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CURRICULUM GRADE 10 -12 DIRECTORATE

NCS (CAPS)

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ACCOUNTING

GRADE 10

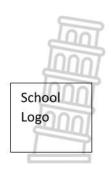
2025

PREFACE

This support document serves to assist Accounting learners on how to deal with curriculum gaps and learning losses of the past years. It addresses the topics in the Grade 10 curriculum in Term 2 to Term 4.

Activities serve as a guide on how various topics are assessed at different cognitive levels and also preparing learners for informal and formal tasks in Accounting. It covers the following topics:

1.	ACT	IVITIES	PAGE
		EXEMPLAR TASK: WRITTEN PRESENTATION	3 - 6
	Α	DEBTORS AND CREDITORS RECONCILIATIONS	7 - 17
	В.	SALARIES AND WAGES JOURNAL	17- 23
	C.	FINAL LEDGER ACCOUNTS	24 - 35
	D.	FINANCIAL STATEMENTS	36 - 57
	E.	ANALYSIS AND INTERPRETATIONS	58 - 64
	F.	COST ACCOUNTING	64 -74
	G.	BUDGETING	74 - 80
		FORMULA SHEET	80



..... HIGH SCHOOL ACCOUNTING

GRADE 10: WRITTEN PRESENTATION

DATE: February 2025

EXAMINER	N.M Maduna	MODERATOR	N. B. C. Mavuso
DISTRICT	Umkhanyakude Stanmorephysics.com	CIRCUIT	Mtubatuba
DURATION	60 MINUTES	MARKS	50

This question paper consists of 3 pages and answer book of 4 pages

INSTRUCTIONS TO THE TEACHER:

This non-test task must be conducted under controlled supervision during lesson time. learners can use resources when answering this task.

This assessment must be completed within the time allocated.

INSTRUCTIONS TO THE LEARNERS:

This task consists of two separate questions.

Read the extract below and answer questions that follow.

You may use a black/blue ink or dark pencil to answer question

QUESTION 1: INDIGENOUS BOOKKEEPING

INFORMATION:

Menzi is looking to make extra money. He decided to start a small business at the corner of a very busy road. He took a taxi to his local town which costs R12 a trip. Menzi went to a large well known fruit and veg store.

He purchased the following:

- 4 packets of apples @ R18.00 each (15 apples per packet)
- 3 dozen of bananas @ 12.00 a dozen

Apples were sold @ R2,00 each while bananas were sold @ R1.50 each.

At the end of the first day, Menzi did not sell the following items:

7 Apples

3 Bananas

REQUIRED:

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1.1	List ONE example of a Formal and Informal Business.	(2)
1.2	Tabulate TWO differences between Formal and Informal businesses.	(4)

- 1.3 Explain the term "indigenous bookkeeping" (2)
- (-)
- 1.4 Calculate the following:
 - 1.4.1 The total amount spent by Menzi. (5)
 - 1.4.2 The total amount received from the sale of fruit. (4)
 - 1.4.3 The total profit made on the sale of fruit. (5)
 - 1.4.4 The value of Menzi's unsold stock. (5)
- 1.5 List TWO points of advice you can give Menzi to improve his business. (4)

QUESTION 2: GAAP AND INTERNAL CONTROL

Study the extract below and answer the questions that follow:

Question 2 Basic concepts, problem solving, internal control and ethics

REQUIRED

- 2.1 Identify the GAAP principles relating to the following scenarios
 - 2.1.1 Damages payables to a client will be finalised next year. An amount of R25000 is recorded this year.
 - 2.1.2 An owner owes his sister R5000 for cost incurred on holiday. This is not recorded in the business books
 - 2.1.3 In every sale transaction sales are matched with the cost of sales to realize profit.
 - 2.1.4 Financial statement reflecting that the business will survive in the near future.
 - 2.1.5 Land and building are shown in the financial statements as R5 Millions even though the property is worth R12 million.

(10)

(6)

(3)

David Naidoo runs a business that sells school tracksuits in three high schools in Umlazi. There are three different sales persons in each school namely Cele, Zee and Naidoo. He is concerned about the control over these tracksuits

- 2.2 David Naidoo is experiencing a difficult problem concerning each of his sales persons.
 - > State a different problem for each sales person or school
 - > Give a suitable solution to each problem.

INFORMATION

Name of the school	Menzi	Bonela	Empangeni
Name of sale person	Cele	Zee	Naidoo
Number of items available to be sold	250	450	150
Number of items sold at R200 each	225	350	40
Number of items unsold	25	90	110
Cash received from each person.	R35 000	R70 000	R8000
Salary paid to each sales person	R2500	R2500	R2500

ACTIVITY A 1 (RECONCILIATIONS)

REQUIRED:

Re-do the Debtor's control account and the Debtor's list, taking into account all the information so that the two will be reconciled.

INFORMATION:

You are provided with information of records of Sawela Traders

Below you will find the Debtor's control account and the Debtor's list. The Balance of the control account and the total of the list do not agree

A. DEBTORS CONTROL ACCOUNT

Balance	b/d	15 368	2024 Aug	31	Bank and Discount Allowed	CRJ	7 880
Bank	CPJ	600			Balance	c/d	16 968
Sales	DJ	8 888					
		24 848					24 848
Balance	b/d	16 968					

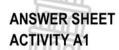
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B. DEBTOR'S LIST

Name of Debtors	Debit	Credit
G. Smith	4 146	
A. Brown	3 065	
C. Black	4 380	
L. White	4 145	
	15 736	

C. The following errors and omissions were noted

- G. Smith's account was under-cast by R1 000.
- II. The Debtor's Journal was under-cast by R500.
- III. An invoice for R700 sent to A. Brown for goods sold, had been entered in the Debtor's Journal but had not been posted to A. Brown's account.
- IV. The bookkeeper had forgotten to post the Total of R760 in the Debtor's allowances journal to the Debtor's control account.



Balance sheet section

DEBTORS CONTROL ACCOUNT

2024 Aug					
	Null-				

DEBTOR'S LIST

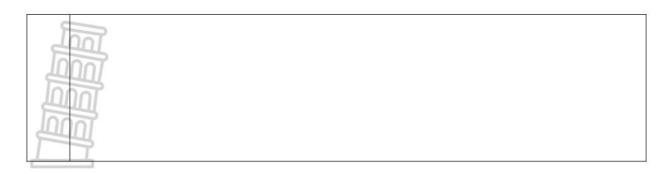
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Activity A2 – DEBTORS RECONCILIATION KCD Traders sells ladies clothing on credit. Debtors are allowed a credit term of 30 days to settle their accounts REQUIRED: 2.1 Provide TWO documents that KCD Traders will need from potential debtors before they will be allowed to open accounts. 2.2 Refer to Information A and B. Use the table provided in the ANSWER BOOK to calculate the following: The correct closing balance of the Debtors' Control Account on 28 February 2025. Indicate changes with (+) for an increase, (-) for a decrease or '0' for no change.

The correct amounts owed by the following debtors only: - L Sibiya; S Phakathi; N Mthethwa

d	ΩΩ	I						
2.3	Anele, a member of the sales staff, is also responsible for:							
In	(a) Collecting cash from customers who choose to pay in this way							
	(b) Receiving goods returned and issuing credit notes to customers who return goods.							
Ш	The	The internal auditor is not happy with Anele's job description as he feels it has the potential for						
	fraud	d, which could lead to loss of cash and trading stock.						
-		*						
	INF	ORMATION A		*	al.			
	Bala	nces on 28 February 2025, befo	ore taking into acc	ount errors and or	nissions in Information B:			
	Deb	tors' Control Account: R228 000						
	Extra	act from the debtors' list:						
			23					
	DEB	BTORS	FOLIO	AMOUNT				
	L Sil	oiya	D6	13 500				
	S Phakathi		D8	25 000				
	N Mthethwa		D13	18 300				
	INFO	ORMATION B						
	The	ne following errors and omissions must be taken into account:						
	i							
	ii	A direct deposit of R2 500 by						
		incorrectly posted to the account of M Mthethwa (another debtor) in the Debtors' Ledger.						
	iii	The total of the Debtors' Journal, R62 500, was incorrectly recorded as R65 200 in the						
		Debtors' Control Account.						
	iv	Merchandise sold to S Phakathi, R3 500, was treated as a return of goods and recorded in						
		the Debtors' Allowances Journ						
	٧	R5 200, received from S Ndwandwe, a debtor whose outstanding balance was written off						
		six months ago, was recorded in the Cash Receipts Journal as a receipt from a debtor.						
	vi	Problem Control Contro						
		R700 and posted accordingly.		1				
	vii	An EFT for R7 850, received to		as part payment of	his account, was			
		entered correctly in the releva						

