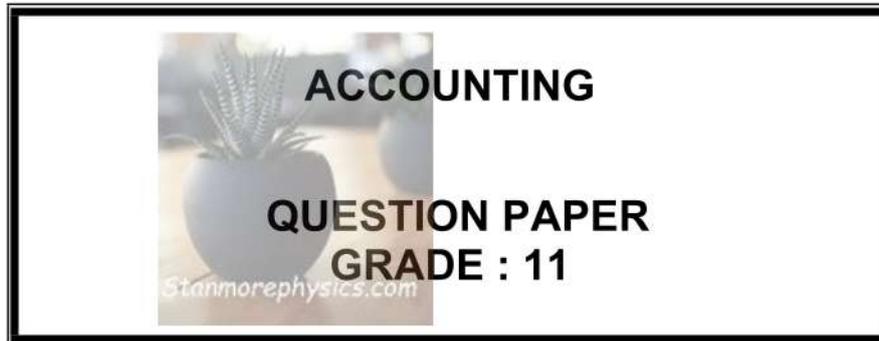




**JOHANNESBURG EAST DISTRICT
CONTROLLED TEST
11 MARCH 2024**



MARKS: 100

TIME: 90 minutes

This question paper consists of 7 pages and a 8 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 the questions.
3. Show ALL workings to earn part-marks.
4. You may use a non-programmable calculator.
5. You may use a dark pencil/blue/black ink to answer the questions.
6. Write neatly and legibly.
7. Use the table below as a guide when answering the question paper.
Try NOT to deviate from it.

QUESTION	TOPIC	MARKS	TIME ALLOCATED
1	Bank reconciliation and Internal control	50	45
2	Fixed Assets and Internal control	50	45
TOTAL		100	90 minutes

QUESTION 1: BANK RECONCILIATION AND INTERNAL CONTROL (50 marks;45 minutes)

1.1 Indicate whether the following statements are TRUE or FALSE. Write only 'true' or 'false' next to the question number (1.1.1 – 1.1.3) in the ANSWER BOOK.

1.1.1 A debit balance on the Bank Statement reflects a favourable balance.

1.1.2 An internal auditor will want to inspect the Bank Reconciliation Statement at the end of each month.

1.1.3 Service fees and interest on an overdraft will be recorded as Bank Charges in the Cash Payments Journal. (3)

1.2 The following information relates to Mongi Traders for February 2024. The Bank statement shows transactions up to the 25th of each month and the business prepares a bank reconciliation after receiving the statement.

REQUIRED:

1.2.1 Show the additional entries that must be recorded in the Cash Journals for February 2024. (18)

1.2.2 Calculate the Bank Account balance on 29 February 2024. (5)

1.2.3 Prepare the Bank Reconciliation Statement on 29 February 2024. (13)

1.2.4 **Refer to Information F on page 5.**

(a) Give **ONE** possible problem relating to the deposits. (2)

(b) Give ONE point of advice on how to improve the internal control of cash to avoid such a problem in future. (2)

(c) What action should have been taken against M. van Niekerk? (2)

1.2.5 What is the purpose of preparing a bank reconciliation statement monthly? Give **ONE** reason. (2)

1.2.6 Name **THREE** advantages of internet banking. (3)

INFORMATION:**A. Bank Reconciliation Statement on 31 January 2024:**

Favourable balance as per Bank Statement		R 6 970
Outstanding deposit:	Dated 30 January 2024	13 400
Outstanding EFT's	No. 684	1 870
	No. 689	5 600
Favourable balance as per Bank Account in the Ledger		12 900

B. On 31 January 2024, the provisional totals in the Cash Journals were:

- Cash Receipts Journal, R210 600
- Cash Payments Journal, R186 300

C. Information on the January 2024 Bank Statement of Jan Bank which did not appear in the January 2024 Cash Journals:

DATE		DETAILS	DEBIT	CREDIT
January	29	EFT-684	R1 780	
	30	Deposit		R13 400
	30	EFT - 689	R5 600	
	31	Deposit		R7 950
February	05	Pearl Insurers	R3 500	
	05	Pearl Insurers	R3 500	
	15	Debit card	R2 200	
	20	Credit card fees	R60	
	20	Transaction fees	R80	
	24	Interest on current account		R150

- EFT No. 684 on 29 January 2024, appeared correctly on the Bank Statement. The payment was done to A-Z Stationers for stationary.
- The deposit on 31 January 2024 was for rent income from a tenant, Vuyi.



