

ACCOUNTING EXAMINATION

GRADE 10

5 JUNE 2013

200 MARKS: 2 HOURS

Question	Topic	Content	Marks	Time
1	JOURNALS	<ul style="list-style-type: none">• Cash Journals• Creditors and Creditors Allowances Journals	34	20
2	INFORMAL BOOKKEEPING SYSTEMS	<ul style="list-style-type: none">• Terms and concepts• Calculating prices• Ethics	23	15
3	GENERAL LEDGER	<ul style="list-style-type: none">• Debtors' Control• Trading Stock• Creditors' Control• Sales• Cost of Sales• Stationery• Vehicle expenses	80	45
4	GENERAL JOURNAL	<ul style="list-style-type: none">• Transactions	30	20
5	SALARIES AND WAGES	<ul style="list-style-type: none">• Definitions• Calculations	20	12
6	ANALYSIS OF TRANSACTIONS		13	8
			200	120

Instructions

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

1. The question paper consists of 7 pages.
2. A special answer book consisting of 10 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 above as a guide when answering the question paper.

Question 1 (34 marks: 20 minutes)

JOURNALS

Use the information given below to complete certain journals for Patricia's Pet Shop for the month ending 28 February 2013. The business uses a mark up of 60% on cost price at all times.

Required:

1. Cash Receipts Journal (10)
2. Cash Payments Journal (8)
3. Petty Cash Journal (7)
4. Creditors Journal (6)
5. Creditors Allowances Journal (3)

Do not cast (add up) the Journals.

Transactions:

2. Patricia purchased R1 500 trading stock on credit from "Pet Chow". Received invoice P24.
5. According to CRT 34 – 82, Cash sales for the week amounted to R4 200.
9. Returned stock with a cost price of R300 to "Pampered Pets", our creditor. Issued Debit note no.16.
14. Patricia issued cheque no. 67 to Ashley Vet to pay towards her personal pets annual inoculations, R250.
18. R120 was paid out of petty cash to John Mkhize for the chicks that he sold to the pet shop. These will be resold by the shop for a profit. (Voucher no. 48)
20. Purchased trading stock on credit from "LuckyPet" for R800. Patricia still needs to deduct her usual 10% trade discount on this transaction. Received invoice LP 32.
22. Used R50 from petty cash to purchase cleaning materials for the shop from Pick n Pay.
26. Issued receipt no. 29 to "Doggy Hair Care" who rented a portion of the property for R2 000 per month.
28. Cashed a cheque to restore the Petty Cash imprest amount.

Question 2 (23 marks: 15 minutes)

INFORMAL BOOKKEEPING SYSTEMS

Read the case study given below and answer the questions that follow:

Kelvin has recently lost his job. After many successful job applications, he decided to use his various home DIY (do it yourself) skills to start a handyman business. He is unsure if his business will be successful, so he has decided not to register it as yet. Kelvin has some money saved that he can put towards advertising and purchasing some of the assets that he will need.

Mrs Ngcobo is Kelvin's first customer. She needs the outside of her house painted. Kelvin will need to purchase the following supplies for this job.

Item	Price	Estimated quantity needed
Poly Filler	R15	3 boxes
Sand paper	R30 per pack	2 packs
Paint brushes	R40 each	2 brushes
Paint roller	R60	1 roller
Water based paint	R850 for 20 litres	24 litres
Thinners (for cleaning brushes)	R22 per bottle	4 bottles

- 2.1. Give ONE reason why this business is considered to be an informal one. (2)
- 2.2. List TWO different ways that Kelvin can advertise his business to find customers. (2)
- 2.3. Identify THREE assets that Kelvin will need for his business. (3)
- 2.4. Calculate how much it will cost Kelvin for materials to paint Mrs Ngcobo's house. (9)
- 2.5. Kelvin would like to make 110% profit on materials for this job. Calculate how much he should charge Mrs Ngcobo. (2)
- 2.6. What should Kelvin do to ensure that Mrs Ngcobo does not cancel the job after he has purchased the above supplies? (2)
- 2.7. When Kelvin is almost finished the job, he notices that the paint is starting to run out. He decides to add some water to it so that there is more paint to finish the job. Is this an ethical decision? Give a reason for your answer. (3)

Question 3 (80 marks: 45 minutes)

GENERAL LEDGER

The information below was extracted from the accounting records of “Sabelo Stores” during September 2012.

