GAUTENG PROVINCE
EDUCATION
REPUBLIC OF SOUTH AFRICA

PROVINCIAL EXAMINATION

JUNE 2024

GRADE 11

MARKING GUIDELINES

ACCOUNTING PAPER 2

10 pages

Marking principles:

1. Penalties for foreign items are applied only if the candidate is not losing marks elsewhere in the question for that item (no penalty for misplaced items). No double-penalty is applied.
2. Penalties for placement or poor presentation (e.g. details) are applied only if the candidate is earning marks on the figures for that item.
3. Full marks for correct answer. If the answer is incorrect, mark the workings provided.
4. 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).
5. 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.
6. Where indicated, part-marks may be awarded to differentiate between differing qualities of answers from candidates.
7. Where penalties are applied, the marks for that section of the question cannot be a final negative.
8. 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.
9. In awarding method marks, ensure that candidates do not get full marks for any item that is incorrect at least in part.
10. Be aware of candidates who provide valid alternatives beyond the marking guidelines.
11. Codes: F=foreign item; P=placement/presentation.

QUESTION 1: BANK RECONCILIATION AND INTERNAL CONTROL

(55 marks; 44 minutes)

1.1	**State whether the following statements are TRUE or FALSE.**		
	1.1.1	False ✓	
	1.1.2	True ✓	
	1.1.3	True ✓	**03**

1.2 1 Complete the Cash Receipts' Journal and the Cash Payments' Journal for February 2024. Use the correct details (contra account).

Cash Receipt Journal		Cash Payment Journal	
Details	**Amount**	**Details**	**Amount**
Provisional totals	**205 500**	**Provisional totals**	**178 400**
Stationery ✓	7 200✓✓	Debtors' control ✓	2 000✓✓
Rent income ✓	11 500✓	Water and electricity ✓	1 500✓
Fixed deposit:Honey Bank✓	50 000✓	Bank charges ✓	1 940✓
Interest on current account/Interest Income ✓	570✓	Drawings ✓	645✓
		Trading stock✓	1 655✓
		Loan: EN Bank✓	10 500✓
		Trading stock ✓	750 ✓
	274 770 ☑		**197 390☑**

Award method marks only if the totals are greater than R205 500 and R178 400 respectively

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1.2.2 Calculate the correct Bank Account balance on 29 February 2024.

R17 500 ✓ + 274 770☑ – 197 390☑ = R94 880 ☑	04

1.2.3 Prepare the Bank Reconciliation Statement on 29 February 2024.

Bank Reconciliation statement of SK Stores on 29 February 2024.			
	DEBIT	**CREDIT**	
CR Balance as per Bank Statement		95 000☑	
CR Outstanding Deposit		10 600✓	
CR Outstanding Deposit		15 000✓	
DR Outstanding EFT	8 500✓		
DR Correction of error	18 000✓✓		
CR the incorrectly Dr amount		780 ✓✓	
DR Balance as per Bank Account	94 880☑		
☑ Award mark if both totals are the same	121 380	121 380	10

1.2.4	**Provide TWO internal control measures to control cash.**	
	• Encourage EFT payments by customers. • Cash must be deposited daily (check deposit slip against receipts). • Request the bank to send notifications of all transactions. • Split duties amongst employees, the person who issues receipts must not be the same person making the deposits. ✓✓ For any relevant answers. ✓For partial answers.	04

1.2.5	**Indicate TWO internal control measures that can be implemented regarding EFT payments.**
	• All payments made need to be authorised by a supervisor/senior official. • Only specific personnel need to have access to the banking app. • Check EFT payments against CPJ. ✓✓For any relevant answers. ✓For partial answers

04

1.2.6	**A payment made to one of our creditors on the 19th was not received by the creditor. It was discovered that the money was sent to the creditors old account which is now closed. Give TWO points explaining why it is important to verify account details before making any payments.**
	• It's the responsibility of the bookkeeper to verify the account number because the bank will not be responsible for any loss incurred. • Before confirming the payment, the bank might indicate that the name of the person does not match the account details, if so, do not confirm payment. • Save regular payees as beneficiaries so that it is easier to send the money to the correct person with the correct details. • Ensure that you update your creditors' details on a regular basis. ✓✓For any relevant answers. ✓ For partial answers

04

55

QUESTION 2: CREDITORS' RECONCILIATION AND ETHICS

(25 marks; 20 minutes)

2.1	**Provide TWO reasons why it is important to have control over creditors**	
	• To ensure that the correct amount is paid over to the creditor. • To ensure that creditors are paid on time to qualify for essential discounts. • To make use of the full 60-90 days credit terms to maintain good cash flow. 1 mark each for any relevant answers.	02

2.2	**Prepare a correct creditors' list in the books of BaseM Traders after considering all the adjustments referred to in INFORMATION A.**	