- A debit order on the 5th, R3 500 for the monthly insurance appeared twice on the Bank Statement, but no entry has been made in the Journals. The bank will rectify this on the Bank Statement next month.
- Debit card withdrawal on the 15th was a windscreen repair to the business vehicle paid to BZ Windscreens. The driver did not submit the slip to bookkeeper.

D. The following entries were in the Cash Journals for February 2024 only:

- A deposit of R15 000 (dated 29 February 2024)
- EFT No. 710, R2 650
- EFT No. 711, R1 450

E. Bank Statement balance 29 February 2024.....?

F. The following information was extracted from the November 2023 records:

(i) Bank Reconciliation Statement on 30 November 2023

Unfavourable balance as per Bank Statement		R 9 000
Outstanding deposit:	Dated 20 November 2023	1 000
Outstanding deposit:	Dated 22 November 2023	1 500
Outstanding deposit:	Dated 24 November 2023	3 200
Outstanding EFT	No. 506	650
Unfavourable balance as per Bank Account in the Ledger		3 950

(ii) An investigation, and the Bank Statement received in December 2023, revealed:

- All outstanding deposits appeared on the Bank statement of December 2023.
- The outstanding EFT also appeared on the Bank statement.
- This practise of three or more outstanding deposits on the Bank reconciliation statement have been observed since July 2023.
- The accountant M. van Niekerk has been confronted about the many outstanding deposits during December 2023. Since January 2024 this problem was not observed anymore.

QUESTION 2: FIXED ASSETS AND INTERNAL CONTROL (50 marks; 45 minutes)

- 2.1 What is the purpose of keeping an asset register for each asset? Provide **TWO** points to support your answer. (4)
- 2.2 The present market value of the land and buildings is R4 million, this property was bought 5 years ago for R2,7 million.
- Which value will be recorded in the books? (1)
 - Identify the GAAP principle applicable. (2)
- 2.3 The following information relates to Bronkhorst Traders for the financial year ending 29 February 2024.
- REQUIRED:**
- 2.3.1 • Complete the asset register for the CCP Generator by calculating (i) to (iv) in the ANSWER BOOK provided. (12)
- 2.3.2 • Calculate the profit/loss with the asset disposal. Clearly indicate your choice. (4)

INFORMATION:

- Bronkhorst Traders bought an industrial generator to combat the loadshedding problem.
- The generator was bought on 1 April 2021 on credit from MC Suppliers for R160 000.
- Depreciation on equipment is calculated at 15% p.a. on the diminishing value.
- The generator was sold for R100 000 cash on 1 November 2023.

A. Fixed assets:

Equipment: CCP Generator			
Date purchased: 1 April 2021			
Date sold: 1 November 2023		Sold for: R100 000 (cash)	
Depreciation rate: 15% p.a. (diminishing-balance method)			
	COST	DEPRECIATION	CARRYING VALUE
28 February 2022	R160 000	(i)	(ii)
28 February 2023		20 700	117 300
1 November 2023		(iii)	(iv)

- 2.4 The following information relates to Manyaka and Son for the year ended 29 February 2024. The business decided to sell one of their vehicles on 31 May 2023 to Diane, on credit.

INFORMATION:

- Cost price of the vehicle, R 320 000.
- Accumulated depreciation on 1 March 2023, R 96 000
- Additional depreciation accurately calculated on 31 May 2023, R8 000.
- Selling price to Diane, R220 000 on credit

REQUIRED:

Complete the Asset Disposal Account in the General Ledger. (10)

- 2.5 The information relates to Tallies Traders for the financial year ended 29 February 2024.

REQUIRED:

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

2.5.2 The owner Tallies Staffy, 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. Fixed Asset Note**

	LAND AND BUILDING	VEHICLES
Carrying value on 1 March 2023	(i)	340 000
Cost		460 000
Accumulated depreciation	0	(ii)
Movements		
Additions	350 000	(iii)
Disposal at carrying value	0	0
Depreciation	0	(14 000)
Carrying value on 29 February 2024	2 700 000	(iv)
Cost		720 000
Accumulated depreciation		(v)

B. An additional storeroom was built during the year.

C. A new vehicle was purchased on 1 January 2024.



ACCOUNTING GRADE 11

CONTROL TEST

ANSWER BOOK

MARCH 2024

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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1.1 CONCEPTS

