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Province of the
EASTERN CAPE
EDUCATION

Iphondo leMpuma Kapa: Isebe leMfundo
Provinsie van die Oos Kaap: Departement van Onderwys
Porofensie Ya Kapa Botjhabela: Lefapha la Thuto

GRADE 10

ACCOUNTING CONTROLLED TEST

DATE: 10 SEPTEMBER 2026

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MARKS: 100

TIME: 1h30

This question paper consists of 8 pages, a formula sheet and a 5 page answer book

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INSTRUCTIONS AND INFORMATION

Read the following instructions carefully and follow them precisely.

1. Answer ALL questions.
2. A special ANSWER BOOK is provided in which to answer ALL questions.
3. A Financial Indicator Formula Sheet is attached to the end of this question paper.
4. Show ALL workings to earn part-marks.
5. You may use a non-programmable calculator.
6. You may use a dark pencil or blue/black ink to answer the questions.
7. Where applicable, show ALL calculations to ONE decimal point.
8. Write neatly and legibly.
9. Use the information in the table below as a guide when answering the question paper. Try not to deviate from it.

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QUESTION	TOPIC	MARKS	MINUTES
1	Concepts Statement of Comprehensive Income	55	50
2	Statement of Financial Position Analysis and Interpretation of Financial Indicators	45	40
TOTAL:		**100**	**90**

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QUESTION 1
CONCEPTS AND STATEMENT OF COMPREHENSIVE INCOME

(55 marks; 50 minutes)

1.1. CONCEPTS

For each of the following statements you are required to choose the correct answer by choosing the appropriate letter (A-D). There is only one correct answer to each question.

1.1.1. If trading inventory is purchased at R5 800, after the suppliers allowed 20% trade discount; the original cost price of the trading inventory was…

A R1 160
B R7 250
C R4 640
D R6 960



1.1.2. The discount allowed to a debtor for early payment is a/an...

A asset
B liability
C income
D expense

1.1.3. The source document used when goods are returned from a debtor to the business is a/an ...

A invoice
B debit note
C credit note
D receipt



1.1.4. Having a policy to check whether a debtor is creditworthy, is ...

A preventive control
B detective control
C corrective control
D directive control

1.1.5. When stationery, is returned to the creditor, the following entries are made in the General Ledger:

A Dr Discount Received and Cr Creditors Control
B Dr Bank and Cr Stationery
C Dr Creditors Control and Cr Stationery
D Dr Stationery and Cr Creditors Control. (5)

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1.2. STATEMENT OF COMPREHENSIVE INCOME

The following information was taken from the accounting records of Kugar Dealers for the year ended 31 August 2026.

REQUIRED:

Take the adjustments and additional information into account and complete the Statement of Comprehensive Income for the year ended 31 August 2026. (50)

KUGAR DEALERS
PRE – ADJUSTMENT TRIAL BALANCE ON 31 AUGUST 2026

	Debit	Credit
Statement of Financial Position Account Section		
Capital		955 000
Drawings	65 860	
Land and buildings	650 000	
Vehicles	345 000	
Equipment	60 000	
Accumulated depreciation on Vehicles		28 125
Accumulated depreciation on Equipment		8 700
Fixed Deposit: BOA Bank (8.5 % p.a.)	50 000	
Trading inventory	33 320	
Debtors control	23 527	
Bank	7 500	
Creditors control		51 577
Loan: BFN Bank (14% p.a.)		60 000
NOMINAL ACCOUNT SECTION		
Sales		758 413
Cost of sales	500 000	
Debtors' allowances	12 435	
Rent income		31 300
Interest on fixed deposit		2 125
Discount received		560
Bad debts	1 250	
Salaries	114 000	
Telephone	7 490	
Water and electricity	5 350	
Stationery	3 210	
Advertising	6 346	
Insurance	3 250	
Interest on loan	6 500	
Discount allowed	762	
	1 895 800	1 895 800

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Adjustments and additional information:

1. Donated goods, R525, to the local nursery school. No entry for this transaction has been made.

2. On the last day of the financial year, a physical stock taking revealed the following:
   - Inventory on hand R31 590
   - Stationery on hand R390

3. The fixed deposit was invested on 1 September 2025 at BOA Bank. The interest on the fixed deposit has been received for six months only.

4. The account of a debtor, DJ. Poni, amounting to R320 must be written off as irrecoverable since he cannot be traced.

5. Rent has been received for thirteen months. Take into account that the rent was increased by R250 per month from 1 July 2026.

6. The telephone account for August 2026 has been received but not yet paid, R405.

7. An annual insurance premium of R1 140 was paid on 31 March 2026.

8. The long-term loan is repaid annually. Interest of R3 650 is still payable.

9. The business's policy on depreciation states the following:

   - Depreciation on vehicles is calculated at 15% p.a. on the cost price method.

   - Depreciation on equipment must be provided for at 10% p.a. according to the diminishing balance method.

