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KWAZULU-NATAL PROVINCE

EDUCATION
REPUBLIC OF SOUTH AFRICA



NATIONAL SENIOR CERTIFICATE

GRADE 11



ACCOUNTING

MARCH 2022

COMMON TEST

MARKS: 100

TIME : 1½ HOURS

N.B. This paper consists of 9 pages and an answer booklet of 5 pages.

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INSTRUCTIONS AND INFORMATION

Read the following instructions and be sure to follow them carefully:

1. This question paper consists of 9 pages.
2. A special **ANSWER BOOK** consisting of 5 pages is provided in which to answer all the questions.
3. Answer **ALL** the questions.
4. **Workings must be shown in brackets in order to earn part marks.**
5. Non-programmable calculators may be used.
6. You may use dark pencil or black / blue pen to answer the questions.
7. Marks will be deducted for missing details and foreign entries.
8. Use the information in the table below as a guide when answering the question paper:

QUESTION	TOPIC	MARKS	MINUTES
1	Creditors Reconciliation and Internal Control	19	17
2	Fixed/Tangible Assets	35	31
3	Partnership – Transaction Analysis	24	22
4	Bank Reconciliation and Internal Control	22	20
TOTAL		**100**	**90**

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QUESTION 1 (19 Marks, 17 Minutes)

CREDITORS RECONCILIATION

Carrie's Cafeteria is situated in the Springfield Industrial Park, Durban. This business caters to the workers in the area and provides them with healthy meals during their tea and lunch breaks. Carrie's Cafeteria has an account with Patrick's Produce, from whom all fresh fruit and vegetables are purchased.

REQUIRED:

1.1 Use the table in your answer book to reconcile the Creditors' Ledger of Carrie's Cafeteria with the Statement received from Patrick's Produce at the end of February 2022. (13)

Write only the amounts in the appropriate column with a plus (+) or a minus (-) sign to indicate an increase or decrease in the balance.

Calculate the correct balance / total at the end of the month.

1.2 **Refer to the error regarding the lack of receipt (number v).**

1.2.1 Explain why source documents form an integral part of internal control. (2)

1.2.2 Patrick's assistant has advised him to stop accepting cash payments from the businesses that he delivers fresh produce to. He is advised to request that all payments are made electronically, using the customer's account number as a reference. Discuss TWO advantages of this. (4)

INFORMATION

A The balances on 28 February 2022, before the completion of the Creditors Reconciliation, were as follows:

Carrie's Cafeteria's Creditors' Ledger	R5 650
Statement from Patrick's Produce	R6 750

B Errors and omissions discovered during the reconciliation process

i. The opening balance on 1 February 2022 in the creditors' ledger of Carrie's Cafeteria should have been R6 700 and not R7 600.

ii. No entry for an amount of R250, for stock returned to Patrick's Produce, was recorded by them. Carrie's Cafeteria has a copy of the delivery note on which it was noted that over ripe fresh produce was not accepted.

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iii. An invoice for R1 100 issued by Patrick's Produce had not been recorded in the creditors ledger of Carrie's Cafeteria.

iv. Stock of R600, returned by CC's Diner, was accidentally recorded on Carrie's Cafeteria's statement from Patrick's Produce

v. A payment of R500, in cash, from Carrie's Cafeteria was not reflected on the statement. Upon investigation it was discovered that Patrick did not have his receipt book on the day the money was received, so no source document was issued. It was therefore assumed that Carrie was correct.

vi. Interest of R50, charged by Patrick's Produce on the overdue account of Carrie's Cafeteria needs to be cancelled as her account was paid (as per the above transaction).

vii. An invoice of R350 received from Patrick's Produce was recorded as a debit note in the Creditors Ledger of Carrie's Cafeteria.

19

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QUESTION 2 (35 Marks, 31 Minutes)

FIXED / TANGIBLE ASSETS

Themba's Tree Fellers is a small business that operates in Pretoria.



This business owns two open back trucks which are used to transport workers to the job site as well as remove the cut tree trunks and branches from the customer's property. Each truck is driven by a team leader, who is responsible for reporting any problems regarding the vehicle to Themba, so that they can be fixed.

REQUIRED:

2.1 Refer to Vehicle number 1.

2.1.1 Calculate the depreciation on this vehicle for the year ended 28 February 2022. (2)

2.1.2 Themba is of the opinion that this older vehicle does not need to be replaced as it is still in working order. Discuss two reasons why you disagree with him. (4)

2.2 Complete the Asset Disposal Account in the General Ledger for Vehicle number 2, which was written off on 31 July 2021. (14)

2.3 Complete missing amounts (labelled **A** to **E**) in the Fixed / Tangible note the Balance Sheet for the year ended 28 February 2022. (15)

	Vehicles
Carrying Value on 1 March 2021	?
Cost Price	**A**
Accumulated Depreciation	**B**
Movements	?
Additions at Cost	**C**
Disposals at Carrying Value	?
Depreciation	**D**
Carrying Value on 28 February 2022	?
Cost Price	**E**
Accumulated Depreciation	?

