education

Department:
Education
PROVINCE OF KWAZULU-NATAL

NATIONAL SENIOR CERTIFICATE

GRADE 10

ACCOUNTING

JUNE 2019

COMMON TEST

MARKS: 200

TIME : 2 hours

This paper consists of 9 pages and Answer booklet of 7 pages.

Copyright reserved

INSTRUCTIONS AND INFORMATION

1. You are provided with a question paper and an ANSWER BOOKLET in which to answer ALL questions.

2. This question paper comprises FOUR compulsory questions.
Answer ALL the questions.

3. Use the format provided in the answer book in order to reflect your answers.

4. Where applicable-workings must be shown in order to achieve part-marks.

5. Non-programmable calculators may be used.

6. You may use dark pencil or blue/black ink to answer the questions.

7. Use the information in the table, below, as a guide when answering the question paper. Try NOT to deviate from it.

QUESTION 1	**(25 Marks; 15 Minutes)**
Topic of the question	**This question integrates:**
Value Added Tax	**Financial accounting** • Calculations • Ethics and internal control
QUESTION 2	**(63 Marks; 37 Minutes)**
Topic of the question	**This question integrates:**
Salaries	**Financial accounting** • Basic Concepts • Salaries Journal • Salary Scales
QUESTION 3	**(66 Marks; 40 Minutes)**
Topic of the question	**This question integrates:**
SOLE TRADER Final Ledger Accounts	**Financial accounting** • Trading Account • Profit and Loss Account
QUESTION 4	**(46 Marks; 28 Minutes)**
Topic of the question	**This question integrates:**
Reconciliation	**Financial accounting** • Debtors Reconciliation • Internal Control

Copyright Reserved

QUESTION 1: VAT

1. VAT

Pongola Traders is registered for VAT. The VAT rate is 15%.

REQUIRED:

1.1 Calculate the figures indicated by **(a)** to **(e)** in the table below. (Show workings to earn part marks. (19)

1.2 You are the internal auditor. The sole owner, Shukela, used a business cheque to buy a new car for R460 000 including VAT. This car is kept at home for his wife's use. Shukela says the vehicle must be recorded as a business asset and R60 000 must be recorded as a VAT to be claimed form SARS in the business' books.

Explain what you would say to Shukela. Provide TWO points. (6)

INFORMATION:

	EXCLUDING VAT	VAT AMOUNT	INCLUDING VAT
Sales on credit sales	960	(a)	1 104
Purchase of stock		(b)	60 490
Purchase of equipment	65 000		(c)
Telephone paid	(d)	720	
Cash sales		(e)	112 470*

* The amount of R 112 470 included zero-rated goods that should have been sold for R5 500. The bookkeeper has incorrectly included VAT of R825 on these goods. This must be corrected.

Copyright Reserved

QUESTION 2 : SALARIES JOURNAL (63 Marks; 39 Minutes)

2.1. BASIC CONCEPTS

Match the term in Column A to the explanation in Column B. Write only the correct letter. (5)

Column A		Column B
2.1.1. Medical Aid	A	This will become a monthly income for a person upon their retirement.
2.1.2. Pension Fund	B	Employees contribute to this for mutual benefit in the workplace.
2.1.3. Unemployment Insurance Fund	C	A form of tax paid on salaries and wages
2.1.4. PAYE	D	Paid to ensure an employee and his family have access to quality health care.
2.1.5. Staff Fund	E	A person may claim from this when he loses his job.

2.2. SALARIES JOURNAL

The following information is related to Sebenza Traders for the month of March 2019.

REQUIRED:

2.2.1. Complete the salaries journal for March 2019. (51)

INFORMATION:

Employees	Basic salary	Deductions			
		PAYE	Medical Aid	Pension Fund	UIF
M.Mange	R 30 800 p/m	18% of gross	R 3 500	7,5% of basic	R 308
S. Mazibuko	R 36 800 p/m	25% of gross	R 4 800	7,5% of basic	R 368
B.Mpisane	R 501 600 p/a	28% of gross	R 5 900	7,5% of basic	R 418
M. Mange and B. Mpisane will earn bonuses in March which is the same as their monthly salaries. (These bonuses are not included in the figures above.)					

Additional Information:

- The employer contributes 10% of basic salary towards Pension Fund with GEPF.
- The employer contribution towards Medical Aid with GEMS is R2 for every R1 deducted from employees, and towards UIF is on rand – for – rand basis.

