 Province of the

EASTERN CAPE

EDUCATION

**DIRECTORATE SENIOR CURRICULUM MANAGEMENT (SEN-FET)**

**HOME SCHOOLING SELF-STUDY**

**ACTIVITIES AND WORKSHEETS**

|  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **SUBJECT** | ACCOUNTING | | **GRADE** | | 11 | **DATE** |  | | | |
| **TOPIC** | Inventory systems | | | | | | **Term** | 3 | **Week** | 3&4 |
| **TIME ALLOCATION** | | 2 Weeks | | |  |  | | --- | --- | | **TIPS TO KEEP HEALTHY** | | |  |  | | 1. | **WASH YOUR HANDS** thoroughly with soap and water for at least 20 seconds. Alternatively, use hand sanitizer with an alcohol content of at least 60%. | |  |  | | 2. | **PRACTICE SOCIAL DISTANCING** – keep a distance of 1m away from other people. | |  |  | | 3. | **PRACTISE GOOD RESPIRATORY HYGIENE**: cough or sneeze into your elbow or tissue and dispose of the tissue immediately after use. | |  |  | | 4. | **WEAR A MASK AND TRY NOT TO TOUCH YOUR FACE.** The virus can be transferred from your hands to your nose, mouth and eyes. It can then enter your body and make you sick. | |  |  | | 5. | **STAY AT HOME.** | | | | | | | |
| **INSTRUCTIONS** | See requirements per activity | | |
| **RESOURCES** | **TEXTBOOK(S) & POWERPOINT NOTES** | | | | | | | | | |

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| --- | --- |
| **PERIODIC INVENTORY SYSTEM** | |
|  |  |
| **EXAMPLE 1** |  |
| You are well familiar with this account. |  |
|  |  |
| |  |  |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | | General ledger of Zachele Traders  Balance sheet Accounts Section  **Trading stock** | | | | | | | | | | | 2019  June | 1 | Balance | b/d | 70 000 | 2019  June | 30 | Cost of sales | CRJ | 180 000 | |  | 30 | Bank | CPJ | 210 000 |  |  | Cost of sales | DJ | 80 000 | |  |  | Creditors control | CJ | 125 000 |  |  | Creditors control | CAJ | 7 000 | |  |  |  |  |  |  |  | Balance | c/d | 138 000 | |  |  |  |  | 405 000 |  |  |  |  | 405 000 | | July | 1 | Balance | b/d | 138 000 |  |  |  |  |  | | *NOTE: Remember this is the* ***PERPETUAL INVENTORY SYSTEM*** *of recording trading stock****.*** | | | | | | | | | | | |

