

QUESTION 1: NON-PROFIT ORGANISATIONS

1.1 The transactions below were extracted from the club records of Amalinda Soccer Club for the financial year ended 31 December 2016.

REQUIRED:

For each transaction, write only the amount under the appropriate heading/s on the table provided. Refer to the example provided. (10)

Transactions:

Example: Affiliation fees of R795 were paid to the Border Soccer Association. $\frac{1}{3}$ of this amount relates to the next financial year.

1.1.1 Entrance fees collected amounted to R4 500. According to the constitution, $\frac{1}{2}$ the entrance fees must be use for running costs and the balance must be capitalised.

1.1.2 The wages column in the Cash Journal reflected R8 400. R6 000 of this amount was paid to the contractors for completing the extensions to the clubhouse.

1.1.3 Cash sales of refreshments for December totalled R12 300. Refreshments are sold at 20% above cost. Purchases of refreshments are paid by cheque.

1.1.4 An honorarium of R300 was voted in favour of the secretary. This amount will be paid in January 2017.

1.2 **GOMPO NETBALL CLUB**

Information relating to membership fees for the financial year ended 30 June 2017 is presented.

REQUIRED:

1.2.1 Prepare the General Ledger account for Membership Fees. Show workings in brackets. (21)

1.2.2 Provide TWO internal control measures that the treasurer can use to make the collection of fees more efficient. (4)

INFORMATION:

A. Membership fees are R420 per year (R35 per month). New members only for the months after joining. Part of a month is regarded as a whole month.

New members pay an entrance fee of R75 on application.

On 1 July 2016, there were 38 members on the club register.

B. Balances relating to Membership Fees on 1 July 2016 :

• Accrued income	R5 040
• Income received in advance	R1 260

C. Information extracted from the Analysis Cash Book on 30 June 2017:

Membership fees received:

• For outstanding fees of the previous financial year	R2 940
• For the current financial year	R11 235
• for the following financial year	R1 680

Entrance fees received (refer D.)	R825
--	------

Membership fees refunded (Refer E.)	R630
--	------

D. 5 new members joined the club during October 2016 and the other new members joined during March 2017. All new members paid the fees due by them.

E. The three members who paid their fees in advance for the current financial year, moved to Kimberley during December 2017. A refund of half the fees was made to each.

F. The fees outstanding for the previous financial year must be written off. The defaulting members must be removed from the club records.

G. The fees of some members were still outstanding on 30 June 2017.

QUESTION 2: COST ACCOUNTING

2.1 BRAELYN MANUFACTURERS

Braelyn Manufacturers produces school jackets which are supplied to schools in East London at a profit mark-up of 45% on cost. The information below relates to the financial year ended 28 February 2017.

REQUIRED:

- 2.1.1 Calculate:
- Factory Overhead Cost by completing the table provided. (16)
 - The direct labour cost. (8)
- 2.1.2 Post to the following accounts in the General Ledger. Balance the accounts.
- Raw material stock (11)
 - Work-in-process stock (11)
 - Finished goods stock (8)

INFORMATION:

A. Stock balances:	28 Feb 2017	1 March 2016
Raw material	52 100	43 200
Work-in-process	20 000	15 000
Finished goods	27 300	35 000
Factory consumable stores	5 620	4 380

B. **Summary of transactions for the financial year ended 28 February 2017:**

Material for the factory:

Raw material purchased and paid by cheque	R140 000
Raw material purchased on credit	R281 600
Raw material returned to creditors	R33 620
Consumable stores purchased for cash	R34 200

Salaries and wages:**Production wages:** (The factory employs 4 workers to produce the jackets).

	Normal time	Overtime
Total hours worked per worker:	1 640 hours	46 hours
Rate:	R45 per hour	Normal time + 60%
Employer contributions: 11% of basic wages (in total).		

Indirect labour:

- The factory foreman earns R11 200 per month (including benefits).
- The cleaner earns R42 000 p.a. 75% of his time is spent in the factory.

