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Department:
Education
North West Provincial Government
REPUBLIC OF SOUTH AFRICA

PROVINCIAL ASSESSMENT

GRADE 11

ACCOUNTING P2

JUNE 2024

MARKS: 150

TIME: 2 hours

This paper consists of 10 pages,
a formula sheet and an 8-page answer book.

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INSTRUCTIONS AND INFORMATION

Read the following instructions carefully and follow them carefully.

1. Answer ALL the questions.
2. A special ANSWER BOOK is provided in which to answer ALL questions.
3. A Financial Indicators Formula Sheet is attached at the end of this question paper.
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	Bank reconciliation	45	30
2	Creditor reconciliation	20	20
3	Fixed assets	50	40
4	Accounting equation	35	30
TOTAL		**150**	**120**

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QUESTION 1: BANK RECONCILIATION (45 marks; 30 minutes)

1.1 MULTIPLE CHOICE QUESTIONS

Various options are provided as possible answers to the following questions. Analyse the Bank Reconciliation Statement below and choose the correct answer and write only the letter (A-D) next to the question numbers (1.1.1 to 1.1.5). (5)

INFORMATION:

Bank reconciliation statement as on 31 May 2024

Dt balance according to bank statement		R15 500
Outstanding deposit		R22 000
Outstanding EFTs:	450	R6 500
	452	R500
Dt correction of error		R4 820
Ct correction of error		R840
Balance according to the bank account		R?

1.1.1 The correct balance according to the bank account above is:

A R4 480 (dt)
B R4 480 (ct)
C R5 160 (dt)
D R5 160 (ct)

1.1.2 A possible reason for the entry for R4 820 is:

A The bank statement shows an amount for another customer.
B The bank statement shows an incorrect amount for interest earned.
C The bank state's banking costs were too high.
D The insurance's debit order went through twice.

1.1.3 A possible reason for the entry for R840 is:

A The bank statement shows an amount for another customer.
B The bank statement shows an incorrect amount for interest earned.
C The bank state's banking costs were too high.
D The insurance's debit order went through twice.

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1.1.4 Which ONE of the following are examples of bank charges?

A ATM charges, cash handling charge, interest on a debit balance
B Interest on overdraft, ATM charges, debit order charges
C Internet banking fee, debit order charges, ATM charges
D Cash handling charge, interest charge, debit order charges

1.1.5 EFT 450 appears correctly on the bank reconciliation statement of May 2024 but was wrongly recorded as R5 600 in the Cash Payments Journal. What entry should be made to correct the error?

A R900 in the Cash Payments Journal
B R900 in the Cash Receipts Journal
C R1 000 in the Cash Payment Journal
D R1 000 in the Cash Receipts Journal

1.2 BANK RECONCILIATION

The information below is taken from the books of Tadima Traders.

REQUIRED:

1.2.1 Calculate the totals in the cash journals on 31 May 2024. (15)

1.2.2 Calculate the correct balance of the bank account on 31 May 2024. (5)

1.2.3 Prepare the bank reconciliation statement on 31 May 2024. (10)

1.2.4 The owner noticed problems depositing cash. Explain THREE measures that he could use to solve these problems. (6)

1.2.5 The charge on credit card sales is 5% of the relevant amount. Calculate the total credit card sales for the month. (3)

1.2.6 Name ONE advantage of using electronic funds transfers (EFT). (1)

INFORMATION:

A. The preliminary totals in the cash journals, before receiving the bank statement for May 2024:

Cash Receipts Journal:	R405 600
Cash Payment Journal:	R384 450

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B. Bank reconciliation statement on 30 April 2024

Favourable balance according to the bank statement		R10 650
Outstanding deposit	Dated 10 April 2024	R9 300
	Dated 25 April 2024	R17 000
Outstanding EFT:	205	R12 800
	206	R3 750
Favorable balance according to the bank account		R20 400

NOTE:

When comparing the May 2024 bank statement, received from TYME Bank, with the April 2024 Bank Reconciliation Statement, the following was noted:

- The outstanding deposit of R17 000 did not appear on the May bank statement. An investigation revealed that the money was never deposited. The cashier cannot explain where the cash is.
- EFT no. 205 is correct on the May bank statement as R18 200.
- The other outstanding amounts from the previous month appeared on the May bank statement.

