

**NATIONAL  
SENIOR CERTIFICATE**

**GRADE 10**

**ACCOUNTING  
JUNE EXAM 2016**

**MARKS: 200**

**TIME: 2 hours**

**This question paper consists of 9 pages and a 10-page answer book.**

Do not turn over until instructed to do so.

**INSTRUCTIONS AND INFORMATION**

Read the following instructions carefully and follow them precisely.

1. Answer ALL the questions
2. A special ANSWER BOOK is provided in which to answer ALL the questions.
3. **Workings** must be **shown** in order to achieve part-marks.
4. Non-programmable calculators may be used.
5. Use blue/black ink to answer the questions. **No** tippex is allowed.

Use the following information in the table below as a guide when answering the question paper. Try NOT to deviate from it.

<b>QUESTION 1: 25 marks; 10 minutes</b>
<b>The topic of the question:</b>
General accounting theory

<b>QUESTION 2: 50 marks; 30 minutes</b>
<b>The topic of the question:</b>
General journal entries

<b>QUESTION 3: 13 marks; 10 minutes</b>
<b>The topic of the question:</b>
Debtors Control account

<b>QUESTION 4: 48 marks; 30 minutes</b>
<b>The topic of the question:</b>
Accounting Equation

<b>QUESTION 5: 14 marks; 10 minutes</b>
<b>The topic of the question:</b>
VAT

<b>QUESTION 6: 40 marks; 25 minutes</b>
<b>The topic of the question:</b>
Wages

<b>QUESTION 7: 10 marks; 5 minutes</b>
<b>The topic of the question:</b>
Salaries

**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: **(10)**

<b>Column A: Concept</b>	<b>Column B: Description</b>
<b>1. Credit Note</b>	<b>A.</b> An indirect tax.
<b>2. VAT</b>	<b>B.</b> The source document issued when goods are returned to a creditor.
<b>3. Debtors</b>	<b>C.</b> A direct tax.
<b>4. PAYE</b>	<b>D.</b> The source document issued when a debtor returns faulty/damaged goods.
<b>5. Debit Note</b>	<b>E.</b> Current asset

- 1.2 Indicate whether the following statements are **TRUE** or **FALSE**:
- 1.2.1 The gross salary is posted to the credit side of Creditors for salaries account. **(2)**
- 1.2.2 The VAT payable to SARS = Input VAT – Output VAT. **(2)**
- 1.2.3 When a debtor returns goods, Trading Stock is decreased by the amount that we originally sold the goods for. **(2)**
- 1.2.4 Brown bread is an example of an item that is VAT-exempt. **(2)**
- 1.2.5 UIF is an example of a voluntary deduction from salaries/wages. **(2)**
- 1.3 Provide the term that is commonly used for both salaries and wages. **(1)**
- 1.4 List two main differences between salaries and wages. **(4)**

**QUESTION 2: General Journal entries****(50 marks; 30-35 minutes)**

The bookkeeper of Sifumba Stores is unsure about how to record the entries into the General Journal. The books of Sifumba Stores have been closed off for the month so **ALL ENTRIES MUST BE RECORDED IN THE GENERAL JOURNAL**. He asks you for help. Sifumba Stores maintain a mark-up of 100% on cost. Narrations are not required. **Leave a line after every transaction.**

**INFORMATION**

All entries occur on 30 June 2015.

- A.** Received R1 000 interest on a fixed deposit from Big Bank.
- B.** Inventory returned to creditor, **U.O. Me**, was incorrectly recorded as a credit purchase. The cost of the returned goods was R500.
- C.** The owner took goods marked for sale at R2500, for his own use.
- D.** Trading inventory with a cost price of R500 was donated to a local school.
- E.** Debtor **Nomoney**, who owed Sifumba Stores R10 000, has been declared insolvent. His estate paid out 30c to the Rand. The entry for this has been made. The rest of his account must be written off as irrecoverable and must still be recorded.
- F.** A cheque for R1000 from a debtor, **Notenough**, in settlement of his debt of R1100 has been returned by the bank marked "R/D – refer to drawer". **The correct entry was made in the CPJ but no entry was made with regards to the discount.**
- G.** Stationery bought for R200 was incorrectly recorded as packing materials.
- H.** The account of debtor, **T. Late** of R2000 has been outstanding for the last 3 months. Charge 7% interest on his account.
- I.** A cash purchase of goods for R2500 from **CashorCredit Stores** was incorrectly recorded as a credit purchase.
- J.** The cost price of goods sold for cash was incorrectly recorded as R500 instead of R550. Correct the mistake.

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

- 3.1 An inexperienced bookkeeper closed off the journals and drew up the following Debtors Control account. Find the errors, correct them and re-do the Debtors Control account on the **answer sheet**. **(9)**

Debtors Control									
2016 June	30	Bank (R/D)	CPJ	1 000	2016 June	1	Balance	b/d	12 000
		Journal debits	GJ	700		30	Bank*	CRJ	5 000
		Discount allowed	CRJ	300			Journal credits	GJ	500
		Balance	c/d	39 500			Sales	DJ	24 000
				41 500					41 500
					2016 July	1	Balance	b/d	39 500

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

- 3.2 After reviewing the Debtors Control, the owner felt that debts have not been collected fast enough. Give two ways in which debtors can be encouraged to pay their debts earlier. **(4)**

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

- 4.1 Complete the following transactions. Draw a clear line after each transaction.

