GAUTENG PROVINCE
EDUCATION
REPUBLIC OF SOUTH AFRICA

GAUTENG DEPARTMENT OF EDUCATION

PROVINCIAL EXAMINATION

NOVEMBER 2018

GRADE 10

ACCOUNTING
PAPER 2

MARKING GUIDELINES

11 pages

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MARKING GUIDELINES

QUESTION 1: CONCEPTS, VALUE ADDED TAX AND INVENTORY

1.1 VAT CONCEPTS

1.1.1	False ✓	Accept abbreviations for True or False
1.1.2	True ✓	
1.1.3	False ✓	
1.1.4	False ✓	
1.1.5	True ✓	

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1.2 VAT CALCULATIONS

No.	Exclusive	VAT	Inclusive
Eg.	**R648**	**R97.20**	**R745.20**
1.2.1	R5 600✓	**R840**	**R6 440**
1.2.2	R900✓	**R135**	R1 035✓
1.2.3	**R420**	R63✓	R483✓
1.2.4	**R2 100**	R315✓	**R2 415**
1.2.5	R640✓	R96✓	**R736**

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1.3 INVENTORY

GENERAL LEDGER OF NAIDOO TRADERS									
DR				**TRADING STOCK**				**B4**	**CR**
2018 April	1	Balance	b/d	✓10 000	2018 April	30	Cost of sales✓	CRJ	✓✓7 900
	30	Bank✓	CPJ	✓✓✓ 3610			Cost of sales✓	DJ	✓✓22 100
		Petty cash✓	PCJ	✓47			Creditors' control✓	CAJ	✓1 426
		Creditors' control✓	CJ	✓14 281			Balance	c/d	2 888
		Cost of sales✓	DAJ	✓✓600					
				28 538					**28 538**
May	1	Balance	b/d	☑ 2 888					

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QUESTION 2: CREDITORS' RECONCILIATION AND INTERNAL CONTROL

2.1.1 GENERAL LEDGER OF BAFANA TRADERS
BALANCE SHEET ACCOUNTS SECTION

DR				CREDITORS' CONTROL				B6	CR
Nov	30	Bank and discount received✓ [32 400✓ + 1 850✓]	CPJ	✓34 250	Nov	**1**	**Balance**	**b/d**	**4 380**
		Total returns✓	CAJ	✓2 108		30	Total purchases✓ [45 700✓ – 900✓]	CJ	☑44 800
		Journal debits✓ [2 650✓ + 640✓]	GJ	☑3 290			Journal credits✓ [1 290✓ + 260✓]	GJ	☑1 550
		Balance	c/d	11 082					
				50 730					**50 730**
					Dec	1	Balance	b/d	☑11 082

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2.1.2 CREDITORS' LIST OF BAFANA TRADERS ON 30 NOVEMBER 2018

NAME	Credit
PP Traders [**3 890** – 900✓ – 640✓]	☑ 2 350
Townsend Stores [1 300✓ + 1 480✓]	✓2 780
Longwitz Traders [4 512✓ – 1 480✓]	✓3 032
Numero Motors [4 640✓ – 860✓ – 860✓]	☑2 920
Fanele Distributors [-260✓ + 260✓]	✓0
	☑11 082

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2.2.1 What could be the reason for the shortage in stock? Provide ONE reason.

Any one valid reason ✓✓

- Stock bought in the name of the company but not delivered to the premises of the business.
- Stock may have been stolen at the warehouse or at the store.
- Poor record-keeping of damaged stock.

2

2.2.2 Which control procedures should be applied by the business to ensure that stock is safeguarded? Provide TWO points.

Any two valid reasons ✓✓

- Proper authorization on purchases of stock
- Stock delivered should be checked against the delivery note and the purchases ordered.
- The entry into the warehouse or store room should be restricted to specific employees.
- Regular physical stock counts
- Segregation or division of duties (Record-keeping, receiving of goods, ordering of goods should be done by different people.)

