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| **QUESTION 1: STATEMENT OF COMPREHENSIVE INCOME** | | | |
|  |  |  |  |
| **1.1** | **CONCEPTS** | |  |
|  |  | |  |
|  | Choose one concept from the list provided for each explanation below. Write only the concept next to the question number (1.1.1 - 1.1.3) in the answer book. | |  |
|  | |  | | --- | | Matching, materiality, historical cost, going concern, business entity | | |  |
|  | 1.1.1 | Assets are recorded at the amount that was originally cost price. |  |
|  |  |  |  |
|  | 1.1.2 | The accountant assume that the business will continue for the foreseeable future. |  |
|  |  |  |  |
|  | 1.1.3 | The financial affairs of the owner must be recorded separately from that of the business | (3) |
|  |  |  |  |
| **1.2** | **MICKEY STORES** | |  |
|  |  | |  |
| The following information relates to Mickey Stores. | | | |
|  |  |  |  |
| **REQUIRED**: | | |  |
|  |  |  |  |
| **1.2.1** | Prepare the Statement of Comprehensive Income for the year ended 30 June  2024. Show your workings in brackets to earn part marks. | | (47) |
|  |  |  |  |
|  | **INFORMATION:** | |  |
|  |  |  |  |
|  | |  |  |  | | --- | --- | --- | | **Balance sheet account section** | **DEBIT** | **CREDIT** | | Vehicles | 800 000 |  | | Equipment | 120 000 |  | | Accumulated depreciation on vehicles |  | 200 000 | | Accumulated depreciation on equipment |  | 40 000 | | Trading inventory | 87 500 |  | | Debtors control | 70 000 |  | | Fixed deposit – ABC Bank (9%) | 120 000 |  | | Loan XYZ Bank |  | ? | | Sales |  | 1 200 000 | | Cost of sales | 800 00 |  | | Debtors’ allowances | 18 800 |  | | Rates and taxes | 24 000 |  | | Commission income |  | 108 000 | | Rent income |  | 156 000 | | Insurance | 65 000 |  | | Bad debts | 9 600 |  | | Interest on overdraft | 2 800 |  | | Interest on fixed deposit |  | 8 250 | | Stationery | 11 400 |  | | Telephone | 28 400 |  | | Bank charges | 6 590 |  | | Discount allowed | 2 540 |  | | Water and electricity | 38 740 |  |   **PRE-ADJUSTMENT TRIAL BALANCE ON 30 JUNE 2024** | |  |

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| --- | --- | --- | --- |
|  | **ADJUSTMENTS AND ADDITIONAL INFORMATION:** | |  |
|  |  |  |  |
|  | **A.** | Depreciation for the year amounts to R33 700. |  |
|  |  |  |  |
|  | **B.** | Credit sales of R6 000 were not recorded. Cost of sales R4 000 |  |
|  |  |  |  |
|  | **C.** | Commission of R9 500 has not yet been received by the business. |  |
|  |  |  |  |
|  | **D.** | The telephone account for June 2024 was not recorded, R3 460. |  |
|  |  |  |  |
|  | **E.** | A debtor who owed R1 535 was declared insolvent. Write off the account as irrecoverable. |  |
|  |  |  |  |
|  | **F.** | The business donates stock, R1 800 to the local primary school before stock count. No entry was made. |  |
|  |  |  |  |
|  | **G.** | A physical stock count on 30 June 2024 revealed the following on hand:   * Trading Stock R79 450 * Stationery R1 460 |  |
|  |  |  |  |
|  | **H.** | An amount of R3 250 received from B. Billy, a debtor whose debt was written off as irrecoverable the previous year, was credited to the account of B. Billy. Correct the error. |  |
|  |  |  |  |
|  | **I.** | The June 2024 Bank Statement was received after the pre-adjustment trial balance was drawn up. The following must be adjusted: |  |
|  |  | * Interest on favourable bank balance, R185. |  |
|  |  | * Bank charges, R450. |  |
|  |  |  |  |
|  |  | The insurance amount includes an annual premium of R2 340 paid on 1 February 2024. |  |
|  |  |  |  |
|  | **J.** | The interest on fixed deposit is still owed to the business at the end of the year. There were no changes on the fixed deposit during the financial year. |  |
|  |  |  |  |
|  | **K.** | The rent increased by R1 200 per month from 1 April 2024. The rent for July 2024 was received and deposited. |  |
|  |  |  |  |
|  | **L.** | Interest on the loan from XYZ Bank has not been entered yet. Interest is capitalized. The loan statement received from DEF Bank reflected the following:   |  |  | | --- | --- | | Balance on 1 July 2023 | 117 085 | | Repayments made during the year | 35 000 | | Interest | 17 915 | | Balance on 30 June 2024 | 100 000 | |  |
