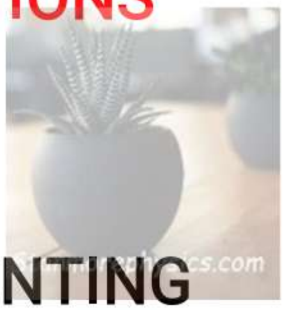
KWAZULU-NATAL PROVINCE
EDUCATION
REPUBLIC OF SOUTH AFRICA

CURRICULUM GRADE 10 -12 DIRECTORATE

NCS (CAPS)

JUST IN TIME LEARNER SUPPORT

SOLUTIONS



ACCOUNTING

GRADE 10

2026

PREFACE

This support document serves to assist Accounting learners on how to deal with curriculum gaps and learning losses. It also addresses the challenging topics in the Grade 10 curriculum in Term 1- 4.

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 following topics:

A. SALARIES AND WAGES JOURNAL

ACTIVITY A1
Basic Concepts

1.1.1	MEDICAL AID
1.1.2.	NET SALARY
1.1.3.	DEDUCTIONS
1.1.4.	STAFF FUND
1.1.5.	PAYE
1.1.6.	UNEMPLOYMENT INSURANCE FUND
1.1.7.	SALARY ADVICE
1.1.8.	GROSS SALARY
1.1.9.	PENSION FUND
1.1.10.	OVERTIME REMUNERATION

1.2

Employee	Normal Time			Overtime			
	Hours	Rate	Amount	Hours	Rate	Amount	Gross Wage
S.Ndaba	40	20	800	2	30	60	860
P.Mshengu	40	24	960	5	36	180	1140

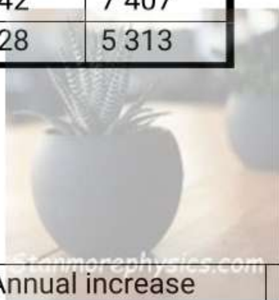
	Deductions							Employers Contribution		
Employee	Pension Fund	Medical Aid	UIF	Staff Ass n	PAYE	Total	Net Wage	Pension Fund	UIF	Total
S.Ndaba	40	40	15	-	172	267	593	20	15	35
P.Mshengu	48	10	15	2	228	303	837	24	15	39

1.3	Increase supervision during break time, set daily targets

ACTIVITY A2

Employees	Basic salary	Bonus	Gross salary	Deductions					Net salary
				Pension Fund	PAYE	Medical aid	UIF	Total deductions	
Lindy	11 400	11 400	22 800	1 140	8 208	R1 000	1 140	11 488	11 312
Uminathi	17 100	17 100	34 200	1 710	12 312	R1 250	1 710	16 982	17 218
Nkwenkwe	12 800	0	12 800	640	4 608	R1 750	1 280	8 278	4 522

Employees	Employer's contributions				
	Medical aid	Pension Fund	UIF	SDL	Total
Lindy	1 500	2 280	1 140	228	5 148
Uminathi	1 875	3 480	1 710	342	7 407
Nkwenkwe	2 625	1 280	1 280	128	5 313



ACTIVITY A3

3.1

Year	Annual salary	Annual increase	Monthly salary
2026	270 000	18 000	22 500
2027	288 000	18 000	24 000
2028	306 000	27 000	25 500
2029	333 000	27 000	27 750
2030	360 0000		30 300

3.2.1	Calculate Ms Mbatha monthly salary in her 1st year of employment. R135 000 ÷12 = R11 250
3.2.2	What will be her annual salary in the 3rd year of her employment? R135 000 + 14 640 +14 640= 164 280
3.2.3	Calculate the percentage increase in her monthly salary in 6th year of employment?

	16 920÷195 840 ×100= 8.6%

ACTIVITY 4

Employees	Basic Wages (Normal Time)			Overtime			Gross Wages
	Hours	Rate	Amount	Hours	Rate	Amount	
BUSANA	42	200	8 400	8	300	2 400	10 800
DOLO	42	200	8 400	3	300	900	9 300
PMEROY	35	200	7 000	0	300	0	7 000

Employees	Deductions					Net Wages
	Medical	Pension	UIF	PAYE	Total	
BUSANA	500	672	84	2 160	3 416	7 384
DOLO	500	672	84	1 860	3 116	6 184
POMEROY	500	560	70	1 400	2 530	4 470

