KWAZULU-NATAL PROVINCE

EDUCATION
REPUBLIC OF SOUTH AFRICA

CURRICULUM GRADE 10 -12 DIRECTORATE

NCS (CAPS) SUPPORT

JUST IN TIME
LEARNER SUPPORT DOCUMENT

ACCOUNTING
GRADE 10
2026

This support document serves to assist Accounting learners on how to deal with curriculum gaps and learning losses of the past years. It addresses the topics in the Grade 10 curriculum.

Activities serve as a guide on how various topics are assessed at different cognitive levels and also preparing learners for informal and formal tasks in Accounting. It covers the topics in term 2, 3 and 4.

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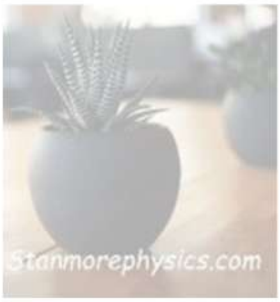


SALARIES AND WAGESACTIVITY: ACTIVITY A1

Basic Concepts

Choose the correct Answer given in the table below re-write the statement; write the answer in full.

Salary Advice, Deductions, Net salary, Overtime remuneration, Staff Fund, Gross salary, Pension Fund, Medical Aid, Unemployment insurance fund, PAYE

1.1.1. Paid to ensure an employee and his family have access to quality healthcare.
1.1.2. Gross wage minus deductions
1.1.3. Compulsory and non -compulsory payments taken from the basic salary of employee.
1.1.4. Employees contribute to this for mutual benefit in the work place_______________
1.1.5. A form of tax paid on salaries___________
1.1.6. A person may claim from this when they lose their job_______________
1.1.7. Slip given to each employee that provides information about gross salary, deductions and net salary
1.1.8. Basic salary per month prior deductions________________
1.1.9. This will become a monthly income for a person upon their retirement
1.1.10. Remuneration paid to workers who work longer hours than ordinary time - usually at a set fee.

1.2 WAGES JOURNAL Draw wages with journal in your book.

1.3 what measures can a business put in place to avoid paying too much money for overtime?

The following information was taken from the records of Esikhumbuzweni Traders.

REQUIRED:

1.2.1 Prepare the Wages journal of Esikhumbuzweni Traders for the week ending 29 May 2026.

INFORMATION

A. Esikhumbuzweni Traders employs two wage earners, S. Ndaba and P. Mshengu. They earn R20 and R24 per hour respectively. For working overtime, they receive one and half times their normal time remuneration. Esikhumbuzweni Traders has a normal working week of 40 hours
The following hours were worked in the week ended 29 May 2026

- S. Ndaba 42 hours
- P. Mshengu 45 hours

B. The following deductions must be made:

- Pension is 5% of normal time wages.
- Medical Aid is R10 per family member (S. Ndaba is married with

two children)

- UIF is R15 each for unemployment insurance.
- Membership of the staff association is optional and only P. Mshengu is a member at R2 per week.
- PAYE is 20% of gross wages.

C. The employer contributes 50 cents for every rand to the pension fund and contributes to the UIF on a rand -for-rand basis

ACVITITY A2

You are provided with the information related to Dlamini stores for the month ending 30 March 2026, this month is where a business pays bonuses to its employees. One employee is new to the business no bonus for him.

Required 2.1 complete a wages journal

The business has Three Employees and are paid as follows

Lindy (single)	R136 800 P.A bonus is 100% of monthly salary
Uminathi (married)	R17 100 per month bonus is 100% of monthly salary
Nkwenkwe (divorced with 3 kids)	R153 600 P.A

The following deductions were made	**Contributions by Dlamini stores**
Pension fund 5% gross	Double the employee contribution
PAYE 36% gross salary	Skills development levy is 1%.
Medical aid R1 000 per main member R250 additional member	$1\frac{1}{2}$ for every rand contributed by
UIF 10% basic salary	Rand on rand basis

Employees	**Basic salary**	**Bonus**	**Gross salary**	**Deductions**					**Net salary**
				Pension fund	PAYE	Medical aid	UIF	Total Deductions	
Lindy									
Uminathi									
Nkwenkwe									

Employees	**Employer's contributions**				
	Medical Aid	Pension Fund	UIF	SDL	Total
Lindy					
Uminathi					
Nkwenkwe					

ACTIVITY A3 SALARY SCALE

Somashi stores employed VOVO Dlamini as their manager on 1 January 2026.
The following annual scale was agreed upon:

270 000×18 000-306 000×27 000-360 000

3.1 Complete the salary table using the scale above

3.2 Answer the following questions from salary scale: (135 000 X 14 640 – 178 920 – 229 680)

3.2.1 Determine Ms Mbatha's monthly salary in her first year of employment?
3.2.2 What will her annual salary be in the third year of her employment?
3.2.3 Calculate the percentage increase in her monthly salary in her sixth year of employment.
3.3.1 Calculate the Ms Mbatha's monthly salary in her 1st year of employment?
3.3.2. What will be her annual salary in the 3rd year of her employment?

ACTIVITY A4

BMD deliveries employed 3 employees who are paid weekly; the information was extracted from the books on 28 February 2026. They work 6 Days a week and 7 hours daily. Basic rate is R200 per hour. For working Overtime, they will receive an overtime rate of 1,5 times the normal rate. Pomeroy was absent on Saturday and no overtime worked by him.

4.1 prepare the wages journal for the week ending 26 February 2026

BUSANA	50 hours worked
DOLO	45 hours worked
POMEROY	?

Deductions and contributions

PAYE	20 % of gross salary
Pension fund	8% 0f the normal time BMD deliveries contribute 12% of gross salary
Medical fund	Members pay R500 per week, business contributes R2 for every R1.
UIF	A deduction of 1% of normal wage and employer contribute the same amount.

Employees	Basic Wages (Normal Time)			Overtime			Gross Wages
	Hours	Rate	Amount	Hours	Rate	Amount	
BUSANA							
DOLO							
PMEROY							

Employees	Deductions					Net Wages
	Medical	Pension	UIF	PAYE	Total	
BUSANA						
DOLO						
POMEROY						

Employees	Contributions			Total
	Medical Aid	Pension Fund	UIF	
BUSANA				
DOLO				
POMEROY				

FINAL ACCOUNTS

ACTIVITY B1

Prepare the following accounts on 28 February 2026

1. Trading account
2. Profit and loss account

INFORMATION:

A. **Extract from pre adjustment trial balance on 28 February 2026**

Loan: Dundee Bank	R 483 600
Fixed deposit @ 10%	47 000
Trading stock	416 400
Sales	?
Cost of sales	2 936 500
Salaries and wages	305 000
Depreciation	91 200
Rent income	43 500
Interest income	3 525
Bad debts recovered	5 400
Packing materials	27 300
Advertising	4 800
Insurance	35 750

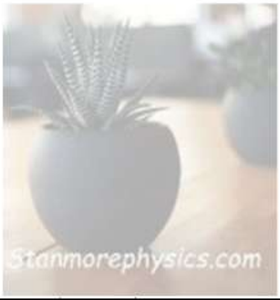
Sundry expenses	88 055
Bad debts	10 000

B. ADJUSTMENT AND ADDITIONAL INFORMATION

1. The business maintains a profit mark-up of 50% on cost of all goods sold.
2. A goods sold on credit on 28 February 2026 was not yet recorded. The cost ofthe goods sold was R14 500
3. Trading stock to the value of R7 000 was stolen by phara boys, insurance agreed to pay R6 000 as security was asleep during burglary.
4. Annual stock-take on 28 February 2026 revealed the following on hand:
   - Trading stock, R392 400, packing material R3 800
5. Debtor A Khoza was declared insolvent. Received R3 480 from his estate.This was 30% of his account. The balance must be written off as irrecoverable.
6. A six-month advertising contract was entered into on 1 January 2026. The amount of R4 800 for six equal monthly instalments was paid in full.
7. The tenant paid rent up to 31 March 2026. He mentioned that he did repairs of R3 300 in December 2025. This must be offset against the rent due by him, as repairs is the responsibility ofthe business.
8. The insurance was paid for 11 months only, premium for February 2026 was not yet paid.
9. Interest on loan is capitalised and has not been recorded yet. The loan statement from Dundee Bank on 28 February 2026 reflected the following:

Balance on 1 March 2025	R 642 000
Total repayments (including interest capitalised)	158 400
Interest capitalised	?
Balance on 28 February 2026	553 800

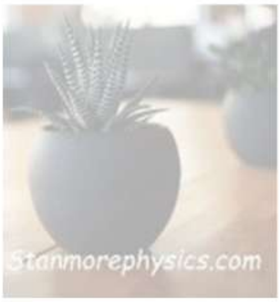
10 Interest on fixed deposit was received for 9 months. Interest rate is 10%.



Answer sheet ACTIVITY B1

Trading account

Profit and loss account



Activity B2

Required

2. Trading account

1

2. Profit and loss account

2

The following information was taken from the books of Nquthu Traders on 30 June 2026

Extract from the Pre-Adjustment Trial Balance on 30 June 2026

	DEBIT	CREDIT
Balance Sheet Account Section		
Capital		1 200 000

Drawings	90 0000	
Mortgage Loan: from Mdolomba Bank		281 200
Land and buildings	1 760 108	
Equipment	224 000	
Accumulated depreciation on equipment		130 000
Trading stock	215 000	
Debtors Control	39 090	
Bank		127 950
Creditors Control		119 518
Fixed deposit	160 000	
Nominal Account Section		
Sales		1 703 200
Debtors Allowances	17 000	
Cost of sales	?	
Service fee income in respect of repair service		297 140
Rent income		105 000
Interest income		11 200
Salaries and Wages	234 750	
Employers' contribution to Pension Fund and UIF	53 200	
Rates	5 400	
Consumable stores	51 100	
Bank charges	5 240	
Telephone	3 680	
Repairs	5 200	
Stationery	2 680	
Bad debts Recovered		960
Bad debts	1 920	
Water and electricity	6 000	
Sundry expenses	48 000	
	3 976 168	**3 976 168**

ADJUSTMENTS AND ADDITIONAL INFORMATION

A. A credit note issued to a debtor, S Sambo, dated 28 June 2026 was not recorded in the books. The credit note was for: (Mark up % achieved 60%)

- Goods returned by S Sambo, R 6 200 (the cost was R 4 800)
- Price reduction on unsatisfactory repair of tennis racket, R 540

B. Bank charges of R 310 reflected on the June 2026 bank statement have not yet been entered in the books.

C. The stock count on 30 June 2026 revealed the following on hand:

- Trading stock, R202 000
- Consumable stores, R 900

D. An employee was left out of the Salaries Journal for June 2026.The details from his pay-slip were:

- Gross salary R
- PAYE deduction (18% R 1 080
- Pension Deduction (7,5%) R 450
- UIF R 60
- Net salary R 4 410

The business contributions were:

- Pension Fund: 10,5% of gross salary
- UIF: Rand -for rand basis

E. The tenant paid the July and August rent in June 2026.The rent was increased by R 700 per month on 1 January 2026.

F A debtor Sbari. Gumede must be written off as a bad debts R 250.no entries have been made.

G. Provide for depreciation for equipment at 10% p.a on the diminishing balance method .Note that a new equipment costing R 30 000 was purchased half - way through the financial year this was properly recorded.

H. Interest on the loan was capitalised. The loan statement from Mdolomba on 30 June 2026 reflects the following:

MDOLOMBA-BANK Loan statement on 30 June 2026

Balance on 1 July 2025	R 332 800
Interest charged	?
Monthly repayment	R 4 300
Balance on 30 June 2026	R 326 000

Answer sheet B2 (use your exercise book structure is same as above)

ACTIVITY B3

The information relates to the business NZ Traders, owned by Nombali Zondi. The financial year ended on 28 February 2026.

