GAUTENG PROVINCE
EDUCATION
REPUBLIC OF SOUTH AFRICA

GAUTENG DEPARTMENT OF EDUCATION

PROVINCIAL EXAMINATION

JUNE 2019

GRADE 10

ACCOUNTING

QUESTION	TOPIC	MARKS	TIME ALLOCATED
1	Concepts and Cash Journals	45	27 min
2	General Journal	22	13 min
3	General Ledger and Internal Control	22	13 min
4	Debtors Reconciliation and Internal control	46	28 min
5	Analysis of transactions	44	26 min
6	Concepts, Salaries and Wages Journals and Ethics	21	13 min
		200	120 min

TIME: 2 hours
MARKS: 200

12 pages

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ACCOUNTING

TIME: 2 hours
MARKS: 200

INSTRUCTIONS

1. Answer all questions in the ANSWER BOOK provided
2. Show ALL calculations to earn part marks.
3. Non-programmable calculators may be used.
4. You may use blue or black ink to answer the questions.
5. Try not to deviate from the time allocated per question.
6. Write neatly and legibly.

QUESTION 1: 45 marks; 27 minutes	
Topic	**This question integrates:**
Concepts and Cash Journals	Concepts and Bookkeeping entries of a sole trader
QUESTION 2: 22 marks; 13 minutes	
Topic	**This question integrates:**
General Journal	Bookkeeping entries
QUESTION 3: 22 marks; 13 minutes	
Topic	**This question integrates:**
General Ledger and Internal Control	Bookkeeping –General Ledger Internal control
QUESTION 4: 46 marks; 28 minutes	
Topic	**This question integrates:**
Reconciliation and Internal control	Reconciliation of debtors and Internal control
QUESTION 5: 44 marks; 26 minutes	
Topic	**This question integrates:**
Analysis of transactions	Analysis of transactions of a sole trader
QUESTION 6: 21 marks; 13 minutes	
Topic	**This question integrates:**
Concepts, Salaries and Wages Journals and Ethics	Concepts on salaries and wages Salaries and wages journals Ethics

QUESTION 1: CONCEPTS AND CASH JOURNALS (45 marks; 27 minutes)

1.1 CONCEPTS

Match the **information** in COLUMN A to the **term** in COLUMN B. Write only the letter (A – G) in your ANSWER BOOK.

COLUMN A		COLUMN B	
1.1.1	Serves as a source of information when preparing financial records	A	Drawings
1.1.2	Where transactions are recorded before they are posted to the General Ledger	B	Petty Cash Journal
1.1.3	A deduction offered to promote bulk purchases	C	General Journal
1.1.4	Money withdrawn by the owner from the business for personal use	D	Subsidiary Journals
1.1.5	A record of items that are bought for a small amount of money	E	Trade discount
		F	Cash discount
		G	Source document

5

1.2 CASH JOURNALS

The following transactions of Waterkloof Traders took place during September 2018, the business uses a mark-up of 100% on cost price.

REQUIRED

1.2.1 Refer to the transactions below and record them in the Cash Journals for September 2018. (40)

NOTE:

- Do not total the journals at the end of the month.
- **Do not enter any information in the cells that are coloured in grey**.

Transactions for September 2018

01 The owner L. Lally, increased her capital contribution from R200 000 to R280 000 by depositing the amount directly into the business' current account.

Received a cheque from K. Siwedi in settlement of his account of R160, less 5% discount, issued receipt no.92.

03 Received a cheque for R16 600 from Knysna Bank Ltd for the fixed deposit of R16 000 which matured, plus interest.

04 Paid R2 380 by cheque no. 115 to Gugu Wholesalers in full settlement of debt of R2 500.

Cash sales for the day, R3 900.

05 B. Brown's cheque for R110 received last month in payment of his account, was returned by the bank unpaid due to insufficient funds.

06 Received an amount of R650 from I. Patel as part-payment towards his account, the payment was done electronically.

10 Purchased goods from Dada Dealers for R4 140, paid by cheque.

Paid Go-Go Transporters R300 for the delivery of the goods (mentioned above), by cheque.

20 Drew a cheque for R870 in favour of the municipality to pay the water and electricity account of the business.

22 Issued a cheque to Natal Bank in part-payment of a loan, R7 000, plus interest on loan for R350.

27 Cashed a cheque for R2 500 to pay wages R1 980 and used the rest to increase the cash float.

28 Cash sales of merchandise for the day, R1 520 including credit card sales of R520.

30 The bank statement received from Knysna Bank Ltd showed that our bank account was debited with the following amounts:

- Interest, R360
- Cheque book and deposit book fees, R190
- Service fees, R210
- Tax levy, R164

40

Total Marks
45

QUESTION 2: GENERAL JOURNAL **(22 marks; 13 minutes)**

2.1 The information for December 2018 presented below is taken from the books of Devaan Stores, the business is owned by H. Devaan.

