



**KWAZULU-NATAL PROVINCE**

EDUCATION  
REPUBLIC OF SOUTH AFRICA

## **CURRICULUM GRADE 10 -12 DIRECTORATE**

**NCS (CAPS)**

**JUST IN TIME TEACHER SUPPORT DOCUMENT**



# **ACCOUNTING**

## **GRADE 10**

## **2025**

# ACTIVITY A1 – DEBTORS RECONCILIATIONS

## Balance sheet section

### DEBTORS CONTROL ACCOUNT

2024 Aug	1	Balance	b/d	15 368	2024 Aug	31	Bank and Discount Allowed	CRJ	7 880
	31	Bank	CPJ	600			Debtor's allowances	DAJ	760
		Sales (8888+400+ 500)	DJ	9 788			Balance	c/d	17 136
				25 756					25 776
Sep	1	Balance	b/d	17 136					

## DEBTOR'S LIST

	Debit	Credit
G. Smith (4146+100)	5 146	
A. Brown	3 065	
C. Black (4 380+400)	4 780	
L. White (4145)	4 145	
	17 136	

# ACTIVITY A2 – DEBTORS CONTROL AND DEBTORS LIST

**2.1** Provide TWO documents that KCD Traders will need from potential debtors before they will be allowed to open accounts.

Identity document (ID)  
 Salary advice slip / proof of income / proof of registration (student)  
 Proof of residence (municipal bill / from statements) / residential address  
 References / credit history / not listed on credit bureau / credit score / Income tax certificate (ITC)  
 Bank statement (3 months)  
 Criminal record (police clearance record  
 (any TWO documents)

**2.2** Calculate: 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.

PROVISIONAL BALANCE	228 000
I	+1 750
II	0
III	(62500 – 65200) -2 700
IV	+ 7 000
V	+ 5 200
VI	(250 -700) -450
VII	0
TOTAL	R238 800

	DEBTORS	WORKINGS	ANSWER	
	L Sibiya	$(13\,500 + 1\,750 - 450)$	14 800	
	S Phakathi	$(25\,000 + 3\,500 + 3\,500)$ 7 000	32 000	
	N Mthethwa	$(18\,300 - 2\,500 - 7\,850)$	7 950	
<b>2.3</b>	<b>Provide TWO points to support the internal auditor's concern that Anele's job description could lead to potential fraud</b>			
	<p>Too many related functions performed by one person - could compromise efficiency / job not done well</p> <p>Lack of supervision could lead to negligence / rolling over of cash / theft / no authorisation for returns / not applying returns policy effectively</p> <p>No division of duties – temptation to engage in fraudulent transactions / manipulating sales or returns / creating false documents / mismanagement / poor record-keeping (stock sheets / debtors)</p> <p>No continuity of tasks / tasks may not get done / lag behind if Susan is on leave / absent.</p> <p>Cash is easily stolen (not using electronic payments / credit cards / EFT)</p>			

### ACTIVITY A3

#### DEBTORS RECONCILIATION

<b>3.1</b>	<b>CORRECTIONS TO THE DEBTORS' CONTROL ACCOUNT</b>				
	Current Debtors' Control Account balance		<b>20 100</b>		
	<b>A.</b>		-1 800		
	<b>B.</b>		+ 200		
	<b>C.</b>		- 900		
	<b>D.</b>		No change		
	<b>E.</b>		+1 400		
			<b>19 000</b>		
<b>3.2</b>	<b>DEBTORS' LIST ON 30 April 2025</b>				
	B Baloyi $(3\,800 - 900)$		2 900		
	E Khune $(7\,400 + 200)$		7 600		
	S Mashele $(-1\,900 + 1\,400)$		(500)		
	M Maphumulo $(10\,600 - 800 - 800)$		9 000		
	Correct total of Debtors' List		<b>19 000</b>		

### ACTIVITY A4 – CREDITORS RECONCILIATIONS

#### CREDITOR'S CONTROL ACCOUNT

2025 Feb	28	Bank & discount received $(99\,300 + 300)$	CPJ	99 600	2025 Feb	1	Balance	b/d	57 600
		Total allowances $(15\,100 + 1340)$	CAJ	16 440		28	Total purchases $(140\,000 + 16\,400 + 300)$	CJ	156 700
		Balance	c/d	98 260					
				214 300					214 300
					Mar	1	Balance	b/d	98 260

CREDITOR'S LIST ON 28 FEBRUARY 2025

	Debit	Credit
O. Onion (42 000+16 400)		58 400
B. Bean (17 900 – 1 340)		15 560
C. Cabbage (20 320 -200)		20 120
P. Potato (4 680 -500)		4 180
		98 260

