

Study & Master

Economic and Management Sciences

CAPS

Teacher's Guide

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Grade

9

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1. Introduction

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1. Curriculum and Assessment Policy Statement (CAPS)

A single Curriculum and Assessment Policy Statement (CAPS) exists for each school subject. The CAPS for each subject details the minimum outcomes and standards of the learning process, as well as assessment processes and procedures.

For more information on the CAPS, please see Section 1 of the CAPS document for Economic and Management Sciences.

2. Economic and Management Sciences as a subject

Aims

Economic and Management Sciences is a fundamental subject and is therefore compulsory for all Grade 7 to 9 learners. As a practical subject, its aim is to equip learners with real-life skills for their personal development and the development of their communities. In other words, Economic and Management Sciences aims to:

- Develop learners' skills to deal with the efficient and effective use of different types of private, public or collective resources to satisfy people's needs and wants.
- Guide learners to reflect critically on the impact of resource exploitation on the environment and on people.
- Teach learners to deal with the effective management of scarce resources in order to maximise profit.
- Provide opportunities for learners to expand their own personal development.
- Guide learners using tasks that promote the idea of sustainable economic growth and the development of their communities.

Economic and Management Sciences topics

The issues dealt with in Economic and Management Sciences are inter-related and covered through three topics:

- The economy
- Financial literacy
- Entrepreneurship

The table below indicates the main topics in the Economic and Management Sciences curriculum.

| | Topic | Grade 7 | Grade 8 | Grade 9 |
|---|-------------|---|---|--|
| 1 | The economy | <ul style="list-style-type: none">• History of money• Needs and wants• Goods and services• Inequality and poverty• The production process | <ul style="list-style-type: none">• Government• The National Budget• Standard of living• Markets | <ul style="list-style-type: none">• Economic systems• The circular flow• Price theory• Trade unions |

| | Topic | Grade 7 | Grade 8 | Grade 9 |
|---|--------------------|---|--|--|
| 2 | Financial literacy | <ul style="list-style-type: none"> • Savings • Budgets • Income and expenses • Accounting concepts | <ul style="list-style-type: none"> • Accounting concepts • Accounting cycle • Source documents • Cash Receipts Journal and Cash Payments Journal of a service business • Effects of cash transactions on the accounting equation • General Ledger • Trial Balance | <ul style="list-style-type: none"> • Cash Receipts Journal and Cash Payments Journal of a sole trader • Posting to the General Ledger • Preparing a Trial Balance • Recording transactions in the Debtors Journal, Creditors Journal • Posting to the Debtors Ledger and Creditors Ledger |
| 3 | Entrepreneurship | <ul style="list-style-type: none"> • The entrepreneur • Starting a business • Businesses • Entrepreneur's Day | <ul style="list-style-type: none"> • Factors of production • Forms of ownership • Levels of management • Functions of management | <ul style="list-style-type: none"> • Sectors of the economy • Functions of a business • A business plan |

Overview of content

An overview of the content of Economic and Management Sciences entails the following:

- the needs and wants of different communities in societies
- the nature, processes and production of goods and services, and business activities within the different sectors
- financial management, accounting as a tool for management of a business, and record keeping
- the influence of demand and supply, and pricing
- the flow of money, goods and services between households, businesses and government, and the rights and responsibilities of the different role players in the economy
- the way in which to achieve sustainable growth, reduce poverty and distribute wealth fairly, while still pursuing profitability
- entrepreneurial skills and knowledge needed to manage self and the environment effectively
- basic aspects of leadership and management
- the role of savings in sustainable economic growth and development
- trade unions and their influence in the economy
- the importance of using resources sustainably, effectively and efficiently
- the functioning of both formal and informal businesses.

Time allocation

The teaching time for Economic and Management Sciences is two hours per week. As this subject involves the development of accounting skills of learners in Grade 9, one hour per week must be used for financial literacy in terms of the Annual Teaching Plan.

The instructional time per year for each Economic and Management Sciences topic in Grade 9 is as follows:

| Topic | Number of hours per year |
|---------------------|---------------------------------|
| The economy | 19 |
| Financial literacy | 32 |
| Entrepreneurship | 13 |
| Revision | 8 |
| Contact time | 72 |
| Examinations | 8 |
| Total hours | 80 |
| Total weeks | 40 |

For information on assessment in Economic and Management Sciences, please see Section 3 of this Teacher's Guide.

3. How *Study & Master Economic and Management Sciences Grade 9* works

Teaching and learning materials required for Economic and Management Sciences

- Each learner should have a textbook and a calculator.
- Learners should each have one Cash Journal exercise book, one General Ledger exercise book and a normal exercise book.
- Teachers should have a textbook with a Teacher's Guide.

Course components

Study & Master Economic and Management Sciences Grade 9 consists of a:

- Learner's Book
- Teacher's Guide

Learner's Book

The Learner's Book is divided into four terms that cover the three Economic and Management Sciences topics in the same order as they appear in the Annual Teaching Plan of the CAPS document. Thus each term in the Learner's Book is divided as follows:

- Economic and Management Sciences topics
- Content within each topic as outlined in the CAPS document
- Activities.

There is a revision section at the end of each term which learners can use to revise the terms' work in preparation for the controlled tests at the end of Terms 1 and 3, and the mid-year and end-of-year examinations at the end of Terms 2 and 4.

Formal assessment opportunities are included in the Learner's Book where appropriate:

- Examination practice papers appear at the end of Terms 2 and 4 for the mid-year and end-of-year examinations.
- The actual end-of-year examination paper and marking memorandum appears in the Resources section of this Teacher's Guide.
- The two controlled tests and their marking memorandums appear at the end of Terms 2 and 4 in Section 2 of this Teacher's Guide.





Teacher's Guide

The Teacher's Guide provides information and guidance on:

- Economic and Management Sciences as a subject (Section 1)
- planning for the Grade 9 year and lesson-by-lesson guidance, including tips to cover resources, a list of new words and concepts, and preparation required prior to teaching the topic (Sections 1 and 2)
- suggested answers for all activities in the Learner's Book (Section 2). Please note that the answers given are guidelines only. You should encourage creative and critical thinking from learners, wherever appropriate.
- informal assessment suggestions (Section 2)
- consolidation (remedial) and extension activity suggestions (Section 2)
- controlled tests and marking memorandums (Section 2)
- a Programme of Assessment (Section 3)
- guidance on the assessment of all Formal Assessment Tasks (Section 3)
- marking memorandums for all Formal Assessment Tasks (Section 3)
- recording and reporting of formal assessment (Section 3)
- end-of-year examination paper and marking memorandum (Section 4) and the memorandums for the Learner's Book examination practice papers (Section 2)

Section 2 mirrors the Learner's Book and is divided into terms.

You will see these icons next to the activities in the Learner's Book and Teacher's Guide. This is what the icons mean:

| These icons mean | |
|---|---------------|
|  | work alone |
|  | work in pairs |
|  | group work |
|  | class work |

Inclusivity

An important part of teaching is to accommodate all learners, including those who experience barriers to learning. *Study & Master Economic and Management Sciences* takes into account that learners come from different backgrounds and have different abilities. So it offers learning material that learners can relate to while extending their learning and experiences. There are a variety of types of activities – activities that appeal to learners of all levels and backgrounds, and that offer opportunities to work individually, in pairs, in groups or as a whole class. This Teacher’s Guide also provides consolidation (remedial) and extension activities for each topic, which teachers need when they have to manage a class of diverse learners.

Section 4 (Resources) also provides templates for learners, a PowerPoint CD and a list of useful reading material and Internet resources that you can use to further your own knowledge within the Economic and Management Sciences curriculum.

4. Grade 9 Annual Teaching Plan

The table below indicates how *Study & Master Economic and Management Sciences Grade 9* covers all requirements of the CAPS for Economic and Management Sciences and how it is intended for use in each of the 40 weeks in the school year. It is compulsory to complete all the topics as indicated in the Annual Teaching Plan. When teaching these topics, the context of the school should be considered.