REQUIRED:

Record the transactions in the General Journal for December 2018, and close off the journal properly. (22)

Refer to INFORMATION below:
NOTE: Narrations are not required.

INFORMATION

A Provisional totals

General Journal			
Debtors Control		**Debtors Control**	
Debit	Debit	Debit	Debit
624	316	702	454

B Transactions on 31 December 2018

1 A debtor, A. Pondor, who owes R1 200, was declared insolvent. His estate paid 30c in the rand.(This has been recorded in the books of the business.)
The remainder must be written off as irrecoverable.

2 The bank statement reflected a dishonoured cheque of R570 received from J. Klop in settlement of his account of R600. This has been recorded. The discount must still be cancelled.

3 The owner, C. Devaan was unhappy with the stock he took home and returned the stock to the business, R170. No entry was recorded.

4 Merchandise costing R640 was purchased and paid for by cheque and correctly recorded in the CPJ. However, when posting the CPJ, it was incorrectly recorded as Consumable stores.

5 Goods returned by M. Mawema (a debtor) as per credit note for R210 were incorrectly posted to the account of M. Mokwena (a debtor).

6 An amount of R550 received from B. Smith (debtor) in settlement of her account, was incorrectly posted to the account of T. Smith, a creditor.

Total Marks
22

QUESTION 3: GENERAL LEDGER AND INTERNAL CONTROL

(22 marks; 13 minutes)

RHINEHART SUPPLIERS

The following information was extracted from the books of Rhinehart Suppliers for the year ending 28 February 2019. The business uses a mark-up of 60% on cost.

REQUIRED

3.1 Refer to the General Ledger accounts below to complete the missing information **A to N** in your ANSWER BOOK. **Show calculations where necessary** to earn part marks. (15)

3.2 Use the ledger accounts below to answer the following questions:

3.2.1 The owner took goods for personal use. What was the selling price of the goods taken? Refer to Trading Stock Account. (2)

3.2.2 What would be the source document for amount L, recorded in DAJ? (1)

3.3 Ernst Rhinehart, the owner suspects that stock has been stolen during the year. He has asked you for advice on internal controls he could implement to prevent stock from being stolen. List TWO internal controls to safeguard stock. (4)

INFORMATION

GENERAL LEDGER OF RHINEHART SUPPLIERS
NOMINAL ACCOUNTS SECTION

Dr				SALES							Cr
						Feb	01	Total	b/d	150 000	00
							28	**A**	DJ	80 000	00
								Bank	**B**	92 000	00

Dr				COST OF SALES							Cr
Feb	01	Total	b/d	93 750	00	Feb	28	Trading stock	DAJ	6 000	00
	28	**C**	DJ	50 000	00						
		Trading stock	CRJ	**D**							

BALANCE SHEET ACCOUNTS SECTION

Dr				TRADING STOCK							Cr
Feb	01	Balance	b/d	110 000	00	Feb	28	**E**	DJ	**F**	
	28	Bank	**G**	120 000	00			Cost of sales	CRJ	57 500	00
		H	CJ	30 000	00			**I**	CAJ	7 000	00
		Petty cash	**J**	1 000	00			Drawings	GJ	5 000	00
		K	DAJ	**L**				Donations	**M**	2 000	00
								Balance	c/d	**N**	
				267 000	**00**					**267 000**	**00**
Mar	1	Balance	b/d	**N**							

Total Marks
22

QUESTION 4: DEBTORS' RECONCILIATION AND INTERNAL CONTROL

(46 marks; 28 minutes)

SCHUMANN WHOLESALERS

The information below was taken from the books of Schumann Wholesalers.

REQUIRED

4.1 Prepare a correct Debtors' Control account for 31 March 2019 after adjusting for all errors and omissions and balancing the account. (14)

4.2 Prepare a correct list of debtors as at 31 March 2019. (16)

4.3 Provide ONE reason why the Debtors' Control account and the Debtors' List should always agree. (2)

4.4 The owner Paul Schumann is worried that debtors are not paying on time. List THREE measures that he can put in place to ensure debtors pay on time. (6)

4.5 Refer to the Debtors' Control account and answer the following:

4.5.1 If the discount allowed was R35 720, how much was received from debtors for the month of March? (2)

4.5.2 Apart from interest charged, what else could appear as a journal debit? Provide ONE item or answer. (2)

4.5.3 Provide TWO possible reasons for the debit of R300 in the Debtors' control account. (4)

INFORMATION

GENERAL LEDGER OF SCHUMANN WHOLESALER
BALANCE SHEET ACCOUNTS SECTION

Dr				**DEBTORS' CONTROL**							Cr
Mar	1	Balance	b/d	89 560	00	Mar	31	Bank and discount allowed	CRJ	266 040	00
	31	Sales	DJ	270 000	00			Debtors' allowances	DAJ	1 200	00
		Bank	CPJ	300	00			Journal credits	GJ	1 950	00
		Journal debits	GJ	720	00			Balance	c/d	91 390	00
				360 580	**00**					**360 580**	**00**
Apr	1	Balance	b/d	91 390	00						

List of debtors as at 31 March 2019

NAME	Debit	
Cooper	17 900	00
Baloyi	16 380	00
Hope	14 400	00
Smith	21 900	00
Williams	18 200	00
	88 780	00

Errors and omissions discovered during the month:

A The Debtors' Control opening balance was overcast by R6 000.