ACTIVITY A5

5.1		CREDITORS CONTROL	CREDITORS LIST
	Provisional balance	175 940	186 350
	(i)	- 3 600	0
	(ii)	0	+990
	(iii)	0	0
	(iv)	0	-15 000
			-7 500 – 7500
	(v)	+ 1 660	+ 1 660
		14 940 -13 280	
		174 000	174 000
5.2	SERGIO Traders intend settling the account of Jacob Wholesalers on 30 April 2025. Calculate the amount due to them		
	$64\,950 + 990 - 9540 = 56\,400$		

ACTIVITY B1

ACTIVITY B1.1

S. Mhlanga	R94 000	R7 050	$R7\,050 \times 2 = R14\,100$
J. Maphumulo	R25 000	R2 125	$R2\,125 \times 2 = R4\,250$

ACTIVITY B1.2

S. Mhlanga	R94 000	R850	R850
J. Maphumulo	R25 000	R720	R720

ACTIVITY B1.3

Employee	Gross salaries	UIF % contribution	Monthly UIF contribution by employer
B Baloyi	R9 400 per month	1%	$9\,400 \times 1\% = R9,40$

S Smit	R120 000 per year	1%	$120\,000 \div 12 = 10\,000 \times 1\% = R10,00$
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#### ACTIVITY B2

2.1. CONCEPTS	
2.1.1.	D
2.1.2.	A
2.1.3.	E
2.1.4.	C
2.1.5.	B

#### 2.2. SALARIES JOURNAL OF NAIDOO TRADERS ON 31 MARCH 2025

Employee	Gross Salary		
	Basic	Bonus	Total
S. Xulu	30 800	30 800	61 600
Z. Khumalo	36 800	-	36 800
N. Mbatha	41 800	41 800	83 600

Employee	Deductions					Net Salary
	P.A.Y.E	Medical Aid Fund	Pension Fund	U.I.F	Total	
S. Xulu	11 088	3 500	2 130	308	17 206	44 394
Z. Khumalo	9 200	4 800	2 760	368	17 128	19 672
N. Mbatha	23 408	5 900	3 135	418	32 861	50 739

Employee	Employers Contributions			Total
	Medical Aid Fund	Pension Fund	U.I.F	
S. Xulu	7 000	3 080	308	10 388
Z. Khumalo	9 600	3 680	368	13 648
N. Mbatha	11 800	4 180	418	16 398

2.3	WORKINGS	ANSWER
2.3.1	$48\,000/12$	4 000
2.3.2	No workings	2021
2.3.3	$4\,800/48\,000 \times 100$	10%
2.3.4	No workings	8 years

### ACTIVITY B3

#### 3.1 WAGES JOURNAL

##### WAGES JOURNAL OF DURBAN TRADERS ON 31 MARCH 2025

Employee	Basic Wages (Normal Time)			Overtime			Gross Wage
	Hours	Rate	Amount	Hours	Rate	Amount	
Phamela Zulu	40	150	6 000	-	-	-	6 000
Junior Nkunku	40	160	6 400	10	320	3 200	9 600

Employee	Deductions					Net Wage
	Medical Aid Fund	Pension Fund	UIF	PAYE	Total	
Phamela Zulu	720	480	60	1 080	2 340	3 660
Junior Nkunku	768	512	96	1 728	3 104	6 496

Employee	Employers Contributions			Total
	Medical Aid Fund	Pension Fund	UIF	
Phamela Zulu	1 080	480	90	1 650
Junior Nkunku	1 152	512	144	1 808

ACTIVITY B4

Employee	Gross wage	Deductions					Net salary	Cheq no	Employer's contributions				
		Pen-sion	PAYE	Medical aid	UIF	Total			Medi-cal aid	Pen-sion fund	UIF	SDL	Total
S. Smith	11 400	570	3 898,80	1 930	114	6512,80	4887,20		900	570	114	114	1698
N. Naidoo	17 100	855	5 848,20	1 930	171	8804,20	8295,80		900	855	171	171	2097
Z. Zulu	12 800	640	4 377,60	1 930	128	7075,60	5724,40		900	640	128	128	1796
	<b>41 300</b>	<b>2 065</b>	<b>14124,60</b>	<b>5 790</b>	<b>413</b>	<b>22392,60</b>	<b>18907,40</b>		<b>2700</b>	<b>2065</b>	<b>413</b>	<b>413</b>	<b>5591</b>

ACTIVITY C1

GENERAL LEDGER OF EAGLES TRADERS ON 28 FEBRUARY 2025

1.1. TRADING ACCOUNT

2025 Feb	28	Cost of Sales (640 000 - 3 200)	636 800	2025 Feb	28	Sales (1 280 000-16 400-3 600)	1 259 600
		Profit and Loss	622 800				
			1 259 600				1 259 600

