GAUTENG DEPARTMENT OF EDUCATION

PROVINCIAL EXAMINATION

NOVEMBER 2020

GRADE 11

ACCOUNTING
PAPER 1

ANSWER BOOK

TIME: 2 hours

MARKS: 150

10 pages

Name of school	
Name of learner	
Date	

Question	Topic	Possible Marks	Obtained Marks	Moderated Marks
1	Financial Statements	55		
2	Partnerships	40		
3	Interpretation and analysis	20		
4	Asset Management & internal control	35		
		150		

QUESTION 1: FINANCIAL STATEMENTS   (55 marks; 42 minutes)

Golden Gate Traders

Statement of Comprehensive Income (Income Statement) for the year ending 30 June 2020

Sales	
Cost of Sales	
Gross Profit	
Other operating income	
Rent income (17 836	
Discount received (600	
Gross operating income	
Other operating expenses	
Repairs	1 500
Bad debts	1 618
Telephone (2 350	
Rates	2 850
Insurance (4 120	
Packing materials	
Water and electricity	4830
Salaries (78 000	
U.I.F. contributions (3 120	
Operating Profit	
Interest income (1 125	
Profit before interest expenses	
Interest expenses	
Net Profit for the Year	

40

Golden Gate Traders
Notes to Financial Statements as at 30 June 2020

1.2.1 <u>**Trade and other receivables**</u>

Trade Debtors (31 900	

6

1.2.2 <u>**Trade and other payables**</u>

Trade Creditors (21 363	

9

55

QUESTION 2: PARTNERSHIPS   **(40 marks; 32 minutes)**

2.1   **TRUE or FALSE**

Number	Answer
2.1.1	
2.1.2	
2.1.3	
2.1.4	
2.1.5	

5

2.2   **Mighty Mouse Traders**
      Notes to Financial Statements as at 28 February 2020

      Current Accounts

	Mighty	Mouse	Total
Net profit as per Income Statement			141000
Partners' salaries			
Interest on capital			
Primary distribution of profit			
Final distribution of profit/loss			
Drawings for the year			
Retained income for the year			
Balance at beginning of year			
Balance at end of year			

14

2.3 **Mighty Mouse Traders**
Statement of Financial Position (Balance Sheet) as at 28 February 2020

ASSETS		
NON-CURRENT ASSETS		
Fixed assets		
Financial assets		
Fixed deposit : Giant Bank		
Fixed Deposit : Small Bank		
CURRENT ASSETS		
Inventories		
Trade and other receivables		
Cash and cash equivalents		
Total assets		
EQUITY AND LIABILITIES		
OWNERS' EQUITY		
Capital		
Current accounts	2.2	
NON-CURRENT LIABILITIES		
Loan : Giant Bank		
CURRENT LIABILITIES		
Trade and other payables		
Bank overdraft		
Short term loan		
Total equity and liabilities		

21

40

QUESTION 3: ANALYSIS AND INTERPRETATION　　　　**(55 marks; 16 minutes)**

3.1	**Calculate King Ben's percentage earnings for the year ended 31 December 2020. Does he have reason to be satisfied? Give one reason for your answer.**	(10)
	Calculation:	
	Satisfied / Not satisfied	
	Reason:	

10

3.2	**Calculate the debt-equity ratio on 31 December 2020.**	(3)
	Calculation:	

3

P.T.O.

3.3	The partners are considering taking up an additional R200 000 loan at an interest rate of 12% per annum. Do you think this is a good idea? Refer to one financial indicator and to gearing to motivate your answer with figures.	(3)
	Good idea/not good idea Motivation:	

3

3.4	The partners are concerned about the liquidity position of the business. Refer to two financial indicators with figures to justify their concerns.	(4)
	Financial indicator 1: Financial indicator 2:	

4

20

QUESTION 4: ASSET MANAGEMENT AND INTERNAL CONTROL

(35 marks; 30 minutes)

4.1 **Ethics**

Number	Answer
4.1.1	
4.1.2	
4.1.3	
4.1.4	
4.1.5	

5

4.2 **Accounting Equations**

Number	Account debited	Account credited	Assets	Owners' equity	Liabilities
Example	Bank	Capital : Barack	0	+ 50 000	- 50 000
4.2.1					
4.2.2					

8

4.3 **Asset Management**

4.3.1	**If all vehicles are depreciated using the same method, what is rate of depreciation used by the business?**	(3)
	Calculations:	

3

P.T.O.

4.3.2	It was decided to sell Vehicle 2 (see fixed asset register) as it was costing too much in repairs and maintenance.	
	Complete the asset register page to calculate the vehicle's book value on the date it was sold. (Round off to the nearest Rand when doing all depreciation amounts.)	(10)

Movement				
Date	**Cost price**	**Depreciation**	**Accumulated depreciation**	**Carrying value**
28 February 2018	380 000	47 500	47 500	332 500
28 February 2019	380 000	83 125	130 625	249 375
28 February 2020	380 000			
31 May 2020	380 000			

Calculations:

February 2020:

May 2020:

10

4.4   **Problem solving**

Accounting Made Easy

Branch	Problem with figures	Solution
Daveyton		
Actonville		
Farramere		

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TOTAL: 150

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