GAUTENG PROVINCE
EDUCATION
REPUBLIC OF SOUTH AFRICA

PROVINCIAL EXAMINATION

NOVEMBER 2021

GRADE 11

ACCOUNTING (PAPER 2)

MARKING GUIDELINES

EXEMPLAR

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 penalty for misplaced 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 is incorrect, mark the workings provided.
4. If a pre-adjustment figure is shown as a final figure, allocate the part-mark for the working for that figure (not the method mark for the 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. 'Operation' means check operation. 'One part correct' means operation and one part correct. Note: 'check operation' must be +, -, x, - as per memo.
9. 'One part correct' means operation and one part correct. Where method marks are awarded for one part correct, the marker must inspect the reasonableness of the answer and at least one part must be correct before awarding the mark. If a figure has earned a method-mark, this will be regarded as 'one part correct'.
10. In calculations, do not award marks for workings if the numerator and denominator are swapped – this also applies to ratios.
11. In awarding method marks, ensure that candidates do not get full marks for any item that is incorrect at least in part. Indicate with a ξ.
12. Be aware of candidates who provide valid alternatives beyond the marking guideline.
    Codes: f = foreign item; p = placement/presentation.

10 pages

MEMORANDUM	ACCOUNTING PAPER 2 GRADE 11

QUESTION 1: RECONCILIATIONS **(40 marks; 32 minutes)**

1.1 **BANK RECONCILIATION**

1.1.1 **General Ledger of Sahara Traders**

Bank **B 10**

Date		Details	Amount	Date		Details	Amount
2021 Nov	30	Debtors' Control/ T. Rhino √	√ 1 000	2021 Nov	30	Balance	√ 9 228
		Balance	11 068		31	Sales √ 2 190 – 2 910 = - 720	√√ 720
						Drawings √	√ 1 440
						Bank charges √	√ 80
						Interest on overdraft √	√ 60
						Trading stock √ 5 820 – 5 280 = 540	√√ 540
			12 068				**12 068**
				2021 Dec	01	Balance	√ 11 068

16

1.1.2 **Bank Reconciliation Statement of Sahara Traders on 30 November 2021.**

	Debit	Credit
Dr balance as per Bank statement	√16 768	
Cr outstanding deposit		√ 6 000
Dr outstanding		
EFT 333	√ 6 500	
Dr amount wrongly credited	√√ 100	
Cr amount wrongly debited		√√ 6 300
Cr balance as per bank account		√ 11 068
	23 368	**23 368**

8

EXEMPLAR

1.1.3	**Briefly explain the purpose of doing a bank reconciliation statement.**	(2)
	It is an internal control measure to ensure that all entries are correctly captured by the business and by the bank. √ √ It prevents fraud, omissions and errors. To identify any outstanding deposits and outstanding EFTS. **(Any other relevant, correct answer.)**	
1.1.4	**List TWO internal control measures a business can implement to control cash in a business.**	(2)
	Division of duties √ Deposit all monies received daily √ Register for SMS's to be sent by bank for any movement in the bank account **(Any other relevant, correct answer.)**	

4

1.2 **CREDITORS' RECONCILIATION**

1.2.1

Green Apple Co.
Creditor's Reconciliation on 31 May 2021

	Statement of Account from Green Apple Co.	Creditors' Ledger of Fresh Fruit Mart
Incorrect balance	14 530	13 789
a.		√ 450
b.	√ (90)	
c.		√ 700 √ 700 or √√1 400
d.		√ 251
e.	√ 3 400	
	√ (1 950)	
Correct balance	**15 890**	**15 890**

totals must be the same

8

EXEMPLAR

1.2.2

a.	**What action should be taken by the management against this employee? Provide TWO points.**	(2)
	• Deduct the money from his salary./Recover money through legal action. • Call him to a disciplinary hearing. • A case should be opened at the SAPS. • Suspend the employee pending the outcome of the case. **Any TWO points** √√	
b.	**Provide TWO internal control measures that should be applied to prevent this from happening again.**	(2)
	• Division of duties. • Senior personnel to authorise purchases. • When goods are received, the receiving officer should check the stock delivered against the invoice and order form. • Do internal audit or checks to detect errors or fraud. • Monthly reconciliation of creditors. **Any TWO points** √√	

4

40

EXEMPLAR

QUESTION 2: COST ACCOUNTING **(40 marks; 32 minutes)**

2.1 **PURPLE GIRLS FACE MASK MANUFACTURERS**

2.1.1	**Calculate the raw materials issued for production in 2021.**	(6)
	53 000√ – 25 000√ + 720 000√ + 15 400√ – 5 000√ = 758 400	

6

2.1.2 **GENERAL LEDGER OF PURPLE GIRLS FACE MASK MANUFACTURERS**

a. **DR** **FACTORY OVERHEADS COST N2** **CR**

Sept	30	Rent expense (46 700 x 400/1000) or 2/5	18 680	√√	Sept	30	Work-in-process stock	281 940	
		Factory maintenance	68 400	√					
		Water and electricity (78 400 x 400/1000) or 2/5	31 360	√√					
		Indirect materials (5 200√ – 5 500√ + 49 000√)	48 700						
		Sundry expenses 12 300 x 3/6	6 150	√√					
		Depreciation	22 800	√					
		Factory foreman	85 850	√					
			281 940					281 940	