1.2. PROFIT AND LOSS ACCOUNT

2025 Feb	28	Water and electricity	35 400	2025 Feb	28	Trading Account	622 800
		Advertising	30 000			Rent Income(172 600 -14 200)	158 400
		Discount allowed	3 500			Interest on fixed deposit (4 900+ 3 500)	8 400
		Bad debts(11 300+900)	12 100			Discount received	3 100
		Salaries(184 000-19 000-3 000)	162 000			Bad debts Recovered	950
		Telephone ( 17 500+1 800)	19 300				
		Stationery (23 200- 2 200)	21 000				
		Insurance (44 000-4 900)	39 100				
		Bank charges(2 300+400)	2 700				
		Stock Deficit(123 400+ 3 200-121 400)	5 200				
		Interest on loan(180 000-53 100-150 000)	23 100				
		Depreciation	52 500				
		Capital Account	387 750				
			793 650				793 650

ACTIVITY C2

GENERAL LEDGER OF SPONONO TRADERS ON 28 FEBRUARY 2025

2.1. TRADING ACCOUNT

2025 Feb	28	Cost of Sales	2 130 000	2025 Feb	28	Sales(4 550 000-45 000)	4 505 000
		Profit and Loss	2 375 000				
			4 505 000				4 505 000

2.2. PROFIT AND LOSS ACCOUNT

2025 Feb	28	Water and electricity (30 000+9 200)	39 200	2025 Feb	28	Trading Account	2 375 000
		Loss due to fire (40 000- 24 000)	16 000			Rent Income(423 500+38 500)	462 000
		Repairs	26 000			Interest on fixed deposit (40 000+5 600)	845 600
		Bad debts(9 600+14 400)	24 000			Bad debts Recovered (7 800+3 200)	11 000
		Salaries	1 402 000				
		Telephone	18 400				
		Stationery (22 400-2 800)	19 600				
		Insurance	38 000				
		Bank charges(14 000+2 000)	16 000				
		Stock Deficit(359 000-312 000)	47 000				
		Interest on loan(80 000+10 000)	90 000				
		Depreciation (24 000+270 000)	294 000				
		Rates (27 000-9 600)	17 400				
		Interest on overdraft (5 900+4 500)	10 400				
		Capital	835 600				
			2 893 600				2 893 600

## ACTIVITY C3

## GENERAL LEDGER OF MBOKAZI TRADERS ON 28 FEBRUARY 2025

## 3.1.1 TRADING ACCOUNT

2025 Feb	28	Cost of Sales	1 660 000	2025 Feb	28	Sales(2 490 000-39 000)	2 451 000
		Profit and Loss	791 000				
			2 451 000				2 451 000

## 3.1.2. PROFIT AND LOSS ACCOUNT

2025 Feb	28	Water and electricity	17 500	2025 Feb	28	Trading Account	791 000
		Discount allowed	13 475			Rent Income	238 000
		Bad debts	6 200			Interest on fixed deposit	15 750
		Salaries	528 300			Discount received	5 100
		Stationery	12 840			Bad debts Recovered	5 800
		Insurance	39 800				
		Bank charges	9 900				
		Interest on loan	65 625				
		Rates	24 000				
		Depreciation (25 920+12 500+220 000)	258 420				
		Interest on overdraft	6 200				
		Sundry expenses	15 110				
		Capital	58 280				
			1 055 650				1 055 650

### 3.2 INTERNAL



#### 3.2.1

Employees	Customers
<ul style="list-style-type: none"> <li>• Division of duties/ separation of duties of ordering stock, authorizing stock orders, receiving stock, recording stock and records, etc.</li> </ul>	<ul style="list-style-type: none"> <li>• Install cameras</li> </ul>
<ul style="list-style-type: none"> <li>• Compare stock received to invoice from supplier</li> </ul>	<ul style="list-style-type: none"> <li>• Have security alarms at checkout points.</li> </ul>
<ul style="list-style-type: none"> <li>• Keep stock in a safe and secure environment</li> </ul>	<ul style="list-style-type: none"> <li>• Post security guards to search outgoing customers and employees at exit points</li> </ul>
<ul style="list-style-type: none"> <li>• Only authorized employee may remove stock from the store room to take to shop shelves</li> </ul>	
<ul style="list-style-type: none"> <li>• Do physical stock takings and compare to Trading stock records.</li> </ul>	
<ul style="list-style-type: none"> <li>• Complete, sign and authorise order form when trading stock has to be bought.</li> </ul>	

#### 3.2.2

- Employees must log Vehicles in and out when using them.
- Vehicles must always be parked on business premises after hours.
- Keep a record of expected hours and kilometers to be travelled to and from regular delivery points.
- Have a cut of times for retaining to the premises by all Vehicles.
- Any other relevant answers

#### 3.3.1 ETHICS

- Fairness
- Leadership
- Discipline
- Sustainability
- Accountability

#### 3.3.2

<b>Integrity</b>	Duties must be performed honestly and accurately.
<b>Confidentiality</b>	Information may not be disclosed without prior authorization, unless required by law.



