



GAUTENG PROVINCE

EDUCATION
REPUBLIC OF SOUTH AFRICA

PROVINCIAL EXAMINATION

NOVEMBER 2022

GRADE 10

**ACCOUNTING
(PAPER 2)**

TIME: 2 hours

MARKS: 150

9 pages + 1 formula sheet and an answer book of 9 pages

Stanmorephysics

INSTRUCTIONS AND INFORMATION

Read the following instructions carefully and follow them precisely.

1. Answer ALL the questions.
2. A special ANSWER BOOK is provided in which to answer ALL the questions.
3. A FORMULA SHEET for financial indicators is provided at the back of this question paper. You may use it if necessary.
4. Show ALL workings in order to earn part-marks.
5. You may use a non-programmable calculator.
6. You may use a dark pencil or blue/black ink to answer the questions.
7. Where applicable, show ALL calculations to ONE decimal point.
8. Write neatly and legibly.
9. Use the information in the table below as a guide when answering the question paper. Try NOT to deviate from it.

QUESTION	TOPIC	MARKS	TIME ALLOCATED
1	Debtors' Reconciliation and Internal Control	63	50
2	Value Added Tax and Ethics	30	24
3	Tangible Assets and Internal Control	25	20
4	Cost Accounting	32	26
	TOTAL	150	120 minutes



QUESTION 1: DEBTORS' RECONCILIATION AND INTERNAL CONTROL**(63 marks; 50 minutes)****ARAMIS TRADERS**

The information below relates to Aramis Traders for the period ending 30 June 2022. The business uses a mark-up of 40% on cost for all goods sold.

REQUIRED:

- 1.1 Prepare a correct Debtors' Control Account for June 2022 after considering errors and omissions.
Note: Show all calculations in brackets and balance the account. (20)
- 1.2 Prepare a correct list of debtors for 30 June 2022. (26)
- 1.3 Explain the following terms:
- Credit term (2)
 - Credit limit (2)
- 1.4 A total discount of R6 219 was allowed to debtors. Calculate the actual amount that was received from debtors in June. (3)
- 1.5 The percentage of returns by debtors is 17%. Provide TWO control measures that can be implemented to reduce returns. (4)
- 1.6 In THREE points advise the owner on how to improve collections from debtors. (6)

INFORMATION:**GENERAL LEDGER OF ARAMIS TRADERS**

Dr		DEBTORS' CONTROL						Cr	
2022 Jun	1	Balance	b/d	216 210	2022 Jun	30	Bank and discount allowed	CRJ	124 380
	30	Sales	DJ	310 920			Debtors' allowances	DAJ	55 580
		Bank (refund)		600			Journal credits	GJ	1 600
		Journal debits	GJ	1 820			Balance	c/d	347 990
				<u>529 550</u>					<u>529 550</u>
2022 Jul	1	Balance	b/d	347 990					

B LIST OF DEBTORS ON 30 JUNE 2022

DEBTOR	Debit	Credit
S. Tylor	80 000	
Y. Putin	74 800	
G. Krigler	72 400	
M. Ahmod	18 900	
R. Dire	66 730	
P. Hlope		1 800
J. Phillip	7 200	
T. Makoe	18 000	
	338 030	1 800

C Errors and Omissions

- i The Debtors' Control balance on 1 June 2022 has been overstated by R6 700.
- ii The total of the Debtors' Allowances column in the Debtors' Allowances Journal was undercast by R360.
- iii A credit invoice for merchandise sold to M. Ahmod has not been recorded by the bookkeeper. The cost price of the merchandise sold was R3 700.
- iv Transfer the credit balance in the Debtors' Ledger of P. Hlope to his account in the Creditors' Ledger.
- v An amount of R400 received from G. Krigler via EFT, was recorded in the journal but was not transferred to his account.
- vi A receipt issued to S. Tyler for R19 800 cash received was recorded correctly in the Subsidiary Journal, but was posted to her account as R18 900.
- vii An entry in respect of goods sold on credit to T. Makoe to the value of R3 000 was correctly entered in the Debtors' Journal but was entered on the wrong side of his account.
- viii A payment of R12 000 received from Y. Putin was correctly recorded in the Subsidiary Journal but was incorrectly recorded in the account of R. Dire.
- ix J. Phillip whose account was 3 months in arrears, was charged interest at 5% p.a.