1.1.1	
1.1.2	
1.1.3	

3

1.2.1 CASH JOURNALS- FEBRUARY 2024

Cash Receipts Journal of Mongi Traders for February 2024						
Doc no	Day	Details	Fol	Bank	Sundry Accounts	
					Amount	Details
	29	Total	b/d	210 600		

9

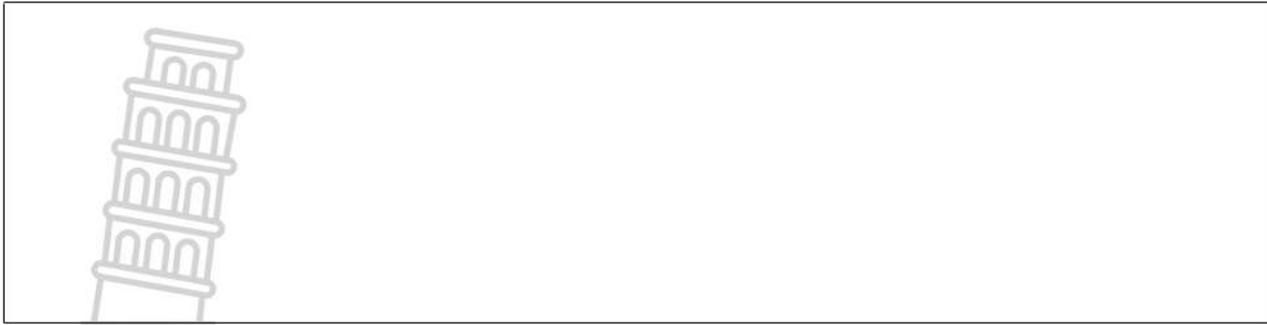
Cash Payment Journal of Mongi Traders for February 2024						
Doc no	Day	Details	Fol	Bank	Sundry Accounts	
					Amount	Details
	29	Total	b/d	186 300		

9

1.2.2 Bank Account Balance on 29 February 2024

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5



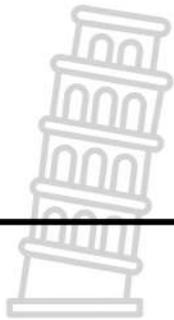
1.2.3 BANK RECONCILIATION STATEMENT ON 31 MARCH 2024			
		DEBIT	CREDIT
Credit incorrect debit by bank			3 500

13

1.3. INTERNAL CONTROL

1.2.4 (a) Give ONE possible problem relating to the deposits.		
<table border="1"> <tr> <td></td> </tr> <tr> <td>2</td> </tr> </table>		2
2		

1.2.4 (b)	Give ONE point of advice how to improve the internal control of cash to avoid such a problem in future.
-----------	--



2



1.2.4 (c) What action should have been taken against M. van Niekerk?

2

1.2.5 What is the purpose of preparing a bank reconciliation statement monthly?
Give **ONE** reason.

2

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

	<table border="1"> <tr> <td style="height: 20px;"> </td> </tr> <tr> <td style="text-align: center;">3</td> </tr> </table>		3
3			

TOTAL MARKS	50	
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QUESTION 2: FIXED ASSETS AND INTERNAL CONTROL

2.1	What is the purpose of keeping an asset register for each asset? Provide TWO points to support your answer.			
		<table border="1"> <tr> <td style="height: 20px;"> </td> </tr> <tr> <td style="text-align: center;">4</td> </tr> </table>		4
4				

2.2	Which value will be recorded in the books?			
		<table border="1"> <tr> <td style="height: 20px;"> </td> </tr> <tr> <td style="text-align: center;">4</td> </tr> </table>		4
4				

2.2	Identify the GAAP principle applicable.			
		<table border="1"> <tr> <td style="height: 20px;"> </td> </tr> <tr> <td style="text-align: center;">2</td> </tr> </table>		2
2				



BRONKHORST STORES

2.3.1

(i) Calculate: Depreciation for the year ended 28 February 2022	
Workings	Answer
(ii) Calculate: Carrying value for the year ended 28 February 2022	
Workings	Answer
(iii) Calculate: Depreciation on 1 November 2023	
Workings	Answer
(iv) Calculate: Carrying value on 1 November 2023	
Workings	Answer

		12
--	--	----

2.3.2 Calculate: Profit/Loss on sale of asset

Workings		Answer
		Profit / Loss

4

2.4

ASSET DISPOSAL

2023 May 31				2023 May 31		

10

2.5.1 Calculate the following

WORKINGS	ANSWER
(i) Carry value of Land and Buildings on 1 March 2023.	
(ii) Accumulated depreciation on vehicles.	