ACTIVITY D1

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 28 FEBRUARY 2025

LABASE TRADERS

<b>Sales</b> (679 200 - 1875 - 2880)		674 445
<b>Cost of sales</b> (346 350 – 2400)		(343 950)
<b>Gross profit</b>		330 495
<b>Other income</b>		70 700
Rent income (44 500 - 3700)		40 800
Bad debts recovered (16 335 + 2 300)		18 630
Discount received		270
Commission income		11 000
<b>Gross operating income</b>		<b>401 195</b>
<b>Operating expenses</b>		(132 993)
Salaries and wages (54 000 + 18 000 + 180 + 1 275)		73 455
Stationery (8 400 – 240 - 400)		7 760
Insurance ( 10 128 – 4 340)		5 788
Water and Electricity (4 395 +865)		<b>5 260</b>
Discount allowed		675
Bad debts ( 975 + 1 800)		2 275
Bank charges		330
Depreciation ( 16 020 – 10 680 + 13200 + 14 460)		33 000
Trading stock deficit (34 650 + 2400 – 32 600)		4 450
<b>Operating profit</b>		268 202
Interest income		12 300
<b>Profit before interest expense</b>		280 502
Interest expense (2 250 +1 850 + 3 160)		(7 260)
<b>Net profit for the year</b>	8	273 242

## ACTIVITY D2

2.1	<b>Statement of Comprehensive Income of King Cetshwayo Traders for the year ended 28 February 2025</b>		
	<b>Sales</b> (10 200 000 + 36 720 )	10 236 720	
	<b>Cost of sales</b> (6 000 000 + 24 000 )	(6 024 000)	
	<b>Gross profit</b>	4 212 720	
	<b>Other income</b>	112 850	
	Rent income ( 116 000 – 17 600 )	98 400	
	Discount received	700	
	bad debts recovered	13 750	
	<b>Gross operating income</b>	<b>4 325 570</b>	
	<b>Operating expenses</b>	<b>(2 473 620)</b>	
	Advertising	61 000	
	Salaries and wages	1 120 000	
	Insurance	29 000	
	Repairs and maintenance	950 000	
	Bad debts ( 81 000 + 8 000 )	89 000	
	Stationery (35 000 – 7 000)	28 000	
	Depreciation	130 599	
	Sundry expenses	66 021	
	<b>Operating profit</b>	<b>1 851 950</b>	
	<b>Interest income</b> (11 150 + 900 )	12 050	
	<b>Operating profit before interest expense</b>	<b>1 864 000</b>	
	<b>Interest expense</b>	(64 000)	
	<b>Net profit for the year</b>	<b>1 800 000</b>	

## Equity and Liabilities section of the Statement of Financial Position.

2.2	<b>EQUITY AND LIABILITIES</b>		
	<b>Owners' equity</b>	2 216 000	
	Capital (976 000 -560 000 + 1 800 000)	2 216 000	
	<b>Non-current liabilities</b>	1 984 000	
	Loan (2 356 000 – 372 000 )	1 984 000	
	<b>Current liabilities</b>	900 000	
	Trade and other payables (440 000 + 17 600)	457 600	
	Current portion of loan	372 000	
	Bank overdraft	70 400	
	<b>Total equity and liabilities</b>	<b>5 100 000</b>	

ACTIVITY D3

3.1 DINGANE TRADERS

**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED  
28 FEBRUARY 2025**

<b>Sales</b> ( 13 295 600 – 70 000)		13 225 600
<b>Cost of sales</b>		(7 380 000)
<b>Gross profit</b>		5 845 600
<b>Other income</b>		336 576
Rent income (370 944 – 56 448)		314 496
Bad debts recovered ( 13 080 + 9 000)		22 080
<b>Gross operating income</b>		<b>6 182 176</b>
<b>Operating expenses</b>		(2 993 100)
70 000 +10400 +15 200		
Salaries and wages (1 442 000 + 95 600) or (80 400+15200)		1 537 600
Stationery (98 400 – 8 000)		90 400
Insurance ( 186 000 – 16 560)		169 440
Marketing expenses (276 000)		276 000
Motor Expenses ( 98 400 +32 800)		131 200
Bad debts ( 60 000 + 40 460)		100 460
Depreciation ( 120 000+568 000)		688 000
<b>Operating profit</b>		<b>3 189 076</b>
Interest income (36 400 +13 200)		49 600
<b>Profit before interest expense</b>		<b>3 238 676</b>
Interest expense		(493 476)
<b>Net profit for the year</b>		<b>2 745 200</b>