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INFORMATION:

A The following details appeared in the Fixed Asset Register of Themba's Tree Fellers on 28 February 2022:

	Vehicle 1	**Vehicle 2**	**Vehicle 3**
Date of Purchase	1 December 2016	1 July 2019	1 September 2022
Cost Price	R 250 000	R367 500	R440 000
Accumulated Depreciation (1 March 2021)	R212 500	R91 875	R0

B Vehicles are depreciated at 20% per annum on cost.

C On 31 July 2021, Vehicle number 2 was written off by the insurance company after a large tree fell on the vehicle, crushing it. As per the insurance contract, 90% of the book value of the vehicle, on the date of the accident, was paid to Themba.

D Vehicle number 3 was purchased on 1 September 2021 as a replacement for vehicle number 2.

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QUESTION 3 (24 Marks, 22 Minutes)



PARTNERSHIPS – TRANSACTION ANALYSIS

Snip and Cut hair salon, situated on Newcastle KwaZulu Natal, caters to both men and women. The salon owned and managed by B. Bukekayo and U. Umuhle.

REQUIRED:

3.1 Identify the General Ledger account that is used to record the following transactions. Write only the name of the account in the space provided in your answer book. (4)

3.1.1 The ledger account that is used to calculate the gross profit.

3.1.2 This owners' equity account can have either a debit or a credit opening balance.

3.1.3 The account in which the secondary distribution is calculated.

3.1.4 The net profit for the year is calculated in this ledger account.

3.2 Show how the year-end adjustments and closing transfers below will be recorded, as per the table provided in your answer book, for the financial year ended 28 February 2022. (20)

3.2.1 Shampoo, conditioner and other styling items on hand at the end of the year amounted to R2 000 i.e. R9 000 purchased and R7 000 used. These are considered to be consumable stores.

3.2.2 Rent expense of R3 500 is still owed for February 2022, the sum of R38 500 was paid.

3.2.3 As per the partnership agreement, Bukekayo is to receive a salary of R12 000 per month.

3.2.4 Umuhle increased her capital contribution from R140 000 to R190 000 on 1 September 2021. This has been recorded. Interest of 8% per annum still needs to be brought into account for Umuhle.

3.2.5 Umuhle's drawings account, with a balance of R160 000, is to be closed off at the end of the financial year.

3.2.6 After the primary distribution was completed, the remaining loss to be distributed was R45 000. This is to be shared between Bukekayo and Umuhle in the ratio of 3 : 1. Record secondary distribution to Bukekayo at the end of the financial year.

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QUESTION 4 (22 Marks, 20 Minutes)

BANK RECONCILIATION

The newly appointed bookkeeper of Dube's Driving School is struggling to prepare the Bank Reconciliation Statement for February 2022. Consider the provided information and complete the following:

REQUIRED:

4.1 Give **TWO** reasons why it is important for Dube's Driving School to prepare a Bank Reconciliation Statement monthly. (4)

4.2 Calculate the correct totals / balances for the following at the end of February 2022:

4.2.1 Cash Receipts Journal (6)

4.2.2 Cash Payments Journal (6)

4.3 Prepare the Bank Reconciliation Statement on 28 February 2022. (6)

INFORMATION:

A Extract from the Bank Reconciliation Statement on 31 January 2022

		R
Balance as per bank account		15 600 dr
Outstanding deposits		8 800
Outstanding EFT's	No. 393	5 900
	No. 415	1 750
	No. 420	7 350
	No. 423	5 500
Balance as per bank statement		27 300 cr

B The balance on the Bank Statement on 28 February 2022 was R11 892.

C The Cash Journals had the following totals on 28 February 2022, before the Bank Reconciliation was completed:

Cash Receipts Journal	R20 420
Cash Payments Journal	R29 070

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D The following items appeared on the bank statement for February 2022, but not in the cash journals:

- EFT's numbered 415 and 420
- Deposit of R8 800
- A direct deposit of R3 500 made by a customer for her driving lessons that are scheduled for March 2022.
- Bank Charges of R260.
- A debit card payment of R250 to purchase new windscreen wipers for the vehicle.
- Interest on the credit balance of R52.

E The following items appeared in the cash journals for February 2022 but not on the bank statement.

