

ACCOUNTING PAPER 2

GRADE 11

JUNE 2024

MARKING GUIDELINE

TOTAL: 200 MARKS

MARKING PRINCIPLES:

1. Unless otherwise stated in the marking guidelines, penalties for foreign items are applied only if the candidate is not losing marks elsewhere in the question for that item (no penalty for misplaced item). No double penalty applied.
2. Penalties for placement or poor presentation (e.g. details) are applied only if the candidate is earning marks on the figures for that item.
3. Unless otherwise stated, give full marks for correct answer. If answer is incorrect, mark workings.
4. If a pre-adjustment figure is shown as a final figure, allocate the part-mark for the working for that figure (not the method mark for the answer). Note: if figures are stipulated in memo for components of workings, these do not carry the method mark for final answer as well.
5. Unless otherwise indicated, the positive or negative effect of any figure must be considered to award the mark. If no + or – sign or bracket is provided, assume that the figure is positive.
6. Where indicated, part-marks may be awarded to differentiate between differing qualities of answers from candidates.
7. If candidates provide more than the required number of responses, inspect all responses to give benefit to the candidate. Penalties may be applied for foreign entries if candidates earn full marks on a question.
8. This memorandum is not for public distribution; as certain items might imply incorrect treatment. The adjustments made are due to nuances in certain questions.
9. Where penalties are applied, the marks for that section of the question cannot be a final negative.
10. Where method marks are awarded for operation, marker must inspect reasonableness of answer.
11. Operation means 'check operation'. 'One part correct' means operation and one part correct. Note: check operation must be +, -, x, ÷, or per memo.
12. In calculations, do not award marks for workings if numerator & denominator are swapped – this also applies to ratios.
13. In awarding method marks, ensure that candidates do not get full marks for any item that is incorrect at least in part. Indicate with a ☒.
14. Be aware of candidates who provide valid alternatives beyond the marking guideline. Note that one comment could contain different aspects.
15. Codes: f = foreign item; p = placement/presentation.

This marking guideline consists of 9 pages.

QUESTION 1

1.1

Indicate whether the following statements are TRUE or FALSE.		
1.1.1	True	✓✓
1.1.2	True	✓✓
1.1.3	False	✓✓
1.1.4	False	✓✓
1.1.5	True	✓✓

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1.2.1

CASH RECEIPTS JOURNAL – APRIL 2024				CRJ 4
Doc	Day	Bank	Sundry Details	
	31	125 600		
321		1 800✓	Trading stock✓	
B/S		15 400✓	Rent income ✓	
B/S		535✓	Interest on fixed deposit ✓	
B/S		7 500✓	Debtors Control✓	
		150 835*✓		
CASH PAYMENTS JOURNAL – April 2024				CPJ 4
Doc	Day	Bank	Sundry Details	
	31	131 300		
B/S		10 200✓	Loss due to fraud ✓	
B/S		5 600✓	Telephone ✓	
B/S		9 800✓	Insurance✓	
			Drawings✓	
B/S		7 900✓	Creditors Control ✓	
B/S		820✓	Bank charges✓	
		13 500✓	Wages✓	
		179 120*✓		

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14

1.2.2

Calculate the Bank Account balance in the General Ledger of the business on 30 April 2024.	
$+ 13\,912✓ + 150\,835✓ - 179\,120 ✓ = - 14\,373✓$	<div style="background-color: yellow; display: inline-block; padding: 2px;">one part correct</div>
<div style="display: flex; justify-content: space-around; font-size: small;"> See CRJ See CPJ or (14 774) </div>	

4

1.2.3 Prepare a Bank Reconciliation Statement for April 2024:

	Debit	Credit
Dr Balance according to bank statement	6 063 <input checked="" type="checkbox"/>	Balancing figure
Cr. Outstanding deposit		12 680 ✓
Cr Debit orders wrongly debited		6 955 ✓✓
Dr amount wrongly credited	4 790 ✓✓	
Dr Outstanding EFT – 636	9 655 ✓	
ATM withdrawal for wages	13 500 ✓✓	
Cr. Balance according to the bank account		14 373 <input checked="" type="checkbox"/> See 1.2.2
	34 008 <input checked="" type="checkbox"/>	34 008
both figures must be the same		

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1.2.4 Explain ONE strategy that the business can use to address the problem of missing cash.

Any ONE strategies ✓✓ **award part marks for incomplete / partial answers**
 Be alert to other valid alternative responses. Do not accept 'instal cameras'.