ACTIVITY D4

4.1 STATEMENT OF FINANCIAL POSITION OF NGWENYA STORES AS AT 30 JUNE 2025

<b>ASSETS</b>		
<b>NON CURRENT ASSETS</b>	21 376 540	
Fixed assets	20 876 540	
Fixed Deposit	500 000	
<b>CURRENT ASSETS</b>	2 998 920	
Inventory (2 174 960 – 50 000)	2 124 960	
Trade and other Receivables (800 000 +30 000 +51 460 – 12 000)	869 460	
Cash and cash equivalents( 2 500 + 2 000)	4 500	
<b>TOTAL ASSETS</b>	24 375 460	
<b>EQUITY AND LIABILITIES</b>		
<b>OWNER'S EQUITY</b>	18 667 500	
Capital account (14 020 500 -550 000-50 000 +5 247 000) 550 000+ 50 000=705 000	18 667 500	
<b>NON-CURRENT LIABILITIES</b>	3 030 000	
Loan ( 3 360 000 +150 000=3510 000 – 480 000) 390 000+90 000	3 030 000	
<b>CURRENT LIABILITIES</b>	2 677 960	
Trade and other payables ( 1 968 760+40 000+10 800+22 000 +52 200 +44 200)	2 137 960	
Current portion of loan	480 000	
Bank overdraft	60 000	
<b>TOTAL EQUITY AND LIABILITIES</b>	24 375 460	

## ACTIVITY D5

### 5.1 GAAP PRINCIPLES

No.	Answer
5.1.1	F
5.1.2	E
5.1.3	D
5.1.4	A
5.1.5	C

<b>5.2.1</b>	<b>Trade and other receivables</b>	
	Trade debtors	54 000
	Prepaid expense	10 500
	Accrued income	19 500
<b>5.2.2</b>	<b>Owner's Equity Note</b>	
	Balance at the beginning	501 000
	Net profit for the year	69 000
	Additional capital	0
	Less: Drawings	(15 000)
	Balance at the end of the year	555 000

<b>5.3</b>	<b>DLOLWANE TRADERS STATEMENT OF FINANCIAL POSITION ON 31 DECEMBER 2024</b>		
	Balance sheet account section	Notes	R
	<b>ASSETS</b>		
	<b>NON-CURRENT ASSETS</b>		693 000
	(320000-84000)/(172000-57000)		
	Tangible assets [330 000+236 000+115 000]	3	681 000
	<b>Financial assets</b>		
	Fixed deposit		12 000
	<b>CURRENT ASSETS</b>		177 000
	Inventories (48 000 + 4 500)	4	52 500
	Trade and other debtors (54 000 + 10 500 +19 500)	5	84 000
	Cash and cash equivalents (36 000 + 3 000 + 1 500)	6	40 500
	<b>TOTAL ASSETS</b>		<b>870 000</b>
	<b>EQUITY AND LIABILITIES</b>		
	<b>Owner's Equity</b>	7	555 000
	<b>NON-CURRENT LIABILITIES</b>		110 000
	Loan (120 000 – 10 000)		110 000
	<b>CURRENT LIABILITIES</b>		205 000
	Trade and other creditors (168000+18 000+9 000)	8	195 000
	Short term loan		10 000
	<b>TOTAL EQUITY AND LIABILITIES</b>		<b>870 000</b>

# NOTES TO THE FINANCIAL STATEMENTS

## FIXED ASSETS

### ACTIVITY D6

### PART A

	CALCULATIONS	ANSWER
(i)	930 000 - 1 580 000	650 000
(ii)	New : $55\,000 \times 10/100 = 5\,500$ Old : $561\,000 \times 10/100 \times 12/12 = R\,56\,100$	58 850
(iii)	Carrying value x rate $519\,200 \times 20/100$	103 840
(iv)	$561\,000 - 341\,000$	220 000
(v)	$519\,200 + 294\,800$	814 000
(vi)	$341\,000 + 58\,850$	399 850
(vii)	$294\,800 + 103\,840$	398 640

### ACTIVITY D6

### PART B

	CALCULATIONS	ANSWER
(i)	$526\,000 - 276\,150$	249 850
(ii)	$436\,000 - 290\,400$	145 600
(iii)	$9\,421\,300 - 420\,000$	9 001 300
(iv)	Old : $526\,000 \times 15\% = R\,78\,900$ New : $260\,000 \times 15\% \times 5/12 = R\,16\,250$	95 150
(v)	Old : carrying value method $145\,600 \times 20\% \times 12/12 = R\,29\,120$ New : $200\,000 \times 20\% \times 6/12 = R\,20\,000$	49 120
(vi)	$290\,400 + 49\,120$	339 520
(vii)	$276\,150 + 95\,150$	371 300

## PART C

	CALCULATIONS	ANSWER
(i)	1 281 000 - 650 000	631 000
(ii)	10 500 000 - 9 650 000	850 000
(iii)	1 281 000 + 625 000	1 906 000
(iv)	Old : 1 281 000 x 20% x 12/12 = R 256 200 New : 625 000 x 20% x 3/12 = R 31 250	287 450
(v)	650 000 + 287 450	937 450
(vi)	200 000 + 42 450	242 450
(vii)	501 000 - 242 450	258 550

