



**GAUTENG PROVINCE**  
EDUCATION  
REPUBLIC OF SOUTH AFRICA

**GAUTENG DEPARTMENT OF EDUCATION  
PROVINCIAL EXAMINATION  
NOVEMBER 2019  
GRADE 11**

**ACCOUNTING  
PAPER 1  
ANSWER BOOK**

NAME OF LEARNER: \_\_\_\_\_

<b>QUESTION</b>	<b>MARKS</b>	<b>MARK OBTAINED</b>	<b>MODERATION</b>
<b>1</b>	<b>36</b>		
<b>2</b>	<b>48</b>		
<b>3</b>	<b>38</b>		
<b>4</b>	<b>28</b>		
<b>TOTAL</b>	<b>150</b>		

**8 pages**

**QUESTION 1: CONCEPTS AND INCOME STATEMENT**1.1 **CONCEPTS**

1.1.1	
1.1.2	
1.1.3	
1.1.4	

4

1.2 **MADUNA TRADERS  
INCOME STATEMENT FOR THE YEAR ENDED 28 FEBRUARY 2019**

Sales (800 000)		
Cost of sales		
<b>Gross Profit</b>		
<b>Other Operating Income</b>		
<b>Gross Operating income</b>		
<b>Operating Expenses</b>		
Employer's contribution		10 520
Bad debts		3 600
Discount allowed		530
Telephone		6 300
Salaries and wages		
Bank charges		
Insurance		
<b>Operating Profit</b>		
Interest income		9 600
<b>Profit Before Interest Expense</b>		
Interest expense		
<b>Net Profit for the year</b>		

32

<b>Total marks</b>
36

**QUESTION 2: CONCEPTS, TANGIBLE ASSETS AND ETHICS**

2.1

<b>CONCEPTS</b>	
2.1.1	
2.1.2	
2.1.3	
2.1.4	
2.1.5	

<b>5</b>

**2.2.1 NOTE TO THE FINANCIAL STATEMENTS ON 31 DECEMBER 2018****TANGIBLE ASSETS**

	<b>Vehicles</b>	<b>Equipment</b>
Carrying value at the beginning of year		
Cost		<b>26 000</b>
Accumulated depreciation		
Movements:		
Additions at cost		
Asset disposal at carrying value		
Depreciation		
Carrying value at the end of the year		
Cost		<b>50 600</b>
Accumulated depreciation	<b>(40 060)</b>	

<b>40</b>

<b>VEHICLES</b>
<b>Depreciation for old vehicles</b>
<b>Depreciation for the year</b>
<b>Depreciation for the new vehicle</b>
<b>Cost price of new vehicle</b>

**Equipment****Depreciation****New****Asset sold****Old asset****Carrying value of asset sold****Accumulated depreciation at the end of the year:**

7 200

2.2.2 Peter Majoro is not happy that his brother Joe Majoro purchased the old equipment at an amount below the carrying value from the business. Provide ONE reason why he had to be unhappy about this transaction and provide calculations / figures to motivate your answer.

3

**Total marks****48**

**QUESTION 3: CURRENT ACCOUNT NOTE AND BALANCE SHEET****3.1 SAPA TRADERS****BALANCE SHEET FOR THE YEAR ENDED 28 FEBRUARY 2019**

	Notes	R
<b>ASSETS</b>		
<b>Non-Current Assets</b>		
Fixed assets		423 810
<b>Current Assets</b>		
Inventory		
Trade and other receivables		10 205
Cash and cash equivalents		
<b>TOTAL ASSETS</b>		
<b>EQUITY AND LIABILITIES</b>		
<b>Owner's Equity</b>		
Capital		
<b>Non-Current Liabilities</b>		60 000
Long Term-Loan		60 000
<b>Current Liabilities</b>		
Trade and other payables (25 491		
<b>TOTAL EQUITY AND LIABILITIES</b>		

20

**3.2 CURRENT ACCOUNT NOTE FOR THE YEAR ENDED 28 FEBRUARY 2019**

	S. Saul	P. Paul
Net profit according to the Income Statement		
Partners salaries		
Interest on capital		
Partners bonus		
Primary distribution of profit		
Final distribution of profit		
Drawings		
Retained income for the year		
Retained income at beginning of year		
Retained income at end of year	53 511	35 214

18

<b>Total marks</b>
38

**QUESTION 4: ANALYSIS AND INTERPRETATION OF FINANCIAL STATEMENTS**

4.1	<b>Calculate the following indicators for 28 February 2019</b>							
4.1.1	Calculate Clyde's current ratio.	3						
4.1.2	Calculate Bonny's stock turnover rate.	4						
4.1.3	Clyde's average debtors collection period.	5						
4.1.4	Calculate the return on average equity of Bonny's Clothing.	5						
4.2.1	Compare and comment on the liquidity position of the two businesses, quote TWO financial indicators.	8						
	<table border="1"> <thead> <tr> <th>Indicators</th> <th>Comparison of Bonny and Clyde's Businesses</th> </tr> </thead> <tbody> <tr> <td></td> <td></td> </tr> <tr> <td></td> <td></td> </tr> </tbody> </table> <p><b>Explanation</b></p> <ul style="list-style-type: none"> <li>•</li> <li>•</li> </ul>	Indicators	Comparison of Bonny and Clyde's Businesses					
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