QUESTION 2: VALUE ADDED TAX AND ETHICS**(30 marks; 24 minutes)****2.1 CONCEPTS**

Indicate whether the following statements are True or False. Write only True or False in your ANSWER BOOK.

- 2.1.1 The supply of educational services is an example of a VAT exempt item.
- 2.1.2 VAT is not charged on goods taken by the owner for personal use.
- 2.1.3 Brown bread and milk are examples of zero-rated items.
- 2.1.4 VAT is charged on salaries and wages.
- 2.1.5 A business with an annual turnover of R50 000 and above, may register voluntarily as a VAT vendor.
- 2.1.6 VAT output is charged on all taxable goods and services supplied. (6)

2.2 CALCULATIONS

Complete the table below by filling in the missing amounts in your ANSWER BOOK.

No.	Amount (excluding VAT)	VAT amount (15%)	Amount (including VAT)
2.2.1	A	B	R2 415
2.2.2	R840	C	D
2.2.3	E	R6 300	F
2.2.4	R650	R97,50	G

(14)

2.3 ETHICS

- 2.3.1 Explain the difference between *tax evasion* and *tax avoidance*. (4)

2.3.2 Jay Zee Traders

Bokang is the owner of Jay Zee Traders. He donated goods to the value of R5 000, excluding VAT, to his brother's business that has been recently struggling to make profit. He instructed the bookkeeper not to charge VAT on this transaction.

- (a) Bokang has conducted himself unethically. Explain the action taken by SARS against the VAT vendors who conduct themselves unethically. Provide TWO points. (4)
- (b) Provide ONE reason why VAT should be paid to SARS on this transaction. (2)

QUESTION 3: TANGIBLE ASSETS AND INTERNAL CONTROL**(25 marks; 20 minutes)****3.1 TANGIBLE ASSETS**

The information below relates to Oceano Traders for the financial year ended 28 February 2022.

REQUIRED:

Calculate the missing amount in the Tangible Asset Note.

(17)**INFORMATION:****NOTE ON TANGIBLE ASSETS – 28 FEBRUARY 2022**

	VEHICLES	EQUIPMENT
Carrying value at the beginning of the year	152 000	290 000
Cost price	230 000	3.1.4
Accumulated depreciation	3.1.1	(130 000)
Movements		
Additions at cost price	3.1.2	0
Depreciation	3.1.3	3.1.5
Carrying value at the end of the year	271 500	3.1.6
Cost price	380 000	3.1.7
Accumulated depreciation	(108 500)	(173 500)

Additional information and adjustments:**Vehicles**

- Depreciation on vehicles is calculated at 10% p.a. on cost price.
- A new vehicle was purchased on 1 September 2021.

Equipment

- Depreciation on equipment is calculated at 15% p.a. on the diminishing balance method.
- No equipment was purchased during the year.



3.2 SIZANANI TRADERS


Selby, the owner of Sizanani Traders, provides free delivery services to all the customers who buy in bulk and stay within a distance of 8 kilometres. The sales figures were low in the previous month but delivery expenses did not decrease. He suspects that delivery expenses are high because of private use of the business vehicles.

- 3.2.1 Explain how the business is affected by private use of its vehicles. Provide TWO points. (4)
- 3.2.2 Provide the control measures that should be implemented by the owner to avoid mismanagement of movable, tangible assets. State TWO points. (4)



QUESTION 4: COST ACCOUNTING**(32 marks; 26 minutes)****4.1 CONCEPTS**

Choose the correct term from those within the bracket. Only write the term next to the question numbers (4.1.1 to 4.1.5) in the ANSWER BOOK.


