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PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

DEPARTMENT OF
EDUCATION

NATIONAL SENIOR CERTIFICATE

GRADE 10

ACCOUNTING

MID-YEAR EXAM

JUNE 2024
TERM 2 SBA TASK 4

TOTAL: 200

DURATION: 2 ½ hours

This question paper consists of 09 pages and answer book

INSTRUCTIONS

Read the following instructions carefully and follow them precisely.

1. Answer ALL questions
2. A special answer book is provided in which to answer all questions
3. A financial indicator formula sheet is attached at the end of this question paper
4. Show All workings to earn part-marks
5. You may use a non-programmable calculator
6. You may use a dark pencil, blue/black ink to answer questions
7. Where applicable show all calculations to one decimal point
8. Write neatly and legibly
9. Use information in the table below as a guide when answering the question paper. Try NOT to deviate from it.

QUESTION	*TOPIC*	*MARKS*	TIME
1	**Accounting Concepts, Accounting Equation & Analysis of transactions**	44	33 minutes
2	**General Journal**	23	17 minutes
3	**General Ledger & Internal Control**	44	33 minutes
4	**Creditors Reconciliation & Internal Control**	39	29 minutes
5	**Salaries & Wages**	50	38 minutes
	TOTAL	**200**	**150 minutes**

QUESTION - 1 ACCOUNTING CONCEPTS & ANALYSIS OF TRANSACTIONS

1.1 Match the information in **COLUMN A** to the term in **COLUMN B**. Write only the letter (A – G) in your ANSWER BOOK. **(5)**

COLUMN A		COLUMN B	
1.1.1	The management of a business should treat employees equally regardless of their positions.	A	Business Principles
1.1.2	Assets that are convertible into cash within a period of 12 months.	B	Fixed deposit
1.1.3	Commonly accepted guidelines that are followed when financial records are prepared for reporting.	C	Fairness
1.1.4	A summary of balances and totals extracted from all the ledger accounts of a business.	D	Current assets
1.1.5	An example of a non-current asset.	E	Trial balance
		F	General ledger
		G	GAAP

1.2 The transactions below appeared in the books of Waterkloof Traders for the month of March 2023. Waterkloof Traders uses 80% mark up on cost price.
REQUIRED: **(39)**

Use the information of Waterkloof Traders to flow the effect of each transaction on the Accounting Equation for March 2023

Transactions

01	Bought goods on credit from AB Traders for R10 800 less 10% trade discount.
07	Paid R450 out of the petty cash to Parcels R Us for goods delivered to a debtor, J Donovan. The amount must be debited to his account.
16	Sold goods on credit to K. Moss for R4 500 and issued an invoice.
19	A printer bought on credit for office use for R2 400 from XY Printing in February 2023 had a defect (was faulty). After consultation with XY Printing, the printer was returned to them. No transaction was recorded.
21	A credit note of R1200 was issued to K.Moss for returns of some of the goods bought on 16 March 2023. The goods were not returned to the store room as they were totally damaged.
25	Received R3 400 from R. Bond (a debtor) in settlement of her account of R3 500.
31	A loan repayment of R44 000 to Investec Bank included an interest of 10% per annum for one year. Funds were paid via EFT.

[44]

QUESTION 2 – GENERAL JOURNAL

The information for December 2022 presented below is taken from the books of The Adventure Apparel

REQUIRED:

Record the transactions in the General Journal for December 2022, and close off the journal properly.
NOTE: Narrations are not required. (23)

INFORMATION:

Transactions on 31 December 2022:

- A debtor, C Stokes, who owes R2 400, was declared insolvent. His estate paid 40c in the rand. (This has been recorded in the books of the business.) The remainder must be written off as irrecoverable.

- Transfer a debit balance of R280 in the account of M. Maxwell from the Debtors' Ledger to his account in the Creditors' Ledger. M. Maxwell is both a customer and supplier to The Adventure Apparel

- The owner took trading stock at a cost price of R1 200. The transaction was not recorded yet.

- The business received an amount for R35 000 from ABSA Bank via EFT for a fixed deposit that matured on 31 December 2022. Included in the amount is interest on fixed deposit of R3 000. The total amount of R35 000 has been credited to the Fixed Deposit Account. Correct the error.

