



Basic Education

KwaZulu-Natal Department of Basic Education
REPUBLIC OF SOUTH AFRICA

ACCOUNTING

JUNE 2016

COMMON TEST

**NATIONAL
SENIOR CERTIFICATE**

GRADE 10

MARKS: 200

TIME : 2 hours

This paper consists of 9 pages and answer booklet of 7 pages.

INSTRUCTIONS AND INFORMATION

1. You are provided with a question paper and an ANSWER BOOKLET in which to answer ALL questions.
2. This question paper comprises FOUR compulsory questions. Answer ALL the questions.
3. Use the format provided in the answer book in order to reflect your answers.
4. Where applicable-workings must be shown in order to achieve part-marks.
5. Non-programmable calculators may be used.
6. You may use dark pencil or blue/black ink to answer the questions.
7. Use the information in the table, below, as a guide when answering the question paper. Try NOT to deviate from it.

QUESTION 1		(72 Marks; 43 Minutes)	
Topic of the question		This question integrates:	
Salaries And Wages		Financial accounting <ul style="list-style-type: none"> • Wages Journal • Ledger Accounts Managing resources <ul style="list-style-type: none"> • Internal controls 	
QUESTION 2		(28 Marks; 17 Minutes)	
Topic of the question		This question integrates:	
Value Added Tax		Managing resources <ul style="list-style-type: none"> • Ethics Financial accounting <ul style="list-style-type: none"> • Concepts • VAT calculations 	
QUESTION 3		(65 Marks; 39 Minutes)	
Topic of the question		This question integrates:	
SOLE TRADER Final Ledger Accounts		Financial accounting <ul style="list-style-type: none"> • Capital account • Trading Account • Profit and loss account 	
QUESTION 4		(35 Marks; 21 Minutes)	
Topic of the question		This question integrates:	
Concepts and Problem Solving		Managing resources <ul style="list-style-type: none"> • Ethics and Problem Solving Financial accounting <ul style="list-style-type: none"> • Calculating prices 	

QUESTION 1**(72 Marks; 43 Minutes)****SALARIES AND WAGES****1.1 WAGES JOURNAL**

You are provided with information related to Nkandla Traders for June 2016

REQUIRED:

- 1.1.1 Complete the wages journal for the week ending 30 June 2016. (46)
- 1.1.2 The owner is concerned that the manager may be paying some employees for days/hours not worked. Explain TWO points that can be used by the owner to avoid this action. (4)

INFORMATION:

Nkandla Traders is a business manufacturing school tables, They employed three workers (Ngcebo Mbhele , Geqemba Sukazi and Supporta Zulu) on the same wage rate of R200 per hour and each employee has worked 40 hours except for Geqemba who was absent during the week and only worked for 25 hours. Due to unexpected power cuts at Nkandla both Ngcebo and Supporta worked 12 hours and 8 hours of overtime respectively. The overtime rate is 1.5 times the normal time rate.

The following deductions must be taken into account:

- The PAYE is calculated at 22% of gross wages.
- Medical aid is R 250 main member and (R80 per additional member) Ngcebo is married and has two children whilst both other employees had no additional members registered under their medical schemes.
- The UIF is 1% of normal wage for each employee
- Pension fund deduction is at 7,5% of normal basic wages

Nkandla Traders contributes on behalf of the employers as follows:

- Pension fund is 10.5% of basic wages
- Medical aid is R2 for every rand deducted from the employee's wages.

1.2 SALARIES JOURNAL AND LEDGER ACCOUTS

You are provided with information taken from Mevamlhlophe Traders.

REQUIRED:

Study the ledger accounts provided and then answer the questions that follow. Mevamlhlophe Traders employs one salary earner only i.e. Manager Mpandlana Mangwe.