- 4.1.1  Direct labour and direct material used in the factory are equal to total (overhead/prime) costs.
- 4.1.2 The salary of the factory cleaner is a/an (direct/indirect) labour cost.
- 4.1.3 Rent of a building is considered a (factory overhead/delivery) cost.
- 4.1.4 Factory overhead costs are (direct/indirect) manufacturing expenses that are related to the production of finished goods.
- 4.1.5 An expense for factory rent is recorded as (direct/factory overhead) cost. (5)
- 4.2** Explain the difference between *fixed costs* and *variable costs*. (4)

4.3 DAN MALGAS

Dan Malgas manufactures and sells kites for children. The selling price per kite is R155. He manufactured 2 500 kites during October. Provided below is a summary of all his costs for October 2022.

REQUIRED:

Complete the following:

- 4.3.1 Calculate the direct material cost per kite for October 2022. (4)
- 4.3.2 Calculate the total manufacturing overheads for October 2022. (5)
- 4.3.3 Calculate total production cost for October 2022 if 2 500 kites were produced. (7)
- 4.3.4 Calculate the unit cost of production. (3)
- 4.3.5 Calculate the percentage profit that Dan Malgas earned per kite during October 2022, if the kites were sold at R155 each. (4)
- 

INFORMATION:

Costs per kite	
Material per kite	R25
Wood per kite	R5
Line per kite	R5
Wages per kite completed	R50
Costs for the month	
Salary of factory supervisor	R5 000
Rent of factory	R8 000
Water and electricity of the factory	R2 500
Indirect material cost	R500

32

TOTAL: 150**END**

GRADE 10 ACCOUNTING FINANCIAL INDICATOR FORMULA SHEET

$\frac{\text{Gross profit}}{\text{Sales}} \times \frac{100}{1}$	$\frac{\text{Gross profit}}{\text{Cost of sales}} \times \frac{100}{1}$	$\frac{\text{Net profit}}{\text{Sales}} \times \frac{100}{1}$
$\frac{\text{Operating expenses}}{\text{Sales}} \times \frac{100}{1}$	$\frac{\text{Operating profit}}{\text{Sales}} \times \frac{100}{1}$	
Current assets : Current liabilities	(Current assets – Inventories) : Current liabilities	
(Trade and other receivables + Cash and cash equivalents) : Current liabilities		
$\frac{\text{Net profit}}{\text{Owner's equity}} \times \frac{100}{1}$	Total assets : Total liabilities	





PROVINCIAL EXAMINATION

NOVEMBER 2022

GRADE 10

**ACCOUNTING
(PAPER 2)**

ANSWER BOOK

NAME OF SCHOOL: _____

NAME OF LEARNER: _____

QUESTION	TOTAL MARKS	MARKS OBTAINED	MODERATED MARK
1	63		
2	30		
3	25		
4	32		
TOTAL	150		



9 pages

QUESTION 1: DEBTORS' RECONCILIATION AND INTERNAL CONTROL

1.1 GENERAL LEDGER OF ARAMIS TRADERS

Dr	DEBTORS' CONTROL							Cr


20

1.2 List of debtors as at 30 June 2022

DEBTOR	Debit	Credit
S. Tyler		
Y. Putin		
G. Krigler		
M. Ahmod		
R. Dire		
P. Hlope		
J. Phillip		
T. Makoe		

26



1.3	Explain the following terms:	
	Credit term  Credit limit	<input type="text"/> <input type="text"/>
		4

1.4	A total discount of R6 219 was allowed to debtors. Calculate the actual amount that was received from debtors in June.	
		<input type="text"/> <input type="text"/>
		3

1.5	The percentage of returns by debtors is 17%. Provide TWO control measures that can be implemented to reduce returns.	
		<input type="text"/> <input type="text"/>
		4

1.6	In THREE points advise the owner on how to improve collection from debtors.	
		<input type="text"/> <input type="text"/> <input type="text"/>
		6

TOTAL MARKS
<input type="text"/> <input type="text"/>
63



QUESTION 2: VALUE ADDED TAX AND ETHICS

2.1 CONCEPTS

2.1.1		
2.1.2		
2.1.3		
2.1.4		
2.1.5		
2.1.6		6

2.2 CALCULATIONS

A		
B		
C		
D		
E		
F		
G		14



2.3 ETHICS

2.3.1	Explain the difference between <i>tax evasion</i> and <i>tax avoidance</i> .

4

2.3.2	(a)	Bokang has conducted himself unethically. Explain the action taken by SARS against the VAT vendors who conduct themselves unethically. Provide TWO points.
	(b)	Provide ONE reason why VAT should be paid to SARS on this transaction.