REQUIRED

3. TRADING ACCOUNT
1 PROFIT AND LOSS
3.
2

INFORMATION:

Extract from the Pre-Adjustment Trial Balance on 28 February 2026

	R
Loan: DOLO Bank	612 400
Fixed deposit	240 000
Trading stock	326 000
Debtors control	263 700
Sales	3 815 000
Cost of sales	2 180 000
Rent income	104 000
Discount received	8 580
Packing material	86 600
Salaries and wages (including contributions)	432 000
Bad debts	16 150
Water and electricity	28 920
Bank charges	13 800
Sundry expenses	40 060
Insurance	52 240
Interest on fixed deposit	16 000
Interest on loan	?

B **ADJUSTMENTS AND ADDITIONAL INFORMATION:**

.

i. Credit sales to debtor Nogcebo Dlamini for R16 800 was not recorded. The cost of sales was R9 600.

ii. Debtor, T Mthembu was declared insolvent. His outstanding balance of R8 750 must be written off.

iii. Physical stock-take on 28 February 2026 revealed the following on hand
Trading stock R313 400, Packing material R2 200

iv. Depreciation on fixed assets amounted to R112 300 for the financial year.

v. The water and electricity account for February 2026, R2 350, will only be paid on 28 April 2026.

Vi Insurance includes an amount of R5 000 paid the following year.

vii. The bank statement received on 28 February 2026 reflected bank charges of R1 120 and interest on favourable current account balance of R600.

vii. Rent income was received for 13 months.

ix. Interest on fixed deposit was only received for 10 months. The fixed deposit was unchanged during the financial year. Interest is not capitalised.

X

Balance on 1 March 2025	R 880 000
Interest	?
Repayments during the year including interest	267 600
Balance on 28 February 2026	717 400

Activity B3 answer sheet (USE your exercise book) structure as above.

Activity B4

The following information was taken from the financial records of uMzinyathi Stores for the year ended 28 February 2026.

Prepare the following ledger accounts in the books of uMzinyathi Stores on 28 February 2026 after taking into account adjustments and additional information.

Close off the accounts.

4.1 Trading Account

4.2 Profit and Loss Account

4.3 Capital account

A. Pre-adjustment Tri Balance of uMzinyathi Stores on 28 February 2026.

Balance sheet accounts section	**Debits**	**Credits**
Capital		9 600 000
Drawings	544 000	
Mortgage loan: Shaky Bank		1 660 800
Land and building at cost	9 280 000	
Equipment	2 080 000	
Accumulated depreciation on equipment (01/03/2025)		533 600
Vehicles at cost	4 480 000	
Accumulated depreciation on vehicles (01/03/2025)		896 000
Fixed deposit: Family bank (8%)	384 000	
Trading stock	704 000	
Debtors Control	676 800	
Bank	481 600	
Creditors control		681 600
Nominal accounts section		
Sales		14 342 270
Cost of Sales	6 720 000	
Debtors Allowances	174 720	
Salaries and wages	1 496 000	
Insurance	200 000	
Bad debts	140 800	
Stationery	229 120	
Telephone	343 200	
Bank charges	182 400	
Rent income		534 400
Packing materials	320 000	
Advertising	90 240	
Commission income		244 960
Interest on fixed deposit		12 800
	28 528 880	**28 526 880**

-

B. ADJUSTMENTS AND ADDITIONAL INFORMATION

1. Credit Note received on 27 February 2026 was not recorded in the books. Selling pre-R 38 000 cost price R 17 500.
2. Rent income has been received for 10 months. An amount of R106 680 is still outstanding.
3. Write off an account of a debtor M. Majola as irrecoverable R23 000.
4. Stationery purchased on account R17 900 has been recorded.

5. Provide for interest on loan. The loan statement received from Shaky bank reflected the following on 28 February 2026:
   - Balance on 1 March 2025 R2 011 000
   - Repayments (including interest for the year R480 000)
   - Interest (capitalized) R?
   - Balance on 29 February 2026 R1 660 800
6. Depreciation for the year has been correctly calculated as follows:
   - On equipment R672 000
   - On vehicle R309 280
7. Provide for outstanding interest on fixed deposit.
8. Insurance for March 2026 has been paid in advance, R19 600.
9. Stock on hand as per physical count on 29 February 2025 revealed the following:
   - Trading stock, R701 000
   - Packing materials used for the year, R295 000

10. The bank statement received from Mabizela Bank reflects the following:
    - Bank charges R11 350
    - An EFT received from a debtor whose account been previously written off, R40 500.

The relevant entries were not made.

ACTIVITY C1: STATEMENT OF COMPREHENSIVE INCOME AND INTERNAL CONTROLS

The following information relating to **Mtwazi Traders**. The business sells soccer balls and maintains a 60% mark-up on cost. The financial year ends on 28 February 2026.

REQUIRED:

Prepare the Statement of Comprehensive Income for the year ended 28 February 2026.

1.1

....1. The owner of **Mtwazi Traders** is no happy that the staff are staling the stock of the business.

2 Suggest two internal control measures that he can implement to avoid this in future.

INFORMATION:

A. FIGURES EXTRACTED FROM THE PRE-ADJUSTMENT TRIAL BALANCE ON 28 FEBRUARY 2026

	R
BALANCE SHEET ACCOUNT SECTION	
Equipment	58 000
Accumulated depreciation on equipment	26 100
Fixed deposit (15% p.a.)	23 000
Trading stock	31 700

Debtors Control	17 580
Loan (18% p.a.)	25 000
NOMINAL ACCOUNTS SECTION	
Sales	442 000
Cost of sales	262 500
Debtors' allowances	22 000
Rent income	16 900
Bad debts recovered	1 440
Interest on fixed deposit	1 155
Packing materials	3 640
Advertisements	1 900
Salaries and wages	72 000
Telephone	3 995
Water and electricity	33 850
Insurance	5 600
Stationery	2 450
Bad debts	3 700
Interest on loan	4 500

ADJUSTMENTS AND ADDITIONAL INFORMATION:

A. A debtor, K.M Mhlongo, returned a stock with a selling price of R800. This transaction was not recorded.

The stock taking on 28 February 2026 revealed the following on hand:

C.
- Trading stock, R24 000
- Stationery, R120

D. The business has already received the rent for March 2026.

E. The telephone account of R135, has been received but not yet paid.

F. Insurance includes an annual premium of R3 000 paid on 1 July 2025.

G. Interest on the fixed deposit is still outstanding.

H. Depreciation on equipment is calculated at 10% per annum according to the cost price method. No new equipment was purchased during the year.

ACTIVITY C1: ANSWER SHEET

Mtwazi Traders

1.1 **THE STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 28 FEBRUARY 2026.**

Sales	
Cost of sales	
Gross profit	
Other operating income	
Gross operating income	
Operating expenses	
Packing materials	3 640
Advertising	1 900

Salaries	72 000
Operating profit	
Profit before interest expense	
Net profit	

1.2 The owner of **Mtwazi Traders** suspects that the staff are staling the stock of the business. Suggest two internal control measures that he can implement to avoid this in future.

ACTIVITY C 2: CONCEPTS AND STATEMENT OF COMPREHENSIVE INCOME

2.1 CONCEPTS

Match the description in column A to the correct concept in column B. Write only the letter next to the question number (1.1.1. -1.1.5.) in the answer book.

	COLUMN A			COLUMN B
	2.1.1	The original amount of money invested, before interest was added.	A	Balance sheet
	2.1.2	Remaining cost of an asset that still needs to be depreciated in future financial years.	B	Financial year
	2.1.3	The financial statements of a business are done with the assumption that the business will continue to operate in future.	C	Going concept
	2.1.4	A statement that reflects the financial position of the business.	D	Capital amount
	2.1.5	The length of time equal to twelve consecutive months over which financial accounts are kept and reported on.	E	Carrying value

STATEMENT OF COMPREHENSIVE INCOME

SNETHEZEKILE LIMITED

Shukela is the owner of **Snethezekile Traders** The business buys and sells gym equipment at a fixed rate. The financial year ends on the 30 June each year.

REQUIRED:

2.2 Complete the Statement of Comprehensive Income for the year ended 30 June 2025.

Information:

A EXTRACT FROM THE PRE-ADJUSTMENT TRIAL BALANCE OF SNETHEZEKILE LTD FOR THE YEAR ENDED 30JUNE 2025

	Dr	Cr
Land and buildings	980 000	
Vehicles	740 000	
Equipment	320 000	
Accumulated depreciation on Vehicles (1July 2024)		148 000
Accumulated depreciation on Equipment (1July 2024)		58 200
Loan RSA Bank		?
Trading stock	480 000	
Debtors Control	56 200	
Fixed deposit (Prime bank 7% p.a.)	70 000	
Rent expense	92 800	
Interest on current accounts		580
Fee income		124 500
Salaries and wages	345 600	
Stationery	21 700	
Rates and taxes	32 500	
Advertising	18 400	
Bad debts	9 200	
Interest on fixed deposit		3 675
Bank charges	4200	

B ADDITIONAL INFORMATION AND ADJUSTMENTS:

.

1. According to the physical stock count, trading stock of R480 640 was on hand on 30 June 2025.
2. Stationery used during the financial year amounted to R20 400
3. The fixed deposit at Prime Bank was invested on 31 May 2024. Provide for the outstanding interest. Interest is not capitalised.
4. The rates and taxes account for June 2025 was received but not paid, R1800.
5. A Debtor, K Mngadi who owes the business R3 800 has been declared insolvent. The insolvent estate paid out 40 cents for each rand owes. Write off the balance as irrecoverable.
6. The Gym equipment has been renewed for R1 400 for the players on 28 June 2025; however, the customer will only pay on the 22 July 2025.
7. Advertising include R7 200, this amount is for advertising placed in the local newspaper for the period 1 October 2024 to 30 September 2025.
8. The following entries appeared in the June 2025 bank statement but were not recorded in the books of the business.
    - Cash handling fees, R450.
    - Interest on credit bank balance, R120.
9. Depreciation for the year amounted to R108 200.

10 One worker was omitted from the salaries journal for June 2025:
- Net salary R18 000
- Deductions R7 200
- Employer's contributions R2400
- Gross salary?

Employer's contribution is included in the salaries account

11. The loan statement from RSA bank on 30 June 2025 reflects the ff:

Balance on 1 July 2024	350 000
Total repayment including interest	56 000
Balance on 30 June 2025	310000
Interest is capitalised	

12. Rent has been paid for 11 months. According to the lease agreements, the rent will increase annually 1 December 2025 with 15%.

ACTIVITY C 2: USE YOUR OWN ANSWER SHEET

2.2 **STATEMENT OF COMPREHENSIVE INCOME**

SNETHEZEKILE LTD
Statement of Comprehensive Income for the year ended 30 June 2025

Sales	3 240 000
Cost of sales	(2 160 000)
Gross profit	1 080 000
Other operating income	
Discount received	9 200
Gross operating income	
Operating expenses	
Discount allowed	3 400
Repairs	234 300
Packing material	1 460
Sundry expense	128 200
Water and electricity	63 200
Operating profit	
Profit before interest expense	
Net profit for the year	

ACTIVITY C 3: CONCEPTS AND STATEMENT OF COMPREHENSIVE INCOME.

3.1 Choose the correct term to complete each of the following statements. Write on the term next to the question numbers (1.1.1 to 1.1.4.) in the **ANSWER BOOK.**

Trade and other payables, operating income; financial assets; operating expense; current liabilities.

3.1.1 The portion of the loan which will be paid during the following financial period will be recorded as… in the statement of financial position.

3.1.2 A fixed deposit which will mature in two years will be recorded as a/an … in the statement of financial position.

3.1.3 An amount received from a debtor whose account has been previously written off is treated as … in the statement of comprehensive income.

