

GRADE

11

CAPS

3 in 1

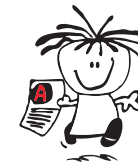
Accounting

Ann Botha

Accounting 3 in 1 **TEMPLATES** for

- Questions per topic
- Exam papers

This TEMPLATE BOOK
which accompanies the
Gr 11 Accounting eBook,
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UNIT 1: QUICK REVISION OF BASIC CONCEPTS

QUESTION 1 – MATCH THE CONCEPTS (*)

(20 minutes)

A EXPLANATION		B CONCEPT	ANSWER
1.1	someone who owes the business money	A asset	
1.2	an amount of money invested in a financial institution for a certain period of time to earn interest	B cash and cash equivalents	
1.3	the desirable position of having one's assets exceed one's liabilities	C creditor	
1.4	money which has to be paid to someone else sooner or later	D current asset	
1.5	a non-current asset which has a physical appearance (can be touched) can be called this	E debtor	
1.6	cash or something which one can convert into cash	F drawings	
1.7	the ability to continue on an indefinite basis	G equity	
1.8	it is the main aim of any business to be this	H entity	
1.9	when a fixed deposit is going to mature in the next financial period, it is classified as this	I expense	
1.10	the money a business has earned whether received or not	J ethics	
1.11	the one and only person who invests capital in a business with the aim of making a profit	K financial asset	

1.12	goods, etc. taken for personal use of owner	L folio	
1.13	the value of the business	M GAAP	
1.14	a loan which is not repayable in the next financial period	N income	
1.15	someone to whom the business owes money	O inventory	
1.16	the cost of all things consumed in running a business or the decrease in asset values	P liability	
1.17	to be open and honest about something; disclosing all details	Q liquid	
1.18	something owned by the business which constantly changes in value	R material	
1.19	the physical goods that the business deals in	S non-current liability	
1.20	the moral principles which guide our behaviour	T profitable	
1.21	a page reference	U prudent	
1.22	the ability of a business to pay its debts as it has sufficient cash	V sole trader	
1.23	a set of accounting standards to guide accountants when writing up books and preparing financial statements	W solvent	
1.24	a business is called this because its transactions are treated separate to the owner's private transactions	X sustainable	
1.25	a conservative, wise approach used when assessing income and expenses	Y tangible asset	
1.26	an important or serious impact on the profitability of the business	Z transparent	



QUESTION 2 – MULTIPLE CHOICE (*) (15 minutes)

- 2.1 A 4, 5, 2, 3, 6, 1, 7
B 3, 2, 5, 1, 4, 7, 6
C 4, 5, 2, 1, 3, 7, 6
D 3, 4, 2, 1, 5, 6, 7
- 2.2 A original credit note
B duplicate credit note
C original debit note
D duplicate debit note
- 2.3 A original credit note
B duplicate credit note
C original debit note
D duplicate debit note
- 2.4 A original cash sale slip
B duplicate cash sale slip
C duplicate receipt
D original receipt
- 2.5 A cash invoice
B cheque counterfoil
C duplicate invoice
D duplicate cash slip

- 2.6 A debit the Trading stock account and credit the client's account with the selling price; **and** debit the Cost of sales account and credit Sales account with the cost price
B credit the Sales account and debit the client's account with the selling price; **and** debit the Cost of sales account and credit the Trading stock account with the cost price
C debit the Sales account and credit the client's account
D credit the Sales account and debit the client's account with the selling price; **and** debit the Cost of sales account and credit the Sales account with the cost price

2.7 Account debited Account credited

- A Cost of sales Sales
B Trading stock Cost of sales
C Sales Cost of sales
D Cost of sales Trading stock

2.8 Account debited Account credited Amount

- A Stationery Limerick Ltd R36
B – Limerick Ltd R36
C Limerick Ltd – R36
D Limerick Ltd Creditors control R36

- 2.9 A the pre-adjustment Trial Balance
B the post-adjustment Trial Balance
C the post-closing Trial Balance
D none of the above

QUESTION 3 – GAAP (*)**(7 minutes)**

A EXPLANATION		B CONCEPT	ANSWER
3.1	This principle states that, when financial statements are prepared, the assumption is that the business will continue to trade for the foreseeable future.	A consistency	
3.2	An accountant is always careful to bring all possible losses into account even if they have not yet happened, but will not account for profits until they are realised (made).	B separate entity	
3.3	When deciding whether to classify something as an asset the financial impact of the entry must be considered, e.g. an external hard drive costing R350 may last for more than a year, but it would not be classified as a non-current asset.	C going concern	
3.4	It is important that the personal transactions of the partners are not treated as business transactions.	D historical cost	
3.5	The accounting must be done in the same way every year, e.g. the same rate of depreciation must be used, so that valid comparisons can be made.	E matching	
3.6	When calculating the net profit the accountant must ensure that the income and expenses cover the same financial period.	F materiality	
3.7	All assets will be recorded at the actual cost on the original date of purchase – not what they would cost now.	G prudence	

