



ILEMBE DISTRICT

ACCOUNTING

SCHOOL-BASED ASSESSMENT



GRADE 11 (WRITTEN REPORT)



QUESTION 1

(39 MARKS : 45 MINUTES)

FIXED / TANGIBLE ASSET

The following information relates to Khanyisa Traders. The business owners are Khanyi and Sandiswa. The business sells and deliver Charcoal and ICE in the community of Clermont. The financial year end on 28 February 2025

REQUIRED:

1.1 State whether the following statement is True or False

- 1.1.1 Diminishing balance method is also known as the Fixed instalment method. (1)
- 1.1.2 Details of individuals items of all tangible asset are kept in a Fixed Assets Register. (1)
- 1.1.3 Tangible assets are purchased by the business with intention of resale. (1)
- 1.1.4 When equipment's are fully depreciated, they must be reflected at a carrying value of R1 in the books of the business. (1)

1.2 Refer to information A bullet number 3 for equipment sold and information C for Fixed asset note

- 1.2.1 Complete the Fixed Asset Register for the Equipment sold. (8)
- 1.2.2 Complete the Asset Disposal Account in the General Ledger for Equipment sold. (7)
- 1.2.3 Calculate the missing amounts indicated by (i) – (v) in the Fixed Asset Note (14)
- 1.2.4 Complete the Depreciation Account in the General Ledger Khanyisa Traders (6)

QUESTION 2

(11 MARKS : 15 MINUTES)

INTERNAL CONTROL OF FIXED / TANGIBLE ASSET

- 2.1 On 31 July 2024 partners decided to sell one of their equipment, Give **TWO** possible reasons for the sale of this equipment (4)
- 2.2 Land and Buildings were bought 6 years ago for R1 500 000. The property prices have increased by 15% since then. Partner Khanyi is suggesting that the value of this asset be recorded at higher amount so that the additional R225 000 can be reflected as a profit in the Statement of Comprehensive Incomes. Partner Sandiswa disagrees.
- Give **ONE** reason why you would agree with partner Sandiswa. Refer to **GAAP principles** in your answer. (3)

- 2.3 Due to high demand for Charcoal and ICE during festive season, Khanyisa Traders decided to employ two drivers SBUSISO and SIHLE to do deliveries during festive season around neighbouring communities. They are using two business vehicles to do deliveries; all fuels and maintenance are paid by the business. The owners notice that SBUSISO delivers fewer Charcoal and ICE than Sihle but his fuel and maintenance costs are higher than Sihle's. The owners suspect that Sbusiso is using the vehicle for private purposes as well. The owners are unsure of what control measures to implement so that the vehicles can be used for business purposes only, they ask you for your advice

Indicate to them **TWO control measures** they should put in place to avoid the abuse of business vehicles. (4)

INFORMATION

A EQUIPMENTS

- Depreciation: 10% p.a. on the diminishing balance value method.
- New equipment costing R27 000 was purchased on 1 July 2024. No entries were made.
- Equipment with a cost price of R42 000 was sold at its carrying value on 31 July 2024. Below is the Fixed Asset Register of this equipment.

Description	LG FRIDGE		
Date Purchased	30 August 2020		
Date Sold	31 July 2024		
Cost Price	R42 000		
From Whom Purchased	Makro		
Rate of depreciation	20% p.a on carrying value method		
Below are the details of depreciation			
DATE	DEPRECIATION	ACCUMULATED DEPRECIATION	CARRYING VALUE
28 FEB 2021	4 200	4 200	37 800
28 FEB 2022	7 560	(i)	(ii)
28 FEB 2023	(iii)	(iv)	(v)
31 July 2024	(vi)	(vii)	(viii)

B VEHICLES

- Depreciation: 15% p.a. on the cost price
- A new vehicle was purchased on 1 January 2025. Depreciation on this vehicle at year end is R3 000. No entries were made.

