



education

Department:
Education
North West Provincial Government
REPUBLIC OF SOUTH AFRICA

PROVINCIAL ASSESSMENT

GRADE 11

**ACCOUNTING P2
JUNE 2024**

MARKS: 150

TIME: 2 hours



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INSTRUCTIONS AND INFORMATION

Read the following instructions carefully and follow them carefully.

1. Answer ALL the questions.
2. A special ANSWER BOOK is provided in which to answer ALL questions.
3. A Financial Indicators Formula Sheet is attached at the end of this question paper.
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	Bank reconciliation	45	30
2	Creditor reconciliation	20	20
3	Fixed assets	50	40
4	Accounting equation	35	30
TOTAL		150	120

QUESTION 1: BANK RECONCILIATION**(45 marks; 30 minutes)****1.1 MULTIPLE CHOICE QUESTIONS**

Various options are provided as possible answers to the following questions. Analyse the Bank Reconciliation Statement below and choose the correct answer and write only the letter (A-D) next to the question numbers (1.1.1 to 1.1.5).

(5)**INFORMATION:****Bank reconciliation statement as on 31 May 2024**

Dt balance according to bank statement	R15 500
Outstanding deposit	R22 000
Outstanding EFTs: 450	R6 500
452	R500
Dt correction of error	R4 820
Ct correction of error	R840
Balance according to the bank account	R?

1.1.1 The correct balance according to the bank account above is:

- A R4 480 (dt)
- B R4 480 (ct)
- C R5 160 (dt)
- D R5 160 (ct)

1.1.2 A possible reason for the entry for R4 820 is:

- A The bank statement shows an amount for another customer.
- B The bank statement shows an incorrect amount for interest earned.
- C The bank state's banking costs were too high.
- D The insurance's debit order went through twice.

1.1.3 A possible reason for the entry for R840 is:

- A The bank statement shows an amount for another customer.
- B The bank statement shows an incorrect amount for interest earned.
- C The bank state's banking costs were too high.
- D The insurance's debit order went through twice.

- 1.1.4 Which ONE of the following are examples of bank charges?
- A ATM charges, cash handling charge, interest on a debit balance
 - B Interest on overdraft, ATM charges, debit order charges
 - C Internet banking fee, debit order charges, ATM charges
 - D Cash handling charge, interest charge, debit order charges
- 1.1.5 EFT 450 appears correctly on the bank reconciliation statement of May 2024 but was wrongly recorded as R5 600 in the Cash Payments Journal. What entry should be made to correct the error?
- A R900 in the Cash Payments Journal
 - B R900 in the Cash Receipts Journal
 - C R1 000 in the Cash Payment Journal
 - D R1 000 in the Cash Receipts Journal

1.2 BANK RECONCILIATION

The information below is taken from the books of Tadima Traders.

REQUIRED:

- 1.2.1 Calculate the totals in the cash journals on 31 May 2024. (15)
- 1.2.2 Calculate the correct balance of the bank account on 31 May 2024. (5)
- 1.2.3 Prepare the bank reconciliation statement on 31 May 2024. (10)
- 1.2.4 The owner noticed problems depositing cash. Explain THREE measures that he could use to solve these problems. (6)
- 1.2.5 The charge on credit card sales is 5% of the relevant amount. Calculate the total credit card sales for the month. (3)
- 1.2.6 Name ONE advantage of using electronic funds transfers (EFT). (1)

INFORMATION:

A. The preliminary totals in the cash journals, before receiving the bank statement for May 2024:

Cash Receipts Journal:	R405 600
Cash Payment Journal:	R384 450

B. Bank reconciliation statement on 30 April 2024

Favourable balance according to the bank statement	R10 650
Outstanding deposit Dated 10 April 2024	R9 300
Dated 25 April 2024	R17 000
Outstanding EFT: 205	R12 800
206	R3 750
Favorable balance according to the bank account	R20 400

NOTE:

When comparing the May 2024 bank statement, received from TYME Bank, with the April 2024 Bank Reconciliation Statement, the following was noted:

- The outstanding deposit of R17 000 did not appear on the May bank statement. An investigation revealed that the money was never deposited. The cashier cannot explain where the cash is.
- EFT no. 205 is correct on the May bank statement as R18 200.
- The other outstanding amounts from the previous month appeared on the May bank statement.

