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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Province of the  EASTERN CAPE  EDUCATION  **DIRECTORATE SENIOR CURRICULUM MANAGEMENT (SEN-FET)**  **HOME SCHOOLING SELF-STUDY MARKING GUIDELINES**   |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | | **SUBJECT** | **ACCOUNTING** | **GRADE** | 12 | **DATE** | 06 April – 16 April 2020 | | **TOPIC** | **Term 1-2** | **REVISION (ONLY Income Statement for Term 2 and it is not a new topic)** | | | | |

|  |  |  |
| --- | --- | --- |
|  | **BANK RECONCILIATION** |  |
| **(a)** | **CASH RECEIPTS JOURNAL OF GOLD TRADERS FOR FEBRUARY 2016** | |  | | --- | |  | | **14** | |
|  | |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | | **No.** | **D** | **DETAILS** | **BANK** | **SUNDRY ACCOUNTS** | | | | **AMOUNT** | **F** | **DETAILS** | |  | **28** | **TOTALS** | **28 680** |  |  |  | | B/S |  | Young Chess Club | ✓ 1 200 | 1 200 |  | Donations ✓ | | B/S |  | JWED Traders | ✓🗹90 | 90 |  | Creditors Control ✓ | |  |  | Rose Florist | ✓ 2 400 | 2 400 |  | Rent Income ✓ | |  |  |  | **32 370** |  |  |  | |
|  | **CASH PAYMENTS JOURNAL OF GOLD TRADERS FOR FEBRUARY 2016** |
|  | |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | | **No.** | **D** | **DETAILS** | **BANK** | **SUNDRY ACCOUNTS** | | | | **AMOUNT** | **F** | **DETAILS** | |  | 28 | **TOTALS** | **22 760** |  |  |  | | B/S |  | Ron Traders | ✓1 260 | 1 260 |  | Trading stock ✓ | | 191 |  | B Loss 550 – 50 | ✓🗹 500 | 500 |  | Debtors’ control ✓ | | B/S |  | Money Bank | ✓ 800 | 800 |  | Bank charges ✓ | |  |  |  | **25 320** |  |  |  | |

|  |  |  |
| --- | --- | --- |
| **(b)** | **GENERAL LEDGER OF GOLD TRADERS** |  |
|  | |  |  |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | | **Dr.** | | **BANK** | | | | | | | Cr. | | 2016  Feb | 28 | Total ✓ Receipts | CRJ | ✓  32 370 | 2016  Feb | 1 | Balance | b/d | ✓ 🗹  200 | |  |  |  |  |  |  | 28 | Total ✓ Payments | CPJ | ✓  25 320 | |  |  |  |  |  |  |  | Balance | c/d | ✓  6 850 | |  |  |  |  | 32 370 |  |  |  |  | 32 370 | | 2016  March | 1 | Balance | b/d | 🗹  6 850 | **(1 400 + 1 650 – 250 – 1 800 – 1 200 = 200)** | | | | | | |  | | --- | |  | | **8** | |

|  |  |  |
| --- | --- | --- |
| **(c)** | **BANK RECONCILIATION STATEMENT ON 28 FEBRUARY 2016** |  |
|  | |  |  |  | | --- | --- | --- | |  | **DEBIT** | **CREDIT** | | Credit Balance as per bank Statement |  | ✓ 8 400 | | Credit late deposit |  | ✓ 3 460 | | Debit outstanding cheques |  |  | | No 170 | ✓250 |  | | No 191 | ✓ 1 260 |  | | No 199 | ✓ 700 |  | | Debit correction of error | ✓ 2 800 |  | | Debit balance as per Bank account | 🗹 6 850 |  | | ✓ | 11 860 | 11 860 | | |  | | --- | |  | | **8** | |

