



Education

KwaZulu-Natal Department of Education
REPUBLIC OF SOUTH AFRICA

ACCOUNTING

JUNE 2017

COMMON TEST

**NATIONAL
SENIOR CERTIFICATE**

GRADE 10

MARKS: 200

TIME : 2 hours

**N.B. This paper consists of 9 pages and
an answer booklet of 6 pages.**

INSTRUCTIONS AND INFORMATION

1. You are provided with a question paper and an ANSWER BOOKLET in which to answer ALL questions.
2. This question paper comprises FOUR compulsory questions. Answer ALL the questions.
3. Use the format provided in the answer book in order to reflect your answers.
4. Where applicable-workings must be shown in order to achieve part-marks.
5. Non-programmable calculators may be used.
6. You may use dark pencil or blue/black ink to answer the questions.
7. Use the information in the table, below, as a guide when answering the question paper. Try NOT to deviate from it.

QUESTION 1		(72 Marks; 44 Minutes)	
Topic of the question		This question integrates:	
Salaries And Wages		Financial accounting <ul style="list-style-type: none"> • Salaries Journal • Analysis of wages transactions • Concepts Managing resources <ul style="list-style-type: none"> • Internal controls 	
QUESTION 2		(22 Marks; 13 Minutes)	
Topic of the question		This question integrates:	
Value Added Tax		Managing resources <ul style="list-style-type: none"> • Ethics Financial accounting <ul style="list-style-type: none"> • Concepts 	
QUESTION 3		(79 Marks; 47 Minutes)	
Topic of the question		This question integrates:	
SOLE TRADER Final Ledger Accounts		Financial accounting <ul style="list-style-type: none"> • Capital account • Trading Account • Profit and loss account 	
QUESTION 4		(27 Marks; 16 Minutes)	
Topic of the question		This question integrates:	
Problem Solving, Internal Control and Ethics		Managing resources <ul style="list-style-type: none"> • Ethics and Problem Solving Financial accounting <ul style="list-style-type: none"> • Calculating Cost 	

QUESTION 1**(72 Marks; 44 Minutes)****SALARIES JOURNAL****1.1. SALARIES JOURNAL**

You are provided with information related to Nhlanhleni Traders for June 2017.

REQUIRED:

1.1.1. Complete the salaries journal for the month ending 30 June 2017. (45)

1.1.2. You have been appointed as an internal auditor of the business. What concern would you have with regards to salaries and give ONE point of advice. (5)

INFORMATION:

Nhlanhleni Traders employs three salaried workers (Thuly Vilakazi, Themba Mbhele and Shukela Gumede) who are paid on a monthly basis. They are remunerated as follows:

Basic salary	Overtime	Sundays/ Public holidays
160 hours per month @ R 80 per hour	20 hours per month @ R 120 per hour	25 hours per month @ R 150 per hour.

The three workers worked the following number of hours:

Employee	Hours worked
Thuly Vilakazi	160 hours basic hours, 20 hours overtime
Themba Mbhele	160 hours basic hours, 20 hours overtime, 25 hours Sundays
Shukela Gumede	160 hours basic hours, 25 hours Sundays

The following deductions must be taken into account per month:

- The PAYE is calculated at 22 % of gross salaries.
- Medical aid is R 900 per month. The business contributes R 2,50 for every R 1, 00 deducted from the employee.
- The UIF is 1% of basic salary for each employee, the business contributes R 1, 00 for every R 1, 00 deducted from employee.
- Pension fund deduction is at 7,5% of normal basic salary. Pension fund contribution is 10,5% of basic salary.

1.2. WAGES JOURNAL – TRANSACTIONS ANALYSIS

You are provided with information taken from Dwaleni Traders.

REQUIRED:

Analyse the following transactions according to the example given. Assume the bank has favourable balance at all times.

(22)

Example:

- Bought merchandise on credit R 26 500.

