GAUTENG PROVINCE
EDUCATION
REPUBLIC OF SOUTH AFRICA

GAUTENG DEPARTMENT OF EDUCATION

PROVINCIAL EXAMINATION

JUNE 2018

GRADE 10

ACCOUNTING

MEMORANDUM

9 pages

GAUTENG DEPARTMENT OF EDUCATION

PROVINCIAL EXAMINATION

ACCOUNTING

MEMORANDUM

QUESTION 1: ANALYSIS OF TRANSACTIONS

	General Ledger		Amount	Equation		
	A/c Dr	A/c Cr		A	O	L
E.g.	**Water and electricity**	**Bank**	**R450**	**-**	**-**	**0**
01	Trading Stock✓	**Bank**	**R10 000**	+✓ -✓	0	0
03	Debtors' Control✓	**Sales**	**R5 200**	+✓	+✓	0
	Cost of Sales	Trading Stock✓	✓✓R 4 160	-✓	-✓	0
10	Debtors' Allowance✓	Debtors' Control✓	✓✓R3 000	-✓	-✓	0
	Trading Stock✓	Cost of Sales✓	✓R2 400	+✓	+✓	0
20	Bank✓	**Debtors' Control**	✓✓R1 980	+✓ -✓	0	0
	Discount Allowed✓	Debtors' Control✓	* ☑✓R 220	-✓	-✓	0
24	**Postage**	Petty cash✓	**R45**	-✓	-✓	0
	Bank✓	Fixed deposit: Add Bank✓	**R18 000**	+✓ -✓	0	0
31	Debtors' Control✓	Interest Income✓	✓✓R27	+✓	+✓	0

*Check 10% of the sales [amount x × 0.10 ÷ 0.90]

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QUESTION 2: SALARY SCALES, CALCULATIONS AND INTERNAL CONTROL

No	YEAR	ANNUAL SALARY
1	**2010**	**48 000**
2	2011	52 800
3	2012	57 600
4	2013	62 800
5	2014	68 000
6	2015	73 500
7	2016	79 000
8	2017	84 500

2.1.1	48 000 / 12 = R4 000 ✓✓	**(2)**
2.1.2	2012✓	**(1)**
2.1.3	(52 800 – 48 000) / 48 000 x 100 = 10% ✓✓	**(2)**
2.1.4	8 years ✓✓	**(2)**

2.2

Gross Salary	✓ 6 700
Less : Deductions	☑ 1 958
PAYE	✓ 1 005
Medical aid Fund	✓ 350
Pension Fund	✓ 536
UIF	✓ 67
Net Salary	☑ 4 742

(7)

2.3.1	**Is the action being considered by Greenwich Suppliers appropriate? Motivate your answer by providing ONE point.**	**(2)**
	Any valid point ✓ ✓ Part-marks for unclear/incomplete explanation • The action is unlawful, it is a breach of the employment contract. • The employee can report the employer to the labour court or to the union, for implementing unlawful salary cuts.	
2.3.2	**What measures / actions should be applied by the employer to increase productivity levels. Mention TWO points.**	**(4)**
	Any two valid points ✓✓ ✓✓ Part-marks for unclear/incomplete explanation • Train employees • Increased supervision over employees Allocate one mark for training and supervision	

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QUESTION 3: CASH JOURNALS

3.1 CASH RECEIPTS JOURNAL OF KORTH TRADERS FOR APRIL 2018

Doc	Day	Details	Fol	Analysis of Receipts	Bank	Sales	Cost of Sales	Debtors' Control	Discount Allowed	Sundry Accounts		
										Amount	Fol	Details
CRT	01	Sales		10 752	✓ 10 752	✓10 752	✓ 7 168					
81	04	K. Sayed		1 520	✓ 1 520			✓ 1 600	✓ 80			
82	18	Nkosi Suppliers		1 700	✓ 1 700					1 700		Creditors' control✓
CRT	22	Sales			✓ 20 600	✓20 600	✓13 733					
83	28	IM Wise		300						✓ 300		Bad debts recovered✓
B/S		Crazy Bank		6 700	✓ 7 000					6 700		Loan: Crazy Bank✓
✓1 Mark=min of 4 doc no.'s and dates												
												16

