GAUTENG PROVINCE
EDUCATION
REPUBLIC OF SOUTH AFRICA

PROVINCIAL EXAMINATION

NOVEMBER 2022

GRADE 11

ACCOUNTING
(PAPER 1)

ANSWER BOOK

TIME: 2 hours
MARKS: 150

9 pages

Name of school	
Name of learner	
Grade	
Date	

QUESTION	TOPIC	MAXIMUM MARKS	MARKS OBTAINED	MODERATED MARKS
1	Fixed Assets and Internal Control	25		
2	Statement of Comprehensive Income	50		
3	Partnerships	40		
4	Financial Indicators	35		
	Total	**150**		

QUESTION 1: FIXED ASSETS AND INTERNAL CONTROL (25 marks; 20 minutes)

1.1 Calculations: Depreciation

Vehicles		
Sold	**Remaining (old)**	**New**
Total depreciation for current year:		

Equipment	
Old	**New**
Total depreciation for current year:	

10

1.2

Tangible Assets	Land and Buildings	Vehicles	Equipment
Carrying value on (01-03-2021)	**400 000**	**224 000**	**60 000**
Cost	**400 000**	**300 000**	**80 000**
Accumulated depreciation		**(76 000)**	**(20 000)**
Movements			
Additions at cost			**12 000**
Disposals at carrying value			
Depreciation			
Carrying value on (28-02-2022)			
Cost	**520 000**	**350 000**	**92 000**
Accumulated depreciation			

10

1.3.1	**The land and buildings were revalued in January 2021 and the market value is R700 000. The financial records of RnB Traders are reflecting R400 000. Which GAAP principle being applied?**	**(2)**

1.3.2	**The owner is concerned about high maintenance expenses of trucks and he needs your advice. Provide THREE points.**	**(3)**

TOTAL MARKS
25

QUESTION 2: STATEMENT OF COMPREHENSIVE INCOME (50 marks: 45 minutes)

MK Traders
Statement of Comprehensive Income for the year ended 30 June 2022

Sales (1 032 000	
Cost of sales (427 000	
Gross profit	
Other operating income	
Rent income (47 250	
Discount received	4 200
Gross operating income	
Other operating expenses	
Salaries and wages	
Water and electricity	
Discount allowed	1 500
Insurance	
Packing material (4 200	
Stationery (4 100	
Bad debts	
Medical contribution	
UIF contribution	
Skills development levy	
Bank charges	
Sundry expenses	41 000
Operating profit	
Profit before interest expense	
Net profit for the year	

50

TOTAL MARKS
50

QUESTION 3: PARTNERSHIPS **(40 marks: 30 minutes)**

3.1

3.1.1	
3.1.2	
3.1.3	
3.1.4	
3.1.5	

5

Bryan Adam Stores

Notes to Financial Statements as at 28 February 2022

3.2

Current Accounts	**A. Bryan**	**B. Adam**	**Total**
Net profit as per income statement			
Partners' salaries			
Partners' bonuses	**16 000**	**0**	
Partners' interest on capital			
Primary distribution of profits			
Final distribution of profits			
Drawings for the year			
Retained income for the year			
Balance at beginning of the year			
Balance at end of the year			

23

Bryan Adam Stores
Extract of the Statement of Financial Position as at 28 February 2022

3.3

EQUITY AND LIABILITIES		
OWNERS' EQUITY		
Capital		**280 000**
Current accounts		
NON-CURRENT LIABILITIES		
Loan: AB Bank		
CURRENT LIABILITIES		
Trade and other payables		
Bank overdraft		
Short term loan		
TOTAL EQUITY AND LIABILITIES		

12

<u>Calculations for drawings: A. Bryan</u>
<u>Calculation for salaries: A. Bryan</u>

Calculations for interest on capital: A. Bryan **Total**	
Calculations for interest on capital: B. Adam **Total**	
Calculation for share of remaining profit/loss: A. Bryan	**Calculation for share of remaining profit/loss: A. Bryan**
Calculation of loan	

TOTAL MARKS
40

QUESTION 4: FINANCIAL INDICATORS **(35 marks; 25 minutes)**

4.1	**Calculate the percentage return earned on average equity for the business for 2022.**	**(5)**
4.2	**Calculate the percentage return earned by Verma on his average equity for 2022.**	**(5)**
4.3	**Comment on the two return financial indicators of the business mentioned in QUESTIONS 4.1 and 4.2.**	**(4)**
4.4	**Calculate the Debt : Equity ratio for 2022.**	**(4)**

4.5	In your opinion was it a good idea to increase the loan? Motivate your answer.	(4)
4.6	Calculate the current ratio for 2022.	(3)
4.7	Calculate the acid-test ratio for 2022.	(4)
4.8	Comment briefly on the liquidity position of the business for 2022. Provide TWO financial indicators with figures.	(6)

TOTAL MARKS
35

TOTAL: 150

END