Other expenses:

Rent expense	R64 800
Insurance	R17 600
Water and electricity	R56 400
Advertising	R3 200
Sundry factory expenses	R11 570
Depreciation	?

• Rent expense must be allocated between the factory, sales and administration in the ratio 5 : 2 : 1	
• 80% of the insurance relates to the factory.	
• $\frac{2}{3}$ of the water and electricity expense must be allocated to the factory.	
• Factory plant and equipment must be depreciated at 15% on the diminishing balance method.	
Factory plant and equipment (cost),	R361 000
Accumulated depreciation on factory plant and equipment,	R178 400

C. Total sales for the year amounted to R1 505 100.

2.2 PENFLEC LTD

This business makes plastic rulers. Information for the financial year ended 30 April 2017 is provided below:

REQUIRED

Calculate the break-even point for the year and comment on your findings. Quote figures. (11)

INFORMATION:

		TOTAL AMOUNT	UNIT PRICE
Direct material cost	Variable cost	R470 400	R21,00
Direct labour cost	Variable cost	?	13,50
Factory overhead cost	Fixed cost	R206 080	R9,20
Selling and distribution cost	Variable cost	R145 600	R6,50
Administration cost	Fixed cost	?	R4,80
Sales		R1 276 800	?
Number of units produced and sold		22 400	

TOTAL: 100

**ACCOUNTING: GRADE 11 – TERM 3 CONTROLLED TEST
MARKING GUIDELINE**

QUESTION 1: NON-PROFIT ORGANISATIONS

1.1	RECEIPT	PAYMENT	INCOME	EXPENSE
E.g.		795		530
1.1.1	4 500 ✓		2 250 ✓	
1.1.2		8 400 ✓		2 400 ✓
1.1.3	12 300 ✓	10 250 ✓✓	12 300 ✓	10 250 ☑
1.1.4				300 ✓

10

**1.2.1 GENERAL LEDGER OF GOMPO NETBALL CLUB
MEMBERSHIP FEES ACCOUNT**

2016 July	1	Accrued income	5 040 ✓	2016 July	1	Deferred income	1 260 ✓
2017 June	30	Deferred income ✓	1 680 ✓	2017 June	30	Bank ✓ (2 940 + 11 235 + 1 680)	15 855 ✓☑
		Income and expenditure ✓ 12 600✓ + 1 575✓ + 840✓ + 630✓	15 645 ☑			Fees written off ✓ (5 040 – 2 940)	2 100 ✓✓
		Bank ✓ (refund)	630 ✓			Accrued income ✓	3 780 ☑
			22 995 ☑				22 995

21	
-----------	--

1.2.2 Provide TWO internal control measures that the treasurer can use to make the collection of fees more efficient.

TWO valid answers ✓✓ ✓✓

- Send reminders to all members in advance, of fees due. (use the club newsletter)
- Provide some form of incentive (discounts; fee tickets; gift vouchers) for early payments
- Restrict to use of club property or entry into certain events (of defaulting members)
- Present a list of defaulters at club meetings / events (Post on notice boards)
- Discuss with affected members and negotiate special terms – especially for those who may not be able to afford the fees.

4

Q1	35	
-----------	-----------	--

QUESTION 2: COST ACCOUNTING

2.1.1 FACTORY OVERHEAD COST

Indirect material (4 380 + 34 200 – 5 620)	32 960	✓ <input checked="" type="checkbox"/>
Indirect labour (11 200 x 12) + (42 000 x 75%) 134 400 ✓✓ + 31 500 ✓✓ could be shown separately	165 900	4 marks
Rent expense (64 800 x 5/8)	40 500	✓ <input checked="" type="checkbox"/>
Insurance (17 600 x 80%)	14 080	✓ <input checked="" type="checkbox"/>
Water and electricity (56 400 x 2/3)	37 600	✓ <input checked="" type="checkbox"/>
Sundry factory expenses	11 570	✓
Depreciation (361 000 – 178 400) x 15%	27 390	✓ <input checked="" type="checkbox"/>
	330 000	<input checked="" type="checkbox"/>