CASH PAYMENTS JOURNAL OF KORTH TRADERS FOR APRIL 2018

Doc	Day	Payee	Fol	Bank	Debtors' Control	Trading Stock	Creditors' Control	Discount Received	Sundry Accounts		
									Amount	Fol	Details
113	07	R. Vania		✓✓2 280		☑ 2 280					
114		Speedy Deliveries		✓ 260		✓ 260					
115	09	Crazy Bank		✓ 580					580		Loan: Crazy Bank✓
116	10	Zwane Traders		✓ 3 120			✓ 3 300	✓ 180			
B/S	20	N. Van Niekerk (RD)		✓ 2 760	✓2 760						
117	26	Beauty Insurance Co.		✓10 400					10 400		Drawings✓
B/S	30	World Bank		✓✓ 460					460		Bank charges✓
✓1 Mark=min of 4 doc no.'s and dates		World Bank		✓ 160					160		Interest on overdraft✓

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QUESTION 4: GENERAL JOURNAL AND GENERAL LEDGER

4.1 GENERAL JOURNAL OF PROWLER STATIONERS (No narrations needed)

				General Ledger		Debtors' control		Creditors' control	
Doc no.	Day	Details	F	Dr	Cr	Dr	Cr	Dr	Cr
	31	**Totals**				**350**	**270**	**120**	**160**
		Drawings✓		✓✓200					
		Trading stock✓			200				
		Bad debts✓		✓✓160					
		C. Spender✓			160		☑160		
		M. Baartman✓		✓30		✓30			
		Discount allowed✓			30				
		Stationery✓		✓390					
		Trading stock✓			390				
		Mthembu Suppliers✓		280				✓280	
		M. Mthembu✓			280		✓280		
		Vehicles✓		✓170 000					
		Capital✓			170 000				
		Repairs✓		✓5 300					
		Land and buildings✓			5 300				
		Fixed deposit: Angel Bank✓		20 000 ✓✓					
		Interest on Fixed Deposit✓			20 000				
				Award one mark for all totals	☑	380	710	400	160

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4.2.1

GENERAL LEDGER OF CELE TRADERS									
Dr			TRADING STOCK					B6	Cr
Jul	1	Balance	b/d	✓20 600	Jul	31	Cost of sales✓	CRJ	✓7 000
	31	Bank✓	CPJ	✓17 900			Cost of sales✓	DJ	✓4 400
		Cost of sales✓	DAJ	✓220			Creditors' control✓	CAJ	✓✓570
		Creditors' control✓	CJ	✓5 990			Balance	c/d	33 020
		Petty cash✓	PCJ	✓ 280					
				44 990					44 990
Aug	1	Balance	b/d	☑33 020					

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Dr				SALES				N1	Cr
					Jul	1	Total	b/d	44 400✓
						31	Bank✓	CRJ	14 000✓✓
							Debtors' control✓	DJ	8 800✓

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4.2.2 **Cele Traders relies on the accounting records for the calculation of the closing balance of stock. In your opinion briefly explain how the stock balance can be verified.**

Any valid point ✓✓ Part-marks for unclear/incomplete explanation

- Conduct physical stock count and check the balance of actual stock on hand against the records of the business.

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QUESTION 5: DEBTORS' RECONCILIATION

5.1 GENERAL LEDGER OF DISNEY DEALERS

Dr		DEBTORS' CONTROL						B7	Cr
Jun	1	Balance	b/d	✓13 460	Jun	30	Bank and discount allowed	CRJ	✓36 690
	30	Sales	DJ	☑48 240			Debtors' allowances	DAJ	☑14 910
(51 560✓ – 2 210✓ – 1 110✓)					(13 520✓ + 280✓ + 1 110✓)				
		Bank (r/d) (7 500✓ + 600✓)	CPJ	☑8 100			Journal credits (1 290✓ + 4 790✓)	GJ	☑6 080
		Journal debits	GJ	✓ 30			Balance	c/d	12 150
				69 830					69 830
Jul	1	Balance	b/d	☑12 150					

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5.2 DEBTORS' LIST FOR 30 JUNE 2017

DEBTORS		
M. Minnie (3 810✓ – 1 500✓)		☑ 2 310
P. Pluto (4 790✓ – 4 790✓)		* 0
G. Goofy (8 340✓ + 400✓✓)		☑ 8 740
D. Donald (2 690✓ – 1 110✓ – 1 110✓ + 600✓ + 30✓)		☑ 1 100
OR (2 690✓– 2 220✓✓ + 630✓✓)		☑ 12 150

*if workings are not provided allocate 2 marks to 0

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5.3 **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.**

Any TWO valid points ✓✓ ✓✓

Obtain the following information from customers before approving accounts:

- Salary advice slip / Proof of income
- Proof of residence / Address
- Contact details of family / friend
- Bank statement / Bank balance
- Identity document
- Credit references / Credit history
- Email address

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

Any TWO valid points ✓✓ ✓✓ Part-marks for unclear/incomplete explanation

- Give discounts for early payments.
- Charge interest on overdue accounts.
- Send regular statements / reminders.
- Do not sell to overdue debtors.

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