TERM 1

| Week (2 hours per week) | Economic and Management Sciences topic | Topic no. | Topic title | No. of hours | Economic and Management Sciences CAPS content | Resources |
|-------------------------------|---|--------------|--|-----------------|---|---|
| 1 | Revision | 1 | Looking back, looking ahead | 2 | <ul style="list-style-type: none"> Revise Grade 8 work Give learners an overview of what will be taught during the first term | Textbook, mind maps |
| 2-4 (1 hour per week) | Financial literacy | 2 | Cash Receipts Journal and Cash Payments Journal (sole trader) | 3 | <ul style="list-style-type: none"> Cash transactions of a trading business Effect of cash transactions on the accounting equation | Textbook, relevant exercise books and templates, calculator (if possible) |
| 2-4 (1 hour per week) | The economy | 3 | Economic systems | 3 | <ul style="list-style-type: none"> The three major economic systems A planned economy, market economy and mixed economy Origin of each system Advantages and disadvantages of each economic system Characteristics of each economic system The global economy | Textbook, relevant newspaper and magazine and Internet articles; information on the global economy and different economic systems |

| Week (2 hours per week) | Economic and Management Sciences topic | Topic no. | Topic title | No. of hours | Economic and Management Sciences CAPS content | Resources |
|--|---|--------------|--|-----------------|---|---|
| 5–10 (1 hour per week) | Financial literacy | 4 | General Ledger and Trial Balance (sole trader) | 6 | <ul style="list-style-type: none"> Posting of cash transactions of a trading business from Cash Receipts Journal (CRJ) and Cash Payments Journal (CPJ) to General Ledger Preparing of a Trial Balance of a trading business | Textbook, relevant exercise books and templates, calculator (if possible) |
| 5–10 (1 hour per week) | The economy | 5 | Circular flow | 6 | <ul style="list-style-type: none"> The participants in the circular flow of a closed economy Flow of goods and services, money and factors of production in the circular flow of a closed economy Illustrate by using a flow diagram | Textbook, relevant exercise books and templates, calculator (if possible) |
| 10 | Revision Term 1 | | | | Revise all work covered during this term | Textbook |
| Formal assessment: | | | | | | |
| 1. Assignment (40%) | | | | | | |
| 2. Controlled test (60%) (must include all topics covered in Term 1) | | | | | | |

TERM 2

| Week (2 hours per week) | Economic and Management Sciences topic | Topic no. | Topic title | No. of hours | Economic and Management Sciences CAPS content | Resources |
|-------------------------------|---|--------------|--------------------------------|-----------------|--|---------------------|
| 1 | Revision | 6 | Looking back, looking ahead | 2 | <ul style="list-style-type: none"> Revise the work covered in the first term Give learners an overview of what will be taught during the second term | Textbook, mind maps |

| Week (2 hours per week) | Economic and Management Sciences topic | Topic no. | Topic title | No. of hours | Economic and Management Sciences CAPS content | Resources |
|--|--|----------------------|-------------------------------------|-------------------------|---|---|
| 2-7 (1 hour per week) | Financial literacy | 7 | Credit transactions: Debtors (1) | 6 | <ul style="list-style-type: none"> • Credit sales • Debtors • National Credit Act • Debtors allowance • Accounting cycle • Recording of transactions to Debtors Journal (DJ) • Recording of receipts from debtors in the Cash Receipts Journal (CRJ) | Textbook, relevant exercise books and templates, calculator (if possible) |
| 2-7 (1 hour per week) | The economy | 8 | Price theory | 6 | <ul style="list-style-type: none"> • Law of demand, demand schedule and graphical illustration of the demand curve • Law of supply, supply schedule and graphical illustration of the supply curve • Equilibrium price and quantity • Change in quantity demanded • Change in quantity supplied • Increase and decrease in demand • Increase and decrease in supply • Graphical illustration of the change in demand and the change in supply | Textbook, relevant newspaper and magazine and Internet articles, newsprint sheets, old magazines and newspapers, examples of relevant adverts |
| 8-9 | Entrepreneurship | 9 | Sectors of the economy | 4 | <ul style="list-style-type: none"> • The primary sector, the secondary sector, the tertiary sector • Types of businesses found in the three sectors • The interrelationship of the three sectors • Sustainable use of resources in the three sectors • The role of the three sectors in the economy • Types of skills required in each sector | Textbook, relevant newspaper and magazine and Internet articles, examples of local businesses and different jobs |
| 10 | Revision Term 2 | | | | Revise all work covered during this term | Textbook |
| 10 | Mid-year examination (must be based on the work covered in Terms 1-2) | | | | | |
| Formal assessment: | | | | | | |
| 1. Data response (40%) | | | | | | |
| 2. Mid-year examination (60%) | | | | | | |

TERM 3

| Week (2 hours per week) | Economic and Management Sciences topic | Topic no. | Topic title | No. of hours | Economic and Management Sciences CAPS content | Resources |
|-------------------------------|---|--------------|---------------------------------------|-----------------|---|---|
| 1 | Revision | 10 | Looking back, looking ahead | 2 | <ul style="list-style-type: none"> • Revise the work covered in the second term • Give learners an overview of what will be taught during the third term | Textbook, mind maps |
| 2-5 (1 hour per week) | The economy | 11 | Trade unions | 4 | <ul style="list-style-type: none"> • Concept of trade unions • Brief historical development of trade unions • The roles and responsibilities of trade unions in South Africa • Effect of trade unions in businesses • Contribution of trade unions to sustainable growth and development | Textbook, relevant newspaper and magazine and Internet articles, newsprint (scissors, glue, coloured pens), local and international information on trade unions and industrial action |
| 2-5 (1 hour per week) | Financial literacy | 12 | Credit transactions: Debtors (2) | 4 | <ul style="list-style-type: none"> • Posting to the Debtors Ledger and General Ledger • Effect of credit transactions on the accounting equation | Textbook, relevant exercise books and templates, calculator (if possible) |
| 6-8 (1 hour per week) | Financial literacy | 13 | Credit transactions: Creditors (1) | 3 | <ul style="list-style-type: none"> • Creditors • Creditors allowance • Accounting cycle • Recording of transactions in the Creditors Journal (CJ) | Textbook, relevant exercise books and templates, calculator (if possible) |
| 6-8 (1 hour per week) | Entrepreneurship | 14 | Functions of a business | 3 | <ul style="list-style-type: none"> • Functions of a business: administration, purchasing, marketing, finances, public relations, human resources, production, general management, and risk management • Characteristics of the business functions • Role and importance of the business functions | Textbook, relevant newspaper and magazine and Internet articles, local businessperson/speaker to visit |

| Week (2 hours per week) | Economic and Management Sciences topic | Topic no. | Topic title | No. of hours | Economic and Management Sciences CAPS content | Resources |
|---|--|-----------|------------------------------------|--------------|---|---|
| 9–10 | Financial literacy | 15 | Credit transactions: Creditors (2) | 4 | <ul style="list-style-type: none"> Recording of payments to creditors in the Cash Payments Journal (CPJ) Posting to the Creditors Ledger and General Ledger Effect of credit transactions on the accounting equation | Textbook, relevant exercise books and templates, calculator (if possible) |
| 10 | Revision Term 3 | | | | Revise all work covered during this term | Textbook |
| Formal assessment: 1. Project (40%) 2. Controlled test (60%) (must include all topics covered in Term 3) | | | | | | |

TERM 4

| Week (2 hours per week) | Economic and Management Sciences topic | Topic no. | Topic title | No. of hours | Economic and Management Sciences CAPS content | Resources |
|-------------------------|--|-----------|-------------------------------|--------------|---|---|
| 1 | Revision | 16 | Looking back, looking ahead | 2 | <ul style="list-style-type: none"> Revise the work covered in the third term Give learners an overview of what will be taught during the fourth term | Textbook, mind maps |
| 2–7 (1 hour per week) | Financial literacy | 17 | Transactions: Cash and credit | 6 | <ul style="list-style-type: none"> Recording of cash and credit transactions of a sole trader in the subsidiary journals Posting to the Debtors Journal (DJ), Creditors Journal (CJ) and General Ledger Preparing of a trial balance | Textbook, relevant exercise books and templates, calculator (if possible) |

| Week (2 hours per week) | Economic and Management Sciences topic | Topic no. | Topic title | No. of hours | Economic and Management Sciences CAPS content | Resources |
|--|--|----------------------|--------------------|-------------------------|---|---|
| 2-7 (1 hour per week) | Entrepreneurship | 18 | Business plan | 6 | <ul style="list-style-type: none"> • Concept of a business plan • Components of a business plan • Format of a business plan [the front cover, table of contents, description of the product or services offered by the business, goals of the business, the business owner, production plan, marketing plan, management plan, SWOT (strengths, weaknesses, opportunities, threats) analysis and conclusion] • Financial plan (fixed and variable costs, break-even points, mark-up on sales, profit percentage) | Textbook, relevant newspaper and magazine and Internet articles, sample business plans from banks, examples of business plans and vision statements from local and other businesses |
| 8-9 | Revision Term 4 | | | | Revise all work covered during this term | Textbook |
| 8-9 | Examination preparations | | | 4 | <ul style="list-style-type: none"> • Revise the work covered throughout the year • Study techniques • Examination writing skills | Textbook, mind maps |
| 10 | End-of-year examination (must include all topics covered in Terms 1-4) | | | | | |
| Formal assessment: | | | | | | |
| 1. End-of-year examination | | | | | | |

2. Lesson by lesson

This section contains teaching notes for the topics in the Learner's Book; answers to all the activities; informal assessment suggestions; consolidation (remedial) and extension activity suggestions and revision activities.