3.1.4 An accrued expense will be recorded under … in the statement of financial position.

3.2 Two Men Traders

The information is related to Two Men Traders, the financial year ended on 28 February 2026.

REQUIRED:

3.2.1 Prepare the statement of Comprehension Income for the year ending 28 February 2026

INFORMATION:

A. EXTRACT FROM THE PRE-ADJUSTMENT TRIAL BALANCE ON 28 FEBRUARY 2026

	2026 (R)	**2025 (R)**
Capital account	10 150 000	8 800 000
Drawings	2 100 400	
Mortgage loan: Westside Bank	3 040 000	
Land and Buildings	5 600 000	5 600 000
Vehicles	5 000 000	3 800 000
Accumulated depreciation on Vehicles	?	960 000
Fixed deposit: Westside Bank	720 000	560 000
Debtors control	458 650	?
Creditors' control	166 800	
Nominal account section		
Sales	13 284 000	
Cost of sales	7 380 000	
Salaries and wages	1 442 000	
Stationery	98 736	
Insurance	186 000	
Rent income	370 944	
Interest on fixed deposit	49 600	
Marketing expenses	276 000	
Motor expenses	98 400	
Bad debts	66 720	
Bad debts recovered	15 400	
Depreciation	?	
Interest on loan	498 467	

B. ADJUSTMENT NOT CONSIDERED:

1. Goods are sold at the mark -up of 80% on the cost price. Discount for the damaged goods sold during the year amounted to R58 400. No entry has been made for the discount.
2. Stationery to the value of R90 400 was used during the year.
3. Included in the amount for insurance was a yearly premium of R22 080 paid on 1 December 2025 for the year ended 30 November 2026.

4. One worker was not paid his salary for February 2026. His details are as follows:

Deductions	Net salary	Employer's contributions
R22 400	R58 000	R15 200

Note: contributions are recorded in the salaries and wages account.

5. Rent was received until 30 April 2026. The monthly rent was increased by R 3 024 per month starting on 1 November 2025
6. The fixed deposit at Westside Bank was increased by R 160 000 on 1 June 2025 at the existing rate of 8% p.a. The transaction was recorded. Make the provision for the outstanding interest. Interest is not capitalised.
7. The new vehicle for R 1 200 000 was bought on 1 September 2025. The relevant entries were correctly recorded. Provide for depreciation on vehicles at 20% p.a. using diminishing balance method.
8. 25% of the motor expenses are still outstanding.
9. R 6 680 was received from a debtor whose account was written off the previous year. The relevant entries were not made for this.
10. An account of a debtor who has left the country to Zimbabwe must be written off R33 740.
11. The loan from Westside Bank was taken out on I July 2024. The loan will be repaid over ten years in equal monthly instalments. Repayments were made from the end of July 2024, and all payments (including interest) were paid and recorded.

ACTIVITY C 3: ANSWER SHEET

3.1.1	
3.1.2	
3.1.3	
3.1.4	
3.1.5	

3.2 TWO MEN TRADERS

Statement of comprehensive income for the year ended 28 February 2026

Sales	

Net profit for the year	

ACTIVITY C 4: CALCULATING CORRECT NET PROFIT AND STATEMENT OF FINANCIAL POSITION

INJULA TRADERS

The information relates to the financial year ended 31 December 2025

REQUIRED:

4.1 **Refer to information A and B:**

Use the table provided to calculate the correct net profit for the year ended 31 December 2025. Indicate "+" for increase and "-"for decrease in each adjusted amount

4.2 Complete the statement of Financial Position on 31 December 2025

NOTE:

- **Adjustments from information B must be considered when completing the Statement of Financial Position.**
- **Show workings**
- **Some amounts have been entered in the ANSWER BOOK.**

INFORMATION:

A. **Extract from Pre-adjustment Trial Balance on 31 December:**

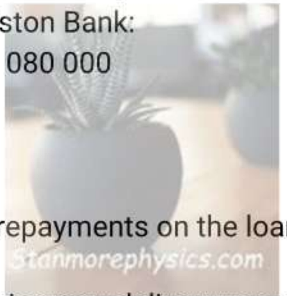
	2025 (R)	2024 (R)

Capital account	?	10 020 000
Drawings	460 000	
Mortgage loan: Fiston Bank	?	6 300 000
Fixed assets (Carrying value)	15 249 690	
Fixed deposit	980 000	
Trading stock	3 239 200	
Debtor control	2 234 800	
Bank (favourable)	456 750	
Creditors control	2 943 390	
Prepaid expense	233 400	
Accrued expense	198 600	
Accrued income	98 900	
Deferred income	111 700	
SARS: PAYE	367 850	
Pension Fund	156 900	
Cash Float	45 700	
Petty cash	25 000	

B. **The net profit for the year, R4 124 800,** was calculated before taking the following into account:

1. During November 2025 heavy rains, the business lost stock to the value of R340 000 due to floods. The insurance company paid R260 000 directly into the business bank and was correctly recorded. Write off the remaining balance.
2. The bookkeeper did not consider depreciation for the year R456 800.
3. Rent expense for December 2025 was still outstanding, R99 300.
4. The business signed a contract with Suppy News for 6 months for advertising, R88 600 ending on 31 March 2026.
5. Packing materials as per physical count on 30 December 2025, R11 000.
6. Information from the loan statement received from Fiston Bank:
   - Repayments for the year including interest, R1 080 000
   - Interest on the loan is capitalised.
   - Balance on 31 December 2025, R5 580 000
   - Provide for interest on loan

   Note: The business plan to make capital monthly repayments on the loan of R75 000 in the next financial year.



C. The owner increased his capital contribution by introducing new delivery van on the last day of the financial year, R 744 000. No entry was made.

D. A debtor with a credit balance of R56 000 must be transferred into his account in the creditors' ledger.

E. 40% of the fixed deposit will mature on 30 June 2026

ACTIVITY C4: ANSWERSHEET

4.1 Calculate the correct net profit for the year ended 31 December 2025.
Indicate + for increase and – for decrease at each adjustment.

WORKINGS	ANSWER
Incorrect Net Profit	4 084 800
Loss due to floods	
Deprecation	
Rent expense	

Advertising	
Packing materials	
Interest on loan	
Correct net profit for the year	

4.2 STATEMENT OF FINANCIAL POSITION ON 31 DECEMBER 2025	**R**
ASSETS	
NON-CURRENT ASSETS	
Fixed assets	
Financial assets	
CURRENT ASSETS	
Inventory	
Trade and other receivables	
Cash and cash equivalent	
TOTAL ASSETS	
EQUITY AND LIABILITIES	
Owners' equity	
Capital account	
NON-CURRENT LIABILITIES	
Mortgage loans	
CURRENTLIABILITIES	
Trade and other payables	
TOTAL EQUITY AND LIABILITIES	

ACTIVITY C 5: FIXED ASSETS AND STATEMENT OF FINANCIAL POSITION

The following information relates to **Mtuba Wearhouse Traders**. The financial year ended on 28 February 2026

REQUIRED:

5.1 Refer to information B.

Calculate the missing figures denoted by (i) to (iv).

5.2 Complete the Statement of Financial Position on 28 February 2026. Show working in brackets.

Information:

A. Amounts extracted from the records on 28 February 2026:

	R
Balance sheet account section	
Capital account	4 400 000
Drawings	215 000
Fixed assets at carrying value) (information B)	?
Loan from Blue Bank (information H)	?
Trading stock	686 881
Trade debtors	67 200
Fixed deposit: Zuma Bank	1 199 650
Bank (favourable)	180 000
Petty cash	10 000
Cash float	17 700
Creditor's control	184 000
Nomina account sections (pre-adjustment amounts)	
Insurance	30 200
Rent income	108 450

Water and electricity	42 000

B. FIXED ASSETS

	LAND AND BUILDINGS	VEHICLES	EQUIPMENTS	TOTAL
Cost		350 000	460 000	
Accumulated depreciation		(215 000)		
Carrying value (01/03/2025)	(i)	135 000		
Movements:				
Additions	325 000	422 550	0	
Depreciation		(ii)	(13 766)	
Cost		720 550	480 000	
Accumulated				
Carrying value (28 /02/2026)	2 550 000	(iii)	50 994	(iv)

- Depreciation on vehicles is calculated at 20% on cost.
- The new vehicle was purchased on 1 September 2025

C.The rent for February 2026 has not been received yet. The rent increased by R1 350 on 1 July 2025.

D. Water and electricity account for February 2026, R5 600, was still outstanding.

E. An additional insurance policy was taken out on 1 November 2025. The annual premium of R10 200 was paid and recorded. Provide for insurance paid in advanced.

F. Bad debts must be considered, R270.

Balance on 1 March 2025	R376 000
Instalments including interest	R92 000
Interest capitalised	R48 000
Balance on 28 February 2026	?

G. Net profit for the year, R518 000, was calculated after considering all the adjustments above.

H. Extract from Blue Bank loan statement:

H. Note:

- R50 0000 of the loan balance will be settled in the next financial year.

J. R170 000 of the fixed deposit will mature in the next financial year.

5.1 **ACTIVITY C 5: ANSWER SHEET**

(i) Calculate the carrying value of Land and buildings on March 1 March 2025

(ii) Calculate the total depreciation on Vehicles on 28 February 2026

(iii) Calculate the carrying value of Vehicles on 28 February 2026

(iv) Calculate the total carrying value of fixed assets on 28 February 2026

5.2

STATEMENT OF FINANCIAL POSITION ON 31 DECEMBER 2026	
ASSETS	
NON-CURRENT ASSETS	
Fixed assets	
Financial assets	
CURRENT ASSETS	
Inventory	
Trade and other receivables	
Cash and cash equivalent	
TOTAL ASSETS	
EQUITY AND LIABILITIES	
Owners' equity	
Capital account	
NON-CURRENT LIABILITIES	
Mortgage loans	
CURRENTLIABILITIES	
Trade and other payables	
TOTAL EQUITY AND LIABILITIES	

ACTIVITY C 6: STATEMENT OF FINANCIAL POSITION AND NOTES

6.1 **Complete the Statement of Financial Position on 31 December 2025 for Osizweni Traders**

Show working in brackets where notes are not required.

6.2 **Complete the following Notes to the financial statements:**

6.2.1 Trade and other Receivables

6.2.2 Owner's Equity

Post-closing trial balance of Osizweni Traders on 31 December 2025

Balance sheet accounts section	R	R
Capital		555 000
Land and buildings	330 000	
Vehicles	320 000	
Equipment	172 000	
Accumulated depreciation on vehicles		84 000
Accumulated depreciation on equipment		57 000
Trading stock	48 000	
Debtors control	54 000	
Creditors control		168 000
Bank	36 000	

Cash float	1 500	
Petty cash	3 000	
Fixed deposit: ABC Bank	12 000	
Loan: XYZ Bank		120 000
Prepaid expense	10 500	
Accrued income	19 500	
Accrued expense		18 000
Deferred income		9 000
Consumable stores on hand		
	1 011 000	**1 011 000**

ADDITIONAL INFORMATION:

1. The following amounts have already been included in the Capital amount:
   - Net profit R69 000
   - Drawings R15 000
2. An amount of R10 000 will be paid on the loan in 1 June 2026

ACTIVITY C 6: ANSWER SHEET

STATEMENT OF FINANCIAL POSITION ON 31 DECEMBER 2025	
ASSETS	
NON-CURRENT ASSETS	
Fixed assets	
Financial assets	
CURRENT ASSETS	
Inventory	
Trade and other receivables	
Cash and cash equivalent	
TOTAL ASSETS	
EQUITY AND LIABILITIES	
Owners' equity	
Capital account	
NON-CURRENT LIABILITIES	
Mortgage loans	
CURRENT ASSETS	
Trade and other payables	
TOTAL EQUITY AND LIABILITIES	

6.2 Notes to the financial statements:

6.2.1 Trade and other receivables

6.2.2 Owner's equity

ACTIVITY D 1: ANALYSIS AND INTERPRETATION OF FINANCIAL STATEMENTS.

