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|  Province of theEASTERN CAPEEDUCATION**DIRECTORATE SENIOR CURRICULUM MANAGEMENT (SEN-FET)****HOME SCHOOLING SELF-STUDY** **MARKING GUIDELINE**

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| **SUBJECT** | ACCOUNTING | **GRADE** | 11 | **DATE** |  |
| **TOPIC** | Inventory systems | **Term**  | 3 | **Week** | 3&4 |

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| **ACTIVITY 1**  |
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| **1.1** | **Explain the difference between the two systems.** |
|  | **Perpetual:**Cost of sales is determined at the point of sale.The trading stock account is updated with all transactions affecting stock - therefore the stock balance is always available. |
|  | **Periodic:**Cost of sales has to be calculated, usually at end of financial period. The cost of sales cannot (or is not) determined at the point of sale. Stock balance is determined by a physical stock take. Losses are not detected easily.  |
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| **1.2** | **Explain to the owner of TT- Tuck-shop why you think that the periodic system is suited for his business.** |
|  | It is a small business and it will be difficult to convert to the perpetual system due to the cost involved as well as the manpower required. The owner needs assistance on certain days and not a fulltime employer (small business).Rotating duties and working on certain days would contribute to periodic inventory system being a practical solution.  |
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| **1.3** | **Provide TWO advantages and TWO disadvantages of each stock system.** |
|  |  | **ADVANTAGE** | **DISADVANTAGE** |
|  | **PERPETUAL INVENTORY SYSTEM** | Better control of stock - physical count will detect any losses.Theft can be detected - internal controls can be improved. | A computer system is the most efficient means to operate this system – expensive. Manually it would take much time and will result in many errors. |
|  | **PERIODIC INVENTORY SYSTEM** | Cheaper system to maintain.Suitable for a business with a variety of goods and services where it is difficult to determine the cost price. | Theft will not be detected easily – less control. Will require more security measures. Final stock figure is only determined by counting the goods. |
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| **ACTIVITY 2** |
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| **GENERAL LEDGER OF ZOOT CLOTHING** **NOMINAL ACCOUNT SECTION** |
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|  **Sales** |
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|  |  |  |  |  | 2019Sept | 30 | Bank | CRJ |  46 000 |
|  |  |  |  |  |  |  | Debtors control | DJ |  60 000 |
|  |  |  |  |  |  |  |  |  | 106 000 |

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| **Purchases** |
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| 2019Sept | 30 | Bank | CPJ | 40 000 | 2019Sept | 8 | Drawings | GJ |  320 |
|  |  | Creditors control | CJ | 24 000 |  | 22 | Donations | GJ |  100 |
|  |  | Petty cash | PCJ |  480 |  | 30 | Balance | c/d |  64 060 |
|  |  |  |  | 64 480 |  |  |  |  |  64 480 |
| 2019Oct | 1 | Balance | b/d | 64 060 |  |  |  |  |  |

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| **Debtors Allowance** |
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| 2019Sept | 30 | Debtors control | DAJ | 1 500 |  |  |  |  |  |

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| **Creditors Allowances** |
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|  |  |  |  |  | 2019Sept | 30 | Creditors control | CAJ | 4 000 |

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| **Carriage on purchases** |
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| 2019Sept | 30 | Bank | CPJ |  500 |  |  |  |  |  |
|  |  | Creditors control | CJ | 1 800 |  |  |  |  |  |
|  |  | Petty cash | PCJ |  45 |  |  |  |  |  |
|  |  |  |  | 2 345 |  |  |  |  |  |

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| **ACTIVITY 3** |
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| **Calculate the cost of sales for the year.**  |
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| Opening stock | 275 025 |
| Purchases (518 320 – 38 315) | 480 005 |
| Carriage on purchases | 18 540 |
| Custom duties | 35 150 |
|  | 808 720 |
| Closing stock | (170 030) |
|  | 638 690 |

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| **ACTIVITY 4** |
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|  | **GENERAL LEDGER** | **AMOUNT** |  **ACCOUNTING EQUATION** |
| **Account debited** | **Account credited** | **A** | **O** | **L** |
| *E.g.* | *Stationery* | *Bank* | *R 800* | *-* | *-* | *0* |
| 1 | Purchases | Creditors control | 31 500 | 0 | -  | + |
| 2 | Bank | Sales | 14 355 | +  | + | 0 |
| 3 | Debtors control | Service fee | 350 | + | + | 0 |
| 4 | Drawings | Purchases | 5 000 | 0 | + and - | 0 |
| 5 | Creditors control | Creditors allowance | 4 500 | 0 | +  | -  |

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| **CLASS TEST 1** |
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| **QUESTION 1** |
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| **1.1** | False |
| **1.2** | True |
| **1.3** | False |
| **1.4** | False |
| **1.5** | True |

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| **(5)** |
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| **QUESTION 2** |
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| **2.1** | **Calculate the cost of sales.** |  |
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| Opening stock | 🗸296 190 |
| Purchases (🗸1 595 900 +🗸 47 250 – 🗸3 150) | ☑1 640 000 |
| Carriage on purchases | 🗸65 840 |
|  | 2 002 030 |
| Closing stock (🗸219 275 – 🗸13 800) | ☑(205 475) |
|  | ☑1 796 555 |

 | **(10)** |
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| **2.2** | **Calculate the gross profit.** |  |
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| Sales (🗸2 278 935 + 🗸15 735) | ☑2 294 670 |
| Cost of sales see 2.1 | ☑1 796 555 |
| Gross profit | ☑498 115 |

 | **(5)** |
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|  |  | **[20]** |