TERM 1 14

Formal Assessment Task 1: Assignment
(see Section 3)

TERM 2 91

Formal Assessment Task 2: Data response
(see Section 3)

TERM 3 126

Formal Assessment Task 3: Project
(see Section 3)

TERM 4 199

TERM 1

Topic 1

Looking back, looking ahead

Learner's Book pages 2–5

Duration: 2 hours

Term and week/s
Term 1, Week 1

Curriculum and Assessment Policy Statement (CAPS) content

In this topic, learners will:

- revise what they learnt in Grade 8
- get a brief glimpse of what they will learn in Term 1

Teaching the topic

- This is an opportunity to consolidate what the learners learnt in the previous grade. If learners are still struggling with some concepts, give them additional activities or revision activities to do. Those who understand the work well can help those who are struggling.
- Encourage learners to draw mind maps (similar to those drawn in this topic) to revise what they learnt in the previous year.
- Once you are comfortable that learners understand the content so far, you may continue with the overview of the new term.
- When revising the new term, do not go into too much detail – you need spend no more than 10–15 minutes on the overview.
- Mention to the learners that they may use the overview mind map provided, and add their own notes during the term so that they have a complete mind map of the term's work by the end of the term.

Topic 2

Cash Receipts Journal and Cash Payments Journal (sole trader)

Learner's Book pages 6–18

Duration: 3 hours

Term and week/s
Term 1, Weeks 2–4

**New words
and concepts**

trading business;
profit mark-up;
trading stock; cost
of sales; selling
price; cost price

Curriculum and Assessment Policy Statement (CAPS) content

In this topic, learners will learn about FINANCIAL LITERACY. They will look at:

- cash transactions of a trading business
- the effect of cash transactions on the accounting equation

Resources

Learners must each have an exercise book called an 'Eight money column' or 'Cash money column'. Exercise books are also required for the calculations of cost price, selling price and profit margins, as well as for completing the accounting equations. Photocopy the Cash Receipts Journal and Cash Payments Journal templates found at the end of this guide if necessary.

A calculator for each learner is essential.

Preparation

- Read through the topic and familiarise yourself with the content that you will need to teach. Think about what learners may already know about the topics, what skills they already have and any areas of difficulty that you think they might encounter.
- Explaining percentages can be difficult to master. Ensure that you have fully understood the content before explaining it to the learners. Ask the Mathematics teacher at your school for help if you are struggling with the concepts.

Teaching the topic

There are 3 lessons in this topic.

| Lesson | Week | Pages | Activities |
|--------|------|-------|------------|
| 2 | 2 | 15–16 | 2.1–2.4 |
| 3 | 3 | 16–18 | 2.5 |
| 4 | 4 | 18 | 2.6–2.8 |

Lesson 2

- Refer learners to the illustration of the trading business in Figure 2.1 of the Learner's Book. Discuss the two different types of businesses and explain why this is a trading business. Learners may be familiar with trading businesses from their Entrepreneur's Day efforts.

- Explain the different concepts detailed in the Learner's Book page 7.
- Work through the example of Tabana Wood and explain how to calculate the selling price of trading stock.
- **Do Activity 2.1.**
- Explain how to calculate the cost price or cost of sales of goods.
- **Do Activity 2.2.**
- Work through the example of Tabana Wood and explain how to calculate the profit mark-up or profit margin or percentage.
- **Do Activity 2.3.**
- Another good way to explain all percentage calculations, is according to this calculation principle, giving the formula first each time:
 - What I WANT is placed at the top and the other values that I HAVE are placed diagonally ACROSS from each other.
 - So, if you want to calculate the selling price for the first Tabana Wood example in the Learner's Book page 8, you place that above the line (115%) and the values that you have (100 → 185) diagonally across from each other:

$$\frac{115}{100} \times \frac{185}{1} = R212,75$$
 - If you want to calculate the cost price in the next example in the Learner's Book page 9, you place it above the line (100%) and the values that you have ($133\frac{1}{3}$ → 330) diagonally across from each other:

$$\frac{100}{133\frac{1}{3}} \times \frac{330}{1} = R247,50$$
 - Remember that $\frac{1}{3}$ is 1 divided by 3 which equals 0.3333333. So, on your calculator it will be 100 divided by 133.3333333 multiplied by 330 = R247,50.
 - And if you want to calculate the profit percentage in the last Tabana Wood example, you will place the profit made above the line (R400) and the values that you have (1 600 → 100) diagonally across from each other:

$$\frac{400}{1\ 600} \times \frac{100}{1} = 25\%$$
- **Do Activity 2.4.**
- Learners do this activity for homework.

Lesson 3

- Discuss the example of the CPJ for Abel Dealers in the Learner's Book page 12. Explain that every time you buy goods with the intention of selling them again, you enter these transactions in the Trading stock column.
- Discuss the example of the CRJ for Abel Dealers in the Learner's Book page 13.
- Explain each transaction as follows:
15 May: The source document will be a cash register roll, so we write only Sales in the Details column. The Sales amount of R1 240 (R620 × 2) will appear in the Analysis of receipts and

Sales columns. Show learners how to calculate the cost price and enter this in the Cost of sales column: In the transaction on the 14th in the CPJ above, learners see that one garden bench costs R400. So, the cost price will be R800 ($R400 \times 2$).

25 May: The cost price of the three garden chairs will first be entered in the Cost of sales column, R339 ($R113 \times 3$). Then calculate the selling price and enter it in the Analysis of receipts and in the Sales columns, R593,25 ($R339 \times \frac{175}{100}$).

30 May: The Sales amount of R3 315 will appear in the Analysis of receipts and Sales columns. The cost price of R2 275 will appear in the Cost of sales column. All of these transactions are the only transactions for their specific days, so those amounts appear individually in the Bank column as well.

- **Do Activity 2.5.**
- Remind learners about the guidelines for the CRJ and the CPJ again.
 - It is important that you refer often to the fact that the CRJ is for RECEIPTS and the CPJ for PAYMENTS.
 - In the CRJ, each transaction is recorded in the Analysis of receipts column, except when the transaction indicates that the money is deposited directly into the bank.
 - In the CRJ, each amount is deposited or banked daily (entered in the Bank column). When there is more than one transaction on the same day, all the transactions of that day are added together, a line is drawn below the last amount and the total is entered in the Bank column.
 - In the CPJ, each transaction (each cheque number) is recorded in the Bank column. So, each cheque number should show an amount in the Bank column. After that the transaction is allocated to a specific column. If there isn't a specific column for it, then it is allocated to the Sundry accounts column.
 - In the CRJ and CPJ, the transaction is allocated to a specific column such as Sales or Trading stock. If there isn't a specific column for it, then it is allocated to the Sundry accounts column.
 - The number of analysis columns for which provision must be made in the CRJ and the CPJ depends on the requirements of each individual business and is determined by the nature and type of business.
 - Provision is always made for Sundry accounts because it is not possible to provide individual analysis columns for every type of receipt or payment.
 - Details column of the CRJ: The name of the person or business appears in this column if a receipt is issued, otherwise we write the details of the transaction such as Services rendered or Sales.
 - Name of payee column of the CPJ: The name of the person or business to which the cheque is issued appears in this column. When a cheque is issued for Wages or Cash float, it is always issued as Cash.

- Cross-checking in the CRJ: The total of the Bank column must be equal to the total of the analysis columns (Cost of sales is EXCLUDED) plus the total of Sundry accounts. Cost of sales is NOT added because there is NO cash involved.
- Cross-checking in the CPJ: The total of the Bank column must be equal to the total of the analysis columns plus the total of Sundry accounts.

Lesson 4

- Do examples 1 and 2 in the Learner's Book pages 14–15 to explain the effect in the General Ledger when stock is purchased for cash, using the terms account debited and account credited. Ask questions such as why *Trading Stock* is debited (because it is an Asset that has increased) and why *Bank* is credited (because it is an Asset that has decreased).
- **Do Activity 2.6.**
- Do the example in the Learner's Book pages 15–17 to explain how to complete the accounting equation when stock is sold for cash.
 - Step 1: Explain that the trading stock on shelves decreases, so the effect on the accounting equation is that trading stock decreases.
 - Step 2: Explain that the selling price of the goods increases the money in the bank, therefore cash increases.
 - Step 3: Explain that the selling price (sales) increases Owner's equity and the cost price (cost of sales) decreases Owner's equity. We show only the net effect (profit earned) on the Owner's equity.
- **Do Activities 2.7 and 2.8.**

Answers

» Activity 2.1

Middle order (10)

| No. | Cost price (R) | Profit % | Selling price (R) |
|-----|----------------|----------|-------------------|
| 1. | 720,00 | 40 | ✓✓ R1 008 |
| 2. | 300,00 | 65 | ✓✓ R495 |
| 3. | 440,00 | 35 | ✓✓ R594 |
| 4. | 380,00 | 9 | ✓✓ R414,20 |
| 5. | 720,00 | 60 | ✓✓ R1 152 |

Assist learners who struggle with this activity. They must understand these basic calculations before progressing. Ensure that learners understand how to use their calculators, as different calculators work differently.