Employees	Contributions			Total
	Medical Aid	PensionFund	UIF	
BUSANA	1000	1 296	84	2 380
DOLO	1000	1 116	84	2 200
POMEROY	1000	840	84	1 924

B. FINAL LEDGER ACCOUNTS

ACTIVITY B1

TRADING ACCOUNT

		Cost of sales (2 936 500+14 500)		2 951 000			Sales (2 936 500 ×150/100) 4 404 750+21 750)		4 426 500
		Profit and loss		1 475 500					
				4 426 500					**4 426 500**

PROFIT AND LOSS

		Salaries and wages		305 000			Trading account		1 475 500
		Loss due to theft		1 000			Bad debt recovered		5 400

		Trading stock deficit (416 000-14 500—7000-392 000)		2 100			Interest on fixed deposit (3 525+1 175)		4 700
		Bad debt written off (10 000+8 1200		18 120			Rent income (43 500+ 3 300-3 600)		43 200
		Advertising (4 800-4000)		800					
		Insurance (35 750+3 250)		39 000					
		Packing material used (27 300-3 800)		23 500					
		Interest on loan 642 000-158 400-553 800)		70 200					
		Sundry expenses		88 055					
		Depreciation		91 200					
		Capital		889 825					
				1 528 800					1 528 800

ACTIVITY B2

TRADING ACCOUNT

2026 Jun	30	Cost of Sales	GJ	1 050 000	2026 Jun	30	Sales (1 703 000-17 000 – 6 200)	GJ	1 680 000
		Profit & Loss	GJ	630 000					
				1 680 000					**1 680 000**

PROFIT AND LOSS ACCOUNT

Jun	30	Salaries and wages (234 750 + 6000)		240 750	Jun	30	Trading Account	GJ	630 000
		Employ.Contr.PF & UIF (53 200 +630+60)		53 890			Service Fee(297 140 - 540)		296 600
		Rates		5 400			Rent Income (105 000-15 600)		89 400
		Consumable stores (51 100 – 900)		50 200			Interest Income		11 200
		Bank Charges (5240 + 310)		5 550			Bad debts recovered		960
		Telephone		3 680					
		Repairs		5 200					

		Stationery		2 680					
		Bad debts (1 920 + 250)		2 170					
		Water & Electricity		6 000					
		Sundry Expenses		48 000					
		Trading stock deficit (215 000+ 4800-202000)		17 800					
		Depreciation (6 400 + 1 500)		7 900					
		Interest on loan		44 800					
		Capital		534 140					
				1 028 160					**1 028 160**

ACTIVITY B3

3.1 TRADING ACCOUNT

		Cost of sales (2 180 000+9 600)		2 189 600			Sales (3 815 000+16 800)		3 831 800
		Profit and loss account		1 642 200					
				3 831 800					**3 831 800**

3.2 PROFIT AND LOSS ACCOUNT

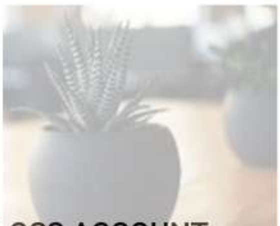
		Bad debt(16 150+8750)		24 900			Trading account		1 642 200
		Trading stock deficit (326 000- 9600- 313 400)		3 000			Interest on current account		600
		Packing material used (86 600- 2200)		84 400			Interest on fixed deposit (16 000+3 200)		19 200
		Depreciation		112 300			Discount received		8 580
		Water and electricity (28 920 – 2 350)		26 570			Rent income (104 000 – 800)		96 000

		Insurance(52 240- 5 000)		47 240					
		Bank charges (13 800+1 120)		14 920					
		Interest on loan (717 400+267 000-880 000)		105 000					
		Salaries and wages		432 000					
		Sundry expenses		40 060					
		Capital		876 190					
				1 766 580					1 766 580

ACTIVITY B4

4.1 TRADING ACCOUNT

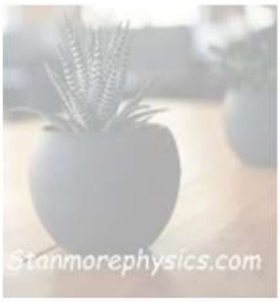
2026 Feb	28	Cost of Sales (6 720 000-17500)	6 702 500	2026 Feb	28	Sales (14 342 720-174 720-38 000)	14 130 000
		Profit and Loss	7 427 500				
			14 130 000				**14 130 000**