QUESTION 4 – CHARACTERISTICS OF**ETHICAL BEHAVIOUR (**)****(15 minutes)**

DESCRIPTION OF CHARACTERISTIC		ANSWER
4.1	Every business should have a code of ethics setting out in detail how all staff, from the owners to the cleaners, are expected to behave in all circumstances. The owners must take the lead in this respect. If they do not follow the rules, the staff will not.	
4.2	There must be a sincere commitment by all staff members to behave in such a way that the aims of the business are achieved. Effective controls must be in place to deal with circumstances when an employee's behaviour is not acceptable.	
4.3	Every person from the owners to the most junior staff members are responsible for their actions and must be able to explain them to the other people who are 'interested' in the business.	
4.4	The owner must discuss the decisions made and actions taken openly with the staff so that they understand what he/she wants. There must be no hidden agenda.	
4.5	All staff members, even those of the lowest ranks, have the right to be heard. Everyone has freedom of opinion, belief and religion, and freedom of speech and the freedom to associate with whoever he/she wishes. Management's actions must be free from bias and prejudice.	
4.6	This means that business must be conducted in such a way that it will continue to exist for a long time. Everyone, the owner, the staff, the public and the environment must benefit from its existence. As much importance is given to this aim these days as to profit motive.	
4.7	Management must accept the consequences of their actions and decisions. No unnecessary financial risks must be taken.	



QUESTION 5 – ETHICS ()****(10 minutes)**

IS THIS BEHAVIOUR ETHICAL?		YES	NO
5.1	The business needs an electricity connection in its new premises and offers the electricity department official an present of R5 000 to do the job quickly.		
5.2	Business A and Business B, both trade in the same product. They decide it would be best for both businesses if they sold this product at the same price.		
5.3	The internal auditor hears the partners discussing the purchase of a certain property for the business. He buys it for himself without telling the partners.		
5.4	Management gives an employee a first letter of warning after the employee is found to be rude to customers.		
5.5	A person who cannot pay his debts (and has just won the lotto) asks the court to declare him bankrupt so that he does not have to pay his debts.		
5.6	The managers are given a salary increase of 15% and the wage earners are given an increase of 4%.		
5.7	An employee asks her friend to 'clock in' for her as she has an appointment with her child's teacher and will be late for work.		
5.8	The accountant has heard that one of the debtors has been retrenched and has not been able to find work. He writes off her account as bad at the end of the financial period.		
5.9	The business repairs stock which was returned by a customer as it is broken and sells it as brand new.		
5.10	A garden service employs two people. Over weekends one of the gardeners hires out his services and uses the business' tools, fertiliser, etc. You have been told by one of your clients that this gardener told him not to use your services to maintain his garden – he will do it over weekends for less.		

**UNIT 2: INTERNAL CONTROL AND INTERNAL AUDIT****QUESTION 6 – THE INTERNAL AUDITOR (**)****(20 minutes)**

UNIT 3: RECONCILIATIONS

BANK RECONCILIATION

QUESTION 7 – BANK: MATCH THE CONCEPTS (*) (20 minutes)

A STATEMENT		B ANSWER		CHOICE
1	A word used in Bank Reconciliations to indicate 'still waiting to happen'.	A	bank charges	
2	A credit balance according to the bank statement means the business has a balance at the bank.	B	Cash Payments Journal	
3	When the bank debits your account it means it has	C	Cash Receipts Journal	
4	When you receive this cheque you put it somewhere safe and make a note of the date in your diary.	D	credit	
5	The cost of using a current bank account is called on the Bank Statement.	E	debit	
6	When a business pays more money out of the bank than it has deposited, the account is in	F	debit order	
7	A cheque outstanding for more than six months is	G	dishonoured	
8	True / False? Interest in the debit column of the Bank Statement is called 'Interest on overdraft' in the books.	H	EFT	
9	If a cheque is dated for some time in the future, it is	I	false	
10	If the bank balance is classified as a Current Liability in the Balance Sheet, it has a balance.	J	favourable	

11	When you give your creditor a post-dated cheque it will appear in that month's Bank Reconciliation Statement as a debit / credit item	K	not signed	
12	R/D (refer to drawer) on a cheque means it has been	L	outstanding	
13	To cancel a cheque entered in last month's CPJ, you enter it in the	M	overdraft	
14	To cancel a cheque entered in this month's CPJ, you cross it out in the	N	paid money out	
15	If the business has online banking facilities, it can transfer money to creditors and employees in this way.	O	post-dated	
16	True / False? Interest in the credit column of the Bank Statement is entered in the books as 'Interest income'.	P	post-dated cheque	
17	This is the authority given to the bank to pay the same person the same amount of money every month.	Q	service fees	
18	Service fees, cash handling fees, deposit fees, etc. are examples of	R	stale	
19	This is one of the reasons for the dishonour of a cheque.	S	stop order	
20	This is the authority given to a third party to take the same or a varying amount of money out of one's bank account every month.	T	true	



QUESTION 8 – A COMPLETE QUESTION (*)

(40 minutes)