- Receiving and banking of cash should be done by different people / divide or delegate or rotate duties to prevent mismanagement of cash that can lead to missing money or theft. Division of duties is an incomplete answer (one mark).
- Request SMS notifications from the bank / check bank statements (mini statements on App) regularly – ensure correct amounts deposited.
- Outsource the transportation of cash to security companies (large amounts).
- Accompany the person in charge of depositing cash / escorted by security guard.
- Encourage customers to pay online (EFTs) / strive towards cashless or minimal cash handling.
- Do deposits regularly, at different times, using different routes for security purposes / train employees on security or emergency responses.
- Alarm systems or GPS tracking on vehicles used to transport cash.
- Background checks on staff involved with cash – reliable, trustworthy.

2

TOTAL MARKS
50

QUESTION 2

2.1

Briefly explain how the preparation of a creditors' reconciliation as an internal control measure can assist the business in managing their creditors effectively. Provide TWO points.

Any TWO relevant control measures ✓ ✓ ✓ ✓

- Errors and omissions can be detected and corrected.
- Fraud can be detected and minimised.
- The correct, timeous payment can be made to creditors.

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2.2

CREDITORS' RECONCILIATION

	CREDITORS' LEDGER	CREDITORS' RECONCILIATION STATEMENT
Balance	130 470	131 900
(a)	-21 100 ✓	
(b)	+ 5 000 ✓	
(c)		- 38 800 ✓
(d)	+ 1 650 ✓✓	
(e)	- 2 400 ✓✓	
(f)		- 5 400 ✓✓
(g)	+ 3 600 ✓	
(h)		- 13 900 ✓
		- 1 280 ✓
		+ 44 700 ✓
(both totals)	117 220 ✓	117 220

14

2.3

State ONE internal control measure that the business can use to prevent similar incidents from happening in future.

Any ONE relevant control measures ✓✓

- Division of duties – Sakkie Skelm must not be the only person responsible for ordering and recording goods. Rotate duties.
- Have special order forms to be signed by two people.
- Check documents regularly against deliveries.
- Do regular/random stock counts to verify stock records.

2

TOTAL MARKS
20

QUESTION 3:

3.1

Give the correct concept in each of the cases:

3.1.1	Debtors	✓✓
3.1.2	Asset Disposal	✓✓
3.1.3	Diminished Balance	✓✓
3.1.4	Depreciation	✓✓

8

3.2.1

ASSET DISPOSAL

2023 Dec	1	Equipment	36 000 ✓	2022 Sept	1	Accumulated depreciation on equipment 7 200✓ + 5 760✓ +3 456✓✓	16 416 ✓ one part correct
						Bank ✓	2 000 ✓
						Loss on sale of asset ✓	17 584✓
			36 000				36 000

Can be a profit. Work according to learner calculation.

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3.2.2

L Linde decided to buy the equipment for R2 000 without informing his partner. Explain a consequence that partner Linde could be facing.

Any ONE reason ✓✓

- Unethical to do this without permission from his partner, his partner can take legal action against him.
- Pay the difference back to the business/the loss can be set off against his Current Account
- Must hold him accountable for the losses suffered by the partnership.
- Open a criminal case against him. / Suspend him.

2

3.2.3

Calculate the following amounts	
CALCULATION	ANSWER
<p>The balance of Land and building on 29 February 2024.</p> <p>4 800 000✓ + 750 000✓</p> <p style="text-align: right;">3</p>	<p>5 550 000✓ one part correct</p>
<p>Total depreciation on vehicles on 29 February 2024:</p> <p>Car 1</p> <p>300 000 x 20/100 = 60 000 BUT $\frac{300\,000 - 285\,000}{12} = R14\,999$✓✓✓ One part correct</p> <p>Car 2</p> <p>576 000 x 20/100 = R115 200 ✓✓</p> <p>Car 3</p> <p>$\frac{1\,596\,000 - 876\,000}{12}$ one part correct 720 000✓ x 20/100 x 3/12 = R36 000 ✓✓</p> <p style="text-align: right;">9</p>	<p>166 199✓ one part correct</p>
<p>The depreciation on the remaining equipment on 29 February 2024.</p> <p>Old equipment</p> <p>510 000 – 66 000 = 444 000 ✓✓</p> <p>(444 000 – 167 040) ✓ = 276 960✓ x 20% = 55 392 ✓</p> <p>New equipment</p> <p>510 000 – 444 000 (66 000 x 20/100) ✓ x 1/12✓ = 1 100✓ one part correct</p> <p style="text-align: right;">9</p>	<p>56 492✓ one part correct</p>

21

3.2.4

<p>Mention TWO procedures that the business can apply to improve their internal control over the vehicles.</p> <p>Any TWO internal control measures ✓✓ ✓✓</p> <ul style="list-style-type: none"> • Install tracking device/GPS in all the vehicles. • Keeping of logbooks to record kilometres travelled. • Keeping of key-registers, in which keys must be signed in and out by drivers. • Proper lockable garages and alarm systems to limit theft of vehicles. • Adequate insurance.