1.1 Use the information given for Beatle Balley to answer the following questions:

Post-closing Trail balance on 30 June 2025:

ACTIVITY D1		
	2025	**2024**
Fixed assets	222 664	203 804
Fixed deposit: ABC Bank	45 000	45 000
Inventory	54 070	42 120
Trade and other receivables	34 700	25 328
Cash and cash equivalent	1 650	6 200
Owner's equity	271 430	180 000
Mortgage bond: ABC Bank	60 000	120 000
Trade and other payables	26 654	22 452

ADDITIONAL INFORMATION:

Cost of sales	R600 000
Operating expenses	R158 000
Net profit	R130 000

Required:

1.1.1 Calculate sales, if the firm uses a mark-up of 50% on cost.

1.1.2 Calculate the return on average owner's equity. Should the owner be satisfied with this return? Give a reason for your answer.

1.1.3 Calculate the current ratio for 2025

1.1.4 Calculate the acid test ratio for 2025

1.1.5 Calculate the operating expenses on sales for 2025

ACTIVITY D 1: ANSWER SHEET

1.1.1 Calculate sales, if the firm uses a mark-up of 50% on cost.

1.1.2 Calculate the return on average owner's equity. Should the owner be satisfied with this return? Give a reason for your answer.

1.1.3 Calculate the current ratio for 2025

1.1.4 Calculate the acid test ratio for 2025

1.1. Calculate the operating expenses on sales

5

ACTIVITY D 2: INTERPRETATION OF FINANCIAL STATEMENTS

You are provided with information relating to **Zimele Traders.** The financial year ended on 28 February 2026. The business is owned by Skhumbuzo Ntshangase.

Required:

2.1 **Profitability**

- The business is concerned about the mark-up achieved in 2026. Quote ONE relevant financial indicator with figures and trend.
- Explain one point what cause these results

2.2 **Operating efficiency**

Skhumbuzo Ntshangase, the owner is concerned about the control of operating expenses. Quate one relevant financial indicator with figures and trends.

2.3 **Liquidity**

Comment on the liquidity position of the business. Explain and quote Two relevant financial indicators with figure and trends.

2.4 **Returns**

Explain whether the owner will be satisfied with the return he is getting in his business. Quote one relevant financial indicator with figures and trend.

INFORMATION:

A. The following financial indicators were calculated for the past two years ended 28 February.

	2026	2025
Gross profit on cost	75%	80%
Gross profit on sales	60%	65%
Mark-up targeted	80%	80%
Operating expenses on sales	38%	35%
Operating profit on sales	17.5%	21%
Current ratio	4,1:1	2.1:1
Acid test ratio	2.5:1	1.3:1
% Return on average owners' equity	8.6%	13.9%
Solvency ration	6.8:1	6.1:1
Interest on loan rate	18%	17%
Interest on fixed deposit	10%	12%

ACTIVITY D 2: ANSWER SHEET

2.1 **Profitability**

- The business is concerned about the mark-up achieved in 2026. Quote ONE relevant financial indicator with figures and trend.

Explain one point what cause these results

2.2 **Operating efficiency**

Skhumbuzo Ntshangase, the owner is concerned about the control of operating expenses. Quate one relevant financial indicator with figures and trends.

2.3 **Liquidity**

Comment on the liquidity position of the business. Explain and quote Two relevant financial indicators with figure and trends.

2.4 **Returns**

Explain whether the owner will be satisfied with the return he is getting in his business. Quote one relevant financial indicator with figures and trend.

ACTIVITY D 3: RATIO CALCULATIONS AND ANALYSIS AND INTERPRETATION OF FINANCIAL STATEMENTS

3. The following information was extracted from the accounting records of **TG Traders**. The business is owned by Shukela Gumede which is selling Cricket bets.

REQUIRED:

Calculate the following ratios/financial indicators for the year ended 28 February 2025. Show all calculations and round off them to the two decimal places.

3.1.1. Solvency ratio

3.1.2 Current ratio

3.1.3 Acid test ratio

3.1.4 Return on average owner's equity

3.1.5 Operating expenses on sales

Information:

1. **Extract from the Statement of Comprehensive Income for the year ended 28 February 2025**

	2025
Sales	1 875 000
Cost of sales	1 118 750
Operating expenses	700 000
Net profit	525 000

:

2. Extract from the statement of Financial Position as at 31 December:	2025	2024
Fixed assets at carrying value	2 250 000	1 500 000
Fixed deposit: ABC Bank	150 000	120 000
Current assets	1 287 500	880 000
Inventories	300 000	225 000
Trade and other receivables	850 000	565 000
Cash and cash equivalent	137 500	90 000
Owners' equity	2 500 000	1 475 000
Non-current liabilities	818 750	625 000
Current liabilities	368 750	400 000

ANSWER SHEET D3

3.1.1 **Solvency Ratio**

3.1.2 **Current Ratio**

3.1.3 **Acid test ratio**

3.1.4 **Return on overage owner's equity**

3.1.5 Operating expenses on sales

ACTIVITY D 4: INTERPRETATION OF FINANCIAL STATEMENTS

You are provided with the information about Zuma Laundry Traders for the past two financial years ended 31 December. The business is situated in KZN Mtubatuba and trades in bikes racing. The business is owned by Mngadi.

REQUIRED:

4.1 The owner took a decision with regards to the selling price/mark-up of bikes in 2025;
- What is the decision, quote figures to support your answer?
- Did the business benefit from that decision, explain with TWO points from the question and quote figures to support your answer

4.2 Comment on the liquidity position of the business, quote two financial indicators with figures to support your answer.

4.3 The owner is satisfied with the return he is earning in the business, quote two financial indicators with figures to support your answer.

Note: provide figures or financial indicators (ratios or percentages) and comparisons with previous year to support your comments and explanations.

A. INFORMATION:

Extract from the Statement of Comprehensive Income:

	2025 (R)	2024 (R)
Sales	13 182 000	7 740 000
Number of bikes sold	1 750 bikes	900 bikes
Mark-up	58 %	72 %
Cost of sales	8 330 000	4 500 000
Gross profit	4 852 000	3 240 000
Operating expenses	1 900 000	1 500 000
Depreciation	412 000	275 000
Net profit for the year	1 911 000	1 036 000

B. Financial indicators

	2025	2024
Mark-up % achieved	58%	72%
Operating profit on sales	22%	17,5%
Net profit on sales	19%	16,2%
Operating expenses on sales	12,6%	19,4%
Current ratio	2.0:1	2.9:1
Acid test ratio	1,2:1	0,9:1
Solvency ratio	3.8:1	3.3:1
Return on owners' equity	20,8%	17,8%
Interest (rate) on fixed deposit	12%	12%

4.1
- What is the decision, quote figures to support your answer?
- Did the business benefited from that decision, explain with TWO points from the question and quote figures to support you're an

Decision: Explanation TWO points:

4.2 Comment on the liquidity position of the business, quote two financial indicators with figures to support your answer.

4.3 The owner is satisfied with the return he is earning in the business, quote two financial indicators with figures to support your answer.

COST ACCOUNTING: ACTIVITY E1:

You are provided with the following information, taken from the financial records of Kenny's Cupboards, a business that manufacturers cupboards for both kitchens and bedrooms.

Required:

1.1 Match the description in Column B with the cost in Column A.

Column A		Column B	
1.1.1	Direct Labour Cost	A	Factory Rental will remain constant no matter how many units are produced.
1.1.2	Direct Material Cost	B	Water and electricity will change according to the number of items produced.
1.1.3	Fixed Costs	C	Wages paid to the workers who physically make the product.
1.1.4	Variable Costs	D	Components that are used to make the final product.

1.2 Calculate the total cost of production to make **ONE** wooden Swing bench.

1.3 If Illovo Nursery has a mark-up of 50 %, calculate the selling price of **ONE** Swing bench.

Information:

Illovo Nursery makes wooden furniture for outdoor use. They are contemplating adding wooden swing benches to their line of garden furniture, as many customers have enquired about this product. Some research has been done regarding the raw materials needed to make these benches.

The following materials are required to make **ONE wooden swing bench:**

Item	Cost	Quantity Needed
FRAME		
Round Wooden Poles	R50 per metre	10.1 metres
8 cm wide flat planks	R20 per meter	4.4 meters
Brass Nuts and Bolts (20mm wide by 10 cm long)	R30 per pack of 15	8 nuts and bolts
Brass Nuts and Bolts (20mm wide by 18cm long)	R45 per pack of 5	2 nuts and bolts
SEAT		
15 cm wide flat planks	R45 per meter	7.2 meters
12 cm wide flat planks	R30 per meter	3.3 meters
Thick Rope	R15 per meter	5,4 meters

10cm metal D-Links	R23 each	2
4cm metal 'eye' links	R8 each	2
OTHER EXPENSES		
Sand paper (Indirect Material)	R9 per sheet	3 sheets
Polish (Indirect Material)	R28 per can	¼ can
Varnish (Direct Material)	R85 for 1 litre	1 litre
Direct Labour	R35 per hour	6 hours for 1 swing bench

ACTIVITY E1: ANSWER SHEET

1.1

1.1.1	
1.1.2	
1.1.3	
1.1.4	

1.2 Calculate the total cost of production to make ONE wooden Swing bench.

Direct Labour	
Direct Materials	
Prime Costs	
Indirect Materials	
Total Production Cost for one Swing Bench	

1.3 If Illovo Nursery has a mark-up of 50%, calculate the selling price of **ONE** Swing bench.

ACTIVITY E2

Ingrid runs a small business that makes banana bread that is sold to shops in Ethekwini. She currently employs 2 workers. These workers assist her by taking orders, baking the banana bread and delivering it to her customers.

REQUIRED:

2.1 Match the term in Column B, to its definition in Column A. Write only the correct letter in your answer booklet. E.g. 2.1.6 F.

Column A			Column B
2.1.1	The cost per loaf of Banana bread	A	Direct Materials
2.1.2	Costs that change according to the number of loaves made per month.	B	Fixed Cost
2.1.3	The ingredients used to make one loaf of banana bread.	C	Direct Labour
2.1.4	Costs that are not dependent on the number of banana bread loaves made per month.	D	Unit Cost
2.1.5	The salaries paid to the workers that bake the banana bread.	E	Variable Cost

2.2 Calculate the following:

2.2.1 The cost of ingredients to make **ONE** loaf of banana bread.
2.2.2 Total cost to make 2 000 loaves of banana bread each month.
2.2.3 The total cost per loaf of banana bread
2.2.4 Calculate the gross profit that Ingrid's business makes in **ONE** month. Show calculations so part marks can be awarded.

2.3 Mention **THREE** other expenses that Ingrid needs to take into consideration before she can calculate the businesses Net profit for the month.

INFORMATION:

A. The following ingredients are needed to bake one loaf of banana bread:

Ingredient	Cost	Quantities
3 ripe bananas’	R15.00 per kg	Approximately 10 bananas per kg
1/3 cup melted butter	R45 per block	1 block makes 3 loaves
1 teaspoon baking powder	R30 for 200g	5g per loaf
Pinch of salt		5 cents per loaf
¾ cup of sugar	R45 for 2.5kg	Approximately 15 full cups per 2.5 kg bag
1 large egg	R48 for 30 eggs	
1 teaspoon vanilla essence	R60 for 1 litre	1 teaspoon is 5ml
1 ½ cups flour	R110 for 12.5 kg	100g per cup.