**INFORMATION**

- A. Paid for delivery of stock bought by cheque, R620.
- B. Received R880 from a debtor in settlement of their account of R950
- C. Received an invoice from creditor for merchandise purchased, R1500.

*Question 4 continues:*

- D. Credit Sales, R1000 (Mark-up of 25% on stock).
- E. A cheque received from a debtor is returned by the bank due to insufficient funds in her account, R340.
- F. Bought computer equipment on credit for R3500, less 10% trade discount.
- G. Returned unsuitable trading stock valued at R500. A debit note was issued.
- H. A debtor V. Late's account of R800 has been overdue for four months. Charged her interest at 15% p.a.
- I. Packing material was incorrectly recorded in the trading stock account, R600.
- J. Stationery to the value of 430 was incorrectly recorded as 340.

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**QUESTION 5: Value Added Tax****(14 Marks, 10 minutes)**

You are the owner of a local chocolate manufacturing business, Four-a-day. Your business is registered for VAT. Answer the VAT-related questions below.

**REQUIRED**

- 5.1 Explain what is meant by zero-rated, and give two examples of zero-rated items. **(4)**
- 5.2 Calculate the (i) input VAT, (ii) output VAT and (iii) the VAT payable to SARS, based on the information below: **(10)**

**INFORMATION**

Four-a-day buys ingredients from a local supplier at a cost of R4,56 (including VAT). They then make a slab of chocolate, add on their profit mark-up of 75% and sell it to Pick 'n Pay at a price (inclusive of VAT).

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

Study the information of Skelmbos Fruit Farm and the information of the Department Labour: Republic of South Africa.

**INFORMATION:****SKELMBOS FRUIT FARM**

The following totals appeared in the Wages Journal for the week ended 28 April 2016. All employees are paid at the same normal time rate of R12,50 per hour and times  $1\frac{1}{2}$  for every hour overtime worked.

Total hours (normal time)	<b>2 700 hours</b>
Total hours (overtime)	<b>?</b>
Gross wages (normal time + over time)	<b>R 44 100</b>
Medical Aid deductions	<b>R 2 750</b>
PAYE deductions	<b>R 10 250</b>
Medical Aid Contribution	<b>R 2 750</b>

**DEPARTMENT OF LABOUR**

Minimum wages for vulnerable groups: certain sectors in South Africa's economy are regarded as vulnerable and the Minister of Labour therefore announced Sectoral Determinations on a regular basis to ensure that vulnerable workers enjoy protection of basic conditions of employment, as well as receiving at least the minimum wage, as prescribed by law (Statutory requirement).

The following is the new conditions of employment and minimum wages for Farm Workers.

Wages effective from 3 February 2016:

Hourly	<b>R 14,25</b>
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**QUESTIONS**

- 6.1 What does PAYE stand for? (1)
- 6.2 To whom will the company pay the PAYE? (1)
- 6.3 Name the current Minister of Finance. (1)
- 6.4 What is your understanding of minimum wages? (4)
- 6.5 How much cash must be withdrawn by Skelmbos Fruit Farm in order to pay the employees? (3)
- 6.6 Briefly explain the difference between “deductions” and “contributions”. (4)
- 6.7 Calculate the total number of overtime hours worked during the week (6)
- 6.8 The medical Aid details have remained the same for all four weeks during April 2016. Calculate the amount which must be paid to the Medical Aid Fund by Skelmbos Fruit Farm at the end of April (5)
- 6.9 To which ledger account must the R10 250 be posted? (2)
- 6.10 Must this account (Answer of 6.9) be debited or 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? (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) (8)



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

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

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

**(10)****INFORMATION:**

You are provided with the SJ and an extract from the CPJ of Kong's Traders for the month of June 2016.

Salaries Journal of Kong's Traders for the month ended June 2016											SJ6
Employee	Gross Salary (R)	Pension Fund	Medical Aid	UIF	SARS (PAYE)	Total	Net Salary	Employer's Contribution			
								Pension Fund	Medical Aid	UIF	
AB de Villiers	250000	25000	10000	12500	87500	135000	115000	12500	5000	12500	
D. de Allende	150000	15000	10000	7500	52500	85000	65000	7500	5000	7500	
M. Depay	100000	10000	10000	5000	35000	60000	40000	5000	5000	5000	
	<b>500000</b>	<b>50000</b>	<b>30000</b>	<b>25000</b>	<b>175000</b>	<b>280000</b>	<b>220000</b>	<b>25000</b>	<b>15000</b>	<b>25000</b>	

**Extract from the CPJ of Kong's Traders for June 2016**

Doc.	Day	Details	Bank
CC123	30.06	AB de Villiers	?
CC124		D. de Allende	?
CC125		M. Depay	?
CC126		Department of Labour	50000
CC127		SARS	175000

End of the paper

**TOTAL: 200**