14

EXEMPLAR

b. **WORK-IN-PROCESS STOCK** **B6**

2020 Oct	**01**	**Balance**	**38 000**	2021 Sept	30	Finished goods√	1 849 990 ? *Balancing figure*
		Raw materials cost √	758 400 ? *See 2.1.1*			Balance	76 000
		Direct labour cost √	847 650√				
		Factory overheads cost √	281 940 ? *See 2.1.3 a*				
			1 925 990				1 925 990
2021 Oct	01	Balance	76 000 √				

9

2.2 **HANDSAN MANUFACTURERS**

2.2.1	**Calculate the break-even point for the financial year ended 28 February 2021.**	(5)
	Total Fixed cost Selling price – variable cost = 50 √ x 24 960 √ 184 √ – 132 √ = 1 248 000 52 = 24 000 units ?	
2.2.2	**Comment on whether the business should be happy with the break-even point. Quote relevant figures in your comment.**	(4)
	Yes/No √ Comment √√ figures √ Yes – Business is producing 960 units more than the break-even point. No – Business is only producing 960 units more than the break-even point, the business is barely making a profit.	

EXEMPLAR

2.2.3	**The direct material costs have been well controlled. List ONE possible reason for the reduction in the direct material costs in 2021.**	(2)
	Price of material dropped √√ Less wastage of materials **(Any relevant answer.)**	

11

40

QUESTION 3: VAT AND INVENTORY SYSTEMS (30 marks; 24 minutes)

3.1 **VAT**

3.1.1	**Calculate the amounts marked A – E on the table given below**	(5)
	<table><tr><th></th><th>ANSWER</th></tr><tr><td>A</td><td>R368 000 </td></tr><tr><td>B</td><td>R48 000 </td></tr><tr><td>C</td><td>R2 645</td></tr><tr><td>D</td><td>R5 480 </td></tr><tr><td>E</td><td>R6 302 </td></tr></table>	
3.1.2	**Explain the difference between *Tax Avoidance* and *Tax Evasion*.**	(4)
	Tax avoidance is when a taxpayer arranges his affairs in a legal manner to reduce his tax payable. √√ Tax evasion is illegal activities where a taxpayer frees himself from a tax burden. √√	
3.1.3	**Give TWO examples of zero-rated items and TWO examples of VAT exempt items.**	(4)
	ZERO-RATED ITEMS: Brown bread, rice, milk, eggs (ANY TWO) √√ **EXEMPT ITEMS**: School fees, insurance, financial services (ANY TWO) √√	

13

EXEMPLAR

3.2 INVENTORY SYSTEMS

3.2.1	**Calculate the purchase figure that will be closed off to the Trading Account.**	(5)
	250 000 √ – 2 500 √ – 11 250 √ + 3 250 √ = 239 500	
3.2.2	**Calculate the sales figure that will be closed off to the Trading Account.**	(4)
	295 000 √ – 15 700 √ – 12 000 √ = 267 300	
3.2.3	**Calculate the Cost of Sales.**	(4)
	See 3.1.2 65 200 + 239 500 + 12 560 √ – 96 250 √= 221 010	
3.2.4	**Calculate the average rate of stock turnover for 2020.**	(4)
	221 010 / (65 200 + 96 250) / 2 √ See 3.2.3 = 221 010 / 80 725 √ = 2,7 times per year	

17

30

EXEMPLAR

QUESTION 4: Cash Budgets and Projected Income Statement

(40 marks; 32 minutes)

4.1 CONCEPTS

	ANSWER
4.1.1	**False** √
4.1.2	**True** √
4.1.3	**False** √
4.1.4	**False** √
4.1.5	**True** √

5

4.2 CASH BUDGET

4.2.1 DEBTORS' COLLECTION SCHEDULE FOR JUNE AND JULY 2021.

	Credit sales	June	July
April (90 000 x 75%)	67 500 √	15 525 √	
May (82 000 x 75%)	61 500 √	18 450 √	14 145 √
June (100 000 x 75%)	75 000 √	28 800 √√	22 500 √
July (110 000 x 75%)	82 500 √		31 680 √√
Debtors' collections		62 775 ?	68 325 ?

14

EXEMPLAR

4.2.2 **CASH BUDGET FOR JUNE AND JULY 2021.**

	June		July	
RECEIPTS				
Cash Sales	**25 000**		**27 500**	
Collection from Debtors	See 4.2.1 above 62 775	?	See 4.2.1 above 68 325	?
Rent income	**17 000**		19 040	√ √
Loan RAV Bank			**201 600**	
Sale of Fixed asset			132 900	√
Total receipts	104 775		449 365	
PAYMENTS				
Cash Purchases	97 500	√	127 500	√
Payment to creditors	**80 000**		65 000	√
Drawings	**7 500**		7 500	√
Loan instalment			**5 600**	
Interest on loan (201 600√ x 11.5% √ x1/12√)			1 932	?
Advertising	820	√	1 000	√
Salaries	**75 000**		78 000	√
Total payments	260 820		286 532	
Cash surplus (shortfall)	(156 045)	?	162 833	?
Bank: Opening balance	**140 530**		15 515	?
Bank: Closing balance	15 515	?	178 348	?

21

40

TOTAL: 150

EXEMPLAR