GAUTENG DEPARTMENT OF EDUCATION
PROVINCIAL EXAMINATION
NOVEMBER 2019
GRADE 11

ACCOUNTING
PAPER 2

ANSWER BOOK

NAME: _____

QUESTION	MAX MARKS	MARKS AWARDED	MODERATOR
1	40		
2	42		
3	52		
4	16		
TOTAL	150		

9 pages

QUESTION 1: CONCEPTS AND MANUFACTURING ACCOUNTS

1.1

CONCEPTS	
1.1.1	
1.1.2	
1.1.3	
1.1.4	
1.1.5	

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1.2. **LEDGER ACCOUNT AND COSTS CALCULATIONS**

1.2.1	GENERAL LEDGER OF WISHY-WASHY MANUFACTURERS						
DR	RAW MATERIALS STOCK					**B1**	**CR**
2018 March	**1**	Balance	b/d				

8

1.2.2	COST CALCULATIONS

Direct labour cost	

Factory overheads costs	

13

1.3   **UNIT CALCULATIONS**

1.3.1	**Calculate the direct material cost per unit.**

2

1.3.2	**Calculate the break-even point.**

4

1.3.3	**Should the business be satisfied with the number of units manufactured during 2019? Explain by quoting relevant information.**

4

1.3.4	**The direct materials cost per unit was R152 in 2018. Explain TWO reasons for the difference in the cost over the two financial years.**

4

TOTAL MARKS
40

QUESTION 2 : RECONCILIATIONS, INTERNAL CONTROL AND ETHICS

2.1. BANK RECONCILIATION

2.1.1 **Provide TWO reasons why preparing a monthly Bank Reconciliation Statement is important for the business.**

4

2.1.2 **Explain why the bookkeeper cancelled cheque no. 706 and in which journal he cancelled the entry.**

3

2.1.3 **BANK RECONCILIATION STATEMENT ON 31 AUGUST 2019**		
	Debit	**Credit**

10

2.2   **CREDITORS' RECONCILIATION**

	CREDITORS' LEDGER	**CREDITORS' STATEMENT**
Balance	**16 555**	**10 055**
A		
B		
C		
D		
E		
F		
G		
Corrected Balance		

11

2.3   **INTERNAL CONTROL AND ETHICS**

2.3.1 **Which THREE actions should be taken regarding the two missing cheques?**

6

2.3.2	What are the implications of recording "Drawings" as "Donations"? Explain in ONE point.

	2

2.3.3	Provide THREE suggestions to management for the effective control of cash.

	6

TOTAL MARKS
42

QUESTION 3: BUDGETS, ETHICS AND FINANCIAL INDICATORS

3.1.1 DEBTORS' COLLECTION SCHEDULE

Credit Sales		November	December
September	144 000	14 400	
October	149 760		
November	161 280		96 786
December	187 200		46 800

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3.1.2 CASH BUDGET FOR TWO MONTHS ENDING DECEMBER 2018

RECEIPTS	November	December
Cash sales	241 920	
?		
?		
Rent income	5000	
TOTAL RECEIPTS		
PAYMENTS		
Cash purchases of trading stock		78 000
Payments to creditors	138 320	
Loan repayment		
Interest on loan	3 000	
Salary including bonus (store manager)	20 000	
Sales assistants' salaries	60 000	
Drawings	30 000	
?		
?		145 866
TOTAL PAYMENTS		
Cash surplus (shortfall)		
Balance at the beginning of the month	138 400	
Balance at the end of the month		

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3.1.3	Refer to transaction J, and explain why the employees should not be satisfied with the increase of 4% in their salaries.

2

3.2   **FINANCIAL INDICATORS**

3.2.1	Calculate the following indicators for year ended 28 February 2019.	
Average creditors' payment period		**(4)**
Stock-Holding period		**(4)**
3.2.2	Compare the financial indicators for 2018 and 2019 February and respond to the following questions.	
	Comment on the stock turnover rate and the stock holding period. (Quote figures.)	**(2)**
	Explain why Nkosi Traders should be concerned about the two indicators and provide ONE point of advice to Nkosi Traders.	**(4)**

TOTAL MARKS
52

QUESTION 4: VAT AND TANGIBLE ASSETS

4.1 **VAT**

4.1.1 and 4.1.2

Including VAT (R)	Excluding VAT (R)	VAT Amount (R)	VAT Input	VAT Output
	500 000	75 000		75 000
287 500	250 000			
		1 830		
	6 400	960		
	9 800			
5 405				
TOTALS				

10

4.1.3 Calculate the amount payable to / receivable from SARS.

2

4.2.1 Explain the TWO measures that you will put in place to prevent employees from using business assets for personal reasons?

4

TOTAL MARKS
16