

**GRADE 11
ACCOUNTING**

EXEMPLAR 2007

NAME OF LEARNER: _____

ANSWER BOOK

QUESTION	MAX	FINAL MARKS
1	40	
2	45	
3	40	
4	40	
5	50	
6	50	
7	35	
	300	

This answer book consists of 24 pages.

QUESTION 1**1.1****JAYCEE SUPERMARKET
DEBTORS' COLLECTION SCHEDULE FOR OCTOBER & NOVEMBER 2007**

	CREDIT SALES	COLLECTIONS:	
		OCTOBER 2007	NOVEMBER 2007
August	155 520	68 429	
September	155 520		
October	?		
November			

7

1.2

**JAYCEE SUPERMARKET
CASH BUDGET FOR OCTOBER & NOVEMBER 2007**

	OCTOBER	NOVEMBER
CASH RECEIPTS	R	R
Cash sales	42 000	
Receipts from debtors		
TOTAL RECEIPTS		
CASH PAYMENTS		
Cash purchases of trading stock	120 000	
Salary of shop manager	12 000	
Wages of shop assistants	18 000	
Drawings	30 000	30 000
Other operating expenses	12 500	12 500
Repayment of loan		
Interest on loan	1 050	
TOTAL PAYMENTS		
SURPLUS/(DEFICIT)		
BANK AT BEGINNING OF MONTH	(28 000)	
BANK AT END OF MONTH	(40 999)	

1.3	<p>At the end of November the total sales for October and November are R380 000. Should Johnny be satisfied with this? Explain and state TWO factors that Johnny should consider in assessing this figure. Quote figures/financial indicators to support your answer.</p>
1.4	<p>The employees feel that the remuneration policy of this business is unfair, that is, they are not satisfied with their earnings. Do you agree with them? Provide figures from the question to determine whether their opinion is valid or not. State TWO reasons to support your answer.</p> <p>Opinion:</p> <p>Explanation:</p>

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1.5 Name TWO strategies that Johnny could consider in December to improve his cash flow. Give a reason for each strategy.

4

Marks
40

QUESTION 2

2.1.1	Calculation of direct material cost per unit: Calculation of variable cost per unit: Calculation of selling price per unit:
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2.1.2	Calculation of break-even point:
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6

2.2.1									
Raw Materials Stock									
2006 Mar.	1	Balance	b/d	24 000					

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2.2.2	Calculate factory overhead cost for the year:
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2.2.3									
Work-in-process stock									
2006 Mar.	1	Balance	b/d	17 800					

10

2.2.4	Calculate finished goods stock on hand at the end of the year.

5

Marks
45

QUESTION 3

3.1	Complete the note to the Balance Sheet for the Current Accounts on 28 February 2007.
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Current Accounts	Tulani	Tim
Business profit for the year		420 000
Partners' salaries		144 000
Interest on capital		36 000
Primary distribution		180 000
Share of remaining profit (loss)		240 000
Drawings		(315 000)
Retained income for the year		105 000
Balance at the beginning of the year		15 000
Balance at the end of the year		120 000

3.2 Complete the Balance Sheet on 28 February 2007.**Thulani Themba and Tim Taylor trading as Tultim Traders
BALANCE SHEET FOR THE YEAR ENDED 28 FEBRUARY 2007**

ASSETS		
Non-current assets		
Fixed assets		1 020 000
Investment – Fixed deposit: Bildco		
Current assets		
Inventories		
Trade & other receivables		
Cash & cash equivalents		
TOTAL ASSETS		
EQUITY & LIABILITIES		
Partners' Equity		
Capital		800 000
Current Accounts		
Non-current liabilities		
Mortgage loan: Gauteng Mortgages		
Current liabilities		
Trade & other payables		
Bank overdraft		
TOTAL EQUITY & LIABILITIES		

27

Marks

40

QUESTION 4

4.1.1	Calculate depreciation on vehicles for the year ended 28 February 2007.
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4.1.2	Prepare the Asset Disposal Account on 31 December 2006.
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**LEDGER OF MADUNA & SON TRADERS
ASSET DISPOSAL**

9

4.1.3 Complete the note to the Balance Sheet for fixed assets on 28 February 2007.

Fixed Assets	Land & buildings		Vehicles		Equipment
Carrying value at the beginning of the year	255 600				79 000
Cost	255 600				336 000
Accumulated depreciation					(257 000)
Movements					
Additions	0				
Disposals	0				
Depreciation	0				
Carrying value at the end of the year	255 600		602 400		
Cost	255 600		92 4000		
Accumulated depreciation	0		(321 600)		