> Activity 2.2

Middle order (10)

| No. | Selling price (R) | Profit % | Cost price (R) |
|-----|-------------------|-----------------|----------------|
| 1. | 960,00 | 50 | ✓✓ R640 |
| 2. | 1 050,00 | 5 | ✓✓ R1 000 |
| 3. | 237,50 | 25 | ✓✓ R190 |
| 4. | 880,00 | 10 | ✓✓ R800 |
| 5. | 390,00 | $33\frac{1}{3}$ | ✓✓ R292,50 |

Assist learners who struggle with this activity. Remind them that the fraction $\frac{1}{3}$ is typed in as 0.3 with the three repeated as many times as their calculator can accommodate. Allow them to do the calculation of 1 divided by 3 themselves, to see the answer.

Show them, for example, that $\frac{2}{3}$ is a repeated fraction and needs to be typed in as 0.6 with as many sixes as their calculator can accommodate. Allow them to type in 2 divided by 3 to see the answer for themselves.

>> Activity 2.3

Middle order (10)

| No. | Cost price (R) | Selling price (R) | Profit % |
|-----|----------------|-------------------|----------------------|
| 1. | 235,00 | 340,75 | ✓✓ 45% |
| 2. | 996,00 | 1 328,00 | ✓✓ $33\frac{1}{3}$ % |
| 3. | 654,00 | 735,75 | ✓✓ 12,5% |
| 4. | 1 265,00 | 2 125,20 | ✓✓ 68% |
| 5. | 645,00 | 993,30 | ✓✓ 54% |

> Activity 2.4

Middle and Higher order (30)

| No. | Cost price | Profit % | Selling price | Profit amount |
|-----|--------------|-------------------|---------------|---------------|
| 1. | R953,00 | ✓ 50 | ✓ R1 429,50 | R476,50 |
| 2. | R1 156,00 | ✓ 15 | ✓ R1 329,40 | ✓ R173,40 |
| 3. | ✓ R7 768,00 | ✓ 35 | R10 486,80 | ✓ R2 718,80 |
| 4. | R357,00 | ✓ 20 | ✓ R428,40 | ✓ R71,40 |
| 5. | ✓ R12 560,00 | ✓ 25 | R15 700,00 | ✓ R3 140,00 |
| 6. | R444,00 | ✓ 45 | R643,80 | ✓ R199,80 |
| 7. | ✓ R8 860,00 | ✓ 74 | R15 416,40 | R 6 556,40 |
| 8. | ✓ R15 850,00 | ✓ 15 | R18 227,50 | R2 377,50 |
| 9. | R14 450,00 | ✓ 23 | ✓ R17 773,50 | R3 323,50 |
| 10. | R12 555,00 | ✓ $33\frac{1}{3}$ | R16 740,00 | ✓ R4 185,00 |
| 11. | ✓ R88 500,00 | ✓ $66\frac{2}{3}$ | R147 500,00 | ✓ R59 000,00 |
| 12. | ✓ R65 345,00 | ✓ 65 | R107 819,25 | ✓ R42 474,25 |

» Activity 2.5

Middle order (55)

Cash Receipts Journal of Bubble Soap Shop for July 2017

CRJ2

| Doc. no. | Day | Details | Fol. | Analysis of receipts | | Bank | | Sales | | Cost of sales | | Sundry accounts | | | | | |
|----------|-----|----------|------|----------------------|--------|------|---|--------|----|---------------|-------|-----------------|--------|---------|-----------|---------------|--|
| | | | | | | | | | | | | Amount | Fol. | Details | | | |
| 12 | 01 | K Oppelt | | ✓✓ | 19 500 | 00 | | | | | | ✓ | 19 500 | 00 | Capital ✓ | | |
| CRR | | Sales | | ✓ | 1 599 | 00 | ✓ | 21 099 | 00 | ✓ | 1 599 | 00 | ✓ | 1 066 | 00 | | |
| 13 | 19 | M Salie | | ✓ | 1 780 | 00 | | | | | | | ✓ | 1 780 | 00 | Rent income ✓ | |
| CRR | | Sales | | ✓ | 2 337 | 00 | ✓ | 4 117 | 00 | ✓ | 2 337 | 00 | ✓ | 1 558 | 00 | | |
| 14 | 30 | K Oppelt | | ✓ | 5 500 | 00 | | | | | | | ✓ | 5 500 | 00 | Capital ✓ | |
| CRR | | Sales | | ✓ | 8 835 | 00 | ✓ | 14 335 | 00 | ✓ | 8 835 | 00 | ✓ | 5 890 | 00 | | |
| ✓ | | | | | | | | 39 551 | 00 | 12 771 | 00 | 8 514 | 00 | ✓ | 26 780 | 00 | |

(24)

Cash Payments Journal of Bubble Soap Shop for July 2017

CPJ2

| Doc. no. | Day | Name of payee | Fol. | Bank | | Trading stock | | Wages | | Packing material | | Sundry accounts | | | | | |
|----------|-----|------------------|------|------|--------|---------------|----|-------|----|------------------|-----|-----------------|------|---------|-------|-------------------------|--|
| | | | | | | | | | | | | Amount | Fol. | Details | | | |
| 51 | 03 | Clean-as-Whistle | | ✓ | 2 300 | 00 | ✓✓ | 2 223 | 00 | | | ✓ | 77 | 00 | | | |
| 52 | 06 | Longland Traders | | ✓ | 4 108 | 00 | | | | | | | ✓ | 4 070 | 00 | Equipment ✓ | |
| | | | | | | | | | | | | | ✓ | 38 | 00 | Stationery ✓ | |
| 53 | 07 | Cash | | ✓ | 620 | 00 | | | ✓ | 620 | 00 | | | | | | |
| 54 | 10 | Corbin Shop | | ✓ | 1 225 | 00 | ✓ | 1 225 | 00 | | | | | | | | |
| 55 | 13 | Kearns Shop | | ✓ | 423 | 00 | | | | ✓ | 299 | 00 | ✓ | 124 | 00 | Stationery ✓ | |
| 56 | 14 | Cash | | ✓ | 620 | 00 | | | ✓ | 620 | 00 | | | | | | |
| 57 | 21 | Telkom | | ✓ | 348 | 00 | | | | | | | ✓ | 348 | 00 | Telephone ✓ | |
| 58 | 22 | City Treasurer | | ✓ | 1 041 | 00 | | | | | | | ✓ | 595 | 00 | Water and electricity ✓ | |
| | | | | | | | | | | | | | ✓ | 446 | 00 | Drawings ✓ | |
| 59 | 28 | Cash | | ✓ | 1 240 | 00 | | | ✓ | 1 240 | 00 | | | | | | |
| ✓ | | | | | 11 925 | 00 | | 3 448 | 00 | 2 480 | 00 | 376 | 00 | ✓ | 5 621 | 00 | |

(31)

Calculation for capital contribution increase: $R195\ 000 \times 10\% = R19\ 500$

Explain how to calculate cash discount. If learners have a scientific calculator, they can calculate the answer just by entering $R2\ 340 - 5\%$ and the answer ($R2\ 223$) will appear. Using an ordinary calculator they first have to calculate the 5%: $R2\ 340 \times 5\% = R117$. Then the answer is subtracted: $R2\ 340 - R117 = R2\ 223$.

» Activity 2.6

Middle order (12)

| No. | General Ledger | | Assets | | Owner's Equity | |
|-----|-----------------|------------------|----------|---------------------------|----------------|--------|
| | Account debited | Account credited | Effect | Reason | Effect | Reason |
| 1. | Trading stock ✓ | Bank ✓ | ✓ -2 400 | Cash decreases ✓ | | |
| | | | ✓ +2 400 | Trading stock increases ✓ | | |
| 2. | Trading stock ✓ | Bank ✓ | ✓ -1 450 | Cash decreases ✓ | | |
| | | | ✓ +1 450 | Trading stock increases ✓ | | |

» Activity 2.7

Middle order (20)

| No. | General Ledger | | Assets | | Owner's Equity | |
|-----|-----------------|------------------|--------|---------------------------|----------------|-----------------|
| | Account debited | Account credited | Effect | Reason | Effect | Reason |
| 1. | Bank ✓ | Sales ✓ | ✓ +230 | Cash increases ✓ | ✓ +130 | Profit earned ✓ |
| | Cost of sales ✓ | Trading stock ✓ | ✓ -100 | Trading stock decreases ✓ | | |
| 2. | Bank ✓ | Sales ✓ | ✓ +368 | Cash increases ✓ | ✓ +138 | Profit earned ✓ |
| | Cost of sales ✓ | Trading stock ✓ | ✓ -230 | Trading stock decreases ✓ | | |

