



education

Department:
Education
North West Provincial Government
REPUBLIC OF SOUTH AFRICA

PROVINCIAL ASSESSMENT

GRADE 10

ACCOUNTING
JUNE 2024

MARKS: 200

TIME: 2½ hours

**This question paper consists of 11 pages, a formula sheet
and a 11-page answer book.**

INSTRUCTIONS AND INFORMATION

Read the following instructions carefully and follow them precisely.

1. Answer ALL the 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. You may use it if necessary.
4. Show ALL workings to earn part-marks.
5. You may use a non-programmable calculator.
6. You may use a dark pencil or blue/black ink to answer questions.
7. Where applicable, show ALL calculations to ONE decimal point.
8. Write neatly and legibly.
9. Use the information in the table below as a guide when answering the question paper. Try NOT to deviate from it.

QUESTION	TOPIC	MARKS	MINUTES
1	GAAP	5	4
2	Journals & Internal controls	70	52
3	Ledgers	38	28
4	Salaries and Wages	26	20
5	Final accounts	15	11
6	Reconciliation and Transaction analysis	46	35
TOTAL		200	150

QUESTION 1: GAAP**(5 marks; 4 minutes)**

Match the description in column A with the word in column B. Write down only the letter from column B next to the number on the answer sheet.

Column A		Column B	
1.1	Land and buildings are shown in the Financial records at cost price (R 500 000) even though the market price of the property is R1 000 000.	A	Business entity concept
		B	Matching
1.2	Interest on overdraft is shown in a separate account in the General Ledger.	C	Going concern
1.3	The telephone account of the owner, that is paid by the business, is allocated to the drawings account.	D	Prudence
1.4	Assets and Liabilities are not over- or understated in the financial records of the business.	E	Historical cost
1.5	Credit sales are recorded on the day it happened and not on the day the debtor settles the account.	F	Materiality

QUESTION 2: JOURNALS AND INTERNAL CONTROLS (70 marks; 52 minutes)**ALPHA TRADERS**

The following information was extracted from the financial information of Alpha Trades for the month ended 30 April 2024.

REQUIRED:

- 2.1 Use the information from the given transactions to complete the following journals for the month ended 30 April 2024. **Do not total the journals.**

Debtors Journal	(5)
Debtors Allowance Journal	(6)
Cash Receipts Journal	(25)
Cash Payments Journal	(16)
Creditors Journal	(7)
Creditors Allowance Journal	(2)
Petty Cash Journal	(5)

- 2.2 Name and describe **TWO** internal controls for Cash Receipts. (4)

INFORMATION:

The business buy and sell goods for cash and on credit. All goods are sold at cost plus 25% mark-up.

Transactions for April 2024:

- 1 The owner, Mr F Alpha, contributed a further R50 000 as capital by making a direct deposit into the bank account of the business. Issued receipt 20.
- 3 Bought merchandise per EFT9 from Abdul Wholesalers, R9 145.
Paid Stofile Transport per EFT for the delivery of the merchandise, R500.
- 5 Cash sales for the week were banked R12 500. (CRR5)
Issued invoice no 60 to S Botha for goods sold on credit to him, R6 250.
Cost of sales R5 000.
- 12 Bought merchandise, R15 000 and stationery on credit from All Suppliers and received their invoice for R16 500. Renummer the invoice to no 47.
- 14 Receive R2 000 from N Themba, a debtor, as part payment on his account. Issued a receipt to him.

Rent was R3 000 per month but increased with 12% as from 1 April 2024. Issued a receipt to B Zulu for April's rent.

