



KWAZULU-NATAL PROVINCE

EDUCATION
REPUBLIC OF SOUTH AFRICA

**NATIONAL
SENIOR CERTIFICATE**

GRADE 10

ACCOUNTING

COMMON TEST

SEPTEMBER 2024

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MARKS: 100

TIME: 1½ Hours

**This question paper consists of 8 pages and a
5-page Special Answer Book.**



INSTRUCTIONS AND INFORMATION

1. You are provided with a question paper and an **SPECIAL ANSWER BOOK**.
2. This question paper comprises **THREE** compulsory questions.
Answer **ALL** the questions.
3. Use the format provided in the answer book in order to reflect your answers.
4. Where applicable-workings must be shown in order to achieve part-marks.
5. Non-programmable calculators may be used. Round off to **ONE** decimal place where necessary.
6. You may use dark pencil or blue/black ink to answer the questions.
7. Use the information in the table, below, as a guide when answering the question paper. Try **NOT** to deviate from it.

QUESTION	TOPICS	MARKS	MINUTES
1	Basic Concepts, Statement of Comprehensive Income	50	45
2	Statement of Financial Position : Equity and Liabilities Section	25	22,5
3	Interpretation of Financial Information	25	22,5
TOTAL		100	90

QUESTION 1: STATEMENT OF COMPREHENSIVE INCOME (50 marks; 45 minutes)**1.1 CONCEPTS**

Choose the correct term to complete each of the following statements. Write only the term next to the question numbers (1.1.1 to 1.1.4) in the ANSWER BOOK.

trade and other payables; operating income; financial asset;
operating expense; current liabilities

1.1.1 The portion of the loan which will be paid during the following financial period will be recorded as ... in the statement of financial position.

1.1.2 A fixed deposit which will only mature in two years will be recorded as a/an ... in the statement of financial position.

1.1.3 An amount received from a debtor whose account has been previously written off is treated as ... in the statement of comprehensive income

1.1.4 An accrued expense will be recorded under ... in the statement of financial position.

(4)

1.2 NABI TRADERS

The information relates to NABI TRADERS; the financial year ended on 29 February 2024.

REQUIRED:

1.2.1 Prepare the Statement of Comprehensive Income for the financial year ending 29 February 2024.

(46)

INFORMATION:**A. Extract from the Pre-adjustment trial balance on 29 February:**

BALANCE SHEET ACCOUNTS SECTION	2024 (R)	2023 (R)
Capital Account	10 150 000	8 800 000
Drawings	2 100 400	
Mortgage loan: Westside Bank	3 040 000	
Land and Buildings	5 600 000	5 600 000
Vehicles	5 000 000	3 800 000
Accumulated Depreciation on Vehicles	102 000 ?	960 000
Fixed deposit: Westside Bank	720 000	560 000
Debtors' control	458 650	
Creditor's control	166 800	
NOMINAL ACCOUNTS SECTION		
Sales	13 284 000	
Cost of sales	7 380 000	
Salaries and wages	1 442 000	
Stationery	98 736	
Insurance	186 000	
Rent income	370 944	
Interest on fixed deposit	49 600	
Marketing expenses	276 000	
Motor expenses	98 400	
Bad debts	66 720	
Bad debts recovered	15 400	
Depreciation	?	
Interest on loan	493 476	

B. Adjustments not considered yet:

- Goods are sold at a mark-up of 80% on the cost price. Discount for damaged goods sold during the year amounted to R58 400. No entry has been made for the discount.
- Stationery to the value of R 90 400 was **used** during the year.
- Included in the amount for insurance was a yearly premium of R 22 080 paid on 1 December 2023 for the year ending 30 November 2024.
- One worker was not paid his salary for February 2024. His details are as follows:

Deductions	Net salary	Employer's contributions
R 22 400	R 58 000	R15 200

NOTE: Contributions are recorded in the salaries and wages account.

