



Hillcrest High School

Grade 11

ACCOUNTING P1 NOVEMBER 2025

MARKS: 150

EXAMINER: Mrs J. Chabant

TIME: 2 Hours

MODERATOR: Mrs C. Edy

This paper consists of 9 pages and a formula sheet.

INSTRUCTION AND INFORMATION

Please read and follow the following instructions carefully.

1. Answer ALL the questions
2. A special ANSWER BOOK is provided in which to answer ALL the questions.
3. Show ALL workings to earn part-marks.
4. You may use a non-programmable calculator.
5. You may use a dark pencil or blue/black ink to answer the questions.
6. Where applicable, show all calculations to ONE decimal point.
7. If you choose to do so, you may use the Financial Indicator Formula Sheet attached at the end of this question paper. The use of this formula sheet is NOT compulsory.
8. Write neatly and legibly.
9. Use the information in the table below as a guide when answering the question paper. Try NOT to deviate from it.

QUESTION	TOPIC	MARKS	MINUTES
1	Statement of Comprehensive Income (Income Statement)	70	55
2	Notes to the Statement of Financial Position and Statement of Financial Position (Balance Sheet)	50	40
3	Analysis and Interpretation	30	25
TOTAL		150	120

QUESTION 1: CONCEPTS AND STATEMENT OF COMPREHENSIVE INCOME**(70 marks; 55 minutes)**

- 1.1 Choose a GAAP principle from column B to match the description in column A. Write only the letter next to the question number in the ANSWER BOOK.

No	Column A	Column B	
1.1.1	Fixed assets must always be recorded at the original cost price.	A	Going Concern
1.1.2	Income generated must be set off against expenses incurred applicable to the same financial year.	B	Materiality concept
1.1.3	The bank accounts of the owner and the business must be separated.	C	Historical cost
1.1.4	Interest on overdraft and bank charges should always be recorded separately.	D	Business Entity
1.1.5	Expensive equipment purchased at year-end.	E	Matching Concept

(5)

- 1.2 The following information was taken from the records of Marbur Traders (with partners Marillier & Burger) for the financial year ended 28 February 2025.

REQUIRED:

- 1.2.1 Prepare the Statement of Comprehensive Income for the year ended 28 February 2025. (52)
- 1.2.2 Complete the note for Trade and other Receivables (13)

INFORMATION:**Extract from the Pre-Adjustment Trial Balance on 28 February 2025:**

Balance Sheet Accounts Section	Debit	Credit
Loan: ABSA Bank		160 000
Fixed Deposit: FNB Bank	45 230	
Savings account: FNB Bank	8 320	
Trading stock	122 800	
Debtors control	21 200	
Provision for Bad Debts		780
Bank	3 310	
Nominal Accounts Section		
Sales		800 500
Cost of Sales	418 500	
Debtors Allowance	9 200	
Vehicle Expenses	7 150	
Salary and wages	107 000	
Discount allowed	1 500	
Stationery	2 460	
Sundry Expenses	7 840	
Water and electricity	93 000	
Advertising	13 020	
Rent Income		42 688
Commission Income		39 600
Discount received		12 860
Bad debts	1 220	
Interest on fixed deposit		4 070
Interest on current account		380
Interest on Loan	14 400	
Insurance	8 640	
Bank charges	4 100	
Packing material	8 940	

Adjustments and additional information:

