



GRADE 11 EXAMINATION
NOVEMBER 2007

**ACCOUNTING PAPER I
WORKBOOK**

Time: 2 hours

200 marks

PLEASE READ THE FOLLOWING INSTRUCTIONS CAREFULLY

1. This Workbook consists of 8 pages. Please check that your Workbook is complete.
2. This is a **complete** Workbook. There is a clearly marked page for each answer.
3. You may **not** use green or red ink. **You may use a pencil, but please use a soft, dark pencil.**

Question	Topic	LO/AS	Marks	Minutes	Actual Marks
1	VAT	LO1	20	10	
2	Partnership Financials and asset disposal	LO1 LO3	85	47	
3	Clubs	LO 1 LO 3	40	27	
4	Manufacturing	LO2	15	11	
5	Cash Budgets	LO2	27	15	
6	Bank Recons	LO1	13	10	
	TOTAL		200	120	
TOTAL					

QUESTION 1

PART A

1.1.1	Give two possible reasons as to why Summit Adventures is a registered VAT vendor.	(4)
1.1.2	Summit Adventures uses the Invoice basis to calculate VAT. Name the other method of calculating VAT.	(1)
1.1.3	Briefly explain the difference between these two methods of calculating VAT.	(4)
1.1.4	What is Input VAT and Output VAT?	(2)

11

PART B

1.2.1	Calculate the Input VAT on this invoice.	(2)
1.2.2	What would be the selling price (exclusive of VAT) that Summit Adventures would charge for a sleeping bag?	(3)
1.2.3	If all the sleeping bags and torches were sold, how much would be payable to SARS?	(4)

9

QUESTION 2

2.1

STAINLESS STEEL PRODUCTS
Income Statement for 28 February 2007

Turnover	530 250
Cost of sales	*
Gross profit	*
Other operating income	*
Rent income	*
Discount received	1 450
Fee income	15 600
Gross operating income	*
Operating expenses	*
Water and electricity	2 340
Insurance	*
Stationery	*
Salaries and wages	21 529
Sundry expenses (13 450	*
Bad debts	*
	*
	*
Net operating profit	*
Interest income	*
Net profit before interest expense	*
Interest expense	*
Net profit for the year	*

2.2 Tangible Asset note

	Plant and Machinery	Vehicles
Carrying Value at the beginning of the year	*	57 500
Cost Price	*	125 000
Accumulated Depreciation	237 500	
Movements		
Additions		*
Disposals at carrying value	*	
Depreciation	*	*
Carrying Value at the end of the year	*	*
Cost Price	365 000	200 000
Accumulated Depreciation	*	*

20

Trade and other receivables

Net Trade Debtors	
Trade Debtors (32 780)	

8

Current Account Note

	Steel	Rodd	TOTAL
Balance at the beginning of the year	12 450	(8 640)	
Profit as per income statement			
Salaries to partners		42 350	
Interest on capital			
Primary distribution			
Share in remaining profit			
Drawings for the year			
Balance at the end of the year			

22

Trade and other payables

Trade creditors	23 900

3

QUESTION 3

3.1

**GENERAL LEDGER OF ADVENTURE BIKES
NOMINAL SECTION
Membership fees account**

Dr								B5	Cr
2007				2007					
Jan	1			Jan	1				
Dec	31			Dec	31				

20

3.2 Calculation of cost price of cycling clothes sold

Opening Stock	
Purchases	
(
Carriage on purchases	
Import Duties	
Value of Stock	
Closing Stock	
Cost of Sales	

12

3.3 Questions

1.	Name the other stock system that can be used.	(2)
2.	The chairman of the club needs new cycling clothes for himself and his family. The selling price of the stock that he is taking is R1 800. He has asked you, the treasurer, to give the stock to him at cost. What would you do? Justify your answer.	(6)

8

QUESTION 4

**GENERAL LEDGER OF COVER-UP
BALANCE SHEET SECTION
Work in Progress Account**

Dr							B5	Cr
2006	May 1	Balance	b/d	13 500	2007	April 30	*	*
2007	April 30	Direct materials cost	GJ	137 500			Balance	c/d 2 500
		*	GJ	175 000				
		Factory overhead cost	GJ	*				
				440 000				440 000
2007	May 1	Balance	b/d	2 500				

4

Finished Goods Stock Account

Dr							B5	Cr
2006	May 1	Balance	b/d	59 500	2007	May 31	*	*
2007	April 30	*	GJ	437 500			Balance	c/d *
2007	May 1	Balance	b/d	*				

8

Gross Profit

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3

QUESTION 5

5.1 CASH BUDGET FOR MANDY BEAN - LC

Cash Received	January 2008	February 2008
Cash sales	38 070	
Debtors collections	4 230	
Capital	10 000	
Loan from aunt		5 000
TOTAL CASH RECEIVED	52 300	
Cash Payments		
Cash purchases	5 640	
Creditors payments	17 958	
Advertising	1 010	
Salaries and Wages	5 000	
Drawings	2 500	2 500
Sundry expenses	1 790	
Rent expense	1 700	1 700
Cellphone costs	440	440
Interest on loans	300	300
Equipment	9 240	
TOTAL CASH PAYMENTS	46 336	
Net change in cash	5 964	13 238
Balance at the beginning of the year	23 940	29 904
Balance at the end of the year	29 904	43 142

15

5.2. Creditors Payment Schedule

Month	Credit Purchases	February 2008
December	R18 800	
January	R22 560	
February	*	
TOTAL		

6

5.3 Question

1.	In your opinion do you think that the extended hours would improve the cash position of Mandy’s business?	(6)

6

QUESTION 6

6.1 Calculation of Bank Balance in the General Ledger

Incorrect balance	(1 988)

5

6.2 Bank Statement of TYSON TRADERS as at 30 September 2007

	DEBIT	CREDIT
___ Balance as per bank statement		
___ Outstanding deposit		
___ Outstanding cheques		
___ Balance as per bank account		

8
