



Province of the
EASTERN CAPE
EDUCATION

**NATIONAL
SENIOR CERTIFICATE**

GRADE 10

NOVEMBER 2018

**ACCOUNTING P 2
MARKING GUIDELINE**

MARKS: 150

This marking guideline consists of 10 pages.

GENERAL RULES:

1. Award full marks for the correct final answers. If the answer is incorrect, mark the workings provided.
If a workings figure/amount is shown as a final answer, allocate the working mark.
2. “Method” marks are denoted by
 - In calculations and final totals, at least one part of the workings must be correct to earn the mark.
 - In cases where answers of previous questions must be used, check the transfer.
 - Ignore brackets on statements, but check the operation before awarding marks.
3. Where penalties are applied, the marks for that section cannot be a negative. (foreign items)
4. For questions requiring explanations and comments, award part-marks. A good explanation will normally mention and explain a point. Beware of alternative wording reflecting the same points. This marking guideline provides some explanations – they are not conclusive. Read the candidates’ responses and give credit for their interpretations.
5. Where appropriate/acceptable, accept recognisable abbreviations.
6. Educators are expected to work through the entire paper and make reasonable adjustments within the framework of the mark allocation.

QUESTION 1: INTERNAL CONTROL AND VAT

(25 marks; 20 minutes)

1.1 INTERNAL CONTROL

1.1.1 Internal ✓✓

2

1.1.2 Recommend **THREE** control measures or procedures that should be implemented in order to protect the trading stock and the cash from being stolen.

| TRADING STOCK ✓✓ ✓✓ ✓✓ Any valid answer | CASH ✓✓ ✓✓ ✓✓ Any valid answer |
|---|---|
| Keep trading stock in locked storage space at all times | Cash should be kept in a suitable and lockable money box. |
| Only one learner has the key to the storage space | Cash should be kept in a locked storage space / safe. |
| Do regular stock counts to match sales with cash received | Cash should be banked regularly. |

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1.2

| | | |
|-------|-------|---|
| 1.2.1 | True | ✓ |
| 1.2.2 | False | ✓ |
| 1.2.3 | False | ✓ |
| 1.2.4 | True | ✓ |
| 1.2.5 | True | ✓ |
| 1.2.6 | True | ✓ |

6

1.3

| | GOODS / SERVICES | 15% VAT | 0% VAT | VAT EXEMPT |
|-------|------------------------------|----------------|---------------|-------------------|
| 1.3.1 | Petrol | | | X ✓ |
| 1.3.2 | New cash register | X ✓ | | |
| 1.3.3 | Brown bread | | X ✓ | |
| 1.3.4 | School fees of public school | | | X ✓ |
| 1.3.5 | Salary of hotel manager | | | X ✓ |

5

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|-------------------|-----------|--|
| QUESTION 1 | 25 | |
|-------------------|-----------|--|

QUESTION 2: COST ACCOUNTING AND INTERNAL CONTROL**(45 marks; 35 minutes)****2.1 COST OF PRODUCTION****2.1.1 Direct material cost for 250 tables**

| COST ITEM | CALCULATION | AMOUNT |
|---------------------|-----------------------------|---------------|
| Wood | 250 ✓ X 12 ✓ X 2,8 ✓ X 10 ✓ | 84 000 ✓☑ |
| Wood | 250 X 8 ✓ X 4 ✓ X 12 ✓ | 96 000 ☑ |
| Brass screws | 250 X 2 ✓ X 3 ✓ | 1 500 ☑ |
| Sand paper | 250 X 6 ✓ X 6 ✓ | 9 000 ☑ |
| Varnish | 250 X 20 ✓ | 5 000 ☑ |
| TOTAL | | 195 500 ✓☑ |

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2.1.2 Direct labour cost for 250 tables

| CALCULATION | AMOUNT |
|--------------------|---------------|
| 250 ✓ X 5 ✓ X 20 ✓ | 25 000 ✓ |

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2.1.3 Prime cost

| |
|-------------------------------|
| 195 500 + 25 000 = 220 000 ✓☑ |
|-------------------------------|

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2.1.4 Calculate the overhead cost

| | | |
|--------------------------------|--------|---|
| Factory insurance | 3 000 | ✓ |
| Rent | 3 000 | ✓ |
| Consumable stores | 200 | ✓ |
| Cleaning aids | 150 | ✓ |
| Salary: Factory manager | 8 000 | ✓ |
| Salary: Factory cleaner | 2 800 | ✓ |
| Total | 17 150 | ☑ |

7

2.1.5 Calculate the total production cost for 250 tables

220 000 + 17 150 = 237 150 ✓✓

2

2.2 Calculate the unit cost per table

237 150 ✓ ÷ 250 = 948,60 ✓✓

3

2.3 Calculate the selling price per unit if the mark-up is 30%.

948,60 ✓ X 1,3 = 1 233,18 ✓✓

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2.4 Win-Wood Manufacturers experience huge losses due to errors during production. Give TWO solutions to solve this problem.