4.2 PROFIT AND LOSS ACCOUNT

2026Feb	28	**Advertising**	**90 240**	2026Feb	28	Trading Account	7 427 500
		Salaries and Wages	1 496 000			Rent Income (534 000-106 880)	641 280
		Insurance (200 000 – 19 600)	180 400			Bad Debts Recovered	40 500
		Bad Debts(140 800 + 23 000)	163 800			Interest on Fixed Deposit(12 800+ 17 920)	30 720
		Stationery(229 120+ 17 900)	247 020			Commission income	244 960
		Telephone	343 200				
		Bank charges (182 400+ 11	193 750				

		350)					
		Packing Materials (320 000- 25 000)	**295 000**				
		Interest on Loan (1 660 800+480 000-2 011 000)	129 800				
		Depreciation(672 000+ 309 280)	981 280				
		Trading stock deficit(704 000+ 17500- 701 000)	20 500				
		Capital Account	4 243 970				
			8 384 960				8 384 960



C. FINANCIAL STATEMENTS OF A SOLE TRADER

ACTIVITY C1

MTWAZI TRADERS

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

Sales (442 – 22 000 – 800)	419 200
Cost of sales (262 500 – 500)	(262 000)
Gross profit	157 200
Other operating income	17 040
Rent income (16 900- (16 900x1/13)	15 600
Bad debts recovered	1 440
Gross operating income	174 240
Operating expenses	(140 150)
Packing materials	3 640
Advertising	1 900
Salaries	72 000
Telephone (3 995 + 135)	4 130
Water and electricity	33 850
Insurance (5 600 – 1 000)	4 600
Stationery (2 450- 120)	2 330
Bad debts	3 700
Trading stock deficit (31 700 + 500) – 24 000)	7 200
Depreciation (58 000 x 10/100)	5 800
Operating profit	34 090
Interest income (1 155 + 2 295)	3 450
Profit before interest expense	38 540
Interest expense	(4 500)
Net profit	33 040

1.2

The owner of **Mtwazi Traders** is no happy that the staff are staling the stock of the business. Suggest two internal control measures that he can implement to avoid this in future.
Conduct regular inventory surveys Limit access to storeroom Security cameras are installed to keep an eye on workers Search employees when they leave the premisses Distribution of duties for personnel handling inventory

ACTIVITY C2

2.1

2.1.1	D
2.1.2	E
2.1.3	C
2.1.4	A
2.1.	B

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	135 540
Discount received	9 200
Fee income (124 500 + 1400)	125 900
Trading stock surplus	440
Gross operating income	1 215 540
Operating expenses	(1 101 390)
Discount allowed	3 400
Repairs	234 300
Packing material	1 460
Sundry expense	128 200
Water and electricity	63 200
Salaries (345 600 + 25 200 + 2400)	373 200
Stationery	20 400
Rent expense (92 800 + 9 200)	102 000
Rates and taxes (32 500 + 1 800)	34 300
Advertising (18 400 – 1 800)	16 600
Bad debts (9 200 + 2 280)	11 480
Bank charges (4 200 + 450)	4 650
Depreciation	108 200
Operating profit	114 150
Interest income (3 675 + 1 225 + 580 + 120)	5 600
Profit before interest expense	119 750
Interest expense	(16 000)
Net profit for the year	**103 750**

ACTIVITY C3

3.1

3.1.1	Current liabilities
3.1.2	Financial assets
3.1.3	Operating income
3.1.4	Trade and other payables

3.2 STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 28 FEBRUARY 2026

Sales (13 284 000 – 58 400)	13 225 600
Cost of sales	(7 380 000)
Gross profit	5 845 600
Other operating income	336 576
Rent income	314 496
Bad debts recovered (15 400 + 6 680)	22 080
Gross operating income	6 182 176
Operating expenses	(2 993 100)
Salaries and wages (1 442 000 + 95 600)	1 537 600
Stationery (98 736 – 8336)	90 400
Insurance (186 000 – 16 560)	169 440
Marketing expenses	276 000
Motor expenses (98 400 + 32 800)	131 200
Bad debts (66 720 + 33 740)	100 460
Depreciation (120 000 + 568 000)	688 000
Operating profit	3 189 076
Interest income (49 600 + 4 800)	54 400
Profit before interest expense	3 234 467
Interest expense	(493 476)
Net profit for the year	**2 750 000**

