GAUTENG PROVINCE
EDUCATION
REPUBLIC OF SOUTH AFRICA

GAUTENG DEPARTMENT OF EDUCATION

PROVINCIAL EXAMINATION

JUNE 2016

GRADE 10

ACCOUNTING

TIME: 120 minutes

MARKS: 200

7 pages

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INSTRUCTIONS AND INFORMATION

Read the following instructions carefully and follow them precisely.

1 Answer ALL the questions.

2 A special ANSWER BOOK is provided in which to answer ALL the questions.

3 Workings must be shown in order to achieve part-marks.

4 Non-programmable calculators may be used.

5 You may use a **dark pencil** or **blue/black ink** to answer the questions.

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

QUESTION	TOPIC	MARK	TIME
1	Accounting Concepts and Analysis of Transactions	65	39 min
2	Salaries	30	16 min
3	Journals and Control Accounts	95	55 min
4	Loans and Interest	10	10 min
	TOTAL	**200**	**120 min**

QUESTION 1 ACCOUNTING CONCEPTS AND ANALYSIS OF TRANSACTIONS (65 marks; 39 minutes)

QUESTION 1.1 ACCOUNTING CONCEPTS

REQUIRED:

1.1 Match the description in COLUMN A to the items provided in COLUMN B. Write only the letter A – E next to the question number 1.1.1 – 1.1.5. (10)

	COLUMN A	COLUMN B	
1.1.1	Owner's contribution to start up the business	A	Trial Balance
1.1.2	List of balances from the General Ledger	B	Ethics
1.1.3	Subsidiary Journal used to record minor payments	C	Source Documents
1.1.4	Beliefs that distinguish right or wrong	D	Capital
1.1.5	_____ are used to prepare Subsidiary Journals.	E	Petty Cash Journal

QUESTION 1.2 ANALYSIS OF TRANSACTIONS

REQUIRED:

1.2 Analyse the transactions of Fashion Boutique. Assume that the bank balance is favourable at all times. The business uses a mark-up of 70% on cost.

1.2.1 The bank statement reflected a total of R270 as bank charges. (5)

1.2.2 The bank statement reflected a deposit of R30 000 from FBN bank as a loan. (5)

1.2.3 Purchased merchandise on credit from Atlantic Traders for R10 700 subject to a trade discount of 10% (7)

1.2.4 Received a cheque for R3 150 from M. Naidoo in full settlement of his account. He was given a settlement discount of 10% on the amount owing. (12)

1.2.5 The petty cashier used R960. The petty cash imprest amount is R1 200. Issued cheque to restore imprest amount. (5)

1.2.6 Received R1 800 from H. May, a debtor. His account had previously been written off as irrecoverable. (5)

1.2.7 Invested R12 000 into a Fixed Deposit account at CB Bank at 18% p.a. interest, via EFT. (4)

1.2.8 The bank returned M. Sony's cheque as unpaid. The cheque of R5 490 was received in settlement of his account of R5 660. (12)

QUESTION 2 SALARIES (30 marks; 16 minutes)

The information provided below was extracted from the books of Mzansi Plastics for the month of May 2016.

REQUIRED:

2.1 Complete the Salaries Journal on 31 May 2016. (10)

2.2 Indicate what amount would be paid to the Pension Fund for May 2016. (3)

2.3 Indicate what amounts would be debited to the Salaries and Medical Aid Contributions accounts in the General Ledger on 31 May 2016. (3)

2.4 2.4.1 Analyse the salary scale of Omni in the columns provided in the answer book.

2.4.2 Indicate in which year Omni was employed if he started with a salary of R140 400 per year.

2.4.3 Give ONE possible reason why Omni was not appointed on the starting level of his salary scale.

2.4.4 What is Omni's salary notch for 2016? (12)

2.5 Sherwin requested that his bonus be paid to him in cash and that it not be reflected on his salary advice slip. State ONE reason why this should not be done. (2)

INFORMATION:

1.	Details	Employees		
		Omni	**Musi**	**Sherwin**
	Basic monthly salary	R 14 400	R 12 000	R 13 000
	Bonus	-	-	R 6 500
	Deductions			
	PAYE	R 1 400	R 1 000	R 1 200
	Medical Aid	R 1 000	R 800	R 900
	Pension Fund	8% of basic salary for all employees		
	UIF (1% of basic salary)	1% of basic salary for all employees		
2.	**Contributions by the employer** • Pension: 11% of basic salary • Medical aid: Rand-for-Rand Basis • UIF: 1% of basic salary			
3.	Omni is an Asset Manager at Mzansi Plastics. Omni's salary scale is as follows: **R135 200 x R5 200 – R150 800 x R11 000 – R194 800** Omni's salary is R14 400 per month as from 1 January 2016.			

