

PROVINCIAL EXAMINATION

JUNE 2022

GRADE 10

ACCOUNTING

11 pages

MARKING GUIDELINES

MARKING PRINCIPLES:

1. Unless otherwise stated in the marking guideline, 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). Note: if figures are stipulated in memo for components or workings, these do not carry the method mark for final answer as well.
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 the qualities of answers from candidates.
7. Where penalties are applied, the marks for that section of the question cannot be a final negative. Where method marks are awarded for workings, the marker must examine the reasonableness of the workings before awarding the mark.
8. Operation means 'check operation'. 'One part correct' means operation and one part correct. Note: check operation must be +, -, x, ÷, or 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 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 ☒.
12. Be aware of candidates who provide valid alternatives beyond the marking guideline.

Codes: f = foreign item; p = placement/presentation.

QUESTION 1: CONCEPTS AND ANALYSIS OF TRANSACTIONS

1.1 CONCEPTS

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

5

1.2 ANALYSIS OF TRANSACTIONS

	GENERAL LEDGER		EQUATION		
	Account Debited	Account Credited	A	O	L
E.g.	Wages	Bank	- 500	- 500	0
1.2.1	Trading Stock✓	Creditors' Control✓	+9 720 *✓✓	0	+9 720 ☑
1.2.2	Debtors' Control✓	Petty Cash	+450✓ -450✓	0	0
1.2.3	Debtors' Control	Sales✓	+4 500 ✓	+4 500✓	0
	Cost of Sales✓	Trading Stock✓	-2 500 ✓☑	-2 500 ✓☑	0
1.2.4	Creditors' Control	Equipment✓	-2 400✓	0	-2 400✓
1.2.5	Bank	Debtors' Control✓	+3 400✓ -3 400✓	0	0
	Discount Allowed✓	Debtors' Control✓	-100✓	-100✓	0
1.2.6	Loan: Perm ✓	Bank	-40 000 ✓✓	0	-40 000 *☑
	Interest on loan✓	Bank✓	-4 000 ✓	-4 000 *☑	0

35

*If assets are incorrect allocate to correct entry for liabilities (1.2.6 –same procedure)

TOTAL

40

QUESTION 2: SALARIES AND WAGES

2.1 WAGES

2.1.1	<p>List TWO differences between <i>salaries</i> and <i>wages</i>.</p> <p>Accept any valid answers ✓ ✓ ✓ ✓ (1 x 4)</p> <table border="1" data-bbox="244 566 1294 891"> <thead> <tr> <th data-bbox="244 566 761 618">SALARIES</th> <th data-bbox="761 566 1294 618">WAGES</th> </tr> </thead> <tbody> <tr> <td data-bbox="244 618 761 696">Paid monthly</td> <td data-bbox="761 618 1294 696">Paid weekly</td> </tr> <tr> <td data-bbox="244 696 761 775">Earned at a fixed amount per month</td> <td data-bbox="761 696 1294 775">Earned at an hourly rate/units produced</td> </tr> <tr> <td data-bbox="244 775 761 891">Normally no overtime, sometimes receive bonuses, incentives and commission</td> <td data-bbox="761 775 1294 891">Earns a basic and overtime</td> </tr> </tbody> </table>	SALARIES	WAGES	Paid monthly	Paid weekly	Earned at a fixed amount per month	Earned at an hourly rate/units produced	Normally no overtime, sometimes receive bonuses, incentives and commission	Earns a basic and overtime	<table border="1"> <tr><td> </td></tr> <tr><td>4</td></tr> </table>		4
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Normally no overtime, sometimes receive bonuses, incentives and commission	Earns a basic and overtime											
4												
2.1.2	<p>To which organisation is PAYE paid? Write your answer in full.</p> <p>South African Revenue Services ✓</p>	<table border="1"> <tr><td> </td></tr> <tr><td>1</td></tr> </table>		1								
1												
2.1.3	<p>What is the difference between <i>deductions</i> and <i>contributions</i>?</p> <p>Accept any valid answers ✓✓ ✓✓ (2 x 2)</p> <table border="1" data-bbox="244 1357 1294 1597"> <thead> <tr> <th data-bbox="244 1357 761 1408">DEDUCTIONS</th> <th data-bbox="761 1357 1294 1408">CONTRIBUTIONS</th> </tr> </thead> <tbody> <tr> <td data-bbox="244 1408 761 1597">Amounts subtracted/deducted from a person's gross wages/salaries and paid over to the relevant institutions ✓✓</td> <td data-bbox="761 1408 1294 1597">Additional amounts paid on behalf of employees by the employer. ✓✓</td> </tr> </tbody> </table> <p>One mark for partially correct answer</p>	DEDUCTIONS	CONTRIBUTIONS	Amounts subtracted/deducted from a person's gross wages/salaries and paid over to the relevant institutions ✓✓	Additional amounts paid on behalf of employees by the employer. ✓✓	<table border="1"> <tr><td> </td></tr> <tr><td>4</td></tr> </table>		4				
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4												

2.2 SALARIES JOURNAL

Salaries Journal of Rapid Realtors for March 2022

SJ 0

Employee	EARNINGS		DEDUCTIONS				Total Deductions	Net Salary	CONTRIBUTIONS		
	Basic Salary	Commission	PAYE	Medical Aid	Pension Fund	UIF			Medical Aid	Pension Fund	UIF
J. Smith	17 000	✓✓ 2 500	2 750	✓✓ 900	✓ 1 275	✓ 170	☑ 5 095	☑ 14 405	☑ 1 800	☑ 1 275	☑ 170
H. Sonum	✓ 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

