

Education

KwaZulu-Natal Department of Education REPUBLIC OF SOUTH AFRICA

ACCOUNTING

JUNE 2017

COMMON TEST

NATIONAL SENIOR CERTIFICATE

GRADE 10

MARKS: 200

TIME: 2 hours

N.B. This paper consists of 9 pages and an answer booklet of 6 pages.

INSTRUCTIONS AND INFORMATION

- You are provided with a question paper and an ANSWER BOOKLET in which to answer 1. ALL questions.
- This question paper comprises FOUR compulsory questions. 2. Answer ALL the questions.
- Use the format provided in the answer book in order to reflect your answers. 3.
- Where applicable-workings must be shown in order to achieve part-marks. 4.
- Non-programmable calculators may be used. 5.
- You may use dark pencil or blue/black ink to answer the questions. 6.

Use the information in the table, below, as a guide when answering the question paper. 7. Try NOT to deviate from it.

QUESTION 1	(72 Marks; 44 Minutes)
Topic of the question	This question integrates:
	Financial accounting
Salaries And Wages	 Salaries Journal
	 Analysis of wages transactions
	Concepts
	Managing resources
	Internal controls
QUESTION 2	(22 Marks; 13 Minutes)
Topic of the question	This question integrates:
	Managing resources
Value Added Tax	Ethics
	Financial accounting
	 Concepts
QUESTION 3	(79 Marks; 47 Minutes)
Topic of the question	This question integrates:
	Financial accounting
SOLE TRADER	Capital account
Final Ledger Accounts	Trading Account
-	 Profit and loss account
QUESTION 4	(27 Marks; 16 Minutes)
Topic of the question	This question integrates:
	Managing resources
Problem Solving, Internal Control and Ethics	Ethics and Problem Solving
	Financial accounting
	Calculating Cost

(72 Marks; 44 Minutes)

SALARIES JOURNAL

1.1. SALARIES JOURNAL

You are provided with information related to Nhlanhleni Traders for June 2017.

REQUIRED:

1.1.1. Complete the salaries journal for the month ending 30 June 2017. (45)

1.1.2. You have been appointed as an internal auditor of the business. What concern would you have with regards to salaries and give ONE point of advice.

(5)

INFORMATION:

Nhlanhleni Traders employs three salaried workers (Thuly Vilakazi, Themba Mbhele and Shukela Gumede) who are paid on a monthly basis. They are remunerated as follows:

Basic salary	Overtime	Sundays/ Public holidays
	20 hours per month	25 hours per month
@ R 80 per hour	@ R 120 per hour	@ R 150 per hour.

The three workers worked the following number of hours:

Employee	Hours worked
Thuly Vilakazi	160 hours basic hours, 20 hours overtime
Themba Mbhele	160 hours basic hours, 20 hours overtime, 25 hours Sundays
Shukela Gumede	160 hours basic hours, 25 hours Sundays

The following deductions must be taken into account per month:

- The PAYE is calculated at 22 % of gross salaries.
- Medical aid is R 900 per month. The business contributes R 2,50 for every R 1, 00 deducted from the employee.
- The UIF is 1% of basic salary for each employee, the business contributes R 1, 00 for every R 1, 00 deducted from employee.
- Pension fund deduction is at 7,5% of normal basic salary. Pension fund contribution is 10,5% of basic salary.

1.2. WAGES JOURNAL - TRANSACTIONS ANALYSIS

You are provided with information taken from Dwaleni Traders.

REQUIRED:

Analyse the following transactions according the example given. Assume the bank has favourable balance at all times.

(22)

Example:

• Bought merchandise on credit R 26 500.

NO	Genera	l Ledger	AMOUNT	Α	0	L
	Account DR	Account CR				
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TRANSACTIONS:

1. The following appears in the wages journal of Dwaleni Traders for the week ending 15 June 2017.

N.B: analyse transaction for net wages, deductions and contributions.

Gross wages	99 500
Deductions	
Pension fund	11 800
PAYE	29 850
Employers contribution	
Pension fund contribution – 150% of employees	
deductions	R

(22 Marks; 13 Minutes)

Value Added Tax

2.1 **VAT**

- 2.1.1 What does VAT stand for? (2)
- 2.1.2 What is the current VAT rate in South Africa? (2)
- 2.1.3. What is the rate of VAT charged on the price of brown bread? (2)
- 2.1.4 Complete the following table in respect of VAT:

Taxes paid by	Type of taxation	Direct or indirect taxation	Taxes paid on
Employees	Α	Direct	В
С	VAT	D	Goods/expenses/services

2.1.5 A Shady, owner of Shady Stores, is not registered for VAT. However, he charges VAT to all his customers and he does not pay the VAT over to SARS. Comment on his practice and state what consequences he could be faced with if he is reported to SARS.

