



education

Department:
Education
North West Provincial Government
REPUBLIC OF SOUTH AFRICA

PROVINCIAL ASSESSMENT

GRADE 10

**ACCOUNTING P.1
NOVEMBER 2024**

MARKS: 150

TIME: 2 hours



**This question paper consists of 9 pages, a formula sheet
and a 9-pages answer book.**

INSTRUCTIONS AND INFORMATION

Read the following instructions carefully and follow them precisely.

1. Answer ALL the questions.
2. A special ANSWER BOOK is provided in which to answer ALL questions.
3. A Financial Indicator formula sheet is attached at the end of this question paper. You may use it if necessary.
4. Show ALL workings to earn part-marks.
5. You may use a non-programmable calculator.
6. You may use a dark pencil or blue/black ink to answer questions.
7. Where applicable, show ALL calculations to ONE decimal point.
8. Write neatly and legibly.
9. Use the information in the table below as a guide when answering the question paper. Try NOT to deviate from it.

QUESTION	TOPIC	MARKS	MINUTES
1	Accounting concepts and equation	25	20
2	Statement of Comprehensive income	50	40
3	Statement of financial position and notes	45	36
4	Analysis and interpretation	30	24
TOTAL		150	120

QUESTION 1: ACCOUNTING CONCEPT AND EQUATION (25 marks; 20 minutes)

- 1.1 Match the description in column A with the word in column B. Write down only the letter (A-F) from column B next to the number (1.1.1 to 1.1.5) on the answer sheet. (5)

COLUMN A	COLUMN B
1.1.1 Business entity	A. Income and expenses must be reflected against each other in the same financial period.
1.1.2 Historical Cost	B. Financial information is recorded in a conservative manner.
1.1.3 Matching principal	C. All assets are recorded at their cost price.
1.1.4 Going concern	D. Financial information prepared with the understanding that a business will continue in the future.
1.1.5 Prudence	E. Transaction with an insignificant effect on the outcome of the results of the business will not be recorded if money is involved.
	F. Financial affairs of a business are kept entirely separate from the financial affairs of its owners.

- 1.2 The information below relates to **Mabudi Stores**. Transactions were taken from their **February 2024** records. (20)

REQUIRED:

Analyse each transaction according to the table in the Answer book.
Indicate an increase with a + and a decrease with a - and no effect with a 0.

Example: Made an EFT payment to Lakeside Stationers for R500.

No	Account Debited	Account Credited	Amount	Assets	Owner's Equity	Liabilities
e.g.	Stationery	Bank	500	-	-	0

TRANSACTIONS:

- 1.2.1 Received R 600 from A. April, a debtor in payment of his account.
1.2.2 Donated goods to an Orphanage amounting to R5 000.
1.2.3 Sold goods for cash, R30 000. The business applies a 50% mark-up policy.

QUESTION 2: Statement of Comprehensive Income (50 marks; 40 minutes)

MARUPING DEALERS

REQUIRED:

The information relates to the accounting records of Maruping Dealers for the year ended 31 August 2024. Take the information into account and complete the Income Statement. (50)

INFORMATION:

A. MARUPING DEALERS TRIAL BALANCE FOR THE YEAR ENDED 31 AUGUST 2024

	Debit	Credit
BALANCE SHEET SECTION		
Capital		955 000
Drawings	65 860	
Land and buildings	650 000	
Vehicles	345 000	
Equipment	60 000	
Accumulated depreciation on Vehicles		28 125
Accumulated depreciation on Equipment		8 700
Fixed Deposit: BASA Bank (8.5 % p.a.)	50 000	
Trading inventory	33 320	
Debtors control	23 500	
Bank	7 500	
Creditors control		51 577
Loan: BFN Bank		239 820
NOMINAL ACCOUNTS SECTION		
Sales		758 413
Cost of sales	500 000	
Debtors allowances	12 435	
Rent income		31 300
Interest on fixed deposit		2 125
Discount received		560
Bad debts	1 250	
Salaries	114 000	
Telephone	7 490	
Water and electricity	5 350	
Stationery	3 210	
Advertising	6 346	
Insurance	3 250	
Interest on loan	?	
Discount allowed	789	