2

8.1 CASH RECEIPTS JOURNAL OF MONKEY TRADERS – MAY CRJ21

DOC	DAY	DETAILS	BANK	SUNDRIES	
				AMOUNT	DETAILS
	4		3 668		
	8		2 720		
	15		5 765		
	22		10 000		
	30		11 657		

8

8.3 BANK RECONCILIATION STATEMENT ON 31 MAY

	Debit	Credit

3

8.1 CASH PAYMENTS JOURNAL OF MONKEY TRADERS – MAY CPJ21

DOC	DAY	PAYEE	BANK	SUNDRIES	
				AMOUNT	DETAILS
706	1	<i>Spider Suppliers</i>	1 750		
707	3	<i>Telkom</i>	210	210	<i>Telephone</i>
708	7	<i>City Treasurer</i>	475	475	<i>Electricity</i>
709	13	<i>Rhesus Traders</i>	2 600		
710	15	<i>Baboon and Co</i>	620		
711	18	<i>Orangutan & Son</i>	352		
712	20	<i>Gibbon Bros</i>	973		
713	24	<i>Cash</i>	100	100	<i>Petty cash</i>
714	25	<i>Apie Action Repairs</i>	1 680	1 680	<i>Repairs</i>
715	28	<i>Rhesus Traders</i>	657		
716		<i>SATS</i>	1 390		
717	29	<i>Gorilla Motors</i>	19 000		
718	31	<i>Woolly & Co</i>	1 850		

7

8.2 GENERAL LEDGER OF MONKEY TRADERS BANK

May				May			



QUESTION 9 – A COMPLETE QUESTION (*)

(32 minutes)

9.1 CASH RECEIPTS JOURNAL OF OWL ADVENTURES – APRIL CRJ40

DOC	DAY	DETAILS	BANK	SUNDRIES	
				AMOUNT	DETAILS
	30	Total	b/f	41 878	
		Deposit		15 282	

CASH PAYMENTS JOURNAL OF OWL ADVENTURES – APRIL CPJ40

DOC	DAY	PAYEE	BANK	SUNDRIES	
				AMOUNT	DETAILS
	18	Total	b/f	30 250	
798	19	S Stilt		1 550	
799	27	Moonlight Motors		583	
800	30	Starling Stores		2 592	

9.2 GENERAL LEDGER OF OWL ADVENTURES

BANK

**9.3 OWL ADVENTURES
BANK RECONCILIATION STATEMENT ON 30 APRIL**

	Debit	Credit

9.4 _____

 _____ (5)

QUESTION 10 – A COMPLETE QUESTION ()**

(35 minutes)

10.1 CASH RECEIPTS JOURNAL OF RAPTORS INC. – SEPTEMBER CRJ8

DOC	DAY	DETAILS	BANK	SUNDRIES	
				AMOUNT	DETAILS
	30	Total	b/f	91 230	

CASH PAYMENTS JOURNAL OF RAPTORS INC. – SEPTEMBER CPJ8

DOC	DAY	PAYEE	BANK	SUNDRIES	
				AMOUNT	DETAILS
	30	Total	b/f	61 050	

10.2

GENERAL LEDGER OF RAPTORS INC.

BANK

10.3

RAPTORS INC.

BANK RECONCILIATION STATEMENT ON 30 SEPTEMBER

	Debit	Credit



QUESTION 11 – INTERNAL CONTROL ()**

(14 minutes)

11.1 _____

(4)

11.2 _____

(6)

11.3 _____

(3)

11.4 _____

(4)

QUESTION 12 – BANK ACCOUNT AND RECONCILIATION ()**

(25 minutes)

12.1 **GENERAL LEDGER OF BUSHVELD TRADERS**

		BANK		<i>(ignore dates)</i>	
<i>Balance</i>	<i>b/d</i>	8 765			

12.2 **BANK RECONCILIATION STATEMENT ON 31 MARCH**

	Debit	Credit

QUESTION 13 – ANALYSIS OF TRANSACTIONS ()**

(23 minutes)

No.	Name of accounts in General Ledger		Name of accounts in Subsidiary Ledger		Amount in the Bank account		Amount in Bank Reconciliation	
	Debit	Credit	Debit	Credit	Debit	Credit	Debit	Credit
e.g.	Bank	Debtors control		P Pony	500			
1.								
2.								
3.								
4.								
5.								
6.								
6.								
7.								
8.								
9.								
10.								
11.								
12.								

QUESTION 14 – INTERPRETATION OF RECONCILIATION ()**

(11 minutes)

14.1		TRUE	FALSE
A	An internal auditor will want to inspect the Bank Reconciliation Statement at the end of each month.		
B	A debit balance on the Bank Statement means that the balance is unfavourable.		
C	Service fees and interest on an overdraft will be recorded as Bank charges in the Cash Payments Journal.		
D	A post-dated cheque issued by Peacock Presents in December 2017, but dated 10 February 2018, will only be entered in the Cash Payments Journal in February 2013.		
E	According to the information given above, Peacock Presents has an unfavourable bank balance of R1 250 in its Ledger.		

14.2 _____

 _____ (4)

14.3 _____

 _____ (8)

14.4 _____

 _____ (4)



CREDITOR'S RECONCILIATIONS

QUESTION 15 – CREDITORS: TRUE OR FALSE (*)

(8 minutes)

	STATEMENT	TRUE	FALSE
15.1	An original invoice is the document received by a customer who has purchased goods on credit.		
15.2	A credit note is a document issued by a customer who returns goods to a supplier.		
15.3	A creditor is a non-current liability.		
15.4	A post-dated cheque issued to a creditor would not be entered in any journal until the date stated on the cheque.		
15.5	A copy of an invoice is kept by the person who sells the goods.		
15.6	A creditor will issue a receipt to a debtor who pays her account by electronic transfer.		
15.7	A debit note is received by a creditor explaining to him why the goods are being returned.		

