GAUTENG PROVINCE
EDUCATION
REPUBLIC OF SOUTH AFRICA

GAUTENG DEPARTMENT OF EDUCATION

PROVINCIAL EXAMINATION

JUNE 2017

GRADE 10

ACCOUNTING

TIME: 2 hours

MARKS: 200

9 pages

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INSTRUCTIONS AND INFORMATION

1. Answer ALL the questions.
2. Answer all questions in the answer book provided.
3. Show all calculations to earn part marks.
4. Non-programmable calculators may be used.
5. You may use blue or black ink to answer the questions.
6. Changes must be done neatly. **ILLEGIBLE** figures will not be marked.
7. Use the information in the table below when answering questions.
8. Try not to deviate from the time allocated per question.

Question	Topic	Marks	Time in minutes
1	Accounting Equation	60	35 minutes
2	Control Accounts and General Journal	80	50 minutes
3	Creditors' Ledger account	20	12 minutes
4	Loans and capitalisation of Interest	15	8 minutes
5	Salaries	25	15 minutes
Total		**200**	**120** minutes

QUESTION 1: ANALYSIS OF TRANSACTIONS (60 marks; 35 minutes)

INFORMATION

M Juma started his own business, M J Stores. He uses the continuous inventory system.

REQUIRED

Analyse the transactions that occurred in April 2017 according to the answer book provided. The first transaction has been done for you as an example.

Assume that the Bank balance is favourable at all times.

TRANSACTIONS

E.g. Bought stationery from JB Stationers for R300 and paid by cheque.

1 M Juma withdrew R50 000 from the business current bank account and deposited it into his personal bank account to reduce his capital contribution.

2 Invested R100 000 as a Fixed Deposit at NB Bank at 8% interest per annum.

3 Purchased merchandise on credit from J B Traders for R3 500 less 10% trade discount. JB Traders also charged a delivery fee of R420 on the invoice.

4 Sold goods on credit to N Costa, R9 100. The mark-up on cost was R2 600.

5 The petty cash imprest amount is R1 000. R870 was paid out of petty cash during the month for various expenses. Analyse the entry for the cheque issued to restore the petty cash imprest amount.

6 An allowance of R1 360 was allowed to N Costa for damaged goods supplied to him.

7 The owner took stock for his son's use. The selling price of the goods was R2 240 and the cost price was R1 600.

8 According to the bank statement received on 30 May 2017:

- Bank charges for the month totalled R380
- Interest on current account amounted to R520

9 Received R800 from NB Bank as interest on fixed deposit. Interest is not capitalised.

QUESTION 2: CONTROL ACCOUNTS (80 marks; 50 minutes)

The information provided was taken from the accounting records of Jalapeno Traders on 31 March 2017. The business uses a mark-up of 50% on cost.

Required:

2.1 Record the transactions listed in INFORMATION in the General Journal. (35)

2.2 Prepare the following accounts in the general ledger of Jalapeno Traders. Balance the accounts on 31 March 2017.

Accounts	**Balances on 1 March 2017**
Debtors' control	R85 200
Creditors' control	R100 600
Trading stock	R190 000

(45)

INFORMATION

A Cash Receipts Journal

Bank	Sales	Cost of Sales	Discount Allowed	Debtors' Control (Receipts)	Sundries
?	131 700	?	1 700	110 000	?

B Cash Payments Journal

Bank	Trading Stock	Discount Received	Creditors' Control	Debtors' control	Sundries
?	80 050	1 000	155 600	4 000	?

C Debtors' Journal

Sales	Cost of Sales
135 900	90 600

D Debtors' Allowances Journal

Debtors' Allowances	Cost of Sales
1 710	?

E Creditors' Journal

Creditors' control	Trading Stock	Equipment	Consumables	Sundries
180 700	160 300			?

F Creditors' Allowances Journal

Creditors' control	Trading Stock	Equipment	Stationery	Sundries
28 100	16 900	?	?	?

G General Journal			
Debtors' Control		Creditors' Control	
Dr	Cr	Dr	Cr
1 800	970	1 150	70

H Transactions on 31 March 2017:

1 Stationery purchased for R1 200 was incorrectly recorded as Trading Stock. **Correct the error.**

2 A credit note issued to J. Chan, a debtor, for goods returned by him for R3 700 was recorded in the Debtors' Journal. Correct the error.

3 Received a cheque for R520 from a debtor, I. M. Broke, as a first and final dividend of 40 cents to the Rand. The money received was properly recorded in the Cash Journal. **Write off the balance.**

4 Discount received from Mario Stores for R3 000 was incorrectly posted to the account of Marion Traders.

5 Received R500 from G. Hope, a debtor whose account of R500 was previously written off. The entry was recorded in the Debtors' Control in the CRJ and posted accordingly. **Correct the error.**

6 Transfer a credit balance of R1 000 from the account of T Pule in the debtors' ledger to his account in the creditors' ledger.

QUESTION 3: CREDITORS' LEDGER (20 marks; 12 minutes)

The following information was taken from the accounting records of Fast Traders for the month of June 2017.

Required:

Prepare the account of Kingsgate Ltd, a creditor, in the Creditors' Ledger of Fast Traders. (20)

INFORMATION:

Transactions with Kingsgate Ltd for June 2017

1	Balance owing	20 750
3	Received an invoice no. 231 for goods supplied	5 940
7	Issued cheque no. 559 Discount received	9 500 230
11	Claimed a trade discount of 5% on goods supplied on 3 June 2017. (D/N 53)	?
15	Goods purchased from King Traders during May 2017 was incorrectly recorded in the account Kingsgate Ltd. Correct the error.	4 970
25	Kingsgate Ltd. charged interest on overdue account	68

QUESTION 4 LOANS AND CAPITALISATION OF INTEREST

(15 marks; 8 minutes)

The information provided appeared in the books of Rave Traders.

REQUIRED

4.1 Prepare the following accounts in the general ledger:

4.1.1 Loan: ZA Bank (Balance account on 28 February 2017) (9)

4.1.2 Interest on Loan (2)

4.2 Calculate the capital amount repaid during the financial year. (4)

INFORMATION

Loan Statement from ZA Bank on 28 February 2017

Balance owing on 1 March 2016	380 000
Monthly repayments of R6 400 for 12 months	?
Interest capitalised by the bank	?
Balance on 28 February 2017	315 440

QUESTION 5: SALARIES **(25 marks; 15 minutes)**

The following information relates to Mary, an employee.

5.1 Explain the difference between the terms *gross salary* and *net salary*. (2)

5.2 Use the information to prepare Mary's pay-slip for March 2017. (12)

INFORMATION

Salary per month	R 7 600
Deductions	
SARS: PAYE	260
Medical aid fund	900
UIF	1% of gross salary
Employer's Contributions	
Medical aid fund	50%
Pension Fund	7.5% of gross salary
UIF	1% of gross salary

5.3 The following is a salary scale for an employee, K. Bulani.

R48 000 x R2 400 – **R57 600** x R2 900 – R66 300

Use the above scale to answer the following questions:

5.3.1 What is Mr K Bulani's monthly salary in his first year of service? (2)

5.3.2 What will Mr K Bulani's increase amount to after the first year? (2)

5.3.3 How many years will Mr K Bulani have to work to reach the second level of his salary scale? (3)

5.3.4 What will Mr K Bulani's monthly salary be once he reaches the maximum on the salary scale? (2)

5.4 Provide TWO reasons why people are appointed on different salary scales. (2)

TOTAL
200

END