- Goods returned by J Yates (a debtor) as per credit note for R280, was incorrectly posted to the account of J Young (a debtor).

- Charged interest of 6% per annum for three months to the overdue account of K. Patton, he owes the business R6 800.

[23]

QUESTION 3 – GENERAL LEDGER AND INTERNAL CONTROL

The following information was extracted from the books of Nooks & Crannies Cleaning for the year ending 28 February 2023. The business uses 100% mark up on cost.

REQUIRED:

3.1 Complete and balance the following accounts in the General Ledger for February 2023:
- Debtors' Control Account (10)
- Trading Stock Account (16)
- Stationery (08) (34)

3.2 The owner noticed that some debtors do not comply with the credit terms as part of their contractual agreement with the business.
- 3.2.1 Explain the meaning of the concept credit term. (2)
- 3.2.2 Provide TWO measures that can be implemented by the business to encourage early payments. (4)

3.3 The owner suspects that the stock has been stolen during the year. He has asked you for advice on internal controls he could implement to prevent stock from being stolen. List TWO internal controls to safeguard stock. (4)

INFORMATION:

Totals from Subsidiary Journals for February 2023

Cash Receipts Journal		**Cash Payments Journal**	
Bank	88 400	Bank	65 350
Sales	44 000	Trading Stock	27 900
Cost of Sales	22 000	Discount received	620
Discount allowed	270	Creditors control	36 510
Debtors Control	4 280	Wages	?
Current Income	?	Stationery	1 620

Debtors Journal		**Debtors Allowances Journal**	
Sales	12 800	Debtors allowances	1 200
Cost of Sales	6 400	Cost of Sales	600

Creditors Journal		**Creditors Allowances Journal**	
Creditors Control	58 400	Creditors Control	6 900
Trading Stock	25 990	Trading Stock	4 800
Stationery	1 500	Stationery	175
Packing Material	2 300	Packing Material	?
Sundry Accounts	?	Sundry Accounts	1 155

Petty Cash Journal	
Petty Cash	960
Trading Stock	380
Debtors Control	280
Stationery	150
Sundry Accounts	?

QUESTION 4 - CREDITORS' RECONCILIATION AND INTERNAL CONTROL

The information below was taken from the books of Bubba's Wholesale Outlet.

REQUIRED:

4.1 Correct the Creditors' Control Account for June 2023 in the General Ledger. Balance the account correctly. (17)

4.2 Prepare a correct list of creditors as at 30 June 2023. (18)

4.3 Bubba's Wholesale Outlet buys goods in large quantities from The Grit Corner. The stock received from The Grit Corner normally include damaged goods or goods that were not ordered.

Goods purchased from The Grit Corner are also delivered late and Bubba's Wholesale Outlet has lost customers as a result of this. Bubba's Wholesale Outlet have decided to change the supplier because they also do not receive any discount from The Grit Corner.

Suggest the actions that should be taken by The Grit Corner to retain (keep) their customers. Provide TWO points. (4)

INFORMATION:

Dr **CREDITORS CONTROL** **Cr**

2023 Jun	30	Bank & Discount received	CPJ	34 250	2023 Jun	01	Balance	b/d	4 380
		Journal debits	GJ	3 290		**30**	Creditors allowances	CAJ	2 108
		Balance	c/d	15 038			Purchases	CJ	44 800
							Journal Credits	GJ	1 290
				52 578					52 578
					Apr	01	Balance	b/d	15 038

CREDITORS LIST AS AT 30 JUNE 2023

NAME	Debit	Credit
Stump Stomp Retailers		3 890
Fuzzy Quilt.		1 300
The Grit Corner.		4 512
Shatter It X.		3 100
The Shake Shack.	260	
	260	12 802

Errors and omissions discovered during the month:

- Invoice 154 received from Fuzzy Quilt for R1 480 was posted to the account of The Grit Corner in the Subsidiary Ledger.
- The business decided to transfer the balance of The Shake Shack to the Debtors' Ledger. No entry was made.
- Invoice 278 received from Stump Stomp Retailers for merchandise purchased on credit for R2 300 was incorrectly recorded in the Creditors' Journal as R3 200.
- The business returned some parts bought for the delivery van to the value of R860 to Shatter It X. The amount was correctly recorded in the Creditors' Allowances Journal but it was posted to the Creditors' Ledger as credit purchases.
- Stump Stomp Retailers supplies goods to Bubba's Wholesale Outlet and also buys from Bubba's Wholesale Outlet. The debit balance of R640 on their account in the Debtors' Ledger is to be transferred to their account in the Creditors' Ledger.

