TSHWANE WEST DISTRICT

ACCOUNTING GRADE 11

CONTROL TEST

MARKING GUIDELINES

MARCH 2023

QUESTION	TOPIC	MARKS	MARKS OBTAINED	MODERATED MARK
1	Fixed Assets	47		
2	Bank Reconciliation	35		
3	Creditors Reconciliation	18		
TOTAL		**100**		

This marking guidelines consists of 6 pages

QUESTION 1 Fixed assets (47 Marks: 44 Minutes)

1.1

	COLUMN A		COLUMN B
1.1.1	Going concern	**E**	The value of an asset in the balance sheet is the reasonable value of an asset still in use in a business which will continue for the foreseeable future, not the actual amount it could be sold for
1.1.2	Matching	**C**	If an asset has only been used for 6 months, it will be depreciated for 6 months as it will only have contributed to 6 month's earnings
1.1.3	Prudence	**F**	Assets, with the exception of land and buildings, will be depreciated as they lose value because of normal wear and tear. Although land and buildings usually increase in value, the profit will not be entered in the books until it is realized - until they are actually sold.
1.1.4	Historic cost	**B**	All assets are entered in the books at the original cost price as this can be proved and is not dependent on anyone's valuation
1.1.5	Materiality	**G**	Tangible assets are items used by the business for longer than 12 months. However, if the business buys a stapler for the accountant costing R150 it will last him forever. It will not be considered an asset as the cost is too small to warrant a page in the asset register and depreciation calculations for years.
1.1.6	Entity	**D**	The owner bought a new car for his son and paid for it out of the business bank account. This amount would be debited to Drawings and not to Vehicles
1.1.7	Consistency	**A**	Once it has been decided to depreciate computers by 25% p.a. on cost price, the same method must be used every year

1.2.1

Acc depr : 140 000✓+ 11 000✓✓ (200 000 -140 000= 60 000x20%x11/12)

Dr ASSET DISPOSAL Cr 9

Feb 1✓	Vehicles✓	200 000✓	Feb 1✓	Acc Dep on V✓	151 000
#	Profit sale of asset ☑	23 000☑		Debtor's control✓	72 000✓
		223 000		☑ for balancing amount	**223 000**

12

13

 # if learner calculated loss according to his/her amounts give marks accordingly

1.2.2

FIXED ASSETS	**Land & Buildings**	**Vehicles**	**Equipment**
Carrying value at beginning		422 400☑	39 675☑
Cost * 11 800 000-2 000 000 # 70 000 + 50 000	*9 800 000 ✓✓	1010 000✓✓	#120 000✓✓
Accumulated depreciation		(387 600) ✓	**(80 325)**
Movements			
✓Additions at cost	**2 000 000**	230 000✓	42 000✓
✓Disposals at carrying value 200 000 – 151 000	**(980 000)**	(49 000) ✓☑	
✓Depreciation		**(83 480)**	^ (16949) ✓✓✓✓✓
Carrying value at end		**519 920**	
Cost **11 800 000 – 980 000	**10 820 000✓✓	1 040 000✓✓	162 000✓
Accumulated depreciation		☑ (520 080) 519 920 – 1040 000	

^E :70 000x15%=10 500 > 7000cv so 7000-1 = 6999✓✓
50 000 x 15% = 7500✓
42 000 x 15% x 7/12 = 2450✓✓

27

QUESTION 2: BANK RECONCILIATION AND CONTROL (35 marks, 32 minutes)

2.1.1

State TWO advantages of EFTs.	
TWO different & valid advantages Mark per line	Less fraud
	Convenient or easy to use
	Can be done from business; not restricted to business hours/ Time-saving
	Payment/Receipts are instant/Account is updated immediately/ No long queues to deal
	Cheaper bank charges

2x2 =4

2.1.2 Janet, the bookkeeper, has been assigned the duty of processing and controlling all EFTs.

Explain TWO reasons why the internal auditor was concerned about this. Part marks for unclear answer.	
TWO different & valid reasons	Too many related job functions/No division of duties (no checks and balances)/Possible fraud
	She may be negligent in performing her duties.
	Lack of supervision can result in abuse/Payments not made on time
	If Janet is absent, there may not be any continuity.

2x2 =4

What advice will you give him to solve this problem
Division of duties.
Authorisation of transactions
Supervision / internal audits
Any valid answer

2

2.2 Show the changes in the Cash Journals for June 2022

-1 Foreign or superfluous items max -1

Cash receipts Journal	**Cash Payments Journal**
23470	**42 400**
2 880✓	1125 ✓✓ (x if in twice/ double)
2 900 ✓✓	130 ✓✓
2 700✓✓(7 950 – 5250)	125+175 ✓✓ (300)
Or 7950	5250
31950	43955

11

2.3

Calculate the correct Bank balance on 30 June 2022
9200✓ + 31950☑ - 43955☑ = - 2805☑   Check that CRJ and CPJ totals are transferred and includes opening balances

4

2.4

BANK RECONCILIATION STATEMENT ON 30 JUNE 2022		
	DEBIT	CREDIT
Cr Balance per bank statement✓	4460☑	Balancing figure Could be Dr or Cr
Cr Outstanding deposit		9 000✓
Cr Incorrect entry✓		1 125 ✓✓
Dr Outstanding EFTs		
14	4 670 ✓	
34	3 800 ✓	
Dr Balance per bank account	not accept 9 200	2 805☑
Check balance in 2.3	**129300**	**12930** ☑

10

If a balancing amt

-1 Foreign or superfluous items max -1

Learners can also do the one column method

QUESTION 3: CREDITORS' RECONCILIATION (18 marks, 14 minutes)

3.1 CREDITORS RECONCILIATION

NO.	CREDITOR'S LEDGER ACCOUNT	STATEMENT
Balance	**36 500**	**38 420**
A.	2970 ✓✓	
B.	(750)✓✓	
C.		(1000)✓✓
D.		(3860)✓
E.		(1960)✓✓✓ or (980)✓ Can show separate for full marks
F.		7120✓✓
TOTAL	38 720	38720 ☑ balancing amt ☑ both columns totaled including opening balance

14

Mark per line. Overflow -1 per line if marks were earned

3.**2**

An investigation into the transaction on 12 February 2023 revealed that invoice no. 668 on the statement included goods valued at R1 230 ordered by the warehouse manager for his own personal use

State TWO actions that can be taken against the warehouse manager.

- Demote manager (not responsible for placing orders anymore)
- Disciplinary hearing
- Final warning
- Deduct goods value from his salary

Any 2x acceptable answers

Do not take internal control measures as correct. Answer must be in line

With consequences for his actions

4