



education

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Noord-Wes Departement van Onderwys
North West Department of Education
NORTH WEST PROVINCE**

PROVINCIAL ASSESSMENT

GRADE 10

ACCOUNTING P2

NOVEMBER 2019

MARKING GUIDELINES

MARKS: 150

These marking guidelines consist of 8 pages.

QUESTION 1**1.1 VAT**

1.1.1	indirect ✓	
1.1.2	15%. ✓	
1.1.3	output. ✓	
1.1.4	zero-rated ✓	
1.1.5	exempt ✓	
1.1.6	R1 000 000 ✓	
		6

1.2 ETHICS

<p>Comment on the suggestion. Provide TWO points.</p> <p>Any TWO valid points. ✓✓ ✓✓</p> <ul style="list-style-type: none"> • Tax evasion/purchase of stolen goods is illegal/unethical. • Issuing documents is important for internal control processes/It is fraud not to issue an invoice. • Illegal activities can damage the image of a business. • Discount limits must be set by management (otherwise it is fraud). 	4
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TOTAL MARKS
10

QUESTION 2

2.1 Prepare a correct Debtors' Control Account for September 2019 by taking into account errors and omissions. Balance the account.

GENERAL LEDGER OF SUNSHINE TRADERS									
DEBTORS' CONTROL									
Dr					Cr				
2019 Sep	01	Balance (21 370✓ – 530✓)	b/d	20 840☑	2019 Sep	30	Bank and discount allowed	CRJ	24 380✓
	30	Sales	DJ	31 920✓			Debtors' allowances ✓ (980✓ + 160✓)	DAJ	1 140☑
		Bank (R/D)✓	CPJ	600✓			Journal credits	GJ	580✓
		Journal debits (820✓ + 800✓✓)	GJ	1 620☑			Balance	c/d	29 000
		Petty cash✓	PCJ	120✓✓					
				55 100					55 100
2019 Oct	01	Balance	b/d	29 000☑					

20

2.2 Prepare a correct list of debtors as at 30 September 2019.

DEBTOR	Debit	Credit
S Taylor	6 500	
P Africa (7 480✓ – 200✓✓✓)	one part correct 7 280☑	
G Kruger (5 340✓ + 120✓)	one part correct 5 460☑	
M Ahmed (1 890✓ – 90✓✓)	one part correct 1 800☑	
R Dioka	6 760✓	
P Hlapa (–800✓ + 800✓)	one part correct 0☑	
T Makobo (1 800✓ – 300✓ – 300✓) or (1 800✓ – 600✓✓)	one part correct 1 200☑	
	Operation 29 000☑	

21

2.3 Discuss TWO strategies that can be implemented to encourage debtors to pay their accounts on time.

Any TWO valid strategies. ✓✓ ✓✓

- Add interest on overdue accounts.
- Give discount for payment received on time.
- Regularly send out accounts.
- Follow up on overdue accounts.

4

TOTAL MARKS

45

QUESTION 3**3.1 Calculate the depreciation on equipment for the year ended 28 February 2019.**

Old: $R33\ 000 - R14\ 000 \times 10/100 = R1\ 900$ ✓ one part correct

New: $R14\ 000 \times 10/100 \times 6/12 = R\ 700$ ✓ one part correct
 $R2\ 600$ operation one part correct

OR

$33\ 000 - 14\ 000 = 19\ 000 \times 10/100 \times 6/12 = 950$ ✓ one part correct

$33\ 000 \times 10/100 \times 6/12 = 1\ 650$ ✓ one part correct

$950 + 1\ 650 = 2\ 600$ operation one part correct

5

3.2 Calculate the carrying value (book value) of equipment on 28 February 2019.

$R33\ 000$ ✓ ^{R15 100 two marks}
 $-(12\ 500 \text{ ✓} + 2\ 600 \text{ }) = R17\ 900$ one part correct
see 3.1

4

3.3 ASSET REGISTER

ASSET:	CAT Pick-up-Loader	Date Purchased:	1 December 2016
Cost price:	R110 000	Depreciation method	20% p.a. on diminishing balance
RECORD OF DEPRECIATION			
Date	Depreciation	Accumulated Depreciation	Carrying value
28 Feb 2018		26 400	83 600 ✓
28 Feb 2019	16 720 ✓✓	43 120 <input checked="" type="checkbox"/>	66 880 <input checked="" type="checkbox"/>

5

3.4 State ONE reason why the asset register is a valuable tool in asset management.

Any ONE valid reason: ✓✓

- Verification of assets for balance sheet purposes.
- Can physically compare/check asset items to the asset register
- Quick reference of asset item's history when selling it.

2

3.5

State TWO internal control measures that the owner can put in place to reduce the misuse of the delivery vehicle by the driver.

Any TWO valid response: ✓✓ ✓✓

- Install a tracking device.
- Explain the code of conduct to employee(s) and the procedures applicable if the vehicles are misused.
- The driver must complete a logbook of all kilometres travelled.

