education

DEPARTMENT: EDUCATION
MPUMALANGA PROVINCE

ACCOUNTING

2025

GRADE 10

CASE STUDY

MARKS: 100

TIME: 80 Minutes

This question paper consists of 6 pages and a 4 page answer book

INSTRUCTIONS:

Read the following instructions carefully and follow them precisely.

1. Answer ALL the questions.
2. A special ANSWER BOOK is provided in which to answer ALL the questions.
3. Workings must be shown in order to achieve part-marks.
4. Non-programmable calculators may be used.
7. Write neatly and legibly

QUESTION 1: GAAP AND STATEMENT OF COMPREHENSIVE INCOME
(60 marks; 48 minutes)

1.1 GAAP

Match the GAAP principle in COLUMN A with the corresponding example of its application in COLUMN B

COLUMN A		COLUMN B	
1.1.1	Going concern	A	Land and buildings have been reflected as R150 000 for the past 10 years, even though an estate agent has currently valued the property at R1.5 million
1.1.2	Matching	B	The R30 000 that is expected to be paid to a customer that was injured in the business is recorded this year, even though the case will only be settled next year
1.1.3	Materiality	C	Whenever a sale is recorded, the cost the sale should be recorded as well
1.1.4	Historical cost	D	If the bookkeeper pays the telephone bill for the owner's household it must be recorded as drawings
1.1.5	Entity rule	E	Interest on overdraft is shown as a separate amount in the notes to the financial statements

(1×5) (5)

THAZWODA TRADERS
The financial year of Thazwoda Traders end on 30 June 2025.

REQUIRED

1.2.1 Prepare the Statement of Comprehensive Income on 30 June 2025. Note that the Pre-Adjustment figures have been inserted in the Answer Book. (48)

1.2.2 Complete the Tangible assets note (For Equipment only) (7)

INFORMATION

Pre-Adjustment Trial Balance	Debit	Credit
Balance Sheet Accounts Section		
Capital		850 442
Drawings	56 600	
Land and buildings	850 000	
Equipment	80 500	
Accumulated depreciation on equipment		20 125
Trading stock	67 253	
Debtors control	58 835	
Bank	5 845	
Cash float	500	
Creditors control		51 000
Mortgage loan		24 000
Nominal Accounts Section		
Sales		532 426
Cost of sales	242 858	
Debtors allowances	4 450	
Rent income		37 375
Commission income		1 420
Salaries	80 520	
Wages	10 600	
Repairs	21 620	
Bad Debts	3 090	
Consumables	1 680	
Insurance	5 658	
Interest on overdue creditors	1 001	
Telephone	3 540	
Water and electricity	2 553	
Discount allowed	300	
Discount received		740
	1 497 403	**1 497 403**

Adjustments and additional information

1. The June Bank statement was received after the Pre-adjustment Trial Balance was drawn up. The following differences must be adjusted for:
    - Interest on favourable bank balance: R176
2. Insurance premium includes an annual premium of R 1 410 paid on 1 March 2025.
3. Received the loan statement from the bank which showed an amount of R27 600 owing to them on 30 June 2025. Interest has been capitalised.
4. Rent income amounted to R2 875 per month.

5. A physical stock count revealed that the following was on hand at year end:
   a. Trading stock R66 800
   b. Consumables R580

6. B Baloyi, a debtor for R1 200, was declared insolvent. A dividend of 60 cents in the rand was received and recorded. Write off the balance as irrecoverable.

7. Goods donated to the local church at a selling price of R440, has not been recorded.

8. An amount of R114 was received from M Maseko, a debtor whose debt had previously been written off as irrecoverable. Th amount was credited to the account of M. Maseko. Correct the error.

9. Depreciation is calculated at 10% p.a at cost price method. Note that nothing was done to the land and buildings. New equipment with the cost of R50 000 was bought on 1 January 2025. (this was not recorded)

QUESTION 2

(40 marks; 32 minutes)

ROFANA STORES

The following Post-Closing Trial Balance was taken from the financial records of Rofana Stores on 28 February 2025, the end of the financial year.