**30 MARKS**

**QUESTION 2 CREDITORS RECONCILIATION**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| 2.1 | Draw up the Creditors Reconciliation Statement on 31 March 2016 | |  | | --- | |  | | **11** | |
|  | |  |  |  | | --- | --- | --- | | **LANTERN TRADERS** | | | | **CREDITORS RECONCILIATION STATEMENT ON 31 MARCH 2015** | | | | **Balance as per Creditors Statement on 31 March 2015** | **18 386** |  | | Correction of balance on statement | (4 500) | **🗹✓✓** | | Invoice not reflected on statement: No. 134 | 2 000 | **✓✓** | | Payment not reflected on statement Cheque no. 288 | (5 000) | **✓✓** | | Returns not reflected on statement Debit note no. 144 | (400) | **✓✓** | | Balance as per Creditors ledger on 31 March 2016 | 10 486 | **✓🗹** | |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| 2.2 | Show the calculations of the Princess Stores account in the books of Lantern Traders by completing the table in your Answer Book | |  | | --- | |  | | **10** | |
|  | |  |  |  | | --- | --- | --- | | Learners are not required to complete this |  |  | | Balance | 12 120 | **✓** | | Incorrect amount recorded | (900) | **✓** | | discount cancelled chq 201 | 1 250 | **✓** | | interest | 156 | **✓** | | credit note 133 (370 + 370) | (740) | **✓✓** | | correction of error | (600) | **✓** | | trade discount | (800) | **✓✓** | |  | **10486** | **🗹** | |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| 2.3 | **Provide TWO points for the good internal control over Creditors**  **POSSIBLE ANSWERS ✓✓ ✓✓**   * There must be different person to receive goods and another person for the return of goods Documents received and written out must be accurately recorded in the journals and posted to the general ledger and subsidiary ledger. * The creditors control account must be properly balanced and reconciled against the creditors list on a monthly basis * Creditors must be paid promptly within the stipulated period of payment to avoid been charged interest   **ANY OTHER ACCEPTABLE ANSWER** | |  | | --- | |  | | **4** | |

**25 MARKS**

**FIXED ASSETS**

**LING LONG TRADERS**

**NOTES TO FINANCIAL STATEMENTS**

**FIXED ASSETS**

|  |  |  |  |
| --- | --- | --- | --- |
|  | **Land and buildings** | **Vehicles** | **Equipment** |
| Carrying value at the beginning of the year | **1 800 000** | **160 000** | **🗸** 540 000 |
| Cost price | **🗸**1 800 000 | **1 080 000** | **900 000** |
| Accumulated depreciation |  | **🗸**(920 00) | **(360 000)** |
|  |  |  |  |
| Movements |  |  |  |
| Additions | **🗸** 50 000 | **🗸🗸**192 000 | **🗸**240 000 |
| Disposals |  |  |  |
| Depreciation159 999 **🗸** + 9 600 **🗸** = 169 599  10 240 **🗸** + 24 000 **🗸** + 87 520 **🗸🗸** = 121 769 |  | **🗹**(169 599) | **🗹**(121 760) |
|  |  |  |  |
| Carrying value at the end of the year | **🗸**  1 850 000 | **🗹**212 401 | **🗹** 566 080 |
| Cost price | **🗸** 1 850 000 | **🗸🗸**1 272 000 | **🗸🗸** 980 000 |
| Accumulated depreciation |  | **🗹**(1 089 599) | **🗹** 413 920 |

**25 MARKS**

**3.2** **GENERAL LEDGER OF LING LONG TRADERS**

**Dr Asset disposal Cr**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 2010 Aug | 31 | Equipment**🗸** |  | **🗸**160 000 | 2010 Aug | 31 | Accumulated depreciation on equipment**🗸**(32 000 **🗸** + 25 600 **🗸** + 10 240 **🗸**) |  | **🗹** 67 840 |
|  |  |  |  |  |  |  | Creditors’ control**🗸** |  | **🗹🗸** 80 000 |
|  |  |  |  |  |  |  | Loss on sale of  asset**🗸** |  | **🗸**12 160 |
|  |  |  |  | 160 000 |  | | |  | 160 000 |

**12 MARKS**

|  |  |  |
| --- | --- | --- |
| **3.3** | **The owner is not happy that the equipment was sold at a loss. The market value indicates that he should have received R110 000. Provide two reasons why the loss was incurred and suggest two measures that could in future be taken to avoid such losses.**  **Reasons:🗸🗸 🗸🗸**   * The equipment was not properly maintained * The depreciation is not realistic   Any other valid reason  **Suggestions: 🗸🗸 🗸🗸**   * Have a maintenance plan to ensure equipment is properly maintained * Determine appropriate depreciation   Any other valid reason |  |

**8 MARKS**

**PARTNERSHIP**

**QUESTION 1: LEDGER ACCOUNTS**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Dr.** | | **CURRENT ACCOUNT C CHAI** | | | | | | | **Cr.** |
| 2015  Mar | 01 | Balance | b/d | **✓**  1 800 | 2016  Feb | 29 | Salary: C Chai **✓** |  | **✓**  144 000 |
| 2016  Feb | 29 | Drawings:  C Chai**✓**  (9 600+132 000) |  | **✓✓✓**  141 600 |  |  | Interest on capital**✓** |  | **✓✓**  15 000 |
|  |  | Balance | c/d | **🗹**  198 850 |  |  | Partners Bonus**✓** |  | **✓**  20 000 |
|  |  |  |  |  |  |  | Appropriation**✓** |  | **🗹✓**  163 250 |
|  |  |  |  | 342 250 |  |  |  |  | 342 250 |
|  |  |  |  |  | 09  Mar | 01 | Balance | B/D | **🗹**  198 850 |