- (v) Rent was received until 30 April 2024. The monthly rent was increased by R 3 024 per month starting on 1 November 2023.
- (vi) The fixed deposit at Westside Bank was increased by R160 000 on 1 June 2023 at the existing rate of 8% p.a. The transaction was recorded. Make provision for the outstanding interest. Interest is not capitalised.
- (vii) The new vehicle for R 1 200 000 was bought on 1 September 2023. The relevant entries were correctly recorded. Provide for depreciation on vehicles at 20% p.a. using carrying value method.
- (viii) 25% of the motor expenses are still outstanding.
- (ix) R 6 680 was received from a debtor whose account was written off the previous year. The relevant entries were not made for this.
- (x) An account of a debtor who has left the country to Eswatini must be written off R33 740.
- (xi) The loan from Westside Bank was taken out on 1 July 2022. The loan will be repaid over ten years in equal monthly instalments. Repayments were made from the end of July 2022, and all payments (including interest) were paid and recorded.

QUESTION 2: STATEMENT OF FINANCIAL POSITION (25 marks; 22,5 minutes)**2.1 NTANZI STORES**

The information relates to the financial year ended on 30 June 2024.

REQUIRED:

- 2.1.1 Complete the Equity and Liability Section in the Statement of Financial Position on 30 June 2024. (25)

NOTE:

- Show workings in brackets to earn part marks.
- Some amounts have been entered in the ANSWER BOOK.
- Do not write on shaded spaces in the ANSWER BOOK.

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

	2024 (R)	2023 (R)
Capital Account	14 125 500	
Drawings	655 000	
Mortgage loan: Marburg Bank		3 985 000
Fixed assets (carrying value)		
Fixed deposit		
Trading stock	2 024 500	
Debtors control	942 460	
Bank (overdraft)	53 540	
Creditors control	1 962 260	
Prepaid expense	16 500	
SARS : Pay As You Earn	33 500	
Pension Fund	11 450	
Medical Aid	21 350	
Accrued expense or expenses payable	28 400	
Income received in advance or Deferred income	68 000	

Additional Information

- (i) Information from the loan statement received from Marburg Bank:

Balance on 1 July 2023	R 3 985 000
Total Repayments included interest of (R 310 000) were made during the year. Interest on the loan is capitalised	R 540 000
Balance on 30 June 2024	R3 755 000

Note: The current portion of the loan will be increased by R95 000 in the next financial year.

- (ii) The net profit for the year end on 30 June 2024 amounted to R 4 122 000.
- (iii) The owner withdrew stock with a selling price of R 56 000 for personal use. Ntanz Stores always uses 60% mark – up. No entries were made.

QUESTION 3: INTERPRETATION OF FINANCIAL INFORMATION (25 marks; 22,5 minutes)**MATHANGETSHITSHI TRADERS**

The information relates to the financial year ended on 29 February 2024.

REQUIRED:

NOTE: Provide figures, trends, financial indicators or calculations in EACH case to support your comments and explanations.

- 3.1 The business total sales increased from 2023 to 2024 and the operating activities have been better controlled in 2023.
- Quote and explain TWO financial indicators, which indicate better control over operating activities. (6)
 - Quote and explain ONE relevant indicator, which directly contributed to the increase in sales. (3)
- 3.2 Comment on the liquidity position of the business. Quote TWO financial indicators with trends and figures. (8)
- 3.3 Comment on the degree of solvency. Quote ONE financial indicator with trends and figures. (3)
- 3.4 Will the owner of the business be satisfied with the return he is earning in his business?
- Explain, by quoting ONE relevant financial indicator with figures and trends to support your opinion. (5)

INFORMATION:**A. Financial indicators calculated on 29 February:**

	2024	2023
Mark-up % achieved	55%	70%
% Operating expenses on sales	17,3%	21,2%
% Operating profit on sales	22,1%	16,5%
% Net profit on sales	17,2%	13,9%
Current ratio	2,3:1	1,7:1
Acid test ratio	1,4:1	1,0:1
Solvency ratio	3,0:1	2,4:1
% Return on average owners equity	25,1%	26,7%
Interest rate on fixed deposit	8%	8%