Activ	ity A2				
2.1	Provide TWO docume	ents that KCD Tra	aders will need from potential de	btors before	they
In	will be allowed to ope	n accounts.			
2.2			the Debtors' Control Account on se, '-' for a decrease or '0' for no	-	2025.
	PROVISIONAL BALAN	CE	228 000		
			16 3000 40000	1	
	IV				
	V				
:-	VI	COM			
	Stanmorep VIII ics	s.com		-	
	TOTAL			<u> </u>	
	DEBTORS	WORKINGS	<u> </u>	ANSWER	
	L Sibiya	(13 500			
	S Phakathi	(25 000			
	N Mthethwa	(18 300			
2.3	Provide TWO points t	o support the int	ernal auditor's concern that Ane	le's job desc	ription
	could lead to potentia	l fraud			



ACTIVITY A 3

	DEBTORS' RECONCILIATION						
	You are the owner of Rose's Boutique. The Debtors' Control account and the Debtors' List for April 2025 were prepared by your bookkeeper, but there are some errors and omissions.						
	REQUIRED:						
3.1	Indicate the corrections that must be mad Ledger by showing the amounts with: + for						
3.2	Prepare the correct Debtors' List on 30 Ap Show workings with the relevant amounts		t-marks.				
	INFORMATION:						
	A. Balances and totals on 30 April 2025 (before correcting the errors and omissions)						
	Pre-adjustment figures on 30 April 2025						
	Pre-adjustment figures on 30 April 2025						
	Pre-adjustment figures on 30 April 2025 Debtors' Control account balance		R20 100				
			R20 100 R19 900				
	Debtors' Control account balance	Debit					
	Debtors' Control account balance Debtors' List total from Debtors' Ledger	Debit 3 800	R19 900				
	Debtors' Control account balance Debtors' List total from Debtors' Ledger Debtors' List on 30 April 2025	9/2/2/2/2/2/2/2/2/2/2/2/2/2/2/2/2/2/2/2	R19 900				
	Debtors' Control account balance Debtors' List total from Debtors' Ledger Debtors' List on 30 April 2025 B Baloyi	3 800	R19 900				
	Debtors' Control account balance Debtors' List total from Debtors' Ledger Debtors' List on 30 April 2025 B Baloyi E Khune	3 800	R19 900 Credit				

В.	Errors or omissions:
A	The total of the Debtors' Journal was overcast by R1 800
В	Interest of R200 must be charged on the overdue account of E Khune.
С	An amount of R3 200 received from T Baloyi was incorrectly recorded as R2 300 in the Cash Receipts Journal and posted accordingly to the Debtors' Ledger and the General Ledger
D	Merchandise returned by M Maphumulo, R800, was posted to the wrong side of his account in the Debtors' Ledger.
Е	No entry was made for an invoice issued to S Mashele, R1 400

ACTIVITY A 3 DEBTORS RECONCILIATION

	ONO RECONCIEIATION	7	P
3.1	CORRECTIONS TO THE DEBTORS' CONTROL ACCOUNT		
	Current Debtors' Control Account balance	20 100	
	A.		
	В.		
	C. Stanmorephysics.com		
	D.		
	E.		
3.2	DEBTORS' LIST ON 30 April 2025		
	B Baloyi		
	E Khune		
			10
	S Mashele		
	M Maphumulo		
	Correct total of Debtors' List		

CREDITORS RECONCILIATIONS ACTIVITY A4

The following errors and omissions were noted

- 1. The Creditor's column in the Cash Payments Journal was under-cast by R300.
- 2. An invoice issued to O. Onion for R16 400 was omitted in the Creditor's Journal.
- 3. The discount of R200 received from C. Cabbage had been entered in the Cash payments Journal but had not been posted to the account of C. Cabbage.
- 4. A debit note sent to B. Bean for R1 340 had not been entered in the Creditor's Allowance Journal.
- 5. An adding mistake occurred in the account of P. Potato. His account should have been R4 180.

ANSWERSHEET

GENERAL LEDGER OF THABO'S TRADERS CREDITOR'S CONTROL ACCOUNT 2025

	Feb	1	Balance	b/d	57 600
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CREDITOR'S LIST ON 28 FEBRUARY 2025

	Debit	Credit
1. O. Onion		
2. B. Bean		
3. C. Cabbage		
4. P. Potato		

ACTIVITY A 5

CREDITORS' RECONCILIATION

	The information relates to SERGIO Traders for April 2025							
- 4	000	U						
5.1	Taking into account the errors and omissions, calculate the correct balance for the							
9	Creditors' Control Account and the Creditors' List. Indicate changes with '+' for an increase							
4	and a '-' for a decrease							
5.2	SERGIO Traders intend settling the account of Jacob Wholesalers on 30 April 2025.							
	Calculate the amount due to them							
	INFORMATION:							
	A. Balances and totals on 30 April 2025 (before co	prrecting the errors and						
	omissions)							
	Creditors' Control Account balance	R175 940						
	Creditors' List total in the Creditors' Ledger	R186 350						
	LIST OF CREDITORS ics.com							
	Jacob Wholesalers R64 950							
	Pluto Suppliers	R27 200						
	Mecury Dealers	R51 800						
	Venus Suppliers	R42 400						
	B. Errors or omissions:							
	(i) The total of the Creditors' Allowances Journal (CAJ) was understated by R3 600.							
	(ii) A payment of R14 250 made to Jacob Wholesalers was in error posted as R15 240 to							
	the Creditors' Ledger Account. Posting to the General Ledger was correct							
	(iii) An invoice received from Pluto Suppliers, R9 540,	(iii) An invoice received from Pluto Suppliers, R9 540, and recorded in the Creditors'						
	Journal (CJ), was posted in error to the account of Jac	cob Wholesalers in the Creditors'						
	Ledger							
	(iv) Goods returned to Mercury Dealers, R7 500, and r	recorded in the CAJ, was posted to						
	their account in the Creditors' Ledger as an invoice							
	(v) SERGIO Traders recorded a purchase of R13 280							
	deducting a trade discount of 20%. However, Venus S	suppliers informed them that the						
	trade discount agreed on was only 10%							

ACTIVITY A5

5.1	nnn	CREDITORS	CREDITORS LIST				
1	0001	CONTROL					
Ś	Provisional balance	175 940	186 350				
- A	(i)						
	(ii)						
	(iii)						
	(iv)						
	(v)						
5.2	SERGIO Traders intend settling	SERGIO Traders intend settling the account of Jacob Wholesalers on 30 April 2025.					
	Calculate the amount due to them						

ACTIVITY B1 (SALARIES AND WAGES JOURNAL)

1.1

Calculate the employer's contribution to the Pension fund. The employer contributes R2 for every R1 contributed by the employer.

Employee	Monthly Gross Salaries	Pension fund Contribution by employee	EMPLOYER'S CONTRIBUTION
EXAMPLE	8 500	R637,50	637,5 X 2 = R 1275,00

Complete	the table		
S Mhlanga	R94 000	7 050	
J Maphumulo	R25 000	2 125	
No. 2 Control of Contr		1	

1.2

Calculate the employer's contribution towards the Medical Aid Fund. The employer contributes to the medical aid on a Rand for Rand basis

EXAMPLE R18 500 R500 **R500**

Complete the table						
S Mhlanga	R94 000	R850				
J Maphumulo	R25 000	R720				

1.3

Calculate UIF at 1% of gross salary on the following salaries.

	Employee	Gross Salaries	UIF % contribution	Monthly UIF contribution by employer
S. Mhlanga		R9 400 per month	1%	
J. Maphumulo		R120 000 per year	1%	

ACTIVITY B2

COLUMN A			COLUMN B	
2.1	Medical Aidrephysics.com	Α	This will become a monthly income for a person upon their retirement.	
2.2	Pension Fund	В	Employees contribute to this for mutual benefit in the workplace.	
2.3	Unemployment Insurance Fund	C A form of tax paid on salaries and wages		
2.4	PAYE	D	Paid to ensure an employee and his family have access to quality health care.	
2.5	Staff Fund	Ε	A person may claim from this when he loses his job.	

2.2 SALARIES JOURNAL

The following information is related to Naidoo Traders for the month of March 2025.							
Employees	Basic Salary	alary Deductions					
100		PAYE	Medical Aid	Pension	UIF		
S. Xulu	R 30 800 p/m	18% of gross	R 3 500	7,5% of basic	R 308		
Z. Khumalo	R 36 800 p/m	25% of gross	R 4 800	7,5% of basic	R 368		
N. Mbatha	R 501 600 p/a	28% of gross	R 5 900	7,5% of basic	R 418		

S. Xulu and N. Mbatha will earn bonuses in March which is the same as their monthly salaries. (These bonuses are not included in the figures above.)

Additional information

- The employer contributes 10% of basic salary towards Pension Fund with GEPF.
- The employer contribution towards Medical Aid is R2 for every R1 deducted from employees, and towards UIF is on rand – for – rand basis.
- 2.3 The following salary scale was prepared for M. Gumbi, an admin clerk who works at Nongoma Suppliers. He was employed on 1 January 2025.