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| **QUESTION 2: CONCEPTS, STATEMENT OF FINANCIAL POSITION AND NOTES** | | | | |
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| **MARIA Traders** | | | |  |
|  |  | | |  |
| The information below relates to Maria Traders for the financial year ended  29 February 2024. | | | |  |
|  |  | | |  |
| **REQUIRED**: | | | |  |
|  |  | | |  |
| 2.1 | Prepare the following notes to the balance sheet | | |  |
|  |  | |  |  |
|  | 2.1.1 | | Fixed assets | (13) |
|  |  | |  |  |
|  | 2.1.2 | | Trade and other receivables | (4) |
|  |  | |  |  |
|  | 2.1.3 | | Cash and cash equivalents | (4) |
|  |  | |  |  |
|  | 2.1.4 | | Trade and other payables | (6) |
|  |  | |  |  |
|  | 2.1.5 | | Owner’s Equity | (4) |
|  |  | |  |  |
| 2.2 | Prepare the Statement of Financial Position on 29 February 2024. Show ALL workings to earn part marks. | | | (19) |
|  |  | | |  |
|  | |  | |  |
|  | | **INFORMATION** | |  |
|  | |  | |  |
|  | | Balances extracted from the accounting records on 29 February 2024 | |  |
|  | | |  |  | | --- | --- | | Capital ( 1 March 2023) | R1 560 000 | | Drawings | 66 000 | | Fixed Assets at carrying value | ? | | Fixed deposit: BOB Bank | ? | | Mortgage loan: SMART Bank | 650 000 | | Trading Stock | ? | | Debtors Control | 458 300 | | Bank | 245 500 | | Petty Cash | 3 400 | | Cash Float | 1 600 | | Creditors control | 112 900 | | Accrued income | 13 400 | | Prepaid expenses | 9 500 | | Income received in advance | 15 400 | | Accrued expenses | 8 700 | | |  |
|  | |  | |  |

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| **ADDITIONAL INFORMATION** | | |  |
|  |  | |  |
| **A** | **EXTRACT FROM THE FIXED ASSETS NOTE:**   |  |  |  |  | | --- | --- | --- | --- | |  | **Land & buildings** | **Vehicles** | **Equipment** | | **Carrying value at beginning of year** | 1 560 000 | 240 000 | 74 500 | | Cost | 1 560 000 | 500 000 | **(D)** | | Accumulated depreciation | 0 | (260 000) | (55 500) | | **MOVEMENTS** |  |  |  | | Additions at cost | **(A)** | 180 000 | 0 | | Depreciation | (0) | **(B)** | (13 000) | | **Carrying value at end of year** | 1 680 000 | **(C)** | 61 500 | | Cost | 1 680 000 | 680 000 |  | | Accumulated depreciation | (0) |  |  | | |  |
|  |  | |  |
| **B** | **ADDITIONAL INFORMATION:** | |  |
|  |  | |  |
|  | **(i)** | **Fixed Assets** |  |
|  |  |  |  |
|  |  | * The buildings were extended during the year on credit. This transaction was recorded properly. |  |
|  |  |  |  |
|  |  | * A new vehicle was purchased for cash on 1 December 2023. Depreciation on vehicles must be calculated at 20% on the diminishing method. |  |
|  |  |  |  |
|  | **(ii)** | **Stock** |  |
|  |  |  |  |
|  |  | A physical count of stock on 29 February 2024 revealed the following on hand:   * Trading Stock R415 000 * Stationery R11 600 |  |
|  |  |  |  |
|  | **(iii)** | **Capital** |  |
|  |  |  |  |
|  |  | * The owner increases his capital contribution with R120 000 on 15 December 2023. |  |
|  |  |  |  |
|  |  | * The net profit for the year amounted to R420 000. |  |
|  |  |  |  |
|  | **(iv)** | **Loan** |  |
|  |  |  |  |
|  |  | * The loan is repaid in monthly equally instalments of R10 000. |  |
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| **QUESTION 3: ANALYSE AND INTERPRETATION AND ACCOUNTING EQUATION**  **(50 marks; 40 minutes)** | | | |
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| **3.1** | **CONCEPTS** | |  |
|  |  |  |  |
|  | Match the correct term in Column A with the description in column B. Write  only the correct symbol next to the question number.   |  |  |  |  | | --- | --- | --- | --- | | **COLUMN A** | | **COLUMN B** | | | 3.1.1 | Depreciation | A | Borrowed capital | | 3.1.2 | Fixed asset; | B | An example of a non-cash expense | | 3.1.3 | Non-current liability | C | Possession of a business that would last more than 12 months | | 3.1.4 | Current asset | D | Consumable stores on hand | | | (4) |