Creditors' list on 29 February 2024

Masuku Suppliers (18 000 – 10 000- 1 500)	☑ 6 500
Maleka Suppliers (5 900)	✓ 5 900
Hadebe Suppliers(10 300 – 2 200)	✓ 8 100
Matshaba Suppliers (7 000 – $(6630\ x\ \frac{2.5}{97.5}$ ✓✓)	☑ 6 800
Ngubeni Suppliers (6 800 +2 200)	✓ 9 000
Mokoena Suppliers (21 700)	✓ 21 700
	☑ 51 200

09

2.3	Creditors' Ledger Account of Mokoena Suppliers.	Statement of Account received from Mokoena Suppliers.
Balances	**21 700**	**23 900**
(i)		+ 3 000✓
(ii)		–580✓ –580✓ award 2 marks for -1160
(iii)	+250✓	+250✓
(iv)	+2 250✓✓	
(v)	–180✓	
(vi)	+420✓✓	
(vii)		–1 550✓
	☑ 24 440	24 440

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Award method mark only if both totals are the same and takes into account the opening balances

2.4	**The bookkeeper found out that the owner was ordering merchandise for his personal use and was putting through the purchases as part of the business. What should the bookkeeper say to the owner?**
	• What he is doing is unethical. • He is committing fraud. 2 marks for any relevant answer. ✓✓

02

25

QUESTION 3: FIXED ASSET **(50 marks; 40 minutes)**

3.2.1. CALCULATE DEPRECIATION FOR VEHICLES	Amount
SOLD: 70 000 x 15% x 7/12✓ = 430 000 – 360 000 = 70 000 cv	6 125✓☑
OLD: 900 000 – 430 000 = 470 000 555 000 – 360 000 = 195 000 Therefore: 470 000 – 195 000 = 275 000✓☑x 15% =	41 250✓
NEW: 160 000 x 15% x 2/12 ✓=	4 000☑
Total depreciation for the year	51 375

08

CALCULATE DEPRECIATION FOR EQUIPMENT	Amount
OLD: 42 000 – R1 =	41 999✓☑
NEW: 90 000 x 10% x 6/12✓ =	4 500✓
Total depreciation for the year	46 499

04

3.2.2 Dr Asset Disposal Account N6 Cr

2024 Apr	30	Vehicles ✓	GJ	430 000✓✓ (360 000 + 70 000)	2024 Apr	30	Accumulated depreciation on vehicles ✓ (360 000 ✓+ 6 125☑ see 3.2.1)	GJ	366 125☑*
		Profit on sale of asset ✓	GJ	17 375✓			Bank ✓	CRJ	81 250✓
					*Award 3 marks on 366 125 if no calculations are shown				
				447 375					447 375

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3.2.3 Fixed Assets	**Land and buildings**	**Vehicles**	**Equipment**
Carrying value: Beginning of the year	1 050 000	345 000☑	42 000☑
Cost	1 050 000✓	900 000✓	480 000✓
Accumulated depreciation		**(555 000)**	**(438 000)**
Movements			
Additions at cost	300 000✓	160 000✓	90 000✓
Disposal at carrying value		(63 875) ✓☑	
Depreciation for the year		(51 375) ✓☑	(46 499) ✓☑
Carrying value: End of the year	1 350 000	389 750✓☑	85 501✓☑
Cost	1 350 000✓	630 000✓☑	570 000✓☑
Accumulated depreciation		(240 250) ✓☑	(484 499) ✓☑

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50

QUESTION 4: INTERNAL CONTROL (20 marks; 16 minutes)

4.1.1	**Depreciation is an unusual expense in that it does not involve the outflow of cash from a business. Identify ONE other example of similar type of expense.**	
Any relevant non-cash expense ✓✓ Bad debts; Discount allowed; Trading stock deficit; Discount Received		**02**

4.1.2	**Provide TWO points in favour of manager's proposal.**	
Any TWO valid points ✓✓ ✓✓ • Need to update present systems – keep up with technology. • Purchase latest model to improve productivity. • Global business environment – compatible with competitors. • Maintain the image of the business – reputation.		**04**

4.1.3	**Provide TWO points in support of the employees**.	
Any TWO valid points ✓✓ ✓✓ • Cash could be used for other purposes (incentives). • With new computers, training will be needed. • Time wastage in installing and training.		**04**

4.1.4	**If the computer was sold and the business made a loss, in which financial statement will the loss be recorded.**	
Income statement/Statement of comprehensive income ✓✓		**02**

4.1.5	**"When asset is sold at book value/carrying value net profit decreases." Is this statement True or False? Provide a reason for your answer.**	
False Since it is being sold at carrying value no profit or loss is being made ✓✓		**02**

4.2	**The supervisor in the copying and duplicating room is concerned about the large expense on repairs and maintenance of copying machines. She also noticed that large amount of money is spent on copying paper, toners, and stencils.** **Suggest THREE measures that can be put in place to control these expenses.**	
	2 marks for each complete answer ✓✓ Incomplete/unclear answers 1 mark. ✓ Replace the copier with an newer one. Lease a new copier Put measures in place to restrict copying, E.g. Passwords to restrict excess Have one person dedicated to making copies. Accept any reasonable answers.	06

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TOTAL MARKS
150