48 000 x 4 800 \rightarrow 57 600 x 5 200 \rightarrow 68 000 x 5 500 \rightarrow 84 500	

Complete the table in your answer book and answer the following questions.

- 2.3.1 What is M. Gumbi's monthly starting salary?
- 2.3.2 In which year will M. Gumbi earn R57 600?
- 2.3.3 By what percentage M. Gumbi's salary increase at the end of the first year?
- 2.3.4 How many years will M. Gumbi have to work before he earns an annual salary of R84 500?

ANSWERSHEET

2.1 CON	2.1 CONCEPTS						
2.1:1ann	rorephysics.com						
2.1.2							
2.1.3							
2.1.4	-						
2.1.5							

2.2 SALARIES JOURNAL OF NAIDOO TRADERS 31 MARCH 2025

Employees	Gross Salary						
	Basic	Bonus	Total				
S. Xulu							
Z. Khumalo							
N. Mbatha							

Employees	Deductions						
TODOL	PAYE	Medical	Pension	UIF	Total	Salary	
S. Xulu							
Z. Khumalo		?					
N. Mbatha							

	tributions	Total
Medical Pension	UIF	
		1
	ledical Pension	ledical Pension UIF

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2.3	WORKINGS	ANSWER
2.3.1		
2.3.2		
2.3.3		
2.3.4		

ACTIVITY B3

You are provided with the following information relating to Durban Traders for the week ending 31 March 2025. The business is owned by Sthe Mhlanga.

Prepare the Wages Journal for the week ending 31 March 2025.

INFORMATION

The business employs two employees who earn wages as follows:

Phamela Zulu	40 hours @ R 150 per hour		
Junior Nkunku	40 hours @ R 160 per hour		
Junior Nkunku earns double the norr	nal rate for overtime. He has worked for 10 hours overtime this week.		
Deductions are as follows:	Pension Fund 8% of basic wage		
	UIF 1% of gross wage		
	PAYE is 18% of gross wage		
Medical Aid 12% of basic wages			



ANSWERSHEET B3

WAGES JOURNAL OF DURBAN TRADERS FOR THE WEEK ENDING 31 MARCH 2025

Employees	Basic W	ages (Norm	nal Time)	Overtime			Gross
	Hours	Rate	Amount	Hours	Rate	Amount	Wages
Phamela Zulu							
Junior Nkunku							

Employees	Deductions					Net
	Medical	Pension	UIF	PAYE	Total	Wages
Phamela Zulu						
Junior Nkunku						

Employees		Total		
	Medical Aid	Pension Fund	UIF	
Phamela Zulu			J	
Junior Nkunku				

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ACTIVITY B4

Use the following information to prepare the salaries journal of Mbuli Traders for February 2025.

INFORMATION

Gross salaries per year:

The following deductions were made:

S. Smith R136 800 Pension fund 5% of gross salary

N. Naidoo R205 200 PAYE 36% of gross salary after pension has been deducted

Z. Zulu R153 600 Medical Aid fund R1 930 per month

UIF 1% of gross salary

The following contributions were made by Mbuli Traders

Pension fund Rand-for-rand basis

Medical aid fund 50% of employee's contributions to a maximum of R900

UIF 1% of gross salary SDL 1% of gross salary

SALARY JOURNAL OF MBULI TRADERS FOR FEBRUARY 2025

			D	eductions						Employe	r's contri	butions	
Employee	Gross salary	Pension Fund	PAYE	Medical aid	UIF	Total deduc- tions	Net salary	EFT Inni Inni	Medical aid	Pension fund	UIF	SDL	Total
S. Smith													
N. Naidoo													
Z. Zulu													

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ACTIVITY C1: FINAL LEDGER ACCOUNTS

REQUIRED:

- 1.1 Trading Account
- 1.2 Profit and Loss Account

INFORMATION

The information is from the books of Eagles Traders. The financial year ended on 28 February 2025.

EXTRACT FROM THE TRIAL BALANCE ON 28 FEBRUARY 2025

	Debit	Credit
BALANCE SHEET SECTION		
Capital		865 500
Fixed Deposit: Sibiya Bank (7% p.a.)	120 000	
Trading stock	123 400	
Bank	87 500	
Loan: TYPE Bank (14% p.a.)		150 000
NOMINAL ACCOUNT SECTION	<u> </u>	
Sales	Inni	1 280 000
Cost of sales	640 000	
Debtors allowances	16 400	
Rent income		172 600
Interest on fixed deposit		4 900
Discount received		3 100
Water and electricity	35 400	

Advertising	30 000	
Bad debts	11 300	
Salaries	184 000	
Telephone	17 500	
Stationery	23 200	
Insurance	44 000	
Interest on loan	?	
Discount allowed	3 500	
Bank charges	2 300	

Adjustments and additional information:

- A. No entry was made for a credit note issued to debtor, F. Vilane, for stock returned, R4 800 (these goods were marked up at 50% on cost price) the goods were placed back into stock.
- B. On the last day of the financial year, a physical stock taking revealed the following:
 - Trading stock R121 400
 - Stationery R 2 200
- C. A debtor, A. Mthembu, who owes R900 must be written off as irrecoverable.
- D. The telephone account for February 2025 has been received but not yet paid, R1 800.
- E. An annual insurance premium of R8 400 was paid on 30 September 2024.
- F. The Fixed Deposit was invested on 1 March 2024 at Sibiya Bank. The interest was received for 9 months only. Provide for the outstanding interest.
- G. The bank statement received on 28 February 2025 reflected the following:
 - Bank charges R 400
 - Mbanjwa, a debtor whose account was previously written off as irrecoverable, deposited R950 into the business bank account.
- H. An office space has been rented out to a tenant since 1 March 2024. The tenant paid the March 2025 rent in advance, during February 2025. Note the rent was increased by R1 200 per month from 1 January 2025.

I. The loan statement received from TYPE bank reflected the following on 28 February 2025:

Balance on 1 March 2024 R 180 000

Interest (Capitalized) R ?

Repayment including interest R 53 100

Balance on 28 February 2025 R 150 000

J. Provide for depreciation of R52 500 for the year.

K. One employee was mistakenly double paid. The details are as follows:

Gross Salary	Deductions	*Contributions	Net Salary				
R19 000	6 000	3 000	13 000				
N.B: Employers contributions are added (recorded under salaries and wages)							

ACTIVITY C1

GENERAL LEDGER OF EAGLES TRADERS ON 28 FEBRUARY 2025

1.1. TRADING ACCOUNT

1.2.	PROFIT AN	D LOSS ACCOUN	NT	
Find				
4				

ACTIVITY C2

The following information was taken from the financial records of Sponono Stores for the year ended February 2025. The business is owned by Nkazi.

REQUIRED

Prepare the following ledger accounts in the books of Sponono Stores on 28 February 2025 after taken into account adjustments and additional information. Close off the accounts.

2.1 Trading Account

2.2 Profit and Loss Account

INFORMATION:

A Pre-adjustment Trial Balance of Sponono Stores on 28 February 2025

	Debit	Credit
Balance Sheet Account Section		
Capital		3 929 060
Drawings	450 000	
Mortgage Loan: Phakathi Bank (18% p.a)		500 000
Land and Buildings	3 600 000	
Equipment	240 000	
Vehicles	1 560 000	
Accumulated depreciation on Equipment		47 000
Accumulated depreciation on Vehicles		210 000
Trading Stock	359 000	n/
Debtors control	655 000	7
Bank	1000	637 950
Petty Cash	20 000	ļ.
Cash float	30 000	3
Creditors Control		483 990
Fixed Deposits: Vryheid Bank (12%p.a)	380 000	
Pension Fund		45 000
Creditors for salaries		268 000

Nominal Account Section		
Sales		4 550 000
Cost of Sales	2 130 000	
Debtors Allowances	45 000	
Salaries and Wages	1 402 000	
Rent Income		423 500
Interest on overdraft	5 900	
Rates	27 000	
Insurance	38 000	
Repairs	26 000	
Telephone	18 400	
Stationery	22 400	
Bank Charges	14 000	
Bad debts recovered		7 800
Bad debts	9 600	
Interest on loan	80 000	
Interest on Fixed Deposits		40 000
Water and Electricity	30 000	
	11 142 300	11 142 300

B ADJUSTMENTS AND ADDITIONAL INFORMATION

- 1. Rates includes an amount of R9 600 was paid for March and April 2025 in Advance.
- 2. Rent for February 2025 has not yet been received from the tenant.
- 3. A debtor V Shabangu who owed R14 400 has disappeared. Write off his account as irrecoverable.
- 4. The Water and Electricity account for February 2025 has not yet been paid R9 200.
- 5. Provide for outstanding interest on loan.
- 6. Depreciation for the year has been correctly calculated as follows:
 - On Equipment R24 000
 - On Vehicles R270 000
- 7. Provide for outstanding interest on Fixed Deposit.
- 8. On 14 February 2025 goods worth R40 000 were damaged by fire. The insurance company has agreed to settle 60% of the claim, for which the EFT will be made in March

