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| Province of the  EASTERN CAPE  EDUCATION  **DIRECTORATE SENIOR CURRICULUM MANAGEMENT (SEN-FET)**  **HOME SCHOOLING SELF-STUDY**  **MARKING GUIDELINE**   |  |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | --- | | **SUBJECT** | ACCOUNTING | **GRADE** | 11 | **DATE** |  | | | | | **TOPIC** | Partnerships: Financial statements:  Activities for consolidation | | | | **Term** | 2 | **Week** | 3 | |

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| **WORKSHEET 1** | | | | | | |  | |
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| **GRADE** | 11 | **TERM** | 2 | **WEEK** | 3 | |  | |
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| **CLASS TEST** | | | | | | |  | |
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| |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | |  | **CURRENT ACCOUNT NOTE** | **THANDI** | **XOLA** | **TOTAL** |  | | **Net profit for the year** | ☑233 480 | ☑237 770 | **471 250** | | **Salaries** | 148 800 | ☑☑152 520 | 301 320 | | **Interest on capital** | 64 000 | 74 000 | 138 000 | | **Bonus** (2 136 000 x 0,5/100) | 10 680 | 0 | 10 680 | | Total primary distribution | 223 480 | ☑226 520 | ☑450 000 | | Final division of profits | ☑☑10 000 | ☑☑11 250 | ☑21 250 | | **Drawings** | **(148 800)** | **(127 100)** | **(275 900)** | | Retained income | ☑84 680 | ☑110 670 | 195 350 | | **Balance (1 March 2017)** | 22 320 |  (17 670) | 4 650 | | **Balance (28 February 2018)** | ☑107 000 | ☑93 000 | ☑200 000 | | | | | | | | | |
|  | | | | | | |  | |
| **Workings:** | | | | | | | **[25]** | |
| Salary: Thandi (12 400 x 12) : Salary: Xola (148 800 x 1,025) | | | | | | |  | |
| Final distribution: Thandi (21 250 x 800 000/1 700 000) | | | | | | |  | |
| Final distribution: Xola (21 250 x 900 000/1 700 000) | | | | | | |  | |
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| **WORKSHEET 2** | | | | | | | |  | |
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| **GRADE** | | 11 | **TERM** | 2 | **WEEK** | 3 | |  | |
|  |  | | | | | | |  | |
| **ACTIVITY 1** | | | | | | | |  | |
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| **1.1** | | | | | | | | | |
| **PB STORES** | | | | | | | | | |
| **INCOME STATEMENT FOR THE YEAR ENDED 28 FEBRUARY 2017** | | | | | | | | | |
|  | | | | | | | | | |
| |  |  |  | | --- | --- | --- | | **Sales** | | 993 250 | | **Cost of sales** | | (685 000) | | **Gross profit** | | 308 250 | | **Other income** | | 166 750 | |  | **Commission income** | **58 545** | |  | Rent income (117 250 – 9 625) | 107 625 | |  | Provision for bad debts adjustment (5 440 – 4 860) | 580 | | **Gross income** | | 475 000 | | **Operating expenses** | | (144 865) | |  | **Salaries and wages** | **45 000** | |  | Depreciation | 17 150 | |  | Insurance (25 665 – 1 455) | 24 210 | |  | Packing material (19 710 – 3 600) | 16 110 | |  | Water and electricity (32 180 + 2 150) | 34 330 | |  | Trading stock deficit (133 390 – 130 540) | 2 850 | |  | Sundry expenses (balancing figure) | 5 215 | |  | **Operating profit** Profit before Interest expense – Interest Income | 330 135 | |  | Interest income (14 850 + 4 950) | 19 800 | |  | **Profit before interest expense** (Net profit+ Interest expense) | 349 935 | |  | Interest expense (327 000– 288 200) | (38 800) | |  | **Net profit for the year** | **311 135** | | | | | | | | | | |
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| **1.2.1** | | | | | | | |  | |
|  | **CAPITAL NOTE** | | | | | **PINKY** | **BRIAN** | **TOTAL** |  |
| **Opening balance** | | | | | 240 000 | 360 000 | 600 000 |
| Additions to capital | | | | | 40 000 |  | 40 000 |
| Withdrawal of Capital | | | | |  | (10 000) | (10 000) |
| **Closing balance** | | | | | 280 000 | 350 000 | 630 000 |

**1.2.2**

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| --- | --- | --- | --- | --- | --- |
|  | **CURRENT ACCOUNT NOTE** | **PINKY** | **BRIAN** | **TOTAL** |  |
| **Net profit for the year** | 170 720 | 140 415 | 311 135 |
| **Salaries** | 116 235 | 95 940 | 212 175 |
| **Interest on capital** | 21 600 | 28 200 | 49 800 |
| **Bonus \***(993 250 x 2/100) | \*19 865 |  | 19 865 |
| Total primary distribution | 157 700 | 124 140 | 281 840 |
| Final division of profits | 13 020 | 16 275 | 29 295 |
| **Drawings \***(26 409 + 5 480) | \*(31 889) | (62 503) | (94 392) |
| Retained income | 138 831 | 77 912 | 216 743 |
| **Opening balance** | 22 369 | (32 412) | (10 043) |
| **Closing balance** | 161 200 | 45 500 | 206 700 |

Salary: Pinky (85 050 + 31 185) Salary :Brain (70 200 + 25 740)