(8)

(8)

(79 Marks; 47 Minutes)

SOLE TRADER: FINAL LEDGER ACCOUNTS

REQIURED:

- 3.1. Calculate the Capital Balance at the end of the year 2017. (7)
- 3.2. Trading Account (14)
- 3.3. Profit and Loss Account (58)

Information:

The following information is related to Pongola Traders. Their financial year ends on 28 February each year. The business is owned by Gugu Mamba.

Pre-adjustment trial balance of Pongola Traders on 28 February 2017

BALANCE SHEET ACCOUNTS SECTION	Debit	Credit	
Capital		435 875	
Drawings	17 685		
Land and building	456 862		
Vehicles	367 200		
Accumulated depreciation vehicles		62 400	
Equipment	88 000		
Accumulated depreciation equipment		54 660	
Fixed Deposit : AFM Bank	18 750	***************************************	
Loan: CAPS Bank (12% p.a.)		103 500	
Trading stock	34 650		
Debtors' control	29 460		
Creditors' control		21 435	
Bank overdraft		52 550	
Cash float	750	***************************************	
NOMINAL ACCOUNTS SECTION			
Sales		679 200	
Cost of sales	346 350		
Debtors' allowances	1 875		
Salaries and wages	54 000		
Rent Income		40 000	
Bad debts recovered		16 335	
Insurance	10 128	······································	
Bad debts	975		
Stationery	8 400		
Water and Electricity	4 395		
Discount allowed	675		
Interest on overdraft	2 250		
Interest on fixed deposit		12 300	
Depreciation	16 020		
Discount received		270	
	1 468 475	1 468 475	

Additional information and adjustments

- 1. A debtor returned damaged goods for R 2 400 on 28 February 2017, these goods were sold at 80% of normal selling price and this was not recorded. The mark up on these goods was 50% on cost.
- 2. After a physical stocktaking, the following stock was on hand on 28 February 2017:

Trading inventory

R 33 600

Stationery

R 270

- The owner took stationery for R 500 before the stock taking for personal use. No entry has been made.
- 3. The rent for March has been received in advance and recorded. NB: The rent increased by R 200 on 1 November 2016.
- 4. The salary of an employee, was not processed for the month of February 2017. Use the details provided and make the necessary entries to process her salary.

Gross Salary	R 18 000
PAYE	10% of gross salary
Pension Fund	R 720
Medical Aid	R 1 200 per month
UIF	1% of gross salary

The business contributes toward UIF and Pension Fund on a Rand for Rand basis. The contributions are debited to salaries and wages account.

- 5. The insurance amount includes an annual payment of R6 300 that was paid on 1 October 2016 for the period 1 October 2016 to 30 September 2017.
- 6. The water and electricity amount of R465 is still owing.
- 7. A debtor J Black, was declared insolvent. A dividend of 40 cents in the rand for R 900 was received and recorded, the rest must be written off as irrecoverable.
- 8. An amount of R1 500 was received from a debtor whose account was previously written off.
- 9. The bank statement was received after the trial balance was drawn up. The following items still need to be recorded

Bank charges

R 540

Interest on overdraft

R 2 750

10. The business sells items on a commission basis. Commission totaling R12 000 for sales made during February is still due to the business.

- 11. The loan Statement from CAPS Bank showed the following
 - Balance on 28 Feb 2016

R 125 340

Repayments

R 25 000

The Bank capitalizes the interest each month.

- A new vehicle costing R 160 200 was bought on 1 November 2016. The entry has been properly recorded.
- 13. Depreciation should be calculated as follows:
 - Equipment at 15% per annum on cost price method
 - Vehicles at 10% per annum on diminishing balance method, the bookkeeper had already calculated the depreciation on the new vehicle but erroneously calculated it for the whole year. Correct the error.

(27 Marks; 16 Minutes)

PROBLEM SOLVING INTERNAL CONTROL AND ETHICS

4.1. PROBLEM SOLVING AND COST CALCULATIONS

REQUIRED:

4.1.1. Calculate the amounts denoted by letters $\mathbf{A} - \mathbf{F}$.

(18)

4.1.2. Consider the information provided on 30 June 201. Identify ONE problem per taxi. Quote figures to support your opinion. Give ONE point of advice in each case.

(9)

INFORMATION:

Vusi Ngobese run a taxi business called Gatsheni Taxi Service at eBhubesini. He is concerned that his income from taxi fares has not met his budget of R 2 000 000. And that the fuel cost and repair costs have exceeded his budget of R 950 000.

They have extracted the following information from the Ledger, the Fixed Assets Register and other records on 30 June 2017, the last day of the financial year.

