



Province of the
EASTERN CAPE
EDUCATION



GRADE 11

NOVEMBER 2010

**ACCOUNTING
SPECIAL ANSWER BOOK**

MARKS: 300

TIME: 3 hours

This answer book consists of 15 pages.

QUESTION	MAX. MARKS	MARKS OBTAINED	MODERATION
1	32		
2	90		
3	45		
4	40		
5	43		
6	50		
TOTAL	300		

QUESTION 1

BANK RECONCILIATION

- 1.1 Calculate the Bank balance that would appear in the General Ledger.
(Show all workings.)

Date	Time	Location	Weather	Notes
10/10/2023	08:00	Forest	Clear	Initial observation
10/10/2023	09:30	Forest	Clear	Observation of bird activity
10/10/2023	11:00	Forest	Clear	Observation of bird activity
10/10/2023	12:30	Forest	Clear	Observation of bird activity
10/10/2023	14:00	Forest	Clear	Observation of bird activity
10/10/2023	15:30	Forest	Clear	Observation of bird activity
10/10/2023	17:00	Forest	Clear	Observation of bird activity
10/10/2023	18:30	Forest	Clear	Observation of bird activity
10/10/2023	20:00	Forest	Clear	Observation of bird activity
10/10/2023	21:30	Forest	Clear	Observation of bird activity
10/10/2023	23:00	Forest	Clear	Observation of bird activity
10/10/2023	00:30	Forest	Clear	Observation of bird activity
10/10/2023	02:00	Forest	Clear	Observation of bird activity
10/10/2023	03:30	Forest	Clear	Observation of bird activity
10/10/2023	05:00	Forest	Clear	Observation of bird activity
10/10/2023	06:30	Forest	Clear	Observation of bird activity
10/10/2023	08:00	Forest	Clear	Observation of bird activity
10/10/2023	09:30	Forest	Clear	Observation of bird activity
10/10/2023	11:00	Forest	Clear	Observation of bird activity
10/10/2023	12:30	Forest	Clear	Observation of bird activity
10/10/2023	14:00	Forest	Clear	Observation of bird activity
10/10/2023	15:30	Forest	Clear	Observation of bird activity
10/10/2023	17:00	Forest	Clear	Observation of bird activity
10/10/2023	18:30	Forest	Clear	Observation of bird activity
10/10/2023	20:00	Forest	Clear	Observation of bird activity
10/10/2023	21:30	Forest	Clear	Observation of bird activity
10/10/2023	23:00	Forest		

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- ## 1.2 BANK RECONCILIATION STATEMENT AS AT 31 JULY 2010

	DEBIT	CREDIT

- 1.4 Explain to the new cashier why you insist that a bank reconciliation must be done every month. (*Three points*)

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6

32

QUESTION 2**PARTNERSHIPS**

2.1.1

GENERAL LEDGER OF LUMKA TRADERS
ASSET DISPOSAL ACCOUNT (N12)

7

2.1.2

LUMKA TRADERS**INCOME STATEMENT FOR THE YEAR ENDED 28 FEBRUARY 2010**

Sales	
Cost of Sales	
GROSS PROFIT	

3

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2.2 Balance Sheet concepts

2.2.1 List TWO advantages of partnerships as a form of ownership.

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2.2.2 **CAPITAL**

	APPLE	BANANA	TOTAL
	150 000	200 000	

6

CURRENT ACCOUNTS

	APPLE	BANANA	TOTAL
	70 992		

22

2.2.3 What is the total amount earned by Apple?

2

2.2.4 Calculate the percentage return on Apple's equity.

5

2.2.5 Should Apple be satisfied with her earnings? What criteria or financial indicators can she use to justify her feelings?

2

2.2.6 Comment on the financial risk (gearing) of this business. Use an appropriate ratio to motivate your answer.
The gearing ratio of the previous year was **0,8:1**.

