



education

Department:
Education
North West Provincial Government
REPUBLIC OF SOUTH AFRICA

PROVINCIAL ASSESSMENT

GRADE 10

ACCOUNTING P1

NOVEMBER 2024

MARKING GUIDELINES

MARKING PRINCIPLES:

1. Unless otherwise stated in the marking guideline, penalties for foreign items are applied only if the candidate is not losing marks elsewhere in the question for that item (no penalty for misplaced item). No double penalty applied.
2. Penalties for placement or poor presentation (e.g. details) are applied only if the candidate is earning marks on the figures for that item.
3. Full marks for correct answer. If answer is incorrect, mark the workings provided.
4. If a pre-adjustment figure is shown as a final figure, allocate the part-mark for the working for that figure (not the method mark for the answer). Note: If figures are stipulated in the marking guidelines for components of workings, these do not carry the method mark for final answer as well.
5. Unless otherwise indicated, the positive or negative effect of any figure must be considered to award the mark. If no + or – sign or bracket is provided, assume that the figure is positive.
6. Where indicated, part-marks may be awarded to differentiate between differing qualities of answers from candidates.
7. Where penalties are applied, the marks for that section of the question cannot be a final negative.
8. Operation means 'check operation'. 'One part correct' means operation and one part correct. Note: check operation must be +, -, x, ÷, or per memo.
9. 'One part correct' means 'operation and one part correct'. Where method marks are awarded for one part correct, the marker must inspect the reasonableness of the answer and at least one part must be correct before awarding the mark. If a figure has earned a method mark, this will be regarded as 'one part correct'.
10. In calculations, do not award marks for workings if numerator and denominator are swapped – this also applies to ratios.
11. In awarding method marks, ensure that candidates do not get full marks for any item that is incorrect at least in part.
12. Be aware of some candidates who provide valid alternatives beyond the marking guidelines.
Codes: f = foreign item; p = placement/presentation.

These marking guidelines consist of 11 pages

QUESTION 1:

1.1. CONCEPTS

1.1.1	F ✓
1.1.2	C ✓
1.1.3	A ✓
1.1.4	D ✓
1.1.5	B ✓

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1.2 ACCOUNTING EQUATION

NO	ACCOUNT DEBITED	ACCOUNT CREDITED	AMOUNT	ASSETS	OWNERS EQUITY	LIABILITIES
e.g	Stationary	Bank	500	-	-	0
1.2.1	BANK ✓	DEBTORS CONTROL	600 ✓	+ ✓ - ✓	0	0
1.2.2	DONATIONS	TRADING STOCK ✓	5000 ✓	- ✓	- ✓	0
1.2.3	BANK ✓	SALES ✓	30000 ✓ ✓	+ ✓	+ ✓	0
	COST OF SALE ✓	TRADING STOCK ✓	20 000 ✓ ✓	- ✓	- ✓	0

20

Total marks
25

QUESTION 2

2.1		MARUPINGDEALERS		
		INCOME STATEMENT FOR THE YEAR ENDED 31 AUGUST 2024		
Sales (758 413✓ – 12 435✓)	one part correct		745 978	✓
Cost of Sales			(500 000)	✓
Gross Profit	check	5	245 978	✓
operations				
Operating Income			29 260	✓
Rent Income (31 300✓ – 2 600✓✓)			28 700	✓
Discount Received			560	✓
Gross operating income		7	275 238	✓
Operating expenses			(188 545)	✓
Bad debts (1 250✓ + 900✓)	one part correct; check		2 150	✓
operations				
Salaries			114 000	✓
Telephone (7 490✓ + 405✓)	one part correct; check		7 895	✓
operations				
Water and electricity			5 350	✓
Stationery			2 820	✓
Advertisements			6 346	✓
Insurance (3 250✓ – 665✓)	one part correct; check		2 585	✓
operations				
Discount Allowed			789	✓
Donations			525	✓
Trading Stock deficit (33 320✓ – 525✓✓ – 31 590✓)			1 205	✓
Depreciation (33 750 ✓ + 6 000✓ + 5 130✓)			44 880	✓
Operating profit	check	29	86 693	✓
operations				
Interest Income (2 125 ✓ + 2 125✓)			4 250	✓
Profit before interest expense	check operations		90 943	✓
Interest expense (239 820✓ + 51 000✓ – 262 000✓)	check operations		(28 820)	✓
Net profit for the year	check operations	9	62 123	✓

