GAUTENG PROVINCE
EDUCATION
REPUBLIC OF SOUTH AFRICA

PROVINCIAL EXAMINATION

JUNE 2024

GRADE 10

ACCOUNTING

MARKS: 2½ hours

MARKS: 200

10 pages including a formula sheet + an answer book of 11 pages

INSTRUCTIONS

1. Answer ALL the questions.

2. A special ANSWER BOOK is provided in which all questions are to be answered.

3. Show ALL workings to earn part marks.

4. Where applicable, round all calculations off to the nearest rand. All other calculations to be rounded to one decimal place.
5. Read the instructions of each question carefully and follow them precisely.

7. Non-programmable calculators may be used.

8. All answers must be written in black or blue ink.

9. Use the information in the table as a guide when answering the question paper. Try not to deviate from it.

Question	Topic	Marks	Time
1	Concepts and Analysis of Transactions	45	35 minutes
2	General Ledger	50	40 minutes
3	General Journal	30	20 minutes
4	Creditors' Reconciliation	35	25 minutes
5	Concepts and Salaries	40	30 minutes
	Total	**200**	**150 minutes**

QUESTION 1: CONCEPTS AND ANALYSIS OF TRANSACTIONS (45 marks: 35 minutes)

1.1 **CONCEPTS**

Match the principle in Column A with the example that best describes it in Column B. Write only the letter (A – E) next to the question number (1.1.1 – 1.1.4) in your ANSWER BOOK.

COLUMN A		**COLUMN B**	
1.1.1	Fixed deposit	A	A small cash amount kept in a lockable ‘money box’ for making small payments.
1.1.2	Internal controls	B	A facility granted by the bank to borrow funds. The funds borrowed are owed to the bank.
1.1.3	Petty cash	C	Money that is invested with a financial institution for a certain period of time.
1.1.4	Bank overdraft	D	Cash kept in the cash register.
		E	Measures put in place to ensure the smooth running of the business.

(4)

1.2 **ANALYSIS OF TRANSACTIONS**

Analyse the following transactions according to the headings provided in the ANSWER BOOK. The business uses a mark-up of 75% on cost. (41)

Assume that the bank balance is favourable for all the transactions.

Example: Paid R10 000 by EFT to Croxly Suppliers for stock purchased.

TRANSACTIONS:

1.2.1 Sold goods on credit, the cost price was R700.

1.2.2 SQ Bank deposited R50 000 into the bank account as per the loan agreement.

1.2.3 A debit note was issued for damaged goods worth R2 100 that was returned to the supplier, Waltons.

1.2.4 The owner paid R1 800 to Atlantis club for his daughter`s swimming lessons.

1.2.5 A receipt was issued to D Viljoen for the settlement of his amount owing, R7 200. An early settlement discount of 2,5% was granted to him.

1.2.6 The May bank statement received from PNB Bank reflected the following

- EFT fees - R170
- Credit card levies – R80
- Service fees – R90

45

QUESTION 2: GENERAL LEDGER **(50 Marks:40 minutes)**

THE SPORTS SHOP

The Sports Shop is owned by Phil Rodri. The business uses a mark-up of 60% on cost.

REQUIRED:

2.1 Complete the following accounts for the month of March 2024 in the General ledger of The Sports Shop.

2.1.1 Debtors Control (17)

2.1.2 Trading Stock (21)

2.2 Phil Rodri believes that the debtors' collections can be improved. List **THREE** ways that debtors can be encouraged to settle their accounts earlier. (6)

2.3 Phil Rodri is worried about the slow rate at which stock is being sold. He has asked you to advise him on how the business can ensure that his stock is sold quicker. Discuss **THREE** measures that can be implemented. (6)

INFORMATION:

A Balances on 01 March 2024;

- Debtors Control R156 000
- Trading Stock R534 000

B Credit invoices issued to debtors for the month of March 2024, R409 600.

C Trading stock purchased for cash during March 2024, R613 000 before trade discounts of R13 000 were received.

D Invoice issued by suppliers for merchandise for March 2024, totalled R351 800.

E Some debtors were not happy with merchandise supplied to them. 2% of debtors who were sold goods on credit during the month of March, returned their stock.

F Defective stock returned to suppliers in March amounted to R29 000.

G The cost price of cash sales in March was R418 000.

H During the month of March, it was decided to write off 5% of the opening balance of the debtors' control account as irrecoverable.

I Receipts from Debtors for March, R396 000, after allowing 1 % discount.

J Certain debtors were charged interest of R5 200 due to late payments.

K The owner Phil Rodri made donations worth R15 000 for the month. R4 000 was cash and R11 000 was trading stock.

50

QUESTION 3: GENERAL JOURNAL **(30 marks; 20 minutes)**

The information provided was taken from the accounting records of Essack Traders on 30 April 2024. The business uses a mark-up of 100% on cost.

REQUIRED:

3.1 Record the transactions listed below in the General Journal of Essack Traders on 30 April 2024. (30)

NOTE: Provisional totals are already included in the ANSWER BOOK. Narrations are not required.

INFORMATION:

A The roof of the building has been repaired for R32 000. The amount was incorrectly recorded in the Land and Buildings account.