1. Returns of a debtor F. Gordon, R4 000 were not recorded. The business maintains a 60% mark-up on cost price.
2. L. Bothma, a debtor's insolvent estate paid only 50 cents in the rand, R2 820, on 28 February 2025. The rest must be written off as irrecoverable. No entries have been made.
3. Packing material bought for cash R540, was erroneously recorded as R450.
4. R1 800 was received from a debtor who had previously been written off as irrecoverable, the bookkeeper incorrectly recorded it as a Debtor's Control in the CRJ. Correct the error.
5. Provision for bad debts must be adjusted to 5% of the debtors.
6. The Bank Statement of FNB Bank was received after the Pre-Adjustment Trial Balance was prepared and showed Bank charges of R420.
7. Provide the Depreciation on fixed assets as follows:
 - Vehicles R50 000
 - Equipment R35 000
8. The physical stock count on 28 February 2025 showed the following on hand:
 - Trading stock R120 600
 - Packing material R3 700
9. Insurance included an annual premium of R9 120, for the period 1 November 2024 to 31 October 2025.
10. The water and electricity account for February 2025, R9 000 is still outstanding.
11. Interest on fixed deposit was received for 10 months only. The fixed deposit was unchanged during the financial year. Interest is not capitalized.
12. Rental income also includes the rent for March and April 2025. Note that rent increased by R348 on 1 November 2024.
13. Advertising consists of a monthly contract with the local radio station for the entire year. Advertising was only paid for 11 months. The contract amount has been **reduced** by R375 per month from 1 October 2024.
14. Interest on loan is paid quarterly, provided for the last quarter's interest on loan.
15. Only 90% of the commission income has been received to date. Holy Incorporated has agreed to pay it per EFT on 5 March 2025.

QUESTION 2: STATEMENT OF FINANCIAL POSITION AND NOTES (50 marks; 40 minutes)

You are provided with information from the records of JaZu Traders for the year ended 28 February 2025. The partners are Jali & Zuma.

REQUIRED:

- 2.1 Compile the following notes to the financial statements:
- Cash and cash equivalents (5)
 - Current Accounts (10)
 - Trade and other Payables (13)
- 2.2 Prepare the Statement of Financial Position on 28 February 2025.
(Where notes are not required, workings must be shown in brackets.) (22)

INFORMATION:

The following balances were extracted from the General Ledger on 28 February 2025:

Balance Sheet Accounts Section	R
Capital: Jali	825 000
Capital: Zuma	825 000
Current account: Jali	330 000 CR
Current account: Zuma	220 000 DR
Drawings: Jali	623 600
Drawings: Zuma	601 520
Fixed Assets	?
Fixed deposit: FNB Bank	330 000
Savings account	63 600
Bank	38 500 Cr
Cash float	5 500
Loan: FNB Bank	378 400
Debtors control	?
Creditors control	199 484
Trading stock	320 000
Consumables on hand	1 720
SARS: PAYE	10 043
Unemployment Insurance Fund	1 700
Pension fund	6 088
Prepaid expenses	2 480
Income received in advance	10 120
Accrued expenses	12 100
Accrued income	2 000

Adjustments and additional information

- A. Transactions with the partners:
- Partner Jali withdrew R100 000 of his capital on 28 February 2025. It was properly recorded.
 - Interest on Capital must be calculated at 12% p.a.
 - Partner Zuma earns a monthly salary of R27 600, he was on leave for February 2025 and drew only 11 months' salary.
 - Partner Jali earned R281 520 per year.
 - Partner Jali is entitled to a bonus of R37 000.
 - The remaining profit is divided into the ratio 2 : 3 between partners Jali and Zuma.
- B. The correct net profit for the year amounted to R1 600 500, after taking the adjustments below into account.
- C. L. Roux's salary was omitted from the Salary Journal for February 2025 by error. No payments were made. His salary details were as follows:

Gross salary	R16 500
PAYE deduction	2 200
Unemployment Insurance Fund	165
Pension fund	605
Net salary	?

The employer's contribution of the gross salary was as follows:

- Pension fund 10%
 - UIF is 1%.
- C. The loan statement from FNB Bank on 28 February 2025 received:
- | | |
|---------------------------------|----------|
| Balance on 1 March 2024 | R550 000 |
| Interest Capitalized | ? |
| Repayments (including interest) | R171 600 |
| Balance on 28 February 2025 | R447 150 |
- According to the loan agreement, the annual repayment of the capital portion of the loan is a fixed amount for the entire duration of the loan period.
- D. The Bank Statement was received after the Trial Balance was drawn up and showed the following
- Interest on bank overdraft, R800
 - Interest on the savings account, R200
- E. **NOTE:** a quarter of the fixed deposit matures on 31 December 2025.
- F. The Current ratio on 28 February 2025, was calculated at 2,2:1.