NO	General Ledger		AMOUNT	A	O	L
	Account DR	Account CR				
E.g.	Trading stock	Creditors control	26 500	+	0	+

TRANSACTIONS:

- The following appears in the wages journal of Dwaleni Traders for the week ending 15 June 2017.

N.B: analyse transaction for net wages, deductions and contributions.

Gross wages	99 500
Deductions	
Pension fund	11 800
PAYE	29 850
Employers contribution	
Pension fund contribution – 150% of employees deductions	R

QUESTION 2**(22 Marks; 13 Minutes)**

Value Added Tax

2.1 VAT

2.1.1 What does VAT stand for? (2)

2.1.2 What is the current VAT rate in South Africa? (2)

2.1.3. What is the rate of VAT charged on the price of brown bread? (2)

2.1.4 Complete the following table in respect of VAT:

Taxes paid by	Type of taxation	Direct or indirect taxation	Taxes paid on
Employees	A	Direct	B
C	VAT	D	Goods/expenses/services

(8)

2.1.5 A Shady, owner of Shady Stores, is not registered for VAT. However, he charges VAT to all his customers and he does not pay the VAT over to SARS. Comment on his practice and state what consequences he could be faced with if he is reported to SARS.

(8)

QUESTION 3**(79 Marks; 47 Minutes)****SOLE TRADER: FINAL LEDGER ACCOUNTS****REQUIRED:**

- 3.1. Calculate the Capital Balance at the end of the year 2017. (7)
- 3.2. Trading Account (14)
- 3.3. Profit and Loss Account (58)

Information:

The following information is related to Pongola Traders. Their financial year ends on 28 February each year. The business is owned by Gugu Mamba.

Pre-adjustment trial balance of Pongola Traders on 28 February 2017

BALANCE SHEET ACCOUNTS SECTION	Debit	Credit
Capital		435 875
Drawings	17 685	
Land and building	456 862	
Vehicles	367 200	
Accumulated depreciation vehicles		62 400
Equipment	88 000	
Accumulated depreciation equipment		54 660
Fixed Deposit : AFM Bank	18 750	
Loan: CAPS Bank (12% p.a.)		103 500
Trading stock	34 650	
Debtors' control	29 460	
Creditors' control		21 435
Bank overdraft		52 550
Cash float	750	
NOMINAL ACCOUNTS SECTION		
Sales		679 200
Cost of sales	346 350	
Debtors' allowances	1 875	
Salaries and wages	54 000	
Rent Income		40 000
Bad debts recovered		16 335
Insurance	10 128	
Bad debts	975	
Stationery	8 400	
Water and Electricity	4 395	
Discount allowed	675	
Interest on overdraft	2 250	
Interest on fixed deposit		12 300
Depreciation	16 020	
Discount received		270
	1 468 475	1 468 475

Additional information and adjustments

1. A debtor returned damaged goods for R 2 400 on 28 February 2017, these goods were sold at 80% of normal selling price and this was not recorded. The mark up on these goods was 50% on cost.
2. After a physical stocktaking, the following stock was on hand on 28 February 2017:
 - Trading inventory R 33 600
 - Stationery R 270
 - The owner took stationery for R 500 before the stock taking for personal use. No entry has been made.
3. The rent for March has been received in advance and recorded.
NB: The rent increased by R 200 on 1 November 2016.
4. The salary of an employee, was not processed for the month of February 2017. Use the details provided and make the necessary entries to process her salary.

Gross Salary	R 18 000
PAYE	10% of gross salary
Pension Fund	R 720
Medical Aid	R 1 200 per month
UIF	1% of gross salary

The business contributes toward UIF and Pension Fund on a Rand for Rand basis. The contributions are debited to salaries and wages account.

5. The insurance amount includes an annual payment of R6 300 that was paid on 1 October 2016 for the period 1 October 2016 to 30 September 2017.
6. The water and electricity amount of R465 is still owing.
7. A debtor J Black, was declared insolvent. A dividend of 40 cents in the rand for R 900 was received and recorded, the rest must be written off as irrecoverable.
8. An amount of R1 500 was received from a debtor whose account was previously written off.
9. The bank statement was received after the trial balance was drawn up. The following items still need to be recorded
 - Bank charges R 540
 - Interest on overdraft R 2 750
10. The business sells items on a commission basis. Commission totaling R12 000 for sales made during February is still due to the business.

