Western Cape Government

Western Cape Education Department
Curriculum (FET)

ACCOUNTING

Grade 11

REVISION 2025

TERM 2

Work Book

PARTNERSHIPS - FINANCIAL STATEMENTS

ACTIVITY 1 (Concepts)

1.1	
1.2	
1.3	
1.4	
1.5	

5

ACTIVITY 2: (Statement of Comprehensive Income, Notes) (83 marks; 65 minutes)

2.1 JJ STORES
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 28 FEBRUARY 2023

Sales	
Gross Profit	
Other Operating Income	
Commission Income	**47 725**
Gross Operating Income	
Total Operating Expenses	
Salaries and wages	**45 500**
Depreciation	**18 300**
Sundry expenses	
Operating Profit	
Profit before interest expense	
Net profit for the year	

35

2.2 CAPITAL

	JOZI	JAY	TOTAL	
Balance -beginning of year				
Additional capital				
Decrease of capital				
Balance - end of year				**8**

CURRENT ACCOUNTS

	JOZI	JAY	TOTAL	
Profit per Statement of Comprehensive Income			**311 133**	
Salaries				
Primary distribution				
Share in remaining profit				
Drawings				
Retained income for the year				
Balance - beginning of year				
Balance - end of year				**32**

Calculations:

2.3	**Provide TWO reasons to justify why she feels this way. In each case provide relevant figures to support your comments.**	
		(4)
	Propose TWO practical suggestions that the partnership can use to address the concern expressed by Jozi	
		(4)

TOTAL: 83

ACTIVITY 3: (Statement of Comprehensive Income) (45 marks; 35 minutes)

3.2 MONDAZE TRADERS
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 28 FEBRUARY 20213

Sales	
Cost of sales	
Gross profit	
Other operating income	
Gross operating income	
Operating expenses	
Bad debts	
Operating profit	
Profit before interest expense	
Net profit for the year	

45

ACTIVITY 4 (Statement of Financial Position; Notes) (65 marks; 55 minutes)

4.1.1	
4.1.2	
4.1.3	
4.1.4	
4.1.5	

5

4.2.1.1 CURRENT ACCOUNTS

	GOLD	BROWN
Profit per Statement of Comprehensive Income		
Partners' Salaries		108 000
Primary distribution		
Final distribution of remaining profit		
Drawings	(12 000)	
Retained income for the year		
Balance - beginning of year	33 000	
Balance - end of year		

24

Calculations:

4.2.1.2 TRADE AND OTHER PAYABLES

Trade Creditors	

6

4.2.2 GOLDEN BAKERY
STATEMENT OF FINANCIAL POSITION AT 28 FEBRUARY 2023

ASSETS		
Non-current assets		
Fixed/Tangible assets		
Current assets		
Inventory (146 900		
Total assets		
EQUITY AND LIABILITIES		
Capital & Reserves / Owner's equity		
Non-current liabilities		
Current liabilities		
Total equity and liabilities		**1 842 560**

30

TOTAL: 65

ACTIVITY 5 (Statement of Financial Position; Notes) **(30 marks; 25 minutes)**

5.1 NOTES TO THE FINANCIAL STATEMENTS

FIXED ASSETS	**Vehicles**	**Equipment**
Carrying value - beginning of year	**356 000**	**1**
Cost price at beginning of the year	**580 000**	**80 000**
Accumulated depreciation	**(224 000)**	**(79 999)**
Movements		
Additions at cost	**0**	**200 000**
Disposals at carrying value		**0**
Depreciation for the year		**(40 000)**
Carrying value - end of year		**160 001**
Cost price at end of the year		**280 000**
Accumulated depreciation		**(119 999)**

7

TRADE AND OTHER RECEIVABLES	

7

5.2

BEATLES TRADERS STATEMENT of FINANCIAL POSITION ON 28 FEBRUARY 2023		
ASSETS		
Non-current assets		
Fixed assets (included Land & Buildings)		**880 000**
Current assets		
TOTAL ASSETS		**1 313 000**

12

5.3 **Explain the reason for the carrying value of R1 on 1 March 2022.**

2

5.4 **Give ONE reason why you would support Paul's suggestion.**

2

30

PARTNERSHIPS - FINANCIAL INDICATORS

BASELINE ACTIVITY 1

Profitability	Liquidity	Solvency	Return	Risk
Gross profit on Sales				

BASELINE ACTIVITY 2

2.1	Profitability	
2.2	Solvency	
2.3	Liquidity	
2.4	Return	
2.5	Financial risk / gearing	

ACTIVITY 1 (Statement of Financial Position with Financial indicators)

1.1 MKUNI STORES
STATEMENT OF FINANCIAL POSITION ON 31 AUGUST 2023

ASSETS	
FIXED/TANGIBLE ASSETS	
CURRENT ASSETS	
TOTAL ASSETS	
EQUITY AND LIABILITIES	
PARTNERS' EQUITY	
Current accounts	**(50 000)**
NON-CURRENT LIABILITIES	
CURRENT LIABILITIES	**95 000**
Trade and other payables (only creditors)	95 000
TOTAL EQUITY AND LIABILITIES	**612 500**

1.2.1	**S. Mkuni is concerned about the difference in returns between what she and J. Mkuni are earning. Discuss one possible reason for the difference.**
1.2.2	**Do you think S. Mkuni's concern is justified? Briefly explain.**

