

## ACCOUNTING EXAM – JUNE 2017

GRADE 10

TIME: 2 HOURS

MARKS: 200

---

### INSTRUCTION AND INFORMATION

Read the following instructions and be sure to follow them carefully:

1. This question consists of 8 pages.
2. A special **ANSWER BOOK** consisting of 8 pages is provided in which to answer all the questions.
3. **ANSWER ALL THE QUESTIONS**
4. Workings must be shown in brackets in order to earn part marks.
5. Non-programmable calculators may be used.
6. You may use a dark pencil or black/blue pen to answer the questions.
7. Marks will be deducted for missing details and foreign entries.
8. Use the information in the table below as a guide when answering the paper.
9. Good luck for your exam.

		MARKS	TIME
QUESTION 1	Theory	16	5
QUESTION 2	Informal Bookkeeping	25	15
QUESTION 3	Wages & Salaries	45	25
QUESTION 4	Debtors Journal	20	20
QUESTION 5	General Ledger	42	35
QUESTION 6	General Journal	20	10
QUESTION 7	Accounting Equation	32	10
<b>TOTAL</b>		<b>200</b>	<b>120</b>

**QUESTION 1 – PART A (8 MARKS)**

- 1.1 The discount allowed to a debtor for early payments is:
- A. an asset
  - B. a liability
  - C. an income
  - D. an expense (2)
- 1.2 When stationery is returned to the supplier, the following entries are made in the General Ledger:
- A. Dr Discount Received, Cr Creditors Control
  - B. Dr Bank, Cr Stationery
  - C. Dr Creditors Control, Cr Stationery
  - D. Dr Stationery, Cr Creditors Control (2)
- 1.3 The source document used when goods are returned to a supplier is:
- A. an invoice
  - B. a debit note
  - C. a credit note
  - D. a cheque counterfoil (2)
- 1.4 The accountant did not post postage 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)

## **PART B (8 MARKS)**

	<b>Purpose</b>	<b>Name of document</b>
Eg.	This document records payments made out of petty cash	Petty cash voucher
1.5	This document is used to record money received from a customer for a cash sale of stock sold to him	
1.6	This document is used to record a credit sale to a customer	
1.7	This document is used to deposit money into the bank account of the business	
1.8	This document is used to pay a supplier for an amount owed to him, using money in the business bank account	
1.9	This document is used to record stock returned by a credit customer	
1.10	This document is received from a creditor for goods bought on credit by the business	
1.11	This document is used to put through various entries in the General Journal eg. Write off bad debts	
1.12	This document is used to return goods to a creditor	

(1 x 8)

## **QUESTION 2 (25 MARKS)**

Sphamandla Nxumalo runs a tuck shop at a high school. He employs learners to assist him in serving at the tuck shop during break times. Sphamandla sells fruit juice, chips and chocolates in his tuck shop.

### **Required:**

- 2.1 Calculate the figures labelled **A – C**. Show your workings to earn part marks. (12)
- 2.2 Sphamandla is experiencing a different problem concerning each of his products:
  - State a different problem for each product (Quote figures to support your answer) (6)
  - Give a suitable solution to each problem. (3)
- 2.3 Calculate the profit earned on the sale of chocolates. (4)

	<b>FRUIT JUICE (500ml)</b>	<b>CHIPS (30g packets)</b>	<b>CHOCOLATES (100g bars)</b>
Number of items at the beginning of the month	Nil	700 units	20 units
Number of items bought during the month	5 000 units	3 160 units	400 units
Number of items sold during the month	4 935 units	3 100 units	335 units
Number of items unsold the end of the month	<b>A</b>	758 units	30 units
Damaged stock items	3	<b>B</b>	20
Selling price per unit	R6,00	R11,00	R9,00
Cash sales collected	R28 000	<b>C</b>	R2 835
Mark-up percentage on cost	40%	75%	25%

### **QUESTION 3 (45 MARKS)**

The following information is related to Shudder Traders for the month of May 2017.

#### **Required:**

- 3.1 Complete the Salaries Journal for May 2017 (37)
- 3.2 Explain the different between a net salary and gross salary. (2)
- 3.3 What do UIF and PAYE stand for? (2)
- 3.4 Briefly explain the difference between deductions and contributions. (2)
- 3.5 Why is it beneficial for Shudder Traders to contribute to the medical aid fund? (2)

**Information:**

Employees		Gross Salary		Deduction	
		PAYE	Medical Aid Fund	Pension Fund	UIF
K. Xoseka	R 15 200 p/m	18% of gross	R 1 200	7,5% of gross	R 152
T. Block	R 29 600 p/m	25% of gross	R 2 600	7.5% of gross	R 376
P. Hardy	R141 600 p/a	R1 950	R 1 600	7.5% of gross	R 118

**Additional Information:**

- The employer contributes 10% of the gross monthly salary towards the Pension Fund.
- The employer's contribution towards Medical Aid is R2 for every R1, which is deducted from the employees, and on a rand-for-rand basis towards UIF.

