

**GRADE 10 ACCOUNTING EXAM JUNE 2015**

TIME: 2 HOURS

MARKS: 200

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**INSTRUCTIONS**

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

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	Marks	Time
Question 1	15	20
Question 2	20	10
Question 3	79	40
Question 4	20	15
Question 5	24	15
Question 6	42	20
TOTAL	200	120 MINUTES

## **QUESTION 1 – INFORMAL BOOKKEEPING (15 MARKS)**

Read the case study below and then answer the following questions.

As part of the curriculum, learners in a rural school make baskets, brooms, wooden spoons and place mats from any material that they can gather. Some of these items were of such a high standard that they were sold during the World Summit on Sustainable Development (WSD), which was held in Johannesburg. The proceeds were used to buy equipment for the school.

### **INFORMATION**

1. Traders had to pay R100 per day to rent a stall for seven days.
2. Two of the parents ran the stalls on behalf of the school.
3. Transport costs amounted to R2 000 for the whole week.
4. Accommodation was R150 per person per day.
5. Refreshments were R50 per person per day.
6. 140 baskets were sold at R125 each.
7. 35 brooms were sold at R45.
8. 140 spoons were sold at R20 each.
9. 210 place mats were sold at R30 each.

### **REQUIRED**

- 1.1 Calculate the TOTAL income from sales. (4)
- 1.2 Calculate the TOTAL costs. (4)
- 1.3 Did they make enough money to cover their costs? Give a reason for your answer. (2)
- 1.4 How much money did the school receive at the end of the summit? (2)
- 1.5 Is this a formal or informal business? Give a reason for your answer. (3)

## **QUESTION 2 – PART A –THEORY (10 MARKS)**

Classify the following accounts listed below. For example – rent expense is an EXPENSE.

- 2.1 Bank overdraft
- 2.2 Interest on bank overdraft
- 2.3 Interest on a credit balance
- 2.4 Cash float
- 2.5 Creditors Control
- 2.6 Drawings
- 2.7 Sales
- 2.8 Cost of sales
- 2.9 Bad debts
- 2.10 Bank charges.

## **PART B (10 MARKS)**

Choose the correct answer. For example – 2.1.1 (a)

- 2.1.1 Which source document is used to record goods sold by credit card?
  - A duplicate receipt
  - B original cash slip
  - C duplicate credit note
  - D cash register roll
  
- 2.1.2 Which source document is used to record cheques received from customers?
  - A duplicate receipt
  - B original cash slip
  - C duplicate credit note
  - D cash register roll
  
- 2.1.3 The accountant did not post stationery purchased with petty cash to the relevant journal. This means that the trial balance:
  - A will not balance because the credit total is too big
  - B will balance with the correct totals
  - C will not balance because the debit total is too big
  - D will balance with incorrect totals

- 2.1.4 Packing material is a/an  
A asset  
B liability  
C expense  
D income
- 2.1.5 The total of the cost of sales column in the cash receipts journal will be posted as follows  
A dr Sales and cr trading stock  
B dr Trading stock and cr cost of sales  
C dr cost of sales and cr trading stock  
D dr bank and cr cost of sales
- 2.1.6 Which source document is used to record small amounts paid with cash –  
A duplicate receipt  
B original cash slip  
C petty cash voucher  
D cash register roll
- 2.1.7 Sales that are paid by credit card, is entered in the  
A CRJ  
B CPJ  
C DJ  
D CJ
- 2.1.8 Information obtained from the duplicate receipt is entered in the  
A CPJ  
B DJ  
C CJ  
D CRJ
- 2.1.9 Total sales amounted to R420 000. Cost of sales is R240 000. The mark up percentage on cost price is –  
A 43%  
B 57%  
C 175%  
D 75%
- 2.1.10 The source document used to record the payment of the water and electricity account is the –  
A water and electricity receipt  
B cheque  
C cheque counterfoil  
D water and electricity accounts

**QUESTION 3 JOURNALS OF A SOLE TRADER (79 MARKS)**

Study the Journals below, and then answer the questions that follow. Workings must be shown in order to earn part marks.

