



GAUTENG PROVINCE

EDUCATION
REPUBLIC OF SOUTH AFRICA

ACCOUNTING GRADE 10
SCHOOL BASED ASSESSMENT
TERM 1: 2023
PRESENTATION

QUESTION	TOPIC	MARKS	TIME ALLOCATED
1	Indigenous book-keeping	38	46 minutes
2	Internal Control	12	14 minutes
	TOTAL	50	60 minutes

NOTE:

- The presentation should be administered in class under the supervision of the educator.
- Learners should not refer to the notes during the administration process.
- Show calculations to earn part marks

This question paper consists of 4 pages.

QUESTION 1

INDIGENOUS BOOK-KEEPING

(38 marks; 46 minutes)

INFORMATION

Thandi Molefe runs a successful business from home, she bakes and sell cakes to tuck shops and taxi ranks. All the copies of source documents received when she buys stock or pay for expenses are kept safe. Thandi doesn't issue cash slips when customers buy from her, she records daily transactions in an exercise book.

She has employed four people, one is responsible for baking, two sell at the taxi ranks and the other employee is responsible for deliveries to tuck shops around the area. She is also processing orders for functions. When large orders are placed, Thandi assist with baking and delivering of cakes.

Thandi banks the money received from sales once a week, and all the employees are paid cash at the end of each month.

Thandi wants to expand (extend) her business, she has approached four supermarkets around her area and she will supply baked products to them from March 2023. She has requested you assist her to make sound business decisions. The information provided in this activity will assist in preparing the figures to present to Thandi.

REQUIRED

- 1.1 Use the record of payments and receipts to prepare the following figures that will be presented to Thandi:
 - 1.1.1 Calculate the total amount paid for ingredients (**Refer to Information A**) (8)
 - 1.1.2 Calculate the total amount received from sales and functions (**Refer to Information B**) (2)
 - 1.1.3 Calculate the salaries paid to one employee who sells at the taxi rank (**Refer to Information C**) (3)
 - 1.1.4 Calculate the profit or loss she made from selling cakes (**Refer to Information A and B**) (3)
 - 1.1.5 From her list of payments, state **ONE** item that is not an expense to the business, identify and explain the GAAP principle that is applicable. (3)
- 1.2 In your presentation advise Thandi to improve the handling of cash as follows:
 - 1.2.1 Pay employees through EFT or e-wallet, provide **TWO** advantages of EFT's. (4)
 - 1.2.2 Bank cash daily or most frequently. Explain **TWO** disadvantages of keeping large amounts of cash. (4)

- 1.3 When the business grows Thandi will have to register her business as a formal business and will have to issue source documents for sales transactions.
- 1.3.1 What source documents can be issued by Thandi to her customers? Name **THREE** types of documents. (3)
- 1.3.2 How will the business benefit from issuing documents? Provide **ONE** point. (2)
- 1.4 Mention **THREE** areas that will have to be improved by Thandi when the business grows and provide motivation in each case. (6)
(Do not mention EFT's, source documents and registration)

INFORMATION A

Thandi bought the following ingredients January 2023	
10 x 12,5kg bags of flour	@ R200 each
20 x 500gm of baking powder	@ R50 each
3 x 10 kg sugar	@ R200 each
15 trays of eggs	@ R60 each
25 x 2 Litres milk	@ R30 each
35 x 1kg Butter	@ R50 each
Amount for ingredients	?

INFORMATION B

Payments and receipts for January 2023					
Date	Payments	Amounts	Date	Receipts	Amounts
05/01	Telephone	400	Jan 1-31	Sales - taxi ranks	8 000
07/01	Payment for ingredients	?		Sales - tuck shops	12 000
11/01	Petrol for deliveries	1 500		Income generated from functions	9 500
11/01	Water & Electricity	1 200			
19/01	Groceries for family	2 000			
23/01	Paid back loan to friend	500			
30/01	Rent	700			
31/01	Salaries to employees	9 000			

INFORMATION C

The baker and the driver are earning R2 500 per month, and the two employees who are selling at taxi ranks are earning the same salary.