C. The following transactions on the bank statement of May 2024 do not appear in the journals:

- ATM fees, EFT charges and cash handling charges, R1 380.
- Interest on current account, R350.
- Credit card charge, R2 025.
- A direct deposit from a debtor, T Colby after receiving a 5% discount on outstanding debt of R3 800.
- A direct deposit of R7 500 by K Britz, a tenant.
- A debit order of R3 700 for the monthly telephone bill appeared twice on the Bank Statement. The bank will correct the mistake next month.
- A debit card payment of R1 500 for fuel for the company's vehicle. The owner failed to submit the source document to the bookkeeper.

.

D. The following entries were in the cash journals after the 25 May 2024:

- Deposit dated 28 May 2024 R6 500
- EFT 268 dated 29 May 2024 R2 700
- EFT 269 dated 30 May 2024 R4 300
- Debit card cash withdrawal R2 100

E. The bank statement balance on 31 May 2024 was?

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QUESTION 2: CREDITOR RECONCILIATION (20 marks; 20 minutes)

2.1 EVA TRADERS

Eva Traders receives the statement from their creditor, Yoki Traders, on 25 March 2024. A comparison shows that the balance on the statement does not match that of the accounts payable ledger account.

REQUIRED:

2.1.1 Use the table provided in the Answer Book to indicate the changes that need to be made in the Creditors Control Account and the Account Statement to account for the errors and omissions.

Indicate an increase with a '**+**' and a decrease with a '**–**' with each amount. (14)

2.1.2 Explain TWO points how preparing a creditors' reconciliation as an internal control measure, can assist the business to manage their creditors more effectively. (4)

2.1.3 **Refer to information C number 3.**

Identify the type of rebate granted to Eva Traders on 24 March 2024. (2)

INFORMATION:

A. Creditors ledger of Eva Traders:

Yoki Traders

Date		Details	Fol	Debit	Credit	Balance
March	1	Account rendered	a/b			86 600
2024		Invoice 567	CJ		82 000	168 600
	6	Debit note	CAJ	4 500		164 100
	10	EFT 446	CPJ	52 000		112 100
		Discount	CPJ	4 160		107 940
	20	Invoice 995	CJ		18 500	126 440
	22	EFT 467	CPJ	22 000		104 440
	24	Invoice 584	CJ		40 000	144 440
	28	EFT 471	CPJ	23 000		121 440
		Discount	CPJ	2 300		119 140
	30	Invoice 591	CJ		74 000	193 140

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B. Statement received from Yoki Traders:

YOKI TRADERS
145 Arend Street
25 March 2024

Debtor: Eva Traders
Pigeon Street

Date		Details	Debit	Credit	Balance
Feb	26	Balance			111 600
	28	Receipt 115		25 000	86 600
March	1	Invoice 567	82 000		168 600
	6	Credit note 12	4 500		173 100
	10	Receipt 121		52 000	121 100
		Discount granted		2 600	118 500
	18	Invoice 572	48 000		166 500
	22	Receipt 135		22 000	144 500
	24	Invoice 584	36 000		180 500
	25	Delivery charges	5 500		186 000

C. An investigation revealed that:

1. Yoki Traders has only granted a 5% discount on the payment on the 10 March 2024.
2. Yoki Traders entered the credit note 12 in the wrong column in their records.
3. Eva Traders forgot to deduct the discount Yoki Traders gave on invoice 584.
4. Invoice 995 was for goods that Eva Traders bought from Koki Traders.
5. Invoice 572 was for goods sold by Yoki Traders to Vae Traders.
6. According to the contract, Yoki Traders charge a delivery fee to all their debtors.
7. The statement received from Yoki Traders does not contain any transaction entered into after 25 March 2024. All these transactions were correctly recorded in the books of Eva Traders.

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QUESTION 3: FIXED ASSETS (50 marks; 40 minutes)

3.1 MATCHING ITEMS

Choose a description from COLUMN B that matches item in COLUMN A. Write only the letter (A–E) next to the question numbers (3.1.1 to 3.1.5) in the ANSWER BOOK, e.g. 3.1.6 F.

COLUMN A		COLUMN B	
3.1.1	Caution	A	Method of writing off depreciation on the cost price.
3.1.2	Historical cost	B	Calculate amounts by subtracting accumulated depreciation from the cost price.
3.1.3	Fixed installment	C	Assets must be determined at a realistic value.
3.1.4	Reduced balance	D	Depreciation is calculated on book value.
3.1.5	Book value	E	Asset recorded at its purchase price less trade discount, plus any other accessories.

