

**ACCOUNTING MARKING GUIDELINES GRADE 12 TEST 4**

 **SELF-STUDY (LOCKDOWN PERIOD)**

**TOPIC : BALANCE SHEET AND NOTES**

**NOTE**

* Accounting is a principle-based subject and therefore it is method marked.
* It is important that learners familiarise themselves with the MARKING PRINCIPLES given below as they have been used in these Marking Guidelines.
* Concepts relating to the Marking Principles will be understood easily as they have applied in these Marking Guidelines.
* Learners should read the fine print in these Marking Guidelines as it is an implementation of Marking Principles.

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| **MARKING PRINCIPLES:** |
| Unless otherwise stated in the marking guidelines, penalties for foreign items are applied only if the candidate is not losing marks elsewhere in the question for that item (no penalty for misplaced item). No double penalty applied. |
| Penalties for placement or poor presentation (e.g. details) are applied only if the candidate is earning marks on the figures for that item. |
| Full marks for correct answer. If the answer is incorrect, mark the workings provided. |
| If a pre-adjustment figure is shown as a final figure, allocate the part-mark for the working for that figure (not the method mark for the answer). Note: if figures are stipulated in memo for components of workings, these do not carry the method mark for final answer as well.  |
| Unless otherwise indicated, the positive or negative effect of any figure must be considered to award the mark. If no + or – sign or bracket is provided, assume that the figure is positive. |
| Where indicated, part-marks may be awarded to differentiate between differing qualities of answers from candidates. |
| This memorandum is not for public distribution, as certain items might imply incorrect treatment. The adjustments made are due to nuances in certain questions. |
| Where penalties are applied, the marks for that section of the question cannot be a final negative. |
| Where method marks are awarded for operation, the marker must inspect the reasonableness of the answer and at least one part must be correct before awarding the mark. |
| 'Operation' means 'Check operation'. 'One part correct' means operation and one part correct. Note: check operation must be +, -, ×, ÷, or per memo.  |
| In calculations, do not award marks for workings if numerator & denominator are swapped – this also applies to ratios. |
| In awarding method marks, ensure that candidates do not get full marks for any item that is incorrect at least in part. Indicate with ⌧. |
| Be aware that some candidates provide valid alternatives beyond the marking guideline. |
| Codes: f = foreign item; p = placement/presentation. |

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| **QUESTION 1** |  |
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| **1.1** | **Complete the note for Tangible Assets** |  |
|  |  | **Land and Buildings** | **Vehicles** | **Equipment** |  |
|  | **Carrying value beginning** | **438 800** | **416 000** | **🗹**612 000 |  |
|  | **Cost**  | **438 800** | **580 000** | **🗸🗸**760 000 |  |
|  | **Accumulated depreciation** | **-** | **(164 000)** | **🗸**(148 000) |  |
|  | **Movements:** |  |  |  |  |
|  | **Additions at cost** | **🗸**2 312 000 | **🗸**300 000 | - |  |
|  | **Disposals at carrying value** | - | - | **🗸**44 000 - **🗸** 11 000– **🗸🗸**4 400**🗹** (28 600) |  |
|  | **Depreciation** | - | **🗸** 83 200+ **🗸** 10 000**🗹**(93 200) | **🗸** 4 400 + **🗸🗸**71 600**🗹**(76 000) |  |
|  | **Carrying value at end of year** | **🗹**2 750 800 | **🗹**622 800 | **507 400** |  |
|  | **Cost** | **🗹**2 750 800 | **🗸**880 000 | **716 000** |

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|  | **Accumulated depreciation** | - | **🗹** (257 200) | **(208 600)** |

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| **1.2** | **RETAINED INCOME** |  |
|  | **Balance on the last day of the previous year** | **752 000** |  |  |
|  | Net profit after tax | 875 000 | **🗹 \*** |  |
|  | Re-purchase of 40 000 shares (40 000**🗸** x R1,50**🗸**) | (60 000) | **🗸**  |  |
|  | Ordinary share dividends | (420 000) | **🗹 \*** |  |
|  |  Paid (700 000**🗸** x 20c**🗸**) | 140 000 | **🗹 \***  |  |
|  |  Recommended (800 000**🗸** x 35c**🗸**) | 280 000 | **🗹 \*** |

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|  | Balance on the last day of the current year | 1 147 000 | **🗹 \*** |

 \* Check operation

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| **1.3** | **SILEKWA LIMITED** |  |
|  | **BALANCE SHEET ON 30 JUNE 2019** |  |
|  | **ASSETS** |  |  |  |
|  | **NON-CURRENT ASSETS** | **3 921 000** |  |  |
|  | Fixed/tangible assets | 3 881 000 | **🗹** |  |
|  | Financial assets |  |  |  |
|  |  Fixed deposit: Trust Bank (60 000 **🗸**– 20 000 **🗸**) | 40 000 | **🗹** | 4 |
|  |  |  |  |  |
|  | **CURRENT ASSETS** | **1 237 110** |  |  |
|  | Inventories (1 133 360 **🗸**+ 5 600 **🗸**) | 1 138 960  | **🗸** |  |
|  | Trade and other receivables (44 500**🗸** + 500 **🗸** – 1350**🗹** + 7 050 **🗸**+ 25 000**🗸**) | 75 700 | **🗹** |  |
|  | Cash and cash equivalents (182 450 **🗸**+ 20 000 **🗹🗸**– 180 000**🗸🗸**) | 22 450 | **🗹** |  |
|  | **TOTAL ASSETS** Check operation | 5 158 110 | **🗹** | 16 |
|  |  |  |  |  |
|  | **EQUITY AND LIABILITIES** |  |  |  |
|  | **Share capital and reserves** | 3 427 000 | **🗹** |  |
|  | **Ordinary share capital** **(2 400 000** – 120 000 **🗸🗹**)Method for any figure deducted | 2 280 000 | **🗹** |  |
|  | Retained income | 1 147 000 | **🗹** |  |
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|  | **NON-CURRENT LIABILITIES** | 288 000 |  |  |
|  | Mortgage loan: Trust Bank (336 000**🗸** – 48 000**🗸🗹**) | 288 000 | **🗹** |  |
|  |  |  |  |  |
|  | **CURRENT LIABILITIES** | 1 443 110 | **🗹** |  |
|  | Trade and other payables(25 200**🗸** + 1 050 000**🗸** + 500**🗸** +12 300**🗸** + 6 650**🗸** + 20 460**🗸** + 280 000 **🗹** See 1.2 | 1 395 110 | **🗹** |  |
|  | Current portion of loanMust be same figure deducted from loan. | 48 000 | **🗹** | 20 |
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|  | **TOTAL EQUITY AND LIABILITIES** Check operation | 5 158 110 | **🗹** |

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|  |  |  | **TOTAL****MARKS** |  |  |
|  |  |  |  |  |  |
|  |  |  | **75** |  |  |