4


2

TOTAL MARKS
30



QUESTION 3: TANGIBLE ASSETS AND INTERNAL CONTROL

No.	CALCULATIONS	ANSWER
3.1.1	Accumulated depreciation 	
		2
3.1.2	Cost price of new vehicle	
		2
3.1.3	Depreciation – vehicles	
		5
3.1.4	Cost price of equipment at the beginning of the year	
		2
3.1.5	Depreciation – equipment	
		2
3.1.6	Carrying value at end of year – equipment 	
		2

No.	CALCULATIONS	ANSWER
3.1.7	Cost price equipment – end of the year 	

2

3.2.1	Explain how the business is affected by private use of its vehicles. Provide TWO points.

4

3.2.2	Provide the control measures that should be implemented by the owner to avoid mismanagement of moveable, tangible assets. State TWO points.

4

TOTAL MARKS
25



QUESTION 4: COST ACCOUNTING

4.1 CONCEPTS


4.1.1		
4.1.2		
4.1.3		
4.1.4		
4.1.5		5

4.2

Explain the difference between <i>fixed costs</i> and <i>variable costs</i> .		
Variable cost		
Fixed cost		4

4.3 Complete the following:

No.	CALCULATIONS	ANSWER
4.3.1	Direct material cost per kite for October 2022.	
		4
4.3.2	Total manufacturing overheads for October 2022.	
		5

No.	CALCULATIONS	ANSWER	
4.3.3	Total production cost for October 2022 if 2 500 kites were produced. 		7
4.3.4	Unit cost of production.		3
4.3.5	The percentage profit Dan Malgas earned per kite during October 2022, if the kites were sold at R155 each.		4

TOTAL MARKS
32

TOTAL: 150



END



PROVINCIAL EXAMINATION

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GRADE 10

MARKING GUIDELINES

ACCOUNTING (PAPER 2)

9 pages

MARKING PRINCIPLES:

1. Unless otherwise stated in the marking guideline, 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.
2. Penalties for placement or poor presentation (e.g. details) are applied only if the candidate is earning marks on the figures for that item.
3. Full marks for correct answer. If answer is incorrect, mark the workings provided.
4. 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). Note: If figures are stipulated in the marking guidelines for components of workings, these do not carry the method mark for final answer as well.
5. 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.
6. Where indicated, part-marks may be awarded to differentiate between differing qualities of answers from candidates.
7. Where penalties are applied, the marks for that section of the question cannot be a final negative.
8. Operation means 'check operation'. 'One part correct' means operation and one part correct. Note: check operation must be +, -, x, ÷, or per memo.
9. 'One part correct' means 'operation and one part correct'. Where method marks are awarded for one part correct, the marker must inspect the reasonableness of the answer and at least one part must be correct before awarding the mark. If a figure has earned a method mark, this will be regarded as 'one part correct'.
10. In calculations, do not award marks for workings if numerator and denominator are swapped – this also applies to ratios.
11. In awarding method marks, ensure that candidates do not get full marks for any item that is incorrect at least in part. Indicate with a ☒.
12. Be aware of some candidates who provide valid alternatives beyond the marking guideline.

Codes: f = foreign item; p = placement/presentation.

QUESTION 1: DEBTORS' RECONCILIATION AND INTERNAL CONTROL

**1.1 GENERAL LEDGER OF ARAMIS TRADERS
DEBTORS' CONTROL**

Dr					Cr				
2022 Jun	01	Balance	b/d	209 510 <input checked="" type="checkbox"/>	2022 Jun	30	Bank and discount allowed	CRJ	✓124 380
		(216 210 ✓ - 6 700 ✓)							
	30	Sales	DJ	316 100 <input checked="" type="checkbox"/>			Debtors' allowances	DAJ	55 940 <input checked="" type="checkbox"/>
		(310 920 ✓ + 5 180 ✓ ✓)					(55 580 ✓ + 360 ✓)		
		Bank (Refund)	CPJ	✓600			Journal credits	GJ	✓1 600
		Journal debits	GJ	3 710 <input checked="" type="checkbox"/>			Balance	c/d	348 000
		(1 820 ✓ + 1 800 ✓ ✓ + 90 ✓ ✓)							
				529 920					529 920
2022 Jul	01	Balance	b/d	348 000 <input checked="" type="checkbox"/>					