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QUESTION 3**NON-PROFIT ORGANISATIONS (CLUBS)**

3.1.1

GENERAL LEDGER OF BRAELYNN TENNIS CLUB

MEMBERSHIP FEES ACCOUNT (N2)

1 8

3.1.2

The treasurer reported that she was not satisfied with the way in which the collection of fees is managed. Give TWO reasons why you think she feels this way.

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3.1.3

Recommend TWO ways in which the situation can be improved.

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- 3.1.4 The treasurer was not sure about the total cash spent on Refreshments purchased. You are requested to assist her in determining this amount. *(Workings must be shown to score part marks.)*

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- 3.1.5 The Chairperson feels that the Club should be making more money from the sale of refreshments. He is not happy about the kiosk manager being solely responsible for the control of the refreshments. Suggest TWO ways in which he can improve the internal controls of this function.

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- 3.2 Fill in the amounts only in the appropriate columns.

NO	RECEIPTS AND PAYMENTS		INCOME AND EXPENDITURE	
	RECEIPTS	PAYMENTS	INCOME	EXPENDITURE
E.g	R180		R120	
.				

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45	

QUESTION 4**MANUFACTURING CONCERNS**

- 4.1. Calculate the total manufacturing overheads for the year.
(Show workings in brackets.)

1 5

- 4.2. GENERAL LEDGER OF ONTHEGO MANUFACTURING
1 **RAW MATERIAL STOCK ACCOUNT**

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- 4.2. **WORK ON PROCESS STOCK ACCOUNT**
2

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- 4.3.1 Calculate the number of bags the business needed to produce in order to break-even.
.

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- 4.3.2 Based on your answer above, comment on the level of production achieved by the business.
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2

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QUESTION 5

BUDGETS

5.1 DEBTORS COLLECTION SCHEDULE

MONTHS	CREDIT SALES		JUNE	JULY
March				
April				
May				
June				
July				
TOTAL TO BE COLLECTED PER MONTH				

1
0

5.2 CASH BUDGET OF CASSINGA TRADERS
BUDGET PERIOD: JUNE 2010 TO JULY 2010

Cash Receipts:	JUNE	JULY
<i>Cash Sales</i>	51 000	
TOTAL RECEIPTS		
Cash Payments:		
<i>Cash Purchases</i>	30 000	
TOTAL PAYMENTS		
Cash Surplus/(Shortfall		

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BANK (Opening Balance)		
BANK (Closing Balance)		

2
6

- 5.3.1 The owner feels that the debtors are not being managed efficiently.
Give ONE point from the information provided, to justify his feelings.

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- 5.3.2 Suggest ONE way in which the business can improve the situation.

2

- 5.4 Is the owner justified in decreasing his capital contribution by R50 000?
Motive your answer.

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QUESTION 6**INVENTORY SYSTEMS and TANGIBLE ASSETS**

6.1.1 Analyse the transactions. *Show (+) and/or (-) and the amounts under A, O and L*

NO	GENERAL LEDGER		ASSETS	OWNERS EQUITY	LIABILITIE S
	ACCOUNT DEBITED	ACCOUNT CREDITED			

2 4

6.1.2.1 What is the difference between the periodic system, and the perpetual system of recording stock? *(Two differences)*

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6.1.2.2 The following Account appears in their General Ledger.
Fill in the appropriate details and the amounts labelled **A** to **D**.

A	
B	

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C	
D	

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6.2.1 TANGIBLE ASSETS NOTE:

	MOTOR VEHICLES
Cost (1 March 2009)	120 000
Accumulated Depreciation (1 March 2009)	(72 600)
CARRYING VALUE (1 March 2009)	47 400
Movements:	
Depreciation	
CARRYING VALUE (28 February 2010)	
Cost (28 February 2010)	170 000

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6.2.2 You have been appointed as the Internal Auditor of the business.
Briefly outline the role of an Internal Auditor. (*Two points*).

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6.2.3

The owner feels that there is a lack of effective control over the business vehicles, and suspects that certain vehicles are being misused. In assessing the control of assets, what internal control aspects would you investigate? (*Two points*)

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TOTAL: 300