4.2.1	Briefly describe the crime of which the two brothers are accused.	<table border="1"><tr><td> </td></tr><tr><td>3</td></tr></table>		3
3				
4.2.2	In your opinion, is it right that the personal assets of the brothers be confiscated if they are found guilty? Briefly explain.	<table border="1"><tr><td> </td></tr><tr><td>2</td></tr></table>		2
2				
4.2.3	If you were appointed as internal auditor of Grimebusters, what procedures or checks would you establish in the business to prevent this type of crime from occurring in future? Name THREE points.	<table border="1"><tr><td> </td></tr><tr><td>6</td></tr></table>		6
6				

Marks
40

QUESTION 5

5.1.1	Calculate the ratio of total assets to total liabilities for 2007.	<table border="1"><tr><td> </td></tr><tr><td>3</td></tr></table>		3
3				
5.1.2	Comment on this ratio. Is this business likely to experience a solvency problem? Briefly explain.	<table border="1"><tr><td> </td></tr><tr><td>3</td></tr></table>		3
3				
5.2.1	Calculate the debt/equity ratio for 2007.	<table border="1"><tr><td> </td></tr><tr><td>3</td></tr></table>		3
3				
5.2.2	Phala is not happy with the debt/equity ratio and feels that it is negatively affecting the performance of the business. State TWO points to support her opinion.	<table border="1"><tr><td> </td></tr><tr><td>6</td></tr></table>		6
6				

5.3.1	Calculate Phala's % return on average equity.
5.3.2	Phala is of the opinion that her return is unsatisfactory and that Impey is taking advantage of his senior position in the partnership. State THREE points to support Phala's opinion.

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5.4.1	Calculate the debtors average collection period for 2007.
5.4.2	The customers are complaining that the business seldom stocks the models or styles that they would like to buy. Which figures and financial indicators provide proof of this problem? Briefly explain. State TWO points.

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5.4.3

Impey is not worried about the liquidity situation for the immediate future. State TWO points to support his opinion.

Phala feels that there are danger signs for the long-term sustainability of the business as far as liquidity and cash flow are concerned. State TWO points to support her opinion.

12

Marks
50

QUESTION 6**6.1 JAYKAY JACKETS – PERPETUAL (CONTINUOUS) INVENTORY SYSTEM**

6.1.1	Figures reflected by: (a) (b) (c)
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6.1.2	Does Jerry have a shoplifting or stock theft problem in his business? If so, how many jackets have gone missing? Opinion: Number of jackets missing:
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6.2 MARY'S MUGS – PERIODIC INVENTORY SYSTEM

6.2.1 Draw up a Trading Account for the month of July 2007.

**Ledger of Mary's Mugs
TRADING ACCOUNT**

6.2.2 Calculate the actual mark-up % on cost achieved for the month.

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6.2.3 Does this calculation provide evidence that there is a shoplifting problem? If so, how serious is this problem? Quote figures or percentages to support your answer.

3

6.2.4 Mary has been told that it will be much better for her business to convert to the perpetual inventory system. Do you agree? Briefly explain.

3

6.3 VALUE ADDED TAX

6.3.1	What is meant by <i>input VAT</i> and <i>output VAT</i> and how does this affect the payment made to SARS by a business?
6.3.2	<p>(a) The amount of output VAT included in the R516,07:</p> <p>(b) The net selling price per packet of Powa breakfast cereal excluding output VAT:</p> <p>(c) The cost of Powa breakfast cereal per packet excluding input VAT:</p> <p>(d) The profit per packet of Powa breakfast cereal earned by the business:</p> <p>(e) The amount of input VAT per packet of Powa breakfast cereal:</p> <p>(f) The amount of output VAT per packet of Powa breakfast cereal:</p>

2

12

Marks
50

QUESTION 7

7.1.1	How many members owe fees to the club at the end of the year?	<input type="text"/> 2
7.1.2	How many members were expelled from the club during 2006 as a result of unpaid fees?	<input type="text"/> 2
7.1.3	What figure should appear in the 2006 Receipts & Payments Statement for membership fees?	<input type="text"/> 2
7.1.4	What figure should appear in the 2006 Income & Expenditure Statement for membership fees?	<input type="text"/> 4
7.1.5	How many members were registered in the club on 31 December 2006?	<input type="text"/> 3

7.1.6 The club president was very happy with the progress of the club at the end of 2006. Consider the figures provided in the question and state TWO points to support his opinion. Quote the figures in your answer.

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7.2.1 Calculate the bank balance on 1 July 2007.

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7.2.2 Prepare the bank account in the ledger for July 2007.

BANK

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7.2.3 Prepare the Bank Reconciliation Statement on 31 July 2007.

	Debit	Credit
Balance per bank statement		
Outstanding deposit(s)		
Outstanding cheques		
Balance per bank account in the ledger		

OR:

Balance per bank statement	
Outstanding deposit(s)	
Outstanding cheques	
Balance per bank account in the ledger	

6

Marks
35

TOTAL: 300