Total marks
50

QUESTION 3**3.1 TRUE/ FALSE**

3.1.1	FALSE✓
3.1.2	TRUE✓
3.1.3	TRUE✓
3.1.4	TRUE ✓
3.1.5	FALSE✓

5

3.2 Statement of Financial Position notes of MPHOENTLE STORES for the year ended 28 February 2024:**(a) INVENTORIES**

Trading stock	310 000
Consumable store on hand✓	7 300✓
	317 300☑

3

(b) TRADE AND OTHER RECEIVABLE

Debtors control	48 700
Prepaid expense✓	14 000✓
Accrued income (receivable) ✓	8 000✓
	70 700☑

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(c) CASH AND CASH EQUIVALENT

Petty cash	1 200
Fixed deposit matured✓	25 000✓
	26 200☑

3

(d) TRADE AND OTHER PAYABLE

Trade creditors	74 800
Income received in advance (deferred) ✓	15 000✓
Accrued expense✓	3 900✓
Creditors for salaries✓	16 000✓
SARS-PAYE✓	3 200✓
	112 900☑

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3.2.2 Statement of financial position for MPHOENTLE on FEBRUARY 2024

ASSETS	Note	R
Non-current assets		1 254 200 <input checked="" type="checkbox"/>
		operation
Fixed assets 1 191 200 – 32 000 ✓	3	1 159 200 <input checked="" type="checkbox"/>
		operation
Investments 120 000 ✓ – 25 000 ✓		95 000 ✓
Current assets		414 200 <input checked="" type="checkbox"/>
		operation
Inventories see (a)3.2.1	4	317 300 <input checked="" type="checkbox"/>
Trade and other receivables See(b) 3.2.1	5	70 700 <input checked="" type="checkbox"/>
Cash and cash equivalents see (c)3.2.1	6	26 200 <input checked="" type="checkbox"/>
TOTAL ASSETS NCA + CA		
		1 668 400 <input checked="" type="checkbox"/>
EQUITY AND LIABILITIES		
Owner's equity		1 140 800
Capital balancing figure	7	1 140 800
Non-current liabilities		335 000
Loan from Star Bank 350 000 ✓ – 15 000 ✓		335 000 <input checked="" type="checkbox"/>
Current liabilities		192 600 <input checked="" type="checkbox"/>
		operation
Trade and other payables see (d)3.2.1	8	112 900 <input checked="" type="checkbox"/>
Current portion of loan		15 000 ✓
✓ Bank overdraft 64 700		64 700 ✓
TOTAL EQUITY AND LIABILITIES OE + NCL + CL		
		1668 400 <input checked="" type="checkbox"/>

20

Total marks

45

QUESTION 4**4.1.1 Solvency Ratio**

$$2\,250\,000\checkmark + 150\,000\checkmark + 1\,287\,500\checkmark) : (818\,750\checkmark + 368\,750\checkmark)$$

$$3\,687\,500 : 1\,187\,500$$

(3 marks)

(2 marks)

$$3,1 : 1\checkmark$$

One part mark

6

4.1.2 Current Ratio

$$1\,287\,500\checkmark : 368\,750\checkmark$$

$$3,5 : 1\checkmark$$

One part mark

3

4.1.3 Acid test ratio

$$(1\,287\,500\checkmark - 300\,000)\checkmark : 368\,750\checkmark$$

$$987\,500 : 386\,750$$

(2marks)

(1 marks)

$$2.6 : 1\checkmark$$

One part mark

4

4.1.4 Return on average owner's equity

$$\frac{525\,000\checkmark}{(1\,475\,000\checkmark + 2\,500\,000\checkmark) \frac{1}{2}} \times \frac{100}{1}$$

$$26,4\%\checkmark$$

One part mark

4

4.1.5 Operating Expenses on sales

$$\frac{700\,000\checkmark}{1\,875\,000\checkmark} \times \frac{100}{1}$$

37,3%

3

4.2 Comment on the liquidity position of the business, quote TWO financial indicators to support your comment**Relevant financial indicator with figures****Comment**

- Current Ratio decreased from 2,9 : 1 to 2,0 : 1 *by* 0,9
- Acid test ratio increased from 0,9 : 1 to 1,2 : 1 *by* 0.3

General comment :

Liquidity position indicates that the business can pay its current liabilities using current assets /there are no liquidity problems/the business does not rely on stock.

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4.3 The owner is satisfied with the return he is earning in the business, explain by quoting ONE financial indicator to support your answer.

Relevant financial indicator with figures ✓✓
Compare with interest rate on fixed deposit ✓✓

- Return on Equity increased from 17,8% to 20.8% by 3%

Compare with interest rate on fixed deposit

- This is above the interest rate on fixed deposit at 12%

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Total marks
30