INFORMATION:**General ledger of Mevamlhlope Traders****Balance Sheet Accounts**

Creditors for salaries

2016 Jun	30	?	CPJ	5 420	2016 Jun	30	?	SJ	5 420
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Medical Aid Fund

2016 Jun	30	Bank	?	?	2016 Jun	30	Salaries	SJ	320
							?	SJ	480

Pension Fund

2016 Jun	30	Bank	?	1 000	2016 Jun	30	?	SJ	500
							Pension Contributions	SJ	500

SARS: PAYE

2016 Jun	30	Bank	CPJ	?	2016 Jun	30	?	SJ	?
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Nominal Accounts Section

Salaries account

2016 Jun	30	?	SJ	8 000					
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QUESTIONS:

- 1.2.1 Provide the folio for the entry of R 1 000 on the debit side of the Pension Fund Account. (1)
- 1.2.2 How much was deducted from the employee's salary in respect of Medical Aid? (1)
- 1.2.3 How much was contributed on a Rand to Rand basis, by the business on behalf of the employee to the Medical Aid Fund? (3)
- 1.2.4 How much was deducted from the employee's gross salary in respect of PAYE if there are no other deductions? (5)
- 1.2.5 Calculate the rate of PAYE deduction. Use amount calculated above. (4)
- 1.2.6 Calculate the total operational expense in respect of salaries for the month of June 2016. (4)

1.2.7 Provide the contra account details for the following entries.

- 1.2.7.1 R 5 420 on the debit side of the creditors for salaries account (1)
- 1.2.7.2 R 480 on the credit side of the medical aid account (1)
- 1.2.7.3 R 5 420 on the credit side of the creditors for salaries Account (1)
- 1.2.7.4 R 8 000 on the debit side of the salaries account (1)

QUESTION 2

(28 Marks; 17 Minutes)

Value Added Tax

2.1. CONCEPTS

- 2.1.1. What does VAT means? (2)
- 2.1.2. At what rate is VAT charged on the value of brown bread? (2)
- 2.1.3. To which institution is VAT paid to? (2)
- 2.1.4. Differentiate between VAT exempt and Zero rated supplies. (4)

2.2. VAT CALCULATIONS

REQUIRED:

- 2.2. Calculate the missing figures denoted by letter A – I. (18)

No	Cost price	Mark – up %	Selling price VAT Excl.	VAT amount	Selling price VAT Incl.
2.2.1	C	20%	B	A	R 2 736
2.2.2	R 500	30%	D	E	F
2.2.3	R 400	G	R 640	H	I

QUESTION 3**(65 Marks; 39 Minutes)****SOLE TRADER: FINAL LEDGER ACCOUNTS****REQUIRED:**

- 3.1. Capital Account (7)
 3.2. Trading Account (9)
 3.3. Profit and Loss Account (49)

INFORMATION:

The following information was taken from the books of Supporta Traders; the financial year end is 29 February 2016.

Pre-adjustment Trial Balance of Supporta Traders on 29 February 2016.

	Debit	Credit
Balance Sheet Accounts Section		
Capital		291 896
Drawings	45 000	
Mortgage Loan : Rama Bank (18% p.a)		50 000
Land and Buildings	360 000	
Equipment	24 000	
Vehicles	156 000	
Accumulated Depreciation on Equipment		4 700
Accumulated Depreciation on Vehicles		21 000
Trading Stock	35 900	
Debtors Control	65 500	
Bank		63 795
Petty Cash	2 000	
Cash Float	3 000	
Creditors Control		48 399
Fixed Deposit: Dingukwazi Bank (12% p.a)	38 000	
Pension Fund		4 500
Creditors for Salaries		26 800
Nominal Accounts Section		
Sales		455 000
Cost of Sales	213 000	
Debtors Allowances	4 500	
Salaries and Wages	39 100	
Rent Income		42 560
Interest on Overdraft	590	
Rates	2 700	
Insurance	3 800	
Repairs	2 600	
Telephone	1 840	

Stationery	2 240	
Bank Charges	1 400	
Bad debts Recovered		480
Bad Debts	960	
Interest on Loan	8 000	
Interest on Fixed Deposit		4 000
Water and Electricity	3 000	
	1 013 130	1 013 130