B The owner contributed a brand- new delivery vehicle costing R500 000 to the business.

C F Patel owes Essack Traders R5 100. Her insolvent estate paid 20 cents for every rand owed. This has been recorded. Write off the remaining debt.

D Charged the overdue account of M. de Villiers with interest of 8% p.a. for three months. His current account balance is R4 000.

E A credit note issued to a debtor H Lwazi for R280 was posted in error to the account of a creditor, Mlwazi Wholesalers.

F A credit note issued to J Ndlovu a debtor, for goods returned by him for R1 700 was recorded as an invoice in his account in the debtors' ledger. Correct the error.

30

QUESTION 4: CREDITORS RECONCILIATION **(35 marks: 25 minutes)**

CHERNOBYL WHOLESALERS

The following information relates to Chernobyl Wholesalers. The Creditors' Control account and the Creditors' List of Sharks Traders were prepared by an inexperienced bookkeeper.

REQUIRED:

4.1 Reconcile the Creditors Control account to the Creditors' List for the month of April 2024. (33)

4.2 The owner is concerned with the supply of goods from Buthelezi Exporters due to fluctuations in the exchange rate. He wants to use a local supplier. List **TWO** considerations before he changes suppliers. (2)

INFORMATION A:

GENERAL LEDGER OF CHERNOBYL WHOLESALERS

CREDITORS CONTROL **B7**

2024 April	31	Bank and Discount Received	CPJ	192 700	2024 April	01	Balance	b/d	225 000
		Creditors' Control	CAJ	21 000		31	Creditors' Control	CJ	197 000
		Journal Debits	CJ	1 200			Journal Credits	GJ	3 100
		Balance	c/d	271 700					
				425 100					425 100
	31				2024 May	01	Balance	b/d	271 700

INFORMATION B:

CREDITORS LIST ON 30 April 2024

Mohamed Suppliers	(11 200)
Khambule Traders	86 400
Reddy & Sons	56 900
Buthelezi Exporters	61 500
Total	193 600

ERRORS AND OMISSIONS

i The opening balance was overstated by R29 000.

ii Merchandise returned to Buthelezi Exporters valued at R7 700 was correctly recorded in the subsidiary journal but inadvertently posted to the account of Mohamed Suppliers.

iii Transfer the debit balance in the account of Mohamed Suppliers in the creditors' ledger to her account in the debtors' ledger.

iv A credit invoice for R16 400 issued by Reddy & Sons was not recorded.

v The accountant forgot to pay Khambule Traders the total amount due at the end of March. Khambule Traders charged Chernobyl Wholesalers interest for the month of April at a rate of 5% p.a.

vi Trading stock of R6 200 purchased from Buthelezi Exporters was entered correctly in the creditors' account but was posted to the to creditors' allowances journal in error.

vii A payment of R9 500 was made before the due date to Buthelezi Exporters which was correctly recorded in the subsidiary journal and posted as such. The accountant however did not record a discount of 2% for early payment.

35

QUESTION 5: CONCEPTS AND SALARIES **(40 marks: 30 minutes)**

5.1 CONCEPTS

Indicate whether the following statements are true or false. Write only 'True' or 'False' next to the numbers (5.1.1 – 5.1.4) in the ANSWER BOOK. (4)

5.1.1 Net salary is the salary paid to employees after deductions.

5.1.2 According to South African Labour Law, only employees are required to pay UIF.

5.1.3 PAYE must be paid over to Department of Labour.

5.1.4 The acronym SDL stands for Skills Development Levy.

5.2 SALARY SCALE

COETZEE`S WHOLESALERS

Ms Warren was recently employed by Coetzee`s Wholesalers and was provided with the following salary scale

135 000 x 14 640 – 178 920 x 16 920 – 229 680

5.2.1 Determine Ms Warren's monthly salary in her first year of employment? (2)

5.2.2 What will her annual salary be in the third year of her employment? (4)

5.2.3 Calculate the percentage increase in her monthly salary in her sixth year of employment. (4)

5.3 SALARIES JOURNAL

DAVID'S SUPERMARKET

Raymond David owns a medium-sized supermarket situated in a residential area. He employs two workers who each earn a different salary.

REQUIRED:

5.3.1 Complete the Salaries Journal for the month of March 2024. (22)

5.3.2 The owner decided that he would not pay the money collected as PAYE in this month as he needed the cash and would make a double payment in the following next month.

- Advise Mr David's against this decision and provide **ONE** consequence of this action. (4)

INFORMATION:

The bookkeeper of David's Supermarket forgot to record some of the details of one of the employees, V Radebe's salary in the Salaries Journal for March 2024.

V Radebe's employment contract includes the following:

DEDUCTIONS:

- Gross salary of R19 000 per month.
- PAYE - 18% of gross salary
- Medical aid of R850 per month
- Pension fund – 8% of gross salary
- UIF - 1% of gross salary

EMPLOYER CONTRIBUTIONS:

- Medical Aid Fund – R2 for every R1 contributed by V Radebe
- Pension Fund – ? of gross salary
- UIF – 1% of gross salary

40

TOTAL: 200

END

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	