QUESTION 2: INTERNAL CONTROL

(12 marks; 14 minutes)

INFORMATION

The Looks Hair Salon pays most of their suppliers through "EFT" but they need cash to buy items such as airtime, tea, and milk several times a week. The business also buys some products for cash from various salesman who drop into the salon to promote new hair products.

The owner keeps an amount of R1 000 cash in a petty cash box that is used to make these purchases. She has appointed Ziza, one of the hairdressers, to oversee the petty cash. The petty cash box is placed next to the till at the entrance. When Zazi is not around other hairdressers look after the petty cash box, it is not locked and everybody has access to it.

Whenever Ziza and other hairdressers take money out of petty cash they write an amount and details of what they bought on the book placed next to the petty cash box. Ziza is responsible for requesting the replacement of petty cash from the owner. The petty cash is replaced more than once in a month.

REQUIRED:

2.1 The owner of the salon has requested you to present to her the following :

2.1.1 Identify the **FOUR** problems around management and control of petty cash at "The Looks Hair Salon". (**Refer to the extract provided above**) (4)

2.1.2 Based on the problems identified, provide **FOUR** internal control measures that can be implemented to manage petty cash. (8)

12

Total marks : 50



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PRESENTATION

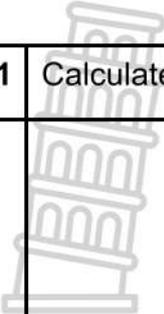


NAME OF LEARNER	
SCHOOL	Stanmorephysics.com
DATE	

QUESTION	TOPIC	MARKS	LEARNER'S MARKS	MODERATED MARKS
1	Indigenous Book-Keeping	38		
2	Internal Control	12		
	TOTAL	50		

This answer book consists of 5 pages.

QUESTION 1: INDIGENOUS BOOK-KEEPING

1.1.1	Calculate the total amount paid for ingredients (Refer to Information A)	
		<div style="border: 1px solid black; width: 30px; height: 20px; margin: 0 auto;"></div> <div style="border: 1px solid black; width: 30px; height: 20px; margin: 0 auto; text-align: center;">8</div>
1.1.2	Calculate the total amount received from sales and functions (Refer to Information B)	
		<div style="border: 1px solid black; width: 30px; height: 20px; margin: 0 auto;"></div> <div style="border: 1px solid black; width: 30px; height: 20px; margin: 0 auto; text-align: center;">2</div>
1.1.3	Calculate the salaries paid to one employee who sells at the taxi rank (Refer to Information C)	
		<div style="border: 1px solid black; width: 30px; height: 20px; margin: 0 auto;"></div> <div style="border: 1px solid black; width: 30px; height: 20px; margin: 0 auto; text-align: center;">3</div>
1.1.4	Calculate the profit or loss she made from selling cakes (Refer to Information A and B)	
		<div style="border: 1px solid black; width: 30px; height: 20px; margin: 0 auto;"></div> <div style="border: 1px solid black; width: 30px; height: 20px; margin: 0 auto; text-align: center;">3</div>

1.1.5	From her list of payments, state ONE item that is not an expense to the business, identify and explain the GAAP principle that is applicable.	
		<div style="border: 1px solid black; width: 40px; height: 20px; margin: 0 auto;"></div> <div style="border: 1px solid black; width: 40px; height: 20px; margin: 0 auto; text-align: center;">3</div>
1.2	In your presentation advise Thandi to improve the handling of cash as follows:	
1.2.1	Pay employees through EFT or e-wallet, provide TWO advantages of EFT's.	
		<div style="border: 1px solid black; width: 40px; height: 20px; margin: 0 auto;"></div> <div style="border: 1px solid black; width: 40px; height: 20px; margin: 0 auto; text-align: center;">4</div>
1.2.2	Bank cash daily or most frequently. Explain TWO disadvantages of keeping large amounts of cash.	
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1.3	When the business grows Thandi will have to register her business as a formal business and will have to issue source documents for sales transactions.			
1.3.1	What source documents can be issued by Thandi to her customers? Name THREE types of documents.			
		<table border="1"> <tr><td> </td></tr> <tr><td>3</td></tr> </table>		3
3				
1.3.2	How will the business benefit from issuing documents? Provide ONE point.			
		<table border="1"> <tr><td> </td></tr> <tr><td>2</td></tr> </table>		2
2				
1.4	Mention THREE areas that will have to be improved by Thandi when the business grows and provide motivation in each case.			
		<table border="1"> <tr><td> </td></tr> <tr><td>6</td></tr> </table>		6
6				