B. Adjustments and additional information:

1. Donated goods, R525, to the local nursery school. No entry for this transaction has been made.
2. On the last day on the financial year, a physical stock taking revealed the following:
 - Inventory on hand R31 590
 - Stationery to the value of R2 820 was used during the year.
3. The Fixed deposit was invested on 1 September 2023 at BASA Bank. The interest on the fixed deposit has been received for six months only.
4. The account of a debtor D Ponti amounting to R900 must be written off as irrecoverable.
5. The loan statement received from Derby bank on 31 August 2024 reflected the following:

	R
Balance at the beginning of the financial year	262 000
Repayments during the year (including interest)	51 000
Interest capitalised	?
Balance at the end of the financial year	239 820

6. Rent has been received for thirteen months. Take into account that the rent was increased by R250 per month from 1 July 2024.
7. The telephone account for August 2024 has been received but not yet paid, R405.
8. An annual insurance premium of R1 140 was paid on 31 March 2024.
9. The business's policy on depreciation states the following:
 - Depreciation on vehicles is calculated at 15% p.a. on the cost price method. Take into account that a new vehicle, with a cost of R120 000, was purchased on 1 May 2024 and entered into the books.
 - Depreciation on equipment must be provided for at 10% p.a. according to the diminishing balance method.

QUESTION 3: BALANCE SHEET AND NOTES (45 marks; 36 minutes)

3.1 Indicate whether the following statements are TRUE or FALSE. Write only the words true or false next to the question numbers (3.1.1 to 3.1.4) in the ANSWER BOOK.

3.1.1. When the total assets of a business exceed its total liabilities, the business is considered insolvent.

3.1.2. The percentage return on owner's equity indicates the owner's return on his investment.

3.1.3. The profitability indicates how efficient a business is.

3.1.4. Gross profit on cost of sales is calculated to verify mark-up.

3.1.5. Current liabilities must always be higher than current assets. (5)

3.2 MPHOENTLE STORE

You are provided with the information of MPHOENTLE STORE for the financial year ended 28 February 2024

REQUIRED:

3.2.1 Prepare the following notes to the Statement of Financial Position for the year ended 28 February 2024:

(a) Inventories (3)

(b) Trade and other receivables (5)

(c) Cash and cash equivalents (3)

(d) Trade and other payables (9)

3.2.2 Complete the Statement of Financial Position (**BALANCE SHEET**) on 28 February 2024 (20)

INFORMATION

A. Extracted from the General Ledger on 28 February 2024.

	R
Capital	1 030 000
Drawings	125 000
Loan from Star Bank	350 000
Fixed assets (carrying value on 28 February 2024)	1 191 200
Fixed deposit: Top Bank	120 000
Trading stock	310 000
Debtors control	48 700
Bank overdraft	64 700
Petty cash	1 200
Creditors for salaries	16 000
SARS – PAYE	3 200
Creditors control	74 800

B. ADDITIONAL INFORMATION:

- i. The following adjustments must be taken into account for the Statement of Financial Position:
 - Amount owed for electricity, R3 900.
 - Commission income received in advance, R15 000.
 - An advertisement costing R14 000 will appear in the newspaper in March 2024. Payment was made and recorded in February 2024.
 - Packing material on hand at year-end per physical count, R7 300.
 - Rent owed by tenant, R8 000.
- ii. The fixed assets include an amount of R182 000 paid to Ace Builders for building a storeroom (R150 000) and repairs to the roof of the shop (R32 000). The error must be corrected.
- iii. R25 000 of the Fixed Deposit at Top Bank matures on 31 May 2024.
- iv. A direct transfer of R15 000 was made from the bank account to settle the monthly repayment of the loan from Star Bank on 28 February 2024 but no entry has been made in the books.

QUESTION 4: Analysis and interpretation (30 marks; 24 minutes)

TS GALAXY

The following information was extracted from the accounting records of TS GALAXY traders the business owned by Mondii Langa which is selling sporting equipments in the North West Province.

REQUIRED:

4.1 Calculate the following ratios/financial indicators for the year ended 30 June 2024. Show all calculations and round-off to the nearest **ONE** decimal.