C. FIXED /TANGIBLE ASSET

	LAND AND BUILDING	VEHICLES	EQUIPMENT
COST PRICE		735 000	
ACCUMULATED DEPRECIATION		(645 000)	(175 000)
CARRYING VALUE ON 01 MARCH 2024	1 500 000	90 000	
MOVEMENTS			
ADDITIONS AT COST		(i)	27 000
DISPOSAL AT CARRYING VALUE		-	(iv)
DEPRECIATION DURING THE YEAR		(ii)	(25 566)
CARRYING VALUE ON 28 February 2025	1 500 000		
COST PRICE		(iii)	377 500
ACCUMULATED DEPRECIATION			(v)

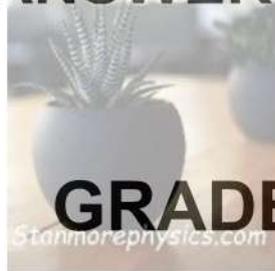


ILEMBE DISTRICT

ACCOUNTING

SCHOOL-BASED ASSESSMENT

ANSWERBOOK



GRADE 11

2025

NAME OF LEARNER	
SCHOOL NAME	
DATE	

QUESTION 1

1.1.1	
1.1.2	
1.1.3	
1.1.4	

4

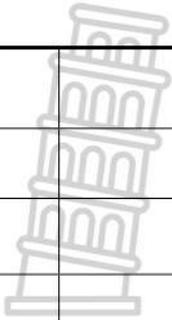
1.2.1 EQUIPMENT SOLD

Description		LG FRIDGE	
Date Purchased		30 August 2020	
Date Sold		31 July 2024	
Cost Price		R42 000	
From Whom Purchased		Makro	
Rate of depreciation		20% p.a on carrying value method	
Below are the details of depreciation			
DATE	DEPRECIATION	ACCUMULATED DEPRECIATION	CARRYING VALUE
28 FEB 2021	4 200	4 200	3 7800
28 FEB 2022	7 560	(i)	(ii)
28 FEB 2023	(iii)	(iv)	(v)
31 JULY 2024	(vi)	(vii)	(vii)

8

1.2.2

ASSET DISPOSAL ACCOUNT



7

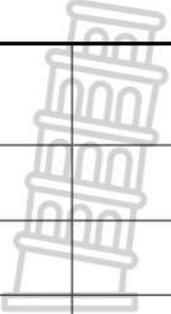
1.2.3 TANGIBLE ASSET NOTE

(i)	
(ii)	
(iii)	
(iv)	
(v)	

14

1.2.4

DEPRECIATION ACCOUNT



6

QUESTION 2

2.1 TWO POSSIBLE REASONS



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4

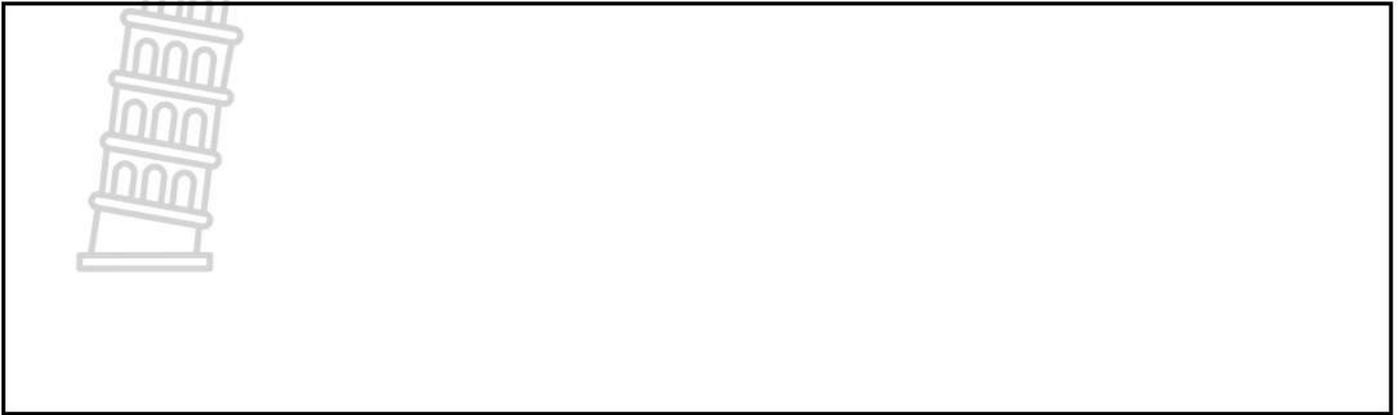
2.2 ONE REASON AND GAAP PRINCIPLE

Reason:

GAAP Principle:

3

2.3 TWO CONTROL MEASURES



4

TOTAL MARKS	
50	

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