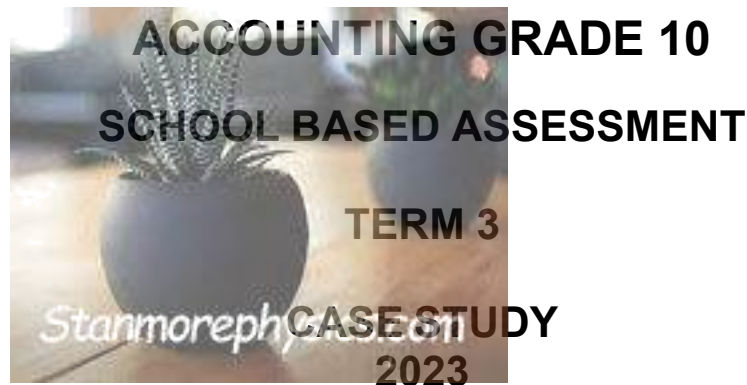




GAUTENG PROVINCE

EDUCATION
REPUBLIC OF SOUTH AFRICA



QUESTION	TOPIC	MARKS	TIME ALLOCATED
1	Statement of Comprehensive Income	50	58 minutes
2	Notes to the financial statements	15	17 minutes
	Total	65	75 minutes

NOTE:

- The case study should be administered in class under the supervision of the educator.
- Learners should not refer to notes during the administration process.

This question paper consists of 5 pages.

QUESTION 1: STATEMENT OF COMPREHENSIVE INCOME (50 marks; 58 minutes)

ELLIS FURNITURE SHOP

Ellis Furniture Shop is located in Ennerdale and is owned by Joanna Ellis. She sells furniture to the local community on credit and for cash. A profit mark-up of 50% is added to the cost price. The financial year of Ellis Furniture Shop ends on 28 February 2023. The accountant, Ntando Sithole, could not complete the financial statements as he fell sick and was booked off for 3 months. Joanna has requested your assistance with the preparation of the financial statements. The bookkeeper has compiled some information, which appears below.

REQUIRED:

- 1.1 Complete the Statement of Comprehensive (Income Statement) for the year ended 28 February 2023.

INFORMATION:

- A. Extract from the Pre-Adjustment Trial Balance of Ellis Furniture Shop for the year ended 28 February 2023**

	Debit	Credit
BALANCE SHEET ACCOUNTS SECTION		
Capital		865 500
Fixed deposit: Save Bank (7% p.a.)	80 000	
Trading stock	123 400	
Bank	87 500	
Loan: ABS Bank (14% p.a.)		150 000
NOMINAL ACCOUNTS SECTION		
Sales		1 280 000
Cost of sales	640 000	
Debtor's allowances	12 400	
Rent income		179 550
Interest on fixed deposit		4 200
Discount received		3 100
Water and electricity	35 400	
Advertising	30 000	
Bad debts	11 300	
Salaries	184 000	
Telephone	17 500	
Stationery	23 200	
Insurance	44 000	
Interest on loan	14 000	
Discount allowed	3 800	
Bank charges	2 300	

B. ADJUSTMENTS AND ADDITIONAL INFORMATION:

1. No entry was made for a credit note issued to debtor, K. Naidoo, for stock returned, R4 500.
2. On the last day of the financial year, a physical stock taking revealed the following:
 - Trading stock R118 250
 - Stationery R1 050
3. A debtor, T. Mkwabane, who owes R950 must be written off as irrecoverable.
4. The telephone account for February 2023 has been received but not yet paid, R2 450.
5. A debtor settled their account after 30 days. A discount of R300 was given in error. This must be corrected.
6. An annual insurance premium of R10 800 was paid on 1 October 2022.
7. The fixed deposit was invested on 1 March 2022 at Save Bank. The interest was received for 9 months only. Provide for outstanding interest.
8. The bank statement received on 28 February 2023 reflected the following:
 - Bank charges, R400
 - P. Smith, a debtor, whose account was previously written off as irrecoverable, deposited R1 200 into the business bank account.
 - Interest on current account, R125
9. A spare office has been rented out to a tenant since 1 March 2022. The tenant paid March 2023 rent in advance during February 2023. Note the rent was increased by R1 350 per month from 1 January 2023.
10. Provide for depreciation of R40 500 for the year.
11. An employee has been omitted from the Salaries Journal of February 2023. The details are as follows:

Gross salary	Deductions	*Contributions	Net Salary
?	6 000	3 000	13 000

*Employer's contributions are recorded as Salaries and Wages.

QUESTION 2: NOTES TO THE FINANCIAL STATEMENTS (15 marks; 17 minutes)

TSHABALALA TRADERS

Tshabalala Traders is owned by Patrick Tshabalala, he buys and sells washing machines for cash and on credit. Patrick Tshabalala is a qualified accountant and he prepares the financial records for his business. Demand for his washing machines is increasing and he has decided to open another branch. He will soon need to employ a person who will prepare the financial records.

You have been approached by Patrick to complete the notes to the financial statements, for the year ended on 31 August 2023. If you display knowledge of finances, Patrick will employ you as their accountant.

REQUIRED:

Prepare notes to the financial statements for the year ended 31 August 2023.

- 2.1 Inventories (4)
- 2.2 Owner's Equity (6)
- 2.3 Trade and other payables (5)

INFORMATION:

A. Extract from the Trail Balance on 31 August 2023

	Debit	Credit
Capital (31 August 2023)		R975 000
Drawings	R125 000	
Loan: Sharkbank		400 000
Fixed deposit: FNB	120 000	
Trading stock	310 000	
Debtors control	48 700	
Bank overdraft		64 700
Petty cash	1 200	
Creditors for salaries		16 000
SARS – PAYE		3 200
Creditors control		74 800

B. ADDITIONAL INFORMATION

1. The owner of Tshabalala Traders contributed R75 000 cash as additional capital on 31 August 2023. This transaction has been recorded.
2. Patrick Tshabalala took stock for personal use, R8 750. This has not been recorded.
3. The following information relates to packing material:

Packing material bought	R5 600
Packing material used	R1 875
Packing material on hand	R3 725

4. Statement of loan received from Shark Bank on 31 August 2023:

Statement of Loan -Shark Bank	
Balance on 1 September 2022	520 000
Total repayment during the year (including interest)	(180 000)
Balance on 31 August 2023	400 000

NOTE: 25% of the balance will be paid in the next financial year, interest on loan is capitalized.

5. The net profit for the year amounts to R195 000 after all adjustments were taken into consideration.

15

TOTAL MARKS: 65



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EDUCATION
REPUBLIC OF SOUTH AFRICA

ACCOUNTING GRADE 10

TERM 3

CASE STUDY

2023

Stanmorephysics.com

NAME OF LEARNER	
SCHOOL	
DATE	

QUESTION	TOPIC	MARKS	LEARNER'S MARKS	MODERATED MARKS
1	Statement of Comprehensive Income	50		
2	Notes to the financial statements	15		
	TOTAL	65		
		65/1.3 = 50		

This answer book consists of 3 pages.

QUESTION 1

STATEMENT OF COMPREHENSIVE INCOME OF ELLIS FURNITURE SHOP FOR THE YEAR ENDED 28 FEBRUARY 2023

Sales (1 280 000)		
Cost of Sales		
Gross Profit		
Other Operating Income		
Discount received		
Gross Operating Income		
Operating Expenses		
Water and electricity		35 400
Advertising		
Operating Profit		
Interest income		
Profit Before Interest Expense		
Interest expense		(23 100)
Net Profit for the Year		