> Activity 2.8

Middle order (63)

| Date | General Ledger | | Assets | | Owner's Equity | |
|------|-----------------|------------------|----------------------|---|----------------|-------------------------|
| | Account debited | Account credited | Effect | Reason | Effect | Reason |
| 01 | Bank ✓ | Capital ✓ | ✓ +17 000 | Cash increases ✓ | ✓ +17 000 | Capital contribution ✓ |
| | Bank ✓ | Sales ✓ | ✓ +1 340 | Cash increases ✓ | ✓ +268 | Profit earned |
| | Cost of sales ✓ | Trading stock ✓ | ✓ -1 072 | Trading stock decreases ✓ | | |
| 04 | Equipment ✓ | Bank ✓ | ✓ -4 778 ✓ +4 778 | Cash decreases ✓ Equipment increases ✓ | | |
| 17 | Stationery ✓ | Bank ✓ | ✓ -77 | Cash decreases ✓ | ✓ -77 | Stationery - expense ✓ |
| | Trading stock ✓ | Bank ✓ | ✓ -2 546 ✓ +2 546 | Cash decreases ✓ Trading stock increases ✓ | | |
| 21 | Drawings ✓ | Bank ✓ | ✓ -570 | Cash decreases ✓ | ✓ -570 | Drawings by the owner ✓ |

| No. | General Ledger | | Assets | | Owner's Equity | |
|-----|-------------------------|------------------|----------|---------------------------|----------------|-----------------------------------|
| | Account debited | Account credited | Effect | Reason | Effect | Reason |
| 26 | Bank ✓ | Rent income ✓ | ✓ +1 110 | Cash increases ✓ | ✓ +1 110 | Rent income ✓ |
| | Bank ✓ | Sales ✓ | ✓ +2 550 | Cash increases ✓ | ✓ +510 | Profit earned ✓ |
| | Cost of sales ✓ | Trading stock ✓ | ✓ -2 040 | Trading stock decreases ✓ | | |
| 29 | Telephone ✓ | Bank ✓ | ✓ -833 | Cash decreases ✓ | -421 | Telephone - expense ✓ |
| | Water and electricity ✓ | Bank ✓ | | | -412 | Water and electricity - expense ✓ |

For information on Informal assessment, refer to the self-assessment, peer assessment and group assessment templates in Section 5 of this Teacher's Guide.

Informal assessment

Activities 2.1–2.3: Learners do the activities on the board. You work through their calculations and correct any mistakes so that they can mark their homework correctly. (30)

Activity 2.4: Learners mark their own work or that of a partner. Ask one learner at a time to call out the answer or to fill in the answer on the board and the other learners mark the answers. (30)

Activity 2.5: Do the activity on the board, working through each transaction and showing learners clearly how each is done. Learners mark their own work. (55)

Activities 2.6–2.8: Do all the activities on the board and explain each transaction again. Ask learners each time whether Assets or Owners' equity is affected and whether they will debit or credit an account, giving reasons. Learners check and mark their own work. (95)

Consolidation

- **Mr J P Ras is the owner of Roto Traders. The business uses a constant mark-up of 40% on cost price.**

Required

- Record the transactions for February in the Cash Receipts Journal and Cash Payments Journal.
- Provide the following columns in the cash journals:
 - CRJ2: Analysis of receipts, Bank, Sales, Cost of sales, and Sundry accounts
 - CPJ2: Bank, Trading stock, Wages and Sundry accounts
- Complete the transactions of the 3rd, 17th, 21st and 28th according to the example below.

Example: Paid the telephone account at Grocery Garden, R312.

| No. | Account debited | Account credited | Assets | | Owner's Equity | |
|------|-----------------|------------------|--------|----------------|----------------|---------------------|
| | | | Effect | Reason | Effect | Reason |
| e.g. | Telephone | Bank | -R312 | Cash decreases | -R312 | Telephone - expense |

Transactions for February 2019

- 01 Roto Traders rents a building from Dahli Buildings for R41 520 a year. Paid the rent for February with cheque no. 121.
- 03 Purchased merchandise from Shop Nina for R9 780.
- 09 Cash sales according to the cash register roll, R6 384.
Received R7 750 from the owner to increase his capital contribution. Issued receipt no. 24 to him.
- 14 Paid the two-weekly wages of R1 380.
- 17 Cost price of goods sold for the day amounted to R3 225.
- 21 Issued a cheque for R13 464 to Regal Traders for goods, R12 885, and the rest for stationery bought.
- 23 Cash sales for the day, R1 330.
- 25 Paid the business telephone account, R587, and the water and electricity of R776 at the municipality.
- 26 Purchased cupboards and chairs from Wellman Suppliers to use in business, R3 114.
- 28 Wages paid for the past two weeks. Workers received a 10% increase. Received R655 for the room that Sive Stores rents.
Cash sales for the day with a cost price of R6 455.

Cash Receipts Journal of Roto Traders for February 2019

CRJ2

| Doc. no. | Day | Details | Fol. | Analysis of receipts | | Bank | | Sales | | Cost of sales | | Sundry accounts | | | |
|----------|-----|---------|-------------|----------------------|-------|--------|---------------|-----------|---------------|---------------|---------------|-----------------|--------------|-----------|-------------|
| | | | | | | | | | | | | Amount | Fol. | Details | |
| CRR | 09 | Sales | | 6 384 | 00 | | | 6 384 | 00 | 4 560 | 00 | | | | |
| | 24 | J P Ras | | 7 750 | 00 | 14 134 | 00 | | | | | 7 750 | 00 | | Capital |
| CRR | 17 | Sales | | 4 515 | 00 | 4 515 | 00 | 4 515 | 00 | 3 225 | 00 | | | | |
| CRR | 23 | Sales | | 1 330 | 00 | 1 330 | 00 | 1 330 | 00 | 950 | 00 | | | | |
| | 25 | 28 | Sive Stores | | 655 | 00 | | | | | | 655 | 00 | | Rent income |
| CRR | | | Sales | | 9 037 | 00 | 9 692 | 00 | 9 037 | 00 | 6 455 | 00 | | | |
| | | | | | | | 29 671 | 00 | 21 266 | 00 | 15 190 | 00 | 8 405 | 00 | |

Cash Payments Journal of Roto Traders for February 2019

CPJ2

| Doc. no. | Day | Name of payee | Fol. | Bank | | Trading stock | Wages | | Sundry accounts | | | | |
|----------|-----|-------------------|------|---------------|-----------|---------------|-----------|--------------|-----------------|--------------|-----------|--------------|-----------------------|
| | | | | | | | | | Amount | Fol. | Details | | |
| 121 | 01 | Dahli Buildings | | 3 460 | 00 | | | | 3460 | 00 | | Rent expense | |
| 122 | 03 | Shop Nina | | 9 780 | 00 | 9 780 | 00 | | | | | | |
| 123 | 14 | Cash | | 1 380 | 00 | | | 1 380 | 00 | | | | |
| 124 | 21 | Regal Traders | | 13 464 | 00 | 12 885 | 00 | | | 579 | 00 | | Stationery |
| 125 | 25 | Municipality | | 1 363 | 00 | | | | | 587 | 00 | | Telephone |
| | | | | | | | | | | 776 | 00 | | Water and electricity |
| 126 | 26 | Wellman Suppliers | | 3 114 | 00 | | | | | 3 114 | 00 | | Equipment |
| 127 | 28 | Cash | | 1 518 | 00 | | | 1 518 | 00 | | | | |
| | | | | 34 079 | 00 | 22 665 | 00 | 2 898 | 00 | 8 516 | 00 | | |

| No. | Account debited | Account credited | Assets | | Owner's Equity | |
|-----|-----------------|------------------|---------|-------------------------|----------------|----------------------|
| | | | Effect | Reason | Effect | Reason |
| 03 | Trading stock | Bank | -9 780 | Cash decreases | | |
| | | | +9 780 | Trading stock increases | | |
| 17 | Bank | Sales | +4 515 | Cash increases | +1 290 | Profit earned |
| | Cost of sales | Trading stock | -3 225 | Trading stock decreases | | |
| 21 | Trading stock | Bank | -13 464 | Cash decreases | -579 | Stationery – expense |
| | Stationery | Bank | +12 885 | Trading stock increases | | |
| 28 | Wages | Bank | -1 518 | Cash decreases | -1 518 | Wages – expense |
| | Bank | Rent income | +655 | Cash increases | +655 | Rent income |
| | Bank | Sales | +9 037 | Cash increases | +2 582 | Profit earned |
| | Cost of sales | Trading stock | -6 455 | Trading stock decreases | | |

Extension

- Show the following calculations.
1. Merchandise with a cost price of R2 225 is sold. Calculate the selling price if the profit margin is 13%.

| | | | |
|---|-------|----|-----|
| R | 2 225 | | ? |
| % | 100 | 13 | 113 |

$$R2\ 225 \times \frac{113}{100} = R2\ 514,25$$

2. Issued a cheque to the City Treasurer for R1 041. It is for the business's water and electricity of R595 and the rest is for the owner's water and electricity. Calculate the amount of drawings.

$$R1\ 041 - R595 = R446$$

3. Sold goods for R4 184,05. Calculate the cost price if the profit margin is 57%.

| | | | |
|---|-----|----|----------|
| R | ? | | 4 184,05 |
| % | 100 | 57 | 157 |

$$R4\ 184,05 \times \frac{100}{157} = R2\ 665$$

4. Paid the owner's personal telephone account, R212, as well as the business's telephone account of R532. Calculate the amount of the cheque.