## ACTIVITY E1 – MLOTSHWA TRADERS

## 1 CALCULATE THE MISSING FINANCIAL INDICATORS FOR 2024.

1.1	<p><b>The percentage operating expenses on sales</b></p> $\frac{700\,000}{1\,875\,000} \times \frac{100}{1} = 37\%$
1.2	<p><b>Current Ratio</b></p> $1\,287\,500 : 368\,750 = 3.49 : 1$
1.3	<p><b>Acid-test Ratio</b></p> $1\,287\,500 - 300\,000 : 368\,750 = 2,68 :$
1.4	<p><b>The percentage return on average equity</b></p> $\frac{525\,000}{\frac{1}{2}(2\,500\,000 + 1\,475\,000)} \times \frac{100}{1} = 26\%$
1.5	<p><b>Solvency ratio</b></p> $\frac{(2\,250\,000 + 150\,000 + 1\,287\,500)}{3\,687\,500} : \frac{(818\,750 + 368\,750)}{1\,187\,500} = 3,11 : 1$
1.6	<p><b>Mark up percentage</b></p> $\frac{1\,875\,000 - 1\,118\,750}{1\,118\,750} \times \frac{100}{1} = 67.6\%$

# ACTIVITY E2 – NDAPHOLA TRADERS

<b>2.1.1</b>	<b>Calculate the current ratio for 2025</b>
	$\begin{array}{rcl} 46\,000 + 12\,100 + 3\,400 & : & 20\,500 \\ 61\,500 & : & 20\,500 \\ 3 & : & 1 \end{array}$
<b>2.1.2</b>	<b>Calculate acid test ratio for 2025</b>
	$\begin{array}{rcl} 12\,100 + 3\,400 & : & 20\,500 \\ 15\,500 & : & 20\,500 \\ 0,76 & : & 1 \end{array}$
<b>2.1.3</b>	<b>Calculate the percentage mark-up achieved by the business.</b>
	$\frac{175\,000}{250\,000} \times 100$ $= 70\%$
<b>2.1.4</b>	<b>Calculate the percentage gross profit on sales.</b>
	$\frac{175\,000}{425\,000} \times 100$ $= 41\%$
<b>2.1.5</b>	<b>Calculate the percentage net profit on sales.</b>
	$\frac{59\,500}{425\,000} \times 100$ $= 14\%$
<b>2.1.6</b>	<b>Calculate the return on average owners' equity.</b>
	$\frac{59\,500}{(175\,000 + 225\,000) / 2} \times 100$ $\frac{59\,500}{200\,000} \times 100$ $= 29,75\%$
<b>2.2</b>	<p>Current ratio increased from 2,5:1 to 3:1 by (0.5)</p> <p>The business will be able to pay its short term debts.</p>
<b>2.3.</b>	<b>Did the business change its pricing policy during financial year ended 28 February 2025</b>
	<p>Yes/ No</p> <p>Decrease from 100% to 70%. (by 30%)</p> <p>Any two</p> <ul style="list-style-type: none"> <li>• Discounts were offered to bulk buyers.</li> <li>• Goods were discounted during clearance sales.</li> <li>• Mark-up could have been calculated incorrectly.</li> </ul>
<b>2.4</b>	<b>Should the owner be satisfied with his percentage return? Explain. Quoting financial indicators to support your answer.</b>
	<p>Yes</p> <ul style="list-style-type: none"> <li>• Better than investments at banks. Banks offer a maximum of 8%.</li> <li>• Improvement in the return from 23% in 2024 to 29,75% in 2025.</li> </ul>

### ACTIVITY E3 – GREY SUPPLIERS

#### 3.1 CALCULATE THE MISSING FINANCIAL INDICATORS FOR 2025.

##### 3.1.1 The percentage operating expenses on sales

$$\frac{566\,400}{2\,560\,000} \times \frac{100}{1} = 22,1\%$$

##### 3.1.2 Current Ratio

$$270\,000 : 108\,000 = 2,5 : 1$$

##### 3.1.3 Acid-test Ratio

$$(77\,000 + 58\,000)$$

OR

$$(270\,000 - 135\,000)$$

$$135\,000 : 108\,000 = 1,3 : 1$$

##### 3.1.4 The percentage return on average equity

$$\frac{423\,600}{\frac{1}{2}(1\,647\,000 + 1\,213\,000)} \times \frac{100}{1} = 29,6\%$$

#### 3.2 Explain whether Banele should be happy with the solvency of the business.

##### Quote indicator & trend:

Solvency ratio improve from 4,5:1 to 6,8:1

##### Explanation:

The business should not have any problem in settling in all its debts.

##### Further valid clarification:

- Total assets exceed total liabilities by a considerable amount

#### 3.3 Explain whether Banele should be happy with the liquidity of the business. Quote TWO financial indicators and their trends in this case.

