GAUTENG PROVINCE
EDUCATION
REPUBLIC OF SOUTH AFRICA

ACCOUNTING GRADE 11

SCHOOL BASED ASSESSMENT

TERM 1

WRITTEN REPORT

2023

QUESTION	TOPIC	MARKS	TIME ALLOCATED
1	Bank reconciliation and Internal control	30	36 minutes
2	Creditors reconciliation	20	24 minutes
	Total	**50**	**60 minutes**

NOTE:

- The written report should be administered in class and under the supervision of the educator.
- Learners should not refer to the notes during the administration process.

This question paper consists of 5 pages.

QUESTION 1: BANK RECONCILIATION AND INTERNAL CONTROL

(30 marks, 36 minutes)

INFORMATION

Tlhalefo Leche has been retrenched from work due to the financial strain caused by Covid-19 to the economy. She then decided to use her retrenchment package to open a business called Lefo Bags. The business sells bags for cash only and has a current account at Kopano Bank.
Tlhalefo asked his cousin, Sbahle to assist with the bookkeeping in the business as she majored in Accounting and will be able to manage the businesses finances.

Tlhalefo has appointed you to reconcile the financial records for March 2022, because she noted some mistakes that have been made by Sbahle.

REQUIRED:

1.1 Use the information provided to prepare a report that will be presented to Tlhalefo Leche. The report should include the following:

1.1.1 The updated Cash Receipts Journal and Cash Payments Journal for March 2022. (14)

1.1.2 Bank Account for 31 March 2022. (4)

1.1.3 Bank Reconciliation Statement for March 2022. (7)

1.1.4 A problem that is presented in the bank reconciliation statement for February. Provide **TWO** internal control measures that can be implemented by the business. (5)

INFORMATION:

A. Extract from the Bank Reconciliation Statement for February 2022:

Outstanding deposits: 16 February 2022	R 12 500
27 February 2022	R 40 000
Outstanding EFT no.105	R 4 000
Favourable balance as per bank account	R 37 000

REFER TO THE EXTRACT ABOVE

- EFT no. 105 appeared in the March 2022 bank statement.
- The outstanding deposit on 16 February for cash sales, correctly reflected on the bank statement as R10 000. The amount was incorrectly recorded in our books as R12 500.
- The outstanding deposit on 27 February 2022 was made after the bank statement was received and appeared on March bank statement as R40 000.

B Provisional totals from the Cash journals on 31 March 2022:

- Cash Receipt Journal R70 000
- Cash Payment Journal R25 370

C The following information extracted from March 2022 bank statement did not appear in the cash journals for March.

- A debit card transaction amounting to R3 500 for the monthly petrol, the slips were not submitted.
- An EFT received from Bowdy supplies for R2 380 as a refund for returned stock.
- An EFT for R2 100 to creditor SS Traders was omitted.
- Bank charges amounting to R1 280 and an interest on favourable balance amounting to R360, must be brought into account.

D Items in the March 2022 cash journals that did not appear in the bank statement for March.

- A deposit of R11 500,on 23 March 2022
- EFT no. 230 for monthly insurance, R5 900.

E. Errors and Omissions

- An EFT for R3 700 was reflected on the bank statement. This payment does not relate to Lefo Bags and the bank agreed to correct this next month.
- The bookkeeper incorrectly recorded payment of R930 to Ned-insurers for insurance on 28 March 2022, Lefo bags did not have insurance contract with Ned-insurers.

F Bank statement balance on 31 March 2022 ?

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QUESTION 2: CREDITORS RECONCILIATION (20 marks, 24 minutes)

INFORMATION

Phiri Stores is owned by Mpho Phiri, most of the goods they sell are bought from Phala Suppliers on credit.

Mthetheleli Mabika the bookkeeper of Phiri Store contracted covid 19 and was hospitalised in January, he is now recovering from home. The owner, Mpho Phiri has requested you as a third -year Bcom (Accounting) student to reconcile the account of Phala Suppliers and the statement received.

A financial report on reconciled figures will be presented to the Mpho Phiri.

REQUIRED:

2.1 The information extracted from the records of Phiri Stores will assist you in compiling the report, the following sections/calculations should be addressed in the report:

2.1.1 Explain why the closing balance of the creditors statement and creditors ledger account should be the same. Provide **TWO** points. (4)

2.1.2 Use information A,B and C to reconcile the following:
- The Creditor's Ledger Account of Phala Suppliers
- Creditor's statement for January 2023 received from Phala Suppliers (12)

2.1.3 A problem was detected in the books of Phiri Stores when reconciling his ledger account and statement received from him. Identify the problem and provide a solution. **Refer to Information C (IV)** (4)

INFORMATION:

A. **Creditors' Ledger of Phiri Stores**
Phala Suppliers

DATE		DETAILS	FOL.	DEBIT	CREDIT	BALANCE
Feb	01	Account Rendered				7 550
	02	Invoice B13	CJ		2 280	9 830
	04	Debit Note 15	CAJ	330		9 500
	07	EFT 25	CPJ	3 000		6 500
		Discount received	CPJ	300		6 200
	20	Invoice B28	CJ		1 960	8 160
	23	EFT 82	CPJ	1 000		7 160
	24	Invoice B55	CJ		1 550	8 710
	28	EFT 146	CPJ	1 500		7 210
		Discount received	CPJ	150		7 060
	29	Invoice 580	CJ		1 720	8 780

B. Statement of account received from Phala Suppliers

PHALA SUPPLIERS				**No. 781E**
205 Kings Road Bisho 5232				
Debtor: Phiri Stores				25 February 2023

DATE		DETAILS	DEBIT	CREDIT	BALANCE
Jan	25	Balance			9 450
	28	Receipt 90		1 900	7 550
Feb	02	Invoice B13	280		7 830
	04	Credit Note C14	330		8 160
	07	Receipt 145		3 000	5 160
		Discount allowed		150	5 010
	13	Invoice B20	1 250		6 260
	18	Invoice B30	1 960		8 220
	23	Receipt 65		1 000	7 220
	24	Invoice B55	1 705		8 925
	25	Delivery charges	420		9 345

C. An investigation uncovered the following errors and omissions:

(i) Invoice B13 was correctly entered in the account of Phala Suppliers.

(ii) Credit note C14 was for the goods returned by Phiri Stores to Phala Suppliers on 4 February 2023.

(iii) The discount allowed on 7 February 2023 is correct according to the statement of account from Phala Suppliers.

(iv) Invoice B20 was for Thandi, an employee responsible for buying good and payments to suppliers. She bought goods for personal use, using the business ordering system. The order did not have the signature of authorisation.

(v) Phala Suppliers forgot to deduct trade discount from invoice B55

(vi) Invoice 580 was for goods that Phiri Stores bought from Phungo Suppliers.

(vii) Phala Suppliers charges a delivery fee to all its customers.

(viii) The statement of account includes transactions up to 25 February 2023.

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TOTAL MARKS : 50