



GAUTENG PROVINCE
EDUCATION
REPUBLIC OF SOUTH AFRICA

**GAUTENG DEPARTMENT OF EDUCATION
PROVINCIAL EXAMINATION
NOVEMBER 2018
GRADE 11**

**ACCOUNTING
ANSWER BOOK**

Name: _____

School: _____

Question	Marks	Learner's mark	Moderated mark
1	55		
2	50		
3	90		
4	25		
5	45		
6	35		
Total	300		

1.2 Creditors' Reconciliation

1.2.1

	Creditors' Ledger of Shade Traders	Creditors' Statement of Sun Suppliers
	5 600	4 640
A		
B		
C		
D		
E		
F		
G		

10

1.2.2

The owner of Shade Traders is unhappy with the errors made by the bookkeeper. Briefly explain TWO measures that the bookkeeper can implement to maintain good control over creditors to avoid this from happening in the future.

4

1.2.3

Shade Traders is experiencing cash-flow problems and is currently in a position where they are unable to pay their creditors on time. They allow their customers credit terms of 60 days. Suggest TWO ways in which the liquidity of the business can be improved.

4

55

QUESTION 2

2.1

A	
B	
C	
D	
E	

10

2.2

2.2.1 Calculate the net sales for the year.

--

5

2.2.2 Calculate the net purchases for the year.

--

6

2.2.3 Calculate the closing stock on 28 February 2018. Show all calculations.

--

6

2.2.4 Prepare the trading account on 28 February 2018.

TRADING ACCOUNT			

15

2.2.5 Provide TWO reasons to convince the owner that the Continuous Inventory System is best suited for his business.

4

2.2.6 Provide a reason other than theft of stock for the drop in gross profit on sales and state the consequences for the business.

4

50

QUESTION 3.1

Income statement for the year ended 28 February 2018

Sales (2 292 660			
Cost of sales			
Gross profit			
Other operating income			
Rent income (247 650			
Discount received		7 620	
Commission income (22 680			
Bad debts recovered		6 400	
Provision for bad debts adjustment			
Trading stock surplus			
Gross operating income			
Operating Expenses			
Discount allowed		9 060	
Vehicle expenses		47 200	
Salaries (336 800			
Packing material (14 000			
Advertising (39 240			
Bad debts (10 000			
Repairs		26 400	
Sundry expenses (265 200			
Depreciation		15 120	
Operating profit			
Interest income (19 600			
Profit before interest expense			
Interest expense (29 260			
Net profit for the year			37

3.2

3.2.1 Explain how a Fixed Asset Register will assist the internal auditor in his duties.

--	--

2

3.2.2 Newton Traders intends selling their premises at cost price to improve the cash flow in the business. Do you support this decision? Give a reason for your answer.

--	--

3

3.2.3 Calculation of Depreciation

Depreciation on vehicle sold:	
Depreciation on old vehicles:	
New Vehicle:	
Total depreciation for the year:	

9

3.2.4

FIXED ASSETS	Land & buildings	Vehicles	Equipment
Carrying value at beginning		328 000	286 420
Cost		500 000	410 320
Accumulated depreciation		(172 000)	(123 900)
Movements			
Additions at cost		150 000	
Disposals at carrying value			
Depreciation			(61 540)
Carrying value at end	922 820		
Cost			482 320
Accumulated depreciation			

3.2.5

Balance sheet on 28 February 2018

ASSETS		
Non-Current Assets		1 647 440
Tangible assets		1 527 440
Financial assets		
Current Assets		
Inventories		
Trade and other receivables (126 000		
Cash and cash equivalents		
TOTAL ASSETS		1 960 100
EQUITY AND LIABILITIES		
Partners' Equity		1 454 300
Capital		
Current Accounts		
Non-Current liabilities		
Loan: United Bank		
Current Liabilities		
Trade and other payables (43 200		
Bank Overdraft (11 000		
Short-term loan: Unity Bank		
TOTAL EQUITY AND LIABILITIES		

QUESTION 4

4.1

Comment on the operating efficiency of the business. Quote TWO indicators with figures to support your answer.

4

4.2

Calculate the Acid-Test Ratio for February 2018.

4

4.3

Comment on the Liquidity position of the business. Name TWO financial indicators with figures to support your answer.

4

4.4

Calculate the Debt-Equity Ratio and comment on the gearing of the partnership. Use figures to support your answer.

7

4.5

Calculate S. Slim's return on his investment. Comment.

6

25

QUESTION 5

5.1

5.1.1 Calculate the raw materials used for production.

138 800

4

5.1.2

(a) **FACTORY OVERHEADS COST**

(a) FACTORY OVERHEADS COST					

14

(b) WORK-IN-PROCESS STOCK ACCOUNT					
2017 July 1	Balance	31 200			

10

(c) FINISHED GOODS STOCK					
2017 July 1	Balance	93 200			

7

QUESTION 5.2

5.2.1 Explain to Katlego why it is necessary to calculate the break-even point.

2

5.2.2 Calculate the break-even point achieved by Katlego.

6

5.2.3 Comment on the level of production achieved by Katlego.

2

45

QUESTION 6

6.1

Debtors' Collection Schedule from 1 January to 28 February 2018			
Month	Credit sales	January	February
November	162 000	64 800	
December	153 000		
January			
February			
Total			

9

6.2 CASH BUDGET OF REDDAWN TRADERS FOR THE PERIOD 1 JANUARY 2018 TO 28 FEBRUARY 2018

	JANUARY	FEBRUARY
Receipts		
Cash sales		
Cash from debtors		
Rent income		
Proceed from the sale of vehicle		
Total Receipts	232 300	196 450
Payments		
Payment to creditors	100 938	
Advertising		6 000
Other operating expenses		38 500
Drawings		
Loan repayment		
Bonuses		
Total Payments	181 938	197 250
Cash surplus/deficit		
Opening balance	(29 000)	
Closing balance		

6.3 What is the purpose of preparing a cash budget?

2

6.4 List TWO expenses that cannot be included in a cash budget. Provide a reason.

2

35

300