



JOHANNESBURG EAST DISTRICT ACCOUNTING: GRADE 11 CONTROL TEST MARCH 2022

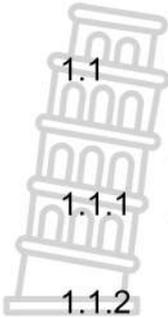
INSTRUCTIONS AND INFORMATION

1. You are provided with a question paper and answer book.
2. This question paper comprises of TWO Compulsory questions.
3. Make use of the time allocation given.
4. Non- programmable calculators may be used.
5. A BLUE/BLACK PEN may be used
6. Show workings to earn part-marks

QUESTION	TOPIC	MARKS	TIME ALLOCATED
1	Bank Reconciliation and Internal Control	50	45
2	Tangible Assets and Internal Control	50	45
TOTAL		100	90 minutes

This question paper consists of 6 pages

QUESTION 1: BANKRECONCILIATION AND INTERNAL CONTROL
(50 Marks; 45 Minutes)



- 1.1 Choose the correct word/s from those given in brackets. Write only the word/s next to the question number (1.1.1–1.1.5) in the ANSWER BOOK.
- 1.1.1 A (debit/credit) balance on the bank statement reflects an unfavourable balance. (1)
- 1.1.2 Interest debited on the bank statement will be recorded in the (Cash Receipts Journal/Cash Payments Journal) (1)
- 1.1.3 Recording items such as cash deposit fees and service fees as bank charges is an application of (matching/materiality) GAAP principle. (1)
- 1.1.4 The business withdraws more money from its current account than what it has in the account. This is called a/an (current / overdraft) account. (1)
- 1.1.5 Outstanding bank charges must be entered in the (Cash Payments Journal / Bank reconciliation statement). (1)

1.2 BANKRECONCILIATION AND INTERNAL CONTROL

The following information relates to Jansen Stores owned by Ben Jansen, for March 2022.

REQUIRED:

- 1.2.1 Calculate the correct Bank Account balance on 31 March 2022 by entering the transactions direct into the bank account. Show the appropriate contra accounts. (19)
- 1.2.2 Prepare the Bank Reconciliation Statement on 31 March 2022. (13)
- 1.2.3 As internal auditor of Jansen Stores, why would you be concerned about the deposit of R12 000 that appeared on the Bank statement of 31 March 2022?
- (a) Give ONE reason (2)
- (b) Provide TWO internal control measure that Ben Jansen can use to prevent such a loss/problem in future. (4)
- 1.2.4 What is the purpose of preparing a bank reconciliation statement monthly? Give **TWO** reasons (4)
- 1.2.5 Name **THREE** advantages of internet banking. (3)

INFORMATION:

A. Extract from the Bank Reconciliation statement on 28 February 2022:

Outstanding deposits: 16 February 2022	R12 000
28 February 2022	15 000
Outstanding EFT: No. 114	9 800

NOTE:

- The outstanding deposit of R12 000 appeared on the March 2022 bank statement.
 - The outstanding deposit on 28 February 2022 appeared on the bank statement.
 - EFT 114 appeared on the Bank Statement for March 2022, with the correct amount of R8 900. The EFT was previously made to buy stationary from PPA.
- B. Provisional totals from the Cash Journals on 31 March 2022:
- Cash Receipt Journal, R51 600
 - Cash Payment Journals, R40 400
- C. The following information on the March 2022 Bank Statement did not appear in the March 2022 Cash Journals:

EXTRACT: BANK STATEMENT – AC BANK DETAILS	AMOUNT
Debit order: Tshwane Municipality	R3 200
EFT – payment AC Stores	6 650
Cash handling Fees	520
Z.Boda	2 850
Deposit: Fixed Deposit	7 100
EFT costs	440
L. Kestell	11 000
Service fees	110
Service fees	110
Interest on credit balance	135

Additional information

- The debit order in favour of Tshwane municipality, is in respect of water and electricity
 - The bookkeeper forgot to enter the EFT to AC Stores in the journal. This was made in settlement of our account of R7 000.
 - The direct deposit from debtor Z.Boda was an account payment.
 - The deposit of R7 100 does not relate to the business. This bank error will be rectified on the next statement.
 - The deposit by L. Kestell was the monthly rent income.
 - The bank informed the business that service fees was duplicated on the statement, in error. This will be rectified on the next statement.
- D. The following information in the March 2022 Cash Journals did not appear on the Bank Statement for March 2022:
- Outstanding deposit, R30 100
 - EFT 201 for R4 100 for a payment of a creditor, ZZ Traders.

QUESTION 2: FIXED ASSETS AND INTERNAL CONTROL**(50 marks; 45 minutes)****2.1 FIXED ASSET MANAGEMENT**

The information relates to Cassie Traders for the financial year ended 28 February 2022.