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| --- | --- | --- |
| Use the same information above to show calculations for the **PERIODIC INVENTORY** system. | | |
|  | | |
| 1. | Calculate the Closing stock | |
|  | |  |  |  | | --- | --- | --- | | **Description of items:** | **Account** | **Amount** | | Stock at beginning of the year | **Opening stock** | 70 000 | | Stock bought for **cash** during the year | **Purchases** | 210 000 | | Stock bought on **credit**  during the year | **Purchases** | 125 000 | | Stock returned to suppliers | **Returns** | ( 7 000) | | Cost price of stock sold for **cash** | **Cost of sales** | (180 000) | | Cost price of stock sold on **credit** | **Cost of sales** | (80 000) | | Stock at the end of the year | **Closing Stock** | **138 000** | | |
|  |  | |
| 2. | Calculate the Cost of sales | |
|  | |  |  | | --- | --- | | Opening stock | 70 000 | | *Plus:* Purchases (210 000 + 125 000) | 335 000 | | *Less:* Returns | (7 000) | |  | 398 000 | | *Less:* Closing stock *see 2 above* | (138 000) | | **Cost of sales** | **\*260 000** |   \* 180 000 + 80 000 (Cost of cash and credit sales) | |
| **EXAMPLE 2** | | |
|  | |  |
| 2.1 | | Prepare the Trading account |
| 2.2 | | Calculate the Cost of sales |
|  | |  |
| |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | | **INFORMATION: Rocco Traders:**  **Extract from the accounting records for the year ended on 30 June 2019.**   |  |  |  | | --- | --- | --- | |  | **DEBIT** | **CREDIT** | | Opening Stock | 135 000 |  | | Purchases | 480 000 |  | | Sales |  | 1 425 000 | | Debtors allowances | 15 000 |  | | Carriage on purchases | 42 400 |  | | Custom Duties | 29 200 |  |   **Adjustments and other information**  1. Merchandise, cost R1 200, donated to a Children’s home is not recorded yet.  2. No entry was made of an invoice from Gidi Suppliers.  Merchandise R 4 600, 10% trade discount and delivery cost 320.  3. The owner took stock at cost, R 2 700, for personal use. This transaction has is not  yet recorded.  4. Merchandise at hand at the end of the year, R142 000.  **Solution:**  **2.1**   |  |  |  |  | | --- | --- | --- | --- | | **Dr** | **TRADING ACCOUNT (**gross profit) | | **Cr** | | Opening Stock | 135 000 | Sales | 1 410 000 | | Purchases | 480 240 | Closing Stock | 142 000 | | Carriage purchases | 42 720 |  |  | | Custom duties | 29 200 |  |  | | Profit & Loss | 864 840 |  |  | |  | 1 552 000 |  | 1 552 000 |   *Workings:*    (4 600 - 460)  Purchases: (480 000 – 1 200 + 4 140 – 2 700 = 480 240  Sales: 1 425 000 – 15 000 = 1 410 000  Carriage on purchase: 42 400 + 320 = 42 720 | | | |
| **2.2 COST OF SALES (Format)** | | |
| |  |  | | --- | --- | | Opening stock | 135 000 | | Purchases | 480 240 | | Carriage on purchases | 42 720 | | Custom Duties | 29 200 | | Closing stock | (142 000) | | Cost of sales | 545 160 | | | |
| Gross profit = Sales – Cost of sales  1 410 000 – 545 160 = 864 840 | | |

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| **ACTIVITY & WORKSHEET 1** | | | |
|  |  | | |
| The business owner TT- Tuck-shop is not happy using the periodic inventory system to control the stock of the business and wants to change to the perpetual inventory system. | | | |
|  |  | | |
| **1.1** | **Explain the difference between the two systems.** | | |
|  | **Perpetual:** | | |
|  | **Periodic:** | | |
|  |  | | |
| **1.2** | **Explain to the owner of TT- Tuck-shop why you think that the periodic system is suited for his business.** | | |
|  |  | | |
|  |  | | |
| **1.3** | **Provide TWO advantage and TWO disadvantages of each stock system.** | | |
|  |  | **ADVANTAGE** | **DISADVANTAGE** |
|  | **PERPETUAL INVENTORY SYSTEM** |  |  |
|  | **PERIODIC INVENTORY SYSTEM** |  |  |
|  |  |  |  |
| **ACTIVITY 2** | | | |
|  |  | | |
| Zoot clothing started trading on 1 September 2019. They sell gent`s and ladies clothing and use the periodic Inventory system. The following information were found in their books at the end of their first month of trade | | | |
|  |  | | |
| **REQUIRED** | | | |
|  |  | | |
| Draw up the following ledger accounts: | | | |
|  |  | | |
| * Sales | | | |
| * Purchases | | | |
| * Debtors allowances | | | |
| * Credit allowances | | | |
| * Carriage on purchases | | | |
|  |  | | |
| **INFORMATION:** | | | |
|  |  | | |
| **A** | **Cash Receipts Journal of Zoot clothing for September 2019.** | | |
|  | |  |  |  |  |  | | --- | --- | --- | --- | --- | | **Bank** | **Sales** | **Debtors**  **control** | **Discount**  **allowed** | **Sundry**  **accounts** | | 135 000 | 46 000 | 25 00 | 1 000 | 65 000 | | | |
|  |  | | |
| **B** | **Cash Payments Journal of Zoot clothing for September 2019.** | | |
|  | |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | | **Bank** | **Purchases** | **Creditors**  **control** | **Discount**  **received** | **Carriage purchases** | **Sundry**  **accounts** | | 89 650 | 40 000 | 18 000 | 850 | 500 | 32 000 | | | |
|  |  | | |
| **C** | **Petty Cash Journal of Zoot clothing for September 2019.** | | |
|  | |  |  |  |  |  | | --- | --- | --- | --- | --- | | **Petty cash** | **Purchases** | **Stationery** | **Carriage on purchases** | **Sundry**  **accounts** | | 800 | 480 | 95 | 45 | 180 | | | |
|  |  | | |
| **D** | **Debtors Journal Debtors Allowances Journal** | | |
|  | |  |  |  | | --- | --- | --- | | **Sales** |  | **Debtors allowances** | | 60 000 | 1 500 | | | |
|  |  | | |
| **E** | **Creditors Journal of Zoot clothing for September 2019.** | | |
|  | |  |  |  |  |  | | --- | --- | --- | --- | --- | | **Creditors**  **control** | **Purchases** | **Equipment** | **Carriage on purchases** | **Sundry**  **accounts** | | 36 000 | 24 000 | 6 000 | 1 800 | 4 200 | | | |
|  |  | | |
|  |  | | |
| **F** | **Creditors Allowances Journal of Zoot clothing for September 2019.** | | |
|  | |  |  |  |  |  | | --- | --- | --- | --- | --- | | **Creditors**  **Control** | **Creditors**  **Allowances** | **Equipment** | **Stationery** | **Sundry**  **accounts** | | 5 980 | 4 000 | 600 | 180 | 1 200 | | | |
|  |  | | |
| **G** | **General Journal of Zoot Clothing for September 2019** | | |
|  | |  |  |  |  | | --- | --- | --- | --- | | **Day** | **Details** | **Debit** | **Credit** | | 8 | Drawings | 320 |  | |  | Purchase |  | 320 | | 22 | Donations | 100 |  | |  | Purchase |  | 320 | | | |
|  |  | | |
|  |  | | |