2025. The entry for the stock damage was entered correctly in the Trading Stock Account write off the loss due to fire.

- 9. Stock on hand as per physical count on 28 February 2025 revealed the following:
 - Trading Stock R312 000
 - Stationery R2 800
- 10. The bank statement received from Vryheid Bank reflected the following:
 - Service fess R1 100
 - EFT charges R900

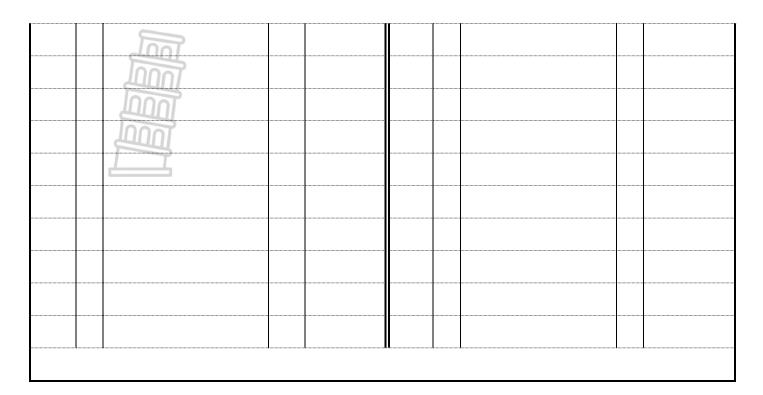
2.1.

- Interest on overdraft R4 500
- An EFT received from Sabelo for R3 200, a debtor whose account was written off as bad debt in 2024
- The relevant entries were not made

ANSWERSHEET GENERAL LEDGER OF SPONONO TRADERS ON 28 FEBRUARY 2025

TRADING ACCOUNT

2.2. PROFIT AND LOSS ACCOUNT



ACTIVITY C3

3.1 The following Pre-adjustment Trial Balance was prepared by inexperienced bookkeeper in the books of Mbokazi Traders for the year 28 February 2025.

REQUIRED

Prepare the following final accounts after taking into account the adjustments and additional information. Close off the accounts:

- 3.1.1 Trading Account
- 3.1.2 **Profit and Loss Account**

INFORMATION

A Pre-adjustments Trial Balance of Mbokazi Traders 0n 28 February 2025

looki	Debit	Credit
Capital	2 150 000	
Drawings	300 000	
Debtors Control	389 800	
Bank overdraft	515 200	
Loan: Q.P Bank (15% p.a)		750 00
Rent Income	238 000	
Salaries and wages		538 30
Rates	24 000	
Bad debts		6 20
Bank charges		9 90
Sales	2 490 000	
Debtors allowances	39 000	
Water and electricity		17 50
Fixed deposits: Ndumiso Bank (9% p.a)	350 000	
Equipment	320 000	
Vehicles	1 350 000	
Petty cash		15 00
Creditors for salaries	186 500	
Discount allowed	13 475	
Discount Received	5 100	
Sundry expenses	15 110	
Interest of fixed deposit	15 750	
Interest on overdraft	6 200	
Pension Fund	30 000	
Land and Buildings	000	1 950 00
Creditors control		390 60
Cost of sales	1 660 000	
Interest on loan	Inni	65 62
Accumulated depreciation on Equipment		60 80
Accumulated depreciation on Vehicles		275 00
Insurance	39 800	
Bad debts recovered	5 800	
Stationery	12 840	

B. Adjustments and additional information:

- Depreciation is calculated as follows:
 - On Equipment at 10% p.a. on diminishing balance method.
 - On Vehicles at 20% p.a. on cost
- 2. A vehicle was purchased for R250 000 on 1 December 2024. This was recorded.

3.2 INTERNAL CONTROLS

Sizwe Nkambule feels he has two problems in his business:

- Stock is missing from the shop. He suspects that either the customers or his employees are stealing from the shop.
- The business is paying too much for Vehicles repairs and maintenance. He suspects that drivers are misusing business Vehicles for their personal trips.

Provide internal control measures that can be implemented by Sizwe to safeguard:

- 3.2.1 Stock against theft by customers and employees. Give One point to address **the customers** and One point to address **employees**.
- 3.2.2 Vehicles against misuse. Give two points.

3.3 **ETHICS**

- 3.3.1 Give One term for the following basic principle of ethics:
 - a) Keep social justice and mind when making decisions.
 - b) Provide good corporate governance for a business.
 - c) Commitment to control behavior.
 - d) Manage business so that it will exist in future.
 - e) Take responsibility for actions
- 3.3.2 Business employees are sometimes given responsibility to perform accounting related tasks that require a strict professional conduct:

Briefly explain the following:

- Integrity
- Confidentiality

ANSWERSHEET

GENERAL LEDGER OF EAGLES TRADERS ON 28 FEBRUARY 2025

3.1. TRADING ACCOUNT

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			1		1	
			1		1	
			1		1	



3.2. PROFIT AND LOSS ACCOUNT

-	4001				-

3.2.1 Customers Employees

3.2.1		
9	1001	
3.3.1	a)	
In	b)	
4		
_	c) T	
	al\	
	d)	
	e)	
3.3.3		



ACTIVITY D1: FINANCIAL STATEMENTS

REQUIRED:

Prepare the Statement of Comprehensive Income for the year ended 28 February 2025

Information:

The following information is related to Labase Traders. Their financial year ends on 28/29 February each year. The business is owned by Thanda Nyawo.

Pre-adjustment trial balance of Labase Traders on 28 February 2025

BALANCE SHEET ACCOUNTS SECTION	Debit	Credit
Capital		435 875
Drawings	35 725	
Land and building	456 862	
Vehicles	367 200	
Accumulated depreciation vehicles		62 400
Equipment	88 000	
Accumulated depreciation equipment		54 660
Fixed Deposit : AFM Bank	18 750	
Loan: CAPS Bank (12% p.a.)		103 500
Trading stock	34 650	
Debtors' control	29 460	
Creditors' control	Inni	21 435
Bank overdraft		52 550
Cash float	750	
NOMINAL ACCOUNTS SECTION		
Sales		679 200
Cost of sales	346 350	
Debtors' allowances	1 875	

	1 478 465	1 478 465
Discount received		270
Depreciation	16 020	
Interest on fixed deposit		12 300
Interest on overdraft	2 250	
Discount allowed	675	
Water and Electricity	4 395	
Stationery	8 400	
Bad debts	975	
Insurance	10 128	
Bad debts recovered		16 335
Rent Income		40 000
Salaries and wages	54 000	

Additional information and adjustments

- 1. A debtor returned damaged goods for R 3 600 on 28 February 2025, these goods were sold at 80% of normal selling price and this was not recorded. The mark up on these goods was 50% on cost.
- 2. After a physical stocktaking, the following stock was on hand on 28 February 2025:

• Trading inventory R 32 600

• Stationery R 240

• The owner took stationery for R 400 before the stock taking for personal use. No entry has been made.

3. The rent for March has been received in advance and recorded.

NB: The rent increased by R 400 on 1 December 2024.

4. The salary of an employee, was not processed for the month of February 2025. Use the details provided and make the necessary entries to process her salary.

Gross Salary	R?
PAYE	R1 620
Pension Fund	R 850
Medical Aid	R 1 000 per month
Net Salary	R 14 350
UIF	R180

The business contributes a Rand for Rand basis toward UIF and R1.50 towards Pension Fund. The contributions are debited to salaries and wages account.

- 5. The insurance amount includes an annual payment of R7 440 that was paid on
 - 1 October 2024 for the period 1 October 2024 to 30 September 2025.
- 6. The water and electricity amount of R865 is still owing.
- A debtor La Vie was declared insolvent. A dividend of 40 cents in the rand for
 R 1 200 was received and recorded, the rest must be written off as irrecoverable.
- 8. An amount of R 2 300 was received from a debtor whose account was previously written off.
- 9. The bank statement was received after the trial balance was drawn up. The following items still need to be recorded

• Bank charges R 330

• Interest on overdraft R 1 850

10. The business sells items on a commission basis. Commission totaling R11 000 for sales made during February is still due to the business.

- 11. The loan Statement from NFB Bank showed the following
 - Balance on 28 Feb 2025 R 125 340
 Repayments R 25 000
 The Bank capitalizes the interest each month.

12 A new vehicle costing R 160 200 was bought on 1 November 2024. The entry has been properly

recorded.