Adjustments and Additional Information

- A- Rates include an amount of R 800 paid for the period 1 December 2015 to 30 April 2016.
- B- The rent for March 2016 has already been received.
NOTE: The rent was increased by R 320 from 1 January 2016.
- C- A debtor, S. Nxumalo, who owed R 1 200, was declared insolvent. His estate paid a first and final dividend of 60 cents in a Rand, for which a cheque was received on 29 February 2016. The remainder must be written off. No entries have been made.
- D- The water and electricity account for February 2016 has not yet been paid, R 200
- E- Provide for outstanding interest on loan.
- F- Provide for depreciation as follows:
- On equipment at 10% p.a. on cost.
 - On vehicles at 20% p.a. on the carrying value method.
- G- Provide for outstanding interest on fixed deposit.
- F- There was the fire in the business storeroom on 14 February 2016 and goods worth R 4 000 were damaged. The insurance company has agreed to settle 80% of the claim, for which the EFT will be made in March 2016. No entries have been made of this transaction.
- H- Stock on hand as per physical count on 29 February 2016 revealed the following:
- Trading stock, R 31 200
 - Stationery , R 280

QUESTION 4**(35 Marks; 21 Minutes)****ACCOUNTING CONCEPTS AND PROBLEM SOLVING****4.1. ACCOUNTING CONCEPTS****REQUIRED:**

4.1. Match the accounting concepts in column A with examples in column B. (10)

COLUMN A	COLUMN B
4.1.1 Business entity rule	A. Damages payable to a client will be finalized next year. An estimated amount of R25 000 is recorded this year.
4.1.2 Historical Cost	B. An owner owes his sister R2 000 for costs incurred on holiday. This is not recorded in the business books.
4.1.3 Going Concern	C. An entry at the year-end for expenses accrued (payable)
4.1.4 Matching Principle	D. Financial statements reflecting that the business will survive in the near future.
4.1.5 Prudence	E. Land and buildings are shown in the financial statements as R5 million even though the property is worth R12 million.

4.2. PROBLEM SOLVING

Sphamandla Nxumalo runs a tuck shop at a high school. He employs learners to assist him in serving at the tuck shop during break times. Sphamandla sells fruit juice, chips and chocolates in his tuck shop.

REQUIRED:4.2.1 Calculate the figures labeled **A – C**. Show workings to earn part marks (12)