11. The loan Statement from CAPS Bank showed the following
- Balance on 28 Feb 2016 R 125 340
 - Repayments R 25 000
- The Bank capitalizes the interest each month.
12. A new vehicle costing R 160 200 was bought on 1 November 2016. The entry has been properly recorded.
13. Depreciation should be calculated as follows:
- Equipment at 15% per annum on cost price method
 - Vehicles at 10% per annum on diminishing balance method, the bookkeeper had already calculated the depreciation on the new vehicle but erroneously calculated it for the whole year. Correct the error.

QUESTION 4**(27 Marks; 16 Minutes)****PROBLEM SOLVING INTERNAL CONTROL AND ETHICS****4.1. PROBLEM SOLVING AND COST CALCULATIONS****REQUIRED:**

- 4.1.1. Calculate the amounts denoted by letters **A – F**. (18)
- 4.1.2. Consider the information provided on 30 June 2017. Identify **ONE** problem per taxi. Quote figures to support your opinion. Give **ONE** point of advice in each case. (9)

INFORMATION:

Vusi Ngobese run a taxi business called Gatsheni Taxi Service at eBhubesini. He is concerned that his income from taxi fares has not met his budget of R 2 000 000. And that the fuel cost and repair costs have exceeded his budget of R 950 000.

They have extracted the following information from the Ledger, the Fixed Assets Register and other records on 30 June 2017, the last day of the financial year.

Details	NTU 1111	NTU 1583	NTU 1754
Name of the Driver	<i>Lekota</i>	<i>Mandla</i>	<i>Mageza</i>
Date of purchase	1 July 2008	1 July 2015	1 July 2016
Cost of Vehicle	R 75 000	A	R 360 000
Accumulated Depreciation	B	R 123 000	R 72 000
Carrying Value	R 1	R 82 000	C
Amount of Income cashed	R 1 080 000	R 288 000	R 306 000
Kilometers covered during the year	D	70 000 KM	34 000 KM
Fuel and repair costs for the year	R 732 000	R 336 000	E
Fuel and repair cost per kilometer	R 6.10	F	R 4.70

Total Marks: 200





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REPUBLIC OF SOUTH AFRICA

ACCOUNTING
ANSWER BOOK
JUNE 2017
COMMON TEST

**NATIONAL
SENIOR CERTIFICATE**

GRADE 10

Name: _____ Grade: _____

Question	Topic	Learners Mark	Moderators Mark
1	Salaries and Wages		
2	Value Added Tax		
3	Final Ledger Accounts		
4	Problem Solving and Internal controls		
	TOTAL		

N.B. This answer book consists of 6 pages.

QUESTION 1**1.1.1. SALARIES JOURNAL****SALARIES JOURNAL OF NHLANHLENI TRADERS ON 30 JUNE 2017**

Employee	Basic Salary	Overtime	Gross Salary
	Amount	Amount	Amount

Employee	Deductions					Net Salary
	Medical Aid Fund	Pension Fund	UIF	PAYE	Total	

Employee	Contributions			Total
	Medical Aid Fund	Pension Fund	UIF	

1.1.2. You have been appointed as an internal auditor of the business. What concern would you have with regards to salaries and give ONE point of advice. (5)

Concern:

Advice:

1.2. ANALYSIS OF TRANSACTIONS AND EFFECTS IN THE ACCOUNTING EQUATION

NO	General Ledger		AMOUNT	A	O	L
	Account DR	Account CR				
E.g.	Trading stock	Creditors control	26 500	+	0	+

QUESTION 2

2.1.