B The total column of the Debtors' Allowances Journal was undercast by R210.

C A credit sales invoice for R2 900 issued to Baloyi was correctly entered in the Debtors Journal, but was incorrectly posted to the account of Smith.

D A credit note of R520 for Cooper was not recorded at all.

E A cheque of R5 600 received from Hope in full settlement of his account of R6 000 was recorded correctly in the subsidiary journal. However, the bookkeeper forgot to record the discount in the account of Hope.

F A credit note of R1 600 was correctly entered to the Debtors' Allowances Journal, but was incorrectly recorded as an invoice in the account of Williams.

G Charged Baloyi R300 interest on his overdue account of R8 000. No entry has been made.

Total Marks
46

QUESTION 5: ANALYSIS OF TRANSACTIONS (44 marks; 26 minutes)

REQUIRED

5.1 Use the information of BB Fashion Boutique to show the effect of each transaction on the Accounting Equation for August 2018. (38)

Assume that the Bank balance is **favourable** for all the transactions.

5.2 Answer the following questions:

5.2.1 Explain the meaning of R/D. (Refer to transaction on the 19th) (2)

5.2.2 Provide TWO reasons why a bank may dishonour a cheque. (4)

Transactions

Example: Donate stationery to the amount of R540 to the local crèche.

01 Stanford Suppliers charged our overdue account of R3 600 an interest of 6% for two months.

07 A. Habib was declared insolvent, BB Fashion Boutique received R1 400 which represents a first and final dividend of 35 cents in the rand. The balance must be written off as irrecoverable.

16 The bank statement received from Rand Bank reflected an interest received of R130.

19 The bank statement revealed an R/D cheque for R1 260, this cheque was received from M. Gumpu in settlement of his account of R1 300.

25 Cashed a cheque for R480 to restore the petty cash imprest amount of R600.

31 Bought goods on credit from Wacko Retailers for R1 700, less 10% trade discount.

Total Marks
44

QUESTION 6: CONCEPTS, SALARIES AND WAGES AND ETHICS

(21 marks; 11 minutes)

6.1 CONCEPTS

Indicate whether the following statements are TRUE or FALSE.

6.1.1 The acronym SDL stands for Skills Development Levy.

6.1.2 SDL is paid by employers whose payroll exceeds R300 000.

6.1.3 UIF is normally 1% of the net salaries.

6.1.4 Net salaries are also known as creditors for salaries.

6.1.5 PAYE must be paid over to the Treasury.

6.2 SALARIES AND WAGES

You are provided with information extracted (taken) from the Wages Journal and Salaries Journal of Ndebele Dealers for May 2018.They have employees that are paid weekly and monthly.

REQUIRED

6.2 Calculate the missing amounts in the Wages and Salaries Journal for May 2018. (10)

6.3 Answer the following questions:

6.3.1 Provide the double entry for the Pension Contributions in the Wages Journal. (2)

6.3.2 The net salary calculated in 6.2.5 of the Salaries Journal would be posted to Salaries Account in the ledger and which other account? (1)

6.4 The owner Mr Thomas Ndebele decided that he would not pay the money over for PAYE this month as he needed the cash, he will make a double payment the next month. Why are you against the decision he took? Provide consequences (results) of this action in ONE point. (3)

INFORMATION A

WAGES JOURNALS OF NDEBELE DEALERS FOR MAY 2018											
Week ended	Gross Wage	DEDUCTIONS					Net Wage	EMPLOYERS' CONTRIBUTIONS			
		Pension Fund	Medical Aid Fund	UIF	PAYE	Total		Pension Fund	Medical Aid Fund	UIF	SDL
21 May 2017	R2 874	R160	R240	R28.74	R809	**6.2.1**	**6.2.2**	R320	R240	**6.2.3**	R28.74
28 May 2017	R3 078	R164	R240	R30.78	R882			R320	R240		R30.78

INFORMATION B

SALARIES JOURNAL OF NDEBELE DEALERS FOR THE MONTH ENDED 31 MAY 2018										
Gross Salary	DEDUCTIONS					Netto Salary	CONTRIBUTIONS			
	Pension Fund	Medical Aid Fund	PAYE	UIF	Total		Pension Fund	Medical Aid Fund	UIF	SDL
R21 110	R1 480	R1 450	**6.2.4**	R2 111	R13 261	**6.2.5**	R2 960	R2 175	R2 111	**6.2.6**

INFORMATION C

- The employer contributes on a rand for rand basis towards UIF.
- The employer contributes 1% of gross salaries towards the SDL.

Total marks
21

END