Any valid answer ✓✓ ✓✓
Train machine operators
Service machines regularly
Improve supervision of production process

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| QUESTION 2 | 45 | |
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QUESTION 3: BUDGET**(25 marks; 20 minutes)**

3.1

| | | |
|-------|-------|---|
| 1.3.1 | True | ✓ |
| 1.3.2 | False | ✓ |
| 1.3.3 | False | ✓ |
| 1.3.4 | False | ✓ |
| 1.3.5 | True | ✓ |

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3.2.1

Prepare a budget for the 2019 matric farewell using the information supplied.

| | | |
|------------------------------|---------|----|
| INCOME | | |
| Cake sale | 2 000 | ✓ |
| Donations | 6 000 | ✓ |
| Soccer tournament | 17 600 | ✓ |
| Raffle | 4 500 | ✓ |
| Sale of bunny chows | 3 900 | ✓ |
| EXPENSES | | |
| Décor | 5 000 | ✓ |
| Catering | 24 000 | ✓ |
| Rent of venue | 6 000 | ✓ |
| SURPLUS / (SHORTFALL) | (1 000) | ✓✓ |

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| 10 |
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3.2.2

Make a suggestion to cut on the costs for décor and food for the 2019 matric farewell.

| DÉCOR ✓✓ | FOOD ✓✓ |
|---|---|
| Any valid answer | Any valid answer |
| Plan properly to avoid unnecessary expenses Make décor from recycled items | Parents do catering Ask for donations of ingredients |

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3.2.3

Name **ONE** other possible fundraising method.

| |
|------------------------|
| Any valid answer ✓✓ |
| Steak evening Dance |

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3.2.4 Name TWO sources of income and TWO expenses found on a household budget.

| INCOME ✓ ✓ | EXPENSES ✓ ✓ |
|---|---|
| Any valid answer Salary Interest Rent income | Any valid answer Water and electricity Food and clothing Transport |

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| QUESTION 3 | 25 | |
|-------------------|-----------|--|

QUESTION 4: RECONCILIATIONS AND GENERAL LEDGER

(55 marks; 45 minutes)

4.1.1

**GENERAL LEDGER OF SPAZA TRADERS
Debtors Control**

| | | | | | | | | | |
|-----|----|----------------------------|-----|----------|-----|----|-----------------------------------|-----|----------|
| Sep | 1 | Balance | b/d | 41 550 | Sep | 30 | Bank | CRJ | ✓ 90 936 |
| | 30 | Sales 95350 ✓ – 3000✓ | DJ | ✓ 92 350 | | | Debtors allowances 574✓ - 180✓ | DAJ | ✓ 394 |
| | | Bank | CPJ | ✓ 95 | | | Journal credits 292✓+130✓ | GJ | ✓ 422 |
| | | Journal debits 508✓+10✓ | GJ | ✓518 | | | Balance | c/d | ✓ 42 761 |
| | | | | 134 513 | | | | | 134 513 |
| Oct | 1 | Balance | b/d | ✓ 42 761 | | | | | |

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4.1.2

Debtors list

| | | |
|--------------------------|--------|-------------------------------------|
| C Rode 0 + (95 + 10) ✓ | 105 | <input checked="" type="checkbox"/> |
| D Mahoman 130 – 130 ✓ | 0 | <input checked="" type="checkbox"/> |
| RE Truter 35 641 + 180 ✓ | 35 821 | <input checked="" type="checkbox"/> |
| Master & Sons 7 000 | 0 | <input checked="" type="checkbox"/> |

7

4.1.3

Name TWO strategies that can be implemented to encourage debtors to pay their accounts on time.

Any valid answer ✓✓ ✓✓

Add interest on overdue accounts

Give discount for payment received on time

Regularly send out accounts

Follow up on overdue accounts

4

4.2.1

| | | |
|----------|--|----|
| A | 4 500 | ✓✓ |
| B | Bank | ✓ |
| C | CJ | ✓ |
| D | Cost of sales | ✓ |
| E | PCJ | ✓ |
| F | CAJ | ✓ |
| G | Cost of sales | ✓ |
| H | DJ | ✓ |
| I | Drawings / donations/ any valid answer | ✓ |
| J | 2 410 | ✓ |

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| 11 |
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4.2.2 Give ONE possible explanation for the entry of R2 220.

| |
|---|
| Any valid answer ✓✓ Unsatisfactory good returned by debtor |
|---|

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4.2.3 Give TWO possible explanations for the entry of R60.

| |
|---|
| Any valid answer ✓✓ ✓✓ Drawings of trading stock by owner Donation to school / old age home |
|---|

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4.3.1 Name and explain the GAAP principle that should be applied in the above scenario.

| |
|---|
| Business entity ✓ Transactions of owner should be kept separate from that of the business and should be recorded as drawings. ✓✓ |
|---|

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| 3 |
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4.3.2 NT Traders do not have proper control of their trading stock. Identify THREE areas of concern and give a solution for each.

| AREA OF CONCERN ✓ ✓ ✓ | SOLUTION ✓ ✓ ✓ |
|--|---|
| M Snook has too many responsibilities relating to ordering and recording of stock and payment of suppliers | Division of duties |
| Stock ordered for personal use of owner and staff members | Transactions of owner should be entered as drawings and staff members may only place orders with the necessary permission |
| Regular stocktaking is not done | Stock must be counted on a regular basis. Appoint more staff to assist M Snook |

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4.3.3 It has been noted that the quality of the trading stock supplied by one of the regular suppliers has deteriorated. Give ONE suggestion as to how NT Traders can overcome this problem.

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| Any valid answer ✓✓ Discuss the matter with the supplier Find another supplier with better quality |
|--|

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| QUESTION 4 | 55 | |
|------------|----|--|

TOTAL: 150