[39]

QUESTION 5 – SALARIES & WAGES

5.1 Sunrise Tea Garden employs only one employee, David Turner, who is paid Weekly. The information is extracted from the week ending 21 April 2023.

REQUIRED

Use the information provided to answer the following questions:

5.1.1 List TWO differences between salaries and wages. (4)

5.1.2 To which organization is PAYE paid? Write your answer in full (1)

5.1.3 What is the difference between deductions and contributions? (4)

5.1.4 Calculate the total number of overtime hours worked by David for the week. (6)

5.1.5 Name the statutory or legal deduction that has NOT been made From David's wages. Do not abbreviate your answer. (1)

5.1.6 Refer to QUESTION 5.1.5. How much should have been deducted from David's wages? (2)

5.1.7 Refer to QUESTIONS 5.1.5 and 5.1.6. How much is owed to the Department of Labour at the end of the month? (Assume there were four weeks in the month) (2)

INFORMATION:

- David's normal time rate is R13,50 per hour and if required to work overtime he earns R20,25 per hour.
- The following is an extract from his wages earned for the week 17 to 21 April 2023.

Normal Time	32 hours
Overtime	?
Total Wage including overtime	R675
Medical Aid	R125
Pension Fund (7.5% of basic wages)	?

5.2 Sunworx Solar sell solar systems and inverters. They employ two sales representatives, J. Fisher and L. Roberts, who earn the same basic salary and a commission of 0,5% for every solar system or inverter sold. Commission is only paid once the installation is completed.

REQUIRED:

Complete the Salaries Journal for the month of March 2023 in the ANSWER BOOK provided.

(30)

INFORMATION:

- On 01 March, J. Fisher sold solar systems for R500 000. All installations were completed on 27 March.
- L Roberts sold inverters and solar systems on 25 March for R800 000. The installations were completed on 05 April 2022.
- Both employees belong to a medical aid fund. The total premium paid for each member towards the medical aid fund is R2 700 per month. Sunworx Solar agreed to contribute double what the employees pay.
- Pension fund contribution is 15% per month on their basic salary. The employees pay 7,5% while the employer contributes the rest.
- UIF deductions and contributions are as per statutory requirements.

[50]

GRAND TOTAL: 200

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GRADE 10

SPECIAL ANSWER BOOK

ACCOUNTING

MID-YEAR EXAM

2024

NAME OF THE LEARNER: _____

NAME OF THE SCHOOL: _____

CIRCUIT: _____

QUESTION	MARKS	MARKS OBTAINED	INTERNAL MODERATION	EXTERNAL MODERATION
1	44			
2	23			
3	44			
4	39			
5	50			
TOTAL	200			

This answer book consists of 12 pages.

QUESTION 1 – ACCOUNTING CONCEPTS & ANALYSIS OF TRANSACTIONS

1.1

1.1.1	
1.1.2	
1.1.3	
1.1.4	
1.1.5	

5

1.2

No.	General Ledger		Accounting Equation		
	Account Debited	**Account Credited**	**A**	**OE**	**L**
1					
7		**Petty cash**			
16	**Debtors Control**				
19	**Creditors Control**				
21					
25	**Bank**				
31		**Bank**			

44

39

2.