C. **Other costs per month:**

	R
Labour (per employee)	6 000
Rent of premises	5 500
Water and Electricity	3 000
Indirect Materials	500

C **Additional Information:**

- On average 2 000 loaves of banana bread are made and sold each month.
- Each loaf of banana bread is sold for R50.

ACTIVITY E2: ANSWER SHEET

2.1

2.1.1	
2.1.2	
2.1.3	
2.1.4	
2.1.5	

2.2 Calculate the following:

2.2.1 The cost of ingredients to make **ONE** loaf of banana bread.

	Calculations	Amount
Bananas		
Butter		
Baking powder		
Salt		
Sugar		
Egg		
Vanilla essence		
Flour		
Total		

2.2.2 Total cost to make 2 000 loaves of banana bread each month.

Ingredients	
Other costs	
Total cost of 2 000 loaves	

2.2.3 The total cost per loaf of banana bread

2.2.4 Calculate the gross profit that Ingrid's business makes in **ONE** month. Show calculations so part marks can be awarded.

2.3 Mention **THREE** other expenses that Ingrid needs to take into consideration before she can calculate the businesses Net profit for the month.

BUDGETING
ACTIVITY F1

The parents' committee of a high school have approached the school management team with their proposal of hosting a Valentine's Dance. This dance will be held on 14 February 2027 from 7pm until 11pm, as Valentine's Day will fall on a Saturday. The purpose of this event would be to raise funds for a tour for the first rugby team.

REQUIRED:

1.1 Indicate whether the following statements are true or false. Write only **TRUE** or **FALSE** next to the numbers (1.1.1 – 1.1.3) in your answer book.

1.1.1 Budgeting refers to the process of planning future business actions and expressing those plans in a formal manner in monetary terms.
1.1.2 Capital budgets are used to plan for long term outlays, such as for the purchase of fixed assets like vehicles and equipment.
1.1.3 Increment budgets are those that are created for the first time.

1.2 Complete the Cash Budget to determine how much money the parents plan to raise from this event.

INFORMATION

A. Ticket Sales

- It is planned that 500 learners, under the age of 18, will be willing to attend the Valentines' Dance.
- A couples' ticket will be sold for R200 and a ticket for an individual will cost R120 per person.
- It is estimated that 150 couple tickets and 200 individual tickets will be sold.

B. Roses

- 300 red roses will be purchased for R8 each from a parent who owns a florist business.
- All these roses will be sold at the dance for R15 each.

C. Tuck Shop

- The parents' committee will be running a tuck shop on the night of the dance.
- Stock worth R8 500 will be purchased to sell to the learners in attendance.
- All items will be sold at a mark-up of 40%.

D. Venue and Music

- The dance will be held in the school hall.
- The principal has requested that R800 be set aside to pay overtime to the staff who will be required to clean the venue after the function.
- A local DJ will be hired for the evening. His normal rate is R600 per hour, but as his child attends the school, he has agreed to charge 75% of his normal hourly fee. He requested that he is paid for the duration of the event, as well as 1 hour extra to cover the time spend setting up and packing up his personal equipment.

E.. Decorations

- R2 000 will be spent on paper hearts and various other items to decorate the school hall according to the valentine's theme.

ACTIVITY F1: ANSWER SHEET

1.1

1.1.1	
1.1.2	
1.1.3	

1.2 Complete the Cash Budget to determine how much money the parents plan to raise from this event.

Receipts	
Payments	
Surplus / Deficit	

ACTIVITY F2

***Goal**:*
Logan and his friend David are planning a 5-day holiday to Mpumalanga Province during the September 2026 break. You want to visit various tourist sites such as Kruger National Park, Burke's Luck Pothole, God's Window, and various waterfalls in the area. In order to make this a possibility, you and David have secured a part-time job as waiters at a local Fast-Food restaurant over the weekends.

Their current savings

- *Logan's savings in the bank – R3 000*
- *David's savings in the bank – R2 000*

Part-time job

- *There are 15 weekends left before their trip to Mpumalanga Province. Logan and David are required to work on Saturdays and Sundays during these weekends.*
- *David will only be able to work for 12 weekends due to family responsibilities.*
- *Logan will work during all 15 weekends.*
- *The pay is R400 per day of 6 hours.*
- *Each of you are expecting to earn at least R150 in tips per day.*

Parents help

- *Parents have decided to help Logan and David by promising to contribute to 20% of the amount they earn working at the restaurant excluding tips.*

Flights

- *A return flight to Mpumalanga Province is R6 300 but FlySafair is currently running a promotion of 20 % discount if paid within the next two weeks.*
- *Their grandparents have offered to lend them the funds to take advantage of the promotion offered by FlySafair. However, they are requesting that they repay the flight fee with an additional R500 before they leave on their holiday. Logan and David have agreed to these terms and will pay their grandparents before they leave on their trip.*

Accommodation

- *Logan and David will be staying at a Bed and Breakfast costing R500 per person per night for 5 nights.*

Transport

- *Logan will be hiring a budget vehicle at a cost of R500 per day for the 5 days.*
- *They are also expecting to pay about R1 500 in fuel during their 5-day trip.*

Meals

- *Breakfast is already paid for at the Bed and Breakfast lodge*
- *Logan and David are budgeting approximately R600 per person per day for 5 days for each for their meals and refreshments*

Entrance fees

- *They have calculated that the total entry fees at various tourist attraction to be approximately R700 per person,*
- *They also want to do the Safari Game drive at Kruger National Park at a cost of R750 per person.*

Entertainment expenses

- *A budget of R1 000 per person is set aside for entertainments during this 5-day holiday*

REQUIRED

2.1 Prepare a Cash Budget for their trip. Show detailed workings

ACTIVITY F2: ANSWER SHEET

2.1

CASH BUDGET FOR MPUMALANGA TRIP FOR SEPTEMBER 20.6	
CASH RECEIPTS	R
CASH PAYMENTS	
Cash surplus/deficit for this trip	
Cash balance from Savings	
Cash balance after the trip	

RECONCILIATIONS

ACTIVITY F1
DEBTORS RECONCILIATION AND INTERNAL CONTROL

Lito Traders hired a new bookkeeper, Sikelela, you are tasked to help him understand and do some of his responsibilities as he is new.
You are provided with the information relating to Lito Traders for March 2026.

1.1 Explain to Sikelela, the new bookkeeper, why the closing balance on Debtors control balance must be equal to the balance of the Debtors List.

1.2 Mention **TWO** actions that Sikelela must follow when he discovers a difference between the Debtors control and the Debtors List.

1.3 **Refer to Information A and B:**
Show Sikelela the effect of the errors and omissions to the Debtors Control Account in the General Ledger and to each Debtor's Account in the Debtors Ledger. Indicated +increase and –for decrease. (Use the formats provided in the Answer sheets).

INFORMATION

A. Debtors control balance on 31 March 2026 was incorrectly calculated to …?

Debtors list for March 2026

B.

Debtor	Debit	Credit
O. Msosololo	4 700	
L.Shinga	6 111	
G. Joleen	7 220	
B. Cele	2 690	
J. Mndaweni	200	
	25 191	0

B.

Errors and Omissions:

- The total of the debtors list was r2 591 higher than the balance of the debtors' control.
- The bookkeeper erroneously transferred the cost of sales of r 2 200 column to the debit side of the debtors' journal instead of sales. (mark-up is calculated at 50% on cost).
- Goods sold on credit for R 1 700 to J. Mndaweni were incorrectly posted to the Debtors Ledger of O. Msosololo. Correct the error.
- Interest charged on L. Shinga's account for R 189 was only recorded in the relevant journal but never posted to her Account.
- A credit Invoice for R 1 295 issued to G. Joleen was posted on the wrong side of his account in the Debtors ledger.

ACTIVITY F1		
1.1	Explain to Sikelela, the new bookkeeper why the closing balance on Debtors control balance must be equal to the balance of the Debtors List	

1.2	Mention **TWO** actions that Sikelela must follow when he discovers a difference between the Debtors control and the Debtors List.	

1.3 Show Sikelela the effect of the errors and omissions to the Debtors Control Account in the General Ledger and to each Debtor's Account in the Debtors Ledger. Indicated **+** increase and **–** for

decrease

Debtor	Balance

ACTIVITY F2

DEBTORS RECONCILIATION AND INTERNAL CONTROLS

2. You are provided with information relating to Shimza Traders. The bookkeeper has made a few errors when reconciling the Debtors' Control Account to the Debtors' List.

2.1. Shimza Traders requires their new customers to provide personal details, including proof of residence, before opening accounts. Briefly explain why this is necessary. Name **TWO** points.

2.2 Prepare the correct Debtors' List on 31 August 2025 and show how you would adjust the Debtors' Control Account with **+** sign for increase and **–** for a decrease.

INFORMATION:

A. The bookkeeper discovered that he had made several errors when preparing the Debtors' Ledger Accounts.

The Debtors' Control Account and the Debtors' List did not agree. The difference is R8 708

The following summary was prepared on 31 August 2025:

Balance of the Debtors' Control Account	R86 191
Total of the Debtors' List	77 483
Kingswood Traders	17 600
Ndenza Traders	55 823
Popi Suppliers	3 400
Khomo Stores	660
Difference	R8 708

B. **Errors on the account of Kingswood Traders**

- Interest on the account was calculated incorrectly. Adjust for an additional R165 interest.
- Record an invoice of R 2 310 in the Statement for Kingswood Traders, a debtor.

C. **Errors on the account of Ndenza Traders**

- A credit note of R3 080 was incorrectly reflected in the Debtors' Ledger Account as a debit entry. The General Ledger is correct.

- Ndenza Traders claim that they paid R13 200 last month, but that this is not reflected on their statement. Investigations revealed that Ndenza Traders' payment was incorrectly posted to the account of another debtor, Kingswood Traders.

D. Additional errors reflected on the Debtors' Reconciliation Statement

- Khomo Stores, a debtor, debt of R660 has been written off as irrecoverable. The amount was posted to the Debtors' Control account but not to the debtor's personal account.
- Popi Suppliers are reflected in the Debtors' Ledger and the Creditors' Ledger. Their credit balance of R2 124 in the Creditors' Ledger is to be offset against their account in the Debtors' Ledger.

ACTIVITY F2		
2.	**SA Traders requires their new customers to provide personal details, including proof of residence, before opening accounts. Briefly explain why this is necessary. (Name TWO points.)**	
2.1.	**Prepare Correct Debtors Control Balance: 86 191** **Prepare the correct Debtors' List on 31 August 2025.**	
2.2	**Debtors' list on 31 August 2025**	**R**
	Kingswood Traders (	
	Ndenza Traders (	
	Popi Suppliers (	
	Khomo Stores (	

ACTIVITY F3

CREDITORS' RECONCILIATION AND INTERNAL CONTROL

The information below was taken from the books of Bubba's Wholesale Outlet.

