

**ACCOUNTING GRADE 10**

**TEST**

**QUESTION 1 : FIXED ASSETS AND INTERNAL CONTROL 1.1.1**

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| **NOTE 3: FIXED / TANGIBLE ASSETS** |
|  | **LAND AND BUILDINGS** | **VEHICLES** | **EQUIPMENT** |
| Carry value @ the beginning of the year | 450 000 | 71 500 | 17 820 |
| Cost | **450 000** | 130 000 | 30 900 |
| Accumulated depreciation | - | **(58 500)** | (13 080) |
| **MOVEMENTS** |  |  |  |
| Additions at cost |  |  | 12 000 |
| Depreciation | - | \* (26 000) | \* (3 123) |
| Carry value @ the end of the year | 450 000 | 45 500 | 26 697 |
| Cost | 450 000 | **130 000** | 42 900 |
| Accumulated depreciation | - | # (84 500) | # (16 203) |

**VEHICLES**

130 000 x 20% x 12/12 = 26 000

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**EQUIPMENT**

**OLD:**

30 900- 13 080 = 17 820 x 15% x 12/12 = 2 673

**NEW:**

12 000 x 15% x 3/12 = 450

**OLD + NEW**: (2 673 + 450 = 3 123)

**3**

**1.1.2 According to which GAAP principle should all assets bought be recorded at the original cost price?**

* Historical cost concept

**1**

**1.2 INTERNAL CONTROL**

**As an internal auditor of Bekezela Traders what advice would you give to the owner of business? Provide TWO points.**

**Any two valid points** 

* Install tracking device or cameras in the trucks.
* Get quotations from different insurance companies.
* Proper screening of employees is essential / Background check on potential employees.

One mark for partly answered questions

**4**

**29**

**29**