- 13. Depreciation should be calculated as follows:
 - Equipment at 15% per annum on cost price method
 - Vehicles at 10% per annum on diminishing balance method, the bookkeeper had already calculated the depreciation on the new vehicle but erroneously calculated it for the whole year.
 Correct the error.



STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 28 FEBRUARY 2025

Sales Cost of sales Gross profit Other income Rent income Bad debts recovered Discount received Commission income Gross operating income Operating expenses Salaries and wages Stationery Insurance Water and Electricity Discount allowed Bad debts Bank charges Depreciation	
Gross profit Other income Rent income Bad debts recovered Discount received Commission income Gross operating income Operating expenses Salaries and wages Stationery Insurance Water and Electricity Discount allowed Bad debts Bank charges	
Other income Rent income Bad debts recovered Discount received Commission income Gross operating income Operating expenses Salaries and wages Stationery Insurance Water and Electricity Discount allowed Bad debts Bank charges	
Rent income Bad debts recovered Discount received Commission income Gross operating income Operating expenses Salaries and wages Stationery Insurance Water and Electricity Discount allowed Bad debts Bank charges	
Bad debts recovered Discount received Commission income Gross operating income Operating expenses Salaries and wages Stationery Insurance Water and Electricity Discount allowed Bad debts Bank charges	
Discount received Commission income Gross operating income Operating expenses Salaries and wages Stationery Insurance Water and Electricity Discount allowed Bad debts Bank charges	
Commission income Gross operating income Operating expenses Salaries and wages Stationery Insurance Water and Electricity Discount allowed Bad debts Bank charges	
Gross operating income Operating expenses Salaries and wages Stationery Insurance Water and Electricity Discount allowed Bad debts Bank charges	
Operating expenses Salaries and wages Stationery Insurance Water and Electricity Discount allowed Bad debts Bank charges	
Salaries and wages Stationery Insurance Water and Electricity Discount allowed Bad debts Bank charges	
Stationery Insurance Water and Electricity Discount allowed Bad debts Bank charges	
Insurance Water and Electricity Discount allowed Bad debts Bank charges	
Water and Electricity Discount allowed Bad debts Bank charges	
Discount allowed Bad debts Bank charges	
Bad debts Bank charges	
Bank charges	
Depreciation	700
Operating profit	
Interest income	
Profit before interest expense	
Interest expense	
Net profit for the year 8	8

The information relates to King Cetshwayo Traders for the financial year ended 28 February 2025.

REQUIRED:

	Complete the following for the year ended 28 February 2025:	
2.1	Statement of Comprehensive Income.	
2.2	Equity and Liabilities section of the Statement of Financial Position.	

INFORMATION EXTRACT FROM THE PRE-ADJUSTMENT 1	TRIAL RALANCES ON:	
Balance sheet accounts	28 FEB. 2025 R	29 FEB. 2024 R
Capital	I N	976 000
Loan: Shaun Bank	2 356 000	2 821 000
Land and buildings at cost		
Vehicles at cost	?	937 500
Equipment at cost	300 000	?
Accumulated depreciation on vehicles	?	537 500
Accumulated depreciation on equipment	?	81 000
Fixed deposit: Jomo Bank	160 000	100 000
Creditors control	440 000	
Debtors control	80 000	
Bank overdraft	70 400	
Nominal accounts		
Sales	?	Inni
Cost of sales	6 000 000	Innot
Rent income		116 000
Bad debts	81 000	THIN!
Repairs and maintenance	950 000	וחחמו
Advertising	61 000	
Discount received		700
Bad debts recovered		13 750
Salaries and wages	1 120 000	
Insurance	29 000	
Stationery	35 000	
Sundry expenses (missing figure)	?	

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Statement of Comprehensive Income of King Cetshwayo Traders for the year ended 28 February 2025	
Sales	
Cost of sales	
Gross profit	
Other income	
Gross operating income	
Operating expenses	
Operating profit	
Interest income	
Operating profit before interest expense	
Interest expense	
Net profit for the year	

Equity and Liabilities section of the Statement of Financial Position.

EQUITY AND LIABILITIES	
Owners' equity	
Non-current liabilities	
Loan	
Current liabilities	<u> </u>
Trade and other payables	
Current portion of loan	
Total equity and liabilities	

ACTIVITY D3

DINGANE TRADERS

The information relates to DINGANE TRADERS; the financial year ended on 28 February 2025.

REQUIRED:

3.1 Prepare the Statement of Comprehensive Income for the financial year ending 28 February 2025.



INFORMATION:

A Extract from the Pre-adjustment trial balance on February each year:

Щ		
2025	2024	
(R)	(R)	
10 150 000	8 800 000	
2 100 400		
3 040 000	3 026 524	
5 600 000	5 600 000	
6 200 000	3 800 000	
?	960 000	
660 000	500 000	
458 650		
166 800		
13 295 600		
7 380 000		
1 442 000		
98 900		
186 000		
370 944		
10 000		
276 000		
98 400		
60 000	חח	
13 080	nnī	
? 0		
?		
	(R) 10 150 000 2 100 400 3 040 000 5 600 000 6 200 000 458 650 166 800 7 380 000 7 380 000 1 442 000 98 900 186 000 370 944 10 000 276 000 98 400 60 000 13 080 ?	

Adjustments not considered yet:

- B Dingane Traders goods are sold at a mark-up of 80% on the cost price. Discount for damaged goods sold during the year amounted to R70 000. No entry has been made for the discount.
- C Stationery to the value of R 8 500 was on hand after the stock take.

- D Included in the amount for insurance was a yearly premium of R 22 080 paid on 1 December 2024 for the year ending 30 November 2025.
- E One worker was not paid his salary for February 2025. His details are as follows:

I	Deductions	Net salary	Employer's contributions
	R 10 400	R 70 000	R15 200

NOTE:

Contributions are recorded in the salaries and wages account.

- F Rent was received until 30 April 2025. The monthly rent was increased by R 3 024 per month starting on 1 November 2024.
- G The fixed deposit at Skara Bank was increased by R160 000 on 1 June 2024 at the existing rate of 8% p.a. The transaction was recorded. Make provision for the outstanding interest. Interest is not capitalised.
- H The new vehicle for R 2 400 000 was bought on 1 December 2024. The relevant entries were correctly recorded. Provide for depreciation on vehicles at 20% p.a. using diminishing balance method.
- I 25% of the motor expenses are not yet paid.
- J R 9 000 was received from a debtor, Phakathi, whose account was written off the previous year.
- K An account of a debtor who has left the country to Eswatini must be written off R40 460.
- L The loan from Skara Bank.

 The monthly repayments of R40 000 were made and all payments (including interest) were paid and recorded.

3.1 DINGANE TRADERS

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 28 FEBRUARY 2025

Sales		
Cost of sales		
Gross profit		
Other income		
Gross operating profit		
Operating expenses		
	1	
Operating profit	Ц	
Interest income	5	
Profit before interest expense	,	
Interest expense		
Net profit for the year		

ACTIVITY D4: STATEMENT OF FINANCIAL POSITION

NGWENYA STORES

The information relates to the financial year ended on 30 June 2025.

REQUIRED:

4.1

Complete the Statement of Financial Position on 30 June 2025.

INFORMATION:

A. Extract from Pre-adjustment Trial Balance on 30 June:

	2025	2024
	(R)	(R)
Capital Account		14 020 500
Drawings	550 000	
Mortgage loan: Mayo Bank	3 360 000	3 900 000
Fixed assets (carrying value)	20 876 540	
Fixed deposit	500 000	
Trading stock	2 174 960	
Debtors control	800 000	
Accrued income	30 000	
Prepaid expenses	51 460	
Cash float	2 500	
Petty cash	2 000	
Bank (overdraft)	60 000	
Creditors control	1 968 760	
SARS : Pay As You Earn	40 000	
Pension Fund	10 800	
Medical Aid	22 000	
Accrued expense or expenses payable	52 200	0
Income received in advance or Deferred income	44 200	

Additional Information

B Information from the loan statement received from Mayo Bank:

Balance on 1 July 2024	R 3 900 000
Monthly repayments included interest of (R45 000) were made during	?
the year. Interest on the loan is capitalized	
Balance on 30 June 2025	R3 510 000

Note: The current portion of the loan will be increased by R90 000 in the next financial year.

- C The correct net profit for the year end on 30 June 2025 amounted to R 5 247 000
- **D** The owner took stock with a selling price of R 70 000 for personal use during her son's birthday. Ngwenya Stores always uses 40% mark up. No entries were made.
- A debtor, Sangweni, who was declared insolvent paid 20 cents in a Rand and it was recorded.

 R3 000 was received and deposited. The balance must be written off as irrecoverable.