GENERAL JOURNAL OF THE ADVENTURE APPAREL – DECEMBER 2022

					Debtors Control		Creditors Control	
Dec	**Details**	**Fol**	**Dr**	**Cr**	**Dr**	**Cr**	**Dr**	**Cr**
31	**Totals**	**b/d**			**825**	**116**	**268**	**384**

23

QUESTION 3 – GENERAL LEDGER AND INTERNAL CONTROL

3.1

Dr **DEBTORS CONTROL** **Cr**

2023					2023				
Feb	01	Balance	b/d	24 200	Feb	28	Journal Credits	GJ	1 210
	28	Journal debits	GJ	1 460					

10

Dr **TRADING STOCK** **Cr**

2023					2023				
Feb	01	Balance	b/d	28 300	Feb	28	Donations	GJ	2 400

16

Dr **STATIONERY** **Cr**

2023 Feb	01	Total	b/d	4 800	2023 Feb	28			

8

3.2

3.2.1

Explain the meaning of the concept credit term.

2

3.2.2

Provide TWO measures that can be implemented by the business to encourage early payments.

4

3.3

The owner suspects that stock has been stolen during the year. He has asked you for advice on internal controls he could implement to prevent stock from being stolen. List TWO internal controls to safeguard stock.

4

44

4.1

Dr **CREDITORS CONTROL** **Cr**

17

4.2

CREDITORS LIST AS AT 30 JUNE 2023

NAME	Credit

18

4.3

Suggest the actions that should be taken by The Grit Corner to retain or (keep) their customers. Provide TWO points.

4

39

QUESTION 5 – SALARIES & WAGES

5.1

5.1.1

List TWO differences between salaries and wages.

4

5.1.2

To which organisation is PAYE paid? Write your answer in full.

1

5.1.3

What is the difference between deductions and contributions?

4

5.1.4

Calculate the total number of overtime hours worked by David for the week.

6

5.1.5

Name the statutory or legal deduction that has NOT been made from David's wages. Do not abbreviate your answer.

1

5.1.6

Refer to QUESTION 5.1.5. How much should have been deducted from David's wages?

2

5.1.7

Refer to QUESTIONS 5.1.5 and 5.1.6. How much is owed to the Department of Labour at the end of the month? (Assume there were four weeks in the month.)

2

5.2

SALARIES JOURNAL OF SUNWORX SOLAR FOR MARCH 2023

Employee	EARNINGS		DEDUCTIONS				Total Deductions	Net Salary	CONTRIBUTIONS		
	Basic Salary	Commission	PAYE	Medical Aid	Pension Fund	UIF			Medical Aid	Pension Fund	UIF
J Fisher	17 000		2 750								
L Roberts											
TOTAL			4 000								

30

50

TOTAL: 200

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GRADE 10

ACCOUNTING

MID YEAR EXAMINATION

JUNE 2024

MARKING GUIDELINES

This marking guideline consists of 07 pages

QUESTION 1-ACCOUNTING CONCEPTS & ANALYSIS OF TRANSACTIONS

1.1

	1.1.1	C✓
	1.1.2	D✓
	1.1.3	G✓
	1.1.4	E✓
	1.1.5	B✓

(5)

1.2

No.	General Ledger		Accounting Equation		
	Account Debited	**Account Credited**	**A**	**OE**	**L**
1	Trading Stock✓	Creditors Control✓	+ 9 720✓		+ 9 720✓
7	Debtors Control✓	**Petty cash**	+ 450✓ -450✓		
16	**Debtors Control**	Sales✓	+ 4 500✓	+ 4 500✓	
	Cost of sales✓	Trading Stock✓	- 2 500✓✓	- 2 500✓✓	
19	**Creditors Control**	Equipment✓	- 2 400✓		-2400✓
21	Debtors allowances✓	Debtors control✓	-1200✓	-1200✓	
25	**Bank**	Debtors Control✓	+ 3 400✓ - 3 400✓		
	Discount allowed✓	Debtors Control✓	- 100✓	- 100✓	
31	Loan✓	**Bank**	- 39 600✓✓		-39 600✓✓
	Interest on loan✓	Bank✓	- 4 400✓	- 4400✓	

(35)