QUESTION 16 – RECONCILE THE ACCOUNTS (*) (15 minutes)**

16.1	<i>Balance according to Statement received from Spot Wholesalers</i>	R44 510
	<i>Balance should be</i>	

16.2	<i>Balance owing according to Creditors Ledger</i>	R41 970



QUESTION 17 – RECONCILIATION OF ACCOUNT WITH STATEMENT RECEIVED (*) (8 minutes)**

	Creditors Ledger of Kidz Toys	Statement from Playthings
<i>Balance</i>	R4 980	R10 440
1.		
2.		
3.		
4.		
5.		
<i>Balance</i>		

QUESTION 18 – RECONCILIATION + (*) (24 minutes)**

18.1 **FELICITY'S FABULOUS FABRICS**

Date	Details	Fol	Debit	Credit	Balance
Oct 1	<i>Balance</i>	<i>b/d</i>			8 750
6	<i>Invoice 4343 (Inv. 5279)</i>	<i>CJ</i>		2 420	11 170
11	<i>Cheque 1078</i>	<i>CPJ</i>	8 750		2 420
12	<i>Debit note 43 (C/N 380)</i>	<i>CAJ</i>	242		2 178
22	<i>Invoice 4349 (Inv. 5292)</i>	<i>CJ</i>		7 410	9 588

18.2 CREDITOR'S RECONCILIATION STATEMENT ON 31 OCTOBER 2017

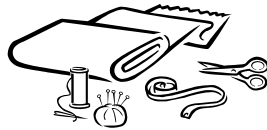
<i>Balance on Felicity's Fabulous Fabrics Statement</i>	21 810
<i>Amount owing</i>	

18.3 _____

 _____ (5)

18.4 _____

 _____ (6)



QUESTION 19 – RECONCILE THE ACCOUNTS (*) (15 minutes)**

19.1 *Balance according to ledger*

(4)

19.2 *Balance according to statement*

(8)

19.3 _____

 _____ (4)

19.4 _____
 _____ (4)

UNIT 4: TANGIBLE/FIXED ASSETS

QUESTION 20 – QUICK TEST FOR CONCEPTS (*) (15 minutes)

A EXPLANATION		B CONCEPT	ANSWER
1.	This means 'will not change in the next 12 months'.	A accumulated	
2.	This refers to the number of years an asset will be kept and used by a business.	B an asset	
3.	A synonym for 'tangible'.	C book value	
4.	This GAAP principle is the reason most assets are depreciated every year.	D carrying value	
5.	A synonym for 'cost price' when calculating depreciation.	E consistency	
6.	Assets are shown in the books at historic cost because of these principles.	F cost price	
7.	Something that can be touched	G depreciation	
8.	The word used for sale/trade-in/ donation of a fixed asset or the owner takes it for his/her own use.	H diminishing	
9.	Assets the firm has owned for more than one year.	I disposal	
10.	This is the value of an asset carried forward to the following year.	J fixed	
11.	Something the business owns and can sell for cash.	K GAAP	
12.	When an 'old' asset is sold to AB Motors and a new asset is bought from AB Motors at the same time, it is called this.	L life span	
13.	This means 'getting smaller'.	M 'new' asset	
14.	What an asset is worth according to the ledger.	N non-current	
15.	This is the original amount paid for the item.	O 'old' assets	
16.	The decrease in value of an asset because of normal wear and tear.	P prudence	
17.	This literally means 'getting bigger'/ the total of/all of	Q straight line	
18.	The same percentage must be written off as depreciation every year.	R tangible	
19.	An asset acquired during the financial period is called this.	S trade-in	

QUESTION 21 – GAAP PRINCIPLES APPLICABLE TO TANGIBLE ASSETS (**)

(12 minutes)

	DESCRIPTION	PRINCIPLE
21.1	Assets must always be shown in the books at the original price at which they were bought.	
21.2	Assets must be depreciated annually so that their actual value is shown in the books.	
21.3	The same method and rate of depreciation must be used every year.	
21.4	An asset which has been owned for 12 months must be depreciated for 12 months.	
21.5	The carrying value is an acceptable method of valuing the asset each year as the assumption is that the business will continue to trade in the next year.	
21.6	If the business buys a kettle costing R100 on the assumption that it will last for many years, it is not treated as an asset because the cost is too small/insignificant.	
21.7	If two laptops are bought and paid for by the firm, one for office use and one for the use of the owner's daughter, only the one for office use will be treated as an asset.	

