

**KZN-DEPARTMENT OF EDUCATION
GREENBURY SECONDARY SCHOOL
MARCH CONTROL TEST- 2016
ACCOUNTING – GRADE 10**

MARKS : 100

DURATION : 1 HOUR

EXAMINER: A.RAJOO

MODERATOR: C.MAHARAJ

INSTRUCTIONS TO LEARNERS:

1. This **QUESTION PAPER** consists of 4 pages and an **ANSWER BOOKLET** .
2. Answer **all** questions.
3. Show all workings so that part marks can be allocated.
4. You must attempt to comply with the suggested time allocation.

Question	Topic	Marks	Suggested Time
1.	GAAP, Other Concepts, Accounting Equation	50	30
2.	Ledger and internal control	25	15
3.	General Journal	25	15
		100	60

QUESTION ONE:

GAAP, OTHER CONCEPTS AND ACCOUNTING EQUATION (50 Marks, 30 Minutes)

1.1 Required:

State whether the following statements are TRUE or False. If False provide the correct GAAP concept to make the statement True. (10)

- 1.1.1 The business entity principle states that the financial affairs of the owner and business be separate and distinct.
- 1.1.2 The going concern principle states that assets are always recorded at cost price.
- 1.1.3 Matching principle states that if an item is important to the readers of the financial statements it must be fully disclosed
- 1.1.4 Historical cost principle states income and expenses should be matched to the correct financial year.
- 1.1.5 Prudence principle states that the financial statements are prepared on the assumption that the business will continue operating in the future.

1.2 Required:

Match the concepts with the statements below : (8)

GAAP , Loan , Fixed Deposit , Debtors Journal , Debtors allowance Journal , Creditors Journal , Bank Charges , Journal Voucher , Ethics , Internal Control , Business Entity , Going concern , Debit Note , Credit Note

- 1.2.1 Is the source document for the debtors allowance journal?
- 1.2.2 Service fees, cash deposit fees and government levy.
- 1.2.3 Is the source document for the creditors allowance journal?
- 1.2.4 Source document for the general journal.
- 1.2.5 Beliefs that distinguish right from wrong.
- 1.2.6 Measures implemented by a business to safeguard its assets.
- 1.2.7 Money borrowed from an organization such as a bank for a period of time and must be paid with interest.
- 1.2.8 Credit sales are recorded in this journal.

1.3 ACCOUNTING EQUATION

Analyse the transactions according to the column in the special answer booklet. (Assume bank is favourable.) (32)

- 1.3.1 Received a cheque for R 850 from a debtor T.Tom in full settlement of his account of R 900. (2 entries)
- 1.3.2 Issued a cheque in favour of BNF Bank for interest on loan , R 800.
- 1.3.3 A debtor V.Slow cheque has been dishonoured due to insufficient funds for R 5 800. The debtor owed the business R 6 000. (2 entries)
- 1.3.4 Goods returned to a creditor KT Suppliers because of inferior quality. R 720
- 1.3.5 Gave the debtor a refund of R 40 from petty cash.

QUESTION TWO: LEDGER ACCOUNTS

Study the Creditors Control Account in the General Ledger of PL Traders for January 2016 and answer the questions that follow: (25 marks)

CREDITORS CONTROL

2016	31	Bank	A	60 200	2016	1	Balance	b/d	88 400
Jan	.	Discount received	CPJ	3 010	Jan	31	Total Purchases	C	141 600
	.	B	CAJ	18 000		.	Sundry Accounts	GJ	10 000
	.	Sundry Accounts	GJ	6 790					
	.	Balance	c/d	?					
					Feb	1	Balance	b/d	?