25**TOTAL MARKS: 100**

Annexure A**FORMULA SHEET FOR GRADE 10**

$\frac{\text{Gross profit}}{\text{Sales}} \times \frac{100}{1}$	$\frac{\text{Gross profit}}{\text{Cost of sales}} \times \frac{100}{1}$	$\frac{\text{Net profit}}{\text{Sales}} \times \frac{100}{1}$
$\frac{\text{Operating expenses}}{\text{Sales}} \times \frac{100}{1}$	$\frac{\text{Operating profit}}{\text{Sales}} \times \frac{100}{1}$	
Current assets : Current liabilities		Current Assets - Inventory : Current liabilities
$\frac{\text{Net profit}}{\text{Average equity}} \times \frac{100}{1}$	Total assets : Total liabilities	





KWAZULU-NATAL PROVINCE

EDUCATION

REPUBLIC OF SOUTH AFRICA

Examiner: Shabangu V.E

Date: 13/09/2024

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ACCOUNTING

SEPTEMBER 2024

MARKING GUIDELINES

MARKS: 100

MARKING PRINCIPLES: Stanmorephysics.com

1. Unless otherwise stated in the marking guideline, penalties for foreign items are applied only if the candidate is not losing marks elsewhere in the question for that item (no penalty for misplaced item). No double penalty applied.
2. Penalties for placement or poor presentation (e.g. details) are applied only if the candidate is earning marks on the figures for that item.
3. Full marks for correct answer. If answer incorrect, mark the workings provided.
4. If a pre-adjustment figure is shown as a final figure, allocate the part-mark for the working for that figure (not the method mark for the answer). Note: if figures are stipulated in memo for components of workings, these do not carry the method mark for final answer as well.
5. Unless otherwise indicated, the positive or negative effect of any figure must be considered to award the mark. If no + or – sign or bracket is provided, assume that the figure is positive.
6. Where indicated, part-marks may be awarded to differentiate between differing qualities of answers from candidates.
7. This memorandum is not for public distribution, as certain items might imply incorrect treatment. The adjustments made are due to nuances in certain questions.
8. Where penalties are applied, the marks for that section of the question cannot be a final negative.
9. Where method marks are awarded for operation, the marker must inspect the reasonableness of the answer and at least one part must be correct before awarding the mark.
10. Operation means 'check operation'. 'One part correct' means operation and one part correct. Note: check operation must be +, -, x, ÷, or per memo.
11. In calculations, do not award marks for workings if numerator & denominator are swapped – this also applies to ratios.
12. In awarding method marks, ensure that candidates do not get full marks for any item that is incorrect at least in part. Indicate with a ☒.
13. Be aware of candidates who provide valid alternatives beyond the marking guideline.
14. Codes: f = foreign item; p = placement/presentation.

These marking guidelines consist of 5 pages.

QUESTION 1

1.1

1.1.1	Current liabilities / CL✓
1.1.2	Financial assets / FA✓
1.1.3	Operating income / OI✓
1.1.4	Trade and other payables/ TOP✓

4

1.2 .1 NABI TRADERS

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 29 FEBRUARY 2024

Sales (13 284 000✓ – 58 400✓)		13 225 600*✓
Cost of sales		(7 380 000) ✓
Gross profit	operation 5	5 845 600*✓
Other income	operation	336 576✓
Rent income (370 944✓ – 56 448✓✓)		314 496*✓
Bad debts recovered (15 400 ✓ + 6 680✓)		22 080✓
	8	
Gross operating income		6 182 176
Operating expenses	operation	(2 993 100)*✓
Salaries and wages (1 442 000✓ + 95 600✓✓✓) or (80 400+15200) 2 marks 1 mark		1 537 600*✓
Stationery (98 736✓ – 8 336✓)	operation	90 400✓
Insurance (186 000✓ – 16 560✓✓)		169 440*✓
Marketing expenses		276 000
Motor Expenses (98 400✓ + 32 800✓✓)		131 200*✓
Bad debts (66 720✓ + 33 740✓)		100 460✓
Depreciation (120 000✓✓ + 568 000 ✓✓)	25	688 000*✓
Operating profit	operation OI – OE	3 189 076*✓
Interest income (49 600✓ + 4 800✓✓)		54 400#✓
Profit before interest expense		3 234 476*✓
Interest expense		(493 476) ✓
Net profit for the year	operation 8	2 750 000*✓