2.1.1	
2.1.2	
2.1.3	
2.1.4	(A)
	(B)
	(C)
	(D)

2.1.5. A Shady, owner of Shady Stores, is not registered for VAT. However, he charges VAT to all his customers and he does not pay the VAT over to SARS. Comment on his practice and state what consequences he could be faced with if he is reported to SARS. (8)

Comment:

Consequences:

QUESTION 4**4.1.1**

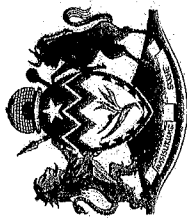
A	
B	
C	
D	
E	
F	

4.1.2

4.1.2. Consider the information provided on 30 June 201. Identify ONE problem per taxi. Quote figures to support your opinion. Give ONE point of advice in each case. (9)

	Problem with figures	Advice
NTU 1111 Lekota		
NTU 1583 Mandla		
NTU 1754 Mageza		

27



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ACCOUNTING
MARKING GUIDELINE

JUNE 2017

NATIONAL
SENIOR CERTIFICATE

GRADE 10

MARKS: 200

MARKING PRINCIPLES:

- 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.
- Full marks for correct answer. If answer incorrect, mark the workings provided.
- 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).
- 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.
- Where indicated, part-marks may be awarded to differentiate between differing qualities of answers from candidates.
- Where penalties are applied, the marks for that section of the question cannot be a final negative.
- Where method marks are awarded for operation, the marker must inspect the reasonableness of the answer and at least one part must be correct before awarding the mark.
- Operation means 'Check operation'. 'One part correct' means 'Operation & one part correct'.
- Note: Check operation means must be +, -, x, or ÷ per memo, but some items can be + or - such as stock deficit.
- Be aware of candidates who provide valid alternatives beyond the marking guideline.

This marking guideline consists of 6 pages.

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QUESTION 1

1.1.1. SALARIES JOURNAL

SALARIES JOURNAL OF NHLANHLENI TRADERS ON 30 JUNE 2017

Employee	Basic Salary		Overtime		Gross Salary	
	Amount	✓✓	Amount	✓✓	Amount	✓✓
Thuly Vilakazi	12 800	✓✓	2 400	✓✓	15 200	✓✓
Themba Mbhele	12 800	✓✓	6 150	✓✓	18 950	✓✓
Shukela Gumede	12 800	✓✓	3 750	✓✓	16 550	✓✓

Employee	Deductions			PAYE	Total	Net Salary				
	Medical Aid Fund	Pension Fund	UIF							
Thuly Vilakazi	900	✓	960	✓	128	✓	5 332	✓	9 868	✓
Themba Mbhele	900	✓	960	✓	128	✓	4 169	✓	12 793	✓
Shukela Gumede	900	✓	960	✓	128	✓	3 641	✓	5 629	✓

Employee	Contributions			Total				
	Medical Aid Fund	Pension Fund	UIF					
Thuly Vilakazi	2 250	✓	1 344	✓	128	✓	3 722	✓
Themba Mbhele	2 250	✓	1 344	✓	128	✓	3 722	✓
Shukela Gumede	2 250	✓	1 344	✓	128	✓	3 722	✓

1.1.2. You have been appointed as an internal auditor of the business. What concern would you have with regards to salaries and give ONE point of advice. (45)

Concern: One valid explanation ✓✓✓

Workers may abuse working overtime and working on Sundays for better pay month end.

Advice: Must be related to concern above. ✓✓

Strictly monitor and supervise working during normal working hours.

(5)

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ANALYSIS OF TRANSACTIONS AND EFFECTS IN THE ACCOUNTING EQUATION

1.2.

Account DR	General Ledger	Account CR	AMOUNT	A	O	L
Shady Stores			29 850			
Wages ✓		Creditors for wages ✓	57 850 ✓ ✓	0	- ✓	+ ✓
Wages ✓		Pension Fund ✓	11 800 ✓	0	- ✓	+ ✓
Wages ✓		SARS(PAYE) ✓	29 850 ✓	0	- ✓	+ ✓
Pension Fund Contribution ✓		Pension Fund ✓	17 700 ✓ ✓	0	- ✓	+ ✓

QUESTION 2

2.1.