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| **WORKSHEET: ACTIVITY 2** | |
|  | |
| **GENERAL LEDGER OF ZOOT CLOTHING**  **NOMINAL ACCOUNT SECTION** | |
|  | |
| **Sales** | |
| |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | |  |  |  |  |  |  |  |  | |  |  |  |  |  |  |  |  | |  |  |  |  |  |  |  |  | |  |  |  |  |  |  |  |  | | |
|  | |
| **Purchases** | |
| |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | |  |  |  |  |  |  |  |  | |  |  |  |  |  |  |  |  | |  |  |  |  |  |  |  |  | |  |  |  |  |  |  |  |  | |  |  |  |  |  |  |  |  | |  |  |  |  |  |  |  |  | | |
|  | |
|  | |
| **Debtors Allowance** | |
| |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | |  |  |  |  |  |  |  |  | |  |  |  |  |  |  |  |  | | |
|  | |
| **Creditors Allowances** | |
| |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | |  |  |  |  |  |  |  |  | |  |  |  |  |  |  |  |  | | |
|  | |
| **Carriage on purchases** | |
| |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | |  |  |  |  |  |  |  |  | |  |  |  |  |  |  |  |  | |  |  |  |  |  |  |  |  | |  |  |  |  |  |  |  |  | | |
| **ACTIVITY 3** | |
|  |  |
| The following information were extracted from the books of Kings for the year ended 30 June 2019. The business uses the periodic inventory system. | |
|  |  |
| **REQUIRED:** | |
|  |  |
| Calculate the cost of sales for the year. | |
|  | |
| **INFORMATION:** | |
|  | |
| |  |  | | --- | --- | | Opening stock | 275 025 | | Debtors allowance | 35 680 | | Creditors allowance | 38 315 | | Purchases | 518 320 | | Sales | 772 500 | | Custom duties | 35 150 | | Carriage cost on purchases | 18 540 | | Carriage cost on sales | 1 850 | | Closing stock | 170 030 | | |
|  | |
|  | |
| **WORKSHEET: ACTIVITY 3** | |
|  | |
| **Calculate the cost of sales for the year.** | |
|  | |
|  | |