**17 MARKS**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Dr.** | | **DRAWINGS L LATTE** | | | | | | | **Cr.** |
| 2016  Feb | 29 | Trading stock**✓**  900 X 12 |  | **✓✓**  10 800 | 2016  Feb | 29 | Current account: L Latte |  | **🗹**  146 400 |
|  |  | Telephone✓ |  | **✓**  3 600 |  |  |  |  |  |
|  |  | Bank ✓ |  | **✓**  132 000 |  |  |  |  |  |
|  |  |  |  | 146 400 |  |  |  |  | 146 400 |

**8 MARKS**

|  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Dr.** | | **APPROPRIATION** | | | | | | | **Cr.** |
| 2016  Feb | 29 | Salary: C Chai**✓** |  | **✓**  144 000 | 2016  Feb | 29 | Profit and loss**✓** |  | **✓**  680 000 |
|  |  | Salary: L Latte**✓** |  | **✓**  144 000 |  |  |  |  |  |
|  |  | Interest on capital**✓**  (15 000+10 500) |  | **✓✓✓✓**  25 500 |  |  |  |  |  |
|  |  | Partner’s Bonus**✓**  20 000 + 20 000 |  | **✓✓✓**  40 000 |  |  |  |  |  |
|  |  | Current acc: C Chai**✓** |  | ✓🗹  163 250 |  |  |  |  |  |
|  |  | Current acc: L Latte**✓** |  | **✓🗹**  163 250 |  |  |  |  |  |
|  |  |  |  | 680 000 |  |  |  |  | 680 000 |

**21 MARKS**

**Calculation**

**Interest on capital:** C Chai = 15% X R100 000 = R15 000 and L Latte = 15% X R75 000 = R10 500

**Ratio:** R100 000 : R100 000 (R70 000 + R30 000) = 1 : 1

R680 000 – R144 000 – R144 000 – R25 500 – 40 000 = R326 500 ÷ 2 = R163 250

|  |
| --- |
| **2. Do you think the business has proper internal control procedures? Give a reason for your answer.** |
| Yes/No **✓ ✓✓✓** Reason |
| Yes. The business was able to find the mistake made in the telephone account and adjustments were made accordingly. |
| No It took the business 6 months to find out that the personal account of the partner was recorded as telephone instead of as drawings: L Latte |

**4 MARKS**

**QUESTION 2**

**PEPPERMINT TRADERS**

**INCOME STATEMENT FOR THE YEAR ENDED 28 FEBRUARY 2016**

|  |  |  |
| --- | --- | --- |
| Sales (2 001 600 **🗸** – 21 040 **🗸**) | **🗸** | 1 980 560 |
| Cost of sales | **🗸** | (870 000) |
| Gross profit for the year | **🗸🗹** | 1 110 560 |
| Other operating income | **🗹** | 52 000 |
| Rent income (52 000 **🗸** – 4 000 **🗸**) | **🗸** | 48 000 |
| Bad debts recovered (1 004 **🗸**+ 300 **🗸**) | **🗸** | 1 304 |
| Provision for bad debts adjustment (1 600 – 1 300) | **🗸🗸** | 300 |
| Discount received | **🗸** | 2 396 |
| Gross operating income | **🗸🗹** | 1 162 560 |
| Operating expenses | **🗹** | (623 760) |
| Stationery (32 912 **🗸** – 2 484 **🗸**) | **🗸** | 30 428 |
| Packing material | **🗸** | 17 500 |
| Salaries and wages | **🗸** | 376 000 |
| Bad debts (6 136 **🗸** + 700 **🗸**) | **🗸** | 6 836 |
| Discount allowed | **🗸** | 1 800 |
| Insurance (36 168 **🗸** – 1 050 **🗸**) | **🗸** | 35 118 |
| Water and electricity (35 306 **🗸** + 1 872 **🗸**) | **🗸** | 37 178 |
| Sundry expenses | **🗸** | 23 060 |
| Depreciation (18 240 **🗸🗸🗸** + 67 200 **🗸🗸🗸)** | **🗹** | 85 440 |
| Trading stock deficit (153 000 **🗸** – 142 600 **🗸**) | **🗹** | 10 400 |
| Operating profit | **🗸🗹** | 538 800 |
| Interest income (7 200 **🗸** + 800 **🗸**) / 10% X 80 000 | **🗹** | 8 000 |
| Profit before interest expense | **🗹** | 530 800 |
| Interest Expense 180 000 **🗸**+ 165 000 **🗸**– 300 000**🗸** | **🗹** | (45 000) |
| Net profit for the year |  | **485 800** |

**55 MARKS**