C. The following transactions on the bank statement of May 2024 do not appear in the journals:

- ATM fees, EFT charges and cash handling charges, R1 380.
- Interest on current account, R350.
- Credit card charge, R2 025.
- A direct deposit from a debtor, T Colby after receiving a 5% discount on outstanding debt of R3 800.
- A direct deposit of R7 500 by K Britz, a tenant.
- A debit order of R3 700 for the monthly telephone bill appeared twice on the Bank Statement. The bank will correct the mistake next month.
- A debit card payment of R1 500 for fuel for the company's vehicle. The owner failed to submit the source document to the bookkeeper.

D. The following entries were in the cash journals after the 25 May 2024:

• Deposit dated 28 May 2024	R6 500
• EFT 268 dated 29 May 2024	R2 700
• EFT 269 dated 30 May 2024	R4 300
• Debit card cash withdrawal	R2 100

E. The bank statement balance on 31 May 2024 was?

QUESTION 2: CREDITOR RECONCILIATION**(20 marks; 20 minutes)****2.1 EVA TRADERS**

Eva Traders receives the statement from their creditor, Yoki Traders, on 25 March 2024. A comparison shows that the balance on the statement does not match that of the accounts payable ledger account.

REQUIRED:

- 2.1.1 Use the table provided in the Answer Book to indicate the changes that need to be made in the Creditors Control Account and the Account Statement to account for the errors and omissions.

Indicate an increase with a '+' and a decrease with a '-' with each amount.

(14)

- 2.1.2 Explain TWO points how preparing a creditors' reconciliation as an internal control measure, can assist the business to manage their creditors more effectively.

(4)

- 2.1.3 **Refer to information C number 3.**

Identify the type of rebate granted to Eva Traders on 24 March 2024.

(2)**INFORMATION:****A. Creditors ledger of Eva Traders:****Yoki Traders**

Date		Details	Fol	Debit	Credit	Balance
March	1	Account rendered	a/b			86 600
2024		Invoice 567	CJ		82 000	168 600
	6	Debit note	CAJ	4 500		164 100
	10	EFT 446	CPJ	52 000		112 100
		Discount	CPJ	4 160		107 940
	20	Invoice 995	CJ		18 500	126 440
	22	EFT 467	CPJ	22 000		104 440
	24	Invoice 584	CJ		40 000	144 440
	28	EFT 471	CPJ	23 000		121 440
		Discount	CPJ	2 300		119 140
	30	Invoice 591	CJ		74 000	193 140

B. Statement received from Yoki Traders:

YOKI TRADERS 145 Arend Street 25 March 2024			Debtor: Eva Traders Pigeon Street		
Date		Details	Debit	Credit	Balance
Feb	26	Balance			111 600
	28	Receipt 115		25 000	86 600
March	1	Invoice 567	82 000		168 600
	6	Credit note 12	4 500		173 100
	10	Receipt 121		52 000	121 100
		Discount granted		2 600	118 500
	18	Invoice 572	48 000		166 500
	22	Receipt 135		22 000	144 500
	24	Invoice 584	36 000		180 500
	25	Delivery charges	5 500		186 000

C. An investigation revealed that:

1. Yoki Traders has only granted a 5% discount on the payment on the 10 March 2024.
2. Yoki Traders entered the credit note 12 in the wrong column in their records.
3. Eva Traders forgot to deduct the discount Yoki Traders gave on invoice 584.
4. Invoice 995 was for goods that Eva Traders bought from Koki Traders.
5. Invoice 572 was for goods sold by Yoki Traders to Vae Traders.
6. According to the contract, Yoki Traders charge a delivery fee to all their debtors.
7. The statement received from Yoki Traders does not contain any transaction entered into after 25 March 2024. All these transactions were correctly recorded in the books of Eva Traders.

QUESTION 3: FIXED ASSETS**(50 marks; 40 minutes)****3.1 MATCHING ITEMS**

Choose a description from COLUMN B that matches item in COLUMN A.
Write only the letter (A–E) next to the question numbers (3.1.1 to 3.1.5) in the ANSWER BOOK, e.g. 3.1.6 F.

COLUMN A		COLUMN B	
3.1.1	Caution	A	Method of writing off depreciation on the cost price.
3.1.2	Historical cost	B	Calculate amounts by subtracting accumulated depreciation from the cost price.
3.1.3	Fixed installment	C	Assets must be determined at a realistic value.
3.1.4	Reduced balance	D	Depreciation is calculated on book value.
3.1.5	Book value	E	Asset recorded at its purchase price less trade discount, plus any other accessories.

(5 x 1) (5)

3.2 FIXED ASSETS

The information provided relates to the Non-current assets of LM Traders.
The financial year ends on 29 February 2024.