- EFT's numbered 450 (for rent paid) and 451 (for petrol) worth R2 300 and R1 700 respectively.
- An outstanding deposit of R750 from a customer.

F The following errors were noted when preparing the February bank reconciliation statement:

- EFT number 393 was incorrectly recorded in the cash payments journal as R9 500.
- EFT number 423, was incorrectly recorded as R550

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TOTAL MARKS **100**

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ACCOUNTING

ANSWER BOOK

MARCH 2022

COMMON TEST

MARKS : **100**

TIME : **1½ HOURS**

Name: _____ **Grade:** _____

Question	Topic	Learners Mark	Moderators Mark
1	Creditors Reconciliation		
2	Fixed / tangible assets		
3	Partnership – Transaction analysis		
4	Bank Reconciliation		

N.B. This answer book consists of 5 pages.

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QUESTION 1 (19 Marks, 17 Minutes)

CREDITORS RECONCILIATION

1.1

	Carrie's Cafeteria's Creditors' Ledger	Statement from Patrick's Produce
Balance		
i.		
ii.		
iii.		
iv.		
v.		
vi.		
vii.		
Total		

13

1.2 **Refer to the error regarding the lack of receipt (number v).**

1.2.1 Explain why source documents form an integral part of internal control.

2

1.2.2 Patrick's assistant has advised him to stop accepting cash payments from the businesses that he delivers fresh produce to. He is advised to request that all payments are made electronically, using the customer's account number as a reference. Discuss TWO advantages of this.

4

19

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QUESTION 2 (35 Marks, 31 Minutes)

FIXED / TANGIBLE ASSETS



2.1 Refer to Vehicle number 1

2.1.1 Calculate the depreciation on this vehicle for the year ended 28 February 2022.

	2

2.1.2 Themba is of the opinion that this older vehicle does not need to be replaced as it is still in working order. Discuss two reasons why you disagree with him.

	4

2.2 **Asset Disposal**

14

2.3 Complete missing amounts (labelled **A** to **E**) in the Fixed / Tangible note the Balance Sheet for the year ended 28 February 2022.

	Calculation	Answer
A		
B		
C		
D		
E		

15

35

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QUESTION 3 (24 Marks, 22 Minutes)

PARTNERSHIPS – TRANSACTION ANALYSIS

3.1 Identify the General Ledger account that that is used to record the following transactions. Write only the name of the account in the space provided in your answer book.

3.1.1	
3.1.2	
3.1.3	
3.1.4	

4

3.2

No.	Account DR	Account CR	Amount
3.2.1			
3.2.2			
3.2.3			
3.2.4			
3.2.5			160 000
3.2.6			

20

24

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QUESTION 4 (22 Marks, 20 Minutes)

BANK RECONCILIATION

4.1 Give **TWO** reasons why it is important for Dube's Driving School to prepare a Bank Reconciliation Statement monthly.

	4

4.2 Calculate the correct totals / balances for the following at the end of February 2022:

4.2.1 Cash Receipts Journal

	6

4.2.2 Cash Payments Journal

	6

4.3

Bank Reconciliation Statement on 28 February 2022		
	Debit	**Credit**

6

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MARKING GUIDELINE

MARCH 2022

COMMON TEST

MARKS: 100

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 double penalty 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 answer incorrect, mark the workings provided.
4. If a pre-adjustment figure is shown as the final figure, award one mark. Not the method mark for the answer. Note: if figures are stipulated in memo for components of workings, these do not carry the method for final 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 before awarding the mark.
9. Operation' means 'Check operation'. 'One part correct' means 'Operation & one part correct'. Note: check operation must be +,-,x,÷, or per candidates operation.
10. In awarding method marks, ensure that candidates do not get full marks for any item that is incorrect, indicate with a ☒. Note: do not award marks for workings if numerator and denominator are swapped-this also applies to ratios.
11. Be aware of candidates who provide valid alternatives beyond the marking guideline.
12. Codes: f=foreign item; p=placement.

This marking guideline consists of 5 pages.

QUESTION 1 (19 Marks, 17 Minutes)

CREDITORS RECONCILIATION

1.1

	Carrie's Cafeteria's Creditors' Ledger	Statement from Patrick's Produce
Balance	5 650✓	6 750✓
i.	- 900✓✓	
ii.		- 250✓
iii.	+ 1 100✓	
iv.		+ 600✓
v.		- 500✓
vi.		- 50✓
vii.	+ 700✓✓ OR (350 + 350)	
Total	Operation 6 550☑	Operation 6 550☑

13

1.2 **Refer to the error regarding the lack of receipt (number v).**

1.2.1 Explain why source documents form an integral part of internal control.

One valid explanation ✓✓

- Source documents are proof that a transaction occurred.
- These documents are used to draw up journals and to update the accounts of customers.