- 4.1.1 Solvency ratio (6)
- 4.1.2 Current ratio (3)
- 4.1.3 Acid test ratio (4)
- 4.1.4 Return on average owners' equity (4)
- 4.1.5 Operating expenses on sales (3)

4.2 Comment on the liquidity position of the business, quote TWO financial indicators to support your comment. **Refer to information 3.** (6)

4.3 The owner is satisfied with the return he is earning in the business, explain by quoting ONE financial indicator to support your answer. (4)

NOTE: Provide figures or financial indicators (ratio or percentages) and comparison with the previous year to support comments or explanations.

INFORMATION:

A. Extract from Income Statement 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

B. Extract from the Balance Sheet as at 30 June 2024

	2024	2023
Fixed assets 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
Noncurrent liabilities	818 750	625 000
Current liabilities	368 750	400 000

C. FINANCIAL INDICATORS:

	2024	2023
Mark-up % achieved	58%	72%
Operating profit on sales	22%	17.5%
Net profit on sales	19%	16.2%
Operating expenses on sales	?	19.4%
Current ratio	?	2,9 : 1
Acid test ratio	?	0.9 : 1
Solvency ratio	?	3,3 : 1
Return on owners' equity	?	17,8%
Interest(rate) on fixed deposit	12%	12%



GRADE 10 ACCOUNTING FINANCIAL INDICATOR FORMULA SHEET		
$\frac{\text{Gross profit}}{\text{Sales}} \times \frac{100}{1}$	$\frac{\text{Gross profit}}{\text{Cost of sales}} \times \frac{100}{1}$	$\frac{\text{Net profit}}{\text{Sales}} \times \frac{100}{1}$
$\frac{\text{Operating expenses}}{\text{Sales}} \times \frac{100}{1}$	$\frac{\text{Operating profit}}{\text{Sales}} \times \frac{100}{1}$	
Current assets : Current liabilities	(Current assets – Inventories) : Current liabilities	
(Trade and other receivables + Cash and cash equivalents) : Current liabilities		
$\frac{\text{Net profit}}{\text{Owner's equity}} \times \frac{100}{1}$	Total assets : Total liabilities	





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**ACCOUNTING P1
NOVEMBER 2024
SPECIAL ANSWER BOOK**

QUESTION	MARKS AWARDED	MARKS	INITIAL	MODERATOR
1	25			
2	50			
3	45			
4	30			
TOTAL	150			

This answer book consists of 9 pages.

QUESTION 1:

1.1. CONCEPTS

1.1.1	
1.1.2	
1.1.3	
1.1.4	
1.1.5	

5

1.2 ACCOUNTING EQUATION

NO	ACCOUNT DEBITED	ACCOUNT CREDITED	AMOUNT	ASSETS	OWNERS EQUITY	LIABILITIES
e.g.	Stationary	Bank		-	-	0
1.2.1		DEBTORS CONTROL				
1.2.2	DONATIONS					
1.2.3						

20

Total marks
25



QUESTION 2

2.1	MARUPINGDEALERS		
	INCOME STATEMENT FOR THE YEAR ENDED 31 AUGUST 2024		
	Gross Profit		
	Operating Income		
	Gross operating income		
	Operating expenses		
	Operating profit		
	Profit before interest expense		
	Net profit for the year		

Total marks
50

QUESTION 3:

3.1 TRUE/ FALSE

3.1.1	
3.1.2	
3.1.3	
3.1.4	
3.1.5	

5

3.2 Statement of Financial Position notes of MPHOENTLE STORES for the year ended 28 February 2024:

(a) INVENTORIES

Trading stock	310 000

3

(b) TRADE AND OTHER RECEIVABLE

Debtors control	48 700

5

(c) CASH AND CASH EQUIVALENT

Petty cash	1 200

3

(d) TRADE AND OTHER PAYABLE

Trade creditors	74 800

9



3.2.2 Statement of financial position for MPOENTLE on FEBRUARY 2024

ASSETS	Note	R
Non-current assets		
Fixed assets		
Current Assets		
TOTAL ASSETS		
EQUITY AND LIABILITIES		
Owner's equity		1 140 800
Capital		1 140 800
Non-current liabilities		
Current liabilities		
TOTAL EQUITY AND LIABILITIES		