ACTIVITY C4

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	-80 000
Deprecation	-456 800
Rent expense	-99 300
Advertising (88 600 x3/6)	+44 300
Packing materials	+11 000
Interest on loan (5 580 000 + 1 080 000 – 6 300 000)	-360 000
Correct net profit for the year	3 144 000

4.2

STATEMENT OF FINANCIAL POSITION ON 31 DECEMBER 2025	
ASSETS	
NON-CURRENT ASSETS	16 124 890
Fixed assets (15 249 690 + 744 000 – 456 800)	15 536 890
Financial assets (980 000 – 392 000)	588 000
CURRENT ASSETS	**6 836 850**
Inventory (3 239 200 + 11 000)	3 250 200
Trade and other receivables (2 234 600 + 233 400 + 98 900 + 44 300 + 56 000)	2 667 200
Cash and cash equivalent (456 750 + 45 700 + 25 000 + 392 000)	
TOTAL ASSETS	22 961 740
EQUITY AND LIABILITIES	
Owners' equity	13 448 000
Capital account (10 020 000 + 744 000 + 3 144 000 _ 460 000)	13 448 000
NON-CURRENT LIABILITIES	4 680 000
Mortgage loans (5 580 000 – 900 000)	4 680 000
CURRENT ASSETS	4 833 740
Trade and other payables (2 943 390 + 198 600 + 111 700 + 367 850 + 156 900 + 99 300 + 56 000)	3 933 740
Current portion of loan	900 000
TOTAL EQUITY AND LIABILITIES	22 961 740

ACTIVITY C5

5.1

(i)	**Calculate the carrying value of Land and buildings on March 1 March 2025**
	2 550 000 – 325 000 = 2 225 000
(ii)	**Calculate the total depreciation on Vehicles on 28 February 2026**
	New: 422 550 x 20/100 x 6/12= 42 255 Old: 350 000 x 20/100= 70 000 42 255 + 70 000 = 112 255
(iii)	**Calculate the carrying value of Vehicles on 28 February 2026**
	135 000 + 422 550 – 112 255 = 445 295
(iv)	**Calculate the total carrying value of fixed assets on 28 February 2026**
	2 550 000 + 445 295 + 50 994 = 3 046 289

5.
2

STATEMENT OF FINANCIAL POSITION ON 31 DECEMBER 2025	
ASSETS	
NON-CURRENT ASSETS	4 075 939
Fixed assets	3 046 289
Financial assets (1 199 650⊓– 170 000)	1 029 650
CURRENT ASSETS	1 148 661
Inventory	686 881
Trade and other receivables (67 200 – 270 + 6 800 +10 350)	84 080
Cash and cash equivalent (180 00+10 000+ 17 700+170 000)	377 700
TOTAL ASSETS	5 224 600
EQUITY AND LIABILITIES	
OWNERS' EQUITY	4 703 000
Capital account (4 400 000+518 000- 215 000)	4 703 000
NON-CURRENT LIABILITIES	282 000
Mortgage loans (332 000 – 50 00)	282 000
CURRENT ASSETS	239 600
Trade and other payables (184 000 + 5 600)	189 600
Current portion of loan	50 000
TOTAL EQUITY AND LIABILITIES	5 224 600

ACTIVITY C 6: ANSWER SHEET

STATEMENT OF FINANCIAL POSITION ON 31 DECEMBER 2025	
ASSETS	
NON-CURRENT ASSETS	693 000
Fixed assets (330 000+236 000+115 000)	681 000
Financial assets	12 0000
CURRENT ASSETS	177 000
Inventory (48 000 + 4500)	52 500
Trade and other receivables (54 000 + 10 500+ 19 500)	84 000
Cash and cash equivalent (36 000 + 3 000 + 1500)	40 500
TOTAL ASSETS	870 000
EQUITY AND LIABILITIES	
Owners' equity	555 000
Capital account	
NON-CURRENT LIABILITIES	
Mortgage loans (120 000 -10 000)	110 000
CURRENT LIABILITIES	205 000
Trade and other payables (168 000+18 000+9 000)	195 000
Current portion of loan	10 000
TOTAL EQUITY AND LIABILITIES	870 000

6.2 NOTES TO THE FINANCIAL STATEMENTS:

6.2.1

TRADE AND OTHER RECEIVABLES	
Trade debtors	54 000
Prepaid expense	10 500
Accrued income	19 500
	84 000

6.2.2

OWNER'S EQUITY	
Balance at the beginning of the year	501 000
Net profit for the year	69 000
Additional capital	0
Drawings	(15 000)
Balance at the end of the year	**555 000**

D. ANALYSIS AND INTERPRETATION OF FINANCIAL STATEMENTS OF A SOLE TRADER

ACTIVITY D1

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

600 000X 150/100 = 900 000

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.