2.3 The following salary scale was prepared for S. Shabangu, an admin clerk who works at Dingukwazi Suppliers. He was employed on 1 January 2019.

48 000 x 4 800 → 57 600 x 5 200 → 68 000 x 5 500 → 84 500

Copyright Reserved

Complete the table in you answer book and answer the following questions.

2.3	2.3.1	What is S.Shabangu's monthly starting salary?	(2)
	2.3.2	In which year will S. Shabangu earn R57 600?	(1)
	2.3.3	By what percentage S. Shabangu's salary increase at the end of the first year?	(2)
	2.3.4	How many years will S.Shabangu have to work before he earns an annual salary of R84 500?	(2)

Copyright Reserved

QUESTION 3 : FINAL LEDGER ACCOUNTS (66 Marks; 40 Minutes)

REQIURED:

3.1. Trading Account (13)

3.2. Profit and Loss Account (53)

INFORMATION
The information is from the books of Guptas Traders. The financial year ended on 28 February 2018.

EXTRACT FROM THE TRIAL BALANCE ON 28 FEBRUARY 2018

	Debit	Credit
BALANCE SHEET SECTION		
Capital		865 500
Fixed Deposit: ABBA Bank (7% p.a.)	80 000	
Trading stock	123 400	
Bank	87 500	
Loan: FNB Bank (14% p.a.)		150 000
NOMINAL ACCOUNT SECTION		
Sales		1 280 000
Cost of sales	640 000	
Debtors allowances	12 400	
Rent income		154 900
Interest on fixed deposit		4 200
Discount received		3 100
Water and electricity	35 400	
Advertising	30 000	
Bad debts	11 300	
Salaries	184 000	
Telephone	17 500	
Stationery	23 200	
Insurance	44 000	
Interest on loan	?	
Discount allowed	3 800	
Bank charges	2 300	

154 900

Copyright Reserved

Adjustments and additional information:

A. No entry was made for a credit note issued to debtor, M. Mkhize, for stock returned, R3 000 (these goods were marked up at 50% on cost price) the goods were placed back into stock.

B. On the last day of the financial year, a physical stock taking revealed the following:
- Trading stock R119 000
- Stationery R 1 400

C. A debtor, N.Ntanzi, who owes R800 must be written off as irrecoverable.

D. The telephone account for February 2018 has been received but not yet paid, R2 200.

E. An annual insurance premium of R7 200 was paid on 30 September 2017.

F. The Fixed Deposit was invested on 1 March 2017 at ABBA Bank. The interest was received for 9 months only. Provide for the outstanding interest.

G. The bank statement received on 28 February 2018 reflected the following:
- Bank charges - R 400
- A cheque for R1 300 from debtor, E.Zulu, dishonoured due to insufficient funds. This cheque was received in settlement of his account of R1 600.
- Mkhelele, a debtor whose account was previously written off as irrecoverable, deposited R900 into the business bank account.

H. A spare office has been rented out to a tenant since 1 March 2017. The tenant paid the March 2018 rent in advance, during February 2018.Note the rent was increased by R1 800 per month from 1 January 2018.

I. The loan statement received from FNB bank reflected the following on 28 February 2018:

Balance on 1 March 2017	R 180 000
Interest (Capitalized)	R ?
Installments including interest	R 53 100
Balance on 28 February 2018	R 150 000

J. Provide for depreciation of R47 500 for the year.

K. An employee has been omitted from the Salaries Journal of February 2018. His details are as follows:

Gross Salary	Deductions	*Contributions	Net Salary
?	6 000	3 000	13 000
N.B: Employers contributions are added (recorded under salaries and wages)			

Copyright Reserved

QUESTION 4: DEBTORS' RECONCILIATION AND INTERNAL CONTROL
(46 marks; 28 minutes)

The following information was extracted from the accounting records of Klwana Dealers for June 2019.

At the end of the month, the Debtors' Control account and Debtors' List could not be reconciled. As the internal auditor of Klwana Dealers you were asked to help with the reconciliation process.