REQUIRED:

- 2.1. Calculate the amounts denoted by (i) to (v) on the Fixed Asset note. (11)

INFORMATION

A. Fixed Asset Note

	LAND AND BUILDING	VEHICLES
Carrying value on 1 March 2021	1 600 000	250 000
Cost		(ii)
Accumulated depreciation	0	(490 000)
Movements		
Additions	(i)	330 000
Disposal at carrying value	0	0
Depreciation	0	(iii)
Carrying value on 28 February 2022	1 950 000	(iv)
Cost		(v)
Accumulated depreciation		(617 500)

- B. Extension to the warehouse was done during the year.

- C. A new vehicle was purchased on 1 November 2021.

11

2.2 LEDGER ACCOUNTS AND INTERNAL CONTROL

You are provided with information relating to East Lynn Traders.

REQUIRED:

- 2.2.1 What is a *Fixed Assets Register*? (2)
- 2.2.2 Calculate the depreciation on equipment for the year. (10)
- 2.2.3 Prepare the Asset Disposal account. (10)
- 2.2.4 The owner is concerned about the internal control over the fixed assets of the business. Suggest THREE internal control measures that could be implemented. (6)

INFORMATION:

- A The following balances appeared in the general ledger on 28 February 2022, the end of the financial year.

Fixed Asset	Cost price 28 February 2022	Accumulated depreciation 1 March 2021
Equipment	645 000	180 000

B EQUIPMENT:

On 1 December 2021 obsolete equipment was traded in. The cost price of the equipment was R60 000 and the accumulated depreciation on 1 March 2021 amounted to R42 000.

The trade-in offer of R22 000 was accepted and the cost price of the new equipment was R90 000. This has been properly recorded. Equipment is depreciated at 20% p.a. on the diminishing balance method.

2.3 ASSET REGISTER OF VUYI STORES

The financial year ended on 28 February 2022.

REQUIRED:

2.3. Calculate:

- Amounts for (i) and (ii) in the Fixed Assets Register (5)
- Profit/Loss on sale of asset (2)
- Fixed assets carrying value on 28 February 2022 (4)

INFORMATION:

A. Fixed assets:

A delivery vehicle was sold on 31 October 2021, but no entries were made to record this transaction.

Details of vehicle sold:

Delivery Vehicle AA100			
Date purchased: 1 March 2019			
Date sold: 31 October 2021		Sold for: R195 000 (cash)	
Depreciation rate: 25% p.a. (diminishing-balance method)			
	COST	DEPRECIATION	CARRYING VALUE
28 February 2020	R400 000	R100 000	R300 000
28 February 2021		75 000	225 000
31 October 2021		(i)	(ii)

B. Extraction of balances/totals on 28 February 2022:

Fixed assets (carrying value)	10 190 000
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11

TOTAL MARKS

100



ACCOUNTING GRADE 11

CONTROL TEST

ANSWER BOOK

MARCH 2022

NAME OF LEARNER:	
NAME OF SCHOOL:	

QUESTION	TOPIC	MARKS	MARKS OBTAINED	MODERATED MARK
1	Bank Reconciliation and Internal Control	50		
2	Tangible Assets and Internal Control	50		
TOTAL		100		

This answer book consists of 8 pages

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1.2.2 BANK RECONCILIATION STATEMENT ON 31 MARCH 2022		
	DEBIT	CREDIT

13

1.3. INTERNAL CONTROL

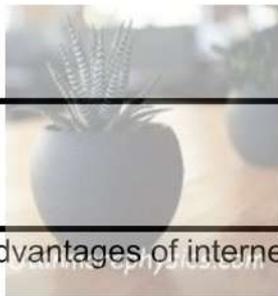
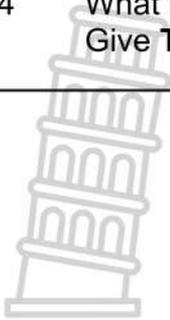
1.2.3(a) As internal auditor of Jansen Stores, why would you be concerned about the deposit of R12 000 that appeared on the Bank statement of 31 March 2022?
Give **ONE** reason.

	<table border="1"> <tr><td></td></tr> <tr><td>2</td></tr> </table>		2
2			

1.2.3(b) Provide **TWO** internal control measures that Ben Jansen can use to prevent such a loss/problem in future.

	<table border="1"> <tr><td></td></tr> <tr><td>4</td></tr> </table>		4
4			

1.2.4 What is the purpose of preparing a bank reconciliation statement monthly?
Give **TWO** reasons



4

1.2.5 Name **THREE** advantages of internet banking.

3

TOTAL MARKS	50	
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QUESTION 2 FIXED ASSETS AND INTERNAL CONTROL

2.1 Calculate the following

WORKINGS	ANSWER
(i) Additional Land and Buildings.	
(ii) Cost price on vehicles.	
(iii) Total depreciation on vehicles.	
(iv) Carrying value on 28 February 2022.	
(v) Cost price on 28 February 2022.	