(5 x 1) (5)

3.2 FIXED ASSETS

The information provided relates to the Non-current assets of LM Traders. The financial year ends on 29 February 2024.

REQUIRED:

3.2.1 Calculate depreciation on equipment and vehicles. (17)

3.2.2 Complete the Asset disposal account to record the sale of equipment. (6)

3.2.3 Complete the Fixed asset note on 29 February 2024. (14)

INFORMATION:

A. Fixed assets note (Note 3):

	Equipment	Vehicles
Carrying value (01/03/23)	50 000	?
Cost price	400 000	300 000
Accumulated depreciation	(350 000)	?

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B. Equipment:

- LM Traders has two photocopy machines which were bought for R200 000 each. Accumulated depreciation on these photocopy machines on 1 March 2023 was R350 000. The business has had these photocopy machines for more than five years, and they are expected to be in productive use for another three years.
- LM Traders bought a new photocopy machine on credit from Cannon for R250 000 on 1 December 2023.
- Depreciation on equipment is calculated at 15% per annum on cost price.

C. Vehicles:

- Nissan MP 200 was bought on 1 March 2021 for R300 000, this van was sold for R220 000 cash on 1 September 2023.
- Two Toyota vans were purchased on 31 May 2023 for R325 000 each, the funds were electronically transferred to the car dealer.
  Alarm systems of R8 000 was installed and license fees of R1 800 were paid.
- Depreciation is calculated on carrying value at a rate of 20% per annum.

3.3 INTERNAL CONTROL OF FIXED ASSETS

3.3.1 Mention TWO points of advice on how to exercise better control over the use of business vehicles. (4)

3.3.2 Explain why it is important to keep an updated asset register that must be up to date. Provide TWO points. (2)

3.3.3 Give ONE reason why a company may decide to sell fixed assets. (2)

50

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QUESTION 4: ACCOUNTING EQUATION (35 marks; 30 minutes)

4.1 AMELIA TRADERS

The information relates to Amelia Traders. The business maintains a fixed mark-up of 25% on cost price and uses the perpetual inventory system.

NOTE: Assume that the bank account shows a positive balance.

REQUIRED:

Analyse the following transactions according to the headings provided in your ANSWER BOOK.

4.1.1	Sell goods on credit, R25 000.	(6)
4.1.2	Buy trade stock for R65 000 minus 5% trade discount. Make an EFT payment to the supplier.	(4)
4.1.3	Pay per EFT to have the goods delivered to the business, R900.	(4)
4.1.4	An electronic bank payment of R20 000 to a creditor was erroneously already booked on 13 February 2024, although the authorization date for the transfer of the funds by the bank is only 30 April 2024.	(4)
4.1.5	An EFT for R534 appeared on the bank statement. The amount entered in the cash journal was R435. The bank statement amount is correct. The EFT had been paid to Mompati CC for trading stock.	(6)
4.1.6	Another EFT was wrongly entered in the CPJ as R999 instead of R99. This EFT had been issued to East Pack for consumables.	(6)
4.1.7	The shop premises were extended at a cost of R160 000. It was paid for and registered. However, the bookkeeper mistakenly debited the amount against Repairs.	(5)

35

TOTAL: 150

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GRADE 11 ACCOUNTING FORMULA SHEET WITH FINANCIAL INDICATORS		
$\frac{\text{Gross Profit}}{\text{Sales}} \times \frac{100}{1}$	$\frac{\text{Gross Profit}}{\text{Cost of Sales}} \times \frac{100}{1}$	$\frac{\text{Net Profit}}{\text{Sales}} \times \frac{100}{1}$
$\frac{\text{Operating Expenses}}{\text{Sales}} \times \frac{100}{1}$	$\frac{\text{Operating Profit}}{\text{Sales}} \times \frac{100}{1}$	
$\frac{\text{Total earnings by Partner}}{\text{Average Partner's Equity}} \times \frac{100}{1}$	$\frac{\text{Net Profit}}{\text{Average Patner's Equity}} \times \frac{100}{1}$	
Current Assets: Current Liabilities	(Current Assets – Inventories): Current Liabillities	
$\frac{\text{Average Debtors}}{\text{Credit Sales}} \times \frac{365 \text{ or } 12}{1}$	$\frac{\text{Average Creditors}}{\text{Credit Purchases or Cost of Sales}} \times \frac{365 \text{ or } 12}{1}$	
$\frac{\text{Average Inventories}}{\text{Cost of Sales}} \times \frac{365 \text{ or } 12}{1}$	$\frac{\text{Cost of Sales}}{\text{Average Inventories}}$	
Non-Current Liabillities: Partners' Equity	Total Assets: Total Liabilities	