1

2

(iii) Additional vehicle.		2
(iv) Carry value of vehicles on 29 February 2024		4
(v) Accumulated depreciation on vehicles.		2

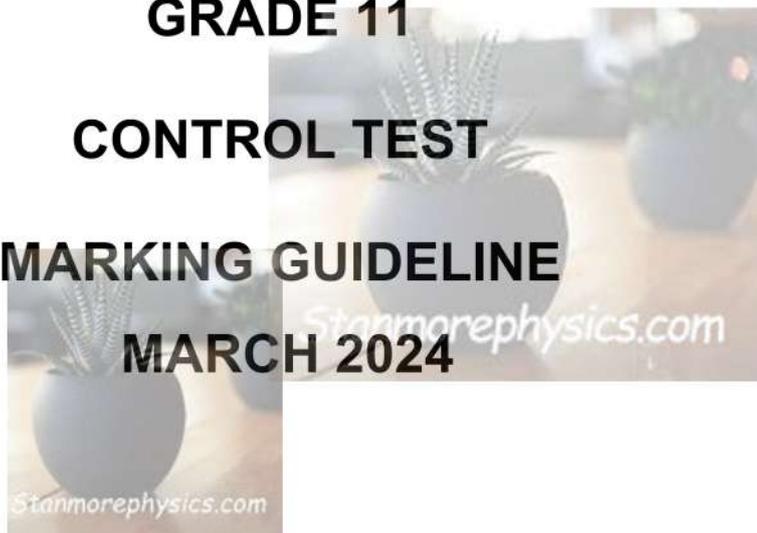
TOTAL MARKS	11	
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2.5.2	The owner Tallies Staffy, is concerned about the internal control over the fixed assets of the business. Suggest THREE internal control measures that could be implemented.
6	

TOTAL MARKS	50	
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ACCOUNTING
GRADE 11
CONTROL TEST
MARKING GUIDELINE
MARCH 2024



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

This marking guideline consists of 9 pages

QUESTION 1: BANKRECONCILIATION AND INTERNAL CONTROL

1.1 CONCEPTS

1.1.1	False	✓
1.1.2	True	✓
1.1.3	False	✓

3

1.2.1 CASH JOURNALS- FEBRUARY 2024

Cash Receipts Journal of Mongi Traders for February 2024						
Doc no	Day	Details	Fol	Bank	Sundry Accounts	
					Amount	Details
	29	Total	b/d	210 600		
B/S		A-Z Stationers		90 ✓✓	90	Stationary ✓
B/S		Vuyi		7 950 ✓	7 950	Rent Income ✓
B/S ✓		Jan Bank		150 ✓	150	Interest on current account ✓
-1 for poor presentation Must include total b/d				218 790	☑	

9

Cash Payment Journal of Mongi Traders for February 2024						
Doc no	Day	Details	Fol	Bank	Sundry Accounts	
					Amount	Details
	29	Total	b/d	186 300		
B/S		Pearl Insurers		3 500 ✓	3 500	Insurance ✓
B/S		BZ Windscreens		2 200 ✓	2 200	Repairs/ Maintenance ✓
B/S ✓		Jan Bank		140 ✓✓	140	Bank charges ✓
-1 for poor presentation Must include total b/d				192 140	☑	

9

1.2.4 (b) Give **ONE** point of advice how to improve the internal control of cash to avoid such a problem in future.

Any ONE strategy ✓✓ award part mark for incomplete / partial answers

- Receiving and banking of cash should be done by different people / division of duties/ The person receiving the money and issuing receipts should be different from the person completing the deposit slip and another person should deposit the money at the bank so that one can serve as a check on the other.
- Request SMS notifications from the bank
- Senior personnel should check via internet banking that deposits made by the bookkeeper are reflected daily.
- Contract a security company to collect the deposits on a daily/regular basis.
- Encourage debtors to make direct transfers

2

1.2.4 (c) What action should have been taken against M. van Niekerk?

Any valid answer ✓✓

- She should have received a written warning.
- There should have been a hearing against her.
- A case of fraud/ theft should have been opened with the police.
- If she has a contract with Mongi Traders, her contract should not be renewed when it expires.