You are required to prepare the following accounts in the General Ledger, balanced correctly.

- a) Debtors Control (Opening balance on 1 September 2012 R9 900)
- b) Trading Stock (Opening balance on 1 September 2012 R33 000)
- c) Creditors Control (Opening balance on 1 September 2012 R12 500)
- d) Sales (Opening balance on 1 September 2012 R45 000)
- e) Cost of Sales (Opening balance on 1 September 2012 R21 100)
- f) Stationery (Opening balance on 1 September 2012 R1 000)
- g) Vehicle expenses (Opening balance on 1 September 2012 R1 500)

Note: The business operates on a 33 1/3 % profit mark up on cost price of cash sales

and a 40% mark up on credit sales.

The following totals appeared in the subsidiary journals for September 2012.

Cash Receipts Journal		Cash Payments Journal	
Bank	16 140	Bank	19 900
Sales	3 290	Trading stock	?
Cost of sales	?	Debtors Control	250
Debtors Control	2 490	Creditors Control	4 750
Discount allowed	140	Discount received	250
Sundry accounts	10 500	Sundry accounts	6 900

Debtors Journal		Debtors Allowances Journal	
Sales	?	Debtors allowances	?
Cost of sales	2 700	Cost of sales (all Debtors' Allowances are for goods returned)	450

Creditors Journal		Creditors Allowances Journal	
Creditors control	15 500	Creditors Control	880
Trading Stock	5 750	Trading Stock	?
Stationery	1 200	Stationery	120
Equipment	3 600	Equipment	90
Vehicle expenses	900	Vehicle expenses	45
Sundry accounts	?	Sundry accounts	300

Question 4 (30 marks: 20 minutes)

GENERAL JOURNAL

Instructions:

Enter the following transactions in the General Journal of Rand Stores

August 2012

3. The bookkeeper made an error by posting Stationery purchased to the Trading stock account, R555.
7. The owner, Billy Rand, took goods for personal use. Selling price of these goods R250, and Cost price R200.
17. Charged the account of A. Tile with interest of 18% for 4 months. A Tile owed Rand Stores R250.
24. A discount of R16 had been allowed to R. Roscoe when he settled his account. The cheque received from Roscoe was dishonoured by the bank because of insufficient funds. The necessary entries were made in the CPJ, but no entry has been made of the discount that must be cancelled.
28. E. Shoe has been declared insolvent. His estate has paid out a dividend of 30 cents in the rand. This has been recorded in the CRJ. The remainder of his account must be written off as irrecoverable. His balance on 1 August 2012 was R500.
29. We charged a debtor, B. Phillips, R120 interest on his overdue account.

Question 5(20 marks: 12 minutes)

Salaries and Wages

Information:

The monthly Gross Salary of S. Shaba is R7 000.

His employee deductions are:

Pension R420

UIF 1% of basic salary

Medical Aid R500 p. m.

PAYE R440

His employer's contributions are:

Pension R2 for every R1 contributed by the employee.

UIF 1% of basic salary

Medical Aid R1 000 p. m.

Required:

- 5.1. What do the following abbreviations stand for:
 - 5.1.1. UIF
 - 5.1.2. SARS
 - 5.1.3. PAYE (3)

- 5.2. Explain the benefit of the following to S. Shaba
 - 5.2.1. Pension Fund
 - 5.2.2. UIF
 - 5.2.3. Medical Aid (6)

- 5.3. Calculate the monthly net salary of S. Shaba (6)

- 5.4. Calculate how much it will cost the employer to employ S. Shaba for this month. (5)

Question 6(13 marks: 8 minutes)

ANALYSIS OF TRANSACTIONS

Required:

Show the effect of the following transactions of KZN stores on the accounting equation. Follow the example provided. Where there is no effect on A, O or L you must write down zero (0).

Assume the bank balance is favourable at all times.

Example: Paid for repairs by cheque R710.

6.1 Sold goods on credit to S. Swan for R3 000 (cost price R2000)

6.2 Returned damaged chair we bought on credit from Makro R800

6.3 Used Petty Cash to pay for Stamps R50.

