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|  Province of theEASTERN CAPEEDUCATION**DIRECTORATE SENIOR CURRICULUM MANAGEMENT (SEN-FET)****HOME SCHOOLING SELF-STUDY MARKING GUIDELINES**

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| **SUBJECT** | **ACCOUNTING** | **GRADE** | 10 | **DATE** | 13 May 2020 |
| **TOPIC** | **Term 2 Content** |  **REVISION** |

 |

3.1 **Accounting Concepts**

|  |  |
| --- | --- |
| **CONCEPT** | **EXPLANATION** |
| 1. | Assets | **A** | Assets are valued and reflected in the books at the original invoice price. |
| 2. | Capital | **B** | A mortgage loan obtained to acquire property. |
| 3. | Matching Principle | **C** | Abba Bakery and CC Wears produce goods for the community’s needs. |
| 4. | Business Entity rule | **D** | Items of value acquired or owned by a person or business. |
| 5. | Historical cost concept | **E** | The cash and/or other tangible assets that owners invest into the business. |
| 6. | Trial Balance | **F** | The owner of the business must ensure that his personal affairs are kept separate from the financial transactions of the business. |
| 7. | Balance Sheet | **G** | An accounting procedure (tool) that ensures that the double entry rule has been applied correctly. |
| 8. | Non-current liability | **H** | Chichi (Pty) Ltd purchases trading stock and sells it at a profit to its customers. |
| 9. | Retailer | **I** | A statement that reflects the value (the net worth) of the business on a specified date. |
| 10. | Manufacturer | **J** | Income and expenses are recorded in the specific accounting period for which they relate, even if they are not yet received or paid. |

**1.2** The Trial Balance of Mzo Traders on 28 February 2020, the end of the financial year, is given below:

**Required:**

1.2.1 Prepare a Trading Account

1.2.2 Prepare a Profit and Loss Account

1.2.3 Draw up the Post-Closing Trial Balance on 28 February 2020

**Mzo Traders**

**Trial Balance on 28 February 2020**

|  |  |  |
| --- | --- | --- |
|  | **Debit**  | **Credit** |
| **Balance Sheet Accounts Section** |  |  |
| Capital (1 March 2019) |  | 143 650 |
| Drawings | 50 000 |  |
| Vehicles | 120 000 |  |
| Equipment | 60 000 |  |
| Fixed deposit: Mye Bank | 50 000 |  |
| Trading Inventory | 80 700 |  |
| Debtors Control  | 7 370 |  |
| Bank | 14 450 |  |
| Cash Float | 500 |  |
| Petty Cash | 150 |  |
| Creditors Control |  | 4 200 |
|  |  |  |
| **Nominal Account Section**  |  |  |
| Sales  |  | 1 330 000 |
| Cost of Sales | 740 000 |  |
| Debtors Allowances  | 11 330 |  |
| Interest received |  | 580 |
| Interest on Fixed deposit |  | 2 400 |
| Rent Expense | 21 600 |  |
| Telephone | 5 200 |  |
| Salaries and Wages | 305 000 |  |
| Discount Received |  | 4 110 |
| Insurance | 8 100 |  |
| Stationery | 1 100 |  |
| Water and Electricity | 6 450 |  |
| Discount Allowed | 2 990 |  |
|  |  |  |
|  | **1 484 940** | **1 484 940** |

**ACCOUNTING GRADE 10 FINAL ACCOUNTS ACTIVITY 3 – ANSWER SHEET**

**QUESTION 1**

**1.1**

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| 10. |  |

**1.2.1 GENERAL LEDGER OF MZO TRADERS**

**TRADING ACCOUNT**

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**1.2.2 PROFIT AND LOSS ACCOUNT**

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| 2020 Feb | 28 |  |  |  | 2020 Feb | 28 |  |  |  |
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**1.2.3 Post-Closing Trial Balance of Mzo Traders on 28 February 2020**

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| --- | --- | --- | --- | --- |
|  |  | **Fol** | **Debit** | **Credit** |
|  |  |  |  |  |  |  |
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