1.3	**Calculate the:**
1.3.1	**Debtors' collection period (on closing balances only)**
1.3.2	**Creditors' payment period (on closing balances only)**

1.4	**Comment on the liquidity management of the business. Use figures /ratios to support your opinion.**

ACTIVITY 2 (Financial indicators and internal control)

	Workings	Answer
2.1.1	**Calculate operating expenses on turnover.** (3)	
2.1.2	**Calculate the acid test ratio.** (4)	
2.1.3	**Calculate the % return on average owners' equity.** (7)	
2.1.4	**Calculate stock turnover rate.** (5)	

2.2	**Comment on the liquidity position for 2023. Quote THREE relevant financial indicators (actual ratios or figures) to support your answer.**
	Financial indicators (actual ratios or figures): (6)
	Comment: (2)

2.3	**The owners are not satisfied with the rate at which the stock is being sold. Explain why they feel this way by quoting a relevant financial indicator and actual figures, ratios or % to support your explanation.**	
		4

2.4	**Discuss THREE reasons why a business should not have too much stock.**	
		6

2.5	**Will the owners of this business be satisfied with the return on equity? Explain by quoting a financial indicator to support your opinion.**	
		3

40

ACTIVITY 3 (Analysis & Interpretation) **(40 marks, 30 minutes)**

3.1.1	**Solvency for 2023**	
	Workings	**Answer**
		3
3.1.2	**Comment on this ratio. Is this business likely to experience a solvency problem? Briefly explain**	
	Opinion:	
	Explanation:	
		3

3.2.1	**Debt/equity ratio for 2023**	
	Workings	**Answer**
		3
3.2.2	**Thando is not happy with the debt/equity ratio and feels that it is negatively affecting the performance of the business. State TWO points (financial indicators) to support his opinion**	
		4

3.3.1	**Thando's % return on average owner's equity**	
	Workings	**Answer**
		4

3.3.2	**Thando believes his return is unsatisfactory and that Tammy is taking advantage of her senior position in the partnership. State TWO points to support Thando's opinion.**

6

3.4.1	**Average debtors' collection period for 2023**	
	Workings	**Answer**

5

3.4.2	**Customers are complaining that the business seldom stocks the products they would like to buy. Explain, stating TWO points. Quote figures and financial indicators to support the customers' complaints**

4

3.4.3	**State TWO points to support Tammy's opinion and TWO points to support Thando's opinion.**
	Tammy:
	Thando:

8

TOTAL: 40

ACTIVITY 4 (Analysis & Interpretation) (20 marks, 25 minutes)

4.1

Calculate and comment on the percentage return earned by Sheru. (Use average owner's equity).	
	Answer
Comment:	

7

4.2

The partners are satisfied that the liquidity of the business has improved over the past year. Identify and comment on TWO liquidity indicators which support their opinion. Quote the relevant financial indicators/figures/trends.

6

4.3

Calculate the Debt/Equity ratio on 30 June 2023.	

4

4.4	**The partners have planned extensions to the building to the value of R100 000. Partner Sheru suggested they take an additional loan to finance the extensions. Do you agree with this suggestion? Give TWO points.**

4

20

INVENTORY SYSTEMS

ACTIVITY 1 (Inventory systems)

1.1	How does the periodic system differ from the perpetual system? Identify TWO differences.

4

1.2 Cost of sales for the period ending 29 February 2024

Opening stock	
Cost of Sales	

15

1.3	Calculate the gross profit for the year	
	Workings	Answer

5

1.4.1	Calculate the actual mark-up achieved.	
	Workings	Answer

3

1.4.2	Supply TWO reasons why Mandisa did not achieve their intended mark-up.

4

1.5	Is there a way you can think of to solve this problem? Explain.

2

TOTAL 33

ACTIVITY 2 (Inventory calculations)

2.1 Purchases:

Cash purchases	
Credit purchases	
Net purchases	

13

2.2. Gross Profit

Gross profit	

17

NOTE: A Trading account may also be completed. Accept any other workings. Allocate marks accordingly.

2.3	**Calculate the mark-up %**	
	Workings	**Answer**

3

2.4	**Explain why Barby uses the periodic system for her business.** **Provide TWO reasons.**

4

2.5	**Barby is considering changing to the perpetual system in the next financial year.** **What main point should she consider before making her final decision?**

2

TOTAL **40**

ACTIVITY 3 (Inventory: periodic system)

3.1.1	Supply the missing details [A] and [B]	
	A:	
	B:	2

3.1.2	Total sales for the financial year were R601 600. Kandy Sweets uses a fixed mark-up percentage on their products. Calculate the mark-up %.		
			4

3.1.3	Sandy is concerned about the high transport costs she has to pay on stock purchases. Explain how she can solve this problem?	
		2

3.1.4	Since Sandy has not authorised any donations. Recommend TWO internal controls she could introduce to prevent similar transactions from happening.	
		4

3.1.5	(a) Provide the double entry with the amount to record the shortfall of stock.		
	Debit		
	Credit		
	Amount		3
	(b) Give TWO different suggestions on how Sandy can reduce the stock shortages in future.		
			4

3.16	Calculate the time in days it will take to sell the closing stock of R189 850.		
			4

3.2 PROBLEM SOLVING

3.2.1	Identify TWO areas of concern relating to the stock figures of FanC Fashions. Quote the figures to support your concerns.

4

3.2.2	Suggest TWO measures that should be introduced to improve the profitability of the business.

4

TOTAL | **30**