

NATIONAL SENIOR CERTIFICATE

ACCOUNTING

GRADE 10

JUNE 2016

Memorandum

QUESTION	MARKS	INITIAL	MOD.
1	25		
2	50		
3	13		
4	48		
5	14		
6	40		
7	10		
TOTAL	300		

QUESTION 1: Accounting theory**(25 marks; 10-15 minutes)**

- 1.1 Match the concept in column **A** with its description in column **B**. Write down only the relevant letter next to the number:

Column A: Concept	Column B: Description
1. Credit Note	D ✓✓
2. VAT	A ✓✓
3. Debtors	E ✓✓
4. PAYE	C ✓✓
5. Debit Note	B ✓✓

10

- 1.2 Indicate whether the following statements are **TRUE** or **FALSE**:

1.2.1	F ✓✓
1.2.2	F ✓✓
1.2.3	F ✓✓
1.2.4	F ✓✓
1.2.5	F ✓✓

10

- 1.3 Provide the term that is used for both salaries and wages:

Remuneration ✓

1

- 1.4 List two main differences between salaries and wages.

4

Salaries:

Paid monthly / Fixed Amount / etc. Any two differences ✓✓

Wages:

Paid weekly / Wage depends on hours worked and hourly rate / Any two valid differences ✓✓

50

QUESTION 3: Debtors Control**(13 marks; 10 minutes)**

3.1

(9)

Debtors Control

June 2016	01	Balance	b/d	12000✓	June 2016	30	Bank	CRJ	5000✓
	30	Sales	DJ	24000✓			Journal credits	GJ	500✓
		Journal debits	GJ	700✓			Discount allowed	CRJ	300✓
		Bank (R/D)	CPJ	1000✓			Balance	c/d	31900✓
				37700					37700✓
		Balance	b/d	31900					

* **Note:** This represents the cash amount received from Debtors for the month

3.2

(4)

Discount – early payment✓✓
 Special offers for payment within a specified time✓✓
 Penalties for late payment✓✓
 Any other valid reason✓✓

13

QUESTION 4: Accounting Equation**(48 marks, 30 minutes)**

Nr	Account Debit	Account Credit	Amount	Assets	Owner's Equity	Liabilities
A	Trading Stock✓	Bank✓	620✓	+/-✓		
B	Bank✓		880✓	+		
	Discount Allowed✓		70✓		-	
		Debtors Control✓	950✓	-		For all: ✓✓
C	Trading Stock✓	Creditors Control✓	1500✓	+		+✓
D	Debtors Control✓	Sales✓	1000✓	+	+✓	
	Cost of sales✓	Trading Stock✓	800✓	-	-✓	
E	Debtors Control✓	Bank✓	340✓	+/-✓		
F	Equipment✓	Creditors Control✓	3150✓	+		+✓
G	Creditors Control✓	Trading Stock✓	500✓	-		-✓
H	Debtors Control✓	Interest Income✓	40✓	+	+✓	
I	Packing Material✓	Trading Stock✓	600✓	-	-✓	
J	Stationery✓	Bank✓	90✓	-	-✓	

QUESTION 5: Value Added Tax**(14 Marks, 10 minutes)****5.1****Zero-rated** supplies are taxable supplies on which **VAT** is levied at a rate of 0%.

✓✓

Any 2 ✓✓

brown bread	dried mealies and mealie rice
brown bread flour (excluding wheaten bran)	samp
hens eggs (that is, not from ostriches, ducks etc.)	fresh fruit and vegetables
dried beans	lentils
maize meal	rice
pilchards in tins or cans	vegetable cooking oil (excluding olive oil)
milk, cultured milk, milk powder and dairy powder blend	edible legumes and pulses of leguminous plants (that is, peas, beans, peanuts etc.)