- 15 Draw cash for the following: R1 500 for Cash float and R500 for the owner's personal use.
- 16 M. Manning settled his account of R2 650. A receipt was issued and a discount of 10% was allowed for early payment.
- 19 Goods sold for cash as per cash register roll 6, R8 765 (Cost price R7 012)
- 21 Bought stationery with cash from the Petty Cash, R50. Petty Cash voucher 20 was completed.
- 22 A Fixed deposit of R20 000 at Invest Bank matured. Received R20 850. This amount includes interest on the fixed deposit.
- 23 Sold trading stock with a cost price of R3 640 on account to G Simenya. An invoice was issued.
- 24 Made an EFT payment of R2 800 to settle the account of AB Suppliers after a discount was received of R200.
- 25 Postage was paid on behalf of a debtor with money from the Petty Cash, R100.
- 26 Bought the following on account from Office Suppliers, Desk and chair, R4 500 and Stationery, R850.
- S Botha returned some of the goods sold to him with a selling price of R250. Credit note 15 was issued to him.
- 27 Returned some of the merchandise to All Suppliers that was damaged on delivery, R1 750. Debit note no 54 was issued.
- 28 G Simenya complained about the quality of the trading stock received. An allowance of R600 was granted to him.
- 30 Made an EFT payment to West Bank for R5 200. This was an instalment on the loan.

QUESTION 3: LEDGERS**(38 marks; 28 minutes)****3.1 DEBTORS LEDGER****REQUIRED:**

Complete the account of L Martino in the Debtors Ledger of Horseshoe Stores for May 2024. (12)

TRANSACTIONS:

1. Balance brought down from April 2024 R 2 680.
5. Received an EFT payment from L Martino for R2 600 in full settlement of his account as on 1 May 2024. Receipt no. 800 was issued to him.
7. Issued invoice no. 500 for goods sold on credit to L Martino for R1 500. Cost of sales R 750.
10. Cash sales to L Martino for R500 per Cash Register Roll 8.
14. Issued invoice no. 516 to L Martino for credit sales to him R1 050.
15. Credit note no. 10 was issued to L Martino for goods returned by him with a cost price of R200 and a selling price of R400.

3.2 GENERAL LEDGER**REQUIRED:**

Supply the missing details indicated with (A to N) in the accounts below. The business uses a 50% mark-up on cost price. (26)

GENERAL LEDGER OF FOR YOU TRADERS
BALANCE SHEET ACCOUNTS

Dr		TRADING STOCK				B7		Cr	
2024					2024				
May	1	Balance	b/d	53 762	May	31	(A)	CRJ	(B)
	31	Creditors control	CJ	19 260			Cost of Sales	(E)	(F)
		Bank	CPJ	9 560			(G)	CAJ	270
		Cost of Sales	(C)	(D)			Balance	c/d	
				82 722					82 722
June	1	Balance	b/d						
Dr		DEBTORS CONTROL				B8		Cr	
2024					2024				
May	1	Balance	b/d	8 610	May	31	Bank & discount allowed	CRJ	10 720
	31	Sales	DJ	11 415			(H)	DAJ	210
							Balance	c/d	9 095
				20 025					20 025
June	1	Balance	b/d	9 095					
Dr		CREDITORS CONTROL				B9		Cr	
2024					2024				
May	1	Bank & discount received	CPJ	26 400	May	1	Balance	b/d	17 410
	31	(I)	CAJ	270		31	(J)	CJ	19 260
		Balance	c/d	(K)					
					June	1	Balance	b/d	(K)
<u>NOMINAL ACCOUNTS</u>									
Dr		SALES				N1		Cr	
					2024				
					May	1	Total	b/d	110 525
						31	Bank	(M)	12 345
							(L)	DJ	(N)
Dr		COST OF SALES				N2		Cr	
2024					2024				
May	1	Total	b/d	73 300	May	31	Trading stock	DAJ	****
	31	Trading stock	CRJ	*****					
		Trading stock	DJ	7 610					

QUESTION 4: SALARIES AND WAGES (26 marks; 20 minutes)**4.1 SALARIES JOURNAL**

An employee, M Mathaba, was left off the Salaries Journal of **XY STORES** for February 2024.

REQUIRED:

Complete the salaries journal by entering the following information. (10)

INFORMATION:

M Mathaba earns a gross salary of R15 000. The following amounts are deducted from his salary: PAYE R950 and Pension Fund R1 125.

The compulsory UIF deduction is 1% of Gross salary. The business contributes on a Rand for Rand basis towards the Pension Fund and UIF.

4.2 GENERAL LEDGER

The following information was extracted from the accounting records of **GOOD QUALITY CLOTHING STORE** for the week ended 21 October 2023.

