

GAUTENG EAST DISTRICT

NOVEMBER 2025

EXAMINATION

GRADE 10

ACCOUNTING

PAPER 2

QUESTION PAPER

TIME: 2 hours

MARKS: 150

This question paper consists of 11 pages

INSTRUCTIONS AND INFORMATION

Read the following instructions carefully and follow them precisely.

1. Answer ALL the questions.
2. A special ANSWER BOOK is provided in which to answer ALL the questions.
3. A FORMULA SHEET for financial indicators is provided at the back of this question paper.
4. Show ALL workings to earn part-marks.
5. You may use a non-programmable calculator.
6. You may use a blue pen only to answer the questions.
7. Where applicable, show all calculations to ONE decimal point.
8. Write neatly and legibly.
9. Use the information in the table below as a guide when answering the question paper. Try NOT to deviate from it.

QUESTION	TOPIC	MARKS	TIME IN MINUTES
1	Creditors' Reconciliation	40	32 minutes
2	Cost Accounting	40	32 minutes
3	Inventory and Problem Solving	35	28 minutes
4	Tangible Assets, Internal Control and Ethics	35	28 minutes
TOTAL		150	120 minutes

QUESTION 1: CREDITORS' RECONCILIATION (40 marks; 32 minutes)

The information below relates to Notisi Traders for September 2025.

REQUIRED:

- 1.1 Explain why the Creditors Control account balance and the Creditors List total should be equal. (2)
- 1.2 **Refer to Information A and Information C:**
Prepare a correct Creditors' Control Account for September 2025 by taking into account the errors and omissions. Balance the account. (16)
- 1.3 **Refer to Information B and Information C:**
Prepare the correct Creditors List on 30 September 2025. Show all workings next to the appropriate Creditor. (18)
- 1.4 Phindi wants to improve the management of her creditors. Provide TWO internal control measures that she can use to achieve her goal. (4)

INFORMATION:

A. The Creditors Control account before taking into account Information C:

GENERAL LEDGER OF NOTISI TRADERS

Dr		CREDITORS' CONTROL						Cr	
2025 Sep	30	Bank and discount received	CPJ	30 720	2025 Sep	1	Balance	b/d	42 740
		Total returns and allowance	CAJ	3 210		30	Credit purchases	CJ	21 440
		Journal debits	GJ	1 750			Journal credits	GJ	1 200

B. The incorrect Creditors' List on 30 September:

CREDITORS	DEBIT	CREDIT
Thato Warehouse		10 880
Rodney Bakery		13 980
Sherona Suppliers		5 660
Mariaan Ltd	1 700	
Jacobus Distributors		5 450

C. ADDITIONAL INFORMATION:

- (i) The opening balance on 1 September 2025 was over-stated by R1 800.
- (ii) Due to calculation error, the balance of Rodney Bakery's creditors Ledger account was reflected as R13 980 instead of R10 890.
- (iii) An invoice for goods bought from Thato Warehouse, R580, was recorded in the Creditors Journal as R850, and posted as such.
- (iv) A debit note of R960 was issued to Sherona Suppliers for goods returned to them. They did accept the returns, but no entry was made in the books of Notisi Traders for this transaction.
- (v) An invoice for R2 200 received from Mariaan Ltd and correctly recorded in the journals, was incorrectly posted to the creditors' ledger account of Jacobus Distributors.
- (vi) The Creditors' Control column in the Cash Payment Journal included an amount of R2 150 paid to Thato Warehouse for cash purchases, but no entry was made in the books of Notisi Traders for this transaction.
- (vii) Merchandise of R1 640 was returned to Rodney Bakery and correctly entered in the Creditors Allowances Journal. However, it was posted to Rodney Bakery in the Creditors Ledger as a purchase.

QUESTION 2: COST ACCOUNTING**(40 marks; 32 minutes)****2.1 CONCEPTS**

Match the words(or phrases) in Column A, with the most appropriate explanation provided in Column B. Write the letter only next to each number. (5)

Column A		Column B	
2.1.1	Direct cost	A	Costs that change depending on the number of units produced.
2.1.2	Variable cost	B	Costs related to and easily traced to the making of a product.
2.1.3	Overheads	C	Labour involved in the processing of materials to produce the final product.
2.1.4	Costing	D	Calculation, allocation and control of costs involved in the production process.
2.1.5	Direct labour	E	Material and services used in the factory but are not identifiable in the final product.
		F	Costs that have to be paid regardless of the number of units being produced.

2.2 COST CALCULATIONS:

Portgieter Sportswear is a small business that manufactures cricket jerseys which are supplied to local schools. During July 2025, the business made **5 710** jerseys.

REQUIRED:

2.2.1 Calculate the following:

- Direct material cost (5)
- Prime cost (3)
- Factory overheads (8)
- Total cost of production (4)
- Unit cost of a cricket jersey (3)

2.2.2 The bookkeeper stated that sales for the year dropped by **30%** and income statement showed that cost of sales was also higher than the previous year. This was due to an increase in the wool price. The owner wants to increase profits.

(a) Suggest TWO strategies to achieving this objective of increasing profits. (4)

(b) If sales for last year were R200 000 and the profit mark-up is 40%, calculate:

- The sales for the current year. (4)

- The cost of sales for the current year. (4)

INFORMATION:

Cost incurred for July 2025:

Fabric(material) used in the production of jerseys	R152 500
Badges and logos	20 500
Buttons and cottons (10 packs and R200 per pack)	?
Salaries and wages:	
• Factory foreman	16 700
• Bookkeeper	15 500
• Machine operators	180 000
Total rent expense(75% must be allocated to the factory)	13 600
Water and electricity(2/3 must be allocated to the factory)	6 300
Maintenance of factory machines	5 200
Other factory expenses	8 400

QUESTION 3: INVENTORY AND PROBLEM SOLVING (35 marks; 28 minutes)

3.1 INVENTORY

MOTAU TRADERS

The information relates to Motau Traders for 30 June 2025.

