



Province of the  
**EASTERN CAPE**  
EDUCATION

**NAME:**

**NATIONAL  
SENIOR CERTIFICATE**

**GRADE 10**

**NOVEMBER 2020**

**ACCOUNTING P1  
ANSWER BOOK  
(EXEMPLAR)**

| QUESTION     | MAX. MARKS | MARKS OBTAINED | MODERATED MARKS |
|--------------|------------|----------------|-----------------|
| 1            | 24         |                |                 |
| 2            | 49         |                |                 |
| 3            | 55         |                |                 |
| 4            | 22         |                |                 |
| <b>TOTAL</b> | <b>150</b> |                |                 |

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This answer book consists of 9 pages.

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**QUESTION 1: ACCOUNTING CONCEPTS AND ACCOUNTING EQUATION****1.1 CONCEPTS**

|       |  |
|-------|--|
| 1.1.1 |  |
| 1.1.2 |  |
| 1.1.3 |  |
| 1.1.4 |  |

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**1.2 ACCOUNTING EQUATION**

| NO.       | ASSETS |        | OWNER'S EQUITY |        | LIABILITIES |        |
|-----------|--------|--------|----------------|--------|-------------|--------|
|           | REASON | EFFECT | REASON         | EFFECT | REASON      | EFFECT |
| 1.2.1     |        |        |                |        |             |        |
| 1.2.2     |        |        |                |        |             |        |
| 1.2.3     |        |        |                |        |             |        |
| 1.2.4 (a) |        |        |                |        |             |        |
| (b)       |        |        |                |        |             |        |

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| 20 |

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| <b>Q1:<br/>TOTAL MARKS</b> | <b>24</b> |  |
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**QUESTION 2: CONCEPTS AND INCOME STATEMENT**

**2.1 CONCEPTS**

|       |  |
|-------|--|
| 2.1.1 |  |
| 2.1.2 |  |
| 2.1.3 |  |
| 2.1.4 |  |

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**2.2.1 INCOME STATEMENT OF KINGSTON TRADERS FOR THE YEAR ENDED 29 FEBRUARY 2020**

|                                |  |       |
|--------------------------------|--|-------|
| Sales                          |  |       |
| Cost of Sales                  |  |       |
| Gross Profit                   |  |       |
| Other operating Income         |  |       |
| Discount received              |  | 830   |
|                                |  |       |
|                                |  |       |
| Gross operating income         |  |       |
| Operating Expenses             |  |       |
| Discount allowed               |  | 1 260 |
| Stationery                     |  | 8 800 |
|                                |  |       |
|                                |  |       |
|                                |  |       |
|                                |  |       |
| Operating Profit               |  |       |
|                                |  |       |
| Profit before Interest Expense |  |       |
|                                |  |       |
| Net Profit for the Year        |  |       |

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operation, one part correct, Foreign entries -1 (max. 2), accept alternative format (two columns)

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| <b>Q2:<br/>TOTAL MARKS</b> | <b>49</b> |  |
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**QUESTION 3: CONCEPTS, FIXED ASSETS, BALANCE SHEET, INTERPRETATION AND INTERNAL CONTROL**

|            |              |  |
|------------|--------------|--|
| <b>3.1</b> | <b>3.1.1</b> |  |
|            | <b>3.1.2</b> |  |
|            | <b>3.1.3</b> |  |
|            | <b>3.1.4</b> |  |

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**3.2 3.2.1 (a)**

**(b)**



**(c)**

**(d)**

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|           |
| <b>14</b> |

## 3.2.2 BALANCE SHEET OF OBBIE TRADERS – 30 APRIL 2020

|                                     |                  |           |
|-------------------------------------|------------------|-----------|
| <b>ASSETS</b>                       |                  |           |
| <b>NON-CURRENT ASSETS</b>           |                  |           |
|                                     |                  |           |
|                                     |                  |           |
| <b>CURRENT ASSETS</b>               |                  |           |
| <b>INVENTORIES</b>                  | <b>270 200</b>   |           |
|                                     |                  |           |
|                                     |                  |           |
| <b>TOTAL ASSETS</b>                 |                  |           |
| <b>EQUITY AND LIABILITIES</b>       |                  |           |
| <b>OWNER'S EQUITY</b>               | <b>2 186 400</b> |           |
|                                     |                  |           |
| <b>NON-CURRENT LIABILITIES</b>      |                  |           |
|                                     |                  |           |
| <b>CURRENT LIABILITIES</b>          |                  |           |
|                                     |                  |           |
|                                     |                  |           |
| <b>TOTAL EQUITY AND LIABILITIES</b> | <b>2 600 000</b> | <b>22</b> |

**3.3 Calculate the following financial indicators.**

(a) Current Ratio

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(b) Acid test ratio

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(c) Do you think that the business will experience liquidity problems in the near future? Explain briefly, with reference to the ratios in (a) and (b).



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3.4

Should the business repay the long-term loan as soon as sufficient funds are available? Explain briefly why you think this is advisable or not.

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| <b>Q3:</b>         |           |  |
| <b>TOTAL MARKS</b> | <b>55</b> |  |



**QUESTION 4: CONCEPTS, WAGES JOURNAL AND INTERNAL CONTROL****4.1 CONCEPTS**

|       |  |
|-------|--|
| 4.1.1 |  |
| 4.1.2 |  |
| 4.1.3 |  |
| 4.1.4 |  |

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4.2.1 How much cash must be withdrawn in order to pay the employees?

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4.2.2 Briefly explain the difference between *deductions* and *contributions*.



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4.2.3 Calculate the total number of overtime hours worked during the week.

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- 4.2.4 The medical aid details have remained the same for all four weeks during November 2020. Calculate the amount which must be paid to the medical fund by HMT Fruit and Vegetables at the end of November 2020.

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- 4.2.5 There are approximately 80 employees in total. Briefly explain the TWO roles played by the clock-card system in ensuring that HMT Fruit and Vegetables do not pay any employee for work which he has not done.



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| Q4:<br>TOTAL MARKS | 22 |  |
|--------------------|----|--|

TOTAL: 150