$$R212 + R532 = R744$$

5. Calculate the cost price of goods sold for R11 272,69 with a profit percentage of 43%.

| | | | |
|---|-----|----|-----------|
| R | ? | | 11 272,69 |
| % | 100 | 43 | 143 |

$$R11\ 272,69 \times \frac{100}{143} = R7\ 883$$

6. The Trial Balance shows the following balances:
Sales R90 400; Cost of sales R67 800
Merchandise with a selling price of R18 088 is sold. Calculate the cost price.

$$R90\ 400 - R67\ 800 = R22\ 600; \frac{22\ 600}{67\ 800} \times 100 = 33\frac{1}{3}\%$$

$$R18\ 088 \times \frac{100}{133\frac{1}{3}} = R13\ 566$$

7. Calculate the profit margin if the selling price is R5 946,88 and the cost price is R4 646.

$$R5\ 946,88 - R4\ 646 = R1\ 300,88$$

$$\frac{R1\ 300,88}{R4\ 646} \times 100 = 28\%$$

8. Workers received a 10% increase on their wages of R1 130. Calculate the amount received by the workers now.

$$R1\ 130 + 10\% = R1\ 243$$

9. Stock with a cost price of R3 559 is sold at a profit margin of 29%. Calculate the sales amount.

$$R3\ 559 \times \frac{129}{100} = R4\ 591,11$$

10. Issued a cheque for goods, R2 340 less 5% cash discount, and packing material, R77. Calculate the cheque amount.

$$R2\ 340 - 5\% = R2\ 223; R2\ 223 + R77 = R2\ 300$$

11. The Trial Balance shows the following balances:

Sales R26 289,64; Cost of sales R15 556

Merchandise with a selling price of R24 420,50 is sold.

Calculate the cost price (cost of sales).

$$R26\ 289,64 - R15\ 556 = R10\ 733,64$$

$$\frac{10\ 733,64}{15\ 556} \times 100 = 69\%$$

$$R24\ 420,50 \times \frac{100}{169} = R14\ 450$$

12. Paid the business's telephone account, R587, and the water and electricity of R776. Calculate the amount payable.

$$R587 + R776 = R1\ 363$$

13. The owner increased his capital by 17% to R140 985.

Calculate the capital increase.

$$\frac{17}{117} \times R140\ 985 = R20\ 485$$

14. A building is rented for R41 604 per year. Calculate the rent for one month.

$$\frac{R41\ 604}{12} = R3\ 467$$

15. Bought stock for R13 456 and received cash discount of 12,5%. Calculate the amount payable.

$$R13\ 456 - 12,5\% = R11\ 774$$

16. The Trial Balance shows the following balance:

Capital R315 600

The owner increased his capital contribution to R470 000.

Calculate the amount that should be entered in the CRJ.

$$R470\ 000 - R315\ 600 = R154\ 400$$

17. Issued a cheque for R655. It is to pay for the business's water and electricity account, R424, as well as for the owner's water and electricity account. Calculate the drawings amount.

$$R655 - R424 = R231$$

18. The Trial Balance shows the following balances:

Sales R71 882,60; Cost of sales R33 590

Merchandise with a cost price of R11 652 is sold. Calculate the selling price.

$$R71\ 882,60 - R33\ 590 = R38\ 292,60$$

$$\frac{38\ 292,60}{33\ 590} \times 100 = 114\%$$

$$R11\ 652 \times \frac{214}{100} = R24\ 935,28$$

19. Purchased the following and paid R423 by cheque: packing material, R299, and the rest was for stationery. Calculate the amount of stationery purchased.

$$R423 - R299 = R124$$

20. The owner increased his capital by 13,5% to R176 833. Calculate the capital increase.

$$R176\ 833 \times \frac{13,5}{113,5} = R21\ 033$$

Topic 3

Economic systems

Learner's Book pages 19–28

Duration: 3 hours

Term and week/s

Term 1, Weeks 2–4

New words and concepts

planned economy;
market economy;
mixed economy

Curriculum and Assessment Policy Statement (CAPS) content

In this topic, learners will learn about THE ECONOMY. They will look at:

- The three major economic systems:
 - planned economy
 - market economy
 - mixed economy
- Origin of each economic system
- Advantages and disadvantages of each economic system
- Characteristics of each economic system
- The global economy

Resources

Do research continuously throughout the year to source newspaper and magazine articles about EMS. Briefly explore this year's content and collect articles on all of the topics as you come across them through the year. Use articles you find later in the year about content you covered earlier in the year as revision.

For this topic, gather news articles from newspapers, magazines and the Internet about the different types of economic systems. Try to find articles about planned economies such as North Korea, Burma and Cuba and about the former Soviet Union.

Find articles about the global economy. News articles about how economic changes in one part of the world affect other parts of the world would be excellent resources for this topic. Articles about the effects of the 2007–2008 global financial crisis would also be helpful.

Information and news articles about the leading emerging economies of Brazil, Russia, India, China and South Africa (the BRICS countries) would add value to your teaching.

Preparation

- Read through the topic and familiarise yourself with the content that you will need to teach. Think about what learners may already know about the topics, what skills they already have and any areas of difficulty that you think they might encounter.
- Gather your resources and plan how you will integrate them into your teaching.
- Decide whether you want to set Activity 3.1 as homework or as a class-time activity.

Teaching the topic

There are 3 lessons in this topic.

| Lesson | Week | Pages | Activities |
|--------|------|-------|------------|
| 2 | 2 | 27–28 | 3.1 |
| 3 | 3 | 28 | – |
| 4 | 4 | 28–29 | 3.2–3.3 |

Lesson 2

- Start by having a class discussion about wanting things that are unavailable because there is a high demand for them. Learners can give examples of goods and services that they have really wanted, but have been unable to buy or find because so many other people wanted them too.
- Discuss the former Soviet Union. Ask the learners what they know about its communist economy. Then discuss the economy of a country such as the United States of America. See if the learners can draw comparisons between the two in the areas of land and business ownership and resource allocation.
- Explain that there are different economic systems in the world's countries, but that all of them aim to solve the economic problem. Explain what the economic problem is. Learners should remember this from Grades 7 and 8.
- Move on to the section on planned economies in the Learner's Book page 20.

- If time allows, have a discussion about what learners think living in a planned economy would be like. Encourage them to think critically about a planned economy's decision making and how this lies exclusively with the government.
- Work through the characteristics and origins of planned economies. Use your resources to supplement your teaching.
- Ask learners to look at the map in Figure 3.2 of the Learner's Book. Ensure that they know where the countries with planned economies are situated.
- Before working through Table 3.1 in the Learner's Book, ask learners to think of their own advantages and disadvantages of planned economies.
- Then work through the table, discussing what the learners think life would be like without being free to choose products and services.
- **Do Activity 3.1.**

Lesson 3

- Recap what you taught about the planned economy in Lesson 2.
- Use the photo in Figure 3.4 of the Learner's Book and your resources as a starting point for a discussion about the market economy. Ask learners to compare what they think supermarkets in a market economy would look like with what they think supermarkets in a planned economy would look like.
- Explain what a market economy is and its characteristics and origins. Use your resources to supplement your teaching.
- Just as you did last week, ask learners to think of their own advantages and disadvantages of market economies, before working through Table 3.2 of the Learner's Book with them. Encourage them to think beyond the attraction of a wide range of consumer goods and to see that planned economies do have some advantages over market economies. Point out that market economies can be very unfair and unequal societies. Encourage them to consider the ethics of an economy that is profit driven rather than welfare driven.
- Ask the learners if this is fair, especially in developing countries like South Africa. Use this as a starting point to lead the learners towards understanding that South Africa has a mixed economy.
- If there is time, divide the class into groups to discuss this and ask each group to give feedback to the class.

Lesson 4

- Recap what you taught in Lessons 2 and 3 about planned and market economies.
- Remind learners about the discussions you had at the end of last week's lesson on the implications of profit-driven market economies for people in developing countries.
- Introduce the mixed economy and teach its characteristics and origins using your resources.
- Just as you did in Lessons 2 and 3, ask learners to think of their own advantages and disadvantages of mixed economies before you teach Table 3.3 in the Learner's Book.