**INFORMATION**

**CASH RECEIPTS JOURNAL OF HILLCREST TRADERS – MAY 2015 CRJ 5**

								<b>DEBTORS CONTROL</b>	
<b>DOC</b>	<b>D</b>	<b>DETAILS</b>	<b>F</b>	<b>ANALYSIS OF RECEIPTS</b>	<b>BANK</b>	<b>SALES</b>	<b>COS</b>	<b>RECEIPTS</b>	<b>DISC ?</b>
103	3	Cash		3 500	3 500	(A)	2 000		
104	10	B Ben		400				400	15
105		T Tortoise		220	(B)			220	10
106	19	Cash		9 625	9 625	9 625	5 500		
					13 745	13 125	7 500	620	25

**CASH PAYMENTS JOURNAL OF HILLCREST TRADERS – MAY 2015 CPJ 5**

								<b>CREDITORS CONTROL</b>	
<b>DOC</b>	<b>D</b>	<b>DETAILS</b>	<b>F</b>	<b>BANK</b>	<b>TRADING STOCK</b>	<b>DETAILS</b>	<b>F</b>	<b>AMOUNT</b>	
67	2	Toy Shop		6 000	6 000				
68	8	Watercrest Mall		(C)		Rent expense			3 500
69	25	Cash		12 000		Drawings			12 000
70	26	TT Carriers		350	350				
B/S1	29	T Tortoise (R/D CHQ)		(E)		Debtors Control			(E)
				?	6 350				?

**DEBTORS JOURNAL OF HILLCREST TRADERS – MAY 2015 DJ 5**

<b>DOC</b>	<b>D</b>	<b>DETAILS</b>	<b>F</b>	<b>DEBTORS CONTROL</b>	<b>SALES</b>	<b>COST OF SALES</b>
34	2	B Ben		700	700	400
35	5	B Ben		525	525	300
36	14	T Tortoise		308	308	(D)
37	25	B Ben		455	455	260
				1 988	1 988	?

## DEBTORS ALLOWANCES OF HILLCREST TRADERS – MAY 2015 DAJ 5

<i>DOC</i>	<i>D</i>	<i>DETAILS</i>	<i>F</i>	<i>DEBTORS CONTROL</i>	<i>DEBTORS ALLOWANCES</i>	<i>COST OF SALES</i>
12	6	B Ben		105	105	60
13	16	T Tortoise		36	36	-
				141	141	60

### QUESTIONS

- 3.1 Refer to the entry on 19 May in the CRJ. Calculate the mark up percentage at which these items were sold. (3)
- 3.2 Fill in the amounts in the spaces labelled A – D. (4)
- 3.3 Is this a service business or a retailer? Give a reason for your answer. (2)
- 3.4 What transactions give rise to the entries on the following dates-? (**full explanation must be given**).

CASH RECEIPTS JOURNAL – 3 MAY (2)

CASH PAYMENTS JOURNAL – 26 MAY (2)

DEBTORS JOURNAL – 2 MAY (2)

DEBTORS ALLOWANCES JOURNAL – 16 MAY (2)

- 3.5 Explain the entry in the CPJ on the 29<sup>th</sup> and give the amount to be entered (E). (4)
- 3.6 Are the following statements TRUE or FALSE (5)
  - A) Credit card sales are not recorded as cash sales in the CRJ.
  - B) Vehicle repairs are a current asset.
  - C) Interest on mortgage is an expense.
  - D) The source document for interest earned on a current account is the bank statement itself.
  - E) Informal businesses pay tax.
- 3.7 Complete the Debtors Ledger account of B Ben for the month of May 2015. His opening balance has been entered for you. (10)

- 3.8 What must the total of the Debtors List be compared to in order to see if it is correct? (2)
- 3.9 Complete the following accounts in the general ledger – Sales, Cost of Sales, Bank, Trading Stock, Debtors Allowances, Discount received and Discount allowed, Drawings and Rent expense (41)

**Opening balances on 1 May 2015**

Drawings – R50 000 (Total this account)

Bank – R120 000 (Balance this account)

Trading stock – R60 000 (Balance this account)

Sales – R10 000 (Total this account)

Cost of Sales – R4 500 (Total this account)

Debtors Allowances – R100 (Total this account), Discount allowed – R50 (Total this account), Discount received – R10 (Total this account) and Rent expense, R1 000 (Total this account)

**QUESTION 4 – GENERAL LEDGER (20 MARKS)**

STUDY THE TWO LEDGER ACCOUNTS BELOW AND THEN ANSWER THE QUESTIONS BELOW.