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PROVINCIAL ASSESSMENT

GRADE 11

ACCOUNTING P2

JUNE 2024

ANSWER BOOK

NAME OF LEARNER: _____

QUESTION	MARKS	INITIAL	MODERATOR
1	45		
2	20		
3	50		
4	35		
TOTAL	150		

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QUESTION 1: BANK RECONCILIATION (45 marks; 30 minutes)

1.1 MULTIPLE CHOICE QUESTIONS

1.1.1		
1.1.2		
1.1.3		
1.1.4		
1.1.5		5

1.2 BANK RECONCILIATION

1.2.1 Calculate the totals in the cash journals on 31 May 2024.

CASH RECEIPTS JOURNAL	CASH PAYMENTS JOURNAL	
	384 450	
		15

1.2.2	Calculate the correct balance of the bank account on 31 May 2024.	
		5

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1.2.3	Prepare the bank reconciliation statement on 31 May 2024.		
		Debit	**Credit**

10

OR

1.2.3	Prepare the bank reconciliation statement on 31 May 2024.	

10

1.2.4	The owner noticed problems depositing cash. Explain THREE measures he could use to solve these problems.

6

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1.2.5	**The charge on credit card sales is 5% of the relevant amount. Calculate the total credit card sales for the month.**	
		3

1.2.6	**Name ONE advantage of using electronic funds transfers (EFT).**	
		1

TOTAL MARKS
45

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QUESTION 2: CREDITOR RECONCILIATION (20 marks; 15 minutes)

2.1 EVA TRADERS

2.1.1 Use the table provided to indicate the changes.

	CREDITORS' LEDGER EVA TRADERS	ACCOUNT STATEMENT YOKI TRADERS	
Difference	**193 140**	**186 000**	
1			
2			
3			
4			
5			
6			
7			
Balance			**14**

2.1.2	**Explain TWO points about how preparing a creditors reconciliation as an internal control measure can assist the business to manage their creditors more effectively.**	
		4

2.1.3	**Identify the type of rebate granted to Traders on 24 March 2024.**	
		2

TOTAL MARKS
20

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QUESTION 3: FIXED ASSETS (50 marks; 40 minutes)

3.1 MATCHING ITEMS

3.1.1		
3.1.2		
3.1.3		
3.1.4		
3.1.5		5

3.2 FIXED ASSETS

3.2.1 Calculate depreciation on equipment and vehicles.

Equipment	
Old equipment	**New equipment**

Vehicles	
Old vehicles	**New vehicles**

17

3.2.2 Complete the Asset disposal account to record the sale of equipment.

ASSET DISPOSAL					
01 Sep			01 Sep		

6

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3.2.3	Complete the Fixed asset note on 29 February 2024.		
		Equipment	**Vehicles**
	Cost price	400 000	300 000
	Accumulated depreciation	(350 000)	
	Carrying value at the beginning of the year	50 000	
	Movements		
	Additions at cost price		
	Asset disposal at carrying value		
	Depreciation for the year		
	Carrying value at the end of the year		
	Cost price		
	Accumulated depreciation		

14

3.3 INTERNAL CONTROL OF FIXED ASSETS

3.3.1	Mention TWO points of advice on how to exercise better control over the use of business vehicles.

4

3.3.2	Explain why it is important to keep an updated asset register. Provide TWO points.

2

3.3.3	Give ONE reason why a company may decide to sell fixed assets.

2

TOTAL MARKS
50

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QUESTION 4: ACCOUNTING EQUATION **(35 marks; 30 minutes)**

4.1 AMELIA TRADERS

	ACCOUNT DEBITED	ACCOUNT CREDITED	AMOUNT	Effect on the accounting equation		
				A	OE	L
4.1.1		Sales	25 000		+	
	Cost of sales				-	
4.1.2	Trading stock					
4.1.3			900			0
4.1.4			20 000			
4.1.5						
4.1.6						
4.1.7			160 000			

35

TOTAL MARKS
35

TOTAL: 150

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PROVINCIAL ASSESSMENT

GRADE 11

ACCOUNTING P2

JUNE 2024

MARKING GUIDELINES

TOTAL: 150 MARKS

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 incorrect, mark the workings.
4. If a pre-adjustment figure is shown as a final figure, allocate the part-mark as a 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. 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 corrects'.
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. Indicate with a ☒.
12. Be aware of candidates who provide valid alternatives beyond the marking guideline.
13. Codes: f = foreign item; p = placement/presentation.

