

**QUESTION 1: TANGIBLE ASSETS****(30 marks; 25 minutes)**

- 1.1 Match the items in Column A with the correct description in Column B. write only the letter (A-F) next to the question number (1.1.1 – 1.1.5) in the ANSWER BOOK. (5)

COLUMN A		COLUMN B	
1.1.1	Financial assets	A	Money kept in the bank.
1.1.2	Land and buildings	B	Investments for longer than one year
1.1.3	Petty Cash	C	Property such as offices and warehouses
1.1.4	Equipment	D	Cash used for daily expenses
1.1.5	Trading stock	E	Tools, furniture and computers used in operations
		F	Stock for resale

**1.2 STAR TRADERS**

The information below relates to Star Traders for the financial year ended 30 June 2025.

**REQUIRED**

- 1.2.1 Complete the Fixed Asset Note in the ANSWER BOOK. (17)
- 1.2.2 Provide **FOUR** internal control measures that Star Traders can implement to safeguard tangible/fixed assets such as vehicles and equipment. (8)

**INFORMATION:****(i) NOTE ON FIXED ASSETS – 30 JUNE 2025**

	Land & buildings	Vehicles	Equipment
Carrying value beginning of the year		180 000	240 000
Cost price	2 400 000	240 000	400 000
Accumulated depreciation		1.2.2	(160 000)
Movements			
Additions at cost price	1.2.1	1.2.3	0
Depreciation		1.2.4	1.2.7
Carrying value at the end of the year		1.2.6	1.2.10
Cost price	3 900 000	420 000	1.2.8
Accumulated depreciation		1.2.5	1.2.9

**(ii) Additional information: Refer to the note.****Vehicles**

- Depreciation on vehicles is calculated at 10% p.a. on cost price.
- A new vehicle was purchased on 1 January 2025

**Equipment**

- Depreciation on equipment is calculated at 20% p.a. on the diminishing balance method.

**QUESTION 2: COST ACCOUNTING****(30 marks; 25 minutes)**

- 2.1 Choose the correct term from the words in brackets. Only write the term next to the numbers (2.1.1 – 2.1.3) in the ANSWER BOOK. (3)
- 2.1.1 The salary for the factory cleaner is a (direct/indirect) labour cost.
- 2.1.2 The rent for the factory is regarded as a (fixed/variable) cost.
- 2.1.3 Direct labour and direct material used in the factory are equal to the total (overhead/prime) cost.

- 2.2 P&R Manufacturers produces and sells school bags. The selling price per bag is R1 550. Below is a summary of all the costs for November 2025. They manufactured 2 500 bags during November.

**REQUIRED:**

- 2.2.1 Calculate the direct material cost per school bag. (4)
- 2.2.2 Calculate the total factory overheads for November 2025. (6)
- 2.2.3 Calculate the total production cost for November 2025 if 2 500 school bags were produced. (6)
- 2.2.4 Calculate the production cost of one school bag. (3)
- 2.2.5 What is the percentage profit P&R Manufacturers earned per bag during November 2025, if the bags were sold at R1 550 each? (4)
- 2.2.6 Explain the difference between fixed and variable costs. (4)

**INFORMATION:**

Material per school bag	R250
Zippers per school bag	R50
Thread per bag (indirect)	R5
Wages per bag completed	R500
Print cost per school bag	R15
Salary of factory foreman	R15 000
Factory rent	R18 000
Water and electricity for the factory	R12 500
Factory insurance	R1 500

**QUESTION 3: BUDGETING****(30 marks; 25 minutes)**

Bright Future Secondary School from Bloemfontein has decided to go on a cultural excursion to Durban. The group will consist of three (3) educators and sixteen (16) learners. They need your help to calculate the estimated costs so that proper planning and budgeting can be done.

**Additional information:**

- Transport: A bus from Bloemfontein to Durban (return) costs R600 per learner. (Educators do not pay for transport).
- Accommodation: In Durban, accommodation costs R400 per room per night. Two learners will share a room, while each teacher will have a single room at R350 per night. They will stay for two nights.
- Activities:
  - Entrance to uShaka Marine World: R150 per person.
  - Entrance to Durban Botanic Gardens: R40 per person (teachers enter free).
- Meals: They are budgeting R150 per person per day for 3 days.