##### Quote indicators & trends:

- Current ratio changed from 3 :1 to 2,5 :1 **see 3.1.2**

- Acid-test ratio changed from 0,75 ; 1 to 1,3 : 1 **see 3.1.3**

*Note: Explanations depend on learner's calculation*

##### Explanation:

- The business is able to settle its current debts.

- Acid-test ratio was too low in 2024 / now acceptable as liquid assets (T&OR and C&CE) now exceed CL

- Current ratio was acceptable in 2024 and has decreased, but still enough money to pay the debts.

3.4 Banele has change the mark-up % in 2025. Explain why Banele's decision was wrong. Quote figures to support your answer.

**Quote indicator & trend:**

Mark-up % changed from 75% to 60%

**Explanation (with figures):**

Although this led to an increase in sales of R285 000, the gross profit has decreased by R15 000

Or

Although this led to an increase in goods sold (cost of sales of R300 000) the gross profit has decreased by R15 000

3.5 Explain why Banele should be happy with the % return on equity. Quote ONE financial indicators and their trends in this case.

**Quote indicator & trend:**

% return on equity increased from 27,2% to 29,6%

**Explanation:**

This exceeds return on alternative investments

#### ACTIVITY E4 NGOZA STORES AND SHALE TRADERS

##### 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

**YES**

Operating expenses on sales decreased from 30% to 25% by 5%

Operating profit on sales increased from 17,5% to 19,3% by 1.8%

4.1.2 Comment on the liquidity position of the business. Quote TWO financial indicators

Current ratio decreased from 1,2:1 to 0.9:1

Acid test ratio decreased from 0.8:1 to 0,6:1

The business is failing to meet short term obligations

##### 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 achieved its targeted mark-up**

Gross profit on cost of sales increased from 60,7% to 75%

Although they targeted 80% they achieved 5% below the targeted percentage

### REASONS

Incorrect pricing  
Too liberal policy of granting trade discounts  
Poorly controlled clearance sale where goods are sold at a reduced price  
Theft/Shoplifting  
(Any other relevant answer)

#### 4.2.2 **Comment on the degree of solvency**

Solvency increased from 2.3: 1 to 2.8 : 1 by 0,5%  
  
The business is able to settle all its debts  
  
The business is failing to meet short term obligations

#### 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.**

The owner should not be satisfied  
  
Return on average owner's equity decreased from 13% to 10% by 3%  
This is less than 12% of the interest rate on fixed deposits

## COST ACCOUNTING

### ACTIVITY F1

1.1

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

1.2

- The current exchange rate.
- Import duties
- The quality of the raw material.
- Support for local businesses and improving the economy.
- The cost of transport or carriages
- Can take long to receive the goods

1.3

#### **Variable costs**

Direct material cost, Direct labour cost  
Selling & distribution cost

#### **Fixed costs**


Factory overheads cost  
Administration cost

### ACTIVITY F2

2.1

- 2.1.1 Prime cost
- 2.1.2 Indirect labour





2.1.3	Factory overheads	
2.1.4	Indirect	
2.2		
2.2.1	<b>Direct material cost</b>	
	500 table X R500 = R250 000	
2.2.2	<b>Indirect material</b>	
	$R20 \times R50 = R70 \times 500 \text{ table} = R35\,000 + R50\,000 = R40\,000$	
2.2.3	<b>Factory overheads</b>	
	Indirect Material	R40 000
	Indirect labour (R5 000 X 12 months)	R60 000
	Factory Rent (R8 000 X 12 months)	R96 000
	Factory water& electricity (R2 500 X 12)	R30 000
		<b>=R226 000</b>
2.2.4	Direct material cost	R250 000
	Direct labour cost	R500 000
	Factory overheads	R226 000
	<b>Total production cost</b>	<b>R956 000</b>
2.2.5	R956 000/ 500 table	R 1 912 per unit

### ACTIVITY F3

- 3.1
- 3.1.1 Break-even point
  - 3.1.2 Factory overheads
  - 3.1.3 Administration cost
  - 3.1.4 Direct material cost
- 3.2
- 3.2.1  $R\,96\,520 + R20\,540 = R117\,060$  Direct material cost
  - 3.2.2 **Factory overheads**

**R61 780**  
R21 340  
R16 200  
R 8 880  
R15 360

- 3.2.3  $R117\,060 + R150\,200 + R61\,780 = R329\,040$

### ACTIVITY F4

- 4.1
- 4.1.1 False
  - 4.1.2 True
  - 4.1.3 True
- 4.2
- 4.2.1  $R548\,410 + R247\,500 = R895\,910$  **Total Fixed Cost**
  - 4.2.2  $R895\,910 / R10$  (R21,75-11,75)  
**89 591 units**
  - 4.2.3  $R1\,298\,375 / R11,75 = 110\,500$  units
  - 4.2.4  $R548\,410 / 110\,500 = R4,96$  per unit
  - 4.2.5  $R247\,500 / 110\,500 = R2,24$  per unit
  - 4.2.6  $R1\,298\,375 - R607\,750 - R182\,325 = R508\,300$
  - 4.2.7  $R607\,750 + R508\,300 = R1\,116\,050$



