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ACCOUNTING

6896/01

Paper 1

October/November 2019

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*Confidential*

***MARK SCHEME***

***{6896/01}***

***MARKS: 100***

- 1**
- (a)** B **(1)**
  - (b)** A **(1)**
  - (c)** C **(1)**
  - (d)** D **(1)**
  - (e)** B **(1)**
  - (f)** B **(1)**
  - (g)** A **(1)**
  - (h)** B **(1)**
  - (i)** C **(1)**
  - (j)** D **(1)**

**[Total: 10]**

2 (a) Within - owner, managers

**Any one x 1 mark**

Outside – suppliers, customers, banks, government, employees

**Any two x 1 mark**

**[3]**

(b) (i) assumed continuity/ going concern concept (1)

**[1]**

(ii) To ascertain the financial position of the business

To compare profits made over years

To provide information required by financial institutions

As a basis for decisions about the future

To assist in budgets and forecasts

To identify expenses that need to be controlled better

To calculate the return on his investment

To compare the return with other forms of investments

**Any three points x 1 mark**

**[3]**

(c) (i) Bookkeeping - systematic recording of financial transactions in accounting records or computer. (1)

Accounting – using bookkeeping records to prepare financial statements and to assist decision making. (1)

**[2]**

(ii) Turnover – sales less sales returns. (1)

Rate of inventory turnover –number of times inventory is sold in a time period. (1)

**[2]**

(iii) Gross profit: revenue less cost of sales. (1)

Profit for the year: gross profit + any other income - expenses. (1)

**[2]**

(d)

<b>RECEIPT</b>	
Siviwe's fruits and vegetables	Receipt number : 001511
P O Box C2534	Date : (i) <u>10 July 2019</u> (1)
Mantonga	
Cell number: 79429711	
Received from : (ii) <u>Thoba Supermarket</u> (1)	
Paid (iii) <u>Six thousand Emalangen</u> (words)	<span style="border: 1px solid black; padding: 2px;">E6000 (1)</span>
Cashier: (iv) <u>Zodwa</u> (1)	

**[4]**

(ii) cash book (1) [1]

(iii) act as proof of money received from her customers  
act as source document for the cash book

**Any one point x 1 mark [1]**

**[Total: 19]**

3 (a)

Zakhele  
General Journal

2019		E	E	
Mar 9	Drawings	295		(1)
	Purchases		295	(1)
	Goods taken by the owner for personal use (1)			
Mar 15	Interest payable	150		(1)
	Simelane		150	(1)
	Interest on overdue account (1)			
Mar 31	Income statement	2820		(1)
	Provision for depreciation: motor vehicle		2820	(1)
	Depreciation charged on motor vehicle (1)			

[9]

(b)

	Capital	Assets	Liabilities
Apr 12	no effect (1)	+ E780 inventory (1)	+ E780 trade payables (1)
23	+E45 000 (1)	+ E45 000 motor vehicle (1)	no effect (1)
28	No effect (1)	+ bank E20 000(1)	+ loan E20 000 (1)

[9]

(c)(i) Consistency (1)

[1]

(ii) It is applied by using the same accounting policy (1) every Year (1). E.g. using the straight line method of depreciation every year (1)

[2]

[Total: 21]

<b>4 (a)</b>	2	Sales account	-	general ledger / nominal ledger	(1)
	3	Abahle account, a supplier	-	purchases ledger/ creditors ledger/ trade payables ledger	(1)
	4	Drawings account	-	general ledger / nominal ledger	(1)
	5	Mumsy account, a customer	-	sales ledger / debtors ledger/ trade receivables ledger	(1)
	6	Purchases account	-	general ledger / nominal ledger	(1)
	7	Vuyile loan account	-	general ledger / nominal ledger	(1)

[6]

**(b)**

		Babili account					
2019		E		2019	E		
Jul 19	Bank	429	(1)	Jul 8	Purchases	440	(1)
Jul 19	Discount received	<u>11</u>	(1)			<u>440</u>	
		<u>440</u>				<u>440</u>	

		Musa account					
2019		E		2019	E		
Jul 24	Purchases returns	128	(1)	Jul 21	Purchases	304	(1)
26	Cash	110	(1)			<u>304</u>	
31	Balance c/d	<u>66</u>		Aug 1	Balance b/d	<u>66</u>	(1)
		<u>304</u>				<u>304</u>	

		Purchases account	
2019		E	
Jul 31	Cash	990	(1)
Jul 31	Total for the month	744	(1)

## Purchases returns account

2019	E
Mar 31 Total for the month	128 (1)

**+ 1 for dates****[11]**

- (c) (i) Assist in the location of errors  
 Provide instant totals of debtors/creditors  
 Proves the arithmetical accuracy of sales/purchases ledgers  
 Enable the statement of financial position to be prepared quickly  
 Provide a summary of the transactions relating to accounts receivable/ accounts payable  
 Provide an internal check on sales/purchases ledgers  
 May reduce fraud

**Any 2 points x 1 mark**

**[3]**

(ii)

Siphoso  
 Purchases ledger control account

2019	E	2019	E	
July 31 Purchases returns	128 <b>(1)</b>	July 31 Purchases	744 <b>(1)</b>	
31 bank	429 <b>(1)</b>			
31 Discount received	11 <b>(1)</b>			
31 Cash	110 <b>(1)</b>			
31 Balance c/d	<u>66</u>			
	<u><u>744</u></u>		<u><u>744</u></u>	
		2019		
		Aug 1 Balance b/d	66 <b>(1)</b>	<b>[6]</b>

**[Total: 26]**

- 5(a)** Individual results can help to compare the performances among the departments.  
 Helps to understand or locate the success and failure of each department.  
 Helps in deciding whether to expand or close a department.

**Any 2 points x 1 mark**

**[2]**

**(b)(i)**

Dumi				
Departmental Income Statement for the year ended 28 February 2019				
	"Ladies" Department		"Men" Department	
	E	E	E	E
Revenue		320 000 (1)		160 000 (1)
Less cost of sales				
Opening inventory	22 000		10 000	
Purchases	267 000		120 000 (1)	
Carriage inwards	<u>1 500</u>		<u>500 (1)</u>	
	290 500		130 500	
Less closing inventory	<u>18 000</u>		<u>15 000 (1)</u>	
Cost of sales		<u>272 500 (1)</u>		<u>115 500 (1)</u>
Gross profit		47 500		44 500
Less expenses		<u>25 560 (1)</u>		<u>17 040 (1)</u>
Profit for the year		<u>21 940 (1)</u>		<u>27 460 (1)</u>

**[11]**

**(ii) Current assets (1)**

$$(18\,000 + 15\,000) = \text{E}33\,000 \text{ (1)}$$

**[2]**

**(c) "Ladies" department =  $\frac{21\,940 \text{ (1)}}{320\,000 \text{ (1)}} \times 100 = 6.86\% \text{ (1)}$**

"Mens" department =  $\frac{27\,460 \text{ (1)}}{160\,000 \text{ (1)}} \times 100 = 17.16\% \text{ (1)}$

**[6]**

**(d) Net profit percentage on capital employed:**

$$\frac{(27\,460 + 21\,940) \text{ (1)}}{300\,000 \text{ (1)}} \times 100 = 16.47\% \text{ (1)}$$

**[3]**

**[Total: 24]**