- Summarise your teaching using Figure 3.5 of the Learner's Book.
- **Do Activity 3.2.**
- When learners have completed the activity, ask them whether they think the different economies in the world can function completely independently of each other. Use your resources on the global financial crisis of 2007–2008 to supplement your discussion.
- Introduce the concept of the global economy and work through the text in the Learner's Book page 27 with the learners. Discuss how different economies affect the global economy.
- **Do Activity 3.3.**

Answers

> Activity 3.1

1. *Lower order* (3)

... an economic system ✓ in which the government or workers' councils make all the decisions about the production and consumption of goods and services, ✓ based on their idea of what is good for all the people of that country. ✓

2. *Middle order* (1)

The government controls the factors of production. ✓

3. *Higher order* (6)

The jobs were called 'iron rice bowls' because the government gave workers everything they needed to live – job security, food, housing and other benefits. ✓ Rice is the staple food in China so an 'iron rice bowl' referred to a secure (iron is a strong metal) ✓ supply of necessities (staples such as food). ✓ The government could do this because planned economies are not profit-driven. ✓ This would be too expensive for market economies to do, and the job security would make workers unproductive. ✓ Workers would know that whether they worked hard or not, they would still get everything they needed from the government. ✓

>> Activity 3.2

1. *Higher order* (24)

A: This photo shows a country with a planned economy or a mixed economy. ✓ The disadvantages are that the economy may be inflexible, ✓ have little incentive for growth ✓ and limited consumer choices (planned economy) ✓ or that the economy may be bureaucratic, corrupt and have limited government resources to allocate to welfare (mixed economy). ✓ Or the photo shows a market economy ✓ with huge inequality between rich and poor ✓ because of the economy's profit-driven nature. ✓ Learners name one advantage of the economic system they select. ✓

B: This photo shows a market economy with a choice of a wide range of consumer goods. ✓ Learners name one advantage ✓ and disadvantage ✓ of a market economy.

C: This photo shows a market economy with a large gap between rich and poor. ✓ Or it shows a mixed economy that has limited economic growth, ✓ resulting in some citizens being wealthy and others poor. ✓ Learners name one advantage ✓ and disadvantage ✓ of a market or mixed economy.

D: This photo shows a market economy where control rests with big businesses, ✓ who may be more interested in making a profit than in the welfare of citizens. ✓ This may cause workers to strike for better pay and conditions. Or it shows a mixed economy where economic growth is limited by inadequate government resources and citizens strike to improve service delivery.

E: This photo shows a planned economy, ✓ in which the state is focused on welfare ✓ but lacks the economic growth and flexibility to make profits to allocate to the welfare system. ✓ Or it shows a mixed economy, ✓ where resources are allocated to welfare but the country's fairly slow economic growth does not allow for sufficient resources to be allocated there. ✓

2. Higher order (2)

Learners give their own opinions. Accept any reasonable answers that are well thought through. For example, learners could say that a planned economy is best for South Africa ✓ because of the country's large gap between rich and poor ✓;

OR they could say that the market economy is best ✓ because government intervention in the economy is not solving problems such as inflation and unemployment. ✓

3. Higher order (5)

Learners give their own opinions. Accept any reasonable answers that are well thought through. For example, learners could say that wealth taxes should be increased to subsidise the poor, or that government spending should be more transparent to the voters. (one ✓ per reasonable answer)

4. Middle order (18)

| | Planned economy | Market economy | Mixed economy |
|---|------------------|------------------------------|--|
| Who controls natural resources? | The government ✓ | Individuals and businesses ✓ | The government, individuals and businesses ✓ |
| Who controls labour resources? | The government ✓ | Individuals and businesses ✓ | The government, individuals and businesses ✓ |
| Who controls capital? | The government ✓ | Individuals and businesses ✓ | The government, individuals and businesses ✓ |
| Who decides what to produce and how much? | The government ✓ | Individuals and businesses ✓ | Individuals and businesses ✓ |
| Who decides how to distribute goods and services? | The government ✓ | Individuals and businesses ✓ | Individuals and businesses ✓ |
| Who decides on workers' jobs? | The government ✓ | Individuals and businesses ✓ | Individuals and businesses ✓ |

»» Activity 3.3

Higher order

Learners read, discuss and compare their articles in their groups. Each group must produce a list relating their articles and the economic crisis to South Africa and/or other parts of the world. For example, learners could mention South Africa's reliance on foreign direct investment, and how countries such as the United States of America and European countries have had to reduce their foreign investments to rescue their own economies.

For information on Informal assessment, refer to the self-assessment, peer assessment and group assessment templates in Section 5 of this Teacher's Guide.

Informal assessment

Activity 3.1: If you have set this activity for homework, take in the learners' answers and mark them. If you do the activity during class time, observe how well the learners can focus on independent work. Make notes of what you see. Take in the answers and mark them. (13)

Activity 3.2: Observe how well the learners cooperate in pair work and make notes of what you see. Take in the learners' answers and mark them. (49)

Activity 3.3: Observe the learners to see how confidently they can apply their knowledge to real-world situations, and whether they use their initiative to find appropriate articles. (observation-based)

Consolidation

- **Write a paragraph in which you describe planned, market and mixed economies briefly.**

A planned economy is an economic system in which the government or workers' councils make all the decisions about the production and consumption of goods and services, based on their idea of what is good for all the people of that country.

A market economy is an unplanned economy in which land, property and businesses are owned by private people, not the government.

A mixed economy is a mixture of private and government control of the economy. The government, as well as people and businesses, owns the land and natural resources.

- **Explain the economic problem.**

The economic problem is how to meet the endless wants and needs of people with limited resources.

- **Name two advantages and two disadvantages of each economic system.**

Learners name any two advantages and disadvantages of each economic system such as:

Table 3.1 The advantages and disadvantages of planned economies

| Advantages of planned economies | Disadvantages of planned economies |
|--|---|
| They can be very stable because they are closed systems. | They can limit economic growth and innovation as there is no entrepreneurship. |
| They can stimulate growth in industry because the government doesn't have to wait for capital to accumulate before it makes investments in heavy industry. The government can direct economic resources to specific areas. | There is no freedom of choice for consumers. Directing what consumers want does not always work. For example, consumers have few choices about which products to buy - the government makes a limited range of things like clothing and foods available, and consumers have to buy what the government makes available. |
| The government can direct economic resources to areas where they are most needed. | They are inflexible systems that cannot adapt to change quickly. |
| They look after the welfare of all of the government's citizens. | There is no incentive for people to do their jobs well. |
| They are more focused on citizens' welfare than on profit and growth. | It is difficult to motivate workers to excel. |

Table 3.2 The advantages and disadvantages of market economies

| Advantages of market economies | Disadvantages of market economies |
|---|---|
| They are very flexible and can adapt quickly to change because individuals don't have to wait for the government to tell them how to adapt. | There are large differences between the wealth of citizens - some get rich while others stay poor. |
| Individuals can choose what they want to produce and how much they want to produce goods for. | They focus on profit rather than on the welfare of citizens. |
| Consumers have a wide range of products and services to choose from. | The government controls the economy as little as possible, so big businesses can have too much control. |
| They reward innovation and technological development. | They make products and services available to consumers that may harm consumers. |
| They are good for economic growth because capital flows naturally to places where it gives the highest returns. | |

| Advantages of market economies | cont. | Disadvantages of market economies | cont. |
|--|-------|-----------------------------------|-------|
| There is economic freedom, so if people work hard they are rewarded and can improve their lives. | | | |

Table 3.3 The advantages and disadvantages of mixed economies

| Advantages of mixed economies | Disadvantages of mixed economies |
|---|--|
| They combine government and private businesses for good economic growth. | Economic growth can be limited because the government allocates lots of resources to citizens' welfare. |
| The government works to encourage the economy to grow in a balanced way so incomes are more equal than in market economies. | Heavy government involvement in the economy through regulation makes them bureaucratic and open to corruption. |
| They encourage private businesses to make contributions to citizens' welfare. | |
| They promote competition but protect citizens too. | |

Extension

You are a carpenter living in a country with a planned economy. Do some research about planned economies and write a short report about what your life is like. Include your thoughts on your home, shops, public services and work.

Learners give their own opinions. They should say that they need to live and work where the government places them; that their housing is modest because the wealth is distributed among all of the country's citizens; and that they have limited choices when they shop. They should mention that their jobs are secure but not very well paid, and that the government provides services such as healthcare and education.

Formal assessment

For information on Formal Assessment Task 1: Assignment and on how to assess learner's assignments, controlled tests, case studies and projects, please see Section 3 of this Teacher's Guide.

Topic 4

General Ledger and Trial Balance (sole trader)

Learner's Book pages 29–47

Duration: 6 hours

Term and week/s

Term 1, Weeks
5–10

New words and concepts

General Ledger;
Trial Balance;
Trading Stock
account; *Cost of
Sales* account;
posting

Curriculum and Assessment Policy Statement (CAPS) content

In this topic, learners will learn about FINANCIAL LITERACY.

They will look at:

- posting cash transactions of a trading business from Cash Receipts Journal and Cash Payments Journal to the General Ledger
- preparing a Trial Balance of a trading business

Resources

Learners must each have an exercise book called a 'Double Ledger' and an 'Eight money column' or 'Cash money column'. Exercise books are also required for completing the accounting equations. Photocopy the Cash Receipts Journal, Cash Payments Journal, General Ledger and accounting equation templates found at the end of this guide if necessary.

A calculator for each learner is essential.

Preparation

- Read through the topic and familiarise yourself with the content that you will need to teach. Think about what learners may already know about the topics, what skills they already have and any areas of difficulty that you think they might encounter.
- The learners already know how to record transactions in the CRJ and CPJ of a services business to the General Ledger and how to do a Trial Balance. Use this knowledge to build on when you are teaching the same for a trading business.
- It might be difficult for learners to understand the posting of the *Cost of Sales* and *Trading Stock* accounts, so pay special attention to these.