20

1.2 List of debtors as at 30 June 2022

DEBTOR	Debit	Credit
S. Tyler (80 000 ✓ - 900 ✓ ✓)	79 100 <input checked="" type="checkbox"/>	
Y. Putin (74 800 ✓ - 12 000 ✓)	62 800 <input checked="" type="checkbox"/>	
G. Krigler (72 400 ✓ - 400 ✓)	72 000 <input checked="" type="checkbox"/>	
See sales in control account		
M. Ahmod (18 900 ✓ + 5 180 <input checked="" type="checkbox"/>)	24 080 <input checked="" type="checkbox"/>	
R. Dire (66 730 ✓ + 12 000 ✓)	78 730 <input checked="" type="checkbox"/>	
P. Hlope (-1 800 ✓ + 1 800 ✓)	0	If no calculation shown award 1 mark for 0
See journal debits in control account		
J. Phillip (7 200 ✓ + 90 <input checked="" type="checkbox"/>)	7 290 <input checked="" type="checkbox"/>	
T. Makoe (18 000 ✓ + 6 000 ✓ ✓)	24 000 <input checked="" type="checkbox"/>	
3 000 (1 mark) + 3 000 (1 mark) One part correct	348 000 <input checked="" type="checkbox"/>	

26

1.3	Explain the following terms:	
	<p>Credit term Credit term is the amount of time a debtor is allowed to take to pay off his/her account. ✓✓</p> <p>Credit limit Credit limit is the maximum amount a debtor is allowed to buy goods on credit. OR Credit limit is the maximum amount that a debtor may have as an outstanding balance. ✓✓</p>	<div style="border: 1px solid black; width: 40px; height: 20px; margin: 5px;"></div> <div style="border: 1px solid black; width: 40px; height: 20px; text-align: center; margin: 5px;">4</div>
1.4	A total discount of R6 219 was allowed to debtors. Calculate the actual amount that was received from debtors in June.	
	$124\,380 ✓ - 6\,219 ✓ = 118\,161 ✓$ One part correct	<div style="border: 1px solid black; width: 40px; height: 20px; margin: 5px;"></div> <div style="border: 1px solid black; width: 40px; height: 20px; text-align: center; margin: 5px;">3</div>
1.5	The percentage of returns by debtors is 17%. Provide TWO control measures that can be implemented to reduce returns.	
	<p>Any two valid answers ✓✓ ✓✓</p> <ul style="list-style-type: none"> • Follow-up on orders made by customers. • The quality of goods could be a problem. Check alternative suppliers. • Find out what other suppliers are charging for goods that are normally returned by customers./Look for cheaper suppliers. 	<div style="border: 1px solid black; width: 40px; height: 20px; margin: 5px;"></div> <div style="border: 1px solid black; width: 40px; height: 20px; text-align: center; margin: 5px;">4</div>
1.6	In THREE points advise the owner on how to improve collection from debtors.	
	<p>Any three valid answers ✓✓ ✓✓ ✓✓</p> <ul style="list-style-type: none"> • Charge interest on overdue accounts of debtors. • Send statements of account/sms's as reminders./Send letters of demand. • Offer discounts for early payments. 	<div style="border: 1px solid black; width: 40px; height: 20px; margin: 5px;"></div> <div style="border: 1px solid black; width: 40px; height: 20px; text-align: center; margin: 5px;">6</div>
TOTAL MARKS		
63		

