



GAUTENG PROVINCE
Department: Education
REPUBLIC OF SOUTH AFRICA

ACCOUNTING

SCHOOL BASED ASSESSMENT

GRADE 11

WRITTEN REPORT TERM 1: 2021

MARKS	: 50
DURATION	: 1 Hour
TOPICS	: Tangible Assets
	Internal Control

NOTE

- The task should be administered in class under the supervision of the educator.
- Learners **MUST NOT** complete at home.
- Learners **MUST NOT REFER** to the notes during the administration process.

QUESTION 1: TANGIBLE ASSETS AND INTERNAL CONTROL**1.1 MAROTHO BAKERY**

Palesa Diale is the owner of a bakery called Marotho Bakery in Winterveldt. She operates her business from a building she inherited from her father, the building was bought in 2017 for R800 000. On 1 May 2020 Palesa decided to extend the business premises to accommodate the increased number of customers and produced goods, she paid R200 000 to the construction company.

Palesa's Accountant has been hospitalised for a month, she requested you to prepare a report on tangible assets. Palesa will be meeting a potential partner on the 30 of April 2021.

REQUIRED

Palesa has requested you to prepare a comprehensive (detailed) report for the financial year ended on 28 of February 2021. Use the structure provided below to compile your report.

1.1.1 Report on the calculations for depreciation on the following assets :

- Equipment (16)
- Vehicles

1.1.2 Use the General Ledger to report on the profit or loss on the asset sold. (5)

1.1.3 Report on the current book value of assets, the note on tangible assets should be used to reflect detailed information on assets. (20)

NOTE: Your report must indicate a breakdown of calculations as indicated in the reporting sheet.

INFORMATION A**TANGIBLE ASSETS**

	Land and Buildings	Equipment	Vehicles
Carrying Value on 01-03-2020	800 000	50 000	?
Cost	800 000	400 000	300 000
Accumulated Depreciation	-	(350 000)	?

INFORMATION B**EQUIPMENT**

- Marotho Bakery has two ovens that were bought for R 200 000 each. Accumulated depreciation on these ovens on 1 March 2020 was R 350 000. The business has had these ovens for more than five years, and they are expected to be used productively for another three years.
- Palesa bought a new oven on credit from Diane Suppliers for R250 000 on 1 December 2020.
- Depreciation on Equipment is calculated at 15% pa on cost price.

VEHICLES

- Isuzu 225 was bought on 1 March 2018 for R300 000, this van was sold for R220 000 cash on 1 September 2020.
- Two Hino 365 vans were bought on 31 May 2020 for R 325 000 each, the funds were transferred electronically to the motor dealer.
- Depreciation is calculated on the carrying value at a rate of 20%p.a.

1.2 INTERNAL CONTROL ON TANGIBLE ASSETS**DIANE TRADERS**

Bogatsu has been recently employed as a junior accountant at Diale Traders. The owner of the business, Diale, requested her to check the Asset register for all the assets as they are expecting an audit to be conducted in the next four weeks.

Diale requested a report on a specific asset provided in the Asset Register below. This asset had missing information, the previous accountant who resigned did not complete all the details.

REQUIRED

1.2.1 The report should include the following information:

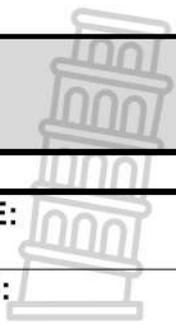
- The cost price of the asset (2)
- The date on which the asset was bought (3)

1.2.2 Explain why it is important to keep an updated asset register, provide **TWO** points. (4)

INFORMATION

DIANE TRADERS		ASSET REGISTER		No.10
General ledger account:	Vehicle account (B 6)			
Item:	Nissan delivery van 2 litre	Date purchased:		?
From whom purchased:	Nissan Monument	Cost price:		?
Percentage Depreciation:	20 % p.a. at cost price			
Details of depreciation				
Dates	Depreciation	Accumulated Depreciation	Carrying Value	
28 February 2021	15 000	15 000	285 000	

50 marks



ACCOUNTING GRADE 11
2021
TASK 1: WRITTEN REPORT: ANSWER SHEET

NAME:	MARKS: 50
DATE:	DURATION: 1 HOUR

QUESTIONS	MARKS	
	TOTAL	LEARNER
1.1 Tangible Assets		
Depreciation on equipment	9	
Depreciation on vehicles	7	
Report on the profit or loss on the asset sold	5	
Note on Tangible Assets	20	
1.2 Internal Control		
Calculations and Internal Control	9	
TOTAL MARKS	50	

1.1.2. Use the General Ledger to report on the profit or loss on the asset sold.

Asset Disposal Account			

5

1.1.3. NOTE ON TANGIBLE ASSETS – 28 FEBRUARY 2021

	Land and Buildings	Vehicles	Equipment
Carrying value (01 March 2020)	800 000	?	50 000
Cost	800 000	300 000	400 000
Accumulated depreciation		?	(350 000)
MOVEMENTS			
Additions at cost			
Disposal at carrying value			
Depreciation			
Carrying value (28 February 2021)			
Cost			
Accumulated depreciation			