QUESTION 3: ANALYSIS AND INTERPRETATION**(30 marks, 25 minutes)**

Punch and Baker are partners in a partnership (P&B Traders). The financial year ended on 31 May 2025.

REQUIRED:

3.1 Calculate the following financial indicators on 31 May 2025:

- % operating expenses on Sales (2)
- % profit mark-up (2)
- Acid Test ratio (4)
- Average stockholding period (5)
- % return on average Owner's Equity (5)
- Debt-Equity ratio (2)

3.2 The partners feel that the liquidity position of the business has improved. Quote THREE financial indicators with figures to support their opinion. (6)

3.3 The partners are satisfied with the return on equity. Explain by quoting a financial indicator to support your answer. (4)

Information:**A. Extract from the Statement of Comprehensive Income:**

	31 May 2025 R	31 May 2024 R
Sales	1 980 000	1 540 000
Cost of Sales	792 000	660 000
Gross profit	1 188 000	880 000
Other operating expenses	693 000	660 000
Net profit for the year	495 000	220 000

B. Extract from the Statement from Financial Position:

	31 May 2025 R	31 May 2024 R
Partners Equity	2 860 000	1 980 000
Capital: Punch	1 250 000	800 000
Capital: Baker	1 050 000	1 050 000
Current account Punch	320 000 Cr	190 000 Cr
Current account: Baker	240 000 Cr	60 000 Cr
Loan	352 000	495 000
Current assets	418 000	550 000
Inventory	242 000	396 000
Trade and other receivables	132 000	88 000
Cash and cash equivalents	44 000	66 000
Current liabilities	176 000	275 000
Trade and other payables	176 000	275 000

C. The following financial indicators and data are provided to you:

	31 May 2025	31 May 2024
% net profit on sales	25%	14,3%
% gross profit	?	133 $\frac{1}{3}$ %
% operating expenses on sales	35%	42,9%
Current ratio	2,4 : 1	2,0 : 1
Acid-test ratio	?	0,6 : 1
Stock turnover rate	2,7 times	2,2 times
Stock on hand period	?	163,6 days
Average debtors' collection period	35 days	46 days
Debt-equity ratio	?	0,3:1
% return on average owner equity	?	13,3%
Interest rate on investments	6%	8%
Interest rate on loans	15%	13%

30**TOTAL: 150**

GRADE 11 ACCOUNTING FINANCIAL INDICATOR FORMULA SHEET		
$\frac{\text{Gross profit}}{\text{Sales}} \times \frac{100}{1}$	$\frac{\text{Gross profit}}{\text{Cost of sales}} \times \frac{100}{1}$	$\frac{\text{Net profit}}{\text{Sales}} \times \frac{100}{1}$
$\frac{\text{Operating expenses}}{\text{Sales}} \times \frac{100}{1}$	$\frac{\text{Operating profit}}{\text{Sales}} \times \frac{100}{1}$	
$\frac{\text{Total earnings by partner}}{\text{Partner's average equity}} \times \frac{100}{1}$	$\frac{\text{Net profit}}{\text{Average owners' equity}} \times \frac{100}{1}$	
Current assets : Current liabilities	(Current assets – Inventories) : Current liabilities	
(Trade and other receivables + Cash and cash equivalents) : Current liabilities		
$\frac{\text{Average debtors'}}{\text{Credit sales}} \times \frac{365}{1}$	$\frac{\text{Average creditors}}{\text{Credit purchases}} \times \frac{365}{1}$	
$\frac{\text{Average inventories}}{\text{Cost of sales}} \times \frac{365}{1}$ or $\frac{12}{1}$	$\frac{\text{Cost of sales}}{\text{Average inventories}}$	
Non-current liabilities: Owners' equity	Total assets: Total liabilities	
$\frac{\text{Total fixed costs}}{\text{Selling price per unit} - \text{Variable costs per unit}}$		



HILLCREST HIGH SCHOOL

Grade 11

ACCOUNTING PAPER 1 NOVEMBER 2025

Name: _____

Teacher: _____ Grade 11 _____

TOTAL		MARK	SCHOOL MOD.	CLUSTER MOD.
Q1	70			
Q2	50			
Q3	30			
TOTAL:		150	150	150
%:		%	%	%
SIGN:				
DATE:				

This answer book consists of 7 pages.