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QUESTION 2: STATEMENT OF FINANCIAL POSITION; ANALYSIS AND INTERPRETATION (45 marks: 40 minutes)

2.1 FINANCIAL STATEMENTS

REQUIRED:

2.1. Use the information in the Post-closing Trial Balance and the additional information to prepare the following Notes to the Statement of Financial Position of Ekuphumleni Traders at 28 February 2026:

2.1.1	Tangible/Fixed Assets	(15)
2.1.2	Trade and other receivables	(3)
2.1.3	Cash and cash equivalents	(4)
2.1.4	Owner's Equity	(5)
2.1.5	Trade and other payables	(3)

Information:

Post-closing Trial Balance as at 28 February 2026

Statement of Financial Position Account Section	DEBIT	CREDIT
Capital (see note 1): 28 February 2026		800 000
Mortgage loan: Capitec Bank		470 000
Land and buildings at cost	575 000	
Vehicles at cost	380 000	
Equipment at cost	146 000	
Accumulated depreciation on vehicles (28 February 2026)		80 000
Accumulated depreciation on equipment (28 February 2026)		35 000
Fixed deposit: TOP Bank	60 000	
Trading stock	76 000	
Debtors control	55 000	
Consumable stores on hand	1 200	
Bank (Dr)	110 700	
Petty cash	1 400	
Cash float	800	
Creditors control		21 000
Prepaid expenses	3 400	
Income received in advance		6 500
Accrued income	7 600	
Accrued expenses		4 600

Additional information:

1. The balance of the capital account on 1 March 2025 was R?
   On 1 October 2025 the owner increased his capital by R80 000 which was properly recorded.
   The net profit for the year was R120 000, and the drawings amounted to R78 000.

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2. The following balances appeared in the books on 1 March 2025:
   - Accumulated depreciation on vehicles: R71 374
   - Accumulated depreciation on equipment: R?

3. R15 000 of the Fixed Deposit at TOP Bank matures on 31 March 2026.

4. Fixed assets were purchased during the financial year. The relevant entries have already been made:
   - Expansion of the land and building, R150 000
   - New computer purchased, R?
   - New delivery van purchased, R120 000.

2.2 MAKKA STORES

The following information was taken from the books of Makka Stores on 28 February 2026, the end of the financial year.

REQUIRED:

Calculate the following financial indicators:

2.2.1. Operating profit as a percentage of sales (3)
2.2.2. Solvency ratio (3)
2.2.3. Acid test ratio (4)

INFORMATION
EXTRACTS FROM THE STATEMENT OF COMPREHENSIVE INCOME:
28 FEBRUARY 2026

	R
Turnover (Sales)	210 000
Cost of sales	120 000
Operating expenses	45 000
Operating profit	45 000
Financing cost	2 000
Net profit for the year	43 000

EXTRACTS FROM THE STATEMENT OF FINANCIAL POSITION:
28 FEBRUARY 2026

Assets	**R**
Non-current assets	100 000
Current assets	87 000
Trading stock	72 000
Trade and other receivables	7 000
Cash and cash equivalents	8 000
Equity and Liabilities	
Capital	125 000
Non-current liabilities	10 000
Current liabilities	52 000

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2.3 BOBBIES & TOPPIES

You are provided with information of Bobbies & Toppies, two businesses which sell sports equipment.

REQUIRED:

Which of the two businesses' liquidity position is the best? Compare TWO financial indicators to support your answer. (5)

Information:

	BOBBIES	TOPPIES
Solvency ratio	8,5:1	4,3:1
Current ratio	0,8:1	1,8:1
Acid test ratio	0,2:1	0,9:1
% return on average owners' equity	11,2%	19,6%
Current interest rate on loans	16% p.a.	16% p.a.

45

TOTAL: 100

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GRADE 10 ACCOUNTING FINANCIAL INDICATOR FORMULA SHEET		
$\frac{\text{Gross profit}}{\text{Sales}} \times \frac{100}{1}$	$\frac{\text{Gross profit}}{\text{Cost of sales}} \times \frac{100}{1}$	$\frac{\text{Net profit}}{\text{Sales}} \times \frac{100}{1}$
$\frac{\text{Operating expenses}}{\text{Sales}} \times \frac{100}{1}$	$\frac{\text{Operating profit}}{\text{Sales}} \times \frac{100}{1}$	
Current assets : Current liabilities	(Current assets – Inventories) : Current liabilities	
(Trade and other receivables + Cash and Cash equivalents) : Current liabilities		
Total assets: Total liabilities		

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NAME:

GRADE 10

SEPTEMBER 2026

ACCOUNTING CONTROLLED TEST
ANSWER BOOK

QUESTION	MAX MARKS	MARKS OBTAINED	MODERATED MARKS
1	55		
2	45		
	100		

This answer book consists of 5 pages.

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QUESTION 1

1.1. CONCEPTS

1.1.1	
1.1.2	
1.1.3	
1.1.4	
1.1.5	

5

1.2. KUGAR DEALERS

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 AUGUST 2026

Sales		
Gross Profit		
Operating Income		
Gross Operating Income		
Operating Expenses		
Bad Debts		
Salaries		
Telephone		
Water and Electricity		
Stationery		
Advertising		
Insurance		
Operating profit		
Profit before Interest Expense		
Interest Expense		
Net Profit for the year		

50

55

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QUESTION 2

Notes to Financial Statements on 28 February 2026

2.1.1. FIXED ASSETS

	Land and buildings	Equipment	Vehicles	
Carrying value at the beginning of the year	425 000			
Cost Price	425 000	138 000		
MOVEMENTS				
Additions at cost			120 000	
Depreciation		(4 920)		
Carrying value at the end of the current year	575 000			
Cost Price	575 000	146 000		
Accumulated depreciation		(35 000)		12

2.1.2. TRADE AND OTHER RECEIVABLES

		4

2.1.3 CASH AND CASH EQUIVALENTS

		5

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2.1.4 CAPITAL

Balance at the beginning of the year		
Balance at the end of the year``	**800 000**	

5

2.1.5 TRADE AND OTHER PAYABLES

4

2.2 MAKKA STORES

CALCULATE:

2.2.1

Operating profit as percentage of sales	
WORKINGS	**ANSWER**

3

2.2.2 Solvency ratio

WORKINGS	**ANSWER**

3

2.2.2 Acid test ratio

WORKINGS	**ANSWER**

4

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2.3 BOBBIES & TOPPIES

Which of the two businesses' liquidity position is the best? Compare TWO financial indicators to support your answer.	5

45

TOTAL: 100