4.2.2 Sphamandla is experiencing a different problem concerning each of his products.

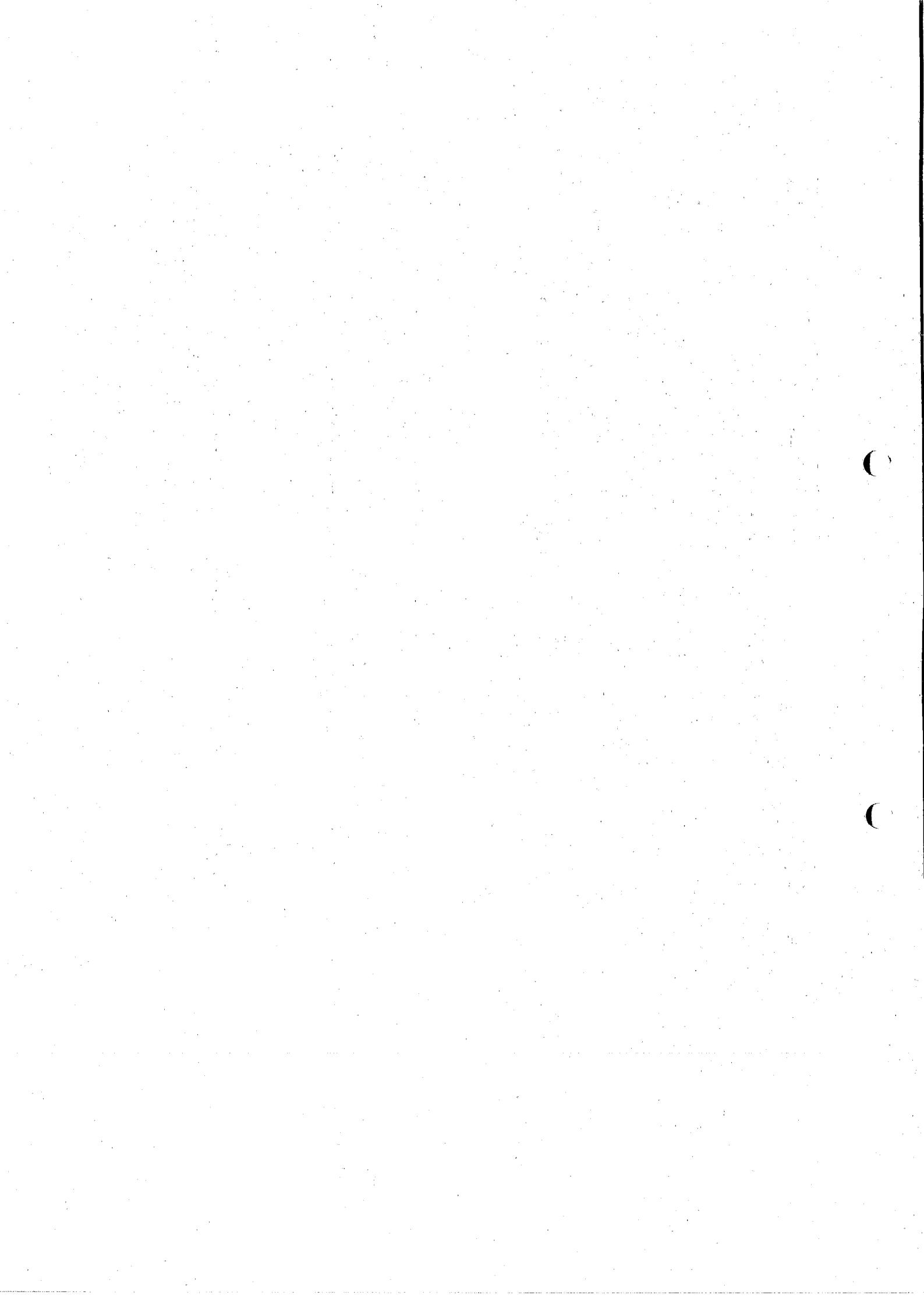
- State a different problem for each product. (Quote figures to support your answer) (6)
- Give a suitable solution to each problem. (3)

4.2.3 Calculate the profit earned on the sale of chocolates. (4)

INFORMATION FOR MAY 2016

	FRUIT JUICE (500ml)	CHIPS (30g packets)	CHOCOLATES (100 g bars)
Number of items at the beginning of the month	Nil	700 units	20 units
Number of items bought during the month	5 000 units	3 160 units	400 units
Number of items sold during the month	4 935 units	3 100 units	335 units
Number of items unsold the end of the month	A	758 units	30 units
Damaged stock items	3	B	20
Selling price per unit	R6,00	R11,00	R9,00
Cash sales collected	R 28 000	C	R 2 835
Mark-up percentage on cost	40%	75%	25%

Total Marks: 200





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REPUBLIC OF SOUTH AFRICA

ACCOUNTING
ANSWER BOOK
JUNE 2016
COMMON TEST

**NATIONAL
SENIOR CERTIFICATE**

GRADE 10

Name: _____ Grade: _____

Question	Topic	Learners Mark	Moderators Mark
1	Salaries and Wages		
2	Value Added Tax		
3	Final Ledger Accounts		
4	Concepts and Problem Solving		
	TOTAL		

N.B. This answer book consists of 7 pages.

QUESTION 1

1.1.1. WAGES JOURNAL

Wages journal of Nkandla Traders for week ended 30 June 2016

Employee	Basic Wages (Normal Time)			Overtime			Gross Wage
	Hours	Rate	Amount	Hours	Rate	Amount	

Employee	Deductions					Net Wage
	Medical Aid Fund	Pension Fund	UIF	PAYE	Total	

Employee	Contributions		Total
	Medical Aid Fund	Pension Fund	

(46)

1.1.2. The owner is concerned that the manager may be paying some employees for days/hours not worked. Explain TWO points that can be used by the owner to avoid this action. (4)

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1.2.1	(1)
1.2.2	(1)
1.2.3	(3)
1.2.4	(5)
1.2.5	(4)
1.2.6	(4)
1.2.7.1	(1)
1.2.7.2	(1)
1.2.7.3	(1)
1.2.7.4	(1)

QUESTION 2

2.1.