**QUESTION 4 (20 MARKS)**

Mr Dlamini is the owner of Dlamini Traders and has been informed that his bookkeeper has been booked off from work for 2 weeks. Mr Dlamini needs assistance with one of his debtors, Mr M Motaung for the month of February 2017.

**Transactions:**

- 1 The amount owed by M. Motaung, R860
- 4 Receive a cheque from M. Motaung in settlement of his account after 5% discount was allowed to him. Issue receipt 145.
- 6 Sell goods on credit to M. Motaung, R2 100. Issue invoice 143.
- 8 Receive M. Motaung's (see 4th) cheque back from the bank together with a bank debit note with the remark "R/D – error on cheque". Issue journal voucher 36.
- 11 M. Motaung returned damaged goods to the value of R280. Issue credit note 40.
- 16 Sell goods on credit to M. Motaung, R3 800. Issue invoice 149.  
Send the sold goods to M. Motaung and pay R200 to SA Transporters from the petty cash. This amount must be debited to M. Motaung's account. Issue petty cash voucher 76.

- 25 Issue receipt 151 to M. Motaung for R4 500 in partial payment of his debt. Give R120 discount.
- 27 Credit sales of merchandise to M. Motaung, R1 340. Issue invoice 153.

**QUESTION 5 (42 MARKS)**

**Instruction:**

Use the given information to complete the following accounts in the General Ledger of Tantim T-Shirts. ROUND OFF TO THE NEAREST RAND.

- Trading Stock (16)
- Debtors Control (10)
- Creditors Control (10)
- Stationery (6)

**Information**

1.

Balances on	01 April 2017	30 April 2017
Trading Stock	R15 500	R 5 751
Stationery	R 5 600	R 6 320
Debtors Control	R 3 100	R 5 400
Creditors Control	R12 300	R13 680

2. Profit mark-up on cash sales, 25%  
Profit mark-up on credit sales, 60%
3. Total sales for April 2017 amounted to R30 500. Sales are made up as follows:  
30% of total sales are on credit  
10% of total sales are for credit card sales  
60% of total sales are for cash
4. Purchases for the month ended April 2017:

	For Cash	On Credit
Goods	R5 200	R8 000
Stationery	R 200	R 300
Sundry Accounts	R2 000	R 100

5. Petty Cash payments for April 2017:  
Merchandise, R300  
Stationery, R340  
Sundry Accounts, R340

6. Purchased stationery from Makro, paid by cheque, R200.
7. Returns and allowances:  
Credit customers, R600
8. Returns and allowances to creditors:  
Trading stock, R450  
Stationery, R120  
Sundry Accounts, R200
9. Cash received from debtors, R6000  
Discount allowed to debtors, R 250
10. Cheques paid to creditors, R6 000  
Discount received, R250

**QUESTION 6 (20 MARKS)**

Enter the following transactions below in the General Journal.

Books of BU Traders – June 2017

- Day 4            The owner, B. Undertaker, took merchandise for his personal use. The cost price of the goods was R1 000 and the selling price was R1 800.
- Day 15           P. Abraham is declared insolvent. His estate will pay 50c in the rand. The rest must be written off as bad debt. He owed BU Traders R500.
- Day 20           Charged our debtor, P. Pat, R120 on her overdue account.
- Day 25           Cheque of R100 previously received from C. Jones in settlement of an account of R110 was returned by the bank marked R/D – insufficient funds. Cancel the discount.
- Day 30           Stationery purchased on credit from Waltons was incorrectly posted to the consumable stores account for R250. Correct the error.

### **QUESTION 7 (32 MARKS)**

You are provided with information relating to Cellcom Traders. A business owned by Brendan Richardson for the month of June 2017. Cellcom Traders uses a mark-up of 80% on cost.

#### **Required:**

Analyse the following transactions according to the columns provided. Assume the bank will remain favourable for all transactions.

#### **Example:**

Purchased stationery on credit from PNA Supplies for R600 (received an invoice).

No.	General Ledger		Amount	Accounting Equation		
	Account Debit	Account Credit		A	=0	L
e.g.	Stationery	Creditors Control	600	0	-	-

#### **Transactions:**

- 7.1 B Richardson (the owner) took a cell phone for his son. The phone originally cost R 700 and has a retail price of R1 260.
- 7.2 Purchased inventory from Nokia for R11 000 and received their invoice.
- 7.3 Paid DHL for carriage on purchases by cheque, R180.
- 7.4 Mr Jones bought a cell phone from Cellcom Traders on credit for R3 060.
- 7.5 Received a cheque for R1 235 from T Peters as payment on her account after R65 discount was allowed.
- 7.6 A cheque of R250 was sent to Badinsure. This was for the monthly insurance premium.
- 7.7 We earned interest on our current bank account as per bank statement, R175