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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 –  Balance Sheet and Notes to Owners’ Equity | | | | **Term** | 2 | **Week** | 2 | |

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| **WORKSHEET 1** | | | | | | | |  | |
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| **GRADE** | | 11 | **TERM** | 2 | **WEEK** | 2 | |  | |
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| **ACTIVITY 1** | | | | | | | |  | |
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| **NOTES TO THE FINANCIAL STATEMENTS** | | | | | | | |  | |
|  | | | | | | | |  | |
| **1.1** | | | | | | | |  | |
|  | **CAPITAL ACCOUNTS** | | | | | **JONES** | **APRIL** | **TOTAL** |  |
| **Balances at the beginning of year** | | | | | 160 000 | **130 000** | 290 000 |
| **Additional contribution** | | | | |  | **20 000** | 20 000 |
| **Capital withdrawals** | | | | | (10 000) |  | (10 000) |
| **Balance at the end of the year** | | | | | 150 000 | **150 000** | 300 000 |

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|  | **CURRENT ACCOUNTS** | **JONES** | **APRIL** | **TOTAL** |  |
| **Profit as per Income statement** | **104 000** | 101 600 | 205 600 |
| **Partners’ salaries** | **70 000** | 80 400 | 150 400 |
| **Partners’ bonus** | **10 400** |  | 10 400 |
| **Interest on capital** | **20 500** | 17 300 | 37 800 |
| **Primary distribution of profits** | **100 900** | 97 700 | 198 600 |
| **Final distribution of profits** | **3 100** | 3 900 | 7 000 |
| **Drawings during the year** | **(95 900)** | (117 700) | 213 600 |
| **Retained income for the year** | **8 100** | (16 100) | (8 000) |
| **Balance at the beginning of year** | **(3 500)** | 10 100 | 6 600 |
| **Balance at the end of year** | **4 600** | (6 000) | (1 400) |

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| **NOTE:** | |  |
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| **1.** | The Net Profit as per Income Statement is calculated by adding the following:   * Primary distribution of profit + Final distribution of profit] OR * Primary distribution of profit + Final distribution of loss |  |
|  |  |  |
| **2.** | Primary Distribution of Profit is calculated by adding the following:   * Partners’ salaries + Interest on capital + Bonus to partners |  |
|  |  |  |
| **3.** | A Final Distribution of a Loss will be shown in brackets. |  |
|  |  |  |
| **4.** | The Retained Income (Undrawn Profits) for the year is calculated as follows:   * Net profit as per Income Statement less Drawings for the year |  |
|  |  |  |
| **5.** | The balances in the current accounts note must be shown as follows:   * Credit balance: positive amount * Debit balance: negative amount ([in brackets) |  |
|  |  |  |
| **6.** | The balances at the end of the financial year are determined as follows:  Retained income (Undrawn profits) for the year + Balances at beginning of the financial year. |  |
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| **1.2** |  | | | |  |
| **CAPITAL: APRIL** | | | | | |
|  | |  | Balance b/d | 130 000 | |
|  | |  | Bank | 20 000 | |
|  | |  |  | 150 000 | |
|  | |  |  |  | |
| **CURRENT ACCOUNT: JONES** | | | | | |
| Balance b/d | | 3 500 | Salary: Jones | 70 000 | |
| Drawings: Jones | | 95 900 | Bonus to partners | 10 400 | |
| Balance c/d | | 4 600 | Interest on capital | 20 500 | |
|  | |  | Appropriation account | 3 100 | |
|  | | 104 000 |  | 104 000 | |
|  | |  | Balance b/d | 4 600 | |
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| **WORKSHEET 2** | | | | | | |  |
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| **GRADE** | | 11 | **TERM** | 2 | **WEEK** | 2 |  |
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| **ACTIVITY 2** | | | | | | |  |
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| |  |  |  | | --- | --- | --- | | **ASSETS** | Note |  | | **Non-current assets** |  | 817 900 | | Fixed/Tangible assets  (601 500 + 140 000 + 132 000 - 44 000 - 49 600) | 3 | 779 900 | | Financial assets: Fixed deposit |  | 38 000 | | **Current assets** |  | 110500 | | Inventories (80 000 + 500) | 4 | 80 500 | | Trade and other Receivables (15 000 - 750 + 720 + 480) | 5 | 15 450 | | Cash and cash equivalents (6 000 + 8 100 + 250 + 200) | 6 | 14 550 | | **TOTAL ASSETS** |  | **928 400** | |  |  |  | | **EQUITY AND LIABILITIES** |  |  | | **Owners’ equity** |  | 709 040 | | Capital (420 000 + 210 000) | 7 | 630 000 | | Current accounts (46 540 + 32 500) | 8 | 79 040 | | **Non- current liabilities** |  | 200 000 | | Mortgage loan |  | 150 000 | | Loan from D& D Lenders |  | 50 000 | | **Current liabilities** |  | 19 360 | | Trade and other payables (18 000 + 400 + 960) | 9 | 19 360 | | **TOTAL EQUITY AND LIABILITIES** |  | **928 400** | | | | | | | | |