QUESTION 22 – SUBSIDIARY JOURNALS:

disposal on first day of new year (*)

(16 minutes)

CASH RECEIPTS JOURNAL OF AQUARIUS & CO – JANUARY 2017

DOC	DAY	DETAILS	ANALYSIS OF RECEIPTS	BANK	SUNDRIES	
					AMOUNT	DETAILS
		S				



CREDITORS JOURNAL OF AQUARIUS & CO – FEBRUARY 2017

DOC	DAY	CREDITOR	CREDITORS CONTROL	SUNDRIES	
				AMOUNT	DETAILS

GENERAL JOURNAL OF AQUARIUS & CO – 2017

		DEBIT	CREDIT
<i>Jan 1</i>	C		
	<i>transfer of cost of fax machine sold</i>		
	A		
	<i>transfer of total depreciation written off fax machine</i>		
	P/L		
	<i>..... on sale of fax machine</i>		
<i>Dec 31</i>			
	<i>depreciation calculated at 20% p.a.</i>		
	<i>on cost price</i>		

**QUESTION 23 – SUBSIDIARY JOURNALS:
disposal at end of year (*)**

(20 minutes)

GENERAL JOURNAL OF PISCES LIMITED – 28 FEBRUARY 2017

		DEBIT	CREDIT
d			
C			
A			
S			
P/L			



QUESTION 24 – GENERAL LEDGER ONLY (*)

(10 minutes)

GENERAL LEDGER OF ARIES AND SONS

+		VEHICLES		(A)	-	
2017				2017		
Jan 1	Balance	b/d	483 000	Dec 31		

+		ASSET DISPOSAL		(A)	-	
2017				2017		
Dec 31				Dec 31		

QUESTION 25 – INTERPRETATION OF LEDGER ()**

(12 minutes)

TAURUS TRADERS

25.1	On what date was the vehicle sold?	
25.2	How much did it originally cost?	
25.3	How much was the accumulated depreciation on the date of sale?	
25.4	What was the carrying value?	
25.5	Was it sold for cash or on credit?	
25.6	Was it sold at a profit or a loss?	
25.7	Vehicles are depreciated on cost price. What is the rate of depreciation?	
25.8	What was the carrying value of vehicles on 31 December 2017?	

QUESTION 26 – DISPOSAL OF ASSET

DURING THE YEAR ()**

(18 minutes)

GENERAL JOURNAL OF GEMINI BROS – 2017

		DEBIT	CREDIT
Sep 1	d		
	C		
	A		
	S		
	P/L		
Dec 31			



**QUESTION 27 – ASSET REGISTER, CALCULATION OF PROFIT/
LOSS AND CARRYING VALUE (**)** (16 minutes)

27.1 ASSET REGISTER OF LEO LIMITED

PAGE 10			
ASSET:	VEHICLE		
DESCRIPTION:	Toyota CA 462 789		
DATE BOUGHT:			
COST:			
DEPRECIATION:			
DATE SOLD:			
TO WHOM SOLD:			
SELLING PRICE:		PROFIT / LOSS:	
DATE	CALCULATION	DEPRECIATION FOR YEAR	ACCUMULATED DEPRECIATION TO DATE

27.2 CALCULATION OF PROFIT/LOSS ON SALE OF ASSET

27.3 CALCULATION OF CARRYING VALUE ON 28 FEBRUARY 2017

QUESTION 28 – GENERAL LEDGER ONLY (*)** (18 minutes)

**GENERAL LEDGER OF LIBRA TRADERS
VEHICLES**

2016 Oct 1			2017 Jul 1		

ASSET DISPOSAL

2017 Jul 1			2017 Jul 1		



ACCUMULATED DEPRECIATION ON VEHICLES

2017 <i>Jul 1</i>			2016 <i>Oct 1</i>		
			2017 <i>Jul 1</i>		

QUESTION 29 – ASSET REGISTER, LEDGER AND TANGIBLE ASSET NOTE (*) (28 minutes)**

29.1 **ASSET REGISTER OF SCORPIO DELIVERIES**

PAGE 8			
VEHICLE:			
DATE PURCHASED:			
COST:			
DEPRECIATION:			
DATE SOLD:			
SELLING PRICE:		PROFIT/LOSS:	
DATE	DEPRECIATION	ACCUMULATED DEPRECIATION	BOOK VALUE
28.02.2015	15 000	15 000	285 000
29.02.2016	57 000	72 000	228 000

29.2 **GENERAL LEDGER OF SCORPIO DELIVERIES**

ASSET DISPOSAL

29.3 **NOTE TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 28 FEBRUARY 2017**

TANGIBLE ASSETS	Vehicles



29.4

(6)

QUESTION 30 – LEDGER AND TANGIBLE ASSET NOTE (*) (20 minutes)**

30.1 **ASSET DISPOSAL**

2016 May 31			2016 May 31		

ACCUMULATED DEPRECIATION ON EQUIPMENT

			2016 Mar 1	Balance	b/d	18 000

30.2

TANGIBLE ASSETS	Land & buildings	Equipment
Carrying value at beginning of year		
Cost		
Accumulated depreciation		
Movements		
Additions at cost		
Disposals at carrying value		
Depreciation		
Carrying value at end of year		
Cost		
Accumulated depreciation		

NOTES



UNIT 5: PARTNERSHIPS

QUESTION 31 – JOURNAL ENTRIES FOR YEAR-END TRANSACTIONS (*) (25 minutes)