QUESTION 2: VALUE ADDED TAX AND ETHICS

2.1 CONCEPTS

2.1.1	True	✓
2.1.2	False	✓
2.1.3	True	✓
2.1.4	False	✓
2.1.5	True	✓
2.1.6	True	✓

6

2.2 CALCULATIONS

A	R2 100	✓✓
B	R315	✓✓
C	R126	✓✓
D	R966	✓✓
E	R42 000	✓✓
F	R48 300	✓✓
G	R747,50	✓✓

14

2.3 ETHICS

2.3.1	Explain the difference between <i>tax evasion</i> and <i>tax avoidance</i>.
	<ul style="list-style-type: none"> • Tax evasion is the use of illegal methods to pay less/no tax. ✓✓ • Tax avoidance is the use of legal methods to pay less tax. ✓✓

4





2.3.2	(a)	Bokang has conducted himself unethically. Explain the action taken by SARS against the VAT vendors who conduct themselves unethically. Provide TWO points.				
		<p>Any two valid points. ✓✓ ✓✓ Allocate one mark for partially correct response.</p> <ul style="list-style-type: none"> • SARS imposes penalties on businesses for non-compliance or tax evasion. • Jail term for defrauding SARS. • The Commissioner can cancel the registration if the business does not keep proper accounting records. 	<table border="1" style="width: 100%; text-align: center;"> <tr><td style="height: 20px;"> </td></tr> <tr><td style="height: 20px;"> </td></tr> <tr><td style="height: 20px;">4</td></tr> </table>			4
4						
	(b)	Provide ONE reason why VAT should be paid to SARS on this transaction.				
		<p>Any one valid point. ✓✓ Allocate one mark for partially correct response.</p> <ul style="list-style-type: none"> • Goods donated to individuals and businesses are subjected to VAT output. • VAT output on donated goods is not charged to registered charity organisations. 	<table border="1" style="width: 100%; text-align: center;"> <tr><td style="height: 20px;"> </td></tr> <tr><td style="height: 20px;"> </td></tr> <tr><td style="height: 20px;">2</td></tr> </table>			2
2						

TOTAL MARKS

30



QUESTION 3: TANGIBLE ASSETS AND INTERNAL CONTROL

No.	CALCULATIONS	ANSWER	
3.1.1	 Accumulated depreciation $230\ 000 - 152\ 000$	R78 000 ✓✓	<div style="border: 1px solid black; width: 30px; height: 20px; margin: 0 auto;"></div> <div style="border: 1px solid black; width: 30px; height: 20px; margin: 0 auto; text-align: center;">2</div>
3.1.2	Cost price of new vehicle $380\ 000 - 230\ 000$	R150 000 ✓✓	<div style="border: 1px solid black; width: 30px; height: 20px; margin: 0 auto;"></div> <div style="border: 1px solid black; width: 30px; height: 20px; margin: 0 auto; text-align: center;">2</div>
3.1.3	Depreciation – vehicles $230\ 000 \times \frac{10}{100} = 23\ 000$ ✓✓ One part correct $150\ 000 \times \frac{10}{100} \times \frac{6}{12} = 7\ 500$ ✓✓ One part correct See 3.1.2	R30 500 ✓ One part correct	<div style="border: 1px solid black; width: 30px; height: 20px; margin: 0 auto;"></div> <div style="border: 1px solid black; width: 30px; height: 20px; margin: 0 auto; text-align: center;">5</div>
3.1.4	Cost price of equipment at the beginning of the year. $290\ 000 + 130\ 000$	R420 000 ✓✓	<div style="border: 1px solid black; width: 30px; height: 20px; margin: 0 auto;"></div> <div style="border: 1px solid black; width: 30px; height: 20px; margin: 0 auto; text-align: center;">2</div>
3.1.5	Depreciation – equipment $290\ 000 \times \frac{15}{100}$	R43 500 ✓✓	<div style="border: 1px solid black; width: 30px; height: 20px; margin: 0 auto;"></div> <div style="border: 1px solid black; width: 30px; height: 20px; margin: 0 auto; text-align: center;">2</div>
3.1.6	Carrying value at end of year – equipment See 3.1.5 $290\ 000 - 43\ 500$	 246 500 ✓✓ One part correct	<div style="border: 1px solid black; width: 30px; height: 20px; margin: 0 auto;"></div> <div style="border: 1px solid black; width: 30px; height: 20px; margin: 0 auto; text-align: center;">2</div>