Required:

- 2.1 Creditors control is a (Balance sheet/ Nominal) account and is a/ an (liability/asset)
Choose the correct answer from brackets. (2)
- 2.2 Provide the missing details for A/B/C . (6)
- 2.3 Name the source document for the entry on the debit side “ B – CAJ – 18 000) (1)
- 2.4 If the credit purchases represents 30% of the total purchases, calculate the total purchases for January 2016. (3)
- 2.5 Give an example of a transaction that could be included in “ Sundry Accounts GJ 10 000” on the credit side. (2)
- 2.6 Determine the percentage of discounts given by creditors for early payment. (3)
- 2.7 Calculate the amount owed to creditors on 31 January 2016. (2)
- 2.8 PL Traders is unhappy with the quality of goods received from the creditor . Provide a figure an explanation to support your answer. (3)
- 2.9 Provide THREE points for good internal control over creditors. (3)

QUESTION THREE: GENERAL JOURNAL**(25 MARKS)**

The following information was taken from the books of Jack Traders for March 2016.

Required:

3.1 Record the following transactions in the General Journal of Jack Traders for March 2016.

NB. Do not cast the journal

No narrations are required.

Transactions for March 2016.

5	The owner T.Jack took goods for his personal use. Selling price R 700 (mark up on cost 25%)
10	A debtor T.Mtembu was declared insolvent, his estate paid a dividend of 20 cents rand. He owed the business R 800. Write off the balance as irrecoverable.
14	Repairs to building were debited to Land and Buildings account, R 8 000
20	Jack Traders charged a debtor P.Paul 10% p.a interest on his overdue account of R 6 000 for three months.
26	A cheque for R 750 issued to AB Wholesalers was incorrectly posted to the account of XY Wholesalers. Correct the error.

GREENBURY SECONDARY SCHOOL 4



DEPARTMENT OF COMMERCE
H.O.D. MRS C MAHARAJ

Shelley

KZN DEPARTMENT OF EDUCATION

GREENBURY SECONDARY SCHOOL

MARCH CONTROLLED TEST- 2016

ACCOUNTING – GRADE 10

SPECIAL ANSWER SHEET

100

<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>TOTAL</u>

NAME/SURNAME:

GRADE 10:

1.1 QUESTION ONE: STATE WHETHER THE FOLLOWING STATEMENTS ARE TRUE/FALSE

1.1.1	
1.1.2	
1.1.3	
1.1.4	
1.1.5	

10

1.2 MATCH THE CONCEPTS WITH THE STATEMENTS

1.2.1	
1.2.2	
1.2.3	
1.2.4	
1.2.5	
1.2.6	
1.2.7	
1.2.8	

8

PTO...PG2

1.3 ACCOUNTING EQUATION

NO	ACCOUNT DEBIT	ACCOUNT CREDIT	AMOUNT	A	O	L
1.3.1						
1.3.2						
1.3.3						
1.3.4						
1.3.5						

50

)
32

QUESTION TWO

2.1. Creditors control is a (*BALANCE SHEET/ NOMINAL*) account and is a/an (*LIABILITY/ASSET*)

2

2.2 Provide the missing details

A -
B -
C -

6

2.3 Name the source document

--

1

PTO...PG3

2.4 If the credit purchases represent 30% of the total purchases, calculate the total purchases

--

3

2.5. Give an example of a transaction that could be included in Sundry Account on the credit side

--

2

2.6 Calculate the percentage discount given by creditors

--

3

2.7 Calculate the amount owed to creditors

--

2

2.8 PL TRADERS is unhappy with the quality of goods from the creditor.

Provide a figure and an explanation to support your answer

PTO...PG4

2.9 Provide three points for good internal control over creditors

•
•
•

3

25

QUESTION THREE: GENERAL JOURNAL

GENERAL JOURNAL OF JACK TRADERS –MARCH 2016							
DATE	DETAILS	GENERAL LEDGER		DEBTOR CONTROL		CREDITOR CONTROL	
		DR	CR	DR	CR	DR	CR

GOODLUCK!!!

