



PROVINCIAL EXAMINATION

NOVEMBER 2022

GRADE 11

MARKING GUIDELINES

ACCOUNTING (PAPER 2)

11 pages

Marking principles:

1. 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).
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, ÷ as 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 candidates who provide valid alternatives beyond the marking guideline.
13. Codes: f = foreign item; p = placement/presentation.

QUESTION 1: RECONCILIATIONS**40 marks; 32 minutes****1.1 Choose the correct word/s that match/es with the statements below.**

1.1.1	debit ✓	
1.1.2	CRJ ✓	
1.1.3	materiality ✓	
1.1.4	credit card ✓	
1.1.5	liability ✓	

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1.2 1.2.1 Cash Receipts Journal and Cash Payments Journal for June 2022

CASH RECEIPTS JOURNAL	CASH PAYMENTS JOURNAL
20 420	29 070
3 500 ✓	260 ✓
52 ✓	250 ✓
3 600 ✓✓	4 950 ✓✓
27 572 ✓	34 530 ✓

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MARKING GUIDELINES	ACCOUNTING (PAPER 2)	GRADE 11
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1.2.2 Bank Reconciliation Statement of Mamba Traders on 30 June 2022

	Debit	Credit
Cr balance as per bank statement		√ 11 892
Cr outstanding deposit		√ 750
Dr outstanding EFTs No: 250 √	√ 2 300	
No. 251 √	√ 1 700	
Dr balance as per bank account	√ ☒ 8 642	
	12 642	12 642

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1.3 1.3.1 Creditors' Reconciliation of Adamjee Foods

Creditors' Reconciliation on 31 May 2022

	Creditors' Ledger of Adamjee Foods	Statement of Account from Kajee Meats
Balance	56 500 √	67 500 √
i	-9 000 √√	
ii		-2 500 √
iii	+11 000 √	
iv		+6 000 √
v		-5 000 √
vi		-500 √
vii	+7 000 √√ OR (3 500 + 3 500)	
Total Operation one part correct	65 500 ☒	65 500 ☒

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MARKING GUIDELINES	ACCOUNTING (PAPER 2)	GRADE 11
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1.3.2	Kajee's bookkeeper advised him to stop accepting cash payments from the businesses that he supplies with meat. He is advised to request that all payments should be made electronically using the customers' numbers as references. Discuss TWO advantages of this method of payment.	
	• The bank statement can be used as a source document to record all money received. • Money cannot be lost/spent/misplaced by Kajee while delivering to these businesses. • Kajee will also be safer as he will not be carrying large amounts of cash in his delivery vehicle. Any TWO relevant points. √√	

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QUESTION 2: COST ACCOUNTING

(40 marks; 32 minutes)

2.1 CONCEPTS

2.1.1	Indirect labour √ or factory overhead
2.1.2	Selling and distribution costs √
2.1.3	Administration √
2.1.4	Direct Materials √
2.5.5	Factory overhead √

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2.2 GENERAL LEDGER OF FASHION JEANS MANUFACTURERS**2.2.1 DR RAW MATERIAL STOCK ACCOUNT B2****CR**

2021 Mar	1	Balance	b/d	√ 72 000			W-I-P		☒ 1 191 625
		Bank		√ 850 000			Balance	c/d	√ 54 000
		Carriages		√ 53 000					
		Customs Duties (124 000 + 19 125)		√ ☒ 143 125					
		Creditors' Control		√ 127 500					
				1 245 625					1 245 625
2022 Mar	1	Balance	b/d	54 000					

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2.2.2 DR FACTORY OVERHEAD COST ACCOUNT N2**CR**

2022 Feb	28	Foreman's Salary		142 000	2022 Feb	28	W-I-P		☒ 579 120
		Indirect labour		72 000					
		Indirect Materials (7 000√ + 43 000√ – 3 800√)		☒ 46 200 one part correct					
		Factory rent (320 000 x 0,8)		√√ 256 000					
		Sundry Expenses (17 400 x 0,8)		√√ 13 920					
		Insurance (42 000 x 4/6)		√√ 28 000					
		Water and Electricity		√ 21 000					
				579 120					579 120

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2.2.3 DR WORK-IN-PROGRESS STOCK ACCOUNT B3 CR

2021 Mar	1	Balance	b/d	81 000	2022 Feb	28	Finished Goods Stock		☒ 2 552 745
		Direct Material Cost	GJ	☒ 1 191 625			Balance	c/d	√ 62 000
		Direct Labour Cost	GJ	√ 763 000					
		Factory Overhead Cost		☒ 579 120					
				2 614 745					2 614 745
2022 Mar	1	Balance	b/d	62 000					

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2.2.4 DR FINISHED GOODS STOCK ACCOUNT B5 CR

2021 Mar	1	Balance	b/d	138 000	2022 Feb	28	Cost of Sales		☒ 2 525 745
2022 Feb	28	Work in Process	GJ	☒ 2 552 745			Balance	c/d	√ 165 000
				2 690 745					2 690 745
2022 Mar	1	Balance	b/d	165 000					

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2.3 LITTLE ANGELS TOY MANUFACTURERS

2.3.1	Provide calculations to show that the break-even point for the year ended 28 February 2022 is 507 units.	
	$\frac{\text{Total fixed cost}}{\text{Selling price} - \text{Variable cost}}$ $= \frac{136\,890 \checkmark}{860 \checkmark - 590 \checkmark}$ $= \frac{136\,800}{270}$ $= 507 \text{ units}$	(3)
2.3.2	Explain using figures, why is the owner not happy with the break-even point.	
	The business is currently producing less than the BEP by 27 units. $\checkmark$ The business is incurring a loss of R7 290.	(2)
2.3.3	The owner has been importing plastic material from Botswana. She wants to change to a local supplier who is supplying plastic material which is of a lower quality. Do you agree or disagree with her decision? Give a reason for your answer.	
	Disagree $\checkmark$ • Quality of the product will not be the same. • The customers may not be made aware of the cheaper quality material. • She will lose customers if quality of final product is poor. • She could be faced with lawsuits if there are accidents related to the poor quality. Any one relevant answer. $\checkmark$	(2)

