 Province of the

EASTERN CAPE

EDUCATION

**DIRECTORATE SENIOR CURRICULUM MANAGEMENT (SEN-FET)**

**HOME SCHOOLING SELF-STUDY MARKING GUIDELINES**

**NOTES AND ACTIVITIES**

|  |  |  |  |  |  |
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| **SUBJECT** | ACCOUNTING | **GRADE** | 10 | **DATE** |  |
| **TOPIC** | BOOKKEEPING OF A SOLE TRADERCOMBINED CASH AND CREDIT TRANACTIONS | **Term**  | 2 | **Week** | 3 |
| **TIME ALLOCATION** | One week  |

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| **TIPS TO KEEP HEALTHY** |
|  |  |
| 1. | **WASH YOUR HANDS** thoroughly with soap and water for at least 20 seconds. Alternatively, use hand sanitizer with an alcohol content of at least 60%. |
|  |  |
| 2. | **PRACTICE SOCIAL DISTANCING** – keep a distance of 1m away from other people. |
|  |  |
| 3. | **PRACTISE GOOD RESPIRATORY HYGIENE**: cough or sneeze into your elbow or tissue and dispose of the tissue immediately after use. |
|  |  |
| 4. | **WEAR A MASK AND TRY NOT TO TOUCH YOUR FACE.** The virus can be transferred from your hands to your nose, mouth and eyes. It can then enter your body and make you sick. |
|  |  |
| 5. | **STAY AT HOME.**  |

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| **INSTRUCTIONS** | See requirements per activity |
| **RESOURCES** | **USE YOUR TEXTBOOK (S)**  |

**Activity 11: Marking Guidelines**

**11.1 GENERAL LEDGER OF MOUNT CAKE FACTORY SHOP**

**11.1.1 BALANCE SHEET ACCOUNTS SECTION**

**Dr TRADING STOCK B3 Cr**

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| --- | --- | --- | --- | --- | --- | --- | --- |
| **DATE** | **DETAILS** | **FOL** | **AMOUNT** | **DATE** | **DETAILS** | **FOL** | **AMOUNT** |
| **2019****June** | **1** | **Balance** | **b/d** | 22 138🗸 | **2019****June** | **30** | Cost of Sales🗸 | DJ | 5 308🗸 |
|  | 31 | Bank🗸 | CPJ | 15 360🗸 |  |  | Cost of Sales🗸 | CRJ | 3 218🗸 |
|  |  | Creditors Control🗸 | CJ | 15 408🗸 |  |  | Drawings🗸 | GJ | 300🗸 |
|  |  | Cost of Sales🗸 | DAJ | 196🗸 |  |  | Balance | c/d | 44 276🗸 |
|  |  |  |  | 53 102🗸 |  |  |  |  | 53 102🗹 |
| July | 1 | Balance | b/d | 44 276🗹 |  |  |  |  |  |
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**Dr DEBTORS CONTROL B4 Cr**

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| **DATE** | **DETAILS** | **FOL** | **AMOUNT** | **DATE** | **DETAILS** | **FOL** | **AMOUNT** |
| June | 1 | Balance | b/d | 11 120🗸 | June | 30 | Debtors Allowances🗸 | DAJ | 🗸392 |
|  | 31 | Sales🗸 | DJ | 10 616🗸 |  |  | # Bank🗸& discount All.🗸 | CRJ | 🗸🗸12 518 |
|  |  | Petty Cash🗸 | PCJ | 200🗸 |  |  | Balance | c/d | 🗸 9 026 |
|  |  |  |  | 21 936🗹 |  |  |  |  | 21 936🗹 |
| July | 1 | Balance | b/d | 9 026🗹 |  |  |  |  |  |
|  |  |  |  |  |  |  | # Bank🗸  Discount  |  | 12 208🗸310🗸 |

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**11.1.2 DEBTORS LEDGER OF MOUNT CAKE FACTORY SHOP**