REQUIRED:

- 3.2.1 Calculate depreciation on equipment and vehicles. (17)
- 3.2.2 Complete the Asset disposal account to record the sale of equipment. (6)
- 3.2.3 Complete the Fixed asset note on 29 February 2024. (14)

INFORMATION:**A. Fixed assets note (Note 3):**

	Equipment	Vehicles
Carrying value (01/03/23)	50 000	?
Cost price	400 000	300 000
Accumulated depreciation	(350 000)	?

B. Equipment:

- LM Traders has two photocopy machines which were bought for R200 000 each. Accumulated depreciation on these photocopy machines on 1 March 2023 was R350 000. The business has had these photocopy machines for more than five years, and they are expected to be in productive use for another three years.
- LM Traders bought a new photocopy machine on credit from Cannon for R250 000 on 1 December 2023.
- Depreciation on equipment is calculated at 15% per annum on cost price.

C. Vehicles:

- Nissan MP 200 was bought on 1 March 2021 for R300 000, this van was sold for R220 000 cash on 1 September 2023.
- Two Toyota vans were purchased on 31 May 2023 for R325 000 each, the funds were electronically transferred to the car dealer.
Alarm systems of R8 000 was installed and license fees of R1 800 were paid.
- Depreciation is calculated on carrying value at a rate of 20% per annum.

3.3 INTERNAL CONTROL OF FIXED ASSETS

- | | | |
|-------|--|-----|
| 3.3.1 | Mention TWO points of advice on how to exercise better control over the use of business vehicles. | (4) |
| 3.3.2 | Explain why it is important to keep an updated asset register that must be up to date. Provide TWO points. | (2) |
| 3.3.3 | Give ONE reason why a company may decide to sell fixed assets. | (2) |

QUESTION 4: ACCOUNTING EQUATION**(35 marks; 30 minutes)****4.1 AMELIA TRADERS**

The information relates to Amelia Traders. The business maintains a fixed mark-up of 25% on cost price and uses the perpetual inventory system.

NOTE: Assume that the bank account shows a positive balance.

REQUIRED:

Analyse the following transactions according to the headings provided in your ANSWER BOOK.

- | | | |
|-------|--|-----|
| 4.1.1 | Sell goods on credit, R25 000. | (6) |
| 4.1.2 | Buy trade stock for R65 000 minus 5% trade discount. Make an EFT payment to the supplier. | (4) |
| 4.1.3 | Pay per EFT to have the goods delivered to the business, R900. | (4) |
| 4.1.4 | An electronic bank payment of R20 000 to a creditor was erroneously already booked on 13 February 2024, although the authorization date for the transfer of the funds by the bank is only 30 April 2024. | (4) |
| 4.1.5 | An EFT for R534 appeared on the bank statement. The amount entered in the cash journal was R435. The bank statement amount is correct. The EFT had been paid to Mompoti CC for trading stock. | (6) |
| 4.1.6 | Another EFT was wrongly entered in the CPJ as R999 instead of R99. This EFT had been issued to East Pack for consumables. | (6) |
| 4.1.7 | The shop premises were extended at a cost of R160 000. It was paid for and registered. However, the bookkeeper mistakenly debited the amount against Repairs. | (5) |

35

TOTAL: 150

GRADE 11 ACCOUNTING FORMULA SHEET WITH FINANCIAL INDICATORS		
$\frac{\text{Gross Profit}}{\text{Sales}} \times \frac{100}{1}$	$\frac{\text{Gross Profit}}{\text{Cost of Sales}} \times \frac{100}{1}$	$\frac{\text{Net Profit}}{\text{Sales}} \times \frac{100}{1}$
$\frac{\text{Operating Expenses}}{\text{Sales}} \times \frac{100}{1}$	$\frac{\text{Operating Profit}}{\text{Sales}} \times \frac{100}{1}$	
$\frac{\text{Total earnings by Partner}}{\text{Average Partner's Equity}} \times \frac{100}{1}$	$\frac{\text{Net Profit}}{\text{Average Partner's Equity}} \times \frac{100}{1}$	
Current Assets: Current Liabilities	(Current Assets – Inventories): Current Liabilities	
$\frac{\text{Average Debtors}}{\text{Credit Sales}} \times \frac{365 \text{ or } 12}{1}$	$\frac{\text{Average Creditors}}{\text{Credit Purchases or Cost of Sales}} \times \frac{365 \text{ or } 12}{1}$	
$\frac{\text{Average Inventories}}{\text{Cost of Sales}} \times \frac{365 \text{ or } 12}{1}$	$\frac{\text{Cost of Sales}}{\text{Average Inventories}}$	
Non-Current Liabilities: Partners' Equity	Total Assets: Total Liabilities	