
 Province of the

 EASTERN CAPE

 EDUCATION

 **GRADE 10**

**ACCOUNTING**

**TEST 2 – Final Accounts**

**MARKS: 65**

**TIME: 60 MINUTES**

**QUESTION 1**

**SOLE TRADER FINAL LEDGER ACCOUNTS**

* 1. Which GAAP will be used in the following scenarios? Choose one from the following and write only the principle.

***Matching Concept; Business Entity Rule; Materiality Concept; Historical Cost concept.***

1. Vehicles are kept at their Original Cost Price in the General Ledger. (1)
2. Incomes and expenses incurred in a particular year must be shown in that financial year. (1)
3. Bank Charges and Interest on Interest on overdraft are shown separately. (1)
4. Inventory taken by the owners for personal use is shown as drawings. (1)

1.2 Prepare the Trading Account on 28 February 2018. (11)

1.3 Prepare the Profit and Loss account on 28 February 2018. (50)

**INFORMATION**

The following information relates to AmaBhele Traders. Their financial year ends on the 28 of February each year. The business is owned by Vincent Mbele.

**AMABHELE TRADERS**

**PRE-ADJUSTMENT TRIAL BALANCE -28 FEBRUARY 2018**

|  |  |  |
| --- | --- | --- |
|  | **Debit**  | **Credit** |
| **Balance Sheet Accounts Section** |  |  |
| Capital |  | 784 790 |
| Drawings | 58 000 |  |
| Loan: Nongoma Bank (18%) |  | 100 000 |
| Land and Buildings | 910 000 |  |
| Equipment  | 140 000 |  |
| Accumulated depreciation on Equipment |  | 52 000 |
| Trading Inventory | 16 300 |  |
| Debtors Control  | 20 720 |  |
| Bank  | 55 500 |  |
| Petty Cash | 3 830 |  |
| Fixed Deposit : Manzini Bank ( 11%) | 20 000 |  |
| Creditors Control |  | 45 000 |
|  |  |  |
| **Nominal Account Section**  |  |  |
| Sales  |  | 875 000 |
| Debtors Allowances | 12 600 |  |
| Cost of Sales  | 500 000 |  |
| Salaries and wages | 96 750 |  |
| Fee Income |  | 8 400 |
| Rent Income |  | 41 100 |
| Discount Allowed | 800 |  |
| Discount Received  |  | 880 |
| Insurance  | 9 800 |  |
| Bank Charges | 1 210 |  |
| Bad Debts | 5 200 |  |
| Telephone | 12 560 |  |
| Water and Electricity | 14 200 |  |
| Stationery | 10 800 |  |
| Interest on loan | 13 500 |  |
| Sundry Expenses | 5 400 |  |
|  | **1 907 170** | **1 907 170** |

**ADJUSTMENT AND ADDITIONAL INFORMATION**

1. Invoice issued to a debtor S. Nxumalo for goods sold to him on credit was omitted by mistake Selling Price R 5 000 ( cost price R 3 000).
2. The owner took goods for R 1 200 every month for personal use. The bookkeeper recorded it as Salaries. Correct the error.
3. The fee Income of R 4 000 is not yet received by the business.
4. Rent has been received for 13 months. Rent was increased by R 300 per month with effect from 1 September 2017.
5. A debtor who owed R 1 200 was declared insolvent. A dividend of 40 cents to the rand was received and recorded. Write off the remaining debt as irrecoverable.
6. The Insurance amount includes an annual premium of R 2 160 for the period starting on the 1 December 2017.
7. The telephone account for February 2018 has not yet been paid R 450.
8. A physical stock count revealed the following on hand:
* Trading Inventory R 15 500
* Stationery R 460
1. The Interest on loan is calculated at 18% per annum. Outstanding interest must be brought into account. Interest is not capitalized.
2. Depreciation is calculated on Equipment at 20% per annum on carrying Value.
3. The Interest on Fixed Deposit is still owed to the business at the end of the year. Interest is calculated at 11% per annum and is capitalized.

**ACCOUNTING GRADE 10 FINAL ACCOUNTS TEST 2 – ANSWER BOOK**

**QUESTION 1**

**1.1 GAAP principles**

|  |  |
| --- | --- |
| (a) |  |
| (b) |  |
| (c) |  |
| (d) |  |

**[4]**

**1.2 GENERAL LEDGER OF AMABELE TRADERS**

**TRADING ACCOUNT**

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**1.3 PROFIT AND LOSS ACCOUNT**

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