16

DIRECT LABOUR COST

Normal time: 4 x 1 640 x R45	295 200	✓ <input checked="" type="checkbox"/>
Overtime : 4 x 46 x R72 ✓✓	13 248	<input checked="" type="checkbox"/>
Employer contributions (295 200 x 11%)	32 472	✓ <input checked="" type="checkbox"/>
TOTAL	340 920	<input checked="" type="checkbox"/>

8

1.2.1

GENERAL LEDGER OF BRAELYN MANUFACTURERS RAW MATERIAL STOCK

2016 Mar	1	Balance b/d	43 200 ✓	2017 Feb	28	Creditors control ✓	33 620 ✓
2017 Feb	28	Bank ✓	140 000 ✓			Issued to factory ✓ (direct material cost)	379 080 <input checked="" type="checkbox"/>
		Creditors control ✓	281 600 ✓			Balance c/d	52 100 ✓
			464 800 ✓				464 800
Mar	1	Balance b/d	52 100				

11

WORK-IN-PROCESS STOCK

2016 Mar	1	Balance b/d	15 000 ✓	2017 Feb	28	Finished goods stock ✓	1 045 000 <input checked="" type="checkbox"/>
2017 Feb	28	Direct material cost ✓	379 080 <input checked="" type="checkbox"/>				
		Direct labour cost ✓	340 920 <input checked="" type="checkbox"/>				
		Factory overhead cost ✓	330 000 <input checked="" type="checkbox"/>			Balance c/d	20 000 ✓
			1 065 000 <input checked="" type="checkbox"/>				1 065 000
Mar	1	Balance b/d	20 000				

11	
----	--

FINISHED GOODS STOCK

2016 Mar	1	Balance b/d	35 000 ✓	2017 Feb	28	Cost of sales ✓	1 038 000 ✓✓
2017 Feb	28	Work-in-process ✓	1 045 000 ☑			1 505 100 x 100/145	
						Balance c/d	42 000 ☑
			1 080 000 ☑				1 080 000
Mar	1	Balance b/d	42 000				

8	
---	--

2.2 **PENFLEC LTD**

CALCULATE THE BREAK-EVEN NUMBER OF UNITS

$$\frac{(22\,400 \times 4,80) + 206\,080 \checkmark + 107\,520 \checkmark\checkmark}{R57,00 \checkmark\checkmark - (21 + 13,50 + 6,50)}$$
$$\frac{1\,276\,800/22\,400}{41,00 \checkmark\checkmark} = 19\,600 \text{ units } \checkmark$$

8

COMMENT ON YOUR FINDINGS

Comment comparing BEP to level of production ✓✓ figures ✓

The directors should be satisfied as the business produced 2 800 units above the BEP. They may be concerned about the low profits and therefore must plan to increase production if they wish to increase their profitability.

3

Q2	65	
----	----	--

**ACCOUNTING: GRADE 11 – TERM 3 CONTROLLED TEST
ANSWER BOOK**

QUESTION 1: NON-PROFIT ORGANISATIONS

1.1		RECEIPT	PAYMENT	INCOME	EXPENSE
	E.g.		795		530
	1.1.1				
	1.1.2				
	1.1.3				
	1.1.4				

10

1.2.1 **GENERAL LEDGER OF GOMPO NETBALL CLUB
MEMBERSHIP FEES ACCOUNT**

21	
----	--

1.2.2 Provide **TWO** internal control measures that the treasurer can use to make the collection of fees more efficient.

-

-

4

FINISHED GOODS STOCK

8	
----------	--

2.2 **PENFLEC LTD**

CALCULATE THE BREAK-EVEN NUMBER OF UNITS

8

COMMENT ON YOUR FINDINGS

3

Q2	65	
-----------	-----------	--