QUESTION 3 JOURNALS AND CONTROL ACCOUNTS (95 marks; 55 minutes)

The information presented below was drawn from the books of Super Traders.

REQUIRED:

3.1 State whether each of the following statements is TRUE or FALSE. (10)

3.1.1 Internal control processes assist in safeguarding the assets of the business.

3.1.2 The balance on the Debtors' Control account does not have to be equal to the total of the Debtors' List.

3.1.3 Physical stock taking is carried out to verify the balance of trading stock on the Trading Stock account.

3.1.4 Cash discounts are offered to debtors who settle their accounts on time.

3.1.5 Trade discounts are offered to bulk buyers and this increases the mark-up of the business.

3.2 Complete the General Journal for April 2016. Narrations are not necessary. (33)

3.3 Prepare the following General Ledger accounts:

3.3.1	Debtors' Control	(Balance on 1 April 2016	–	R24 900)	(16)
3.3.2	Creditors' Control	(Balance on 1 April 2016	–	R21 350)	(16)
3.3.3	Trading Stock	(Balance on 1 April 2016	–	R38 460)	(20)

INFORMATION:

1. Information for completing the General Journal for April 2016:

Day Transaction:

5 Dealer Co (a creditor) charged the overdue account of the business with 15% p.a. interest for four months. The business owes R5 100 to Dealer Co.

7 Charge 10% p.a. interest on the outstanding account of M Moleki, a debtor. His account of R1 700 is outstanding for 6 months.

9 The bookkeeper erroneously posted the vehicle repairs amount of R7 000 to the vehicle account in the general ledger. Correct the error

13 An invoice for R1 300 received from Tiny Tots Ltd. was incorrectly recorded in the Teens Ltd. account.

21 Cash purchases of consumables for R3 600, was mistakenly recorded in the Trading Stock column in the CPJ and posted to the Trading Stock account. Rectify the error.

25 A debtor, R Man, was declared insolvent. Received 35 cents to the rand from his estate. His debt was R2 800. The balance must be written off as irrecoverable.

29 A credit note, R900, given to Omega Ltd. was posted to Game Ltd.

29 The owner took goods of R150 for his personal use.

2. Totals in Journals on 30 April 2016:

A. Cash Receipts Journal	R
Bank	?
Discount allowed	720
Debtors' control (including discount)	17 454
Sales	19 058
Cost of sales	12 754
Sundry accounts	1 540

B. Cash Payments Journal	R
Bank	?
Discount received	540
Creditors' control (including discount)	21 990
Trading stock	10 736
Debtors' control	747
Sundry accounts	6 243

C. Debtors' Journal	R
Sales	12 942
Cost of sales	8 460

D. Debtors' Allowances Journal	R
Debtors' allowances	820
Cost of sales	260

E. Creditors Journal	R
Creditors' control	?
Trading stock	11 764
Equipment	3 760
Stationery	586
Sundry accounts	1 590

F. Creditors' Allowances Journal	R
Creditors' control	?
Trading stock	984
Equipment	490
Stationery	56
Sundry accounts	320

G. Petty Cash Journal (Information from Sundry Accounts Column)		R
17	The owner took cash for personal use	150
21	Paid cash to a creditor	350

QUESTION 4 LOANS AND INTEREST (10 marks; 10 minutes)

REQUIRED:

4.1 Prepare the Loan: Star Bank account and balance it on 29 February 2016. (7)

4.2 Calculate the capital repayment of the loan. (3)

INFORMATION:

Loan Statement from Star Bank on 29 February 2016	
Balance owing on 1 March 2015, beginning of the year	210 000
Total repayments including interest for the year	54 000
Balance owing on 29 February 2016	191 700
Note: Interest is capitalized by the bank. No entries were made in the general ledger for the loan.	

TOTAL: 200

END