20

1.2.1

Calculate the cost price of an asset



2

Calculate the date on which the asset was bought (you can express your answer in months)



3

1.2.2 Explain why it is important to keep an updated asset register, provide **TWO** points.

4

TOTAL MARKS

50

**ACCOUNTING GRADE 11
2021
TASK 1: WRITTEN REPORT: MARKING GUIDELINES**

MARKS: 50

DURATION: 1 HOUR

QUESTIONS	MARKS	
	TOTAL	LEARNER
1.1 Tangible Assets		
Depreciation on equipment	9	
Depreciation on vehicles	7	
Report on the profit or loss on the asset sold	5	
Note on Tangible Assets	20	
1.2 Internal Control		
Calculations and Internal Control	9	
TOTAL MARKS	50	

QUESTION 1: TANGIBLE ASSETS

1.1.1 Report on the calculations for depreciation on the following assets :		
Equipment		7
Old Equipment	New Equipment	
$50\,000 \checkmark - (R1 \times 2) \checkmark \checkmark = 4\,998 \checkmark$ Allocate one mark for R1	$250\,000 \checkmark \times 15\% \times 3/12 \checkmark = 9\,375 \checkmark$	
Vehicles		9
Sold:		
Year One $300\,000 \times 20\% = 60\,000 \checkmark$		1
Year Two $(300\,000 - 60\,000) \times 20\% = 48\,000 \checkmark \checkmark$ one part correct 240 000		2
Year three $(300\,000 - 60\,000 - 48\,000) \times 6/12 \checkmark \times 20\% = 19\,200 \checkmark$ one part correct 192 000 <input checked="" type="checkbox"/> one part correct		3
New :		
$(325\,000 \times 2) \checkmark \times 9/12 \checkmark \times 20\% = 97\,500 \checkmark$ one part correct 650 000		3
		16

1.1.2. Use the General Ledger to report on the profit or loss on the asset sold.

Asset Disposal Account			
Vehicle	✓300 000	Accumulated Depreciation on Vehicles (60 000+48 000+19 200)	* <input checked="" type="checkbox"/> ✓127 200
Profit on sale of an asset	<input checked="" type="checkbox"/> 47 200	Bank	✓ 220 000
	347 200		347 200

*Check the calculations for vehicle sold, allocate a mark for a figure above 60 000

5

1.1.3. NOTE ON TANGIBLE ASSETS – 28 FEBRUARY 2021

	Land and Buildings	Vehicles	Equipment
Carrying value (01 March 2020)	800 000	# <input checked="" type="checkbox"/> 192 000	50 000
Cost	800 000	300 000	400 000
Accumulated depreciation		* <input checked="" type="checkbox"/> ✓ (108 000)	(350 000)
MOVEMENTS			
Additions at cost	✓ 200 000	✓650 000	✓250 000
Disposal at carrying value (300 000 -127200)	-	\$\$ <input checked="" type="checkbox"/> ✓ (172 800)	-
Depreciation	-	\$ <input checked="" type="checkbox"/> ✓ (116 700)	<input checked="" type="checkbox"/> (14 373) Check depreciation 1.1
Carrying value (28 February 2021)	✓1 000 000	# <input checked="" type="checkbox"/> 552 500	# <input checked="" type="checkbox"/> 285 627
Cost	✓1 000 000	✓650 000	✓✓650 000
Accumulated depreciation	-	<input checked="" type="checkbox"/> (97 500)	## <input checked="" type="checkbox"/> (364 373)
* <input checked="" type="checkbox"/> Amount must be greater than R60 000	\$ <input checked="" type="checkbox"/> check calculations for depreciation from previous page		
# <input checked="" type="checkbox"/> Check operation	\$\$ <input checked="" type="checkbox"/> Any amount less than R192 000		20
## <input checked="" type="checkbox"/> Amount must be greater than R350 000			

1.2.1

Calculate the cost price of an asset

$285\ 000 + 15\ 000 = 300\ 000$ ✓✓ One part correct

2

Calculate the date on which the asset was bought (you can express your answer in months)

$300\ 000 \times 0.20 \times X = 15\ 000$
 $\frac{60\ 000}{60\ 000} \times = \frac{15\ 000}{60\ 000}$
 $X = 0.25$

$15\ 000 \div (300\ 000 \times 0.20)$
OR $= 0.25$

0.25×365 days or 12 months = 91 days **OR** 3 months ✓✓✓ One part correct

OR bought on 1 December 2020

3

1.2.2 Explain why it is important to keep an updated asset register, provide **TWO** points.

Any two valid points ✓✓ ✓✓

One mark for partially correct response

- To keep record 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 safeguarded or protected.
- It helps with the process of verification of assets by internal or external auditor.
- To keep track of the book value of assets.

4

TOTAL MARKS

50