**D. VANS DL1**

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| **DATE** | **DETAILS** | **FOL** | **DEBIT**  | **CREDIT** | **BALANCE** |
| June | 1 | Account rendered | b/d |  |  | 🗸 3 560 |
|  | 7 | Invoice no. 220🗸 | DJ | 980🗸 |  | 4 540 |
|  | 10 | Receipt no. 712🗸 | CRJ |  | 3 471\*🗸 | 1 069 |
|  |  | Discount Allowed🗸 | CRJ |  | 89\*🗸 | 980 |
|  | 16 | Credit note no. 36🗸 | DAJ |  | 🗸 400 | 580 |
|  | 21 | Error corrected🗸 | GJ | 700🗸 |  | 1 280 |
|  | 24 | Cheque dishonoured🗸 | CPJ | 3 471\*🗹 |  | 4 751 |
|  |  | Discount cancelled🗸 | GJ | 89\*🗹 |  | 🗹 4 840 |
|  |  | **-2 if entry of 18 th  recorded** |  |  |  |  |

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 \* Must be the same as the 10 th to earn the part marks

**Activity 12: Marking Guidelines**

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| **12.1.1**  | **Briefly explain the following terms:****(a) Credit limit**🗸🗸The maximum amount that a debtor will be allowed to buy on credit at any given time. /The amount determined by the supplier of goods and it depends on the risk profile of the customer.**(b) Credit terms**🗸🗸The maximum amount of time a debtor is given to settle an invoice.**(c) Screening of debtors**🗸🗸Checking the credit history of a potential credit customer in order to determine whether the customer is at credit risk. |  |
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| **12.1.2**  | **State an advantage for a business to sell goods on credit (on account) to its customers** Sales will increase./Ask more for the product. |  |
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| **12.1.3**  | **State TWO disadvantages for a business to sell goods on credit to their customers.****Any two** 🗸🗸 🗸🗸Bad debts./The additional paper work required to keep accurate records of all debtors./Send out statements to debtors at the end of each month. |  |

**ACTIVITY 13 – Concepts, Reconciliation**

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| 13.1 | **Explain the meaning of the term “Credit terms”.** | (2) |
| The amount of time given to debtors to settle his/her account by the supplier before interest is charged. ✓✓ |
| 13.2 | **Explain why the Debtors Control balance should correspond with the Debtors List total at the end of each month.**  | (2) |
| The Debtors Control account is a summary of the individual debtors’ account. ✓✓Both records are prepared from the same source documents. |
| 13.3 | **Explain TWO processes the bookkeeper should follow if he/she discovers a difference between the Debtors Control account and the Debtors List from the Debtors Ledger.** |  |
|  | *TWO processes* ✓✓ ✓✓*Possible responses:** Check the entries in the journals.
* Check casting (totalling) of journals.
* Control with actual source documents.
* Check posting from journals.
 | (4) |

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| 13.4 | Debtors Reconciliation is part of an internal control process that the accountant needs to introduce into a business. | (2) |
| 13.4.2 | Explain how the debtors Reconciliation fulfils this internal control. |  (4)  |
| * Totals from the journal are posted to the Debtors control account✓ while the individual amounts are posted to the Debtors accounts. ✓
* Reconciliation will ensure that the balance on the Debtors control account equals the total of the Debtors List. ✓✓
 |
| 13.5 | Name the documents that are used to record the following transactions that appear in the Debtors Control. | (5) |
| **TRANSACTION** | **DOCUMENT** |
| Credit sales | Invoice ✓ |
| Allowance given to a debtor | Credit note✓ |
| Payment received from a debtor | Receipt / Bank statement✓ |
| Dishonoured cheque of a debtor | Bank statement✓ |
| Charge interest on an overdue account | Journal voucher✓ |
| 13.6 | Name THREE places that the bookkeeper needs to refer to if the balance on the Debtors control account and the total on the Debtors List do not agree in the reconciliation process.* Documents✓
* Journals✓
* Posting✓
* Totalling
* Balancing
 | (3) |