130 000/1/2 (271 430+180 000) x 100
= 57.6%

Yes, it is more than any other investment like Fixed deposit 10%

1.1.3 Calculate the current ratio for 2025

54 070 + 34 700 + 1 650: 26 26 654
3,4:1

1.1.4 Calculate the acid test ratio for 2025

34 700 + 1650: 26 654
=1,4: 1

1.1.5 Calculate the operating expenses on sales

158 00/900 000X100 = 17.6%

ACTIVITY D2

2.1 Profitability

The business is concerned about the mark-up achieved in 2026. Quote ONE relevant financial indicator with figures and trend.
• Gross profit on cost of sale decreased from 80% to 75% by 5 points.

Explain ONE point what cause these results
Selling at a discounted or reduced price

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.
Operating expenses on sales increased from 35% to 38% by 3 points Operating profit on sales decreased from 21% to 17.5 % by 3.5 points

2.3 Liquidity

Comment on the liquidity position of the business. Explain and quote Two relevant financial indicators with figure and trends.
Current ratio increased from 2.1:1 to 4,1:1 Acid test ratio increased from 1,3:1 to 2,5:1

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.
Return on average owners' equity decreased from 13,9% to 8,6 % by 6,3 points. And is below 10% of interest on investment.

ACTIVITY D3

3.1

3.1.1 Solvency Ratio

2 550 000 + 150 000 + 1 287 500: (818 750 + 368 750) 3,4:1

3.1. Current Ratio

2

1 287 500: 368 75 3,5:1

3.1.3 Acid test ratio

1 287 500-300 000: 368 750 2,7:1

3.1.4 Return on overage owner's equity

525 000/ ½ (1 475 000 + 2 500 000) x100 = 26,4%

3.1.5 Operating expenses on sales

700 000/1875 000x100 = 37,3%

ACTIVITY D4

4.1

The owner took a decision with regard the selling price or mark up of bikes in 2025. What is the decision, quote figures to support your answer?

Decrease mark-up from 72% to 58%/ by 14 points

Did the business benefit from that decision, explain with TWO points from the question and quote figures to support your answer.

Sales increased from 774 0000 to 13 182000 / by 5550 000
Number of bikes sold increased by 850.
Gross profit increased by 1 612 000

4.2

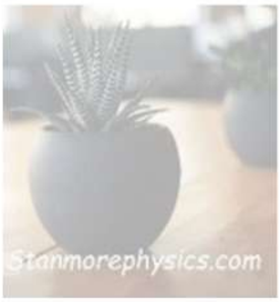
Comment on the liquidity position of the business, quote two financial indicators with figures to support your answer.

Current ratio decreased from 2,9:1 to 2,0:1.
Acid test ratio increased from 0,9:1 to 1,2:1.

Liquidity position indicates that the business can pay it current liabilities using current assets.

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.**

Return on equity increase from 17,8% to 20,8%. This is above 12% of interest on investment.



E. COST ACCOUNTING

ACTIVITY E1

1.1

1.1.1	C
1.1.2	D
1.1.3	A
1.1.4	B

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

Direct Labour	210
Direct Materials	1 278
Round Wooden Poles (50 X 10.1)	505
8 cm wide flat planks (20 X 4.4)	88
Brass Nuts and Bolts (20mm wide by 10 cm long) (30/15 X	16
Brass Nuts and Bolts (20mm wide by 18cm long) (45/5 X 2)	18
15 cm wide flat planks (45 X 7.2)	324
12 cm wide flat planks (30 X 3.3)	99
Thick Rope (15 X 5.4)	81
10cm metal D-Links (23 X 2)	46
4cm metal 'eye' links (8 X 2)	16
Varnish	85
Prime Costs	1 488
Indirect Materials	34
Sand Paper (9 X 3)	27
Polish	7
Total Production Cost for one Swing Bench	1 522