31.1 _____



31.2 GENERAL JOURNAL OF ICECREAM DEALERS – 30 JUNE 2017

1.	<i>Drawings: I Ice</i>		
	<i>Trading stock</i>		
2.1	<i>Salary: I Ice</i>		
	<i>Salary: C Cream</i>		
	<i>Current account: I Ice</i>		
	<i>Current account: C Cream</i>		
2.2	<i>Interest on capital</i>		
	<i>Current account: I Ice</i>		
	<i>Current account: C Cream</i>		
2.3	<i>Partner's bonus</i>		
	<i>Current account: C Cream</i>		

2.4	<i>Appropriation</i>		
	<i>Current account: I Ice</i>		
	<i>Current account: C Cream</i>		
	<i>Appropriation</i>		
	<i>Salary: I Ice</i>		
	<i>Salary: C Cream (closing transfer)</i>		
	<i>Appropriation</i>		
	<i>Interest on capital (closing transfer)</i>		
	<i>Appropriation</i>		
	<i>Partner's bonus (closing transfer)</i>		
	<i>Current account: I Ice</i>		
	<i>Current account: C Cream</i>		
	<i>Drawings: I Ice (closing transfer)</i>		
	<i>Drawings: Cream (closing transfer)</i>		

QUESTION 32 – CURRENT ACCOUNT AND APPROPRIATION ACCOUNT (*) (18 minutes)

32.1 GENERAL LEDGER OF FANCYFREE FASHIONS APPROPRIATION

	<i>Salary: F Fancy</i>			<i>Profit and loss</i>	
	<i>Salary: F Free</i>				
	<i>Interest on capital</i>				
	<i>Partner's bonus</i>				
	<i>Current a/c: F Fancy</i>				
	<i>Current a/c: F Free</i>				

CURRENT ACCOUNT – F FREE

	<i>Drawings: F Free</i>			<i>Salary: F Free</i>	
				<i>Interest on capital</i>	
				<i>Partner's bonus</i>	
				<i>Appropriation</i>	

32.2

(8)

QUESTION 33 – CURRENT ACCOUNT AND APPROPRIATION ACCOUNT ()** (22 minutes)

**GENERAL LEDGER OF SUNFLOWER SUPPLIERS
CURRENT ACCOUNT: S SUN**

CURRENT ACCOUNT: F FLOWER

APPROPRIATION



**QUESTION 34 – INTERPRETATION OF
CURRENT ACCOUNT (**)**

(24 minutes)

34.1 _____

34.2 _____

34.3 _____

34.4 _____

34.5 _____

34.6 _____

34.7 _____

34.8 _____

34.9 _____

34.10 _____

34.11 _____

34.12 _____

34.13 _____

QUESTION 35 – ACCOUNTING EQUATION ()**

(30 minutes)

No.	General Ledger		Amount	A	OE	L
	Account debited	Account credited				
1.						
2.						
3.						
4.						
5.						
6.						
7.						
8.						

QUESTION 36 – CURRENT ACCOUNT NOTE TO FINANCIAL STATEMENTS ()**

(21 minutes)

36.1

NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 28 FEBRUARY 2017

CAPITAL	R Rein	D Deer	Total
<i>Balance at beginning of year</i>			
<i>Additional capital introduced</i>			
<i>Decrease in capital</i>			
<i>Balance at end of year</i>			
CURRENT ACCOUNTS	R Rein	D Deer	Total
<i>Net profit as per Statement of Comprehensive Income</i>			
<i>Partners' salaries</i>			
<i>Interest on capital</i>			
<i>Partner's bonus</i>			
<i>Primary distribution of profit</i>			
<i>Final distribution of profit</i>			
<i>Drawings for year</i>			
<i>Retained income for the year</i>			
<i>Balance at beginning of year</i>			
<i>Balance at end of year</i>			

36.2

(6)

QUESTION 37 – STATEMENT OF COMPREHENSIVE INCOME ()**

(36 minutes)

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 28 FEBRUARY 2017

<i>Sales</i> (974 520)	
<i>Cost of sales</i>	(487 000)
<i>Gross profit</i>	
<i>Other operating income</i>	
<i>Rent income</i> (27 560)	
<i>Provision for bad debts adjustment</i> (
<i>Gross operating income</i>	
<i>Operating expenses</i>	
<i>Bad debts</i> (1 356)	
<i>Packing material</i> (45 948)	
<i>Sundry operating expenses</i>	121 720
<i>Trading stock deficit</i> (
<i>Depreciation</i> (
<i>Operating income</i>	
<i>Interest income</i> (1 920)	
<i>Profit before interest expense</i>	
<i>Interest expense</i>	(14 400)
<i>Net profit for year</i>	

NOTE TO FINANCIAL STATEMENT FOR THE YEAR ENDED 28 FEBRUARY 2017

CURRENT ACCOUNTS	Gugumede	Letuli	Total

**QUESTION 38 – STATEMENT OF COMPREHENSIVE
INCOME + SOME NOTES (**)**

(50 minutes)

**S SUPER AND M MANN
SUPERMAN TRADERS
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017**

	NOTE	
<i>Sales</i>		937 080
<i>Cost of sales</i>		(468 540)
<i>Gross profit</i>		468 540
<i>Other operating income</i>		
<i>Operating income</i>		
<i>Interest income</i>	1	
<i>Profit before interest expense</i>		
<i>Interest expense</i>	2	
<i>Net profit for year</i>		