2

2

3

2

2

TOTAL MARKS	11	
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2.2.1

What is a *Fixed Assets Register*?

2

2.2.2

Calculate the depreciation on equipment for the year.



10

Asset Disposal

2.2

10



2.2.4 The owner is concerned about the internal control over the fixed assets of the business. Suggest **THREE** internal control measures that could be implemented.

6

TOTAL MARKS	28	
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2.3 VUYI STORES

(i) Calculate: Depreciation for the current year	
Workings	Answer
(ii) Calculate: Carrying value of vehicle sold	
Workings	Answer
Calculate: Profit/Loss on sale of asset	
Workings	Answer
Calculate: Fixed assets carrying value on 28 February 2022	
Workings	Answer

5

2

4

TOTAL MARKS	11	
TOTAL QUESTION 2	11+28+11=50	



ACCOUNTING GRADE 11

CONTROL TEST

MARKING GUIDELINE

MARCH 2022

QUESTION	TOPIC	MARKS
1	Bank Reconciliation and Internal Control	50
2	Tangible Assets and Internal Control	50
TOTAL		100

This marking guideline consists of 8 pages

1.1 CONCEPTS

1.1.1	Debit ✓
1.1.2	Cash Payment Journal (CPJ) ✓
1.1.3	Materiality ✓
1.1.4	Overdraft ✓
1.1.5	Cash Payment Journal (CPJ) ✓

5

1.2.1 BANK ACCOUNT

GENERAL LEDGER OF JANSEN STORES							
DR		BANK				CR	
2022 March	31	Provisional total (See information B)	51 600✓	2022 March	31	Provisional total (See information B)	40 400✓
		Stationary ✓	900✓✓			Water & Electricity✓	3 200✓
		Debtor's control ✓	2 850✓			Creditor's control✓	6 650✓
		Rent income ✓	11 000 ✓			Bank Charges✓ (520+440+110)	1 070✓✓
		Interest on current account ✓	135 ✓			Balance	15 165
			66 485				6 6 485
2022 April	1	Balance	15 165☑				

19

1.2.2 BANK RECONCILIATION STATEMENT ON 31 MARCH 2022		
	DEBIT	CREDIT
Dr Balance as per Bank Statement ✓	3 845 <input checked="" type="checkbox"/> Balancing figure	
Cr Outstanding deposit ✓		30 100 ✓
Dr Outstanding EFT nr. 201 ✓	4 100 ✓	
Cr Service fees duplicated in error ✓		110 ✓
Dr Deposit credited in error ✓	7 100 ✓	
Dr Balance as per Bank Account ✓	15 165 <input checked="" type="checkbox"/> see 1.2.1	
	<input checked="" type="checkbox"/> For both totals	
	30 210	30 210

13

1.3. INTERNAL CONTROL

1.2.3(a) As internal auditor of Jansen Stores, why would you be concerned about the deposit of R12 000 that appeared on the Bank statement of 31 March 2022? Give ONE reason.			
✓✓ For one reason <ul style="list-style-type: none"> The deposit was made on 16 February 2022 so it should reflect on the February bank statement and not on the March 2022 statement. Possible rolling of cash 	<table border="1"> <tr> <td></td> </tr> <tr> <td>2</td> </tr> </table>		2
2			

1.2.3(b) Provide TWO internal control measures that Ben Jansen can use to prevent such a loss/problem in future.			
✓✓ marks for one response part marks for partially correct/incomplete response <ul style="list-style-type: none"> Division of duties to discourage fraudulent activities; one person should be responsible for cash and the other be responsible for deposits. There must be evidence of all cash deposited, cash deposited must be accompanied by a deposit slip. Audit cash transactions on regular basis Assign cash in transit firm to collect money from the premises of the business. Encourage customers to pay by debit cards/credit cards or EFT. 	<table border="1"> <tr> <td></td> </tr> <tr> <td>4</td> </tr> </table>		4
4			

1.2.4 What is the purpose of preparing a bank reconciliation statement monthly? Give TWO reasons			
<p>Any two valid points ✓✓ ✓✓</p> <ul style="list-style-type: none">• A bank reconciliation is necessary to <u>identify differences</u> between the business Bank Account balance in the General Ledger and the balance on the Bank Statement.• It is used as <u>internal control</u> measure to compare the business's records with those of an external source namely the bank statement• It can assist in <u>identifying errors and omissions</u> by comparing the records of the business with those of the bank• To identify the <u>correct bank balance</u> / update records	<table border="1"><tr><td> </td></tr><tr><td>4</td></tr></table>		4
4			