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

1 522 X 150 / 100
= R2 283

ACTIVITY E2

2.1

2.1.1	D
2.1.2	E
2.1.3	A
2.1.4	B
2.1.5	C

2.2 Calculate the following:

2.2.1 The cost of ingredients to make ONE loaf of banana bread. Ensure that you show amounts in Rand.

	Calculations	Amount in Rand
Bananas	R15 / 10 X 3	4.50
Butter	R45 / 3	15
Baking powder	R30 / 200 X 5	0.75
Salt		0.05
Sugar	R45/15 X0.75	2.25
Egg	R48 / 30	1.60
Vanilla essence	R60 / 1 000 X 5	0.30
Flour	R110 / 12.5kg = R8.80 / 1000g X 150g	1.32t
Total		25.77

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

Ingredients (R25.77 X 2 000) See 2.2.1	51 540
Other costs	21 000
Labour (6 000 X 2)	12 000
Rent of premises	5 500
Water and Electricity	3 000
Indirect Materials	500
Total cost of 2 000 loaves	72 540

2.2.3 **The total cost per loaf of banana bread**

72 540 / 2 000 OR 10.05 + 25.77 = 36.27

See 2.2.2 21 000/2 000

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

See 2.2.3

100 000 – 72 540 OR (50 – 36.27) X 2 000

(2 000 X R50) see 2.2.2 = 13.73 X 2000

= R27 460 = 27 460

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

- Telephone / data / internet
- Transport to purchase supplies as well as to deliver to customers
- Insurance
- Advertising
- Depreciation on equipment
- Spray and cook
- Cleaning materials
- **ANY OTHER EXPENSE NOT ACCOUNTED FOR**

F. BUDGETING

ACTIVITY F1

1.1

1.1.1	True
1.1.2	True
1.1.3	False

1.2 CASH BUDGET

Receipts	70 400	
Ticket sales - Couples (R200 X 150)	30 000üü	Or R54 000
Ticket Sales – Individual (R120 X 200)	24 000üü	
Sale of Roses (300 X 15)	4 500üü	
Tuck Shop Sales (8 500 X 140/100)	11 900üü	
Payments must be in ( )	(15 950)	
Purchase of roses (300 X R8)	2 400	
Tuck shop purchases	8 500	
Staff payment	800	
DJ (5 hours X R450)	2 250	
Decorations	2 000	
Surplus / Deficit	54 450	

ACTIVITY F2

2.1

CASH BUDGET FOR MPUMALANGA TRIP FOR SEPTEMBER 20.6	
CASH RECEIPTS	**R**
Salary – Logan 15 x 2 x R400	12 000
David 12 x 2 x R400	9 600
Tips – Logan 15 x 2 x R150	4 500
David 12 x 2 x R150	3 600
Parents' help – Logan (R12 000 x 20 %)	2 400
David (R9 600 x 20 %)	1 920
Loan from Grandparents (R6 300 – 20 % x 2)	10 080
	R44 100
CASH PAYMENTS	
Flights (R5 040 x 2)	10 080
Loan repayment to grandparents – (R5 040 + R500 x 2)	11 080
Accommodation (R500 x 5 x 2)	5 000
Car hire (R500 x 5)	2 500
Fuel	1 500
Meals (R600 x 5 x 2)	6 000
Entrance fees (R700 x 2)	1 400
Safari Game drive (R750 x 2)	1 500
Entertainment expenses (R1 000 x 2)	2 000
	R41 060
Cash surplus for this trip	3 100
Cash balance from Savings (R3 000 + R2 000)	5 000
Cash balance after the trip	**R8 100**

G. RECONCILIATIONS

ACTIVITY G1

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
• Similar source documents are used to record the transactions. • Debtors control is the summery or the individual debtors accounts.

1.2

Mention TWO actions that Sikelela must follow when he discovers a difference between the Debtors control and the Debtors List .
• Identify errors and omissions in the Debtors Ledger or Journal entries. • Verify the correctness of the entries with the original source documents. • Prepare the debtors reconciliations.

