

**GAUTENG DEPARTMENT OF EDUCATION
PROVINCIAL EXAMINATION
NOVEMBER 2018
GRADE 10**

**ACCOUNTING
PAPER 2**

MARKING GUIDELINES

11 pages

GAUTENG DEPARTMENT OF EDUCATION
PROVINCIAL EXAMINATIONACCOUNTING
PAPER 2

MARKING GUIDELINES

QUESTION 1: CONCEPTS, VALUE ADDED TAX AND INVENTORY

1.1 VAT CONCEPTS

1.1.1	False ✓	
1.1.2	True ✓	
1.1.3	False ✓	Accept abbreviations for True or False
1.1.4	False ✓	
1.1.5	True ✓	

5

1.2 VAT CALCULATIONS

No.	Exclusive	VAT	Inclusive
Eg.	R648	R97.20	R745.20
1.2.1	R5 600✓	R840	R6 440
1.2.2	R900✓	R135	R1 035✓
1.2.3	R420	R63✓	R483✓
1.2.4	R2 100	R315✓	R2 415
1.2.5	R640✓	R96✓	R736

8

1.3 INVENTORY

GENERAL LEDGER OF NAIDOO TRADERS									
DR		TRADING STOCK						B4	CR
2018 April	1	Balance	b/d	✓10 000	2018 April	30	Cost of sales✓	CRJ	✓✓7 900
	30	Bank✓	CPJ	✓✓✓ 3610			Cost of sales✓	DJ	✓✓22 100
		Petty cash✓	PCJ	✓47			Creditors' control✓	CAJ	✓1 426
		Creditors' control✓	CJ	✓14 281			Balance	c/d	2 888
		Cost of sales✓	DAJ	✓✓600					
				28 538					28 538
May	1	Balance	b/d	☑ 2 888					

21

34
34

QUESTION 2: CREDITORS' RECONCILIATION AND INTERNAL CONTROL

2.1.1

GENERAL LEDGER OF BAFANA TRADERS
BALANCE SHEET ACCOUNTS SECTION

DR		CREDITORS' CONTROL				B6		CR	
Nov	30	Bank and discount received✓ [32 400✓ + 1 850✓]	CPJ	✓34 250	Nov	1	Balance	b/d	4 380
		Total returns✓	CAJ	✓2 108		30	Total purchases✓ [45 700✓ – 900✓]	CJ	☑44 800
		Journal debits✓ [2 650✓ + 640✓]	GJ	☑3 290			Journal credits✓ [1 290✓ + 260✓]	GJ	☑1 550
		Balance	c/d	11 082					
				50 730					50 730
					Dec	1	Balance	b/d	☑11 082

19

2.1.2 CREDITORS' LIST OF BAFANA TRADERS ON 30 NOVEMBER 2018

NAME	Credit
PP Traders [3 890 – 900✓ – 640✓]	☑2 350
Townsend Stores [1 300✓ + 1 480✓]	✓2 780
Longwitz Traders [4 512✓ – 1 480✓]	✓3 032
Numero Motors [4 640✓ – 860✓ – 860✓]	☑2 920
Fanele Distributors [-260✓ + 260✓]	✓0
	☑11 082

17

2.2.1 What could be the reason for the shortage in stock? Provide ONE reason.

Any one valid reason ✓✓

- Stock bought in the name of the company but not delivered to the premises of the business.
- Stock may have been stolen at the warehouse or at the store.
- Poor record-keeping of damaged stock.

2

2.2.2 Which control procedures should be applied by the business to ensure that stock is safeguarded? Provide TWO points.

Any two valid reasons ✓✓

- Proper authorization on purchases of stock
- Stock delivered should be checked against the delivery note and the purchases ordered.
- The entry into the warehouse or store room should be restricted to specific employees.
- Regular physical stock counts
- Segregation or division of duties (Record-keeping, receiving of goods, ordering of goods should be done by different people.)