#✓ workings according to learner

*operation one part corrects

Total Marks

50

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QUESTION 2

2.1

STATEMENT OF FINANCIAL POSITION OF NTANZI STORES 30 JUNE 2024

ASSETS		
NON CURRENT ASSETS		
Fixed assets		
Fixed Deposit		
CURRENT ASSETS		
Inventory		
Trade and other Receivables		
Cash and cash equivalents		
TOTAL ASSETS		
EQUITY AND LIABILITIES		
OWNER,S EQUITY operation		17 557 500✓
Capital account (14 125 500✓ + 4 122 000✓ – 690 000✓✓✓) Stanmorephysics.com 655 000+ 35 000 or 655 000 one mark +35 000 two marks		17 557 500*✓
NON-CURRENT LIABILITIES operation		3 430 000✓
Loan (3 755 000✓ – ✓✓325 000✓✓) 230 000+95 000 one mark each		3 430 000*✓
CURRENT LIABILITIES operation		2 503 500✓
Trade and other payables (1 962 260✓ + 33 500✓ + 11 450✓ + 21 350 ✓+ 28 400✓ + 68 000✓)		2 124 960*✓
Current portion of loan		✓✓325 000✓✓ See Loan above
Bank overdraft		✓53 540✓
TOTAL EQUITY AND LIABILITIES operation		✓23 491 000✓✓

*Operation one part corrects

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Total Marks

25

25

QUESTION 3

3.1.

The business total sales increased from 2023 to 2024 and the operating activities have been better controlled in 2023.

- Quote and explain TWO financial indicators, which indicate better control over operating activities.
- Quote and explain ONE relevant indicator, which directly contributed to the increase in sales.

Relevant Financial Indicators ✓ ✓ trends ✓ ✓ figures ✓ ✓

Operating expenses on sales decreased from 21,2% to 17,3% / by 3,9%

And

Operating profit on sales increased from 16,5% to 22,1% / by 5,6%

Or

Net profit on sales increased from 13,9% to 17,2%/ by 3,3%

Relevant Financial Indicator ✓ trends ✓ figures ✓

Reduced the selling price Mark up % achieved was decreased from 70% to 55% /by 15%

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3.2

Comment on the liquidity position of the business. Quote TWO financial indicators with trends and figures

Relevant Financial Indicators ✓ ✓ trends ✓ ✓ figures ✓ ✓

Current ratio increased from 1,7:1 to 2,3:1

Acid test ratio increased from 1,0:1 to 1,4:1

General comment ✓✓ Accept any other valid comment

The business is in good liquidity position/ there are no liquidity problems/ the business will be able to pay its short term debts/ the business does not rely on stock to pay for current liabilities

8

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3.3

Comment on the degree of solvency. Quote ONE financial indicator with trends and figures

Relevant Financial Indicator ✓ trends ✓ figures ✓

Solvency ratio increased from 2,4:1 to 3,0:1. The business is solvent.

3

3.4

**Will the owner of the business be satisfied with the return he is earning in his business?
 Explain, by quoting ONE relevant financial indicator with figures and trends to support your opinion**

Relevant Financial Indicator ✓ trends ✓ figures ✓

Comparison: ✓ ✓ Decision will be implied by figures when compared with interest rate on fixed deposit

Return on Average owner's equity decreased from 26,7% to 25,1% / by 1,6% however it is still above 8% interest rate on fixed deposits

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Total Marks	25
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TOTAL MARKS: 100