(2)

1.2.2 Patrick's assistant has advised him to stop accepting cash payments from the businesses that he delivers fresh produce to. He is advised to request that all payments are made electronically, using the customer's account number as a reference. Discuss TWO advantages of this.

TWO valid advantages ✓✓ ✓✓

- The bank statement can be used as a source document to record all money received.
- Money cannot be lost / spent / or misplaced by Patrick while delivering to these businesses.
- Patrick will also be safer as he will not be carrying large amounts of cash in his delivery vehicle.

(4)

19

19

QUESTION 2 (35 Marks, 31 Minutes)



FIXED / TANGIBLE ASSETS

2.1 Refer to Vehicle number 1

2.1.1 Calculate the depreciation on this vehicle for the year ended 28 February 2022.

250 000 – 212 500 – 1
= 37 499✓☑ Operation one part correct **(2)**

2.1.2 Themba is of the opinion that this older vehicle does not need to be replaced as it is still in working order. Discuss two reasons why you disagree with him.

TWO valid reasons ✓✓ ✓✓

- Older vehicles need more maintenance and are less reliable than newer ones
- Older vehicles are not as fuel efficient as newer ones.
- It is easier to operate/drive a new vehicle than an old one.

(4)

2.2 **Asset Disposal**

2021 July	31	Vehicles✓	367 500 ✓	2021 July	31	Accumulated Depreciation on Vehicles✓ (91 875✓ + 30 625✓✓)	122 500 ☑
						Bank✓	220 500 ✓☑*
						Loss on Sale of Asset✓	24 500 ✓☑#
			367 500	(Both Totals) Operation one part correct ☑			367 500

(14)

* Book value X 90%
# Book value X 10%

2.3 Complete missing amounts (labelled **A** to **E**) in the Fixed / Tangible note the Balance Sheet for the year ended 28 February 2022. (15)

	Calculation	Answer
A	250 000✓ + 367 500✓	617 500✓
B	212 500✓ + 91 875✓ ignore brackets	(304 375)✓
C		440 000✓
D	See 2.2.1 37 499☑ See 2.2 + 30 625☑ + 44 000✓✓ ignore brackets	(112 124)✓☑
E	617 500 – 367 50 + 440 000 or 250 000 + 440 000	690 000✓✓

35
35

QUESTION 3 (24 Marks, 22 Minutes)

PARTNERSHIPS – TRANSACTION ANALYSIS

3.1 Identify the General Ledger account that that is used to record the following transactions. Write only the name of the account in the space provided in your answer book.

3.1.1	Trading account✓
3.1.2	Current Account✓
3.1.3	Appropriation account✓
3.1.4	Profit and loss account✓

(4)

3.2

No.	Account DR	Account CR	Amount
3.2.1	Consumable stores on hand✓	Consumable stores✓	2 000✓
3.2.2	Rent expense✓	Accrued expenses / Expenses payable✓	3 500✓
3.2.3	Salary: Bukekayo✓	Current account: Bukekayo✓	144 000✓✓
3.2.4	Interest on Capital✓	Current Account: Umuhle✓	13 200✓✓
3.2.5	Current Account: Umuhle✓	Drawings: Umuhle✓	**160 000**
3.2.6	Current Account: Bukekayo✓	Appropriation✓	33 750✓✓

(20)

24
24

QUESTION 4 (22 Marks, 20 Minutes)

BANK RECONCILIATION

4.1 Give **TWO** reasons why it is important for Dube's Driving School to prepare a Bank Reconciliation Statement monthly.

TWO valid reasons ✓✓ ✓✓
- Important tool for internal control
- Identifies outstanding EFT's and deposits;
- Identified errors and omissions and confirms the accuracy of all transactions.
- Detects fraud;
- Checks the bank account balance against the bank statement. **(4)**

4.2 Calculate the correct totals / balances for the following at the end of February 2022:

4.2.1 Cash Receipts Journal

20 420✓ + 3 500✓ + 52✓ + 3 600✓✓
= 27 572☑ One part correct **(6)**

4.2.2 Cash Payments Journal

29 070✓ + 260✓ + 250✓ + 4 950✓✓
= 34 530☑ One part correct **(6)**

4.3 Prepare the correct Bank Reconciliation Statement on 28 February 2022.

Bank Reconciliation Statement on 31 July 2015		
	Debit	**Credit**
Balance as per bank statement		11 892✓
Outstanding deposits		750✓
Outstanding EFT's No 450	2 300✓	
No 451	1 700✓	
Balance as per bank account	8 642✓☑	
	12 642	12 642

(6)

22
22

TOTAL MARKS: [100]