REQUIRED:

2.1. Prepare the following notes to the financial statement.

2.1.1 Inventory (3)
2.1.2 Trade and other Receivables (4)
2.1.3 Cash and Cash Equivalent (6)
2.1.4 Owner's Equity (4)
2.1.5 Trade and other Payables (8)

INFORMATION:

Post-Closing Trial Balance of Rotan Stores on 28 February 2025

	Debit	Credit
Balance sheet accounts		
Capital:		1 500 000
Land and buildings	1 130 000	
Vehicles	620 000	
Equipment	289 000	
Accumulated depreciation on vehicles		243 000
Accumulated depreciation on equipment		233 000
Fixed deposit: EEZ Bank	560 000	
Trading Stock	245 000	
Drawings	30 000	
Debtors control	380 000	
Savings account	43 000	
Bank	181 000	
Petty cash	4 000	
Loan: EEZ Bank		960 100
Creditors control		228 000
Creditors for salaries		128 000
SARS (PAYE)		38 000
Pension fund		18 000
Medical aid fund		16 000
Consumable stores on hand	12 000	
Accrued income	17 900	
Accrued expenses		65 000
Prepaid expenses	30 600	
Income received in advance		83 000
	3542 500	**3542 500**

ADDITIONAL INFORMATION:

1. 15% of fixed deposit EEZ Bank will mature on 15 December 2025
2. The following amounts have already included in the capital amount:
   - Net profit R690 000
   - Drawings R30 000

2.2 PROBLEM SOLVING

2.2.1 Explain three benefits of using electronic funds transfer (EFT) (3)

2.2.2 Eye spy trader's sells one type of camera. The owner, Mr Q has three branches situated in Witbank.
The three branches are managed by Rose, John and karabo respectively.

Mr Q has obtained the annual figures from the three branches for the financial year ending 28 February 2025.

REQUIRED:

Identify ONE problem in relation to each branch, quoting figures to support each problem. In each case, offer the owner advice on how to solve the problem.	(12)
Note: All cameras are sold for cash.	

CAMERAS	**KG MALL (Rose)**	**KG CROSSING MALL(John)**	**HIGHVELD MALL (Karabo)**
Cameras available for sale	1 960	1 600	1 160
Cameras sold during the year	1 560	300	1 000
Cameras returned during the year	20	20	0
Stock available on 28 February 2026	340	1 280	160
Total cash sales	R18 720 000	R3 600 000	R11 360 000
Cost price per camera	R 8 000	R8 000	R 8 000
Selling price per camera	R12 000	R12 000	R12 000
Advertising cost per year	R40 000	R40 000	R40 000

40

Total Marks: 100


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NAME OF SCHOOL

NAME OF LEARNER

CLASS	CIRCUIT	DATE

ACCOUNTING

GRADE 10

CASE STUDY

2025 TERM 3

QUESTION	MARK	MOD.
1		
2		
TOTAL		

QUESTION 1: GAAP AND STATEMENT OF COMPREHENSIVE INCOME

1.1.

1.1.1.	
1.1.2.	
1.1.3.	
1.1.4.	
1.1.5.	

5

1.2.1 **STATEMENT OF COMPREHANSIVE INCOME FOR JUNE 2025**

	Note	R
Sales		
Cost of sales		
Gross profit		
Other operating income		
Gross operating income		
Operating expenses		
Operating profit		
	1	
Operating profit before interest expense		
	2	
Net profit for the year		

48

1.2.2

FIXED ASSETS	EQUIPMENTS
Carrying value at the beginning of the year	
	80 500
Accumulated depreciation	**(20 125)**
Movements	

7

60

QUESTION 2
ROFANA STORES

2.1 NOTES TO THE FINANCIAL STATEMENTS

2.1.1

Inventory	

3

2.1.2

Trade and other receivables	

4

2.1.3

Cash and cash equivalents	

6

2.1.4 Owner's Equity

Capital	
Balance at the beginning of the year	
Net profit of the year	
Additional capital contribution	
Drawings	
Balance at the end of the year	

4

2.1.5.

Trade and other payable	

8

2.2 PROBLEM SOLVING

2.2.1

Explain three (3) benefits of using electronic funds transfer(EFT) .

3

2.2.2 Identify one (1) problem in relation to each branch, quote figures to support each problem. In each case, offer the owner advice on how to solve the problem.

Branch	Problems and figures	Advice
KG Mall		
KG Crossing Mall		
Highveld Mall		

12

40

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MARKS: 100

MARKING PRINCIPLES:

1. Penalties for placement or poor presentation (e.g. details) are applied only if the candidate is earning marks on the figures for that item.
2. Full marks for correct answer. If answer incorrect, mark the workings provided.
3. If a pre-adjustment figure is shown as a final figure, allocate the part-mark for the working for that figure (not the method mark for the answer). Note: if figures are stipulated in memo for components of workings, these do not carry the method mark for final answer as well.
4. Unless otherwise indicated, the positive or negative effect of any figure must be considered to award the mark. If no + or – sign or bracket is provided, assume that the figure is positive.
5. Where penalties are applied, the marks for that section of the question cannot be a final negative.
6. Where method marks are awarded for operation, the marker must inspect the reasonableness of the answer and at least one part must be correct before awarding the mark.
7. Operation means 'check operation'. 'One part correct' means operation and one part correct. Note: check operation must be +, -, x, ÷, or per memo.
8. In calculations, do not award marks for workings if numerator & denominator are swapped – this also applies to ratios.
9. In awarding method marks, ensure that candidates do not get full marks for any item that is incorrect at least in part. Indicate with a ☒.
10. Be aware of candidates who provide valid alternatives beyond the marking guideline.
11. Codes: f = foreign item; p = placement/presentation.