Details	NTU 1111	NTU 1583	NTU 1754
Name of the Driver	Lekota	Mandla	Mageza
Date of purchase	1 July 2008	1 July 2015	1 July 2016
Cost of Vehicle	R 75 000	Α	R 360 000
Accumulated Depreciation	В	R 123 000	R 72 000
Carrying Value	R1	R 82 000	C
Amount of Income cashed	R 1 080 000	R 288 000	R 306 000
Kilometers covered during the year	D	70 000 KM	34 000 KM
Fuel and repair costs for the year	R 732 000	R 336 000	land land
Fuel and repair cost per kilometer	R 6.10	F	R 4.70

Total Marks: 200

• 97



Education

KwaZulu-Natal Department of Education REPUBLIC OF SOUTH AFRICA

ACCOUNTING ANSWER BOOK

JUNE 2017 COMMON TEST

NATIONAL SENIOR CERTIFICATE

GRADE 10

Name:	Crada
**************************************	Grade:

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

N.B. This answer book consists of 6 pages.

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1.1.1. SALARIES JOURNAL

SALARIES JOURNAL OF NHLANHLENI TRADERS ON 30 JUNE 2017

Basic Salary	Overtime	Gross Salary
Amount	Amount	Amount

Employee		<u> </u>	Deductions	3		Net
	Medical Aid Fund	Pension Fund	UIF	PAYE	Total	Salary

Employee	(Contributions		Total
	Medical Aid Fund	Pension Fund	UIF	

1.1.2. You have been appointed as an internal auditor of the business. What convolves you have with regards to salaries and give ONE point of advice.	oncern would (5)
Concern:	
Advice:	

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1.2. ANALYSIS OF TRANSACTIONS AND EFFECTS IN THE ACCOUNTING EQAUTION

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2.1.2		
2.1.3		
2.1.4	(A)	
	(B)	
	(C)	
	(D)	

2.1.5. A Shady, owner of Shady Stores, is not registered for VAT. However, he charges VAT to all his customers and he does not pay the VAT over to SARS. Comment on his practice and state what consequences he could be faced with if he is reported to SARS.
(8)
Comment:
Consequences:

Question 3

(7)
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3.2. TRADING ACCOUNT

3.3. PROFIT AND LOSS ACCOUNT

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4.1.2

	gures to support your opinion. Give ON Problem with figures	Advice
NTU 1111 Lekota		
NTU 1583 Mandla		
NTU 1754 Mageza		

27

TOTAL MARKS: 200

Education

KwaZulu-Natal Department of Education REPUBLIC OF SOUTH AFRICA

ACCOUNTING

MARKING GUIDELINE

JUNE 2017

SENIOR CERTIFICATE NATIONAL

GRADE 10

MARKS: 200

MARKING PRINCIPLES:

- Penalties for foreign items are applied only if the candidate is not losing marks elsewhere in the question for that item (no penalty for misplaced item). No double penalty applied. Full marks for correct answer. If answer incorrect, mark the workings provided
 - If a pre-adjustment figure is shown as a final figure, allocate the part-mark for the working for that
 - figure (not the method mark for the answer)
- Unless otherwise indicated, the positive or negative effect of any figure must be considered to award the mark. If no + or sign or bracket is provided, assume that the figure is positive. Where indicated, part-marks may be awarded to differentiate between differing qualities of answers
 - Where penalties are applied, the marks for that section of the question cannot be a final negative. from candidates.
- Where method marks are awarded for operation, the marker must inspect the reasonableness of the answer and at least one part must be correct before awarding the mark
 - Operation means 'Check operation'. 'One part correct' means 'Operation & one part correct'. Note: Check operation means must be +, -, x, or + per memo, but some items can be + or - such as stock deficit. Be aware of candidates who provide valid alternatives beyond the marking guideline.

This marking guideline consists of 6 pages.

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Accounting (Grade 10)

2 NSC

June 2017 Common Test

QUESTION 1

1.1.1. SALARIES JOURNAL

SALARIES JOURNAL OF NHLANHLENI TRADERS ON 30 JUNE 2017	OF NHLANHLE	NI TRADERS O	N 30 JUNE 201
Employee	Basic Salary	Overtime	Gross Salary
	Amount	Amount	Amount
Thuly Vilakazi	12 800 ~~	2 400 ~~	15 200 🖂
Themba Mbhele	12 800 ~~	6 150 //	18 950 🖾
Shukela Gumede	12 800 //	3 750 ~~	16.550 🔽

Employee		മ്	Deductions			No.
		1				101
	Medical	Pension	H H	PAYE	Total	Salary
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Employee		Contributions		Total
	Medical	Pension		
	Aid Fund	Fund	#5	
Thuly Vilakazi	2 250~	13447	1287	2 7000
Thombo Mhholo	0100		.03	27/6
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1.1.2. You have been appointed as an internal auditor of the business. What concern would you have with regards to salaries and give ONE point of advice.