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| **ACTIVITY 4** | |
|  | |
| Andile Makotsi is the owner of AM Stores which sells men`s clothing.  Andile uses the periodic inventory system of recording merchandise.  He also employs a tailor to do alterations for his customers.  He uses a fee account to record all alterations done. | |
|  | |
| **REQUIRED:** | |
|  | |
| Analise the following transactions according to the example in the table provided. | |
|  | |
| **TRANSACTIONS:** | |
|  |  |
| 1 | Purchased shirts on credit from Siva Traders for R31 500. |
|  |  |
| 2 | Cash sales of merchandise, R14 355. |
|  |  |
| 3 | Charged Madhav R350 for alterations to a pair of trousers. Madhav promised to pay the amount at the end of the month. |
|  |  |
| 4 | The owner took clothing for personal use, to the value of R 5 000. |
|  |  |
| 5 | Returned shirts not according to order to Siva Traders, R4 500. |
|  |  |
|  |  |
|  |  |
|  |  |
| **WORKSHEET: ACTIVITY 4** | |
|  |  |
| |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | |  | **GENERAL LEDGER** | | **AMOUNT** | **ACCOUNTING EQUATION** | | | | **Account debited** | **Account credited** | **A** | **O** | **L** | | *E.g.* | *Stationery* | *Bank* | *R 800* | *-* | *-* | *0* | | 1 |  |  |  |  |  |  | | 2 |  |  |  |  |  |  | | 3 |  |  |  |  |  |  | | 4 |  |  |  |  |  |  | | 5 |  |  |  |  |  |  | | |
|  |  |

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| **CLASS TEST 1** | | | | **20 marks** | |
|  | | | | | |
| **QUESTION 1** | | | | | |
|  | | | | | |
| Indicate whether the following statements are true or false. | | | | | |
|  |  | | | |  |
| 1.1 | Trading stock is a non-current asset. | | | |  |
| 1.2 | The periodic inventory system uses closing stock to calculate cost of sales. | | | |  |
| 1.3 | Regular stock purchase is an internal control process to detect stock shortages. | | | |  |
| 1.4 | Theft of stock will result in a decrease in gross profit when the perpetual inventory system is in use. | | | |  |
| 1.5 | Theft of stock will result in an increase in cost of sales when the periodic inventory system is in use. 5 x 1 | | | | (5) |
|  |  | | | |  |
| **QUESTION 2** | | | | | |
|  |  | | | |  |
| The information provided below was drawn from the books of Darries Traders for the year ending 29 February 2020. | | | | |  |
|  |  | | | |  |
| **REQUIRED:** | | | | |  |
|  |  | | | |  |
| 2.1 | Calculate the cost of sales. | | | | (10) |
|  |  | | | |  |
| 2.2 | Calculate the gross profit. | | | | (5) |
|  |  | | | |  |
| **INFORMATION:** | | | | |  |
|  |  | | | |  |
| A. | Balances on 29 February 2020 | | | |  |
|  |  | | | |  |
|  | |  |  | | --- | --- | | Trading stock (1 March 2019) | 296 190 | | Purchases | 1 595 900 | | Carriage on purchases | 65 840 | | Sales | 2 278 935 | | | | |  |
|  |  | | | |  |
| B. | Physical stocktaking was completed on 28 February 2020 and trading stock on hand amounted to R219 275. The following transactions were not entered in the books and must be taken into account: | | | |  |
|  |  | | | |  |
|  | Feb | 21 | Trading stock bought on credit from June Handelaars for R47 250. | |  |
|  |  | 29 | Goods costing 13 800 were sold for R15 735. | |  |
|  |  |  | Trading stock (cost R3 150; selling price R4 410) was donated to the old-age home before stocktaking. No entries have been made for this transaction. | |  |

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| **WORK SHEET: CLASS TEST 1** | | |
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| **QUESTION 1** | | |
|  | | |
| |  |  | | --- | --- | | **1.1** |  | | **1.2** |  | | **1.3** |  | | **1.4** |  | | **1.5** |  | | | |
| **(5)** | | |
| **QUESTION 2** | | |
|  | | |
| **2.1** | **Calculate the cost of sales.** |  |
|  |  | **(10)** |
|  |  |  |
| **2.2** | **Calculate the gross profit.** |  |
|  |  | **(5)** |
|  |  |  |
|  |  | **[20]** |