No.	CALCULATIONS	ANSWER			
3.1.7	<p>Cost price equipment – end of the year</p> <p>See 3.1.6 246 500 + 173 500</p> <p>OR From 3.1.4 420 000</p>	<p>420 000 ✓✓ One part correct</p>	<table border="1" style="width: 100%; height: 100%; border-collapse: collapse;"> <tr><td style="height: 20px;"></td></tr> <tr><td style="text-align: center;">2</td></tr> </table>		2
2					

3.2.1	<p>Explain how the business is affected by private use of its vehicles. Provide TWO points.</p>			
	<p>Any two valid points. ✓✓ ✓✓ Allocate one mark for partially correct answer.</p> <ul style="list-style-type: none"> • The business will spend more money on repairing the vehicles. • The business will spend more money on fuel. • The value of vehicles will depreciate quicker than expected. • The maintenance plan or service plan will expire quickly. • The expenses of the business will increase and that will reduce profit. 	<table border="1" style="width: 100%; height: 100%; border-collapse: collapse;"> <tr><td style="height: 20px;"></td></tr> <tr><td style="text-align: center;">4</td></tr> </table>		4
4				

3.2.2	<p>Provide the control measures that should be implemented by the owner to avoid mismanagement of movable tangible assets. State TWO points.</p>			
	<p>Accept any two valid points. ✓✓ ✓✓ Allocate one mark for partially correct answer.</p> <ul style="list-style-type: none"> • Signing in and out of vehicles to track where they are and who used them. • The movement of assets must be recorded in a logbook./Record kilometres travelled and inspect the vehicles. • Install a tracking system in the vehicle to monitor movement. 	<table border="1" style="width: 100%; height: 100%; border-collapse: collapse;"> <tr><td style="height: 20px;"></td></tr> <tr><td style="text-align: center;">4</td></tr> </table>		4
4				

TOTAL MARKS
25



QUESTION 4: COST ACCOUNTING

4.1 CONCEPTS

4.1.1	Prime	✓
4.1.2	Indirect	✓
4.1.3	Factory overhead	✓
4.1.4	Indirect	✓
4.1.5	Factory overhead	✓

5

4.2

Explain the difference between *fixed costs* and *variable costs*.

Variable costs vary in direct proportion to the amount of goods produced, e.g. raw materials. ✓✓

Fixed costs remain constant irrespective of the amount of goods produced, e.g. rent. ✓✓

4


4.3 Complete the following:

No.	CALCULATIONS	ANSWER
4.3.1	<p>Direct material costs per kite for October 2022.</p> $25 \checkmark + 5 \checkmark + 5 \checkmark$	<p>R35 <input checked="" type="checkbox"/></p> <p>One part correct</p>
4.3.2	<p>Total manufacturing overheads for October 2022.</p> $5\ 000 \checkmark + 8\ 000 \checkmark + 2\ 500 \checkmark + 500 \checkmark$	<p>R16 000 <input checked="" type="checkbox"/></p> <p>One part correct</p>

4

5



No.	CALCULATIONS	ANSWER
4.3.3	<p>Total production cost for October 2022 if 2 500 kites were produced.</p>  <p>85 two marks One part correct</p> <p>$(35 \checkmark \text{ See 4.3.1} + 50 \checkmark) \times 2\,500 \checkmark = 212\,500 \checkmark$</p> <p style="text-align: right;">$\text{See 4.3.2 } +16\,000 \checkmark$</p>	<p>228 500 ✓<input checked="" type="checkbox"/></p> <p>One part correct</p>
		7
4.3.4	<p>Unit cost of production.</p> <p>$228\,500 \checkmark \text{ See 4.3.3} / 2\,500 \checkmark$</p>	<p>91,40 <input checked="" type="checkbox"/></p> <p>One part correct</p>
		3
4.3.5	<p>The percentage profit Dan Malgas earned per kite during October 2022, if the kites were sold at R155 each.</p> <p>$\frac{155 \checkmark - 91,40 \checkmark}{91,40 \checkmark} \times \frac{100}{1}$</p>	<p>69,6% OR 70% <input checked="" type="checkbox"/></p> <p>One part correct</p>
		4

TOTAL MARKS
32

TOTAL: 150