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| **2.3.1** | | | | | | | | | | | | |  | |
| **Provide TWO reasons to justify why he feels this way. In each case provide relevant figures to support your comments.** | | | | | | | | | | | | |  | |
| * He had a debit balance on his Current account, (R32 412). * Excessive drawings, R62 503. * Reduced his capital contribution, R10 000 (although he is still the major partner). | | | | | | | | | | | | |  | |
| **2.3.2** | | | | | | | | | | | | |  | |
| **Give ONE suggestion that the partnership can use to address the concern expressed by Pinky.** | | | | | | | | | | | | |  | |
| * Re-visit the partnership agreement. * Set limits for drawings. | | | | | | | | | | | | |  | |
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| **WORKSHEET 3** | | | | | | | | | | | | | |  |
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| **GRADE** | | 11 | **TERM** | | | 2 | | **WEEK** | | | 3 | | |  |
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| **ACTIVITY 2** | | | | |  | |  | |  |  | |  | |  |
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| **2.1.1** | | | | |  | |  | |  |  | |  | |  |
| **FIXED (TANGIBLE) ASSETS** | | | | | | | | | | | | | |  |
| |  |  |  | | --- | --- | --- | |  | **VEHICLES** | **EQUIPMENT** | | **Cost (1 March 2017)** | 555 000 | 435 400 | | **Accumulated depreciation (1 March 2017)** | **(280 000)** | **(193 500)** | | **CARRYING VALUE (1 March 2017)** | 275 000 | 241 900 | | **Movements:** |  |  | | **Additions** | 145 000 |  | | **Disposals**  (5 400 – 3 970) |  | (1 430) | | **Depreciation** | (76 750) | (65 175) | | **CARRYING VALUE (28 February 2018)** | 343 250 | 175 295 | | **Cost (28 February 2018)** | 700 000 | 430 000 | | **Accumulated depreciation (28 February 2018)** | (356 750) | (254 705) | | | | | | | | | | | | | | |  |
|  | | | |  | | | | | | | | | |  |
| Depreciation on Vehicles | | | | Depreciation on Equipment | | | | | | | | | |  |
| (21750 + 55 000) | | | | (675 + 64 500) | | | | | | | | | |  |
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| **2.1.2** | | | |  | | | | | | | | | |  |
| **CURRENT ACCOUNTS NOTE** | | | | | | | | | | | | | |  |
| |  |  |  |  | | --- | --- | --- | --- | |  | **BENITO** | **ZENDO** | **TOTAL** | | **Net profit as per income statement** | 240 250 | 221 750 | 462 000 | | **Partners’ salaries** | 118 750 | 130 750 | 249 500 | | **Interest on capital \***(81 000+25 500) | \*106 500 | 66 000 | 172 500 | | **Bonus to partners** |  | 15 000 | 15 000 | | Primary distribution of profit | 225 250 | 211 750 | 437 000 | | Final distribution of profit | 15 000 | 10 000 | 25 000 | | Drawings for the year | (45 250) | (56 250) | (101 500) | | Retained income for the year | 195 000 | 165 500 | 360 500 | | Balances at beginning of financial year | 23 000 | (7 500) | 15 500 | | Balances at end of financial year | 218 000 | 158 000 | 376 000 | | | | | | | | | | | | | | |  |
|  | | | |  | | | | | | | | | |  |
| **2.1.3** | | | | | | | | | | | | | |  |
| **TRADE AND OTHER RECEIVABLES** | | | | | | | | | | | | | |  |
| |  |  | | --- | --- | | **Trade debtors** | **127 300** | | Provision for Bad Debts | (6 365) | | Net Trade Debtors | 120 935 | | Prepaid Expenses (4 260 x 2/12) | 710 | | Accrued Income | 3 225 | |  | 124 870 | | | | | | | | | | | | | | |  |
|  | | | |  | | | | | | | | | |  |
| **2.1.4** | | | |  | | | | | | | | | |  |
| **TRADE AND OTHER PAYABLES** | | | | | | | | | | | | | |  |
| |  |  | | --- | --- | | **Trade creditors** | **77 360** | | Accrued Expenses | 1 840 | | Income received in advance (69 600/12) | 5 800 | |  | 85 000 | | | | | | | | | | | | | | |  |
| **2.2** | | | | | | | | | | | | | |  |
| **BENZ TRADERS** | | | | | | | | | | | | | |  |
| **BALANCE SHEET AS AT 28 FEBRUARY 2018** | | | | | | | | | | | | | |  |
| |  |  |  | | --- | --- | --- | | **ASSETS** |  |  | | **NON-CURRENT ASSETS** |  | 1 682 095 | | **Tangible Assets (1 103 550** + 343 250+ 175 295) |  | 1 622 095 | | Financial Assets (85 000 – 25 000) |  | 60 000 | | **CURRENT ASSETS** |  | 498 905 | | Inventories (248 910 + 3 290) |  | 252 200 | | Trade and other receivables |  | 124 870 | | Cash and cash equivalents (95 635 + 1 200 + 25 000) |  | 121 835 | | **TOTAL ASSETS** |  | 2 181 000 | |  |  |  | | **EQUITY AND LIABILITIES** |  |  | | **PARTNERS EQUITY** |  | 1 776 000 | | Capital (850 000 + 550 000) |  | 1 400 000 | | Current accounts |  | 376 000 | | **NON- CURRENT LIABILITIES** |  | 216 800 | | Loan (320 000 – 103 200) |  | 216 800 | | **CURRENT LIABILITIES** |  | 188 200 | | Trade and other payables |  | 85 000  | | Current portion of loan |  | 103 200  | | **TOTAL EQUITY AND LIABILITIES** |  | 2 181 000 | | | | | | | | | | | | | | | |