REQUIRED:

3.1 Correct the Creditors' Control Account for June 2026 in the General Ledger. Balance the account correctly.

3.2 Prepare a correct list of creditors as at 30 June 2026.

3.3 Bubba's Wholesale Outlet buys goods in large quantities from The Grit Corner. The stock received from The Grit Corner normally include damaged goods or goods that were not ordered.
Goods purchased from The Grit Corner are also delivered late and Bubba's Wholesale Outlet has lost customers as a result of this. Bubba's Wholesale Outlet have decided to

change the supplier because they also do not receive any discount from Grit Corner Suggest the actions that should be taken by The Grit Corner to retain (keep) their customers. Provide TWO points

INFORMATION:

Dr CREDITORS CONTROL Cr

2026 Jun	30	Bank & Discount received	CPJ	34 250	2026 Jun	01	Balance	b/d	4 380
		Journal debits	GJ	3 290		**30**	Creditors allowances	CAJ	2 108
		Balance	c/d	15 038			Purchases	CJ	44 800
							Journal Credits	GJ	1 290
				52 578					52 578
					July	01	Balance	b/d	15 038

CREDITORS LIST AS AT 30 JUNE 2026

NAME	Debit	Credit
Stump Stomp Retailers		3 890
Fuzzy Quilt.		1 300
The Grit Corner.		4 512
Shatter It X.		3 100
The Shake Shack.	260	
	260	12 802

Errors and omissions discovered during the month:

- Invoice 154 received from Fuzzy Quilt for R1 480 was posted to the account of The Grit Corner in the Subsidiary Ledger.
- The business decided to transfer the balance of The Shake Shack to the Debtors' Ledger. No entry was made.
- Invoice 278 received from Stump Stomp Retailers for merchandise purchased on credit for R2 300 was incorrectly recorded in the Creditors' Journal as R3 200.
- The business returned some parts bought for the delivery van to the value of R860 to Shatter It X. The amount was correctly recorded in the Creditors' Allowances Journal, but it was posted to the Creditors' Ledger as credit purchases.
- Stump Stomp Retailers supplies goods to Bubba's Wholesale Outlet and also buys from Bubba's Wholesale Outlet. The debit balance of R640 on their account in the Debtors' Ledger is to be transferred to their account in the Creditors' Ledger.

ACTIVITY F3

3.1 **Dr** **CREDITORS CONTROL** **Cr**

3.2 **CREDITORS LIST ON 30 JUNE 2026**

NAME	DEBIT	CREDIT
Stump Stomp Retailers (		
Fuzzy Quilt. (		
The Grit Corner. (		
Shatter It X. (		
The Shake Shack. (		

3.3 **Suggest the actions that should be taken by The Grit Corner to retain or (keep) their customers. Provide TWO points.**

ACTIVITY F4

GENERAL JOURNAL AND DEBTORS' RECONCILIATION

4.1 The following transactions relates to Dumbe Traders for the month of May 2025.

REQUIRED:

4.1.1 Enter the following transactions in the General Journal of Dumbe Traders for May 2025

Note: Journal narrations are not required.

Transactions for May 2025.

3. The owner took merchandise with a selling price of R15 680 for personal use. The mark up on the goods was 60% on cost price

7. A debtor J. Xaba was declared insolvent. And his insolvent estate paid R3 750 a final dividend equals to 40 cents in the rand. This amount was received and recorded. Write off the balance.

9. Received a notification from our supplier Nandi Suppliers indicating that our account has been charged with an interest of R900 for late payment of our account.

15 Carriage on purchases of R1 590 was recorded as packing materials in error. Correct the error.

4.2 **BOTHA STORES**

The information relates to Botha Stores for July 2025. The business sells goods for cash and on credit.

REQUIRED:

4.2.1 Calculate the correct balance of the Debtors' Control account on 31 August 2024. Provide figures and a plus (+) or minus (−) sign for each correction. If there is no change to the balance, indicate with (0).

4.2.2 Complete the correct Debtors' List on 31 July 2025.

INFORMATION:

A. Balances on 31 July 2025 before taking the errors and omissions below into

(i) Debtors' Control Account balance in the General Ledger, R502 740

(ii) **List of debtors' balances as per Debtors' Ledger:**

DEBTORS	AMOUNT(R)
C Ronaldo	88 200
M. Vilakazi	96 600
D. Pillay	159 600
N. Smith	133 980
T. Maseko	16 100
Total	**94 4**

B. Errors and omissions

(i) No entry was made for the credit sale invoice issued to C Ronaldo for R6 300.

(ii) Goods sold on credit to D. Pillay for R25 200 was incorrectly posted to the account of N Smith

(iii) The debtors control column for receipts in the CRJ was undercast by R15 400

(iv) An EFT received of R7 980 from T Maseko. This was correctly recorded in the relevant journal but was posted as R10 500 to her account in the Debtors Ledger.

(v) An invoice issued to M. Vilakazi for R7 280 was incorrectly recorded as R3 500 in the Debtors Journal and posted as such to the Debtors Control Account and M. Vilakazi's account in the Debtors ledger.

(vi) Goods returned by N. Smith R4 830 were posted as an invoice in his account in the debtors' ledger.

(vii) An account of T. Maseko must be charged with interest of R 750.

ACTIVITY F4

4.1.1

GENERAL JOURNAL OF DUMBE TRADERS FOR MAY 2025

Day	Details	Debit	Credit	Debtors control		Creditors control	
				Debit	Credit	Debit	Credit
3							
7							
9							
15							

4.2.1

The correct closing balance of the debtors' control on 31 July 2025

4.2.2

The correct amounts owed by debtors on 31 July 2025

	Calculations	Balance
C. Ronaldo		
M. Vilakazi		
D. Pillay		
N. Smith		
T. Maseko		
TOTAL		

ACTIVITY F5
CREDITORS RECONCILIATION AND INTERNAL CONTROL

The following information relates to Jumbo Traders for September 2025.

REQUIRED:

5.1 Explain the term 'credit limit'.

5.2 The balance of the Creditors Control account and the list of Creditors on 30 September 2025 did not agree.
Complete the table in the **ANSWER BOOK** to show how the differences must be treated to reconcile the Creditors Control account with the total of the Creditors list.

Write the amounts and indicate the increase or decrease with a (+) or (-) with each amount. If the error/omission does not affect the Creditors Control account, indicate **NO ENTRY** in the **ANSWER BOOK**.

Total the columns to show the correct balance in the Creditors Control account and Creditors list on 30 September 2025.

5.3 It is important for a business to maintain effective control over its creditors. Mention THREE points on how this can be achieved.

INFORMATION:

A. The Creditors Control account closed off with a balance of R52 100 on 30 September 2025.

B. List of Creditors as per Creditors Ledger on 30 September 2025, before considering errors and omissions noted.

NAME OF CREDITOR	CREDIT LIMIT	AMOUNT OWED
DT Suppliers	16 000	13 000
Bam Wholesalers	20 000	10 850
MG Distributors	14 000	12 340
ZM Merchants	18 000	14 980
CW Dealers	6 000	1 330 (dr)
		49 840

C. **Errors and omissions that were found:**

(i) Merchandise bought on credit from Bam Wholesalers, R8 000, was not yet recorded.

(ii) EFT payment to ZM Merchants for R1 740 was recorded correctly in the Cash

	Payments Journal but was posted to their account as R1 560.

(iii) The total of the Creditors' Allowances Journal, R1 660 was posted to the incorrect side of the Creditors' Control account. This must be corrected.

(iv) There was no entry for the transfer of the debit balance of CW Dealers, R1 330, to their account in the debtors' ledger.

(v) Merchandise bought on credit from Bam Wholesalers, R2 800, was in error recorded as R8 200 in the relevant journal and posted accordingly to the Creditors' ledger.

(vi) A debit note issued to MG Distributors, R640, for merchandise returned, was recorded correctly in the relevant journal, but was posted to the wrong side of MG Distributors' account in the Creditors' ledger.

(vii) When Bam Wholesalers was paid R7 000 on their account they allowed a discount of R200. This was correctly recorded in the Cash Payments Journal. However, this discount was posted to their account in the Creditors' ledger as R600.

(viii) An amount of R5 800 paid to DT Suppliers was recorded in the relevant journal as R8 500 and posted accordingly to the different ledgers.

5.1 **Explain the term 'credit limit'.**

5.2

CREDITORS CONTROL	
NO	AMOUNT
INCORRECT BALANCE	52 100
(i)	
(ii)	
(iii)	
(iv)	
(v)	
(vi)	
(vii)	
(viii)	
UPDATED BALANCE	

LIST OF CREDITORS AS PER CREDITORS LEDGER

NAME OF CREDITOR	AMOUNT DUE
DT Suppliers (	
Bam Wholesalers (	
MG Distributors (	
ZM Merchants (	
CW Dealers (	

5.3 **It is important for a business to maintain effective control over its creditors. Mention THREE points on how this can be achieved.**

EXEMPLAR PAPER

(EASTREN CAPE NOV 2020)

GRADE 10

NOVEMBER 2020

ACCOUNTING P1

MARKS: 150

TIME: 2 hours

This question paper consists of 11 pages, a 1-page formula sheet and a 10-page 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 you must answer ALL the questions.
3. A FORMULA SHEET for financial indicators is attached to this question paper. You may use it if necessary.
4. Show ALL workings to earn part-marks.
5. You may use a non-programmable calculator.
6. You may use a dark pencil or black/blue ink to answer the questions.
7. Where applicable, show ALL calculations to ONE decimal point.
8. A breakdown of the questions is provided. You must attempt to comply with the suggested time allocation for each question.

QUESTION 1: 24 marks; 19 minutes	
Topic of the question:	This question integrates:
Accounting concepts, Accounting equation	• Concepts • Accounting equation
QUESTION 2: 49 marks; 39 minutes	
Topic of the question:	This question integrates
Concepts and Income Statement	• Concepts • Income Statement
QUESTION 3: 55 marks; 44 minutes	
Topic of the question:	This question integrates:
Concepts, Fixed Assets, Balance Sheet, Interpretations and Internal control	• Concepts, Fixed Assets • Balance Sheet • Interpretation and Internal control
QUESTION 4: 22 marks; 18 minutes	
Topic of the question:	This question integrates:
Concepts, Wages Journal, Internal control	• Concepts, Wages Journal • Internal controls over Wages

QUESTION 1: ACCOUNTING CONCEPTS AND ACCOUNTING EQUATION (24 marks; 19 minutes)

1.1 CONCEPTS

Choose the correct word(s) from COLUMN A to match a description in COLUMN B. Write only the letter (A–E) in COLUMN B next to the question numbers (1.1.1–1.1.4) in the ANSWER BOOK, for example 1.1.5 F.

COLUMN A	COLUMN B
1.1.1 Investments	A An individual or group of people who invest money in a business for the purpose of making a profit
1.1.2 Double entry principle	B Money borrowed in order to purchase a property
1.1.3 Mortgage loan	C Money tied up, for a period of time, in order to earn a higher return
1.1.4 Investor(s)	D The owner's net investment in the business
	E For every debit there is corresponding credit

(4 x 1) (4)

1.2 ACCOUNTING EQUATION

REQUIRED:
Analyse the following transactions according to the format provided in the ANSWER BOOK.

INFORMATION:

1.2.1 Received R1 000 from Protea Bank as monthly interest on fixed deposit.

1.2.2 Issued a cheque to G Africa for the purchase of equipment, R24 000.

1.2.3 PAMA Brothers charged the business's overdue account of R4 800 with 18% interest p.a. for four months.

1.2.4 Sold goods for cash that cost the business R1 800. Goods are sold at cost plus 50%. (20)

24

QUESTION 2: CONCEPTS AND INCOME STATEMENT (49 marks; 39 minutes)

2.1 Match the concept in COLUMN A with an example provided in COLUMN B. Write only the letters (A–D) next to the numbers (2.1.1–2.1.4) in the ANSWER BOOK, for example 2.1.5 E.

COLUMN A	COLUMN B
2.1.1 Income Statement	A A report on good business practice developed in South Africa
2.1.2 Balance Sheet	B The manner in which a business is administered by owners and managers
2.1.3 Governance	C Statement showing the financial position of a business at a particular point in time
2.1.4 King Code	D This shows the financial performance of a business for a financial year

(4 x 1) (4)

2.2 **KINGSTON TRADERS**

The information relates to the financial year ended 29 February 2020. Goods are sold at a profit mark-up of 40% on cost.