4

TOTAL MARKS
20

QUESTION 4

4.1 Use the following information to set up the Trading Stock account. Balance the account.

GENERAL LEDGER OF BOOMA TRADERS									
Dr					Cr				
TRADING STOCK									
2019 Mar	1	Balance ✓	b/d	4 500 ✓	2019 Mar	31	Cost of sales ✓	CRJ ✓	900 ✓✓
	31	Bank ✓	CPJ ✓	5 000 ✓		31	Cost of sales ✓	DJ ✓	600 ✓✓
	31	Creditors Control ✓	CJ ✓	1 400 ✓		31	Creditors Control ✓	CAJ ✓	1 000 ✓
						31	Drawings ✓	GJ ✓	2 000 ✓
						31	Balance	c/d	6 400 ✓
				10 900					10 900
April	1	Balance	b/d	6 400 ✓					

24

4.2.1 Provide TWO possible reasons for the difference between these two amounts.

Any TWO relevant reasons: ✓✓ ✓✓ part marks for incomplete answer

- Stock was removed from the storeroom without proper authorisation or documentation/Stock control measures are not effective
- Stock was stolen/Shoplifting
- Stock was ordered and entered from documentation received, but items were not physically received yet on 31 May 2018.

4

4.2.2 The business purchases more on cash than on credit. Proof this statement by giving figures (amounts).

Bank from the CPJ (cash purchases) on the debit side is R5 000, ✓ while Creditors Control from the CJ (credit purchases) is R1 400. ✓

2

TOTAL MARKS
30

QUESTION 5**5.1 MANUFACTURING**

5.1.1	(a)	Prime	✓	
	(b)	Indirect	✓	
	(c)	Fixed	✓	
				3

5.1.2 Calculate the following. Show calculations clearly.

CALCULATIONS	ANSWER	
(i) Direct material cost per kite. $25 ✓ + 5 ✓ + 5 ✓$	R35 ✓ one part correct	4
(ii) Total manufacturing overheads for October. $5\ 000 ✓ + 8\ 000 ✓ + 2\ 500 ✓ + 500 ✓$	R16 000 ✓ one part correct	5
(iii) Total production cost for October 2019 if 2 500 kites were produced. <small>85 two marks</small> $(35 ✓ \text{ see (i) above} + 50 ✓) \times 2\ 500 ✓ = 212\ 500 ✓$ $+ \text{ see (ii) above } \underline{16\ 000 ✓}$	228 500 ✓ one part correct	7
(iv) Unit cost of production. $228\ 500 ✓ \text{ see (iii) above} / 2500 ✓$	91,40 ✓ one part correct	3
(v) What is the percentage profit Dan earned per kite during October 2019, if the kites were sold at R155 each? $\frac{155 ✓ - 91,40 ✓}{91,40 ✓} \times \frac{100}{1}$	69.6% OR 70% ✓ one part correct	4
(vi) Explain the difference between fixed and variable costs. Variable cost vary in direct proportion to the amount of goods produced e.g. raw materials. ✓✓ Fixed cost remain constant irrespective of the amount of goods produced e.g. rent. ✓✓		4

5.2 BUDGETS

5.2.1 What is the aim to prepare a cash budget?

Any relevant reasons: ✓✓

- A financial plan of expected receipts and payments.
- Planning the receipts and payments for a period in the future.
- Assessing expected receipts and payments and managing cash.

2

5.2.2 Name TWO items which will not appear in a cash budget.

Any TWO relevant answers: ✓ ✓

- Depreciation
- Bad debts
- Owner takes trading stock for personal use/Drawings of stock
- Discount allowed
- Discount received

2

5.2.3 If cash sales are 60% of the total sales, calculate the total sales for January.

$$42\,000 \checkmark \times 100 \checkmark / 60 \checkmark = 70\,000 \checkmark \checkmark \text{ one part correct}$$

5

5.2.4 Determine the cash surplus/(deficit) for March.

$$128\,800 \checkmark - 61\,393 \checkmark = 67\,407 \text{ surplus } \checkmark \text{ one part correct}$$

3

5.2.5 Determine the bank balance at the end of March.

$$67\,407 \checkmark \text{ see 5.2.4} + 62\,405 \checkmark = 129\,812 \checkmark \text{ one part correct}$$

3

TOTAL MARKS
45

TOTAL: 150

ANALYSIS GRID

	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 4	LEVEL 5	LEVEL 6
QUESTION	KNOWLEDGE	COMPREHENSION	APPLICATION	ANALYSIS	SYNTHESIS	EVALUATION
1.1.	6					
1.2						4
2.1	4	4		12		
2.2	7		7	7		
2.3		4				
3.1			5			
3.2			4			
3.3					5	
3.4					2	
3.5						4
4.1	4		10		10	
4.2.1						4
4.2.2		2				
5.1.1	3					
5.1.2 (i)			4			
5.1.2 (ii)			5			
5.1.2 (iii)					7	
5.1.2 (iv)			3			
5.1.2 (v)						4
5.1.2 (vi)	4					
5.2.1		2				
5.2.2		2				
5.2.3						5
5.2.4			3			
5.2.5		3				
	28	17	41	19	24	21
MARKS	45		60		45	
%	30		40		30	
REQUIREMENT	30%		40%		30%	