TOTAL MARKS
38

QUESTION 2

INTERNAL CONTROL

2.1

- Identify the **FOUR** problems around management and control of petty cash at “The Looks Hair Salon”.
- Based on the problems identified, provide **FOUR** internal control measures that can be implemented to manage petty cash.

PROBLEMS (1 X 4)	SOLUTIONS (2 X 4)
	

TOTAL MARKS
12



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MARKING GUIDELINES

QUESTION	TOPIC	MARKS	TIME ALLOCATED
1	Indigenous book-keeping	38	46 minutes
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	TOTAL	50	60 minutes

These marking guidelines consist of 5 pages.

QUESTION 1: INDIGENOUS BOOK-KEEPING

1.1.1	Calculate the total amount paid for ingredients (Refer to Information A)	
	<div style="border: 1px solid black; padding: 5px;"> $2\ 000\checkmark + 1\ 000\checkmark + 600\checkmark + 900\checkmark + 750\checkmark + 1\ 750\checkmark = 7\ 000\checkmark\checkmark$ </div> <div style="border: 1px solid black; padding: 5px; margin-top: 5px;"> <input checked="" type="checkbox"/> one part correct <input checked="" type="checkbox"/> allocate two marks if the answer is 7 000 </div>	<div style="border: 1px solid black; width: 40px; height: 20px; margin: 0 auto;"></div> <div style="border: 1px solid black; width: 40px; height: 20px; text-align: center; margin: 0 auto;">8</div>
1.1.2	Calculate the total amount received from sales and functions (Refer to Information B)	
	<div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> $8\ 000 + 12\ 000 + 9\ 500 = 29\ 500\checkmark\checkmark$ </div>	<div style="border: 1px solid black; width: 40px; height: 20px; margin: 0 auto;"></div> <div style="border: 1px solid black; width: 40px; height: 20px; text-align: center; margin: 0 auto;">2</div>
1.1.3	Calculate the salaries paid to one employee who sells at the taxi rank (Refer to Information C)	
	<div style="border: 1px solid black; padding: 5px; margin-top: 10px;"> <p style="text-align: center; color: red; margin: 0;">5 000</p> $9\ 000 - (2\ 500 \times 2) = 4\ 000$ $4\ 000\checkmark\checkmark \div 2 = 2\ 000\checkmark$ </div> <div style="border: 1px solid black; padding: 5px; margin-top: 5px; background-color: #e6f2ff;"> Allocate a method mark if any figure is divided by 2 to determine the final answer </div>	<div style="border: 1px solid black; width: 40px; height: 20px; margin: 0 auto;"></div> <div style="border: 1px solid black; width: 40px; height: 20px; text-align: center; margin: 0 auto;">3</div>
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1.1.5	From her list of payments, state ONE item that is not an expense to the business, identify and explain the GAAP principle that is applicable.	
	<p>Groceries for family ✓</p> <p>Business entity✓ - the transactions associated with a business must be separately recorded from those of its owners.✓</p>	<div style="border: 1px solid black; width: 40px; height: 20px; margin: 0 auto;"></div> <div style="border: 1px solid black; width: 40px; height: 20px; margin: 0 auto; text-align: center;">3</div>
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1.2.1	Pay employees through EFT or e-wallet, provide TWO advantages of EFT's.	
	<p>Any two valid points ✓✓ ✓✓ one mark for each partial response</p> <ul style="list-style-type: none"> • <u>Eliminate the risks</u> associated with lost or stolen cash. • <u>Payments can be done any time</u>, not restricted to business hours • You don't have to deal with long queues or <u>no long queues</u> • Cheaper bank charges • <u>Better security</u> because you hold less cash on the premises • Electronic records are all <u>recorded automatically</u> • The bank account is updated immediately • <u>Payments or receipts are instant</u> • Less fraud / convenient to use / quick and easy / time-saving <p>Last point – allocate only two marks for any of points provided, two separate points cannot exceed two marks.</p>	<div style="border: 1px solid black; width: 40px; height: 20px; margin: 0 auto;"></div> <div style="border: 1px solid black; width: 40px; height: 20px; margin: 0 auto; text-align: center;">4</div>
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	<p>Any two valid points ✓✓ ✓✓ one mark for each partial response</p> <ul style="list-style-type: none"> • The business is at a <u>risk of being robbed</u> of cash • The business will <u>lose interest income</u> if the cash is not banked through the favourable current account or investment account • Money earned from business activities can be allocated to other non-business related activities 	<div style="border: 1px solid black; width: 40px; height: 20px; margin: 0 auto;"></div> <div style="border: 1px solid black; width: 40px; height: 20px; margin: 0 auto; text-align: center;">4</div>