These marking guidelines consist of 5 pages.

QUESTION 1

1.1

1.1.1	B ✓
1.1.2	C ✓
1.1.3	E ✓
1.1.4	A✓
1.1.5	D ✓

5

1.2.1 **STATEMENT OF COMPREHANSIVE INCOME FOR JUNE 2025**

	Note	R
Sales (532 426✓ - 4 450✓)		527 976☑*
Cost of sales		(242 858)✓
Gross profit		285 118☑
Other operating income		36 774☑
Rent income (37 375✓- 2 875✓)		34 500☑*
Commission income		1 420 ✓
Discount received		740✓
Bad debt recovered		114✓
Gross operating income		321 892☑
Operating expenses		(139 524)☑ *
Salaries		80 520 ✓
Wages		10 600✓
Repairs		21 620✓
Bad debts (3 090✓ + 480✓)		3 570☑*
Consumables (1 680✓ - 580✓)		1 100☑*
Insurance (5 658✓ - 940✓✓)		4 718☑*
Telephone		3 540✓
Water and electricity		2 553✓
Discount allowed		300✓
Trading stock deficit (67 253 ✓ - 200☑ – 66 800✓)		253☑*
Donations (440✓ X 100/220✓)		200☑*
Depreciation(8 050✓+ 2 500✓✓)		10 550☑*
Operating profit		182 368☑
Interest income	1	176✓
Operating profit before interest expense		182 544☑
Interest expense (1001✓ + 3600✓)	2	(4 601)☑ *
Net profit for the year		177 943☑

48

Foreign iterms-1 maximum 2   presentation-1 maximum 2   misplaced items marked wrong
☑operation

1.2.2

FIXED ASSETS	EQUIPMENT
Carrying value at the beginning of the year	60 375☑
Cost	**80 500**
Accumulated depreciation	**(20 125)**
Movements	39 450☑*
Additions at cost	50 000✓
Depreciation see 1.2.1	(10 550)☑
Carrying value at the beginning of the year	99 825☑
Cost	130 500☑*
Accumulated depreciation	(30 675)☑ *

7

QUESTION 2

ROFANA STORES

2.1 Notes to the financial statement

2.1.1

Inventory	
Trading stock	245 000✓
Consumable stores on hand	12 000✓
operation one part correct	257 000☑*

3

2.1.2

Trade and other receivable	
Debtors control	380 000✓
Prepaid expense	30 600✓
Accrued income	17 900✓
operation one part correct	428 500☑*

4

2.1.3

Cash and cash equivalent	
Bank	181 000✓
Petty cash	4 000✓
Savings account	43 000✓
Fixed deposit	84 000✓✓
	312 000☑*

☑* Operation one part correct

6

2.1.4

Owners' equity	
Balance at beginning of the year operation	840 000☑
Net profit for the year	690 000✓
Additional capital	0
Drawings	(30 000) ✓
Balance at the end of the year	**1 500 000**✓

4

2.1.5

Trade and other payables	
Creditors control	228 000✓
Creditors for salaries	128 000✓
SARS(PAYE)	38 000✓
Pension funds	18 000✓
Medical aid	16 000✓
Accrued expenses	65 000✓
Income received in advance	83 000✓
	576 000☑*

☑* Operation one part correct

8

2.2 **PROBLEM SOLVING**

2.2.1 **Explain three benefits of using electronic funds transfer (EFT)**

Any three valid response

Saves time/fast. ✓
Proof of payments is immediate. ✓
Saves on bank charges. ✓
Shorter period for clearance of funds ✓

3

2.2.2

Identify ONE problem in relation to each branch, quoting figures to support each problem. In each case, offer the owner advice on how to solve the problem.

Branch	**Comment and figures** ✓✓ ✓✓ ✓✓	**Advice** ✓✓ ✓✓ ✓✓
KG Mall	Theft occurring. There are 40 cameras missing (380 - 340) Value of shortage of R320 000 (8 000 x 40)	Improve internal control. Do regular physical stock takings and stock checks.
KG crossing Mall	Too much stock on hand. Only 300 out of 1 600 have been sold. Stock will become obsolete/out of date, 1 280 left over.	Restrict amount of stock on hand as this could lead to theft or out of date stock. Instead of paying John a set monthly income he should pay him on commission based on sales.

Highveld Mall	R640 000 cash was stolen.	Improve internal control. Division of duties.	**12**

TOTAL: 100