2.1.1	Value Added Tax ✓ ✓	(2)
2.1.2	14% ✓ ✓	(2)
2.1.3	0% or Zero ✓ ✓	(2)
2.1.4	(A) – PAYE ✓ ✓ (B) – Salaries or Wages ✓ ✓ (C) – All Individuals or Businesses ✓ ✓ (D) – Indirect ✓ ✓	(8)

2.1.5. A Shady, owner of Shady Stores, is not registered for VAT. However, he charges VAT to all his customers and he does not pay the VAT over to SARS. Comment on his practice and state what consequences he could be faced with if he is reported to SARS. (8)

Comment: One valid explanation ✓ ✓ ✓ ✓ ✓

This practice is unethical since his business is not a registered vendor.

Comments for two marks
Unethical / illegal

Consequences: One valid explanation ✓ ✓ ✓ ✓ ✓

Shady and his business may face charges for fraud by SARS.

Consequences for two marks
Arrested/ charged/ jailed

22	
22	

72	
72	

QUESTION 3

3.1. Calculate the Capital balance at the end 2017		(7)
Balance at the beginning of the year		435 875✓
Add: Net profit as per profit and loss account		270 187✓
Less: Drawings (17 685✓+500✓)		(18 185)✓
Balance at the end of the year		687 877✓

GENERAL LEDGER OF PONGOLA TRADERS ON 29 FEBRUARY 2017

3.2. TRADING ACCOUNT		2017		
	Feb	28	Sales ✓	
Cost of sales ✓		344 350✓	(679 200✓-1 875✓-2 400✓)	674 925✓
Profit and Loss✓		330 575✓		
		674 925		674 925

3.3. PROFIT AND LOSS ACCOUNT		2017		
	Feb	28	Trading account✓	
Salaries and wage (54 000✓+18 000✓+720✓+180✓)		72 900✓		330 575✓
Bad debts (975✓+1 350✓)		2 325✓	Rent (40 000✓-3 200✓)	36 800✓
Stationery (8 400✓-270✓-500✓)		7 630✓	Bad debts recovered (16 335✓+1 500✓)	17 835✓
Water and electricity (4 395✓+465✓)		4 860✓	Interest on fixed deposit	12 300✓
Discount allowed		675✓	Discount received	270✓
Trading stock deficit (34 650✓+2 000✓-33 600✓)		3 050✓	Commission income	12 000✓
Interest on overdraft (2 250✓+2 750✓)		5 000✓		
Depreciation (16 020✓-10 680✓+14 460✓+13 200✓) 5 340 three marks		33 000✓		
Bank charges		5 40✓		
Interest on loan (103 500✓+25 000✓-125 340✓)		3 160✓		
Insurance (10 128✓-3 675✓)		6 453✓		
Capital account✓		270 187✓		409 780
		409 780		409 780

79
79

QUESTION 4

4.1.1

A	R 123 000✓ + R 82 000✓	R 205 000✓
B	R 75 000✓ - R1,00✓	R 74 999 ✓
C	R 360 000✓ - R 72 000✓	R 288 000✓
D	R 732 000✓ / R 6,10✓	120 000km✓
E	34 000km✓ x R 4,70✓	R 159 800✓
F	R 336 000✓ / 70 000km✓	R 4,80✓

4.1.2

4.1.2. Consider the information provided on 30 June 201. Identify ONE problem per taxi. Quote figures to support your opinion. Give ONE point of advice in each case. (9)

	Problem with figures ✓	Advice ✓
NTU 1111 Lekota	High running cost R 6,10 Vehicle too old carrying value R1,00	Buy new vehicle Swap the cars and give it to Mageza
NTU 1583 Mandla	Possibility that driver Mandla is stealing cash R288 000 cashed. Less than other drivers	Supervise / monitor the driver closely Appoint drivers assistant
NTU 1754 Mageza	Mageza is lazy driver only 34 000km travelled	Swap the cars and give it to Lekota Pay drivers in a form of commission

27
27

