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GRADE 11: ACCOUNTING
TERM 1 CONTROLLED TEST
MARKING GUIDELINE

QUESTION 1

RECONCILIATION AND CONTROL   **(67 marks; 40 minutes)**

1.1 CASH RECEIPTS JOURNAL OF KABI TRADERS – FEBRUARY 2016

Doc	Day	Details	Bank	Sundry accounts	
				Amount	Details
	31	**Total**	**44 367**	**44 367**	
352		Bloem Soccer club	3 545✓	3 545	Donations✓
B/S		K. Moroe	1 750✓	1 750	Debtors control✓
B/S		BB Bank	213✓	213	Interest income ✓
			49 875☑	49 875	(7)
	*or	Mkwanasi Traders	5 727	5 727	Creditors Control

CASH PAYMENTS JOURNAL OF KABI TRADERS – FEBRUARY 2016

Doc	Day	Details	Bank	Sundry accounts	
				Amount	Details
	31	**Total**	**51 234**	**51 234**	
351		Mkwanasi Traders *	1 798✓	1 798	Creditors control✓
389		Bloem Soccer club	3 545✓	3 545	Donations✓
B/S		Nosi Traders	5 480✓	5 480	Rent expense✓
B/S		Alfa Bank	3 600✓	3 600	Loan✓
B/S		A. Leeuw	945✓	945	Debtors control ✓
B/S		Alma Bank	258✓	258	Bank charges✓
		one part correct	66 860☑	66 860	(13)
	*or	Mkwanasi Traders	7 525	7 525	Creditors Control

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1

1.2	**Calculate the Bank Account balance on 29 February 2016.**		5

1.2 **Calculate the Bank Account balance on 29 February 2016.**

9 948✓✓ + 49 875☑ – 66 860☑ = – 7 037☑   One part correct

Or 9 948 + 55 602 – 72 587 = -7 037

5

1.3 **BANK RECONCILIATION STATEMENT ON 29 FEBRUARY 2016**

	DEBIT	CREDIT
Balance as per Bask Statement	28 621☑	
✓ Cr outstanding deposits		32 900✓✓
✓ Dr Outstanding cheques 299	1 141✓	
315	3 411✓	
322	3 219✓	
389	3 545✓	
✓ Dr. Balance according to bank account		7 037☑
	39 937	39 937☑

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1.4 **Provide TWO reasons why it is important to prepare a bank reconciliation statement at the end of each month.**

Any TWO reasons ✓✓   ✓✓

To ensure the entries are accurate and correct; strengthen internal control; prevent fraud; update the books of the business; control outstanding cheques; reconcile the books of the business (ledger) with the bank statement

4

1.5 **Provide a reason for the date (13 May 2016) written next to cheque 299 on the January 2016 bank reconciliation statement.**

ONE valid reason ✓

The cheque was post-dated.
The cheque was made out in January but was only valid on 13 May 2016.

2

1.6 **Provide TWO reasons why it is important that cash be deposited regularly.**

TWO valid reasons ✓✓   ✓✓

Good cash management; payments can be easily facilitated; security reasons; interest can be earned.

4

State TWO internal control measures that can be used to solve this problem.

TWO valid points ✓✓   ✓✓

Separation of duties; Deposit money daily; Security cameras
Regular control over cash receipts by senior staff
Control daily receipts before money is deposited

4

CREDITORS RECONCILIATION

1.8 **CREDITORS' LEDGER OF NAUDE TRADERS**
BB SUPPLIERS (CL7)

DETAILS	FOL	DEBIT	CREDIT	BALANCE
Balance				**48 064**
Invoice 346		1 512 ✓✓		46 552 ☑
Discount on C207			1 000 ✓✓	47 552
Correction of error		6 929 ✓✓		40 623
Interest			29 ✓	40 652 ☑

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1.9 **CREDITOR'S RECONCILIATION STATEMENT ON 29 FEBRUARY 2016**

Balance as per Creditor's Statement	**41 271**
Credit note incorrectly recorded (816 x 2)	(1 632) ✓✓
Discount not yet recorded	(2 532) ✓✓
Trade discount omitted	(981) ✓
Invoice issued after statement date	4 526 ✓
Balance as per Creditors Ledger one part correct	40 652 ☑

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QUESTION 2: FIXED ASSETS   (33 marks; 20 minutes)

2.1		DETAILS / ANSWER (SHOW WORKINGS)
	(a)	Creditors Control ✓
	(b)	CJ ✓
	(c)	800 000 + 230 000 = 1 030 000 ✓✓
	(d)	Asset Disposal ✓
	(e)	1 030 000 ☑ – 140 000 ✓ = 890 000 ☑

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2.2	**Provide a suitable reason why depreciation is provided on fixed assets.**	
	Any valid Reason ✓✓	
	Value of asset decreases with usage.	
	The business estimates the useful life of assets.	
	It is the "expense" of using the asset for the year.	**2**

2.3	**DEPRECIATION ON VEHICLE SOLD**	
	(140 000 ✓ – 69 000 ✓) x 20% x 6/12 ✓ = 7 100 ☑	**4**
	TOTAL DEPRECIATION FOR THE YEAR	
	230 000 ✓ x 20% x 3/12 ✓ = 11 500 ☑	
	(800 000 – 140 000) – (340 000 – 69 000) x 20% = 77 800 ☑ 660 000 ✓✓ 271 000 ✓✓	
	+ 7 100 ☑ = 96 400 ☑	**10**

2.4

ASSET DISPOSAL								
2015 Sep	1	Vehicles		140 000 ✓	2015 Sep	1	Accumulated Depreciation on vehicles ✓	76 100 ☑
		Profit on sale of asset ✓		6 100 ☑			(69 000 ✓ + 7 100 ☑)	
							Bank ✓	70 000 ✓
				146 100				146 100

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