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| **ACTIVITY 5** |
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| **TRADING ACCOUNT** |
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| 2020Feb | 28 | Opening stock | GJ | 28 300 | 2020Feb. | 28 | Sales\* | GJ. | 144 500 |
|  |  | Purchases # | GJ | 72 700 |  |  | Closing Stock | GJ. |  45 600 |
|  |  | Carriage on purchases | GJ |  780 |  |  |  |  |  |
|  |  | Profit and loss  | GJ | 88 320 |  |  |  |  |  |
|  |  |  |  | 190 100 |  |  |  |  | 190 100 |
| \*146 000 – 1 500 = 144 500# 72 900 – 200 = 72 700 |

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| **ACTIVITY 6** |
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| **6.1** |
| **PURCHASES ACCOUNT** |
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| 2019Sep | 30 | Balance |  | 684 240 | 2019Sept | 30 | Donation  |  | 1 440 |
|  |  | Creditors Control |  | 9 550 |  |  | Drawings |  |  2 000 |
|  |  |  |  |  |  |  | Creditors allowances |  | 10 350 |
|  |  |  |  |  |  |  | Trading account |  | 680 000 |
|  |  |  |  | 693 790 |  |  |  |  | 693 790 |

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| **6.2** | **Calculate the Gross profit earned by the business.** |
|  |  |  |
|  | Sales – Debtors Allowances(915 000 – 24 170) = 890 830Opening Stock + Purchases + Carriage on Purchases – Closing Stock211 900 + 680 000 + 9 930 – 255 000 = 646 830Gross Profit: 890 830 – 646 830 = 244 000  |  Trading AccountOpening St 211 900 Sales 890 830Purchases 680 000 Closing Stock 255 000Carriage 9 930Gross Profit **244 000** |
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| **6.3** | Calculate the Gross profit percentage achieved.  |
|  | 244 000 ÷ 890 830 x 100 = 27,4% |
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| **ACTIVITY 7** |
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| **7.1** | **Calculate the correct amount of sales for the year.** |  |
|  | 3 190 700 – 4 200 + 38 250 – 26 620 = 3 198 130 |  |
|  |  |  |
| **7.2** | **Calculate the correct amount of purchases for the year.** |  |
|  | 1 850 000 – 8 000 – 4 200 - 2 750 + 23 630 = 1 858 680 |  |
|  |  |  |
| **7.3** | **Calculate the closing stock on 29 February 2020.** |  |
|  | 298 000 + 23 630 = 283 380 |  |
|  |  |  |
| **7.4** | **TRADING ACCOUNT** |  |
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| 2020Feb | 29 | Opening Stock | GJ |  341 000 | 2020Feb. | 29 | Sales | GJ. |  3 198 130 |
|  |  | Purchases | GJ | 1 858 680 |  |  | Closing stock | GJ. |  283 380 |
|  |  | Carriage on purchases | GJ | 28 800 |  |  |  |  |  |
|  |  | Import duties | GJ | 15 390 |  |  |  |  |  |
|  |  | Profit and loss | GJ |  1 237 640 |  |  |  |  |  |
|  |  |  |  | 3 481 510 |  |  |  |  | 3 481 510 |
| \*27 510 + 1 290  |

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| **CLASS TEST 2** |
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| **QUESTION 1** |  |
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| **1.1** | perpetual  |
| **1.2** | periodic  |
| **1.3** | Shortage / reduce |
| **1.4** | perpetual  |

 | **(4)** |
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| **QUESTION 2** |  |  |
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| **2.1** |  |  |
| **TRADING ACCOUNT** |
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| 2020Feb | 29 | Opening Stock |  🗸245 000 | 2020Feb. | 29 | Sales | 🗸1 532 900 |
|  |  | Purchases(960 000 – 26 000 – 6 300 🗸 +54 000 ) | ☑981 700 |  |  | Closing stock |  🗸302 000 |
|  |  | Carriage on purchases(35 000  + 4 800 ) | ☑39 800 |  |  |  |  |
|  |  | Customs duty | 🗸🗸21 600 |  |  |  |  |
|  |  | Profit and loss  | ☑546 800 |  |  |  |  |
|  |  |  | 1 834 900 |  |  |  | 1 834 900 |
| 6 300 = 10 500 – 4 20021 600 = 54 000 x 40%  **(15)** |

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| **2.2** | **Calculate cost of sales** |  |
|  | See 2.1 🗸 ☑ ☑ ☑ 🗸 ☑245 000 + 981 700 + 39 800 + 21 600 – 302 000 = R964 500 | **(6)** |
|  |  |  |
| **2.3** | **Calculate the mark-up % achieved.** |  |
|  | 1 532 900 – 964 500 ☑550 000 x 100 = ☑56%☑964 500 1See 2.2 | **(3)** |
|  |  |  |
|  |  |  |
| **2.4** | **The business aims at a mark-up % of 65%. Give TWO possible reasons for the actual mark-up % being different to the intended mark-up %.** |  |
|  | Any two valid reasons e.g. 🗸 🗸 * Trade discounts offered to customers
* Theft of stock
* Errors in pricing the stock
 | **(2)** |
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|  | **[30]** |
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