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| **WORKSHEET 3** | | | | | | | | | | | |
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| **GRADE** | | | | 11 | | **TERM** | 2 | **WEEK** | | | 2 |
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| **ACTIVITY 3** | | |  | | | | | | | | |
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| **3.1 Calculate the interest on capital for the year ended 29 February 2020.** | | | | | | | | | | | |
|  | | | | | | | | | | | |
| **WORKINGS** | | | | | | | | | | **ANSWER** | |
| **THEMBA**  2 080 000 x 8/100 x 9/12 = 124 800  2 080 000 x 12/100 x 3/12 = 62 400 187 200 | | | | | | | | | | 360 000 | |
| **LUMI**  1 920 000 x 8/100 x 9/12 = 115 200  1 920 000 x 12/100 x 3/12 = 57 600 172 800 | | | | | | | | | |
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| **3.2 Prepare the following notes to the financial statements** | | | | | | | | | | | |
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| |  |  |  |  | | --- | --- | --- | --- | | **CAPITAL** | **THEMBA** | **LUMI** | **TOTAL** | | **Balance at the beginning of year** | 2 080 000 | 1 920 000 | 4 000 000 | | Contribution of capital during the year | 800 000 |  | 800 000 | | Withdrawal of capital during the year |  |  |  | | **Balance at the end of the year** | 2 880 000 | 1 920 000 | 4 800 000 | | | | | | | | | | | | |
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| |  |  |  |  | | --- | --- | --- | --- | | **CURRENT ACCOUNTS** | **THEMBA** | **LUMI** | **TOTAL** | | **Net profit as per income statement** | 1 073 800 | 956 200 | 2 030 000 | | Partners’ salaries | 780 000 | 780 000 | 1 560 000 | | Interest on capital | 187 200 | 172 800 | 360 000 | | Bonus to partners | 101 500 |  | 101 500 | | Primary distribution of profit | 1 068 700 | 952 800 | 2 021 500 | | Final distribution of profit | \*5 100 | \*\*3 400 | 8 500 | | Drawings for the year | (875 000) | \*\*\*(905 000) | (1 780 000) | | Retained income for the year | 198 800 | 51 200 | 250 000 | | **Balances at beginning of financial year** | 25 000 | (112 000) | (87 000) | | **Balances at end of financial year** | 223 800 | (60 800) | 163 000 | | | | | | | | | | | | |
| \*(8 500 x 2 880 000/4 800 000) | | | | | \*\*(8 500 x 1 920 000/4 800 000) | | | | \*\*\*(910 000 – 5 000) | | |
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| |  |  | | --- | --- | | **TRADE AND OTHER RECEIVABLES** | | | Trade debtors | 25 800 | | Provision for bad debts | (2 800) | | Net trade debtors | 23 000 | | Prepaid expenses | 1 000 | |  | 24 000 | | | | | | | | | | | | |
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| |  |  | | --- | --- | | **3.3 Prepare the Equity and Liability section of the Statement of Financial**  **Position (Balance Sheet) on 29 February 2020.** | | |  |  | | **EQUITY AND LIABILITIES** |  | | **Owners’ Equity** | 4 963 000 | | Capital | 4 800 000 | | Current account | 163 000 | | **Non-Current Liabilities** | 800 000 | | Loan: Cling (900 000 – 100 000) | 800 000 | | **Current Liabilities** | 925 000 | | Trade and other payables | 120 000 | | Current portion of loan | 100 000 | | Bank overdraft | 705 000 | | **TOTAL EQUITY AND LIABILITIES** | 6 688 000 | | | | | | | | | | | | |
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