QUESTION 2 - GENERAL JOURNAL

GENERAL JOURNAL OF THE ADVENTURE APPAREL CO – DECEMBER 2022

					Debtors Control		Creditors Control	
D	**Details**	**FOL**	**Dr**	**Cr**	**Dr**	**Cr**	**Dr**	**Cr**
31	**Totals**	**b/d**			**825**	**116**	**268**	**384**
	Bad debts		1 440✓✓					
	C Stokes			1 440✓✓		1 440☑		
	M Maxwell (Creditor)		280✓				280✓	
	M Maxwell (debtor)			280✓		280✓		
	Drawings		1 200✓					
	Trading Stock			1 200✓				
	Fixed Deposit: ABSA		3 000✓					
	Interest on fixed deposit			3 000✓				
	J Young		280✓		280✓			
	J Yates			280✓		280✓		
	K Patton		102✓✓		102☑			
	Interest receivable			102✓✓				
	If details are incorrect, only award 1 mark for amounts✓				**1 207**	**2 116**	**548**	**348**
					☑ Allocate 1 mark for totals			

(23)

QUESTION 3- GENERAL LEDGER AND INTERNAL CONTROL

3.1

DEBTORS CONTROL

Dr									Cr
2023 Feb	**01**	**Balance**	**b/d**	**24 200**	**2023 Feb**	**28**	**Journal Credits**	**GJ**	**1 210**
	28	**Journal debits**	**GJ**	**1 460**			Bank & discount allowed✓	CRJ	4 550✓
		Sales✓	DJ	12 800✓			Debtors allowances✓	DAJ	1 200✓
		Petty Cash✓	PCJ	280✓			Balance	c/d	31 780☑
				38 740					38 740
Mar	01	Balance	b/d	31 780☑					

(10)

TRADING STOCK

Dr									Cr
2023 Feb	**01**	**Balance**	**b/d**	**28 300**	**2023 Feb**	**28**	**Donations**	**GJ**	**2 400**
	28	Bank✓	CPJ	27 900✓			Cost of sales✓	DJ	6 400✓
		Creditors Control✓	CJ	25 990✓			Cost of sales✓	CRJ	22 000✓
		Cost of sales✓	DAJ	600✓			Creditors Control✓	CAJ	4 800✓
		Petty Cash✓	PCJ	380✓			Balance	c/d	47 570☑
				83 170					83 170
Mar	01	Balance	b/d	47 570☑					
16									

(16)

STATIONERY

Dr									Cr
2023 Feb	**01**	**Total**	**b/d**	**4 800**	2023 Feb	28	Creditors Control	CAJ	175✓
	28	Bank✓	CPJ	1 620✓			Total	c/d	7 895☑
		Creditors Control✓	CJ	1 500✓					
		Petty Cash	PCJ	150✓					
				8 070					8 070
Mar	01	Total	b/d	7 895☑					

(8)

3.2	**The owner noticed that some debtors do not comply with the credit terms as part of their contractual agreement with the business.**		
	3.2.1	**Explain the meaning of the concept credit term.**	
		Any ONE valid point ✓✓ (One mark for partially correct response.) The length of time allowed to pay for goods and services that were bought on credit, which will include the number of instalments, interest, etc.	(2)
	3.2.2	Provide TWO measures that can be implemented by the business to encourage early payments.	
		Any TWO valid points ✓✓ ✓✓ (One mark for partially correct response.) • Screen debtors before selling the goods on credit. • Send reminders, for example send SMS/monthly statements. • Charge interest on overdue accounts of debtors. • Give discounts for early payments.	
3.3	**The owner suspects that stock has been stolen during the year. He has asked you for advice on internal controls he could implement to prevent stock from being stolen. List TWO internal controls to safeguard stock.**		
	Any valid answer ✓✓ ✓✓ (2 x 2) One mark for partly correct answer • Division / separation of duties. • All purchases of goods should be properly authorised. • Proper authorisation of stock issued from the warehouse. • Regular physical stock count. • Install security cameras in the warehouse and store. • Hire security guards to monitor the warehouse. • Stock must be kept in a safe place.		(4)

QUESTION 4- CREDITORS RECONCILIATION AND INTERNAL CONTROL

4.1 Correct the creditors control account for June 2023 in the General Ledger. Balance the account correctly.

Dr **CREDITORS CONTROL** **Cr**

2023 Jun	30	Bank & Discount received	CPJ	34 250✓	2023 Jun	01	Balance	b/d	4 380✓
		Total Returns	CAJ	2 108✓		**30**	Purchases (44 800 – 900✓✓)	CJ	43 900✓☑
		Journal debits (3 290 + 640✓✓)	GJ	3 930☑✓			Journal Credits (1 290 + 260✓✓)	GJ	1 550☑✓
		Balance	c/d	9 542☑					
				49 830					49 830
					Apr	01	Balance	b/d	9 542☑