REQUIRED:

4.2.1. Complete the General Ledger with the totals from the Wages Journal for the week ended 21 October 2023. (12)

4.2.2. Name and describe **TWO** internal controls that the business can put in place to prevent fake employees to be created on the payroll system. (4)

INFORMATION:

Wages Journal of Good Quality Clothing Store for the week ended 21 October 2023.

Earnings per time		Gross Wage	Deductions				Nett Wage	Contributions	
Normal	Overtime		PAYE	Medical Aid	Pension Fund	UIF		Medical Aid	UIF
3 000	2 500	5 500	150	280	150	50	4 870	160	50

QUESTION 5: FINAL ACCOUNTS**(15 marks; 11 minutes)**

The following information was extracted from the accounting records of JK Trades.

REQUIRED:

Complete the Profit and Loss account in the General Ledger of JK Traders on 28 February 2024.

INFORMATION:

Extract from the Post Adjustment trial balance as on 28 February 2024.

Nominal accounts			
Sales	N1		268 400
Cost of Sales	N2	90 000	
Debtors allowance	N3	2 000	
Salaries & Wages	N4	59 000	
Bad debts	N5	2 800	
Advertising	N6	4 560	
Repairs	N7	11 900	
Depreciation	N8	3 590	
Telephone	N9	6 770	
Insurance	N10	6 790	
Rent income	N11		26 000
Interest income	N12		5 680

15

QUESTION 6: RECONCILIATION AND TRANSACTION ANALYSIS**(46 marks; 35 minutes)****6.1 TRANSACTION ANALYSIS****REQUIRED:**

Analyse each of the transactions below and indicate the effect on the Accounting Equation. Answer each question **INDEPENDENTLY** from the others. Assume that the Bank account balance is favourable. (29)

TRANSACTIONS:

- (i) Write off the account of a debtor as irrecoverable, R850.
- (ii) ABD Suppliers charged our account with interest, R50.
- (iii) Repairs of R20 000 was debited to the Land and Buildings account. Correct the error.
- (iv) Made an EFT payment to a creditor, R8 540
- (v) Credit sales to W Coetzee, R600 (Cost of sales R300)

6.2 RECONCILIATION

The inexperienced bookkeeper of WME Traders drew up the Debtors control account for the month ended April 2024. The owner approached you to help to correct the account.

REQUIRED:

Draw up the corrected Debtors control account in the books of WME Traders for the month ended 30 April 2024. Balance the account at the end of the month (17)

INFORMATION:

Dr		DEBTORS CONTROL				B5		Cr	
2024 April	1	Balance	b/d	12 895	2024 April	30	Sales	DJ	15 750
	30	Petty Cash	PCJ	250			Bank and discount allowed	CRJ	11 560
		Debtors Allowance	DAJ	1 155					
		Balance	c/d	13 010					
				27 310					27 310
					May	1	Balance	b/d	13 010

The following errors were found:

- Some of the journals was transferred to the wrong side of the control account.
- The sales column in the Debtors Journal was under cast by R1 000.
- A debtor who paid R800 to settle his debt of R820, was omitted from the Cash Receipts Journal.
- The correct total of the Debtors Allowance column in the Debtors Allowance Journal was R1 550.

GRADE 10 ACCOUNTING FINANCIAL INDICATOR FORMULA SHEET		
$\frac{\text{Gross profit}}{\text{Sales}} \times \frac{100}{1}$	$\frac{\text{Gross profit}}{\text{Cost of sales}} \times \frac{100}{1}$	$\frac{\text{Net profit}}{\text{Sales}} \times \frac{100}{1}$
$\frac{\text{Operating expenses}}{\text{Sales}} \times \frac{100}{1}$	$\frac{\text{Operating profit}}{\text{Sales}} \times \frac{100}{1}$	
Current assets : Current liabilities	(Current assets – Inventories) : Current liabilities	
(Trade and other receivables + Cash and cash equivalents) : Current liabilities		
$\frac{\text{Net profit}}{\text{Owner's equity}} \times \frac{100}{1}$	Total assets : Total liabilities	