Statement	40 271	
Credit note incorrectly recorded (816 x 2) 816 one mark 816 one mark	(1 632)	✓✓
Discount not yet recorded	(2 532)	✓✓
Trade discount omitted	(981)	✓✓
Invoice issued after statement date	4 526	✓
Balance as per Creditors Ledger one part correct must include opening figure	39 652	☑*

8

TOTAL MARKS

25

QUESTION 3

Calculate the following financial indicators on 29 February 2024



3.1.1

Mark-up percentage

$$\frac{1\,450\,000 \checkmark}{2\,900\,000 \checkmark} \times 100$$

= 50% ☒ one part correct

3

3.1.2

Stock Turnover Rate

$$\frac{2\,900\,000 \checkmark}{\frac{1}{2} \checkmark (250\,000 \checkmark + 300\,000 \checkmark)}$$

550 000 2 marks / 275 000 3 marks

= 10,5 times ☒ one part correct

5

3.1.3

Average Debtors' collection period

1 000 000 two marks / 500 000 three marks

$$\frac{\frac{1}{2} \checkmark (470\,000 \checkmark + 530\,000 \checkmark)}{3\,480\,000 \checkmark} \times \frac{365}{1}$$

= 52,4 days OR 53 days ☒ one part correct

5

3.2

Comment on the mark-up percentage. Was the strategy successful to decrease the mark-up percentage? Quote figures.

Explanation on mark-up with figures ✓✓ Yes/No ✓ Comment ✓

Mark-up percentage decrease from 80% to 50% / with 30% points/ with 37,5%

Yes the sales increased with R30 000

OR

No the gross profit decreased with R470 000..

4

3.3

Name TWO strategies that the business can make use of to improve the debtors' collection period

TWO strategies ✓✓ ✓✓

Provide discounts.

Monitor their accounts and do not grant additional credit if payment is not received.

Charge more interest on overdue accounts.

Send reminders / sms / WhatsApp.

4

3.4

Identify ONE problem in relation to each branch, quote figures to identify the problem. In each case, offer Michaela advice on how to solve the problem.

BRANCH	COMMENT AND FIGURE ✓✓ ✓✓ ✓✓	ADVICE ✓ ✓ ✓
SASOLBURG	<p>Money stolen/not all the money banked. Shortage of R20 000.</p> <p>Salary of R24 000 of too high</p>	<p>Control the deposit slips.</p> <p>Division of duties. Not the same person must receive and deposit</p> <p>Pay the same as other managers. / Work on commission basis.</p>
VAALPARK	<p>There is 15 printers missing (375 – 310 = 65 – 50)</p>	<p>More regular stock count</p> <p>Improve internal control and install security cameras.</p>
ALBERTON	<p>Only 120 of 660 sold. Too much stock on hand 540</p> <p>His advertising is not effective. Use R60 000 and the other branches only R30 000.</p>	<p>Take stock to other branches.</p> <p>The manager must revise the advertisement strategy. Close down this branch</p>

9

TOTAL MARKS

30

QUESTION 4

4.1 List TWO points for good internal control over movable fixed assets.

Any TWO valid points ✓✓

✓✓

Award part-marks for incomplete answers

- Maintain and updated fixed asset register/ depreciation/carrying value /condition.
- Regular physical inspection.
- Service and maintenance plans, and ensure that this is done regularly.
- Insurance plan to cover loss / damage / accidents.
- Keep a logbook /install tracking device.
- Note drivers /users in a register /authorisation for use /record of time in/out.
- Only trained personnel to use technical equipment/drive vehicles.
- Cameras to monitor use of equipment.
- Secure premises for storage / locked garage / alarm system in premises.

4

4.2 Calculate: Cost of land and buildings purchased on 30 November 2023.

WORKINGS	ANSWER
R1 995 000 – 1 450 000	R545 000 ✓✓ No part marks

2

4.3 Calculate: Depreciation on vehicle for year ended 29 February 2024

WORKINGS	ANSWER
$R880\,000 \times 20\% = R176\,000$; but carrying value is R30 000 Maximum permitted: R29 999	R29 999 ✓✓✓ one part correct

3

4.4 Calculate: Loss on photocopy machine traded in on 1 December 2023

WORKINGS	ANSWER												
<div>54 720 four marks</div> <div>$120\,000\checkmark - (24\,000\checkmark + 19\,200\checkmark + 11\,520\checkmark\boxed{\checkmark}) - 60\,000\checkmark$</div> <div>OR</div> <table><tr><th colspan="3">Asset Disposal</th></tr><tr><td>120 000</td><td>(24 000 + 19 200 + 11 520)</td><td>54 720</td></tr><tr><td></td><td></td><td>60 000</td></tr><tr><td></td><td></td><td>5 280</td></tr></table>	Asset Disposal			120 000	(24 000 + 19 200 + 11 520)	54 720			60 000			5 280	<div>5 280 <input checked="" type="checkbox"/></div> <div>one part correct</div>
Asset Disposal													
120 000	(24 000 + 19 200 + 11 520)	54 720											
		60 000											
		5 280											

7

4.5.1 Explain the difference between the perpetual and periodic stock systems.

Perpetual ✓	Periodic ✓
<ul style="list-style-type: none"> • Cost of sales calculate on point of sales. • Use for stock with high value. • Trading stock account. • Carriages part of stock account. 	<ul style="list-style-type: none"> • Cost of sales calculated at the end of period. • Use for stock with low value. • Purchases account. • Carriages on purchases account.

2

4.5.2 Calculate cost of sales for the year ended 30 April 2024.

	R	
Opening stock	195 000	✓
Purchases (670 000 ✓ + 28 600 ✓ – 28 400 ✓ – 4 700 ✓)	665 500	✓
Carriages on purchases (49 600 + 2 350)	51 950	✓✓
	912 450	
Closing stock	(215 800)	✓
Cost of sales	696 650	✓

10

4.5.3 Analyze the following transactions under the headings given in your answer book. Indicate no entry for entries that are irrelevant.

PERPETUAL				PERIODIC	
No.	Account debit	Account credit	Amount	Account debit	Account credit
(i)	Trading stock	Creditors control	7 200	Purchases	Creditors control ✓
(ii)	Trading stock ✓	Bank	600	Carriages on purchases ✓	Bank
(iii)	Creditors control	Trading stock ✓	1 300	Creditors control ✓	Creditors allowances/ Purchases ✓
(iv)	Debtors control	Sales	6 600	Debtors control	Sales ✓
	Cost of sales ✓	Trading stock ✓	4 125	-	No entry ✓
(v)	Debtors' allowances ✓	Debtors control	480	Debtors' allowances ✓	Debtors control
	Trading stock ✓	Cost of sales	300 ✓	-	No entry ✓
(vi)	Donation	Trading stock ✓	500	Donation	Purchases ✓

-1 for foreign item, max 2 marks

17

TOTAL MARKS
45

TOTAL MARKS: 150