(45)

<u>(2</u>)

Concern: One valid explanation </

Workers may abuse working overtime and working on Sundays for better pay month end.

Advice: Must be related to concern above. <

Strictly monitor and supervise working during normal working hours.

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314

NSC 3

June 2017 Common Test

1.2

ANALYSIS OF TRANSACTIONS AND EFFECTS IN THE ACCOUNTING EQAUTION

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	Pension Fund Contribution		Wages	k	Wages <		Wages ✓	eling sinels	Account DR	General Ledger	
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Accounting (Grade 10)

NSC

June 2017 Common Test

QUESTION 2

2.1.	
2.1.1	Value Added Tax 🗸 (2)
2.1.2	
	14% //
2.1.3	
	0% or Zero 🗸
2.1.4	
	(A) – PAYE <-
	(B) Salarias or Wages (V
	D) Cuminos of Trails
	(C) – All Individuals or Businesses VV
	(8)
	(D) - Indirect <

2.1.5. A Shady, owner of Shady Stores, is not registered for VAT. However, he charges VAT to all his customers and he does not pay the VAT over to SARS. Comment on his practice and state what consequences he could be faced with if he is reported to SARS. (8) Comment: One valid explanation (*/// Explanation State
This practice is unethical since his business is not a registered vendor. Comments for two marks
Unerflicar/ lilegal Consequences: One valid explanation
Shady and his business may face charges for fraud by SARS. Consequences for two marks A rocated / charged / jailed
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June 2017 Common Test

5 NSC

270 187区 (18 185)区 687 877✓区 435 875 3.1. Calculate the Capital balance at the end 2017 Add: Net profit as per profit and loss account Balance at the beginning of the year Less: Drawings (17 685~+500~) Balance at the end of the year

GENERAL LEDGER OF PONGOLA TRADERS ON 29 FEBRUARY 2017

TRADING ACCOUNT

2017		Cost of sales ✓		2017	> soleS	
g	28	Feb 28 (346 350 ~- 2 000 ~ ~ ~ ~)	344 350区	344 350 Feb 28	(679 2007-1 8757-2 400-7	K74 025
-	_				7.00. 7.00.	07.1 32.3
		Profit and Loss <	330 575√⊡			
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PROFIT AND LOSS ACCOUNT

图008 98 330 575区 17 835~ 12 300~ Rent (40 000 ×-3 200 × √)
Bad debts recovered
(16 335 × +1 500 √) Interest on fixed deposit Trading account 28 2017 Feb 72 900区 7 630~ 675~ 2 325区 4 860~ (975~+1 350~</r>
Stationery (8 400<-270<-Water and electricity Salaries and wage (54 000~+18 000~ +720~+180~~) Discount allowed (4 395~+465~) Bad debts 500 28 2017 Feb 33

2707 12 000~ Commission income Discount received 3 050区 5 40 / 270 187~区 5 000 33 000区 3 160区 6 453√☑ (2 250×+2 750×)
Depreciation (16 020× - 10 680× +14 460× +13 200× ∨) 5 340 three marks Interest on loan (103 500~+25 000~-Trading stock deficit (34 650~+2 000区-33 600~) (表現) Interest on overdraft Insurance (10 128~ 3 675~ </ Capital account√ Bank charges 125 340~)

79 79

409 780

409 780

Accounting (Grade 10)

QUESTION 4

4.1.1

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June 2017 Common Test

R 123 000~ + R 82 000~ R 75 000/ - R1,00/

R 74 999

R 205 000区

R 288 000回

R 360 000~ - R 72 000~

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R 732 000~ / R 6,10~

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34 000km~ x R 4,70~

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120 000km⊠

R 159 800⊠

R 4,80⊡ R 336 000~ / 70 000km~

4.1.2

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6 4.1.2. Consider the information provided on 30 June 201. Identify ONE problem per taxi.

Quote figures to support your opinion. Give ONE point of advice rase.

Problem with figures Advice Buy new vehicle Swap the cars and give it to Mageza Supervise / monitor the driver closely Appoint drivers assistant Swap the cars and give it to Lekota Pay drivers in a form of commission Advice/ Possibility that driver Mandla is stealing cash R288 000 cashed. Less than other High running cost R 6,10 Vehicle too old carrying value R1,00 Mageza is lazy driver only 34 000km Problem < figures < travelled drivers NTU 1583 NTU 1754 NTU 1111 Lekota Mageza Mandla

27

27

TOTAL MARKS: 200

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