25

25

<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>TOTAL</u>

NAME/SURNAME:

GRADE 10:

1 QUESTION ONE: STATE WHETHER THE FOLLOWING STATEMENTS ARE TRUE/FALSE

1.1.1	TRUE ✓✓
1.1.2	FALSE, HISTORICAL COST ✓
1.1.3	FALSE, MATERIALITY ✓
1.1.4	FALSE, MATCHING ✓
1.1.5	FALSE, GOING CONCERN ✓

10

10

1.2 MATCH THE CONCEPTS WITH THE STATEMENTS

1.2.1	CREDIT NOTE ✓
1.2.2	BANK CHARGES ✓
1.2.3	DEBIT NOTE ✓
1.2.4	JOURNAL VOUCHER ✓
1.2.5	ETHICS ✓
1.2.6	INTERNAL CONTROL ✓
1.2.7	LOAN ✓
1.2.8	DEBTORS JOURNAL ✓

8

8

1.3 ACCOUNTING EQUATION

NO	ACCOUNT DEBIT	ACCOUNT CREDIT	AMOUNT	A	O	L
1.3.1	BANK ✓	DEBTORS CONTROL ✓	850	±30 ✓	0	0
	DISCOUNT ALLOWED ✓	DEBTORS CONTROL ✓	50 ✓	- ✓	- ✓	0
1.3.2	INTEREST ON LOAN ✓	BANK ✓	800	- ✓	- ✓	0
1.3.3	DEBTORS CONTROL ✓	BANK ✓	5800	±30 ✓	0	0
	DEBTORS CONTROL ✓	DISCOUNT ALLOWED ✓	200 ✓	+ ✓	+ ✓	0
1.3.4	CREDITORS CONTROL ✓	TRADING STOCK ✓	720	- ✓	0	- ✓
1.3.5	DEBTORS CONTROL ✓	PETTY CASH ✓	40	±30 ✓	0	0

50

32
0

QUESTION TWO

2.1. Creditors control is a (BALANCE SHEET/ NOMINAL) account and is a/an (LIABILITY/ASSET)

BALANCE SHEET ✓
LIABILITY ✓

2
2

2.2 Provide the missing details

A- CRJ ✓
B- TOTAL ALLOWANCE ✓
C- CJ ✓

6
0

2.3 Name the source document

DEBIT NOTE ✓

1
1

2.4 If the credit purchases represent 30% of the total purchases, calculate the total purchases

$$141\ 600 \times \frac{100}{30} = 472\ 000$$

3
3

2.5. Give an example of a transaction that could be included in Sundry Account on the credit side

✓ INTEREST EXPENSE //
✓ CORRECTIONS OF ERROR //
✓ TRANSFER FROM DL TO CL // ANY 1

2
2

2.6 Calculate the percentage discount given by creditors

8

$$\frac{3000}{60\ 700} \times \frac{100}{1} = 5\%$$

3
3

2.7 Calculate the amount owed to creditors

152 000 //

2
2

2.8 PL TRADERS is unhappy with the quality of goods from the creditor.

Provide a figure and an explanation to support your answer

TOTAL ALLOWANCE INDICATES RETURNS AND IS HIGH AT R18 000 //

PTO...PG4

2.9 Provide three points for good internal control over creditors

- ENSURE CREDITORS ARE PAID ON TIME, TO TAKE ADVANTAGE OF DISCOUNTS ✓
- DIVISION OF DUTIES ✓
- ENSURE PURCHASES ARE CORRECTLY AUTHORIZED ✓

ANY OTHER

3

25

QUESTION THREE: GENERAL JOURNAL

GENERAL JOURNAL OF JACK TRADERS - MARCH 2016									
DATE		DETAILS	GENERAL LEDGER		DEBTOR CONTROL		CREDITOR CONTROL		
			DR	CR	DR	CR	DR	CR	
JUNE	5	DRAWINGS ✓	560 ✓						
		TRADING STOCK ✓		560 ✓					
	10	BAD DEBTS ✓	640 ✓						
		T. MTEMBU ✓		640 ✓		640 ✓			
	14	REPAIRS ✓	8000 ✓						
		LAND & BUILDINGS ✓		8000 ✓					
	20	P. PAUL ✓	150 ✓		150 ✓				
		INTEREST INCOME ✓		150 ✓					
	26	AB WHOLESALERS ✓	750 ✓					750 ✓	
		XY WHOLESALERS ✓		750 ✓					750 ✓

GOODLUCK!!!

25

25