30

TOTAL
50

QUESTION 3: GENERAL JOURNAL

3.1 GENERAL JOURNAL OF JEVON STORES (Narrations are not required.)									
					Debtors' Control		Creditors' Control		
Date	Details	F	Dr	Cr	Dr	Cr	Dr	Cr	
31	Totals	b/d			825	116	268	384	
1	Bad debts		1 440 ✓✓						
	G. Molefe			1 440✓✓		1 440 <input checked="" type="checkbox"/>			
2	M. Naude (Creditor)		✓280				✓280		
	M. Naude (Debtor)			✓280	✓280	✓280			
3	Drawings		✓1 200						
	Trading Stock			✓1 200					
4	Fixed Deposit: RSA		✓3 000						
	Interest on fixed deposit			✓3 000					
5	G. Levy		✓280		✓280				
	G. Chetty			✓280		✓280			
6	M. Smith		✓✓102		<input checked="" type="checkbox"/> 102				
	Interest receivable			✓✓102					
	Allocate a mark for correct details and amount		Allocate one mark for totals		<input checked="" type="checkbox"/>	1 207	2 116	548	384

TOTAL

23

QUESTION 4: CREDITORS' RECONCILIATION AND INTERNAL CONTROL

4.1.1

GENERAL LEDGER OF BLUE WATER TRADERS

BALANCE SHEET ACCOUNTS SECTION									
CREDITORS' CONTROL									
Mar	31	Bank and discount received	CPJ	✓34 250	Mar	1	Balance	b/d	✓4 380
		Total Returns	CAJ	✓2 108		31	Total 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	1	Balance	b/d	☑9 542

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4.1.2

LIST OF CREDITORS' OF BLUE WATER TRADERS AS AT 31 MARCH 2022

NAME		Credit
PE Traders (3 890✓ – 900✓✓ – 640✓)	One part correct	☑2 350
Together Stores (1 300✓ + 1 480✓)	One part correct	☑2 780
Lindiwe Traders (4 512✓ – 1 480✓)	One part correct	☑3 032
Number One Motors (3 100✓ – 860✓ – 860✓)	One part correct	☑1 380
Frans Distributors (-260✓ + 260✓)		0
	One part correct	☑9 542

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4.2 INTERNAL CONTROL

4.2.1	Provide TWO internal control measures that can be implemented by Lindiwe Traders to manage stock effectively.
	<p>Any two acceptable answers ✓✓ ✓✓ (One mark for partially correct response.)</p> <ul style="list-style-type: none"> • Packaging material must be of good quality. • Check if the stock is in good condition before delivery to customers. • Check if the stock packaged matches the order that was placed by a customer.

4

4.2.2	Suggest the actions that should be taken by Lindiwe Traders to retain (keep) his customers. Provide TWO points.
	<p>Any two acceptable answers ✓✓ ✓✓ (One mark for partially correct response.)</p> <ul style="list-style-type: none"> • Grant a trade discount to Blue Water Traders or cash discount for payments received early. • Keep the customer informed if there are any challenges in terms of delivery of goods.

4

TOTAL

43

QUESTION 5: CONCEPTS, GENERAL LEDGER AND INTERNAL CONTROL

5.1 CONCEPTS

5.1.1	True	✓
5.1.2	False	✓
5.1.3	True	✓
5.1.4	True	✓

4

5.2.1 GENERAL LEDGER ACCOUNTS

GENERAL LEDGER OF SOLLY WHOLESALERS

Dr		DEBTORS' CONTROL										Cr	
May	1	Balance	b/d	24 200	00	May	31	Journal credits	GJ	1 210	00		
	31	Journal debits	GJ	1 460	00			Bank and discount allowed ✓	CRJ	✓4 280	00		
		Sales ✓	DJ	✓12 800	00			Debtors' allowances ✓	DAJ	✓1 200	00		
		Petty Cash ✓	PCJ	✓280	00			Balance	c/d	☑ 32 050	00		
				38 740	00					38 740	00		
Jun	1	Balance	b/d	☑32 050	00								

10

Dr		TRADING STOCK								Cr	
May	1	Balance	b/d	28 300	00	May	31	Donations	GJ	2 400	00
	31	Bank✓	CPJ	✓27 900	00			Cost of Sales✓	DJ	✓6 400	00
		Creditors' Control✓	CJ	✓25 990	00			Cost of Sales✓	CRJ	✓22 000	00
		Cost of Sales✓	DAJ	✓600	00			Creditors' Control✓	CAJ	✓4 800	00
		Petty Cash✓	PCJ	✓380	00			Balance	c/d	☑47 570	00
				83 170	00					83 170	00
Jun	1	Balance	b/d	☑47 570	00						

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Dr		STATIONERY								Cr	
May	1	Total	b/d	4 800	00	May	31	Creditors' Control✓	CAJ	✓175	00
	31	Bank✓	CPJ	✓1 620	00			Total	c/d	☑7 745	00
		Creditors' control✓	CJ	✓1 500	00						
				7 920	00					7 920	00
Jun	1	Total	b/d	☑7 745	00						

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5.2.2 INTERNAL CONTROL

(a)	Explain the meaning of the concept <i>credit term</i> .	
	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

(b)	Provide TWO measures that can be implemented by the business to encourage early payments.	
	Any TWO valid points ✓✓ ✓✓ (One mark for partially correct response.)	
	<ul style="list-style-type: none"> • 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. 	4

TOTAL
44

TOTAL: 200