



Province of the
EASTERN CAPE
EDUCATION

Name:

**NATIONAL
SENIOR CERTIFICATE**

GRADE 11

NOVEMBER 2016

**ACCOUNTING
ANSWER BOOK**

QUESTION	MAX MARKS	MARKS OBTAINED	MODERATED MARKS
1	60		
2	40		
3	70		
4	40		
5	35		
6	55		
	300		

This answer book consists of 15 pages.



QUESTION 1 COST ACCOUNTING - MANUFACTURING

1.1 Match the terms.

1.1.1	
1.1.2	
1.1.3	
1.1.4	
1.1.5	

5

1.2 BEECUM BUILDERS

1.2.1 Calculate:

Direct material cost
Direct labour cost

6

7

1.2.2 FACTORY OVERHEAD COST

	R

10

1.2.3

**GENERAL LEDGER OF BEECUM BUILDERS
WORK-IN-PROCESS STOCK ACCOUNT**

1.2.4

GROSS PROFIT CALCULATION

8

8

1.3

ZONDO MANUFACTURERS

1.3.1

(a)	
(b)	

4

1.3.2

Verify the break-even number of units for the financial year ended 30 June 2016 by showing a calculation.

4

1.3.3

Comment on the break-even point and the level of production for both years. Quote relevant figures in your comment.

4

1.3.4

Provide a valid reason for the change in direct material cost per unit.

2

1.3.5

Give ONE suggestion that the business can use to improve production and profitability. Quote figures.

2

Q1	60	
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QUESTION 2 RECONCILIATION, INTERNAL CONTROLS and VAT**2.1 CREDITORS' RECONCILIATION**

2.1.1

	Adjustment to the creditors ledger account of Titan Suppliers	Creditors reconciliation (adjustment to the statement)
Balance	38 705	33 003
(i)		
(ii)		
(iii)		
(iv)		
(v)		
(vi)		
(vii)		

16

2.1.2

What advice would you offer him about this transaction? Quote a relevant GAAP principle in your response.

3

2.1.3

The internal auditor wants to improve the internal control of stock and creditors. Provide TWO control measures that he may consider.

4

2.2 VAT

2.2.1

(a)	
(b)	
(c)	

3

2.2.2

(a)	
(b)	

2

2.2.3

AMOUNT EXCLUDING VAT	VAT AMOUNT	AMOUNT INCLUDING VAT
14 500	(a)	(b)
(c)	(d)	40 584

8

2.2.4

- What advice would you offer Ernest about this transaction? Explain

ADVICE:

EXPLANATION :

4

Q2	40	
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QUESTION 3 FIXED ASSETS AND FINANCIAL STATEMENTS

3.1.1

**GENERAL LEDGER OF MONDAY TRADERS
ACCUMULATED DEPRECIATION ON EQUIPMENT**

12

ASSET DISPOSAL

10

3.2 TRADE AND OTHER RECEIVABLES

Debtors control	

8

3.3 **MONDAY TRADERS**
INCOME STATEMENT FOR THE YEAR ENDED 29 FEBRUARY 2016

Sales	852 000	
Cost of sales		
Gross profit		
Other income		
Gross income		
Operating expenses		
Operating profit		
Profit before interest expense		
Net profit for the year		40

Q3	70	
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QUESTION 4 PARTNERSHIPS – LEDGER ACCOUNTS AND INTERPRETATION

4.1

**GENERAL LEDGER OF FOUNTAIN TRADERS
CURRENT ACCOUNT: KEENAN**

4.2 **FINANCIAL INDICATORS**

9

4.2.1

Acid test ratio

4

4.2.2

Debt/equity ratio

3

4.2.3

Percentage return earned by the partners.

7

4.3

The partners are concerned about the liquidity position of the business. Explain why they feel this way. Quote TWO financial indicators (with figures) to support your explanation.

6

4.4

Comment on the percentage return earned by Partner Lyanda. Should she be satisfied with this percentage? Explain, quote relevant financial indicators and/or figures.

5

4.5

Partner Keenan feels that the business should increase the loan. Partner Lyanda is not keen to incur more debt. Briefly explain who you would support. Provide TWO financial indicators (with figures) to motivate your choice.

6

Q4	40	
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QUESTION 5 BUDGETING

- 5.1 List TWO items in the Projected Income Statement given, that will not appear in a Cash Budget.

2

- 5.2 Complete the Debtors Collection Schedule to show the total amount expected to be received from debtors during November 2016.

MONTH	CREDIT SALES		NOVEMBER 2016

7

- 5.3.1 Expected sales in December 2016

3

- 5.3.2 The gross profit percentage on turnover for October 2016.

3

- 5.3.3 The percentage increase in rent income.

4

- 5.3.4 The percentage commission expected to be received each month.

2

5.3.5 The insurance amount for each month.

3

5.3.6 The amount of the loan that will be repaid on 1 December 2016.

5

5.4

	COMMENT	ADVICE
Sales		
Advertising		
Telephone		

6

Q5	35	
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QUESTION 6 NON-PROFIT ORGANISATIONS, STOCK SYSTEMS and PROBLEM SOLVING

6.1.1

(a)	
(b)	
(c)	
(d)	

4

6.1.2

(e)	
(f)	

4

6.1.3

Calculate the fees that was written off on 31 December 2015.

3

Number of members in arrears with their 2015 fees

3

Income and expenditure amount.

8

- 6.1.4 Provide evidence from the information that confirms the chairman's observation (Give TWO points).

4

Provide TWO suggestions to solve the problem.

2

- 6.2.1 Explain ONE difference between the perpetual stock system and the periodic stock system.

2

- 6.2.2 **Analysis of transactions:** (show the increase or decrease under A, O and L)

NO	ACCOUNT DEBITED	ACCOUNT CREDITED	ASSET	EQUITY	LIABILITY
(ii)					
(iii)					

8

- 6.2.3 **Cost of sales**

8

6.3 PROBLEM SOLVING

	PROBLEM (WITH FIGURES)	SUGGESTION
QUEENS BRANCH		
COFIMVABA BRANCH		
TSOLO BRANCH		

9

Q6	55	
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TOTAL: 300