



**education**

Department:  
Education  
PROVINCE OF KWAZULU-NATAL

**NATIONAL  
SENIOR CERTIFICATE**

**GRADE 11**

**ACCOUNTING  
MARCH 2020  
COMMON TEST**

**MARKS: 100**

**TIME : 1½ hours**

**This question paper consists of 9 pages and  
an answer booklet of 6 pages.**

**INSTRUCTIONS AND INFORMATION**

Read the following instructions and be sure to follow them carefully:

1. This question paper consists of 9 pages.
2. A special **ANSWER BOOK** consisting of 6 pages is provided in which to answer all the questions.
3. Answer **ALL** the questions.
4. **Workings must be shown in brackets in order to earn part marks.**
5. Non-programmable calculators may be used.
6. You may use dark pencil or black / blue pen to answer the questions.
7. Marks will be deducted for missing details and foreign entries.
8. Use the information in the table below as a guide when answering the question paper:

<b>Question 1:36 Marks; 32 Mins</b>	
<b>The topic of this question is:</b>	<b>This integrates:</b>
Reconciliations	<ul style="list-style-type: none"> <li>• Bank Reconciliation</li> <li>• GAAP</li> <li>• Internal Control</li> <li>• Creditors Reconciliation</li> </ul>
<b>Question 2:38 Marks; 34 Mins</b>	
<b>The topic of this question is:</b>	<b>This integrates:</b>
Fixed / Tangible Assets	<ul style="list-style-type: none"> <li>• Calculation of Depreciation</li> <li>• Asset Disposal</li> <li>• Fixed / Tangible Asset note</li> <li>• Internal Control</li> </ul>
<b>Question 3:26 Marks; 24 Mins</b>	
<b>The topic of this question is:</b>	<b>This integrates:</b>
Financial Accounting of Partnerships	<ul style="list-style-type: none"> <li>• Current Account</li> <li>• Appropriation Account</li> <li>• Problem Solving</li> </ul>

**QUESTION 1: RECONCILIATIONS****(36 marks; 32 minutes)****1.1 Bank Reconciliation**

You are provided with information relating to Moodley Traders, a family owned Supermarket, based in the KwaZulu Natal midlands.

**Required:**

- 1.1.1 Calculate the correct Bank Account balance on the 29 February 2020. Indicate whether the bank balance is favourable or unfavourable. (9)
- 1.1.2 Prepare the Bank Reconciliation Statement on 29 February 2020. (9)

**Refer to the outstanding deposit of R3 550 in information D.**

When the March 2020 Bank Reconciliation was done by the bookkeeper, it was discovered that ABC Bank had no record of this amount ever being deposited into the businesses Bank account. Upon investigation, it was revealed that the owner didn't deposit this money in the Bank at all, but choose to spend it on new clothing for his family.

- 1.1.3 Identify the GAAP concept that has been contravened by the owner. (1)
- 1.1.4 As the bookkeeper of Moodley Traders, explain to the owner why this action is incorrect. Mention what the correct accounting procedure should have been. (4)

**Information:**

- A. The following balances appeared in the books of Moodley Traders and the Bank Statement from ABC Bank on 29 February 2020:**

Bank Account in the Ledger (before receipt of Bank Statement)	2 650 DR
Bank Statement	10 310 CR

- B. Items appearing in the Bank Reconciliation Statement on 31 January 2020:**

- A deposit of R2 500, dated 31 January 2020.
- Cheque number 295, for R700 dated 16 August 2019.
- Cheque number 321, for R2 340 dated 14 February 2020
- Cheque number 363, for R4 790, dated 5 March 2020

**C. Items appearing on the Bank Statement for February 2020 but not in the February Cash Journals:**

- A deposit for R2 500 dated 31 January 2020.
- Cheque number 321 for R2 340.
- Bank Charges totaling R1 260
- Interest on overdraft for R870.
- A direct deposit for R2 400 from K. Mkhize, a debtor.
- The bank erroneously debited the businesses account twice with R3 630, being the businesses insurance payment. ABC Bank has corrected this error and the correction will be shown on the March 2020 Bank Statement.

**D. Items appearing in the Cash Journals for February 2020 but not in the February 2020 Bank Statement:**

- A deposit of R3 550, dated 29 February 2020
- Cheque No. 422 for R7 200, dated 22 February 2020
- Cheque No. 424 for R980, dated 28 February 2020

- E.** The Bank Statement reflected cheque number 347 as R2 370 (the correct amount). This appeared as R3 270 in the relevant Cash Journal.
- F.** Cheque number 295, for R700 dated 16 August 2019, is stale and must be cancelled.

**1.2 Creditors Reconciliation**

A newly appointed bookkeeper of Magwaza Traders has been experiencing problems preparing the Creditors' Reconciliation for September 2019, as the balance of the Creditor's Account in the Creditors' Ledger does not coincide with the Statement of Account received from the supplier.

**Required:**

- 1.2.1 Reconcile the Statement of Account received from Chonco Suppliers and the Creditors Ledger of Magwaza Traders for September 2019. Show all changes with a "+" or "-" sign.