REQUIRED:

Prepare the Income Statement (Statement of Comprehensive Income) for the year ended 29 February 2020). (45)

INFORMATION:

A. Information Extracted from the Pre-Adjustment Trial Balance on 29 February 2020.

Capital	500 00
Drawings	70 00
Vehicles	320 00
Accumulated depreciation on vehicles (01/03/2019)	80 000
Equipment	140 000
Accumulated depreciation on equipment (01/03/2019)	26 000
Land and building	1 200 000
Fixed deposit: Same Bank	180 000
Bank	76 000
Trading stock	231 000
Creditors' control	143 000
Loan: Colour Bank	220 000
Debtors' control	211 000
Sales	950 000
Cost of sales	400 000
Debtors' allowances	14 000
Salaries and wages	168 000
Fee income	82 600

Interest income	900
Consumable stores	5 500
Rent income	39 000
Interest in fixed deposit	1 870
Discount allowed	1 260
Discount received	830
Telephone	9 200
Stationery	8 800
Insurance	16 800
Bad debts	1 300

B. Additional information and adjustments:

1. Cash sales of R18 200 on 29 February 2020 has not been recorded.
2. Fee income of R2 400 is still outstanding for the period.
3. Insurance includes monthly payment up to 30 April 2020.
4. One employee, I. Cool, has been left out of the Salaries Journal in error. She has not yet been paid for February.
   The details of his salary are as follows:
   - Gross salary ?
   - Net salary R7 300
   - PAYE R2 200
   - UIF R400
   - Pension fund R100
5. Depreciation on vehicles of R32 000 and on equipment of R17 100 must be written off.
6. Interest on the loan for the year amounted to R30 800.
7. Bad debts of R700 must be written off the account of G. Sirino.
8. Rent was received for 13 months.
9. Physical count of stock revealed the following stock on hand:
   - Trading stock R220 000
   - Unused Consumable stores in stock amounted to R500.

49

QUESTION 3: CONCEPTS, FIXED ASSETS, BALANCE SHEET, INTERPRETATION AND INTERNAL CONTROL
(55 marks; 44 minutes)

3.1 **CONCEPTS**

Select a concept from the options provided that best describes the examples listed. Write the concept only next to the numbers (3.1.1–3.1.4) in the ANSWER BOOK.

Returns on investment; profitability; solvency; liquidity

3.1.1 … indicates the benefit the owner will receive for investing in a business.

3.1.2 … indicates whether the business can pay off its immediate or short-term debts.

3.1.3 The … indicates how efficient a business is.

3.1.4 … indicates whether the business is able to pay off all its debts.
(4 x 1) (4)

3.2 The following information relates to Obbie Traders. The financial year ended on 30 April 2020.

REQUIRED:

3.2.1 Refer to information **2** and **3**.
Calculate the missing amounts on the note denoted by **(a)** to **(d)**. Show all workings. (14)

3.2.2 Complete the Statement of Financial Position (Balance sheet) on 30 April 2020. (22)

3.3 Calculate the following financial indicators for April 2020.

(a) Calculate the current ratio. (3)

(b) Calculate the acid test ratio. (4)

(c) Do you think that the business will experience liquidity problems in the near future? Explain briefly, with reference to the ratios in (a) and (b). (4)

3.4 Should the business repay the long-term loan as soon as sufficient funds are available? Explain briefly why you think this is advisable or not. (4)

INFORMATION:

A. List of balances on 30 April 2020 (amongst others).

Capital	800 000
Drawings	80 000
Land and Building	1 200 000
Vehicles	700 000
Equipment	430 000
Accumulated depreciation on vehicles (01/05/2019)	280 000
Accumulated depreciation on equipment (01/05/2019)	193 500
Fixed deposit: Boby Bank	?
Trading stock	270 200
Debtors' control	162 000
Creditors' control	86 000
Bank (Favorable balance)	112 000
Petty cash	2 200
Loan: CAT Bank (9,5% p.a.)	?
Accrued income	3 200
Prepaid expense	1 200
Income received in advance	5 800
Accrued expense	1 800

Adjustments and additional Information:

1. Loan: BTT Bank

Interest on loan is capitalised. The loan statement from BTT Bank reflected the following:

Balance on 1 May 2019	R423 200
Monthly instalments including interest	R103 200
Balance on 30 April 2020	R350 400

The business plans to pay R40 000 during the next financial year.

2. FIXED ASSET NOTE

	Land and buildings	Vehicles	Equipment
Carrying value (1 May 2019)		**(b)**	336 500
Cost	**(a)**	700 000	430 000
Accumulated depreciation		280 000	93 500
Movements			
Additions	600 000	145 000	
Depreciation		**(c)**	(64 500)
Carrying value (30 April 2020)	1 200 000	**(d)**	272 000
Cost	1 200 000		430 000
Accumulated depreciation			

3. Provide for depreciation as follows:

- On vehicles at 20% p.a. on the diminished balance method
- On equipment at 15% p.a. on cost price.

NOTE: A new vehicle, costing R145 000, was purchased on 1 August 2019. This has not been recorded.

4. **Financial indicators on 30 April 2020:**

	2019	2020
% Operating expenses on sales	36%	44%
% Operating profit on sales	15%	17%
% Net profit on sales	9%	11%
Current ratio	0,9 : 1	?
Acid-test ratio	1,3 : 1	?
Solvency ratio	1,3 : 1	2,6 : 1
% Return on average owner's equity	14%	12%
Interest rate	14%	15%

55

QUESTION 4: CONCEPTS, WAGES JOURNAL AND INTERNAL CONTROL (22 marks; 18 minutes)

4.1 **CONCEPTS**

Choose the correct word(s) from COLUMN A to match the description in COLUMN B. Write only the letters (A to E) in COLUMN B next to the question number (4.1.1–4.1.4) in the ANSWER BOOK, for example 4.1.5 F.

COLUMN A	COLUMN B
4.1.1 Matching concept	A All items purchased are recorded at their cost price
4.1.2 Going concern concept	B Financial information relevant to a reader of financial statements, must be separately disclosed
4.1.3 Historical cost concept	C Financial information is recorded and reported in a conservative manner
4.1.4 Materiality concept	D Financial information prepared on the understanding that a business will continue in the future
	E Income and expenses must be reflected against each other in the correct accounting period

(4 x 1) (4)

4.2 Study the totals which appear in the Wages Journal of HMT Fruit and Vegetables for the week ended 27 November 2020.

All employees are paid at the same rates, being R25 per hour for normal time and R35 per hour for overtime.

Totals in the Wages Journal for week ended 27 November 2020

Total hours (normal time)	3 000
Total hours (overtime)	?
Gross wages	110 000
Total deductions	?
Medical aid deductions	7 000
Pension fund deductions	6 000
UIF deductions	3 000
PAYE	9 000
Medical aid contributions	14 000
UIF contributions	1 500

REQUIRED:

4.2.1 How much cash must be withdrawn in order to pay the employees? (2)

4.2.2 Briefly explain the difference between *deductions* and *contributions*. (4)

4.2.3 Calculate the total number of overtime hours worked during the week. (5)

4.2.4 The medical aid details have remained the same for all four weeks during November 2020. Calculate the amount which must be paid to the medical fund by HMT Fruit and Vegetables at the end of November 2020. (3)

4.2.5 There are approximately 80 employees in total. Briefly explain the TWO roles played by the clock-card system in ensuring that HMT Fruit and Vegetables do not pay any employee for work which he has not done. (4)

$\boxed{22}$

TOTAL: 150

EXEMPLAR PAPER

NAME:

GRADE 10

NOVEMBER 2020

ACCOUNTING P1 ANSWER BOOK

QUESTION	MAX. MARKS	MARKS OBTAINED	MODERATED MARKS
1	24		
2	49		
3	55		
4	22		
TOTAL	150		

This answer book consists of 9 pages.

QUESTION 1: ACCOUNTING CONCEPTS AND ACCOUNTING EQUATION

1.1 CONCEPTS

1.1.1	
1.1.2	
1.1.3	
1.1.4	

4

1.2 ACCOUNTING EQUATION

NO.	ASSETS		OWNER'S EQUITY		LIABILITIES	
	REASON	EFFECT	REASON	EFFECT	REASON	EFFECT
1.2.1						
1.2.2						
1.2.3						
1.2.4 (a)						
(b)						

20

Q1: TOTAL MARKS	24	

QUESTION 2: CONCEPTS AND INCOME STATEMENT

2.1 CONCEPTS

2.1.1	
2.1.2	
2.1.3	
2.1.4	

2.2.1 INCOME STATEMENT OF KINGSTON TRADERS FOR THE YEAR ENDED 29 FEBRUARY 2020

Sales		
Cost of Sales		
Gross Profit		
Other operating Income		
Discount received		830
Gross operating income		
Operating Expenses		
Discount allowed		1 260
Stationery		8 800
Operating Profit		
Profit before Interest Expense		
Net Profit for the Year		

☑ operation, one part correct, Foreign entries -1 (max. 2), accept alternative format (two columns)

Q2: TOTAL MARKS	49	

QUESTION 3: CONCEPTS, FIXED ASSETS, BALANCE SHEET, INTERPRETATION AND INTERNAL CONTROL

3.1

3.1.1	
3.1.2	
3.1.3	
3.1.4	

4

3.2 3.2.1

(a)
(b)
(c)
(d)

3.2.2 BALANCE SHEET OF OBBIE TRADERS – 30 APRIL 2020

ASSETS	
NON-CURRENT ASSETS	
CURRENT ASSETS	
INVENTORIES	270 200
TOTAL ASSETS	
EQUITY AND LIABILITIES	
OWNER'S EQUITY	2 186 400
NON-CURRENT LIABILITIES	
CURRENT LIABILITIES	
TOTAL EQUTY AND LIABILITIES	2 600 000

3.3 Calculate the following financial indicators.

(a) Current Ratio

(b) Acid test ratio

(c) Do you think that the business will experience liquidity problems in the near future? Explain briefly, with reference to the ratios in (a) and (b).

3.4 Should the business repay the long-term loan as soon as sufficient funds are available? Explain briefly why you think this is advisable or not.

Q3: TOTAL MARKS	55	

QUESTION 4: CONCEPTS, WAGES JOURNAL AND INTERNAL CONTROL

4.1 CONCEPTS

4.1.1	
4.1.2	
4.1.3	
4.1.4	

4.2.1

How much cash must be withdrawn in order to pay the employees?

4.2.2

Briefly explain the difference between *deductions* and *contributions*.

4.2.3

Calculate the total number of overtime hours worked during the week.

4.2.4 The medical aid details have remained the same for all four weeks during November 2020. Calculate the amount which must be paid to the medical fund by HMT Fruit and Vegetables at the end of November 2020.

4.2.5 There are approximately 80 employees in total. Briefly explain the TWO roles played by the clock-card system in ensuring that HMT Fruit and Vegetables do not pay any employee for work which he has not done.

Q4: TOTAL MARKS	22	

EXEMPLAR PAPER

(EASTERN CAPE NOV 2020)

GRADE 10

NOVEMBER 2020

ACCOUNTING P2

MARKS: 150

TIME: 2 hours

This question paper consists of 8 pages and a 7-page answer book.

INSTRUCTIONS AND INFORMATION

Read the following instructions and follow them precisely.

1. A special ANSWER BOOK is provided in which you must answer ALL the questions.
2. Show ALL workings to earn part-marks.
3. You may use a non-programmable calculator.
4. You may use a dark pencil or black/blue ink to answer the questions.
5. Where applicable, show all calculations to ONE decimal point.
6. A breakdown of the questions is provided. You must attempt to comply with the suggested time allocation for each question.