(17)

4.2 Prepare a correct list of creditors as at 30 June 2023.

CREDITORS LIST AS AT 30 JUNE 2023

NAME	Credit
Stump Stomp Retailers (3 890 -900✓✓ – 640✓)	2 350✓☑
Fuzzy Quilt. (1 300 + 1480✓)	2 780✓☑
The Grit Corner. (4 512 – 1 480✓)	3 032✓☑
Shatter It X. (3 100 – 860✓ – 860✓)	1 380✓☑
The Shake Shack. (-260✓ + 260✓)	0
	9 542☑

(18)

4.3 Bubba's Wholesale Outlet buys goods in large quantities from The Grit Corner. The stock received from The Grit Corner normally include damaged goods or goods that were not ordered.

Suggest the actions that should be taken by The Grit Corner to retain or (keep) their customers. Provide TWO points.

Any TWO valid points ✓✓ ✓✓
(One mark for partially correct response.)

- Grant a trade discount to Bubba's Wholesale Outlet or cash discount for payments received early.
- Keep the customer informed if there are any challenges in terms of delivery of goods.

(4)

39

QUESTION 5 – SALARIES &WAGES

	5.1.1	List TWO differences between salaries and wages.	
		Accept any valid answers ✓ ✓ ✓ ✓ (1 x 4) SALARIES • Paid monthly • Earned at a fixed amount per month • Normally no overtime, sometimes receive bonuses, incentives and commission WAGES • Paid weekly • Earned at an hourly rate/units produced • Earns a basic and overtime	(4)
	5.1.2	To which organisation is PAYE paid? Write your answer in full.	
		South African Revenue Services ✓	(1)
	5.1.3	What is the difference between deductions and contributions?	
		Accept any valid answers ✓✓ ✓✓ (2 x 2) DEDUCTIONS • Amounts subtracted/deducted from a person's gross wages/ salaries and paid over to the relevant institutions ✓✓ CONTRIBUTIONS Additional amounts paid on behalf of employees by the employer. ✓✓	(4)
	5.1.4	Calculate the total number of overtime hours worked by David for the week.	
		32 hours' x 13,50 = R432 ✓ R675 – R432 ✓ = R243 243☑ / 22,25✓ = 12 Hours☑✓	(6)
	5.1.5	Name the statutory or legal deduction that has NOT been made from David's wages. Do not abbreviate your answer.	
		Unemployment Insurance Fund ✓	(1)
	5.1.6	Refer to QUESTION 5.1.5. How much should have been deducted from David's wages?	
		R432☑ x 1% = R4.32 ☑	(2)
	5.1.7	Refer to QUESTIONS 5.1.5 and 5.1.6. How much is owed to the Department of Labour at the end of the month? (Assume there were four weeks in the month.)	
		(432 x 2) x 1% = 8,64✓☑	(2)
	5.2.1	Complete the Salaries Journal for the month of March 2023 in the ANSWER BOOK provided.	(30)

SALARIES JOURNAL OF SUNWORX SOLAR FOR MARCH 2023

Employee	EARNINGS		DEDUCTIONS				Total Deductions	Net Salary	CONTRIBUTIONS		
	Basic Salary	Commission	PAYE	Medical Aid	Pension Fund	UIF			Medical Aid	Pension Fund	UIF
J Fisher	**17 000**	2 500✓ ✓	**2 750**	900✓✓	1 275✓	170✓	5 095☑	14 405 ☑	1 800☑	1 275☑	170 ☑
L Roberts	17 000 ✓	0✓	1 250✓ ✓	900✓✓	1 275✓	170✓	3 595☑	13 405 ☑	1 800☑	1 275☑	170 ☑
TOTAL	34 000 ✓	2 500✓	**4 000**	1 800☑	2 550☑	340☑	8 690	27 810 ☑	3 600	2 550	340
											[50]

GRAND TOTAL: 200