## ACTIVITY F5

5.1

- 5.1.1 D
- 5.1.2 E
- 5.1.3 A
- 5.1.4 B
- 5.1.5 C

5.2

5.2.1 **Direct labour cost (R233 575+50 925) =R284 500**

**\*\*1570 hours X R30= R47 100**

**85 hours X R45= R3 825**

5.2.2 **Factory overheads costs**

**R292 200**

Factory maintenance

R 11 000

Factory water and electricity (48 000 X 3/4)

R 36 000

Indirect material

R 25 400

Salary: supervisor

R 81 450

Factory rent (160 000 X 0.70)

R112 000

Indirect labour

R 25 550

5.2.3 R372 000+R284 500= R656 500 Prime cost

5.2.4 R656 500+R292 200=R848 700 Total production cost

5.2.5 R372 000/1200 blankets=R310 per unit

## BUDGET

### ACTIVITY G1

1.1

1.1.1 **Define the term Budget**

It is a detailed financial plan for acquiring using cash and physical resources over specific period

1.1.2 **Explain why it is important to prepare a budget.**

- To estimate the receipts and payments
- To calculate the future bank balance
- Calculate surplus/deficit

1.1.3 **Outline the difference between Zero-based budget and incremental budget.**

• **Zero-based budget**

It is prepared each year from the scratch with on reference to any previous budget and do calculations according to current needs.

• **Incremental budget** refers to the traditional budget for current period, start with previous year budget and it is based on the influence of inflation.

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 False

1.2.2 True

1.2.3 False

1.2.4 False

## ACTIVITY G2

2.1

Transactions	Income	Receipts	Payments	Expenses
Money deposited by client for service rendered.		X		
Credit sales to loyal customers	X			
Purchases of stock paid visa EFT			X	

Telephone account reflects the amount due for a month				<b>X</b>
Rent expense paid			<b>X</b>	

### ACTIVITY G3

3.1

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

- **Medium term** budget planning for a period up to twelve months
- **Long term** budget planning for a period more than twelve months

3.2

Transactions	Income	Receipts	Payments	Expenses
Total sales for a month R69 250 and 80% are cash sales.	R69 250	R5 544		
Bought An equipment for R6000 only paid R4 500 the last instalment to be paid the following month			R4 500	R1 500
R24 000 loan from the bank at 10% p.a. interest payable monthly		R24 000		R200

### ACTIVITY G4

4.1  $R297\ 000 \times 105/100 = 311\ 850$

4.2  $R15\ 000 \times 110/100 = 16\ 500$

4.3  $R64\ 949 \times 100/107 = 60\ 700$

4.4  $R20\ 000 \times 92/100 = 18\ 400$

4.5 Surplus it is when total payments are less than total receipts and deficit it is when total payments are more than total receipts.

### ACTIVITY G5 BUDGETS

#### 5.1 CALCULATE THE FOLLOWING:

5.1.1	<b>Total Transport Cost for the learners</b>  $450 \times 10 = R4\ 500$
5.1.2	<b>Cost of accommodation for the learners</b>  $5\ \text{rooms} \times 300 = R1\ 500$
5.1.3	<b>Cost of accommodation for the teachers</b>  $2\ \text{rooms} \times R250 = R500$
5.1.4	<b>Total cost of accommodation for teachers and learners</b>  $1\ 500 + 500 = 2\ 000$

5.1.5	<b>Cost for the visit to the museum and the snake park</b> (12 persons x 20) less 10% discount $240 - 24 = \text{R } 216$
5.1.6	<b>Total costs for all meals for the group</b> $12 \text{ persons} \times 120 = \text{R } 1\,440$ (Teachers 240 + learners 1 200)
5.1.7	<b>Total costs for the tour</b> Transport + accommodation + visits + meals = Total costs $4500 + 1500 + 500 + 216 + 1440 = \text{R } 8156$
5.1.8	<b>Cost per learner for the tour</b> $8156 - (500 + 240 + 36) / 10 \text{ pupils}$ $8156 - 776 / 10 \text{ pupils} \quad \text{OR} \quad 4\,500 + 1\,500 + 180 + 1\,200 = 7\,380$ $7380/10 = \text{R } 738 \text{ per pupil}$

## 5.2

5.2.1	<b>Should Mpande go ahead with her plan?</b> No. This is unethical. Negotiating a discount for learners and concealing the information from them with the hope of using it for personal gain is a criminal offence
5.2.2	<b>What consequences could Mpande face if she goes ahead with the plan</b> <ul style="list-style-type: none"> <li>• She could be charged with fraud</li> <li>• She could be suspended from work</li> <li>• She would have to pay back the money</li> </ul>