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **ACTIVITY 5** | | | | | | |
|  | | |  | | | |
| The following information were extracted from the books of Queen Shop for the year ended 29 February 2020. | | | | | | |
|  | | |  | | | |
| **REQUIRED:** | | | | | | |
|  | | |  | | | |
| Draw up the Trading account. | | | | | | |
|  | | | | | | |
| **INFORMATION:** | | | | | | |
|  | | | | | | |
| **Extract from the Pre-adjustment Trail balance.** | | | | | | |
| |  |  |  |  | | --- | --- | --- | --- | | **Balance sheet accounts section** | **Fol** | **Debit** | **Credit** | | Capital |  |  | 90 000 | | Drawings |  | 45 600 |  | | Trading stock (1 March 2019) |  | 28 300 |  | | Debtors control |  | 26 700 |  | | Bank |  | 14 600 |  | | Creditors control |  |  | 25 890 | |  |  |  |  | | **Nominal accounts section** |  |  |  | | Sales |  |  | 146 000 | | Debtors allowances |  | 1 500 |  | | Purchases |  | 72 900 |  | | Carriage on purchases |  | 780 |  | | Discount received |  |  | 2 340 | | | | | | | |
|  | |  | | | | |
| **Adjustments** | | | | | | |
| * The physical count revealed stock on hand at the year- end of R 45 600. * The owner took stock worth R 200 for personal use. | | | | | | |
|  | | | | | | |
|  | | | | | | |
| **WORKSHEET: ACTIVITY 5** | | | | | | |
|  | | | | | | |
| **TRADING ACCOUNT** | | | | | | |
| |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | |  |  |  |  |  |  |  |  | |  |  |  |  |  |  |  |  | |  |  |  |  |  |  |  |  | |  |  |  |  |  |  |  |  | |  |  |  |  |  |  |  |  | |  |  |  |  |  |  |  |  | |  |  |  |  |  |  |  |  | | | | | | | |
|  | | | | |  | |
|  | | | | | | |
| **ACTIVITY 6 EC 2013** | | | |  | | |
|  | | | | | | |
| Zykey Stores uses the periodic inventory system to record their stock. The information presented is from their accounting records for the financial year ended 30 September 2019. Goods are sold at a profit mark-up of 50%on cost. | | | | | | |
|  | | | | | | |
| **REQUIRED:** | | | | | | |
|  |  | | | | |  |
| 6.1 | Prepare the Purchases account. | | | | |  |
|  |  | | | | |  |
| 6.2 | Calculate the Gross profit earned by the business.  (You may construct the Trading Account to calculate this amount) | | | | |  |
|  |  | | | | |  |
| 6.3 | Calculate the Gross profit percentage (mark-up) achieved. | | | | |  |
|  |  | | | | |  |
| **INFORMATION:** | | | | | |  |
|  |  | | | | |  |
| A. | The following balances appeared (amongst others) in the Pre-Adjustment Trial Balance on 30 September 2019. | | | | |  |
|  |  | | | | |  |

|  |  |  |
| --- | --- | --- |
| Capital | 550 000 | |
| Drawings | 55 140 | |
| Debtors Control | 75 000 | |
| Trading Stock (1 October 2018) | 211 900 | |
| Sales | 915 000 | |
| Purchases | 684 240 | |
| Carriage on Purchases | 9 610 | |
| Carriage on Sales (Delivery Expenses) | 7 455 | |
| Debtors Allowances | 24 170 | |
| Creditors Allowances | 10 350 |  |

|  |  |  |
| --- | --- | --- |
|  |  |  |
| B. | On 29 September 2019, the business donated goods  (selling price: R2 160) to a primary school. This transaction was not recorded. |  |
|  |  |  |
| C. | It was discovered that an invoice received from Ntili Stores was not entered. The invoice showed the following: |  |
|  | * Merchandise purchased, 9 550 |  |
|  | * Transport cost, R320 |  |
|  |  |  |
| D. | The owner took goods (cost R2 000) for his personal use. |  |
|  |  |  |
| E. | A physical stock-count on 30 September 2019 showed the value of stock on hand to be R255 000. |  |
|  |  |  |
| F. | An amount of R145 for carriage on sales for a debtor, is still outstanding. |  |

