



GAUTENG PROVINCE
EDUCATION
REPUBLIC OF SOUTH AFRICA

ACCOUNTING GRADE 12

ANSWER BOOK



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YAS
HPA
L
LTD

MOD
ULE
1:
FIXE
D
TAN
GIBL
E
ASS
ETS

1.1 Refer to Information A:

	WORKINGS	ANSWER
(i)		
(ii)		
(iii)		

11

1.2

ASSET DISPOSAL (N12)

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5

QUESTION 2

NO.	CALCULATIONS	AMOUNT
(i)		
(ii)		
(iii)		
(iv)		

16

QUESTION 3

FIXED ASSETS – GIANTS LTD.

3.1

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3.2

QUESTION 4

4.1 FIXED ASSET NOTE TO THE BALANCE SHEET ON 30 JUNE 2018

	Buildings	Vehicles	Equipment
Carrying value – 1 July 2017	3 452 000	413 400	83 200
Cost	3 452 000	872 000	340 000
Accumulated depreciation	0	(458 600)	(256 800)
Movements			
Additions at cost		0	
Disposal at carrying value	0		0
Depreciation	0		

15

Carrying value – 30 June 2018	4 522 800		
Cost	4 522 800		
Accumulated depreciation			

MODULE 2: BANK RECONCILIATION STATEMENTS

QUESTION 1

1.1 CONCEPTS

1.1.1	
1.1.2	
1.1.3	
1.1.4	

4

1.2 BANK RECONCILIATION

1.2.1 Calculate the correct Bank account balance on 28 February 2018.

7

1.2.2 The internal auditor is concerned about the management of cash.

- Explain TWO different problems to justify his concern. Quote figures.

Problem 1:

Problem 2:

- Give advice (TWO points) on how such problems can be avoided in future.

6

QUESTION 2 RECONCILIATIONS

2.1 BANK RECONCILIATION

2.1.1 Calculate the correct balance of the Bank Account on 1 February 2018.

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2.1.2 Prepare the Bank Reconciliation Statement on 28 February 2018.

Bank reconciliation statement on 28 February 2018		
	Debit	Credit
Credit balance according to the bank statement		
Credit outstanding deposits		
Debit outstanding cheques:		
No. 928		
No. 1010		
No. 1013		
Debit balance according to bank account		

2.1.
3

Refer to information A. The owner asked the bookkeeper, Ray Duncan, why the deposit of R2 050 was not yet deposited. Ray said that she was very busy at that time and could not deposit the money. She kept it in her drawer and forgot about it. She brought it to the owner and said that she will deposit it as soon as possible.

What control measures can the owner put in place to avoid this situation in the future? Provide TWO measures.

2.1.
4

Refer to Information D. When the financial statements will be drawn up on 28 February 2018, an adjustment has to be made for cheque no. 1010 where R780 has to be added to Bank and to Trade and other Payables. Explain why this adjustment has to be made and why the R780 has to be added to Trade and other Payables.

MODULE 2: CREDITORS RECONCILLIATION STATEMENTS

QUESTION 1:

No.	Creditors' Ledger of Broad Stores	Statement of account received from Ashes Ltd.
Balance	R114 485	R182 150
A.	-9 500	-9 500
B.		
C.		
D.		
E.		
F.		
G.		
H.		
I.		
TOTAL		

QUESTION 2: RECONCILIATION AND VAT

2.1

NO	CREDITORS LEDGER ACCOUNT BALANCE	STATEMENT BALANCE	
Balance	95 160	143 460	
i)			
ii)			
iii)			
iv)			
v)			
vi)			
vii)			
TOTAL			11

2.2

Refer to Information (vi):
Provide TWO possible actions that can be taken against M. Rice.

4

Explain TWO internal control measures that the business can use to prevent such incidents in future.

4

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QUESTION 3

3.1.
1

	Creditors' Ledger Account of Styles Suppliers	Statement of account received from Styles Suppliers
Balance before errors/omissions	12 160	41 380
A		
B		
C		
D		
E		
F		
G		
H		
Balance after errors/omissions		

14

3.1.2

Refer to information E:
(a) Suggest TWO possible actions that the business can take against the storeman.

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(b) Provide THREE internal control measures that the business can use to prevent similar incidents in future.

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6

1. DEBTORS' RECONCILIATION

1.1

Provide ONE reason why the balance of the Debtors' Control Account and the total of the Debtors' List should be the same.

2

1.2

Calculate the correct Debtors' Control Account balance after taking into account the relevant errors and omissions.

6

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1.3

Debtor	Workings	Balance
B Tom		
C Dick		

8

2 DEL
USH
LTD.

2.1	Identify the problem with debtor G. Hugo. Quote figures.
2.2	What should the credit controller do about N. Tshabalala's account in March 2018? Give THREE actions.

2

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		6
2.3	Explain why debtor, A. Wijn, should be handed over to the attorneys.	
		2

MODULE 3 : INVENTORY VALUATION

QUESTION 1: INVENTORY VALUATION

1.1

1.1.1		3
1.1.2		
1.1.3		

1.2. CASUAL OUTFITTERS

1.2.1

Calculate: The amount paid for carriage on 11 June 2018

4

Calculate: The value of the closing stock on 30 June 2018

9

1.2.2

Explain the effect that this decision will have on the gross profit.

2

Give ONE valid reason for and ONE valid reason against changing the stock valuation method.

REASON FOR	
REASON AGAINST	

4

1.2.3

Funiwe is concerned about the control of her stock of jeans. She has sold 1 788 pairs of jeans during the year. Provide a calculation to support her concern.

5

1.2.4

Comment on the stock balance on 30 June 2018. Is this appropriate? Explain. Provide ONE point.

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3

1.3 PROBLEM SOLVING

1.3.1 What decision did Jay take regarding the selling price of the desks?

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3

Explain TWO points on how this decision has affected the business.

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1.3.2 Jay decided to buy his chairs from a cheaper supplier. Provide TWO points on why you feel that this was NOT a good decision.

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6

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2.3

Identify ONE different problem in relation to each year. Quote relevant figures to support your answer. In each case, offer Brian advice on how to solve the problem.

	PROBLEM	ADVICE ✓
Year 1		
Year 2		
Year 3		

9

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TOTAL MARKS :45

QUESTION 3

3.1	Explain the difference between the specific identification method and weighted average method of valuing stock.

4

3.2	Provide a calculation to show the number of cooler boxes missing.

4

3.3	Calculate the following in respect of cooler boxes:
	The value of the closing stock of cooler boxes.
	Cost of sales of cooler boxes.
	Gross profit on cooler boxes.

4

5

3

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3.4.1	Calculate the Stock Holding Period in days. Use Closing Stock in your calculation.

4

3.4.2	Comment on your findings in response to the manager's feelings.

3.5	Calculate the value of the closing stock of tents.

7

3.6	If the mark-up percentage is 25% on cost price, calculate the total sales of tents for the period.
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QUESTION 4 : INVENTORY VALUATION

4. Differentiate between the First In First Out method and the Weighted Average method. Provide ONE reason why the Weighted Average method would be better suited for his product.

Difference:

Reason:

4.2 Calculate the value of closing stock by using the FIFO method.

4.3

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4.4

The owner suspects that some of the stock was stolen, but there is no proof.

(a) Calculate the number of units that cannot be accounted for.

(b) Provide any TWO internal control measures that can be implemented in order to prevent this loss in the future.

4.5

The owner wants to charge an additional fee of R4,00 per crate for delivering the crates to his customers. Do you agree with his decision? Motivate your answer by providing ONE point.

Comparison of the competitor's price and the new price after increase with figures