ACTIVITY D4: ANSWERSHEET

4.1 STATEMENT OF FINANCIAL POSITION OF NGWENYA STORES

AS AT 30 JUNE 2025

ASSETS	
NON CURRENT ASSETS	
Fixed Deposit	
CURRENT ASSETS	
Trade and other Receivables	
Cash and cash equivalents	
TOTAL ASSETS	
EQUITY AND LIABILITIES	

	ACTIVITY D5:				
CONC	CONCEPTS AND STATEMENT OF FINANCIAL POSITION				
5.1	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 H.				
	Column A		Column B		
5.1.1	Financial statements are drawn up on the	Α	Historical cost principle		
	assumption that the business will continue to		10001		
	trade in the foreseeable future.				
5.1.2	Income and the expenses must be recorded	В	Business entity		
	in the correct accounting period regardless of		Innni		
	whether it's been paid or received.				
5.1.3	Information that is important and that will	С	Prudence Principle		
	influence the decision-making process, must				
	be shown separately in the financial				
	statements				
5.1.4	Fixed assets purchased are recorded in the	D	Materiality Principle		
	financial statements at its original cost				

5.1.5	Money lost due to theft of stock is written-off,	Е	Matching Principle
40	even though there is a possibility that it may		
	be recovered in future.		
Inn	T.	F	Going concern Principle
	3		
Щ	11		

5.2.1	Complete the following Notes to the Financial statements		
	5.2.1.	Trade and other receivables	
	5.2.2	Capital Account Note	
5.3	Complet	e the Statement of Financial Position on 31 December 2024 for Dlolwane Traders.	
	Show wo	orkings in brackets where notes are not required	

DLOLWANE TRA	DERS			
POST-CLOSING TRIAL BALANCE ON 31 DECEMBER 2024				
Balance sheets accounts 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		

ADD	ADDITIONAL INFORMATION		
1.	The following amounts have already been included in the Capital amount:		
Tr	Net profit R69 000		
1	Drawings R15 000		
2.	An amount of R10 000 will be repaid on the Loan on 1 June 2025		

ACTIVITY D5 ANSWERBOOK

5.1 **GAAP PRINCIPLES**

No.	Answer
5.1.1	
5.1.2	
5.1.3	
5.1.4	
5.1.5	

5.2.1	Trade and other receivables	
5.2.2	Capital Account Note	
	Balance at the beginning	
	Balance at the end of the year	

5.3	STATEMENT OF FINANCIAL POSITION ON 31 DECEMBER 2024						
	Inni	Notes	R				
	ASSETS						
	NON-CURRENT ASSETS						
4		3					
	Financial assets						
	Fixed deposit						
	CURRENT ASSETS						
		4					
		5					
		6					
	TOTAL ASSETS						
	EQUITY AND LIABILITIES						
		7					
	NON-CURRENT LIABILITIES						
	CURRENT LIABILITIES	?					
		8					
	TOTAL EQUITY AND LIABILITIES						

PART A

REQUIRED:

NB: For part A, B and C, calculate the missing amounts denoted in (i) to (vii)

TANGIBLE ASSETS AS AT 30 JUNE 2025 AT YEAR END.

FIXED/TANGIBLE ASSETS	LAND AND	EQUIPMENT	VEHICLES
	BUILDINGS		
Carrying value – 1 July 2024	R 930 000	(iv)	R 519 200
Cost	930 000	561 000	(v)
Accumulated depreciation		(341 000)	(294 800)
Movements			
Additions at cost	(i)	55 000	
		400	
Depreciation		(ii)	(iii)
Carrying value – 30 June 2025	1 580 000		
Cost	1 580 000	616 000	
Accumulated depreciation		(vi)	(vii)

Details of fixed assets	
Land and buildings were bought during the year and are not depreciated	
New equipment was bought for R55 000 halfway through the financial year. This transaction	
has been correctly recorded	
Depreciation on equipment is 10% p.a. on cost price	
Depreciation on Vehicles is 20% p.a. on the diminishing-balance method	

ACTIVITY D6 PART A

CALCULATIONS	ANSWER
(ii)	
(iii)	
(iv)	
(v)	
(vi)	
(vii)	

PART B: TANGIBLE ASSETS AS AT 28 FEBRAURY 2025 AT YEAR END.

FIXED/TANGIBLE ASSETS	LAND AND	VEHICLES	EQUIPMENT
	BUILDINGS		
Carrying value – 1 March 2024		(i)	(ii)
Cost	(iii)	526 000	436 000
Accumulated depreciation		(276 150)	(290 400)
Movements			
Additions at cost	420 000	260 000	200 000
Depreciation		(iv)	(v)
		100	7
Carrying value – 28 February 2025	9 421 300	000	5
Cost	9 421 300	786 000	636 000
Accumulated depreciation		(vii)	(vi)

Depreciation is calculated as follows:	
Vehicles: 15% p.a. on cost	
Note: A new vehicle was bought on 1 October 2024	
Equipment: 20% on the diminishing-balance method	
Note: A new equipment was bought on 1 September 2024	

ACTIVITY D6 PART B

	CALCULATIONS	ANSWER
(i)		
(ii)		
(iii)		
(iv)		
(v)		
(vi)		
(vii)		

PARTC: TANGIBLE ASSETS AS AT 31 MARCH 2025 AT YEAR END.

FIXED/TANGIBLE ASSETS	LAND AND	VEHICLES	EQUIPMENT
	BUILDINGS	long	7
Carrying value – (1 April 2024)		(i)	280 000
Cost	9 650 000	1 281 000	480 000
Accumulated depreciation		(650 000)	(200 000)
Movements			
Additions at cost	(ii)	625 000	21 000
Depreciation		(iv)	(42 450)
Carrying value – (31 March 2025)	10 500 000		(vii)
Cost		(iii)	501 000
Accumulated depreciation		(v)	(vi)

Land and buildings	
Extensions to existing buildings were made during the current financial year.	
Vehicles:	
A new vehicle was bought on 1 January 2025	
Vehicles are depreciated at 20% p.a. on cost.	
Equipment:	
Equipment, cost R21 000, was purchased on 1 January 2025	

PART C

	CALCULATIONS	ANSWER
(i)		
(ii)		
(iii)		
(iv)		
(v)		
(vi)	1	
(vii)		

ACTIVITY E1: ANALYSIS AND INTERPRETATION

RATIO CALCULATIONS

The following information was extracted from the accounting records of Mlotshwa Traders the business owned by Sbusiso Mlotshwa which is selling school uniform in Richards Bay Area.

REQUIRED:

Calculate the following ratios/financial indicators for the year ended 30 June 2024. Show all calculations to the nearest two decimal points.

- 1.1 Operating expenses on sales
- 1.2 Current ratio
- 1.3 Acid test ratio
- 1.4 Return on average owner's equity
- 1.5 Solvency
- 1.6 Mark up percentage achieved

INFORMATION:

1. Extract from the Statement of Comprehensive Income for the year ended 30 June 2024:

Sales	1 875 000
Cost of sales	1 118 750
Operating expenses	700 000
Net profit	525 000

2. Extract from the Statement of Financial Position as at 30 June:

	2024	2023
Fixed/Tangible assets at carrying value	2 250 000	1 500 000
Fixed deposit: Betty Bank	150 000	120 000
Current assets	1 287 500	880 000
Inventories	300 000	225 000
Trade and other receivable	850 000	565 000
Cash and cash equivalents	137 500	90 000
Owner's equity	2 500 000	1 475 000
Non-current liabilities	818 750	625 000
Current liabilities	368 750	400 000

ACTIVITY E2: ANALYSIS AND INTERPRETATION OF FINANCIAL STATEMENTS

The information was extracted from the books of Ndaphola Traders 28 February 2025.

REQUIRED: Calculate the following for the year ended 28 February 2025.

- 2.1.1 Current Ratio for 2025.
- 2.1.2 Acid test Ratio for 2025.
- 2.1.3 Percentage mark-up achieved by the business
- 2.1.4 Percentage gross profit on sales
- 2.1.5 Percentage net profit on sales
- 2.1.6 Return on average owners' equity.
- 2.2 Comment on the liquidity position of the business on 28 February 2025
- 2.3 Did the business change its pricing policy during the financial year ended 28 February 2025? Provide a suitable calculation to substantiate.
- 2.4 Will the owner be satisfied with his investment in this business? Refer to relevant financial indicator.

INFORMATION:

A. Extract from the Statement of Comprehensive Income		
Sales	425 000	
Cost of sales	(250 000)	
Gross profit	175 000	
Other operating income	5 000	
Operating expense	(120 500)	
Net profit for the year	59 500	

B. Extract from the Statement of financial Position	2025	2024
Owners' Equity	225 000	175 000
Inventories	46 000	
Trade and other receivables	12 100	
Cash and cash equivalents	3 400	
Trade and other payables	20 500	

C. Financial indicators	2025	2024
Gross profit on sales	?	43%
Net profit on sales	?	24%
Mark-up	?	100%
Current ratio	?	2,5:1
Acid test ratio	?	1,2:1
Interest on fixed deposit	8%	8%
Return on average owners' equity	?	23%

ACTIVITY E3

INTERPRETATION OF FINANCIAL INFORMATION

The year-end of Grey Suppliers was 28 February 2025. The owner is Banele Grey. You are provided with extracts from the 2025 financial statements and financial indicators.