REQUIRED:

Refer to the Trading Stock Account in the General Ledger and answer the following questions:

- 3.1.1 What the Opening balance on 1 June 2024 **(A)** (4)
- 3.1.2 What is the contra account for **B**? (1)
- 3.1.3 What transaction represent **C**? (2)
- 3.1.4 Where do we record trading stock on hand on 30 June 2024 in the financial statements? (2)
- 3.1.5 What is the contra account indicated by **D**? (1)
- 3.1.6 Give a reason for entry **F**. (2)
- 3.1.7 What is the folio reference for **E**? (1)
- 3.1.8 Calculate **G**, goods were sold on credit for R12 000, a mark-up of 50% was added. (3)
- 3.1.9 What is the folio reference for **H**? (1)
- 3.1.10 Calculate the missing amount for **I**. (1)

INFORMATION:

GENERAL LEDGER OF MOTAU TRADERS

Dr		TRADING STOCK						Cr	
2025 Jun	1	Balance	b/d	(A)	2025 Jun	30	(D)	CRJ	17 500
	30	(B)	CPJ	2 250			Cost of sales	DJ	(G)
		Creditors control (C)	CJ	1 400			Creditors control	(E)	1 000
		Cost of sales	DAJ	3 300			Drawings (F)	GJ	2 600
		Petty cash	(H)	1 700			Balance	c/d	(I)
									41 300
2025 Jul	1	Balance	b/d	12 200					

3.2 PROBLEM SOLVING

INFORMATION:

Florence Tladi owns 3 clothing shops around Gauteng. They sell a variety of clothes to their customers and retailers. The information below was extracted from two of his branches. He is concerned about profit not achieved and suspect some employees are stealing some clothing items.

REQUIRED:

Use information A and B provided to respond to the following questions:

- 3.2.1 Calculate the number of clothes on hand at Sharpville Fashion World. (3)
- 3.2.2 Twatwa Fashion World has a high number of stolen clothing items. Suggest TWO strategies that they can put in place to safeguard their clothes from being stolen. (4)
- 3.2.3 Suggest TWO methods that can be used by the business to promote sales. (4)
- 3.2.4 Refer to information A. Except missing/stolen clothes Identify ONE different problem at Twatwa Fashion World and provide TWO solutions to the problem. Use figures to support the identified problem. (6)

INFORMATION:

A

Information on the clothing for October 2025		
	Sharpville Fashion World	Twatwa Fashion World
Number of clothes manufactured	300	320
Number of clothes stolen/missing	0	35
Number of clothes sold	240	100
Returns by customers	0	20
Number of clothes on hand/ not sold at the end of the year	?	205
Shop manager	Roshini	Thabang

QUESTION 4: TANGIBLE ASSETS, INTERNAL CONTROL AND ETHICS
(35 marks; 28 minutes)

4.1 TANGIBLE ASSETS

The information below relates to Theo Traders for the financial year ended 28 February 2025.

REQUIRED:

- 4.1.1 State TWO reason why the asset register is a valuable tool in asset management. (4)
- 4.2 Calculate the missing amounts in the Tangible Asset Note. (23)

INFORMATION:

NOTE ON TANGIBLE ASSETS – 28 FEBRUARY 2025

	Land and Building	Vehicles	Equipment
Cost price at the beginning	520 000	320 000	305 000
Accumulated depreciation		4.2.3	(195 000)
Carrying value		115 000	4.2.6
Movements			
Additions at cost	4.2.1	4.2.4	0
Depreciation		4.2.5	4.2.7
Carrying value			4.2.8
Cost price at the end of the year	4.2.2	415 000	305 000
Accumulated depreciation			4.2.9

Additional information and adjustments:

Land and building

- A payment of R120 000 was made during the year to Amanda renovators, R80 000 was for the extension of the building and the balance of R40 000 was for the repairs of the old warehouse.

Vehicles

- Depreciation on vehicles is calculated at 10% p.a on cost price.
- A new vehicle was purchased on 1 September 2024.

Equipment

- Depreciation on equipment is calculated at 15% p.a on the diminishing balance method
- No equipment was purchased during the year.

4.3 INTERNAL CONTROL AND ETHICS

Read the scenario and answer the questions below

Palesa Thebe the owner of Thebe transportation has discovered that one of the delivery vehicles (driven by Mandla) has travelled 1 500 kilometres more for August 2024. After investigation, Mandla acknowledged that he used the delivery vehicle to visit his family in Mpumalanga.

REQUIRED:

- 4.3.1 Provide TWO internal control measures that can be implemented by the owner of the business to avoid any abuse of delivery vehicles by employees. (4)
- 4.3.2 Provide TWO steps that can be taken against Mandla for his unethical conduct. (4)

35

TOTAL 150

GRADE 10 ACCOUNTING FINANCIAL INDICATOR FORMULA SHEET

$\frac{\text{Gross profit}}{\text{Sales}} \times 100$	$\frac{\text{Gross profit}}{\text{Cost of sales}} \times 100$	$\frac{\text{Net profit}}{\text{Sales}} \times 100$
$\frac{\text{Operating expenses}}{\text{Sales}} \times 100$	$\frac{\text{Operating profit}}{\text{Sales}} \times 100$	
<p>Current assets : Current liabilities</p>	<p>(Current assets – Inventories) : Current liabilities</p>	
<p>(Trade and other receivables + Cash and cash equivalents) : Current liabilities</p>		
$\frac{\text{Net profit}}{\text{Owner's equity}} \times 100$	<p>Total assets : Total liabilities</p>	