4

TOTAL MARKS
45

QUESTION: 4

LEEZEE TRADERS

4.1 STATEMENT OF COMPREHENSIVE INCOME - 29 FEBRUARY 2024

Sales (800 000✓ – (20 000 ✓+ 3 000✓)		777 000	✓	
Cost of sales (500 000✓ + 1 875 ✓)		(501 875)	*✓	
Gross Profit	Check operation	8	275 125	✓
Other Operating Income	Check operation		369 750	✓
Discount received			30 000	✓✓
Bad debts recovered			51 000	✓✓
Rent income			288 500	✓✓
Provision for bad debts adjustment 9 000✓ – [(180 000✓ – 3000✓ - 2000✓) x 5%]			250	✓
Gross Operating Income	Check operation	10	644 875	✓
Operating Expenses	Check operation		(302 360)	✓
Depreciation			30 000	✓
Salaries and wages			100 000	✓
Discount allowed			7 000	✓
Repairs (15 000✓ + 5000) ✓			20 000	✓
Bank charges			11 700	✓
Packing material (21 000✓ – 3 000✓)			18 000	*✓
Bad debts (28 000✓ + 2 000)✓			30 000	*✓
Advertising			32 785	*✓
Insurance			52 500	✓
Trading stock deficit (300 000✓ + 1 875✓ – 3 500✓ - 298 000✓)			375	*✓
Operating Profit		22	342 515	✓
Interest income			100 500	✓✓
Profit Before Interest Expense			443 015	✓
Interest expense			(8 000)	✓✓
Net Profit for the year	Check operation	5	435 015	*✓✓

*✓ one part correct Foreign items -1 max -2

50

4.2

CURRENT ACCOUNT		
	LEE	ZEE
Net profit for the year	256 812 * <input checked="" type="checkbox"/>	178 203
Salaries	120 000	144 000 ✓✓
Interest on capital	10 000 ✓	10 000
Bonus	30 000	
Primary distribution	160 000 <input checked="" type="checkbox"/> *	154 000 <input checked="" type="checkbox"/> *
Final distribution ratio 4:1	96 812 ✓✓	24 203
Drawings during the year	(30 000) ✓	(28 500) ✓
Retained income for the year	226 812 ✓	149 703
Balance at the beginning of year	(14 000) ✓	20 000 ✓
Balance at the end of the year	212 812 * <input checked="" type="checkbox"/>	169 703 ✓
	<input checked="" type="checkbox"/> One part correct	

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QUESTION 5

5.1

Calculate the following financial indicators for 2024: Mark-up percentage	
WORKINGS	ANSWER
$\frac{3\,300\,000 \checkmark}{6\,600\,000 \checkmark} \times 100$	50% <input checked="" type="checkbox"/> one part correct
Net profit on sales	
WORKINGS	ANSWER
$\frac{1\,782\,000 \checkmark}{9\,900\,000 \checkmark} \times 100$	18% <input checked="" type="checkbox"/> one part correct
Debtors' average collection period	
WORKINGS	ANSWER
<small>90 000 three marks 180 000 two marks</small> $\frac{\frac{1}{2} \checkmark (95\,000 \checkmark + 85\,000 \checkmark) \times \frac{365}{1}}{990\,000 \checkmark}$	33,2 days <input checked="" type="checkbox"/> one part correct Accept 34 days

3

3

5

5.2

<p>The business decreases the mark-up percentage. Was this strategy successful? Quote ONE figure.</p> <p>Gross profit ✓ Figure ✓</p> <p>The gross profit increased from R3 000 000 to R3 300 000/ by R300 000.</p> <p>OR Sales increased from R8 000 000 to R9 000 000/ by R1 900 000</p>

2

5.3

Will the partners be satisfied with their Debtors collection period. Quote a figure and comment.

Yes ✓

see 4.1.1

Decrease from 39 days to 33,2 days / 6 days. ✓✓ OR 34 days/5 days

3

5.4

The partners are concerned about the stock holding period. Show the trend and comment on it.

Figures ✓✓ and Explanation ✓✓

The stockholding period increase from 9 days to 18 days

Explanation

The shelf live is only 12 days/ 6 days more than the shelf live. / Risk of expired goods/losses due to stale /obsolete stock.

4

TOTAL MARKS
20