REQUIRED:

- Refer to the table in **Information C**:
 - Calculate the missing financial indicators below.
 - 3.1.1 The percentage operating expenses on sales
 - 3.1.2 Current ratio

- 3.1.3 Acid-test ratio
- 3.1.4 The percentage return on average equity
- 3.2 Explain whether Banele should be happy with the solvency of the business.
- 3.3 Explain why Banele should be happy with the liquidity of the business. Quote **TWO** financial indicators and their trends in this case.
- Banele has changed the mark-up % in 2025. Explain why Banele's decision was wrong. Quote figures to support your answer.
- 3.5 Explain why Banele should be happy with the % return on equity. Quote **ONE** financial indicator and their trends in this case.

INFORMATION:

GREY SUPPLIERS

۹.	EXTRACTS FROM STATEMENT OF COMPREHENSIVE INCOME FOR YEAR ENDED 28 FEBRUARY		
		2025	2024
	Sales	2 560 000	2 275 000
	Cost of sales	1 600 000	1 300 000
	Gross profit	960 000	975 000
	Other operating income	80 000	60 000
	Operating expenses	566 400	455 000
	Operating profit	433 600	580 000
	Interest income	45 000	55 000
	Interest expense	55 000	38 000
	Net profit	423 600	597 000

Trade and other receivables

62 000

77 000

חחו	2025	2024
Owner's equity	1 647 000	1 213
Non-current assets	1 660 000	1 150
Current assets	270 000	408
Non-current liabilities	175 000	209
Current liabilities	108 000	136
Fixed assets	1 300 000	700
Inventories	135 000	306
Investment in Fixed deposit	360 000	450
Cash and cash equivalents	58 000	40

C.	FINANCIAL INDICATORS	2025	2024
	Mark-up %	60,0 %	75,0%
	Gross profit on sales	37,5 %	42,9 %
	Operating expenses on sales	?	20%
	Operating profit on sales	24,6 %	25,5 %
	Net profit on sales	24,1 %	26,3 %
	Solvency ratio	6,8 : 1	4,5 :1
	Current ratio	?	3,0 : 1
	Acid-test ratio	?	0,75 : 1
	% Return on average equity	?	27,2 %

ACTIVITY E4

INTERPRETATION OF FINANCIAL INFORMATION

You are provided with financial indicators for Ngoza Store and Shale Traders, the two businesses situated in a busy town Empangeni, both business sells school furniture and stationery. Their financial year ends on 28/29 February each year.

INFORMATION:

A. Financial indicators for year ended 28 February

Financial Indicators	NGOZA Stores		SHALE Traders	
	2025	2024	2025	2024
Current ratio	0,9:1	1,2:1	2,3:1	2,1:1
Acid test ratio	0,6:1	0,8:1	1,5:1	1,1:1
Solvency ratio	3:1	2,5:1	2,8:1	2,3:1
Gross profit on sales	55%	52,4%	60%	57,5%
Gross profit on cost of sales	67%	62,5%	75%	60.7%
Operating expenses on sales	25%	30%	27%	20,3%
Operating profit on sales	19,3%	17,5%	13,7%	15,6%
Net profit on sales	11,7%	10,5%	8%	9,9%
Return on average equity	24,8%	29,6%	10%	13%
Interest rate on fixed deposits	12%	12%	12%	12%

Note: Where comments or explanations are required, quote financial indicators, figures and trends to support your answer.

REQUIRED:

- 4.1 NGOZA Stores
- 4.1.1 Comment on whether the business was able to manage its expenses efficiently, thus making more profit. Quote and explain TWO relevant financial indicators
- 4.1.2 Comment on the liquidity position of the business by quoting TWO relevant financial indicators

4.2 Shale Traders

4.2.1 The business has a target mark-up percentage of 80% on cost. Quote ONE financial indicator to explain whether the business achieved its target mark-up

Explain ONE reason that may cause the business not to achieve its targeted mark-up

- 4.2.2 Comment on the degree of solvency of the business. Quote ONE relevant financial indicator.
- 4.2.3 Explain on whether the owner should be satisfied with the return on owner's equity. Quote and explain One relevant financial indicator to support your opinion.

COST ACCOUNTING ACTIVITY F1

1.1 Match the words in Column A with an explanation provided in Column B. Write the letter only, next to each number in the ANSWER BOOK

COLUMN A		COL	COLUMN B	
1.1.1	Fixed cost	Α	Costs that change depending on the number of units produced.	
1.1.2	Variable cost	В	Costs easily traced to the making of a product.	
1.1.3	Direct cost	С	Running costs of the factory.	
1.1.4	Factory Overheads	D	Costs that are not related to the number of units produced.	

- 1.2 The business is considering importing raw materials because it is cheaper. Name TWO aspects that he must consider before finalising this decision.
- 1.3 List Two variable costs account and one example of fixed costs accounts

1.1.1	
1.1.2	
1.1.3	
1.1.4	

1.2	
1.3	

ACTIVITY F2

- 2.1 Choose the correct term from those within the bracket. Only write the term next to the question numbers (2.1.1 to 2.1.4) in the ANSWER BOOK
 - 2.1.1 Direct labour and direct material used in the factory are equal to total (factory overhead/prime) costs.
 - 2.1.2 The salary of the factory cleaner is a/an (direct/indirect) labour cost.
 - 2.1.3 Rent of a building is considered a (factory overhead/ indirect material) cost.
 - 2.1.4 Factory overhead costs are (**direct/indirect**) manufacturing expenses that are related to the production of finished goods.

2.2 Calculate the following

- 2.2.1 Total Direct material cost of producing 500 tables.
- 2.2.2 Total indirect material cost of producing 500 tables
- 2.2.3 Total manufacturing overheads of producing 500 tables
- 2.2.4 Total production cost for 500 tables produced.
- 2.2.5 Production cost per table



INFORMATION

The following information was extracted from the records of Nene the Carpentry. The financial year ended on 30 June 2024. The business produces wooden tables.

Cost per bench	
Wood per table	R500
Nails per table	R20
Paint per table	R50
Wages per completed table	R1 000
Costs per month	
Salary of the factory foreman	R5 000
Rent of the factory	R8 000
Water and Electricity of the factory	R2 500
Other Indirect material cost	R 500

ANSWERSHEET

ANOW	LINGIILLI
2.1.1	
2.1.2	
2.1.3	
2.1.4	
	Calculations

	Calculations	Answer
2.2.1		
2.2.2		

2.2.3	
2.2.4	
2.2.5	

ACTIVITY F3

3.1 Choose ONE cost account for each of the following descriptions. Write only the cost accounts next to the question numbers (3.1.1 to 3.1.4) in the ANSWER BOOK.

Direct labour cost; Direct/raw materials cost; Factory overheads cost; Administration cost; Selling and distribution cost; Break-even point

- 3.1.1 The number of units produced and sold to cover the costs
- 3.1.2 An insurance paid for factory plant
- 3.1.3 Repairs and maintenance of photocopying machine
- 3.1.4 Bonus paid to workers in the production site

3.2 Hodi industries a business that manufactures Matric jackets.

REQUIRED

- 3.2.1 Calculate Direct labour cost
- 3.2.2 Calculate Factory overhead costs
- 3.2.3 Calculate Total cost of production

INFORMATION

A The following information was extracted from the records of Hodi industries. The financial year ended on 28 February 2025. The business produces Matric jackets

	R
Fabric used in the production of the Matric jackets	150 200
Badges, cotton and buttons	13 600
Wages paid to machine operators	96 520
Wages paid to fabric cutters	20 540
Salary to factory manager	16 200
Wages paid to factory cleaners	8 880
Cleaning material used in the factory	7 740
Factory sundry expenses	15 360
Advertising expenses	9 020
Office stationery	2 660

ANSW	ERS	HE	ĒΤ
ANOW	EKO	пс	ΞΙ.