QUESTION 1: 45 marks; 36 minutes	
Topic of the question:	**This question integrates:**
Cost Accounting and Ethics	**Managerial Accounting** • Manufacturing concepts and basic cost calculations **Managing Resources** • Ethics
QUESTION 2: 45 marks; 36 minutes	
Topic of the question:	**This question integrates:**
VAT and Creditors Reconciliation	**Managing Resources** • VAT concepts and calculations • Creditors Control and Creditors List
QUESTION 3: 30 marks; 24 minutes	
Topic of the question:	**This question integrates:**
Budgets	**Managerial Accounting** • Calculations **Managing Resources** • Internal Control
QUESTION 4: 30 marks; 24 minutes	
Topic of the question:	**This question integrates:**
Tangible Assets and Ratio Analysis	**Managing Resources** • Tangible Assets • Analysis and Interpretation of Financial Statements

QUESTION 1: COST ACCOUNTING AND ETHICS

(45 marks; 36 minutes)

UTH sportswear is a small business that manufactures rugby jerseys which are supplied to the local schools. During March 2020 the business manufactured 10 460 jerseys.

1.1 MANUFACTURING CONCEPTS

1.1.1 … remains the same no matter how many units are produced. (1)

1.1.2 Define the following and give examples:

- Direct Labour
- Indirect Labour (4)

1.1.3 Prime costs consist of … and … (2)

1.2 COST CALCULATIONS

Calculate the following:

- Direct material cost (3)
- Direct labour cost (2)
- Factory / Manufacturing overhead cost (8)
- Total Cost of Production (5)
- Unit cost per jersey (4)

1.3 UHT gets his material from China. Due to high transport and import duties, he is planning to use a locally produced cheaper material. He feels that customers will not notice and he would not need to reduce the selling price. What advice would you offer UHT? Give THREE points. (6)

1.4 The accountant is concerned that the sales for the year dropped by 25% and the cost of sales was higher than the previous year. This was due to an increase in the wool price and also transport cost. If the sales for last year was R400 000, and the profit mark-up is 50%, calculate:

- The sales for the current year (5)
- The cost of sales for the current year (5)

INFORMATION:
Costs for June 2020

Fabric (material) used in production of jerseys	R280 000
Badges, numbers and logos	42 500
Salaries and wages:	
Factory foreman	28 700
Bookkeeper	25 600
Machine operators	215 500
Rent Expense Total (40% allocated to factory)	28 200
Water and Electricity (3/5 allocated to factory)	12 600
Factory expenses	8 200

45

QUESTION 2: VAT AND CREDITORS RECONCILIATION (45 marks; 36 minutes)

2.1 Indicate whether the following statements are TRUE or FALSE. Write only '**True**' or '**False**' next to the question numbers (2.1.1–2.1.5) in the ANSWER BOOK.

2.1.1 The two categories of registration by businesses for VAT purposes are known as Output VAT and Input VAT.

2.1.2 Tax avoidance is illegal and punishable by law.

2.1.3 Output VAT is VAT collected from customers.

2.1.4 Input VAT is VAT paid when goods and services are purchased by the business.

2.1.5 Fees payable for education is an example of VAT exempted goods or services. (5)

2.2 Complete the following table:

No.	Total Retailer paid to supplier	Input VAT	Retailer's actual cost price	% Mark-up	Retailer Selling price	Output VAT	Retailer receives from Customer
1.	1 375,40		1 196	50%	1 794		2 063,10
2.	3 648			25%			
3.				20%	3 600		
4.				10%			440,00

(17)

2.3 You are provided with information relating to AB Traders:

REQUIRED:

2.3.1 Prepare the corrected CREDITORS CONTROL account on 31 October 2020. Assume that all the Journals have been properly closed off hence all errors and omissions must be made through the General Journal. Balance this account. (12)

2.3.2 Prepare an updated CREDITORS LIST on 31 October 2020. (11)

Information:

The following Creditors Control Account and Creditors List was prepared by an inexperienced bookkeeper in the books of AB Traders.

Creditors Control

2020 Oct	1	Balance	b/d	54 750	2020 Oct	31	Bank	CPJ	40 000
	31	Sundry accounts	CJ	49 800			Discount received	CPJ	750
		Bank	CRJ	1 100			Sundry accounts	CAJ	1 200
		Journal debits	GJ	290			Journal Credits	GJ	670
							Balance	c/d	63 320
				105 940					**105 940**
Nov	1	Balance	b/d	63 320					

The Creditors List reflects the following balances before corrections:

	Debits	Credits	
Teejay Limited		31 700	
Mahogany Traders		13 550	
Priti Distributors		7 800	
Riso Dealers		11 500	
		64 550	

Additional Information:

The following information was not taken into account when Journals were prepared:

(a) An invoice for stock purchased on credit on 26 October 2020 from Teejay Limited was not recorded. The invoice reflected the cost price of R3 400.

(b) There is an addition error in the subsidiary ledger account of Mahogany Traders. Their balance was under calculated by R750.

(c) Riso Dealers granted cash discount of R450. This was incorrectly recorded in the CPJ as R250.

(d) An amount of R210 in the Creditors Allowances Journal for October 2020 was inadvertently posted to the wrong side of the creditor Priti Distributors' account.

(e) Goods to the value of R800 were returned to Teejay Limited. The entry was correctly recorded in the Creditors Allowances Journal. It was not posted to the creditor's account.

45

QUESTION 3: BUDGETS **(30 marks; 24 minutes)**

You are the treasurer of the school Enviro-club which is located in Nelson Mandela Bay. The club wants to visit the Upington Science Centre during the June vacation.

REQUIRED:

3.1 Explain why it is important to prepare a budget. Provide TWO points. (4)

3.2 Calculate the total cost for members for the transport. (5)

3.3 Calculate the following:

3.3.1 Total subsidy for accommodation and total subsidy for meals (4)

3.3.2 The cost of the accommodation for the three days (4)

3.4 Calculate the cost for members for the meals and refreshments. (4)

3.5 Calculate the total cost for members for the trip. (4)

3.6 Calculate the contribution needed per member. (3)

3.7 What can the club do to try and reduce the amount that each member must contribute? Give ONE point. (2)

INFORMATION:

(a) The club has 20 members.

(b) The cost of the trip will include the following:

- Transport to hire two minibuses. Each bus charges R8,50 per kilometer. Upington is 725 kilometers from Nelson Mandela Bay.
- Four cottages will be needed to accommodate the members for three nights. The total cost will be R2 350 per cottage per night.
- Meals and refreshments will be R450 per member for the duration of the tour.
- Entry tickets to the Science Centre cost R80 per person. (EC Science Expo will sponsor the club).

(c) The school is prepared to subsidize each member with R300 for accommodation and meals.

NOTE: R180 will be for meals and R120 will be for accommodation. The SGB will contribute R3 150 towards the transport cost.

30

QUESTION 4: TANGIBLE ASSETS AND RATIO ANALYSIS **(30 marks; 24 minutes)**

4.1 **Tangible Assets**

Use the information provided to complete the Fixed Asset Register of Twinkle Traders. The financial year ends on 28 February each year: (16)

- A vehicle was purchased on 1 September 2017 for R550 000 from Teddy Motors. Depreciation is calculated at 15% p.a. on cost.
- Equipment was purchased on 1 March 2018 for R600 000 from Ludz Traders. Depreciation is calculated at 20% p.a. on the diminishing balance method.

4.2 The Asset Register is a valuable tool in asset management. Why? Give ONE reason. (2)

4.3 **Ratio Analysis**

The following information was extracted from the books of TK Traders for the financial year ended 28 February 2020:

Sales	R450 500	
Cost of Sales	R ?	
Gross Profit	25 % of Sales	
Operating Expenses	R67 500	
Net Profit	R67 575	

Required:

Calculate the following:

(a) Gross Profit (3)
(b) Cost of Sales (3)
(c) Percentage Gross Profit on Cost of Sales (2)
(d) Percentage net profit on Sales (2)
(e) The owner requested that you give one point of advice on how the percentage Net profit on sales can be increased to at least 20% (2)

30

TOTAL: 150

EXEMPLAR PAPER

NAME:	

GRADE 10

NOVEMBER 2020

ACCOUNTING P2 ANSWER BOOK

QUESTION	MAXIMUM MARKS	MARKS OBTAINED	MODERATED MARKS
1	45		
2	45		
3	30		
4	30		
	150		

This answer book consists of 7 pages.

QUESTION 1: COST ACCOUNTING AND INTERNAL CONTROL

1.1 Manufacturing concepts:

1.1.1 | 1

1.1.2 Define Direct Labour and Indirect Labour with examples.

Direct Labour:

Indirect Labour: | 4

1.1.3 Prime costs consist of … and … | 2

1.2 1.2.1 Calculate the following:

- Direct Material Cost | 3
- Direct Labour Cost | 2
- Factory / Manufacturing Overhead Cost | 8
- Total Cost of Production | 5
- Unit Cost per jersey | 4

1.3 What advice would you offer UHT?

Give THREE points

6

1.4 If Sales for last year were R400 000 and profit mark-up is 50%:

• Calculate Sales for the current year
• Calculate Cost of Sales for the current year

5

5

TOTAL MARKS
45

QUESTION 2: VAT AND CREDITORS RECONCILIATION 2.1

2.1.1	
2.1.2	
2.1.3	
2.1.4	
2.1.5	

2.2 Complete the following table:

No	Total Retailer paid to supplier	Input VAT	Retailer's actual cost price	% Mark-up	Retailer Selling price	Output VAT	Retailer receives from Customer
1.	1 375,40		1 196	50%	1 794		2 063,10
2.	3 648			25%			
3.				20%	3 600		
4.				10%			440,00

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2.3 Reconciliations

2.3.1

Creditors Control

2020 Oct	31				2020 Oct				

2.3.2 Creditors List

	R
Teejay Limited (**31 700**	
Mahogany Traders (**13 550**	
Priti Distributors ((**7 800**	
Riso Dealers (**11 500**	

11

TOTAL MARKS
45

QUESTION 3: BUDGETS

3.1 Calculate the following:

3.1.1	Explain why it is important to prepare a budget. Provide TWO points. • •
3.2	Total cost for members for transport
3.3	Calculate the following: 3.3.1 Total subsidy for accommodation Total subsidy for meals
	3.3.2 Cost of accommodation for the three days
3.4	Calculate the cost to members for meals and refreshments.
3.5	Calculate the total cost for members for the trip.
3.6	Calculate the contribution needed per member.
3.7	What can the club do to try and reduce the amount that each member must contribute? Provide ONE point. • •

TOTAL MARKS
30

QUESTION 4: TANGIBLE ASSETS AND RATIO ANALYSIS

4.1 TANGIBLE ASSETS

TWINKLE TRADERS			
ASSET REGISTER			**Page 7**
Item: Vehicle **Date Purchased:** 1 September 2017 **From whom purchased:** Teddy Motors		**Cost price:** R550 000 **Rate of depreciation:** 15% p.a. on cost	
Date	**Current depreciation**	**Accumulated depreciation**	**Carrying Value**
28 February 2018			
28 February 2019			
29 February 2020			

9

TWINKLE TRADERS			
ASSET REGISTER			**Page 8**
Item: Equipment **Date Purchased:** 1 March 2018 **From whom purchased:** Ludz Traders		**Cost price:** R600 000 **Rate of depreciation:** 20% p.a. on the diminishing balance method	
Date	**Current depreciation**	**Accumulated depreciation**	**Carrying Value**
28 February 2019			
29 February 2020			

7

4.2	**The Asset Register is a valuable tool in asset management. Why? Give ONE reason.**	2

4.3 Ratio Analysis

Calculate the following:

		Answer
(a)	Gross Profit	
(b)	Cost of Sales	
(c)	Percentage Gross Profit on Cost of Sales	
(d)	Percentage Net Profit on Sales	
(e)	Advice on how the percentage Net Profit on sales can be increased to at least 20%	

12

TOTAL MARKS
30