|  |  |  |  |
| **3.2** | **STRYDER TRADERS** | |  |
|  |  |  |  |
|  | Use the information below in the books of Stryder Traders. Show all working details and give your answers to first decimal place only. The business obtains a profit mark-up of 75%. | |  |
|  |  | |  |
|  | **REQUIRED:** | |  |
|  |  | |  |
|  | 3.2.1 | Calculate the following for the year ended 30 June 2024. |  |
|  |  | * Gross profit as a percentage on cost of sales. | (3) |
|  |  | * Current ratio. | (3) |
|  |  | * Acid test ratio | (4) |
|  |  | * Return on average owner’s equity | (6) |

|  |  |  |  |
| --- | --- | --- | --- |
|  | 3.2.2 | Stryder Traders is satisfied with the liquidity of the business. Comment and quote figures to support your answer. | (4) |
|  |  |  |  |
|  | 3.2.3 | Why should Stryder Traders not be satisfied with the gross profit % on cost of sales? Comment and quote figures to support your answer. | (2) |
|  |  | |  |
|  | **INFORMATION** | |  |
|  |  | |  |
|  | |  |  |  | | --- | --- | --- | | **EXTRACT FROM THE INCOME STATEMENT FOR THE YEAR ENDED - JUNE:** | | | |  | **2024** | **2023** | | Sales | 900 000 | 700 000 | | Cost of Sales | (600 000) | (400 000) | | **Gross Profit** | 300 000 | 300 000 | | Other operating income | 150 000 | 150 000 | | Operating expenses | (290 000) | (270 000) | | Operating profit | 160 000 | 180 000 | | Interest Expense | (68 000) | (48 000) | | Net Profit | 92 000 | 132 000 | | |  |
|  |  | |  |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
|  | |  |  |  | | --- | --- | --- | | **EXTRACT FROM THE BALANCE SHEET ON 28 FEBRUARY:** | | | |  | **2024** | **2023** | | Fixed Assets | **?** | **?** | | Fixed Deposits (10%) | 110 000 | 120 000 | | **Current Assets** | **?** | **150 000** | | Trading Stock | 60 000 | 50 000 | | Trade and Other Receivables | 85 000 | 85 000 | | Cash and Cash Equivalents | 5 000 | 15 000 | |  | **?** | **?** | | **Owner’s Equity** | **820 000** | **780 000** | | **Non- Current Liabilities** | **100 000** | **80 000** | | **Current Liabilities** | **60 000** | **50 000** | |  | **?** | **?** | |  |
|  |  |  |
|  | **Financial indicators** |  |
|  | |  |  |  | | --- | --- | --- | |  | **2024** | **2023** | | Current ratio | ? | 3,0 : 1 | | Acid test ratio | ? | 2,0 : 1 | | Return on average owner’s equity | ? | 19% | |  |

|  |  |  |  |
| --- | --- | --- | --- |
| **3.3** | **ANALYSIS OF TRANSACTIONS** | |  |
|  |  |  |  |
|  | These transactions appeared in the books of Temba Traders. The business maintains a gross profit mark-up of 50% on cost. The financial year ended 31 June 2020. | |  |
|  |  |  |  |
|  | **REQUIRED:** | |  |
|  |  |  |  |
|  | Analyse the following transactions according to the headings provided in the ANSWER BOOK. Assume that Bank balance is **favourable** for all the transactions. | |  |
|  |  |  |  |
|  | **Example:** The business pays the telephone account per cheque, R500. | |  |
|  |  |  |  |
|  | **TRANSACTIONS:** | |  |
|  |  |  |  |
|  | 3.3.1 | Purchased trading stock on credit for R4 450. |  |
|  |  |  |  |
|  | 3.3.2 | Send stock of R200 back to the creditor. |  |
|  |  |  |  |
|  | 3.3.3 | Cash sales for the day amounts to R9 900. |  |
|  |  |  |  |
|  | 3.3.4 | Write a debtor, D Danie account of R550 off as bad debts. |  |
|  |  |  |  |
|  | 3.3.5 | Receive R1 800 from a debtor, M. Malini as partly payment of her account. | (24) |
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|  | **TOTAL MARKS : 150** | |
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| **GRADE 10 ACCOUNTING FINANCIAL INDICATOR FORMULA SHEET** | | | |
| Gross profit X 100  Sales 1 | Gross profit X 100  Cost of sales 1 | | Net profit before tax X 100  Sales 1 |
| Operating expenses X 100  Sales 1 | | Operating profit X 100  Sales 1 | |
| Current assets : Current liabilities | | (Current assets – Inventories) : Current liabilities | |
| (Trade sand other receivables + Cash and cash equivalents) : Current liabilities | | | |
| \_ \_\_Nett profit \_\_ . X 100  Average Owner’s equity 1 | | Total assets : Total liabilities | |