|  |  |
| --- | --- |
| **WORK SHEET: ACTIVITY 6** | |
|  | |
| **6.1** | |
| **PURCHASES ACCOUNT** | |
| |  |  |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | |  |  |  |  |  |  |  |  |  |  | |  |  |  |  |  |  |  |  |  |  | |  |  |  |  |  |  |  |  |  |  | |  |  |  |  |  |  |  |  |  |  | |  |  |  |  |  |  |  |  |  |  | |  |  |  |  |  |  |  |  |  |  | |  |  |  |  |  |  |  |  |  |  | | |
|  | |
| **6.2** | **Calculate the Gross profit earned by the business.** |
|  |  |
|  |
|  |  |
| **6.3** | **Calculate the Gross profit percentage (mark-up) achieved.** |
|  |  |
|  |  |
|  | |

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| **ACTIVITY 7** | | |  | | |
|  |  | | | | |
| The following information was taken from the accounting records of Bags 4 Africa on 29 Febraury 2020. The business sells handbags of exclusive brands. The business uses the periodic inventory system. | | | | | |
|  |  | | | | |
| **REQUIRED:** | | | | | |
|  |  | | | | |
| 7.1 | Calculate the correct amount of sales for the year. | | |  | |
|  |  | | | | |
| 7.2 | Calculate the correct amount of purchases for the year. | | |  | |
|  |  | | | | |
| 7.3 | Calculate the closing stock on 29 February 2020. | | |  | |
|  |  | | | | |
| 7.4 | Prepare the trading account on 29 February 2020 | | |  | |
|  |  | | | | |
| **INFORMATION:** | | | | | |
|  |  | | | | |
| **A.** | **Balances extracted from the records on 29 February 2020** | | | | |
|  | |  |  | | --- | --- | | Trading stock (1 March 2019) | R 341 000 | | Purchases | 1 850 000 | | Carriage on purchases | 27 510 | | Import Duties | 15 390 | | Sales | 3 190 700 | | Debtors allowances | 26 620 | | | | | |
|  |  | | | | |
| **B.** | **Additional information to be taken into account:** | | | | |
|  |  | | | | |
|  | 1. | Goods costing R 8 000 were donated to a local school. | | |  |
|  |  |  | | |  |
|  | 2. | Bags costing R4 200 taken by the owner for personal use were credited to sales. | | |  |
|  |  |  | | |  |
|  | 3. | Received an invoice from Xpress Delivery for transporting merchandise.  to the business R 1 290. | | |  |
|  |  |  | | |  |
|  | 4. | No entry was made for a debit note issued to creditor, R 2 750. | | |  |
|  |  |  | | |  |
|  | 5. | Physical stock as per the stocktaking on 29 February 2020 was  R298 000. | | |  |
|  |  |  | | |  |
|  | 6. | The following transactions took place on 29 February 2020 after stocktaking was done. | | |  |
|  |  |  | | |  |
|  |  | * Purchases of goods, R 23 630 | | |  |
|  |  | | | | |

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| **WORK SHEET: ACTIVITY 7** | |  | |
|  | | | |
| **7.1** | **Calculate the correct amount of sales for the year.** | |  |
|  |  | |  |
|  |  | |  |
| **7.2** | **Calculate the correct amount of purchases for the year.** | |  |
|  |  | |  |
|  |  | |  |
| **7.3** | **Calculate the closing stock on 29 February 2020.** | |  |
|  |  | |  |
|  |  | |  |
| **7.4** | **TRADING ACCOUNT** | |  |
| |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | |  |  |  |  |  |  |  |  | |  |  |  |  |  |  |  |  | |  |  |  |  |  |  |  |  | |  |  |  |  |  |  |  |  | |  |  |  |  |  |  |  |  | |  |  |  |  |  |  |  |  | |  |  |  |  |  |  |  |  | |  |  |  |  |  |  |  |  | |  |  |  |  |  |  |  |  | | | | |