QUESTION 3: VAT AND INVENTORY SYSTEMS

(30 marks; 24 minutes)

3.1 VAT

3.1.1	State whether the following statement is TRUE or FALSE. Explain the reason for your answer. All goods are charged VAT at 15% in South Africa.	
	False ✓ Some items are subjected to VAT at the standard rate – VAT charged at 15%. ✓ Others are zero-rated – 0% VAT charged. ✓ Other goods are exempt – No VAT is charged at all. ✓	(4)

3.1.2	<table border="1"> <tr> <td>A</td><td>✓ 640 000</td></tr> <tr> <td>B</td><td>✓ 96 000</td></tr> <tr> <td>C</td><td>✓ 5 290</td></tr> <tr> <td>D</td><td>✓ 133 500</td></tr> </table>	A	✓ 640 000	B	✓ 96 000	C	✓ 5 290	D	✓ 133 500
A	✓ 640 000								
B	✓ 96 000								
C	✓ 5 290								
D	✓ 133 500								

4

3.2

3.2.1	False ✓
3.2.2	True ✓
3.2.3	False ✓
3.2.4	False ✓
3.2.5	True ✓

5

3.3

3.3.1	Calculate the cost of sales for the year ended 30 September 2022. Show all your calculations.											
	<table><tr><td>Opening Stock</td><td>√ 34 000</td></tr><tr><td>Purchases (424 570√ + 96 000√ – 103 000√ – 12 000√ – 320√) Operation one part correct</td><td>☑ 405 250</td></tr><tr><td>Carriage on purchases (500 x 19)</td><td>√√ 9 500</td></tr><tr><td>Closing Stock (275 x 90)</td><td>√√ (24 750)</td></tr><tr><td>Cost of Sales Operation one part correct</td><td>☑ 424 000</td></tr></table>	Opening Stock	√ 34 000	Purchases (424 570√ + 96 000√ – 103 000√ – 12 000√ – 320√) Operation one part correct	☑ 405 250	Carriage on purchases (500 x 19)	√√ 9 500	Closing Stock (275 x 90)	√√ (24 750)	Cost of Sales Operation one part correct	☑ 424 000	(12)
Opening Stock	√ 34 000											
Purchases (424 570√ + 96 000√ – 103 000√ – 12 000√ – 320√) Operation one part correct	☑ 405 250											
Carriage on purchases (500 x 19)	√√ 9 500											
Closing Stock (275 x 90)	√√ (24 750)											
Cost of Sales Operation one part correct	☑ 424 000											

3.3.2	Calculate the average rate of stock turnover for 2022.	
	$\frac{\text{Cost of Sales}}{\text{Average Stock}}$ $= \frac{424\,000 \sqrt{}}{\sqrt{\frac{1}{2}} (34\,000 \sqrt{+} 24\,750 \sqrt{)}}$ $= \frac{424\,000}{29\,375}$ $= 14,4 \text{ times } \checkmark \text{ Operation one part correct}$	(5)

QUESTION 4: CASH BUDGETS AND PROJECTED INCOME STATEMENT

(40 marks; 32 minutes)

4.1

No.	Amount in the Cash Budget for October 2022		Amount in the Projected Income Statement for October 2022	
	RECEIPT	PAYMENT	INCOME	EXPENSE
Example	0	R5 870	0	R5 870
4.1.1				√ 15 870
4.1.2		√ 92 950	√ 3 260	
4.1.3		√ 8 580		√ 580
4.1.4	√ 134 960		√ 134 960 Accept 38 560 for 2 marks	√ 96 400

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4.2

4.2.1 DEBTORS' COLLECTION SCHEDULE FOR SEPTEMBER AND OCTOBER 2022

	Credit sales	September	October
August	57 000	√ 17 100	√ 8 550
September	√√ 56 000	☑√ 26 600 Credit sales x 50% x 95%	☑ 16 800 Credit sales x 30%
October	55 000		√ 26 125
Debtors' collections	Operation one part correct	☑ 43 700	☑ 51 475

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4.2.2 Calculate the missing amounts indicated by the letters A to J in the Cash Budgets for September and October 2022.

	Workings	Answer
A	$55\,000 \sqrt{\times \frac{75}{25} \sqrt{\text{Operation one part correct}}}$	☒ $\sqrt{165\,000}$
B	See 4.2.1	☒ 51 475
C	$15\,000 \times 85\%$	$\sqrt{\sqrt{12\,750}}$
D	$33\,000 \sqrt{\times \frac{40}{60} \sqrt{\text{Operation one part correct}}}$	☒ 22 000
E	$30\,000 \times 97\%$	$\sqrt{\sqrt{29\,100}}$
F	$6\,000 - 800$	$\sqrt{5\,200}$
G	$40\,000 \sqrt{\times 12\% = 4\,800 \sqrt{\times \frac{1}{12} \sqrt{\text{Operation one part correct}}}}$	☒ 400
H	$42\,000 \sqrt{\times \frac{100}{105} \sqrt{\text{Operation one part correct}}}$	$\sqrt{\text{input checked="" type="checkbox"/> 40\,000}$
I		$\sqrt{15\,000}$
J		$\sqrt{15\,000}$

22

40

TOTAL: 150