Do not accept she should have been fired

2

1.2.5 What is the purpose of preparing a bank reconciliation statement monthly?
Give **ONE** reason.

One valid reason ✓✓

- Improves internal control by minimizing fraud or error because records are checked against an external source.
- Improves internal control by identifying outstanding EFTs and deposits.
- To compare the books of the business with that of the bank in order to detect errors and dishonesty at an early stage.

Expected responses for 1 mark

Internal control purposes, to reconcile the bank account.

2

1.2.6 Name THREE advantages of internet banking.

Any THREE valid points ✓ ✓ ✓

- 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/ account is updated immediately.
- It is convenient or easy to use.
- It is safer/ Less fraud.
- Can be done from business; not restricted to business hours / timesaving.
- Cheaper bank charges.

3

TOTAL MARKS

50

QUESTION 2: FIXED ASSETS AND INTERNAL CONTROL

2.1	What is the purpose of keeping an asset register for each asset? Provide TWO points to support your answer.			
	<p>Any TWO valid points ✓✓ ✓✓ Part mark for incomplete / partial answer</p> <ul style="list-style-type: none">• To verify the existence of fixed assets, or ownership• To verify if the calculations of depreciation are accurate.• To verify the calculations of profit or loss on sale of assets.• To ensure better internal control since it can be compared with a physical asset comparison.	<table border="1"><tr><td> </td></tr><tr><td>4</td></tr></table>		4
4				
2.2	Which value will be recorded in the books?			
	<ul style="list-style-type: none">• R4 million ✓	<table border="1"><tr><td> </td></tr><tr><td>1</td></tr></table>		1
1				
2.2	Identify the GAAP principle applicable.			
	<ul style="list-style-type: none">• Historical cost ✓✓	<table border="1"><tr><td> </td></tr><tr><td>2</td></tr></table>		2
2				

BRONKHORST STORES

2.3.1

(i) Calculate: Depreciation for the year ended 28 February 2022	
Workings	Answer
$(160\ 000 \times 15/100) \checkmark \times 11/12 \checkmark$	22 000 <input checked="" type="checkbox"/> one part correct
(ii) Calculate: Carrying value for the year ended 28 February 2022	
Workings	Answer
$160\ 000 \checkmark - 22\ 000 \checkmark$ see 2.3.1 (i)	138 000 <input checked="" type="checkbox"/> one part correct
(iii) Calculate: Depreciation on 1 November 2023	
Workings	Answer
$(117\ 300 \times 15/100) \checkmark \times 8/12 \checkmark$	11 730 <input checked="" type="checkbox"/> one part correct
(iv) Calculate: Carrying value on 1 November 2023	
Workings	Answer
$117\ 300 \checkmark - 11\ 730 \checkmark$ see 2.3.1 (iii)	105 570 <input checked="" type="checkbox"/> one part correct

12

2.3.2

Calculate: Profit/Loss on sale of asset	
Workings	Answer
$(105\ 570 \checkmark \text{ see 2.3.1 (iv)} - 100\ 000 \checkmark)$	5 570 <input checked="" type="checkbox"/> one part correct Profit / Loss <input checked="" type="checkbox"/> inspect

4

2.4

ASSET DISPOSAL

2023 May 31	Vehicles ✓	320 000 ✓	2023 May 31	Accumulated depreciation on vehicles ✓ (96 000 ✓ + 8 000 ✓)	104 000 ✓
	Profit on sale of vehicles ✓	4 000 ✓		Debtors' control ✓	220 000 ✓
		324 000			324 000

10

2.5.1 Calculate the following

WORKINGS	ANSWER
<p>(i) Carry value of Land and Buildings on 1 March 2023.</p> <p>2 700 000 – 350 000</p>	2 350 000 ✓
<p>(ii) Accumulated depreciation on vehicles.</p> <p>3 40 000 – 460 000</p>	120 000 ✓✓
<p>(iii) Additional vehicle.</p> <p>720 000 – 460 000</p>	260 000 ✓✓
<p>(iv) Carry value of vehicles on 29 February 2024</p> <p>340 000 ✓ + 260 000 ✓ see (iii) – 14 000 ✓ OR 720 000 – 134 000</p>	586 000 ✓
<p>(v) Accumulated depreciation on vehicles.</p> <p>120 000 + 14 000 OR 586 000 – 720 000</p>	134 000 ✓✓

1

2

2

4

2

TOTAL MARKS	11	
--------------------	----	--

2.5.2

The owner Tallies Staffy 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

50