These marking guidelines consist of 8 pages.

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QUESTION 1: BANK RECONCILIATION

1.1 MULTIPLE CHOICE QUESTIONS

1.1.1	B✓	
1.1.2	B✓	
1.1.3	D✓	
1.1.4	C✓	
1.1.5	A✓	**5**

1.2 BANK RECONCILIATION

1.2.1 Calculate the totals in the cash journals on 31 May 2024.

CASH RECEIPTS JOURNAL	CASH PAYMENTS JOURNAL	
405 600✓	**384 450**	
350✓	17 000✓✓	
7 500✓	5 400✓✓	
3 610✓✓ (3800 x 95/100)	1 380✓	
	2025✓	
	3 700✓	
	1 500✓	
410 310☑ Must include total, one part correct	415 455☑ Must include total, one part correct	**15**

1.2.2	**Calculate the correct balance of the bank account on 31 May 2024.**	
	20 400✓✓+ 410 310☑+ 415 455☑= 15 255☑	**5**

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1.2.3	Prepare the bank reconciliation statement on 31 May 2024.		
		Debit	**Credit**
Dt balance according to the bank account		15 255☑	
Ct outstanding deposit			6 500✓
Dt outstanding EFTs: 268		2 700✓	
269		4 300✓	
Dt✓debit card withdrawals		2 100✓✓	
Ct incorrect debit order			3 700✓
Ct balance according to the bank statement			14 155☑
Both totals same, one part correct.		**24 355☑**	**24 355**

10

OR

1.2.3	Prepare the bank reconciliation statement on 31 May 2024.	
Dt balance according to the bank account		15 255☑
Ct outstanding deposit		(6 500)✓
Dt outstanding EFTs: 268		2 700✓
269		4 300✓
Dt✓debit card withdrawals		2 100✓✓
Ct incorrect debit order		(3 700)✓
Ct balance according to the bank statement		**14 155☑☑**

10

1.2.4	**The owner noticed problems depositing cash. Explain THREE measures he could use to solve these problems.**
	Any THREE✓✓✓ Implement a fixed deposit routine/policy for daily deposit • Appoint another person responsible for depositing cash (division of duties for one point). • Use cash transit services (security companies)/split large amounts into smaller deposit amounts. • Supervises the depositing of funds / conducts independent (unplanned) checks/authorize funds to be deposited / checks documentation (deposit slips) before and after depositing. • Encourage more customers to pay by EFT (less cash handling). • Enable bank notification services for all transactions (receive SMS). • Perform regular/unscheduled reconciliations to mini statements from the banking application as an interim control measure/reconcile cash and credit card transactions daily to prevent errors later.

6

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1.2.5	**The charge on credit card sales is 5% of the relevant amount of credit card sales. Calculate the total credit card sales for the month.**	
	2025✓x 100/5✓= 40,500☑ One part correct	**3**

1.2.6	**Name ONE advantage of using electronic funds transfers (EFT).**	
	Any ONE✓ Safe / convenient / quick and easy / Can be done outside bank hours / takes less time (no queues) / lower costs / fast feedback	**1**

TOTAL MARKS
45

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QUESTION 2: CREDITOR RECONCILIATION

2.1 EVA TRADERS

2.1.1 Use the table provided in the to indicate the changes.

	CREDITORS' LEDGER EVA TRADERS	ACCOUNT STATEMENT YOKI TRADERS	
Difference	**193 140**	**186 000**	
1	1 560✓✓		
2		(9 000)✓✓ (- 4 500 – 4 500)	
3	(4 000)✓		
4	(18 500)✓		
5		(48 000)✓	
6	5 500✓✓		
7		(23 000)✓	
		(2 300)✓	
		74 000✓	
Balance	177 700☑ Must include totals, one part correct	177 700☑ Must include totals, one part correct	**14**

