 Province of the

EASTERN CAPE

EDUCATION

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

**HOME SCHOOLING SELF-STUDY**

**NOTES AND ACTIVITIES**

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| **SUBJECT** | ACCOUNTING | **GRADE** | 11 | **DATE** |  |
| **TOPIC** | PARTNERSHIP  | **Term**  | 2 | **Week** | 9 |
| **TIME ALLOCATION** | 1 DAY |

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| **TIPS TO KEEP HEALTHY** |
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| 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%. |
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| 2. | **PRACTICE SOCIAL DISTANCING** – keep a distance of 1m away from other people. |
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| 3. | **PRACTISE GOOD RESPIRATORY HYGIENE**: cough or sneeze into your elbow or tissue and dispose of the tissue immediately after use. |
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| 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. |
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| 5. | **STAY AT HOME.**  |

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

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| **ACTIVITY**  |

**BALANCE SHEET**

The following information was extracted from the accounting records of Happy Traders, a partnership business owned by B.Ncampin and S.Lowlow. Their financial year ends on 29 February 2020.

**REQUIRED**

* Prepare the Balance Sheet on 29 February 2020.
* Prepare the Appropriation Account
* Calculate the closing balance on the Current account of Lowlow

**Note:** Adjustments and workings must be shown in brackets on the balance sheet.

**INFORMATION**

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| **LIST OF BALANCES ON 29 FEBRUARY 2020** |
| Capital: B.Ncampin  | 200 000 |
| Capital: S.Lowlow | 300 000 |
| Current Account: B.Ncampin (01 March 2019) | **Dr** 1 600 |
| Current Account: S.Lowlow (01 March 2019) | **Cr** 10 200  |
| Drawings : B.Ncampin | 105 000 |
| Drawings : S.Lowlow | 125 000 |
| Tangible Assets at carrying value | 361 890 |
| Fixed Deposit: Abasa Bank – 8.5% p.a. | 120 000 |
| Loan: Abasa Bank – 12% p.a. | **?** |
| Trading Stock | 84 000 |
| Consumable stores on hand  | 1 000 |
| Debtors Control | 86 500 |
| Creditors’ Control | 17 000 |
| SARS: PAYE | 1 200 |
| Bank [Credit] | **Cr** 4 500 |
| Petty Cash | 1 250 |
| Cash Float | 500 |
| Provision for bad debts | 3 440 |
| Pension Fund | 800 |
| Income Received in Advance | 1700 |
| Deposit-Water and electricity | 1 200 |
| Prepaid expenses | 4 400 |
| Accrued expenses | 3 500 |
| Net profit for the year  | 290 000 |

**Adjustments and additional information**

1. Office furniture was delivered to the business premises on 29 February 2020, the invoice received from Quality Furnitures amounted to R15 500, and the transaction has not been recorded.
2. The partners have agreed to pay R15 000 (25% of the outstanding loan) to Abasa Bank on the 15th of April 2020.
3. The fixed deposit amounting to R50 000 will mature on the 31 of March 2020.
4. Partner, S.Lowlow took goods for personal use, R4 500.No entry has been made.
5. The accountant omitted the following information from the bank statement:

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| **Extracted from the statement of Abasa Bank – February 2020** |
| Bank charges  | R500 |
| Interest on overdraft  | R400 |
| Deposit by C.Scissorny (his account has been written off) | R300 |
| Unpaid cheque (Debtor – D.Darries) | R600 |

1. **The partnership agreement stipulates the following :**

* Each partner is entitled to a salary of R102 000 p.a.
* B.Ncampin is entitled to a bonus of R8 000.
* The interest on capital was 8% p.a. on 01 March 2019.The partners increased the interest to 9% p.a. on 01 December 2019.
* The remaining profit is to be shared to the ratio of their capital balances.

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| **ANSWER SHEET : ACTIVITY**  |

**GENERAL LEDGER OF HAPPY TRADERS**

 **FINAL ACCOUNTS SECTION**

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| **Dr APPROPRIATION ACCOUNT F3 Cr** |
| 2020Feb  | 29 | Salary :Ncampin | GJ |  | 2020Feb  | 29 | Profit and loss | GJ |  |
|  |  | Salary :Lowlow | GJ |  |  |  |  |  |  |
|  |  | Bonus :Ncampin | GJ |  |  |  |  |  |  |
|  |  | Interest on capital | GJ |  |  |  |  |  |  |
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|  |  | ? |  |  |  |  |  |  |  |
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| **Current account of Lowlow on 29 February 2020** |
| **Balance (01 March 2019)**  | **10 200** |
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| **Calculation of the correct Net Profit** |
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| **HAPPY TRADERS** **BALANCE SHEET ON 29 FEBRUARY 2020** |
| **ASSETS****Non-current assets** Tangible/Fixed assets Financial Assets – Fixed Deposit :Abasa bank**Current assets**  Inventories ……………………………………….  ……………………………………….**Total assets** **EQUITY AND LIABILITIES****Capital and Reserves /Owners Equity**Capital  Current Accounts [**34 360** +……………………]**Non-current liabilities** Mortgage loan **Current liabilities****Total Equity and Liabilities** | **Note****3****4****5****6****7****8****9** |

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