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1.3.2	How will the business benefit from issuing documents? Provide ONE point.													
	<p>Any one valid point ✓✓ one mark for partial response</p> <ul style="list-style-type: none"> • There will be records of orders made by customers/expenses incurred by the business/ money received from customers. • There will be proper reconciliation of orders placed, sales of cakes and money received. • The owner can work out the profit to be generated by the business. • It will be easy for the business to identify shortages in stock or cash expected from sales. 	<table border="1"> <tr><td> </td></tr> <tr><td>2</td></tr> </table>		2										
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	<p>Any three valid areas of improvement ✓✓✓ motivation ✓✓✓</p> <table border="1"> <thead> <tr> <th>Areas of improvement</th> <th>Motivation</th> </tr> </thead> <tbody> <tr> <td>Advertising/Marketing</td> <td>Advertise the business to attract more customers and retailers(supermarkets)</td> </tr> <tr> <td>Recruitment/ New employee(s)</td> <td>The baker will need a full time assistant</td> </tr> <tr> <td>Invest in equipment</td> <td>Buy additional stoves and baking equipment to meet the demand for goods</td> </tr> <tr> <td>Business premises</td> <td>Larger business space will be needed for production and storage of goods.</td> </tr> </tbody> </table> <p>Motivation must match with a problem</p>	Areas of improvement	Motivation	Advertising/Marketing	Advertise the business to attract more customers and retailers(supermarkets)	Recruitment/ New employee(s)	The baker will need a full time assistant	Invest in equipment	Buy additional stoves and baking equipment to meet the demand for goods	Business premises	Larger business space will be needed for production and storage of goods.	<table border="1"> <tr><td> </td></tr> <tr><td>6</td></tr> </table>		6
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TOTAL MARKS
38

QUESTION 2
INTERNAL CONTROL

2.1

- Identify the **FOUR** problems around management and control of petty cash at “The Looks Hair Salon”.
- Based on the problems identified, provide **FOUR** internal control measures that can be implemented to manage petty cash.

PROBLEMS	SOLUTIONS
Any four valid problems ✓ ✓ ✓ ✓	Any four valid solutions ✓✓ ✓✓ ✓✓ ✓✓
	one mark for each partial solution
Ziza is responsible for petty cash, but everyone has access to it.	<ul style="list-style-type: none"> • If Ziza is responsible for petty cash, she must be the only person who has access to it. • A requisition for petty cash purchases should be made in advance.
Petty cash box is placed next to the entrance and is unlocked.	<ul style="list-style-type: none"> • The petty cash box should be locked and kept in a safe place.
Petty cash purchases are carried out by many people	<ul style="list-style-type: none"> • Petty cash purchases should be authorised by a senior person in the business to ensure that they are valid and are necessary purchases. • Supporting documents must be attached to the petty cash voucher and should be marked as paid.
The petty cash is replaced more than once in a month.	<ul style="list-style-type: none"> • Petty cash amount should be realistic according to the average amount spent each month. • Every effort should be made to adhere to the limit and additional money should be provided only under extra-ordinary circumstances.
A solution must correspond with a problem	

TOTAL MARKS
12

TOTAL MARKS:50