4

42

42

QUESTION 3: MANUFACTURING

3.1 MANUFACTURING CONCEPTS

3.1.1	C	✓
3.1.2	D	✓
3.1.3	B	✓
3.1.4	A	✓

4

3.2 MANUFACTURING CALCULATIONS

3.2.1 Calculate the direct material cost.

$$16\ 000 + 5\ 500 + 1\ 100 + 300 + 500 + 600 = 24\ 000 \checkmark \checkmark \checkmark^*$$

* Three figures correct

3

3.2.2 Calculate the direct labour cost.

$$250 \times 40 = 10\ 000 \checkmark \checkmark$$

2

3.2.3 Calculate the prime cost.

$$24\ 000 \checkmark + 10\ 000 \checkmark = 34\ 000 \checkmark$$

one part must be correct or correspond with 3.2.1 and 3.2.2

Check 3.2.1 and 3.2.2

3

3.2.4 Calculate the total production cost.

5

$24\,000 \checkmark + 10\,000 \checkmark + 11\,000 \checkmark + 1\,800 \checkmark = 46\,800 \checkmark$ one part must be correct

Check 3.2.1 and 3.2.2

3.2.5 Calculate the unit cost of ONE table.

3

$46\,800 \checkmark \div 40 \checkmark = 1\,140 \checkmark$ one part must be correct

Check 3.2.4

20

20

QUESTION 4: BUDGETS

4.1 BUDGET CONCEPTS

4.1.1	Budget	✓
4.1.2	Capital Budget	✓
4.1.3	Short –term budget	✓
4.1.4	Tax	✓

4

4.2 CALCULATIONS ON BUDGETS

4.2.1 Calculate the monthly salary received by Jane after deductions.

2

$$150\,000 \div 12 = 12\,500 \checkmark \checkmark$$

4.2.2 Calculate the total income that will be received by Jane in December.

3

$$12\,500 \checkmark + 13\,000 \checkmark = 25\,500 \checkmark \text{ one part must be correct}$$

Check 4.2.1

4.2.3 Calculate Jane's monthly expenses.

3

$$3\,100 + 250 + 300 + 2\,200 + 700 + 800 + 750 + 400 + 1\,800 + 1\,200 = 11\,500 \checkmark \checkmark \checkmark$$

* if 5 figures are correct

4.2.4 Calculate the amount of money that Jane needs to save on a monthly basis.

3

12 500 ✓ - 11 500 * = 1 000 **One part correct**

* check 4.2.3

4.2.5 Will Jane have saved enough money, including her annual bonus, to pay for her holiday in January 2019? Support your answer with a calculation. Indicate the deficit / shortfall or surplus.

8

$(1\,000 \times 12 \times 90\%) \checkmark \checkmark^* + 13\,000 \checkmark = 23\,800 \checkmark$
10 800

* two parts correct

Deficit or Shortfall

$R26\,000 \checkmark - 23\,800 \checkmark \# = R2\,200 \checkmark$ **One part correct**

Check calculation above

shortfall ✓

4.2.6 Referring to her monthly expenses below, which TWO expenses could she cut back on in order to increase her monthly savings?

2

Any valid two , ✓ one mark for each

- Cell phone
- Clothing accounts
- Entertainment

25

25

QUESTION 5 : FIXED ASSETS AND INTERNAL CONTROL

5.1.1

NOTE 3: FIXED / TANGIBLE ASSETS			
	LAND AND BUILDINGS	VEHICLES	EQUIPMENT
Carry value @ the beginning of the year	✓450 000	✓71 500	☑17 820
Cost	450 000	✓130 000	✓✓30 900
Accumulated depreciation	-	(58 500)	✓ (13 080)
MOVEMENTS			
Additions at cost			✓12 000
Depreciation	-	✓☑* (26 000)	☑* (3 123)
Carry value @ the end of the year	✓450 000	☑ 45 500	☑ 26 697
Cost	✓450 000	130 000	✓✓42 900
Accumulated depreciation	-	✓☑# (84 500)	✓☑# (16 203)

21

*See calculations below

☑# Figure must be greater than depreciation at the beginning of year.

CALCULATIONS:

VEHICLES
$130\,000 \times 20\% \times 12/12 = 26\,000$

EQUIPMENT
OLD: $30\,900 - 13\,080 = 17\,820 \times 15\% \times 12/12 = 2\,673 \checkmark \checkmark$
NEW: $12\,000 \times 15\% \times 3/12 = 450 \checkmark$
OLD + NEW: $(2\,673 + 450 = 3\,123)$

3

5.1.2 According to which GAAP principle should all assets bought be recorded at the original cost price?	
<ul style="list-style-type: none"> • Historical cost concept ✓ 	1

5.2 INTERNAL CONTROL

As an internal auditor of Bekezela Traders what advice would you give to the owner of business? Provide TWO points.	
<p>Any two valid points ✓✓ ✓✓</p> <ul style="list-style-type: none"> • Install tracking device or cameras in the trucks. • Get quotations from different insurance companies. • Proper screening of employees is essential / Background check on potential employees. <p>One mark for partly answered questions</p>	4

29
29

TOTAL
150
150