**QUESTION 14– DEBTORS RECONCILIATION**

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| 14.1 | Explain to her why it is essential as part of the internal control process. Discuss TWO points | (6) |
| * It serves as a check to ensure there are no errors or missions. If the balance on the control account and the Debtors List are equal then there is a good chance that the recording has been done correctly. ✓✓✓
* Debtors must always be given the correct amounts owing otherwise this will lead to a bad name for the business. ✓✓✓
* The business can plan effectively with the correct amount owing by debtors.
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**GENERAL LEDGER OF MAKHOSA TRADERS**

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| **STATEMENT OF FINANCIAL POSITION ACCOUNTS SECTION****DEBTORS CONTROL** |
| 2019July | 1 | Balance | b/d | 18 500 | 2019July | 31 | Debtors allowances | CRJ | 8 320✓ |
|  | 31 | Sales(67 456 -600✓) | DJ | 66 856✓ |  |  | Bank  | DAJ | 49 600✓ |
|  |  | Bank(1 440+ 1878✓) | CPJ | 3 318✓ |  |  | Discount allowed(4 120 + 276✓) | GJ | 4 396✓ |
|  |  | Sundry accounts(3150+480✓+120✓+100✓) |  | 3 850🗹 |  |  | Sundry accounts(1560+4590✓) |  | 6 150🗹 |
|  |  |  | GJ |  |  |  | Balance | c/d | 24 058🗹 |
|  |  |  |  | **92 524** |  |  |  |  | **92 524** |
| 2019Aug | 1 | Balance | b/d | 24 058🗹 |  |  |  |  |  |

**14 MARKS**

**DEBTORS’ LIST 31 JULY 2019**

|  |  |
| --- | --- |
|  |  |
| G. Green (6 426 – 360✓ -360✓) | 5 706🗹 |
| N. Nadal (5 040 – 4 590✓) | 450🗹 |
| F. Federer (12 060 + 120✓) | 12 180🗹 |
| R. Rooney (-480 +480✓) | - |
| M. Messi (4 020 - 276✓) | 3 744🗹 |
| T. Qalinge (0 + 1 878✓ + 100✓) | 1 978🗹 |
| *Any one part correct* | **24 058🗹** |

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| --- | --- | --- |
| 3.4 | List TWO strategies that you would recommend to decrease the returns in the future. | ( 4) |
| * Ensure that merchandise from supplier is of high quality. ✓✓
* Inform customers that no returns will be accepted once an item has been purchased. ✓✓
* Ensure that there are no damages or defects on merchandise that is sold to customers.
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| **ACTIVITY 15**  |  |
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| **15.1** | **15.1.1 What does the abbreviation R/D stand for?** |  |
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* Refer to Drawer / Cheque was dishonoured✓
 |
| **15.1.2.Provide TWO suggestions to the owner to prevent such cheques in** **the future.** |
| * EFT payments / Encourage debtors to make direct deposits. ✓✓
* Screen debtors prior to allowing them to buy credit. ✓✓

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* Ensure that cheques are completed correctly and signed before accepting.
 |
|  |  |  |
| **15.2** | **The correct closing balance of the Debtors Control Account on 31 March 2019.**200 000 – 2 600✓ + 1 800✓ + 15 000✓ = **R214 200🗹** *operation if one part correct* |

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|  | **Calculate the correct amounts owing by debtors.**

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|  | **Calculations** | **Balance** |
| * **C. Moodley**
 | R41 200 + 15 000✓✓ – 8 300✓ | **47 900🗹** |
| * **D. Taljaard**
 | R23 000 + 1 800✓ – 2 700✓✓ | **22 100🗹** |
| * **P. Zulu**
 | R7 900 + 12 000✓✓ + 8 300✓ | **28 200🗹** |

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| **12** |

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| **TOTAL MARKS** |
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