**S SUPER AND M MANN
SUPERMAN TRADERS**

NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 30 JUNE 2017

1. INTEREST INCOME	<i>on fixed deposit</i>	
	<i>on current account</i>	
	<i>on overdue debtors</i>	
2. INTEREST EXPENSE	<i>on loan from</i>	

CURRENT ACCOUNTS	Super	Mann	Total



QUESTION 39 – STATEMENT OF COMPREHENSIVE INCOME AND NOTES (*)**

(55 minutes)

39.1

**P PENNY AND F FARTHING
PENNYFARTHING PRODUCTS
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2017**

<i>Sales</i>	
<i>Cost of sales</i>	
<i>Gross profit</i>	
<i>Other operating income</i>	
<i>Bad debts recovered</i>	4 550
<i>Gross operating income</i>	
<i>Operating expenses</i>	
<i>Salaries and wages</i>	180 450
<i>Sundry operating expenses</i>	64 995
<i>Operating income</i>	
<i>Interest income</i>	552
<i>Profit before interest expense</i>	
<i>Interest expense</i>	
<i>Net profit for year</i>	

39.2

**P PENNY AND F FARTHING
PENNYFARTHING PRODUCTS**

NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 30 JUNE 2017

CURRENT ACCOUNTS	P Penny	F Farthing	Total

TRADE AND OTHER RECEIVABLES

<i>Trade debtors</i>	
<i>Provision for bad debts</i>	
<i>Net trade debtors</i>	
<i>Expenses prepaid</i>	
<i>Income accrued (receivable)</i>	

TRADE AND OTHER PAYABLES

<i>Trade creditors</i>	
<i>Current (short-term) portion of loan</i>	



**QUESTION 40 – STATEMENT OF FINANCIAL POSITION
AND NOTES (***) (45 minutes)**

**FASTFORWARD TRADERS
NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 28 FEBRUARY 2017**

TANGIBLE ASSETS	Vehicles	Equipment	Total
<i>Carrying value at beginning of year</i>			
<i>Cost</i>			
<i>Accumulated depreciation</i>			
<i>Movements</i>			
<i>Additions at cost</i>			
<i>Disposals at carrying value</i>			
<i>Depreciation for the year</i>			
<i>Carrying value at end of year</i>			
<i>Cost</i>			
<i>Accumulated depreciation</i>			
TRADE AND OTHER RECEIVABLES			
CASH AND CASH EQUIVALENTS			

CAPITAL ACCOUNTS	V Fast	G Forward	Total
CURRENT ACCOUNTS	V Fast	G Forward	Total
TRADE AND OTHER PAYABLES			

**B BLITZ AND V VINNIG
BLITZVINNIG DISTRIBUTORS
NOTES TO FINANCIAL STATEMENTS
FOR YEAR ENDED 28 FEBRUARY 2017**

CURRENT ACCOUNTS	B Blitz	V Vinnig	Total

TRADE AND OTHER PAYABLES	

**QUESTION 42 – INTERPRETATION OF
QUESTION 41 (**)** **(30 minutes)**

42.1 _____

 _____ (6)

42.2 _____

 _____ (3)

42.3 _____

 _____ (4)

42.4 _____

 _____ (4)

42.5 Adjustment no. 4: _____
 Adjustment no. 4: _____ (4)

42.6 _____

 _____ (4)

42.7 _____

 _____ (4)

42.8

42.9

42.10

42.11

42.12

42.13

(6)

(4)

(4)

(6)

(4)

(6)

QUESTION 43 – ETHICS ()**

(7 minutes)

	STATEMENT	YES	NO
43.1	The business entered into a big contract to replace all the computer equipment throughout the store. This had all been delivered, installed and invoiced by the end of the 2017 financial year. However it is not in full use yet. The partners instruct you not to show this transaction in 2017 as the equipment will only be fully used in 2018.		
43.2	One of the older delivery vans has become unreliable and instead of depreciating it by the usual 20% p.a. on book value, the partners have told the accountant to write it down to R1.		
43.3	On checking the debtors accounts at the year end, it is noticed that one debtor, who owes the business a lot of money, has not paid a cent. The partners institute legal action against this debtor and ask the court to declare him insolvent		
43.4	The partners each deposit R50 000 at 4 p.m. on the last day of the financial period and ask the bookkeeper to receipt it as Capital, but not to bank it until they tell her to.		
43.5	The business has given its two employees who work in the accounting department a flash drive each with the instruction to back up their work each evening and take the flash drive home with them. These flash drives cost R250 each and the partners tell you to enter it as stationery.		
43.6	The financial statements are showing very poor results this year. The partners tell the bookkeeper not to depreciate the assets as it is really not necessary – they are all in good condition.		
43.7	The business has entered into a big contract for the supply of goods in the next financial year. The partners ask you, the accountant, to show it as this year's income as the contract was entered into in this financial period.		