(13)

**Information:****A Creditors' Ledger of Magwaza Traders****CHONCO SUPPLIERS**

Date		Details	Debit	Credit	Balance
Sept	01	Opening Balance			13 650
	07	Electronic payment	6 500		7 150
		Discount received	650		6 500
	15	Invoice 5671		6 555	13 055
	16	Debit Note 121		850	13 905
	23	Invoice 5801		9 835	23 740
	26	Invoice 6011		5 800	29 540
	30	Electronic payment	10 500		19 040

**B Statement of Account received from Chonco Suppliers**

<b>Chonco Suppliers</b>					
<b>Statement of Account</b>			<b>Date: 27 September 2019</b>		
616 South Coast Road			Tel. 031 462 6901		
Durban					
4004			Fax. 031 462 1455		
<b>Account of: Magwaza Traders</b>			<b>Account number: MT13</b>		
<b>Date</b>		<b>Details</b>	<b>Debit</b>	<b>Credit</b>	<b>Balance</b>
Sept	01	Opening Balance			13 650
	07	Receipt		6 500	7 150
		Discount		900	6 250
	15	Invoice 5671	6 900		13 150
	16	Credit Note 121		850	12 300
	20	Invoice 5780	4 320		16 620
	23	Invoice 5801	8 935		25 555
	26	Invoice 6011	5 800		31 355

**C Additional Information**

- i. The discount reflected on 7 September in the Creditors Ledger is incorrect.
- ii. A trade discount of 5% was deducted on Invoice 5671. Chonco Suppliers did not take this discount into account when recording the amount on the Statement
- iii. After an investigation, it was established that Invoice 5780, on 20 September, on the Statement was in respect of a purchase made by another business. Chonco Suppliers will correct this error.
- iv. Debit note 121 has been incorrectly recorded in the Creditors Ledger
- v. Invoice 5801, reflected on 23 September on the Statement of account, is incorrect. The amount in the Creditors Ledger is correct.
- vi. There is an entry in the Creditors' Ledger which does not appear on the monthly Statement of Account as these transactions took place after the Statement was printed.

**QUESTION 2: FIXED / TANGIBLE ASSETS****(38 marks; 34 minutes)**

The following information was extracted from the accounting records of CB Logistics for the year ended 29 February 2020. This business provides transport services throughout South Africa.

**Required:**

- 2.1 Calculate the amount of depreciation for the year ended 29 February 2020: (11)
- 2.2 Complete the Asset Disposal Account in the General Ledger for the sale of the FAW Truck. (9)
- 2.3 Complete the Fixed/Tangible Assets note to the Balance Sheet for the year ended 29 February 2020. (12)
- 2.4 During February 2020, CB Logistics sold one FAW truck and replaced it with two smaller IVECO trucks. Identify **ONE** possible reason for this business decision. (2)
- 2.5 The owner of CB Logistics is concerned about the recent spate of protests in which trucks are burnt. Discuss **TWO** control measures that the business can put into place to limit the risk of his vehicles being damaged in a protest. (4)

**Information:**

- A Extract from the Fixed Asset note to the Balance Sheet for the year ended 28 February 2019.

Vehicles at cost	3 672 000
Accumulated Depreciation on vehicles	1 468 800

**B. Additional information in respect of fixed assets:**

- On 1 March 2017, CB Logistics purchased **three** identical FAW trucks costing R1 224 000 **each**.
- The owner decided sell **one** of the FAW trucks for a profit of R30 000 on 31 December 2019. The cash was received from the purchaser.
- On 1 February 2020, **two** identical IVECO trucks were purchased for R450 000 **each**. (These two trucks are smaller than the FAW truck that was sold.)
- All trucks are depreciated at a rate of 20 percent per annum on cost.

**QUESTION 3: FINANCIAL ACCOUNTING OF PARTNERSHIPS (26 marks, 24 minutes)**

The information presented below was taken from the books of NM Traders (with partners Nombika and Miya) for the financial year ended 29 February 2020.

**Required:**

- 3.1 Calculate the amount of interest due to each partner on his capital investment on 29 February 2020. (7)
- 3.2 **Complete the following accounts in the General Ledger for the year ended 29 February 2020:**
- 3.2.1 Current Account: Miya (10)
- 3.2.2 Appropriation (7)
- 3.3 Refer to **Information B**. Provide **ONE** reason why the partners decided to make their capital contributions equal during the 2020 financial year. (2)

**Information:****A Closing balances for the years ended 2020 and 2019**

	29 February 2020	28 February 2018
Capital: Nombika	?	500 000
Capital: Miya	?	750 000
Current Account: Nombika	?	5 600 (DR)
Current Account: Miya	?	2 300 (CR)
Drawings: Nombika	194 000	
Drawings: Miya	193 500	

**B Interest on Capital**

- On 1 September 2019, Nombika **increased** his capital by R150 000.
- Miya **decreased** her capital on 1 September 2019, so that her capital was equal to that of Nombika.
- Interest on Capital is provided for at 10% p.a.



**C Partners Salary**

- The partners draw their salary allowances on a monthly basis. This is reflected in their Drawings in **information A**. No other drawings were made during the year.
- Nombika has drawn his entire salary for the year, but Miya has not drawn her salary for February 2020.
- Both partners salaries were increased by R1000 per month on 1 January 2020.

**D Net Profit and Profit Sharing**

- At the end of the financial year, NM Traders calculated that it had made a Net profit of R594 600.
- The remaining profit (or loss) is to be share equally.

**TOTAL MARKS: [100]**