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QUESTION 3: MANUFACTURING

3.1 MANUFACTURING CONCEPTS

3.1.1	C	✓
3.1.2	D	✓
3.1.3	B	✓
3.1.4	A	✓

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3.2 MANUFACTURING CALCULATIONS

3.2.1 Calculate the direct material cost. **3**

16 000 + 5 500 +1 100 + 300 + 500 + 600 = 24 000✓✓☑*

☑* Three figures correct

3.2.2 Calculate the direct labour cost. **2**

250 x 40 = 10 000✓✓

3.2.3 Calculate the prime cost. **3**

24 000 ☑ + 10 000 ☑ = 34 000 ☑ one part must be correct or correspond with 3.2.1 and 3.2.2

Check 3.2.1 and 3.2.2

3.2.4 Calculate the total production cost.	
24 000 ☑ + 10 000 ☑ + 11 000 ✓+1 800 ✓ = 46 800 ☑ one part must be correct Check 3.2.1 and 3.2.2	5

3.2.5 Calculate the unit cost of ONE table.	
46 800 ☑ ÷ 40✓ = 1 140 ☑ one part must be correct Check 3.2.4	3

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QUESTION 4: BUDGETS

4.1 BUDGET CONCEPTS

4.1.1	Budget	✓
4.1.2	Capital Budget	✓
4.1.3	Short –term budget	✓
4.1.4	Tax	✓

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4.2 CALCULATIONS ON BUDGETS

4.2.1 Calculate the monthly salary received by Jane after deductions. **2**

150 000 ÷ 12 = 12 500✓✓

4.2.2 Calculate the total income that will be received by Jane in December. **3**

12 500 ☑ + 13 000✓ = 25 500 ☑ one part must be correct
Check 4.2.1

4.2.3 Calculate Jane's monthly expenses. **3**

3 100+ 250+ 300+ 2 200 + 700+ 800 + 750 + 400 + 1 800 +1 200 = 11 500✓✓☑

☑* if 5 figures are correct

4.2.4	Calculate the amount of money that Jane needs to save on a monthly basis.	3

12 500 ✓- 11 500 ☑* =1 000 ☑ One part correct

☑* check 4.2.3

4.2.5	Will Jane have saved enough money, including her annual bonus, to pay for her holiday in January 2019? Support your answer with a calculation. Indicate the deficit / shortfall or surplus.	8

(1 000 X12 X 90%) ✓☑* + 13 000 ✓ = 23 800 ☑
10 800

☑* two parts correct

Deficit or Shortfall

R26 000 ✓ - 23 800 ☑# =R2 200 ☑ One part correct

☑# Check calculation above

shortfall✓

4.2.6	Referring to her monthly expenses below, which TWO expenses could she cut back on in order to increase her monthly savings?	2

Any valid two , ✓ one mark for each

- Cell phone
- Clothing accounts
- Entertainment

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QUESTION 5 : FIXED ASSETS AND INTERNAL CONTROL

5.1.1

NOTE 3: FIXED / TANGIBLE ASSETS				
	LAND AND BUILDINGS	**VEHICLES**	**EQUIPMENT**	
Carry value @ the beginning of the year	✓450 000	✓71 500	☑17 820	
Cost	**450 000**	✓130 000	✓✓30 900	
Accumulated depreciation	-	**(58 500)**	✓ (13 080)	
MOVEMENTS				
Additions at cost			✓12 000	
Depreciation	-	✓☑* (26 000)	☑* (3 123)	
Carry value @ the end of the year	✓450 000	☑ 45 500	☑ 26 697	**21**
Cost	✓450 000	**130 000**	✓✓42 900	
Accumulated depreciation	-	✓☑# (84 500)	✓☑# (16 203)	

*See calculations below

☑# Figure must be greater than depreciation at the beginning of year.

CALCULATIONS:

VEHICLES
130 000 x 20% x 12/12 = 26 000

EQUIPMENT
OLD:
30 900- 13 080 = 17 820 x 15% x 12/12 = 2 673✓✓
NEW:
12 000 x 15% x 3/12 = 450✓
OLD + NEW: (2 673 + 450 = 3 123)

3

5.1.2 According to which GAAP principle should all assets bought be recorded at the original cost price?	
• Historical cost concept✓	1

5.2 INTERNAL CONTROL

As an internal auditor of Bekezela Traders what advice would you give to the owner of business? Provide TWO points.	
Any two valid points ✓✓ ✓✓ • Install tracking device or cameras in the trucks. • Get quotations from different insurance companies. • Proper screening of employees is essential / Background check on potential employees. One mark for partly answered questions	4

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TOTAL
150
150