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|  Province of theEASTERN CAPEEDUCATION**DIRECTORATE SENIOR CURRICULUM MANAGEMENT (SEN-FET)****HOME SCHOOLING SELF-STUDY** **MARKING GUIDELINE**

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| **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 |

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| **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 |  |
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| **ACTIVITY 1** |  |
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| **1.1** |
| **PB STORES** |
| **INCOME STATEMENT FOR THE YEAR ENDED 28 FEBRUARY 2017** |
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| **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).
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| **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** |  |
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|  | **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) |

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| Depreciation on Vehicles | Depreciation on Equipment |  |
| (21750 + 55 000) | (675 + 64 500) |  |
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| **2.1.2** |  |  |
| **CURRENT ACCOUNTS NOTE** |  |
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|  | **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 |

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| **2.1.3** |  |
| **TRADE AND OTHER RECEIVABLES** |  |
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| **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 |

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| **2.1.4** |  |  |
| **TRADE AND OTHER PAYABLES** |  |
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| **Trade creditors** | **77 360** |
| Accrued Expenses | 1 840 |
| Income received in advance (69 600/12) | 5 800 |
|  | 85 000 |

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| **2.2** |  |
| **BENZ TRADERS** |  |
| **BALANCE SHEET AS AT 28 FEBRUARY 2018** |  |
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| **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 |
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| **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 |

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