Total marks
45

20

QUESTION 4

4.1.1 Solvency Ratio

6

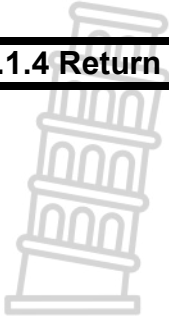
4.1.2 Current Ratio

3

4.1.3 Acid-test ratio

4

4.1.4 Return on average owner's equity



4

4.1.5 Operating expenses on sales

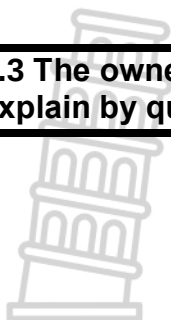
3

4.2 Comment on the liquidity position of the business, quote TWO financial indicators to support your comment



6

4.3 The owner is satisfied with the return he is earning in the business, explain by quoting ONE financial indicator to support your answer.



4

Total marks
30

TOTAL: 150





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ACCOUNTING P1 NOVEMBER 2024 MARKING GUIDELINES

MARKING PRINCIPLES:

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 is 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 the marking guidelines 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. Where penalties are applied, the marks for that section of the question cannot be a final negative.
8. Operation means 'check operation'. 'One part correct' means operation and one part correct. Note: check operation must be +, -, x, ÷, or per memo.
9. 'One part correct' means 'operation and one part correct'. Where method marks are awarded for one part correct, the marker must inspect the reasonableness of the answer and at least one part must be correct before awarding the mark. If a figure has earned a method mark, this will be regarded as 'one part correct'.
10. In calculations, do not award marks for workings if numerator and denominator are swapped – this also applies to ratios.
11. In awarding method marks, ensure that candidates do not get full marks for any item that is incorrect at least in part.
12. Be aware of some candidates who provide valid alternatives beyond the marking guidelines.
Codes: f = foreign item; p = placement/presentation.

These marking guidelines consist of 11 pages

QUESTION 1:

1.1. CONCEPTS

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

5

1.2 ACCOUNTING EQUATION

NO	ACCOUNT DEBITED	ACCOUNT CREDITED	AMOUNT	ASSETS	OWNERS EQUITY	LIABILITIES
e.g	Stationary	Bank	500	-	-	0
1.2.1	BANK ✓	DEBTORS CONTROL	600 ✓	+ ✓ - ✓	0	0
1.2.2	DONATIONS	TRADING STOCK ✓	5000 ✓	- ✓	- ✓	0
1.2.3	BANK ✓	SALES ✓	30000 ✓ ✓	+ ✓	+ ✓	0
	COST OF SALE ✓	TRADING STOCK ✓	20 000 ✓ ✓	- ✓	- ✓	0

20

Total marks
25

QUESTION 2

2.1	MARUPINGDEALERS				
	INCOME STATEMENT FOR THE YEAR ENDED 31 AUGUST 2024				
	Sales (758 413✓ – 12 435✓)	one part correct		745 978	✓
	Cost of Sales			(500 000)	✓
	Gross Profit	check	5	245 978	✓
	operations				
	Operating Income			29 260	✓
	Rent Income (31 300✓ – 2 600✓✓)			28 700	✓
	Discount Received			560	✓
	Gross operating income		7	275 238	✓
	Operating expenses			(188 545)	✓
	Bad debts (1 250✓ + 900✓)	one part correct; check		2 150	✓
	operations				
	Salaries			114 000	✓
	Telephone (7 490✓ + 405✓)	one part correct; check		7 895	✓
	operations				
	Water and electricity			5 350	✓
	Stationery			2 820	✓
	Advertisements			6 346	✓
	Insurance (3 250✓ – 665✓)	one part correct; check		2 585	✓
	operations				
	Discount Allowed			789	✓
	Donations			525	✓
	Trading Stock deficit (33 320✓ – 525✓✓ – 31 590✓)			1 205	✓
	Depreciation (33 750 ✓ + 6 000✓ + 5 130✓)			44 880	✓
	Operating profit	check	29	86 693	✓
	operations				
	Interest Income (2 125 ✓ + 2 125✓)			4 250	✓
	Profit before interest expense	check operations		90 943	✓
	Interest expense (239 820✓ + 51 000✓ – 262 000✓)	check operations		(28 820)	✓
	Net profit for the year	check operations	9	62 123	✓