1.2.5 Name THREE advantages of internet banking.			
<p>Any three valid points ✓ ✓ ✓</p> <ul style="list-style-type: none">• Do not have to stand in queues to pay accounts• Don't have to walk around with cash• Maintain your own internet banking limits• Payments can be made immediately and send proof of payment to a beneficiary	<table border="1"><tr><td> </td></tr><tr><td>3</td></tr></table>		3
3			



QUESTION 2 – FIXED ASSETS AND INTERNAL CONTROL

2.1 Calculate the following

WORKINGS	ANSWER	
<p>(i) Additional Land and Buildings.</p> $1\,950\,000 - 1\,600\,000$	<p>350 000 ✓✓ No part marks</p>	<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>
<p>(ii) Cost price on vehicles.</p> $490\,000 + 250\,000$	<p>740 000 ✓✓ No part marks</p>	<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>
<p>(iii) Total depreciation on vehicles.</p> $617\,500 ✓ - 490\,000 ☑$	<p>127 500 ☑ One part correct</p>	<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>
<p>(iv) Carrying value on 28 February 2022</p> $740\,000 + 330\,000$ $1\,070\,000 - 617\,500$ $250\,000 + 330\,000 - (iii)$	<p>452 500 ✓✓ No part marks</p>	<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>
<p>(v) Cost price on 28 February 2022</p> <p>See (ii) above</p> $740\,000 ☑ + 330\,000 ✓$	<p>1 070 000</p>	<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>



2.2.1 What is a Fixed Assets Register?

Any valid explanation ✓✓

A Fixed Asset Register is a book in which all the assets owned by a business is recorded.

2

2.2.2 Calculate the depreciation on equipment for the year.

New equipment: $90\ 000 \times 20\% \times 3/12$ R4500 ✓✓

Equipment sold: $60\ 000 \checkmark - 42\ 000 \checkmark = 18\ 000 \times 20\% \times 9/12 \checkmark = R2\ 700 \checkmark$

Two marks
 Old equipment: $585\ 000 \checkmark - 138\ 000 \checkmark = 447\ 000 \times 20\% = R89\ 400 \checkmark$
 Total: R96600 ✓

10

2.2.3 Asset Disposal

2021 Dec 1	Equipment ✓	60 000 ✓	2021 Dec 1	Accumulated depreciation on equipment ✓ (42 000 ✓ + 2 700 ✓) see 2.2.2	44 700 ✓
	Profit on sale of equipment ✓	6 700 ✓		Creditors' control ✓	22 000 ✓
		66 700			66 700

10

2.2.4 The owner is concerned about the internal control over the fixed assets of the business. Suggest THREE internal control measures that could be implemented.

Three valid suggestions ✓✓ ✓✓ ✓✓

- Purchases of assets should be authorised by management
- An internal auditor must ensure that proper records and documentation relating to fixed assets are in place.
- All fixed assets should be recorded in a Fixed Asset Register.
- Receipts /invoices should be proof of purchase for insurance and external audit purpose
- Fixed assets purchased must be labelled / bar coded or a serial number given for identification and asset verification.
- Regular stock taking of assets and comparing against the asset register
- Signing in and out of assets to track where they are and who used them
- The movement of assets must be recorded in a logbook, e.g. vehicles
- All fixed assets must be insured against fire, theft, etc.

6

TOTAL	28	
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2.3 VUYI STORES

Calculate:

(i) Depreciation for the current year		
Workings	Answer	
$225\,000 \checkmark \times 25\% \times 8/12 \checkmark$	one part correct R37 500 <input checked="" type="checkbox"/>	
(ii) Carrying value of vehicle sold		
Workings	Answer	
$225\,000 - 37\,500 \checkmark$ see (i) above $100\,000 + 75\,000 + 37\,500$ OR: $400\,000 - 212\,500$	Two marks R187 500 If wrong, mark workings Cannot get full marks if superfluous workings	5
Calculate: Profit/Loss on sale of asset		
Workings	Answer	
$195\,000 - 187\,500 \checkmark$ see (ii) above	Two marks R7 500 If wrong, mark workings Cannot get full marks if superfluous workings	2
Calculate: Fixed assets carrying value on 28 February 2022		
Workings	Answer	
$10\,190\,000 - 37\,500 - 187\,500 \checkmark$ see (i) above see (ii) above $225\,000$ two method marks OR: $10\,190\,000 - (400\,000 - 212\,500 + 37\,500)$ one mark one method mark one method mark Also accept ledger account format	one part correct R9 965 000 <input checked="" type="checkbox"/>	4

TOTAL	11	
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