QUESTION 1

1.1	1.1.1	
	1.1.2	
	1.1.3	
	1.1.4	
	1.1.5	

5

MARBUR TRADERS

1.2.1 **STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 28 FEBRUARY 2025**

Sales (800 500	
Cost of sales (418 500	
Gross profit	
Other operating income	
Discount received	12 860
Gross operating income	
Operating expenses	
Vehicle Expenses	7 150
Salary and wages	107 000
Discount allowed	1 500
Stationery	2 460
Sundry Expenses	7 840
Operating profit	
Profit before interest expense	
Net profit for the year	

52

QUESTION 2

**2.1 JaZu TRADERS
NOTES TO THE FINANCIAL STATEMENTS:**

CASH AND CASH EQUIVALENTS:	

5

CURRENT ACCOUNTS		
	JALI	ZUMA
Salaries	281 520	
Interest on capital		99 000
Final distribution	296 312	
Drawings	(623 600)	(601 520)
Retained income		
Balance at the beginning of year	330 000	220 000
Balance at the end of year	432 232	

10

TRADE AND OTHER PAYABLES:	
Trade creditors	199 484

13

**2.2 JaZu TRADERS
STATEMENT OF FINANCIAL POSITION ON 28 FEBRUARY 2025**

ASSETS	
NON-CURRENT ASSETS	
Fixed assets	
CURRENT ASSETS	880 000
TOTAL ASSETS	
EQUITY AND LIABILITIES	
OWNERS' EQUITY	
Capital	1 650 000
NON-CURRENT LIABILITIES	
CURRENT LIABILITIES	
Trade and other payables	
TOTAL EQUITY AND LIABILITIES	

22

TOTAL MARKS
50

QUESTION 3

- 3.1 Calculate the following financial indicators for 2025. All calculations must be rounded to ONE decimal point.

WORKINGS	ANSWER
% operating expenses on sales	<div style="border: 1px solid black; width: 100%; height: 15px; margin-bottom: 2px;"></div> <div style="border: 1px solid black; width: 100%; height: 15px; text-align: center; margin-bottom: 2px;">2</div>
% profit mark-up	<div style="border: 1px solid black; width: 100%; height: 15px; margin-bottom: 2px;"></div> <div style="border: 1px solid black; width: 100%; height: 15px; text-align: center; margin-bottom: 2px;">2</div>
Acid Test ratio	<div style="border: 1px solid black; width: 100%; height: 15px; margin-bottom: 2px;"></div> <div style="border: 1px solid black; width: 100%; height: 15px; text-align: center; margin-bottom: 2px;">4</div>
Average stockholding period	<div style="border: 1px solid black; width: 100%; height: 15px; margin-bottom: 2px;"></div> <div style="border: 1px solid black; width: 100%; height: 15px; text-align: center; margin-bottom: 2px;">5</div>
% return on average owner equity	<div style="border: 1px solid black; width: 100%; height: 15px; margin-bottom: 2px;"></div> <div style="border: 1px solid black; width: 100%; height: 15px; text-align: center; margin-bottom: 2px;">5</div>
Debt-Equity ratio	<div style="border: 1px solid black; width: 100%; height: 15px; margin-bottom: 2px;"></div> <div style="border: 1px solid black; width: 100%; height: 15px; text-align: center; margin-bottom: 2px;">2</div>
3.2 The partners feel that the liquidity position of the business has improved. Quote THREE financial indicators with figures to support their opinion.	<div style="border: 1px solid black; width: 100%; height: 15px; margin-bottom: 2px;"></div> <div style="border: 1px solid black; width: 100%; height: 15px; text-align: center; margin-bottom: 2px;">6</div>

3.3

The partners are satisfied with the return on equity. Explain by quoting a financial indicator to support your answer.

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TOTAL MARKS
30

TOTAL: 150