2.1.1		(2)
2.1.2		(2)
2.1.3		(2)
2.1.4		(4)

2.2.

2.2.1	A	
	B	
	C	
2.2.2	D	
	E	
	F	
2.2.3	G	
	H	
	I	

(18)

QUESTION 4

4.1.

4.1.1	
4.1.2	
4.1.3	
4.1.4	
4.1.5	

(10)

4.2.

4.2.1. Calculate the figures labeled A – C		(12)
A		
B		
C		

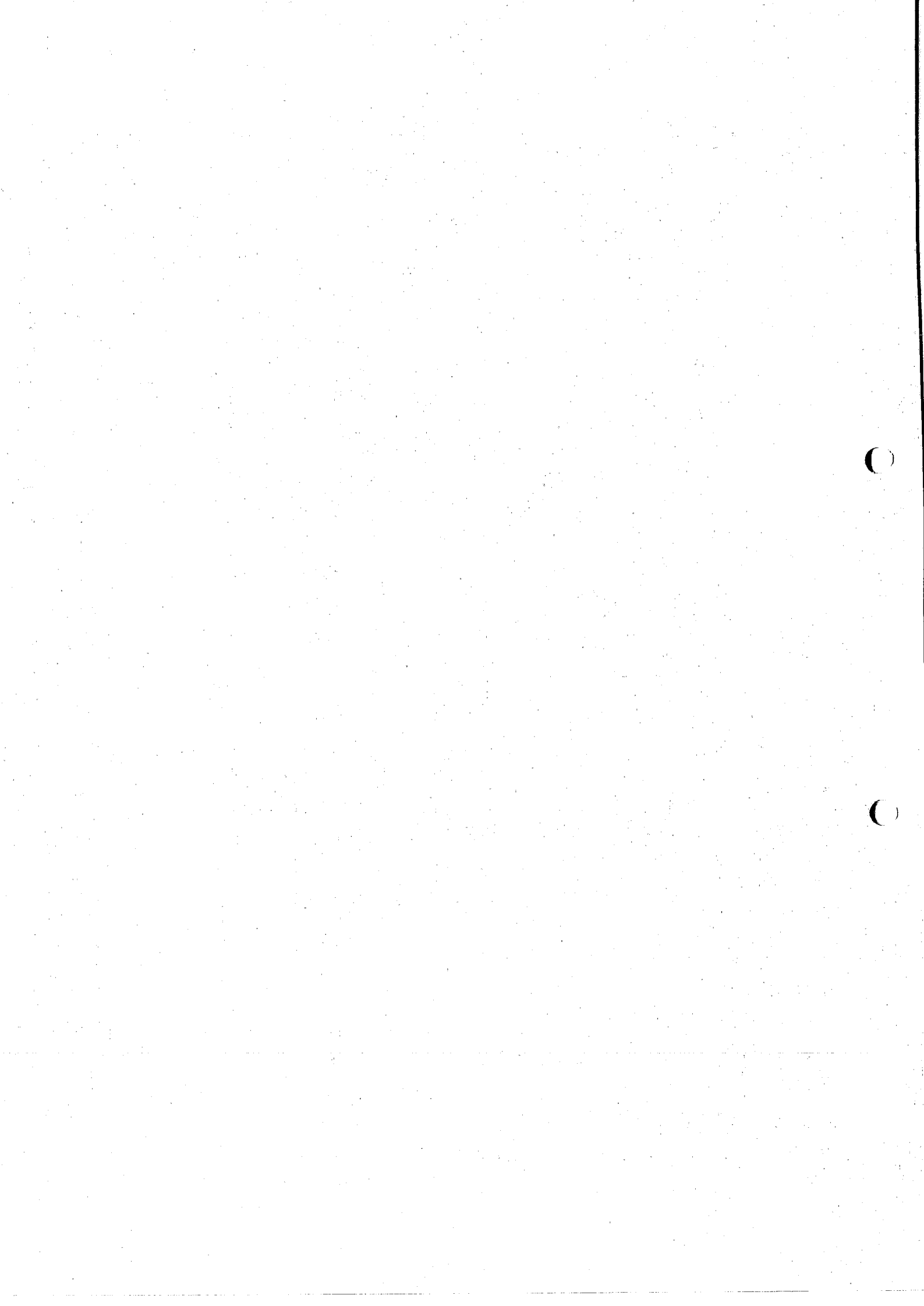
4.2.2. Identify a problem that Sphamandla Nxumalo is experiencing concerning each of his products. State a different problem for each product. You must quote figures to support your answer. Give a suitable solution to each problem.