Total marks

50

QUESTION 3

3.1 TRUE/ FALSE

3.1.1	FALSE✓
3.1.2	TRUE✓
3.1.3	TRUE✓
3.1.4	TRUE ✓
3.1.5	FALSE✓

5

3.2 Statement of Financial Position notes of MPOHENTLE STORES for the year ended 28 February 2024:

(a) INVENTORIES

Trading stock	310 000
Consumable store on hand✓	7 300✓
	317 300☑

3

(b) TRADE AND OTHER RECEIVABLE

Debtors control	48 700
Prepaid expense✓	14 000✓
Accrued income (receivable) ✓	8 000✓
	70 700☑

5

(c) CASH AND CASH EQUIVALENT

Petty cash	1 200
Fixed deposit matured✓	25 000✓
	26 200☑

3

(d) TRADE AND OTHER PAYABLE

Trade creditors	74 800
Income received in advance (deferred) ✓	15 000✓
Accrued expense✓	3 900✓
Creditors for salaries✓	16 000✓
SARS-PAYE✓	3 200✓
	112 900☑

9



3.2.2 Statement of financial position for MPOHENTLE on FEBRUARY 2024

ASSETS	Note	R
Non-current assets		1 254 200 ✓ operation
Fixed assets 1 191 200 – 32 000 ✓	3	1 159 200 ✓ operation
Investments 120 000 ✓ – 25 000 ✓		95 000 ✓
Current assets		414 200 ✓ operation
Inventories see (a)3.2.1	4	317 300 ✓
Trade and other receivables See(b) 3.2.1	5	70 700 ✓
Cash and cash equivalents see (c)3.2.1	6	26 200 ✓
TOTAL ASSETS NCA + CA		1 668 400 ✓
EQUITY AND LIABILITIES		
Owner's equity		1 140 800
Capital balancing figure	7	1 140 800
Non-current liabilities		335 000
Loan from Star Bank 350 000 ✓ – 15 000 ✓		335 000 ✓
Current liabilities		192 600 ✓ operation
Trade and other payables see (d)3.2.1	8	112 900 ✓
Current portion of loan		15 000 ✓
✓ Bank overdraft 64 700		64 700 ✓
TOTAL EQUITY AND LIABILITIES OE + NCL + CL		1668 400 ✓

20

Total marks
45

QUESTION 4

4.1.1 Solvency Ratio

$$2\,250\,000\checkmark + 150\,000\checkmark + 1\,287\,500\checkmark) : (818\,750\checkmark + 368\,750\checkmark)$$

$$3\,687\,500 : 1\,187\,500$$

(3 marks)

(2 marks)

$$3,1 : 1\checkmark$$

One part mark

6

4.1.2 Current Ratio

$$1\,287\,500\checkmark : 368\,750\checkmark$$

$$3,5 : 1\checkmark$$

One part mark

3

4.1.3 Acid test ratio

$$(1\,287\,500\checkmark - 300\,000)\checkmark : 368\,750\checkmark$$

$$987\,500 : 386\,750$$

(2marks)

(1 marks)

$$2.6 : 1\checkmark$$

One part mark

4

4.1.4 Return on average owner's equity

$$\frac{525\,000\checkmark}{(1\,475\,000\checkmark + 2\,500\,000\checkmark) \frac{1}{2}} \times \frac{100}{1}$$

$$26,4\%\checkmark$$

One part mark

4

4.1.5 Operating Expenses on sales

$$\frac{700\,000\checkmark}{1\,875\,000\checkmark} \times \frac{100}{1}$$

37,3%☒

3

4.2 Comment on the liquidity position of the business, quote TWO financial indicators to support your comment

Relevant financial indicator with figures✓✓

Comment✓✓

- Current Ratio decreased from 2,9 : 1 to 2,0 : 1 *by* 0,9
- Acid test ratio increased from 0,9 : 1 to 1,2 : 1 *by* 0.3

General comment :

Liquidity position indicates that the business can pay its current liabilities using current assets /there are no liquidity problems/the business does not rely on stock.

6

4.3 The owner is satisfied with the return he is earning in the business, explain by quoting ONE financial indicator to support your answer.

Relevant financial indicator with figures ✓✓

Compare with interest rate on fixed deposit ✓✓

- Return on Equity increased from 17,8% to 20.8% by 3%

Compare with interest rate on fixed deposit

- This is above the interest rate on fixed deposit at 12%

4

Total marks

30