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

Debtors Control: 22 600 – 2 200+ 3 300 **or** *(+ 1100)* = 23 700
OR
(25 191-2591)

Debtors List:

DEBTOR	BALANCE
O.Msosololo (4 700 – 1 700)	3 000
L.Shinga (6 111+189)	6 300
G.Joleen(7 220 +1 295 + 1 295 **or** *+2590*)	9 810
B. Cele	2 690
J.Mndaweni(200 + 1 700)	1 900
	23 700

ACTIVITY G2

2.1. 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.)
• It is essential for a business to know the addresses so that they can send the statement on time to debtors to ensure that debtors pay on time. • If any of the debtors do not settle their accounts it may be necessary to take legal action against them in which case the address will be essential to serve legal papers

- The NCA requires a business to check whether a potential customer can afford to purchase on credit. Addresses are part of the personal history of the customer.

2.2 **Prepare Correct Debtors Control Balance:**

86 191+ 165+2 124= 84 214

Prepare the correct Debtors' List on 31 August 2025.

Debtors' List on 31 August 2010	**R**
Kingswood Traders (17 600 + 165 + 2 310 + 13 200)	33 275
Ndenza Traders (55 823 - 3 080 - 3 080– 13 200)	49 663
Popi Suppliers (3 400– 2 124)	1 276
Khomo Stores (660– 660)	0
=	84 214

ACTIVITY G3

CREDITORS RECONCILIATION AND INTERNAL CONTROL

3.1 Correct the creditors control account for June 2026 in the General Ledger. Balance the account correctly.

Dr					CREDITORS CONTROL				Cr
2026 Jun	30	Bank & Discount received	CPJ	34 250	2026 Jun	01	Balance	b/d	4 380
		Total Returns	CAJ	2 108		**30**	Purchases (44 800 – 900)	CJ	43 900
		Journal debits (3 290 + 640)	GJ	3 930			Journal Credits (1 290 + 260)	GJ	1 550
		Balance	c/d	9 542					
				49 830					49 830
					Apr	01	Balance	b/d	9 542

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

CREDITORS LIST AS AT 30 JUNE 2026

NAME	**Credit**
Stump Stomp Retailers (3 890 -900– 640)	2 350
Fuzzy Quilt. (1 300 + 1480)	2 780
The Grit Corner. (4 512 – 1 480)	3 032
Shatter It X. (3 100 – 860 – 860)	1 380
The Shake Shack. (-260 + 260)	0
	9 542

3.3

- Grant a trade discount to Bubba's Wholesale Outlet or cash discount for early payments.
- Keep the customer informed if there are any challenges in terms of delivery of goods.

ACTIVITY G4

4.1.1

GENERAL JOURNAL OF DUMBE TRADERS FOR MAY 2025

Day	Details	Debit	Credit	Debtors control		Creditors control	
				Debit	Credit	Debit	Credit

3	Drawings	9 800					
	Trading stock		9 800				
7	Bad debts	5 625					
	J. Xaba		5 625		5 625		
9	Interest expense	900					
	Nandi Suppliers		900				900
15	Trading stock	1 590					
	Packing materials		1 590				

4.1.2

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

502 740 + 6 300– 15 400+ 3 780+ 750 = **498 170**

The correct amounts owed by debtors on 31 July 2025

	Calculations	**Balance**
C. Ronaldo	88 200 + 6 300	94 500
M. Vilakazi	96 600 + 3 780	100 380
D. Pillay	159 600 + 25 200	184 800
N. Smith	133 980 - 25 200 – 9 660	99 120

T. Maseko	16 100 +2 520+ 750	19 370
TOTAL		**498 170**

5.1 **Explain the term 'credit limit'.**
Credit limit refers to the maximum amount that the creditors has allowed the business to buy for.

5.2

CREDITORS CONTROL	
NO	**AMOUNT**
INCORRECT BALANCE	**52 100**
(i)	+ 8 000
(ii)	no entry
(iii)	– 1 660 – 1 660
(iv)	+ 1 330
(v)	– 5 400
(vi)	no entry
(vii)	no entry
(viii)	+ 2 700
UPDATED BALANCE	55 410

LIST OF CREDITORS AS PER CREDITORS LEDGER

NAME OF CREDITOR	AMOUNT DUE
DT Suppliers (13 000 + 2 700)	15 700
Bam Wholesalers (10 850 + 8 000 – 5 400 + 400)	13 850
MG Distributors (12 340 – 640 – 640)	11 060
ZM Merchants (14 980 – 180)	14 800
CW Dealers (- 1 330 + 1 330)	0
	55 410

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

- Prepare creditors reconciliations at the end of every month.
- Ensure that correct amounts are entered from source documents.
- Make timeous payments to avoid being charged interest or losing credit ratings.

ACTIVITY G5