<b>GENERAL LEDGER OF SMITH STORES DEBTORS CONTROL B7</b>									
2015 MAY	1	Balance	b/d	28 800	2015 MAY	30	Bank	<b>D</b>	24 000
	30	Sales	<b>A</b>	26 000			Discount allowed	<b>D</b>	400
		Bank	<b>B</b>	2 500			Debtors Allowances	<b>E</b>	4 200
		Petty Cash	<b>C</b>	200			Balance	c/d	?
				?					?
2015 June	1	Balance	b/d	?					

## CREDITORS CONTROL B8

<b>GENERAL LEDGER OF SMITH STORE CREDITORS CONTROL B8</b>									
2015 MAY	30	Bank	<b>H</b>	39 000	2015 MAY	1	Balance	b/d	40 000
		Discount received	<b>H</b>	200		30	Sundry accounts	<b>F</b>	28 800
		Sundry accounts	<b>I</b>	1 200			Bank	<b>G</b>	1 000
		Balance	c/d	?					
				?					?
					2015 June	1	Balance	b/d	?

### QUESTIONS

- 4.1 In which ledger section would the accounts be found? (1)
- 4.2 Explain why these control accounts are so important in promoting internal control? (4)
- 4.3 From which journal is (A) posted? (1)
- 4.4 Which possible transactions took place in entry (C)? (2)
- 4.5 The R24 000 reflected in entry (D) is posted from which journal? (1)
- 4.6 If the amount in entry (E) increases drastically what can the business conclude on the product that they are selling? Give one reason. (2)
- 4.7 Why do we record entry (F) as sundry accounts? (1)
- 4.8 What possible transaction can result in entry (G)? (2)
- 4.9 Explain the difference between Discount received/allowed and Trade discount. (4)
- 4.10 What is the folio reference for I? (2)

### **QUESTION 5 – GENERAL JOURNAL (24 MARKS)**

From the information below, draw up the General Journal of Greenwood Stores – May 2015.

#### **TRANSACTIONS –**

- The owner took goods for his own use, R700 (cost price), R900 (selling price)
- We charged our debtor, L Lane, R89 interest on his overdue account.
- A debtor, N Nel's cheque for R1 340 in settlement of his account of R1 500 was dishonoured by the bank due to insufficient funds
- A Allowed's account was written off as a bad debt, R1 200
- Trading stock for R6 000 was posted to the stationery account in error. Correct the error.

### **QUESTION 6**

#### **PART A (10 MARKS)**

Use the following information to **calculate the net wage** of D Mokhenseng, an employee of Alpha Manufacturers.

The wage clerk of the firm extracted the following information in respect of the employee for the week ending 11 May 2015

BASIC WEEKLY WAGE	40 hours at R30 per hour
OVERTIME REMUNERATION	1.5 times the normal rate
HOURS WORKED PER CLOCK CARD	48 hours
DEDUCTIONS- PENSION FUND MEDICAL AID FUND SARS (PAYE)	10% of normal time earnings R100 per week 20% of gross earnings
EMPLOYER'S CONTRIBUTION – PENSION FUND MEDICAL AID FUND	R2 for every R1 contributed by the employee R1 for every R1 contributed by the employee

## **PART B (16 MARKS)**

From the wages journal given, you are required to post to the following ledger accounts  
**– THE JOURNAL IS AT THE BACK OF YOUR QUESTION PAPER – ANNEXURE A**

- Pension Fund (do not balance this account) (3)
- Creditors for wages (do not balance this account) (5)
- Wages (close this account off) (4)
- Pension Fund contributions (close this account off) (4)

## **PART C – (16) MARKS)**

Read the passage below and then answer the following questions-

The Jaws Cage is a large seafood restaurant in Cape Town. Last year, during the festive season Thaba, a part time accounting student at the local university, secured a full time accounting job at the restaurant. He regarded himself as being fortunate to have a good job that accommodated his class schedule. After a few week of work, Thabo realized that his boss, the owner, was paying the kitchen staff in cash from the till and was not withholding the income and unemployment insurance taxes by law. Thabo understood that the law requires these taxes to be paid in a timely manner over to the SARS. Thabo also realized that if he raises the issue he may lose his job, which he can ill afford.

- 6.1 What does UIF and SARS stand for? (2)
- 6.2 What action would you take if you were Thabo? (2)
- 6.3 Define the following terms –
  - (a) **Net** wages and **Gross** wages (4)
  - (b) Deductions and contributions (4)
- 6.4 Define/explain the following funds – (4 x 1)
  - (a) Skills levy fund
  - (b) Pension fund
  - (c) Medical Aid Fund
  - (d) Staff Fund