(4)**5.2**Input VAT:

$$4,56 \times \frac{14}{114} = 0,56 \checkmark\checkmark\checkmark$$

Output VAT:

Mark-up

$$4,00 \times 1,75 = 7,00 \checkmark\checkmark$$

Output Vat

$$7,00 \times \frac{14}{100} = 0,98 \checkmark\checkmark\checkmark$$

VAT Payable to SARS:

Output VAT – Input Vat

$$0,98 - 0,56 = 0,42 \checkmark\checkmark$$

(10)

QUESTION 6: Wages**(40 Marks, 25 minutes)**

- 6.1 What does PAYE stand for?
Pay as you earn ✓
(2)
- 6.2 To whom will the company pay the PAYE?
SARS ✓
(1)
- 6.3 Name the current Minister of Finance:
Pravin Gordhan ✓
(1)
- 6.4 What is your understanding of minimum wages?
A **minimum wage** is the lowest remuneration that employers may legally pay to workers. ✓✓
Supporters of the minimum wage say it increases the standard of living of workers, reduces poverty, reduces inequality, boost morale and forces businesses to be more efficient. ✓✓
In South Africa the minimum wage for farmworkers is: **R 14,25 per hour.** ✓✓
(4)
- 6.5 How much cash must be withdrawn by Skelmbos Fruit Farm in order to pay the employees? (**Show your calculation**)
Calculate the net weekly wage:
Gross wages: R44 100 ✓
Deductions: (R2 750+R10 250) ✓
Net wages: R31 100 ✓
(3)

6.6 Briefly explain the difference between “deductions” and “contributions”.

Deductions:

An employer will deduct statutory and other deductions from an employee’s salary and will then pay these amounts on behalf of the employee. Examples: PAYE, UIF, Medical Aid, Staff Associations, Union Memberships etc. ✓✓

Contributions:

Employers may choose to contribute to extra funds towards the payments of medical aid, UIF etc. which additionally benefits the employee. These payments represent an additional expense to the business. ✓✓

(4)

6.7 Overtime hours worked during the week (Show your working):

Overtime Rate:

$$1,5 \times 12,5 = 18,75 \checkmark\checkmark$$

Total Hours:

$$18,75 \times x \text{ hours} = 44100 - 33750 \checkmark$$

$$18,75x = 10350 \checkmark$$

$$x = 552 \text{ hours} \checkmark\checkmark$$

(6)

6.8 Calculate the amount which must be paid to the Medical Aid Fund by Skelmbos Fruit Farm at the end of April (Show your working):

Medical aid deduction (weekly): **R2750**✓

Medical aid contribution (weekly): **R2750**✓

Total per week for Medical aid: **R5500**✓

For the month – to be paid: **R22000**✓✓

(5)

- 6.9 To which ledger account must the R10 250 be posted?
SARS: PAYE ✓✓ (2)
- 6.10 Must this account (Answer of 6.9) be debited or credited?
Credited ✓✓ (2)
- 6.11 What other important statutory deduction has Skelmbos Fruit Farm failed to deduct from its employees and as an expense (contribution) of the business?
UIF ✓✓ (2)
- 6.12 In your opinion, did Skelmbos Fruit Farm apply a proper code of ethics in the payment of a wages? Motivate. (Tip: Assume a 40-hour work week)
- Weekly gross wage @ normal rate: $2700 * 12,50 = 33750$ ✓✓
- Weekly minimum wage: $2700 * 14,25 = 38475$ ✓✓
- The workers on Skelmbos earn on average R1,75 ✓✓ less than the minimum wage that is required by law. That would appear to be unethical and as a result the farm could be open to face legal law-suits.
- The farm is also not contributing to the UIF fund, which is a statutory requirement by law and again could face legal charges for contravening labour laws of South Africa. ✓✓
- In my opinion, the farm is operating unethically and has to comply with the requirements as stipulated by the labour law. ✓✓
- Any valid other reason: ✓
- (8)

QUESTION 7: Salaries**(10 Marks, 5 minutes)**

Draw-up and complete the following General Ledger Accounts for June:

- **Creditors for Salaries**
- **SARS: PAYE**
- **UIF**

(10)

Creditors for Salaries									
June	30	Bank	CPJ	220000✓	June	30	Salaries	SJ	220000✓
				220000					220000✓
SARS: PAYE									
June	30	Bank	CPJ	175000✓	June	30	Salaries	SJ	175000✓
				175000					175000✓
UIF									
June	30	Bank	CPJ	50000✓	June	30	Salaries	SJ	25000✓
							UIF: Contribution	SJ	25000✓
				50000					50000✓

TOTAL: 200