QUESTION 2

NOTES TO THE FINANCIAL STATEMENTS

2.1 Inventories	
Trading stock	

4

2.2 Owners' equity	
Balance at the beginning of the year	
Additional capital contributed	
Balance at the end of the year	

6

2.3 Trade and Payables	
Creditors Control	74 800

5

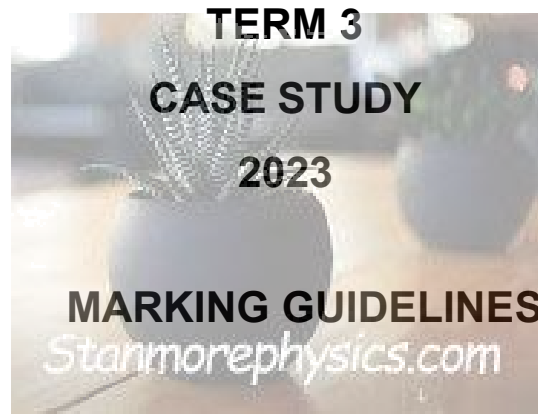
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GAUTENG PROVINCE

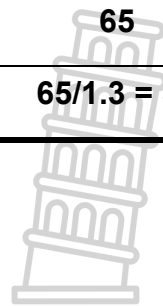
EDUCATION
REPUBLIC OF SOUTH AFRICA

ACCOUNTING GRADE 10



QUESTION	TOPIC	MARKS
1	Statement of Comprehensive Income	50
2	Notes to the financial statements	15
	TOTAL	65
		65/1.3 = 50

This marking guideline consists of 3 pages.



QUESTION 1

STATEMENT OF COMPREHENSIVE INCOME OF ELLIS FURNITURE SHOP FOR THE YEAR ENDED 28 FEBRUARY 2023

Sales (1 280 000 – 12 400 ✓ – 4 500 ✓)	✓	1 263 100
Cost of Sales (640 000 ✓ – 3 000 ✓ ✓)	✓	(637 000)
Gross Profit	8	626 100
Other Operating Income	✓	169 000
Discount received	✓	3 100
Rent income (179 550 ✓ – 14 850 ✓ ✓)	✓	164 700
Bad debts recovered	✓	1 200
Gross Operating Income	8	795 100
Operating Expenses	✓	(418 300)
Water and electricity		35 400
Advertising	✓	30 000
Bad debts (11 300 + 950)	✓ ✓	12 250
Salaries (184 000 ✓ + 19 000 ✓ + 3 000 ✓)	✓	206 000
Telephone (17 500 + 2 450)	✓ ✓	19 950
Stationery (23 200 - 1 050)	✓ ✓	22 150
Insurance (44 000 ✓ - 6 300 ✓ ✓)	✓	37 700
Discount allowed (3 800 ✓ – 300 ✓)	✓	3 500
Bank charges (2 300 + 400)	✓ ✓	2 700
Trading stock deficit (123 400 ✓ + 3 000 ✓ – 118 250 ✓)	✓	8 150
Depreciation	✓	40 500
Operating Profit	27	376 800
Interest income (4 200 ✓ + 1 400 ✓ ✓ + 125 ✓)	✓	5 725
Profit Before Interest Expense	✓	382 525
Interest expense		(23 100)
Net Profit for the year	7	359 425

QUESTION 2

NOTES TO THE FINANCIAL STATEMENTS

2.1 Inventories	
Trading stock (310 000 – 8 750)	✓✓ 301 250
Consumable stores on hand	✓ 3 725
	☑ 304 975

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2.2 Owners' equity	
Balance at the beginning of the year	☑ 838 750
Additional capital contributed	✓ 75 000
Drawings (125 000 + 8 750)	✓✓ (133 750)
Net Profit	✓ 195 000
Balance at the end of the year	✓ 975 000

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2.3 Trade and Payables	
Creditors Control	74 800
Creditors for salaries	✓ 16 000
SARS – PAYE	✓ 3 200
Short-term loan	✓✓ 100 000
	☑ 194 000

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