UNIT 6: ANALYSIS AND INTERPRETATION OF FINANCIAL STATEMENTS

QUESTION 44 – TEST YOURSELF (*)

(10 minutes)

	FORMULA
SOLVENCY	
1. solvency ratio	
PROFITABILITY	
2. gross profit on cost of sales	
3. gross profit on sales	
4. net profit on sales	
5. operating expenses on sales	
6. operating profit on sales	
LIQUIDITY	
7. current ratio	
8. acid test ratio	
9. stock turnover rate	
10. stock holding period (in days)	
11. average debtors' collection period	
12. average creditors' payment period	
GEARING	
13. debt-equity ratio	
RETURN ON EQUITY	
14. return on partners' equity	
15. partner's earnings	

QUESTION 45 – CHOOSE THE CORRECT ANSWER (*)

(10 minutes)

FORMULA		A	B	C
1.	solvency	0,85 : 1	1 : 1	10 : 1
2.	gross profit on sales	25%	50%	75%
3.	net profit on sales	15%	30%	45%
4.	operating expenses on sales	40%	60%	80%
5.	operating profit on sales	40%	30%	20%
6.	current ratio	3 : 1	2 : 1	1 : 1
7.	acid test ratio	2 : 1	1,5 : 1	1 : 1
8.	stock turnover rate	6 times p.a.	12 times p.a.	18 times p.a.
9.	stock holding period	30 days	60 days	90 days
10.	average debtors' collection period	30 days	60 days	90 days
11.	average creditors' payment period	30 days	60 days	90 days
12.	debt-equity ratio	0,25 : 1	0,5 : 1	1 : 1
13.	return on partners' equity	10%	20%	30%

QUESTION 46 – ANALYSIS OF

FINANCIAL STATEMENTS (*)

(20 minutes)

46.1 _____

(7)

46.2

46.3

46.4

46.5

46.6

QUESTION 47 – ANALYSIS OF FINANCIAL STATEMENTS (*)

(20 minutes)

(7) 47.1 Formula: $\frac{\text{gross profit} \times 100}{\text{cost of sales}} = \frac{\dots \times \dots}{\dots}$

= \dots

Reason mark-up% not achieved: _____ (6)

(8) 47.2 Formula: $\frac{\text{gross profit} \times 100}{\text{cost of sales}} = \frac{\dots \times \dots}{\dots}$

= \dots

Explanation: _____ (6)

(4) 47.3 Formula: $\frac{\text{operating expenses} \times 100}{\text{sales}} = \frac{\dots \times \dots}{\dots}$

= \dots

Explanation: _____ (6)

(6) 47.4 Formula: $\frac{\text{net profit} \times 100}{\text{sales}} = \frac{\dots \times \dots}{\dots}$

= \dots

Explanation: _____ (6)

47.5 Formula: *average inventory* × 12
cost of sales
 = $\frac{1}{2}(\dots + \dots) \times 12$
 = ×
 =

(6)

47.6 Formula:
 2016 =
 =
 2017 =
 =

Comment:

47.7 Formula:
 2016 =
 =
 2017 =
 =

Comment:

47.8 Formula:
 =
 =
 =

(6)

47.9 Formula: ×
 = ×
 =

(6)

47.10 Yes/No because

(7)

47.11 Formula: ×
 =
 =

(6)

(6)

47.12 Formula: ×
 =
 =

(6)

(6)

47.13

(6)

(6)

**QUESTION 48 – ANALYSIS OF
FINANCIAL STATEMENTS (**)** **(20 minutes)**

48.1 _____

(5)

48.2 _____

(5)

48.3 _____

(5)

48.4 _____

(5)

48.5 _____

(4)

48.6 _____

(2)

48.7 _____

(4)

48.8 _____

(8)

48.9 _____

(6)

48.10 _____

(8)

48.11 _____

(8)

48.12 _____

(6)

48.13 _____

(6)

48.14 _____

(6)

**QUESTION 49 – ANALYSIS OF
FINANCIAL STATEMENTS (**)** **(45 minutes)**

49.1 _____

(4)

49.2 _____

(2)

49.3	
49.4	
49.5	
49.6	
49.7	

(4)

(6)

(6)

(4)

(4)

49.8	
49.9	
49.10	
49.11	
49.12	

(6)

(4)

(7)

(2)

(3)

49.13 _____

49.14 _____

49.15 _____

49.16 _____

49.17 _____

(4)
(2)
(6)
(6)
(6)
(6)

QUESTION 50 – ANALYSIS OF FINANCIAL STATEMENTS ()** **(20 minutes)**

50.1 _____ (4)

50.2 _____ (4)

50.3 _____ (10)

50.4 _____ (4)

50.5 _____ (6)

50.6 _____

50.7 _____

50.8 _____

50.9 _____

50.10 _____

(6)

(4)

(4)

(4)

(6)

50.11 _____

(7)

**QUESTION 51 - ANALYSIS OF
FINANCIAL STATEMENTS (***) (20 minutes)**

51.1 _____

51.2 _____

51.3 _____

51.4 _____

(7)

(4)

(6)

(4)

51.5 _____ (2)

51.6 _____

_____ (6)

QUESTION 52 – ANALYSIS OF LEDGER ACCOUNTS (*) (20 minutes)**

52.1 _____ (2)

52.2 _____

_____ (4)

52.3 _____

_____ (3)

52.4 _____

_____ (3)

52.5 _____ (5)

52.6 _____

_____ (5)

52.7 _____
_____ (5)

NOTES