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| **CLASS TEST 2** | | **30 marks** | |
|  | | | |
| **QUESTION 1** | | | |
|  | | | |
| Provide the missing word in each of the following sentences: | | | |
|  | | | |
| 1.1 | Cost of sales is recorded with each sale in the … inventory system. | | |
|  |  | | |
| 1.2 | Physical stocktaking is necessary to verify stock in the … inventory system. | | |
|  |  | | |
| 1.3 | Stock shortages will reflect a … gross profit in the periodic inventory system. | | |
|  |  | | |
| 1.4 | Stock deficits can be detected easily in the …. inventory system. | | |
|  | 4 x 1 (4) | | |
|  |  | | |
| **QUESTION 2 Exemplar 2013** | | | |
|  |  | |  |
| You are provided with information relating to Omega Supplies for the year ended 29 February 2020. The business uses the periodic inventory system. | | |  |
|  |  | |  |
| **REQUIRED:** | | |  |
|  |  | |  |
| 2.1 | Prepare the Trading account. | | (15) |
|  |  | |  |
| 2.2 | Calculate cost of sales. | | (6) |
|  |  | |  |
| 2.3 | Calculate the mark-up % achieved. | | (3) |
|  |  | |  |
| 2.4 | The business aims at a mark-up % of 65%. Give TWO possible reasons  for the actual mark-up % being different from the intended mark-up %. | | (2) |
|  |  | |  |
| **INFORMATION:** | | |  |
|  |  | |  |
| A | Trading stock was valued as follows:  • R245 000 on 1 March 2019  • R302 000 on 29 February 2020 | |  |
|  |  | |  |
| B | Goods purchased during the year on credit, R960 000 | |  |
|  |  | |  |
| C | Goods returned to suppliers, R26 000 | |  |
|  |  | |  |
| D | Carriage paid to ZNK Transport during the year:  • On goods delivered to Omega Supplies, R35 000  • On goods delivered to customers, R22 000 | |  |
|  |  | |  |
| E | One supplier, Whale Paper, admitted that an error had been made on an invoice for goods delivered during the year. The invoice stated that a  10% trade discount had been granted. The amount of the invoice, R37 800, is included in the figure mentioned in INFORMATION B above. Whale Paper has agreed that a 25% trade discount should have been granted. They issued a credit note for the appropriate amount. | |  |
|  |  | |  |
| F | Goods costing R54 000 were imported from China. Omega Supplies also paid R4 800 to Air Trans to transport the goods. Customs duty on these goods was levied at 40% and this was paid when the goods arrived in the country. | |  |
|  |  | |  |
| G | The owner, Owen Omega, took goods costing R3 200 for personal use. | |  |
|  |  | |  |
| H | Goods were sold during the year for R1 532 900. | |  |

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| **WORKSHEET: CLASS TEST 2** | | | | | |
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| **QUESTION 1** | | | |  | |
|  | |  | |  | |
| |  |  | | --- | --- | | **1.1** |  | | **1.2.** |  | | **1.3** |  | | **1.4** |  | | | | | **(4)** | |
|  | |  | |  | |
| **QUESTION 2** | | |  | |  |
|  | | |  | |  |
| **2.1** | | |  | |  |
| **TRADING ACCOUNT** | | | | | |
| |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | |  |  |  |  |  |  |  |  | |  |  |  |  |  |  |  |  | |  |  |  |  |  |  |  |  | |  |  |  |  |  |  |  |  | |  |  |  |  |  |  |  |  | |  |  |  |  |  |  |  |  | |  |  |  |  |  |  |  |  | |  |  |  |  |  |  |  |  | | **(15)** | | | | | | | | | | | | | |
|  | | | | |  |
| **2.2** | **Calculate cost of sales** | | | |  |
|  |  | | | | **(6)** |
|  |  | | | |  |
|  |  | | | |  |
| **2.3** | **Calculate the mark-up % achieved.** | | | |  |
|  |  | | | | **(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 %.** | | | |  |
|  |  | | | | **(2)** |
|  |  | | | |  |
|  | | | | |  |
|  | | | | | **[30]** |
|  | | | | |  |
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