2.1.2	**Explain TWO points about how preparing a creditors reconciliation as an internal control measure can assist the business to manage their creditors more effectively.**	
	Any two valid reasons✓✓✓✓ Partial marks for a partial/unclear/incomplete answer • Errors and omissions can be detected and corrected. • Fraud can be detected and reduced. • Correct payment can be calculated, and payments can be made on time to avoid interest.	**4**

2.1.3	**Identify the type of rebate granted to Eva Handelaars on 24 March.**	
	Trade discount✓✓	**2**

TOTAL MARKS
20

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QUESTION 3: FIXED ASSETS

3.1 MATCHING ITEMS

3.1.1	C✓
3.1.2	E✓
3.1.3	A✓
3.1.4	D✓
3.1.5	B✓

5

3.2 FIXED ASSETS

3.2.1 Calculate depreciation on equipment and vehicles.

Equipment	
Old equipment	**New equipment**
50 000✓ – (R1✓ x 2✓) = 4 998☑	250 000✓ x 15% x 3/12✓ = 9 375☑

Vehicles	
Old vehicles	**New vehicles**
300 000 x 20% = 60 000✓ **240 000** (300 000 – 60 000) x 20% = 48 000☑✓ **192 000** (300 000 – 60 000 – 48 000)☑ x 20% x 6/12✓ = 19 200☑	[(325 000 x 2✓) + 8 000✓] x 9/12✓ x 20% = 98 700☑ one part correct

17

3.2.2 Complete the Asset Sales account to record the sale of equipment.

ASSET SALES					
01 Sep	Vehicles	300 000✓	01 Sep	Accumulated depreciation on vehicles	127 200✓☑
	Profit on asset sales	47 200☑		Bank	220 000✓
		347 200		Both total same	**347 200☑**

Entire line correct for points award.(60 000 + 48 000 + 19 200) = 127 200

6

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3.2.3	Complete the Fixed asset note on 29 February 2024.		
		Equipment	**Vehicles**
	Cost price	**400 000**	**300 000**
	Accumulated depreciation	**(350 000)**	(108 000)☑
	Carrying value at the beginning of the year	**50 000**	192 000☑
	Movements		
	Additions at cost price	250 000✓	658 000✓
	Asset disposal at carrying value	-	(172 800)☑
	Depreciation for the year	(14 373)☑	(117 900)☑
	Carrying value at the end of the year	285 627☑	559 300☑
	Cost price	650 000✓✓	658 000✓
	Accumulated depreciation	(364 373)☑	(98 700)☑

14

3.3 INTERNAL CONTROL OF FIXED ASSETS

3.3.1	**Mention TWO points of advice on how to exercise better control over the use of business vehicles.**
	Any TWO valid points✓✓ ✓✓ • Install tracking devices in vehicles. • Use a log book to keep track of the kilometres. • Ensure that all vehicles are parked at work after working hours. • Assign vehicles to drivers on a daily basis.

4

3.3.2	**Explain why it is important to keep an updated asset register. Provide TWO points.**
	Any two valid points✓✓ • To keep track of full details of all the assets in the business, e.g. cost price, date of purchase, method of depreciation etc. • It is a control measure that ensures that all the assets of the business are secured or protected. • It helps in the process of verification of assets by internal or external auditor.

2

3.3.3	**Give ONE reason why a company may decide to sell fixed assets.**
	Any ONE✓✓ Assets are too old / Maintenance becomes too expensive / No longer effective for specific use / Better model is available / Better technology

2

TOTAL MARKS
50

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QUESTION 4: ACCOUNTING EQUATION

4.1 AMELIA TRADERS

	ACCOUNT DEBITED	ACCOUNT CREDITED	AMOUNT	Effect on the accounting equation			
				A	OE	L	
4.1.1	Debtors control✓	**Sales**	**25 000**	+✓	**+**	0	
	Cost of sales	Trading stock ✓	20 000✓✓	-✓	**-**	0	
4.1.2	**Trading stock**	Bank✓	61 750✓✓	+-✓	0	0	
4.1.3	Trading stock ✓	Bank✓	**900**	+-✓✓	0	**0**	
4.1.4	Bank✓	Creditors Control✓	**20 000**	+✓	0	+✓	
4.1.5	Trading stock✓	Bank✓	R99✓✓	+--✓✓	0	0	
4.1.6	Bank✓	Consumables✓	R900✓✓	+✓	+✓	0	
4.1.7	Land and Buildings ✓	Repairs✓	**160 000**	+✓	+✓✓	0	**35**

TOTAL MARKS
35

TOTAL: 150

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