(9)

Product	Problem (with figures)	Solution
Fruit juice		
Chips		
Chocolates		

4.2.3. Calculate the profit earned on the sale of chocolates.

(4)



Grades 10 + 11



Basic Education

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REPUBLIC OF SOUTH AFRICA

ACCOUNTING
MEMORANDUM
JUNE 2016

NATIONAL SENIOR CERTIFICATE

GRADE 10

MARKS: 200

MARKING PRINCIPLES:

1. Penalties for foreign items are applied only if the candidate is not losing marks elsewhere in the question for that item. No double penalty applied.
2. In awarding method marks, ensure that candidates do not get full marks for any item that is incorrect.
3. Where penalties are applied, the marks for that section of the question cannot be a final negative.
4. Codes: f-foreign item; p-placement

This memorandum consists of 7 pages.

QUESTION 1

1.1.1. WAGES JOURNAL

Wages journal of Nkandla Traders for week ended 30 June 2016

Employee	Basic Wages (Normal Time)			Overtime			Gross Wage
	Hours	Rate	Amount	Hours	Rate	Amount	
Ngebo Mbhele	40✓	200✓	8 000✓	12✓	300✓	3 600✓	11 600✓
Gegemba Sukazi	25✓	200✓	5 000✓	-	-	-	5 000
Supporta Zulu	40✓	200✓	8 000	8✓	300✓ <small>Basic salary/grade</small>	2 400✓	10 400✓

Employee	Deductions				Net Wage
	Medical Aid Fund	Pension Fund	UIF	PAYE	
Ngebo Mbhele	490✓ <small>40% of 1225</small>	600✓	80✓	2 552✓	7 878✓
Gegemba Sukazi	250✓	375✓	50✓	1 100✓	3 225✓
Supporta Zulu	250✓	600✓	80✓	2 288✓	7 182✓

Employee	Contributions		Total
	Medical Aid Fund	Pension Fund	
Ngebo Mbhele	980✓ <small>2% of 1225</small>	840✓	1 820✓
Gegemba Sukazi	500✓	525✓	1 025✓
Supporta Zulu	500✓	840✓	1 340✓

1.1.2. The owner is concerned that the manager may be paying some employees for days/hours not worked. Explain TWO points that can be used by the owner to avoid this action. (4)

- Consider paying wages directly into employees bank accounts via EFT. ✓✓
- Introduce clock card system where employees will clock in and out with times recorded electronically. ✓✓

Any relevant answer

QUESTION 2

1.2.1	CPJ ✓
1.2.2	R 320 ✓
1.2.3	R 480 / R 320 ✓ = R 1.50 ✓ <small>One part correct</small>
1.2.4	R 8 000 ✓ - R 320 ✓ - R 500 ✓ - R 5 420 ✓ = R 1 760 ✓ <small>One part correct</small>
1.2.5	R 1 760 ✓ / R 8 000 ✓ x 100 ✓ 22% ✓ <small>One part correct</small>
1.2.6	R 8 000 ✓ + R 480 ✓ + R 500 ✓ R 8 980 ✓ <small>One part correct</small>
1.2.7.1	Bank ✓
1.2.7.2	Medical Aid Contributions ✓
1.2.7.3	Salaries ✓
1.2.7.4	Sundry Accounts ✓

72
72

2.1.	
2.1.1	VAT – tax charged on the supply of goods and services ✓✓
2.1.2	0% or Zero ✓✓
2.1.3	South African Revenue Services or SARS ✓✓
2.1.4	Zero rated supplies – VAT is charged at zero percent, that is determined by the minister of finance ✓✓ Exempt supplies – VAT is not charged at all in these supplies ✓✓