REQUIRED

4.1 Prepare the correct Debtors' Control account. (18)

4.2 Prepare the correct Debtors' List for June 2019. (16)

4.3 By making reference to transaction no.1 mention TWO control measures that should be implemented by the business before they can grant credit to customers. (6)

4.4 Name TWO ways in which you can encourage debtors to pay their accounts on time. (6)

INFORMATION

General Ledger of Klwana Dealers

DR		**Debtors' Control**						B5	CR
Jun	1	Balance	bid	13 460	Jun	30	Bank and discount allowed	CRJ	36 690
	30	Sales	DJ	51 560			Debtors allowances	DAJ	13 520
		Bank	CPJ	7 500			Journal credits	GJ	1 290
		Journal debits	GJ	0			Balance	cid	21 020
				72 520					**72 520**
Jul	1	Balance	bid	21 020					

DEBTORS' LIST ON 30 JUNE 2019	
M. Buthelezi	3 810
V.Supporta	4 790
P.Mntungwa	8 340
D. Mashaba	2 690
	19 630

17 700

The following errors and omissions were discovered:

1 V.Supporta's account has to be written off as he cannot be traced.

2 A cheque received from M. Buthelezi for R1 500 was recorded correctly in the journal and General Ledger but was not posted to her personal account.

3 The total of the Sales column in the Debtors' Journal was overstated by R2 210 while the total of the Debtors' Allowances column in the Debtors' Allowances Journal was understated by R280.

4 D. Mashaba returned goods to the value of R1 110 but the bookkeeper incorrectly treated this as a credit sale and posted it accordingly.

5 Goods were sold on credit to P. Mntungwa for R2 440. This was entered correctly in the journal and General Ledger but was posted to his account as R2 040.

6 A cheque for R600 which was received from D. Mashaba has been dishonoured. He had been allowed a discount of R30 on this payment. No entries were processed.

TOTAL MARKS: 200

Copyright Reserved

education

Department:
Education
PROVINCE OF KWAZULU-NATAL

ACCOUNTING

ANSWER BOOK

JUNE 2019

COMMON TEST

NATIONAL SENIOR CERTIFICATE

GRADE 10

Name:_____ Grade:_____

Question	Topic	Learners Mark	Moderators Mark
1	VAT		
2	Salaries Journal		
3	Final Ledger Accounts		
4	Debtors Reconciliations		
	TOTAL		

This answer book consists of 7 pages.

Copyright reserved

QUESTION 1

1. VAT

1.1

	WORKINGS	ANSWER
(a)		
(b)		
(c)		
(d)		
(e)		

19

1.2 **You are the internal auditor. The sole owner, Shukela, used a business cheque to buy a new car for R460 000 including VAT. This car is kept at home for his wife's use. Shukela says the vehicle must be recorded as a business asset and R60 000 must be recorded as a VAT to be claimed from SARS in the business' books.**

Explain what you would say to Shukela. Provide TWO points.

Point 1	
Point 2	

6

25

QUESTION 2

2.1.	CONCEPTS
2.1.1.	
2.1.2.	
2.1.3.	
2.1.4.	
2.1.5.	

5

2.2.1

2.2.1 SALARIES JOURNAL OF SEBENZA TRADERS ON 31 MARCH 2019

Employee	Gross Salary		
	Basic	Bonus	Total
M. Mange			
S. Mazibuko			
B. Mpisane			

Employee	Deductions					Net Salary
	P.A.Y.E	Medical Aid Fund	Pension Fund	U.I.F	Total	
M. Mange						
S. Mazibuko						
B. Mpisane						

Employee	Employers Contributions			Total
	Medical Aid Fund	Pension Fund	U.I.F	
M. Mange				
S. Mazibuko				
B. Mpisane				

51

Copyright Reserved

2.3	WORKINGS	ANSWER
2.3.1		
2.3.2		
2.3.3		
2.3.4		

7

63

Copyright Reserved

QUESTION 3

GENERAL LEDGER OF GUPTAS TRADERS ON 28 FEBRUARY 2018

3.1. TRADING ACCOUNT

13

3.2. PROFIT AND LOSS ACCOUNT

53

66

QUESTION 4

4.1 GENERAL LEDGER OF KLWANA DEALERS

Dr		DEBTORS' CONTROL						B7	Cr
Jun	**1**				**Jun**	**30**			

18

4.2 DEBTORS' LIST FOR 30 JUNE 2019

DEBTORS	
M. Buthelezi(	
V. Supporta(	
P. Mntungwa(	
D. Mashaba(	

16

4.3	By making reference to transaction no.1 mention TWO control measures that should be implemented by the business before they can grant credit to customers.	
		6

4.4	Name TWO ways in which you can encourage debtors to pay their accounts on time.	
		6

46

TOTAL MARKS: 200

Copyright Reserved