3.1.1	
Ŷ.	2001
3.1.2	
3.1.3	
3.1.4	

3.2.1	
3.2.2	
3.2.3	
0.2.0	

ACTIVITY F4

- 4.1 Indicate whether the following statements are TRUE or FALSE. Write only 'true' or 'false' next to the question numbers (4.1.1 to 4.1.3) in the ANSWER BOOK.
 - 4.1.1 Wages of factory support staff are classified as direct labour cost.
 - 4.1.2 The business office telephone account paid is an administration cost.
 - 4.1.3 Delivery costs of finished goods to retail stores and consumers are a selling & distribution cost.
- 4.2 The information relates to Nala Bakery a business that manufactures unique cup-cakes, for the financial year ended 28 February 2025

REQUIRED

- 4.2.1 Calculate total fixed cost
- 4.2.2 Calculate the break-even point for the year ended 28 February 2025
- 4.2.3 Calculate the units produced and sold for year ended 28February 2025
- 4.2.4 Calculate factory overhead cost per unit
- 4.2.5 Calculate administration cost per unit
- 4.2.6 Calculate direct labour cost
- 4.2.7 Calculate prime cost



INFORMATION

A Every year all the goods produced are sold

B Information taken from the financial records of Nala Bakery

440	28 Februa	ry 2025
	Total cost	Unit cost
Direct material cost	607 750	R5,50
Direct labour cost	?	R4,60
Selling and distribution cost	182 325	R1,65
Variable cost	1 298 375	R11,75
Factory overhead cost	548 410	?
Administration cost	247 500	?
	28 February 2025	28 February 2024
Selling price per unit	R21,75	R15
Units produced and sold	?	98 000
Break-even point	?	78 000

ANSWERSHEET

4.1.1	
4.1.2	
4.1.3	



Calculations Answer 4.2.1 4.2.2 4.2.3 4.2.4 4.2.5 4.2.6

4.2.7

ACTIVITY F5

Yamkela Blankets Manufacturers produces throw blankets and sells them at a mark-up of 80% on cost. The financial year ended 31 December 2024

5.1 Match the concepts in COLUMN A with appropriate explanation provided in COLUMN B. Write only the letter next to the question numbers (4.1.1 to 4.1.5) in the ANSWER BOOK.

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	LU		•	_

5.1.1 Direct material cost

- 5.1.2 Direct labour
- 5.1.3 Indirect labour
- 5.1.4 Sales and distribution cost
- 5.1.5 Administration cost

COLUMN B

- A. Manager in the factory
- B. Advertising expense paid
- C. Paid office rent
- D. Wool and fabric in making blanket
- E. Machine operator

5.2 Calculate the following

- 5.2.1 Direct labour cost
- 5.2.2 Factory overheads
- 5.2.3 Prime cost
- 5.2.4 Calculate the total cost of production. There was no work in progress in the business.
- 5.2.5 Direct material cost per unit



A. The following information was extracted from the records of Yamkela Blankets

Manufacturers. The financial year ended on 31 December 2024. The business

produces lightweight blankets.

Direct material issued for production	372 000
Direct labour cost	?
Maintenance in the factory	11 800
Water and electricity	48 000
Indirect material for the factory	25 400
Commission to salespersons	20 000
Salary paid to supervisor	81 450
Rent expense	160 000
Wages paid to factory cleaners	25 550

B. The following employee was omitted on wages journal of factory workers

Worker	Normal hours worked for the year	Rate for normal time	Hours overtime	Overtime
Mjocky	1 570	R30	85	1 ½ of normal rate
Other	Total wages of other work	kers = R233 575.		

- The business produces **1 200** blankets for the year
- Water and electricity must be split between the factory and the sales department in the ratio 3:1.
- 70% of the rent expense relates to the factory.

ANSWERSHEET

5.1.1	
5.1.2	
5.1.3	
5.1.4	
5.1.5	

	Calculations	Answer
5.2.1		
5.2.2		
5.2.3		
5.2.4		
5.2.5		



BUDGETING Activity G1

1.1 CONCEPTS

- 1.1.1 Define the term Budget
- 1.1.2 Explain why it is important to prepare a budget.
- 1.1.3 Outline the difference between Zero-based budget and incremental budget.
- 1.2 Indicate whether the following statements are true or false. Write True or False next to the question number on your answer sheet e.g. 1.2.6. False
 - 1.2.1 Capital budget refers to a forecast of business financial activities relating to cash transactions
 - 1.2.2 Short term budget is a financial planning up to three months period
 - 1.2.3 Depreciation will be shown as a payment in a cash budget.
 - 1.2.4 A cash budget refers to the outlay of funds for large project

ANSWERSHEET

1.1.1	4001
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	E LITTE
	10001
1.1.2	4411
1.1.2	
	ШП
1.1.3	
1.1.5	

1.2.1	
1.2.2	
1.2.3	
1.2.4	

ACTIVITY G2 Use the following transactions and Indicate with (X) in the correct affected column

Transactions	Income	Receipts	Payments	Expenses
Money deposited by client for service rendered.				
Credit sales to loyal customers				
Purchases of stock paid via EFT				
Telephone account reflects the amount				
due for a month				
Rent expense paid				

ACTIVITY G3

3.1 CONCEPTS

3.1.1 Explain the different between medium term budget and long-term budget

3.2 Calculate and record the transactions below in the correct column

Transactions	Income	Receipts	Payments	Expenses
Total sales for a month R69 250 and				7
80% are cash sales.				-
Bought An equipment for R6000 but				
only paid R4 500 the last instalment to				
be paid the following month				
R20 000 (10% interest) loan from the				
bank interest is paid monthly				

ACTIVITY G4 BUDGETING - CALCULATIONS

- 4.1 The cash sales are expected to increase by 5% in February 2024. Calculate the cash sales for February. **Note:** The sales for January are expected to be R297 000
- 4.2 The fee income for January is set to be R15 000 and will be expected to increase by 10% in February. Calculate the expected amount of fee income to be received in February.
- 4.3 Expected wages for February is R64 949 after an increases of 7%. Calculate the estimated wages for January before the increase.
- 4.4 Delivery expenses to clients for January is expected to be R20 000 and will decrease 8% in February. Calculate the expected delivery expenses for February.
- 4.5 Explain the difference between surplus and deficit

ANSWERSHEET

	Calculations		Answer
4.1			
4.2			
4.3		آما	
4.4			
4.5			

ACTIVITY G5

Kamva High School from East London has decided to go on an educational field tour to Port Elizabeth. The tour group will consist of two educators and ten learners. They have asked you to do some calculations of various costs for the tour so that they can do proper planning and budgeting to ensure that the tour is a success.

Further information supplied:

- Transport with school bus from East London to Port Elizabeth is R450 per learner. (The teachers do not pay for transport.)
- Accommodation in Port Elizabeth is R300 per room per night and two learners will share a room while the teachers will have single rooms each at a cost of R250 per room. They will book for ONE night.
- The VW factory tour is free of charge. They will visit the museum and snake park that has an entry fee of R20 per person; however, a school group gets a 10% discount.
- They are budgeting a total of R120 per person for meals.

NOTE: The school will pay for the teachers' accommodation and meals.

5.1 Calculate the following:

- 5.1.1 Total transport costs for the learners
- 5.1.2 Cost of accommodation for the learners
- 5.1.3 Cost of accommodation for the teachers
- 5.1.4 Total cost of accommodation for the teachers and the learners
- 5.1.5 Cost for the tour group for the visit to the museum and snake park
- 5.1.6 Total cost for all the meals for the group
- 5.1.7 TOTAL cost for the tour
- 5.1.8 Cost per learner for the tour

5.2 Mpande Mpoma, the school clerk, has been approached by the teachers to organise the trip for them. She will make the bookings for teachers and the learners. MPANDE thought of asking for a discount for learners from the hotel where they have booked and to use the extra money to book her holiday trip of two days in December with her family. She decided not to tell anyone about her plans.

- 5.2.1 Should MPANDE go ahead with her plan? Motivate your answer.
- 5.2.2 What consequences could MPANDE face should she decide to go ahead with the plan and is caught? Give ONE point.

			1
5.1	5.1.1	Total transport cost for the learners	
	540		
	5.1.2	Cost of accommodation for the learners	
	E 1 2	Cost of accommodation for the teachers	
	5.1.3	Cost of accommodation for the teachers	
	5.1.4	Total cost of accommodation for teachers and learners	
	J. 1. 4	Total cost of accommodation for teachers and learners	
		IDUUT	
		THIN	
		000	
	5.1.5	Cost for the visit to the museum and the snake park	
L			

	5.1.6	Total costs for all meals for the group	
	loo	77	
	444	TT .	
	Mu		
	000	3	
	5.1.7	Total costs for the tour	
	5.1.8	Cost per learner for the tour	
F 0			
5.2	5.2.1	Chould MDANDE as sheed with her plan? Metivate your enginer	
	5.2.1	Should MPANDE go ahead with her plan? Motivate your answer	
	5.2.2	What consequences could MPANDE face if she goes ahead with the plan	
		and she is caught? Give ONE point.	
		and the second s	
		I I	

FORMULA SHEET FOR GRADE 10

Gross profit x100 Sales 1	Gross profit x 100 Cost of sales 1	Net profit x 100 Sales 1		
Operating expenses x100 Sales 1	Operating pr Sales	r <u>ofit</u> x 100 1		
Current assets : Current liabilit	ies Current Asse	Current Assets - Inventory : Current liabilities		
Net profit x 100 Average equity 1	Total assets	: Total liabilities		