2.2.		
2.2.1	A	336 ✓✓
	B	2 400 ✓✓
	C	2 000 ✓✓
2.2.2	D	650 ✓✓
	E	91 ✓✓
	F	741 ✓✓
2.2.3	G	60% ✓✓
	H	89,60 ✓✓
	I	729,60 ✓✓

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28

QUESTION 3

GENERAL LEDGER OF SUPPORTA TRADERS ON 29 FEBRUARY 2016

3.1. CAPITAL ACCOUNT		2016	2016	2016	2016
Feb	29	Feb	29	Feb	29
	Drawings	GJ	45 000✓	Balance	b/d
	Balance	c/d	430 266✓	Profit and Loss	GJ
			475 266		475 266
				Balance	b/d
					430 266✓

3.2. TRADING ACCOUNT

2016		2016		2016	
Feb	29	Feb	29	Feb	29
	Cost of Sales	GJ	213 000✓	Sales	GJ
	Profit and Loss	GJ	237 500✓	(455 000✓ - 4 500✓)	450 500✓
			450 500		450 500

3.3. PROFIT AND LOSS ACCOUNT

2016		2016		2016		2016	
Feb	29	Feb	29	Feb	29	Feb	29
	Salaries and wages	GJ	39 100✓	Trading Account	GJ		237 500✓
	Interest on Overdraft		590✓	Rent Income			39 040✓
	Rates (2 700✓ - 320✓)		2 380✓	Bad Debts Recovered			480✓
	Insurance		3 800✓	Interest on Fixed Deposit			4 560✓
	Repairs		2 600✓				
	Telephone		1 840✓				
	Water and Electricity (3 000✓ + 200✓)		3 200✓				
	Stationery (2 240✓ - 280✓)		1 960✓				
	Bank Charges		1 400✓				
	Bad Debts (960✓ + 480✓)		1 440✓				
	Interest on Loan (6 000✓ + 1 000✓)		9 000✓				
	Trading Stock Deficit (35 900✓ - 4 000✓ - 31 200✓)		700✓				
	Depreciation (2 400✓ - 27 000✓)		29 400✓				
	Loss Due to Fire (4 000✓ - 3 200✓)		800✓				
	Capital		183 370✓				281 580
			281 580				

65
65

QUESTION 4

4.1.	A	B
4.1.1	E✓	F✓
4.1.2	D✓	G✓
4.1.3	C✓	A✓
4.1.4	B✓	E✓
4.1.5	A✓	F✓

4.2.

4.2.1. Calculate the figures labeled A – C		(12)
A	$5\ 000\checkmark - 4\ 935\checkmark - 3\checkmark = 62\checkmark$	Operation one part correct
B	$700\checkmark + 3\ 160\checkmark - 3\ 100\checkmark - 758\checkmark = 2\checkmark$	Operation one part correct
C	$3\ 100\checkmark \times R\ 11,00\checkmark = R\ 34\ 100\checkmark$	Operation one part correct

4.2.2. Identify a problem that Sphamandla is experiencing concerning each of his products. State a different problem for each product. You must quote figures to support your answer. Give a suitable solution to each problem. (9)	
Product	Solution✓
Fruit juice	Problem✓ (figures✓) Cash collected shows that cash has been stolen. [R 29 610 – R 28 800 = R 800]
Chips	Improve control measures for cash collection. Have only one person to handle cash
Chocolates	Order / purchase only flavours in demand Reduce selling price of items
	Stricter control over sales of chocolates Suitable storage facility should be used for chocolates Consider the area where they are being displayed

4.2.3. Calculate the profit earned on the sale of chocolates. (4)	
$R\ 2\ 835 \checkmark \times 25 \checkmark / 125 \checkmark = R\ 567 \checkmark$ Or $\text{Profit} = \text{SP} - \text{CP}$ $= R\ 2\ 835 \checkmark - R\ 2\ 268 \checkmark = R\ 567 \checkmark$	Operation one part correct

35
35