**REQUIRED:****3.1** Calculate the following:

- 3.1.1 Total transport cost for the learners. (3)
- 3.1.2 Cost of accommodation for the learners. (4)
- 3.1.3 Cost of accommodation for the teachers. (3)
- 3.1.4 Total cost of accommodation for teachers and learners. (3)
- 3.1.5 Total cost of entrance fees for the whole group. (5)
- 3.1.6 Total cost for all meals for the group. (4)
- 3.1.7 Total cost for the excursion. (5)
- 3.1.8 Cost per learner for the excursion. (3)

**30**

**QUESTION 4: Debtors control and Trading stock****(40 marks; 30 minutes)**

- 4.1. Match the source document in the first column with the relevant explanation in the second column. (8)

Source document		Explanation of the document	
[i]	Order form	A	Shows the rand amount that is owed to a supplier for stock bought on credit
[ii]	Invoice received	B	Made out by the business when stock is returned to a supplier
[iii]	Debit note	C	Source document used in the Debtors allowances journal
[iv]	Credit note	D	Made out by a senior person to give permission for the purchase of stock and the quantities to be purchased

- 4.2 Give **FOUR** documents that a prospective debtor must submit with his/her application for credit. (4)
- 4.3 Explain the difference between trade discount and discount allowed. (4)
- 4.4 Name **THREE** strategies that can be implemented to encourage debtors to pay their accounts on time. (6)

**4.5 TRADING STOCK ACCOUNT**

Study the **Trading Stock account** and then answer the following questions.

The information below relates to William Traders for July 2025. They use the perpetual inventory system to record trading stock.

**REQUIRED:**

- 4.5.1 In which section do we record the Trading stock account in the ledger? (1)
- 4.5.2 Provide the **missing contra account** for A, B, C and D. (3)
- 4.5.3 Complete the **missing folio numbers** for E and F. (3)
- 4.5.4 Provide the **source documents** in (i), (ii) and (iii). (3)
- 4.5.5 There was a burglary on the 30 July 2025 and the value of the stock stolen was correctly calculated as R1 995. Suggest **TWO** possible solutions to prevent this in the future. (4)
- 4.5.6 Provide **TWO** reasons (except theft) how a trading stock deficit can occur. (2)
- 4.5.7 The business maintains a **mark-up** percentage of **80%** on cost price. Calculate the **cash sales** for the month. (2)

Please turn over

**INFORMATION:**

**GENERAL LEDGER OF WILLIAM TRADERS  
TRADING STOCK**

Cr

2025 July 1	Balance	b/d	51 400	2025 July	31	Cost of sales	(i)	54 300
31	Bank	E	75 000			D	DAJ	41 200
	<b>A</b>	(ii)	112 500			<b>B</b>	GJ	9 000
	Cost of sales	F	3 020			<b>C</b>	CAJ	6 235
						Theft	GJ	1 955
						Trading stock deficit	(iii)	8 225
						Balance		
			241 920					241 920
2025 Aug 1	Balance							

Please turn over

**QUESTION 5: INTERNAL CONTROL AND ETHICS****(20 marks; 15 minutes)****5.1 INTERNAL CONTROL AND ETHICS**

Lerato Dlamini is the owner of Sunshine Electronics. The business sells electronic appliances such as televisions, radios, and speakers. The business accepts both cash and credit sales. According to the business policy, all cash received must be deposited into the bank at the end of each business day, and credit sales must be properly recorded in the Debtors' ledger.

During an internal audit, Lerato discovered that one of the cashiers, Peter, did not deposit all the daily cash into the bank. Instead, he kept some money for personal use, intending to replace it later. In addition, it was discovered that another employee, Sarah, allowed her friend to open an account without proper approval or documentation, as well as to buy items on credit.

At the end of the month, the business recorded a short fall of R12 000 in cash and five stock items worth R8 000 were unaccounted for.

**REQUIRED:**

- 5.1.1 Explain how Peter's unethical conduct of not depositing all the cash will affect the business financially. Provide **TWO** points. (4)
- 5.1.2 Provide **THREE** internal controls that Lerato can implement to prevent cash losses in the future. (6)
- 5.1.3 Suggest **TWO** actions that can be taken against (other than dismissal) Sarah for allowing unauthorised credit sales. (4)
- 5.1.4 Discuss **THREE** internal control measures that can be implemented to prevent fraud and mismanagement of credit sales. (6)

**20****TOTAL: 150**

GRADE 10 ACCOUNTING FINANCIAL INDICATOR FORMULA SHEET		
$\frac{\text{Gross profit}}{\text{Sales}} \times \frac{100}{1}$	$\frac{\text{Gross profit}}{\text{Cost of sales}} \times \frac{100}{1}$	$\frac{\text{Net profit before tax}}{\text{Sales}} \times \frac{100}{1}$
$\frac{\text{Operating expenses}}{\text{Sales}} \times \frac{100}{1}$	$\frac{\text{Operating profit}}{\text{Sales}} \times \frac{100}{1}$	
Current assets : Current liabilities	(Current assets – Inventories) : Current liabilities	
(Trade and other receivables + Cash and cash equivalents) : Current liabilities		
$\frac{\text{Net profit}}{\text{Average Owner's equity}} \times \frac{100}{1}$	Total assets : Total liabilities	