Teaching the topic

There are 6 lessons in this topic.

| Lesson | Week | Pages | Activities |
|--------|------|-------|------------|
| 5 | 5 | 35–36 | 4.1 |
| 6 | 6 | 36 | 4.2–4.3 |
| 7 | 7 | 37 | 4.4 |
| 8 | 8 | 37 | 4.5 |
| 9 | 9 | 37 | 4.6 |
| 10 | 10 | 37 | 4.7 |


Lesson 5

- Discuss the concept of stock control and why it is important in a business. Revise the layouts of the General Ledger and the Trial Balance with learners.
- Discuss the example of Abel Dealers in the Learner's Book pages 30–32 for posting the CRJ and CPJ to the General Ledger. Show learners the new columns that have been added.
- Explain each transaction in the CPJ as follows:
 Total of the Bank, R3 300: *Bank* is credited, because it's an Asset that has decreased.
 Total of Stationery, R350: *Stationery* is debited, because it's an expense that has decreased Owners' equity on the debit side.
 Total of Trading stock, R2 400: *Trading Stock* is debited, because it's an Asset that has increased.
 Total of Sundry accounts: Each entry is posted, not the total.
Telephone (R550) is debited, because it's an expense that has decreased Owner's equity.
- Explain the posting of the *Sales* amount in the CRJ as follows:
 - Indicate the account debited and the account credited, with the total amount only:

| Debited Bank | | Credited Sales | |
|---|--|----------------|-------|
| The amount forms part of Total receipts | | | 1 505 |

- Write the name of the one account in the details of the other account.

| Bank | | Sales | |
|----------------|--------|-------|-------|
| Total receipts | 11 505 | Bank | 1 505 |


 We cannot write Sales here, because Total receipts includes other receipts such as Capital and Rent income as well.

- Explain the posting of the Cost of sales in the CRJ as follows:
 - Indicate the account debited and the account credited, with the total amount only:

| Debited Cost of Sales | | Credited Trading Stock | |
|-----------------------|-----|------------------------|-----|
| | 860 | | 860 |

Cost of sales is not a cash item and so doesn't form part of Total receipts. *Cost of Sales* is debited, because it decreased Owner's equity. *Trading Stock* is credited, because the stock is sold and so assets have decreased on the credit side.

- Write the name of one account in the details of the other account.

| Cost of Sales | | Trading Stock | |
|---------------|-----|---------------|-----|
| Trading stock | 860 | Cost of sales | 860 |

- **Do Activity 4.1.**
- Revise the following guidelines:
 - Posting of the CRJ: the journal where receipts are entered, which increases cash in the business's bank account.
 - There are two ways that you can explain this:
 - *Bank* has been debited because it has increased (Assets increase on the debit side) and according to the double-entry principle, all the other accounts (EXCEPT *Cost of Sales*) should be credited OR
 - Identify each account as you did in the example above.
 - Posting of the CPJ: the journal where payments are entered, which decreases cash in the business's bank account. There are two ways that you can explain this:
 - The bank has been credited because it has decreased (Assets decrease on the credit side) and according to the double-entry principle, all the other accounts should be debited OR
 - Identify each account as you did in the example above.
 - Heading: The heading of the ledger contains ONLY the name of the business, NOT the date.
 - Date: Analysis columns are posted on the last day of the specific month. Entries in the Sundry accounts are posted on the day that the transaction occurs.
 - Folios: When a transaction is posted, the folio of each ledger account must be entered in the journal. In the Sundry accounts column, the folio is entered in the folio column provided and in the analysis columns, the folio is entered below the total of each column. Learners cannot enter the folio numbers if the completed journal appears only in the Learner's Book. However, all the others must be entered.
- Briefly revise the balancing of General Ledger accounts.

Lesson 6

- Do Activity 4.1 on the board. Learners check and mark their homework.
- Briefly revise the preparation of the Trial Balance.
- Use the General Ledger of Activity 4.1 on the board to draw up a Trial Balance.
- **Do Activity 4.2.**
- This activity is done as an example in class.
- **Do Activity 4.3.**

Lesson 7

- Check and mark Activity 4.3.
- **Do Activity 4.4.**

Lesson 8

- Check and mark Activity 4.4.
- **Do Activity 4.5.**

Lesson 9

- Check and mark Activity 4.5.
- **Do Activity 4.6.**

Lesson 10

- Check and mark Activity 4.6.
- **Do Activity 4.7.**

Answers

» Activity 4.1

Middle and Higher order (66)

1.–2.

Explain that the missing balance of the *Capital* account is calculated by adding all the credit balances and subtracting this total from the total of all the debit balances.

NOTE: The mark-up percentage of 75% is very high and considered to be unethical business practice.

General Ledger of Corcia Traders Balance Sheet accounts

| Dr | | | | Capital | | | | B1 | | | | Cr |
|------|---------|--|------|---------|--|-------------|---------|---------|------|-----------|----|-----|
| Date | Details | | Fol. | Amount | | Date | Details | | Fol. | Amount | | |
| | | | | | | 2017 Jul | 01 | Balance | b/d | ✓ 195 000 | 00 | |
| | | | | | | | | Bank ✓ | CRJ2 | ✓ 19 500 | 00 | |
| | | | | | | | 30 | Bank ✓ | CRJ2 | ✓ 5 500 | 00 | |
| | | | | | | | | | | ✓ 220 000 | 00 | (6) |

| Dr | | | | Drawings | | | | B2 | | | | Cr |
|-------------|---------|---------|------|----------|----|------|---------|----|------|--------|--|-----|
| Date | Details | | Fol. | Amount | | Date | Details | | Fol. | Amount | | |
| 2017 Jul | 01 | Balance | b/d | ✓ 5 745 | 00 | | | | | | | |
| | 22 | Bank ✓ | CPJ2 | ✓ 446 | 00 | | | | | | | |
| | | | | ✓ 6 191 | 00 | | | | | | | (4) |

| Dr | | | | Land and Buildings | | | | B3 | | | | Cr |
|-------------|---------|---------|------|--------------------|----|------|---------|----|------|--------|--|-----|
| Date | Details | | Fol. | Amount | | Date | Details | | Fol. | Amount | | |
| 2017 Jul | 01 | Balance | b/d | ✓ 105 000 | 00 | | | | | | | (1) |

| Dr | | | | Vehicles | | | | B4 | | | | Cr | | | |
|------|-----|---------|---------|----------|----------|----|------|----|---------|--|------|--------|--|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| 2017 | Jul | 01 | Balance | b/d | ✓ 64 065 | 00 | | | | | | | | | |

(1)

| Dr | | | | Equipment | | | | B5 | | | | Cr | | | |
|------|-----|---------|---------|-----------|---------|----|------|----|---------|--|------|--------|--|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| 2017 | Jul | 01 | Balance | b/d | ✓ 1 250 | 00 | | | | | | | | | |
| | | 06 | Bank ✓ | CPJ2 | ✓ 4 070 | 00 | | | | | | | | | |
| | | | | | ✓ 5 320 | 00 | | | | | | | | | |

(4)

| Dr | | | | Trading Stock | | | | B6 | | | | Cr | | | |
|------|-----|---------|---------|---------------|---------|----|------|-----|---------|-----------------|------|---------|----|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| 2017 | Jul | 01 | Balance | b/d | ✓ 8 482 | 00 | 2017 | Jul | 31 | Cost of sales ✓ | CRJ2 | ✓ 8 514 | 00 | | |
| | | 31 | Bank ✓ | CPJ2 | ✓ 3 448 | 00 | | | | Balance | c/d | ✓ 3 416 | 00 | | |
| | | | | | 11 930 | 00 | | | | | | 11 930 | 00 | | |
| | | 01 | Balance | b/d | ✓ 3 416 | 00 | | | | | | | | | |

(7)

| Dr | | | | Bank | | | | B7 | | | | Cr | | | |
|------|-----|---------|------------------|------|----------|----|------|-----|---------|------------------|------|----------|----|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| 2017 | Jul | 01 | Balance | b/d | ✓ 16 386 | 00 | 2017 | Jul | 31 | Total payments ✓ | CPJ2 | ✓ 11 925 | 00 | | |
| | | 31 | Total receipts ✓ | CRJ2 | ✓ 39 551 | 00 | | | | Balance ✓ | c/d | 44 012 | 00 | | |
| | | | | | 55 937 | 00 | | | | | | 55 937 | 00 | | |
| 2017 | Aug | 01 | Balance | b/d | ✓ 44 012 | 00 | | | | | | | | | |

(7)

| Dr | | | | Cash Float | | | | B8 | | | | Cr | | | |
|------|-----|---------|---------|------------|--------|----|------|----|---------|--|------|--------|--|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| 2017 | Jul | 01 | Balance | b/d | ✓ 450 | 00 | | | | | | | | | |

(1)

Nominal accounts

| Dr | | | | Sales | | | | N1 | | | | Cr | | | |
|------|--|---------|--|-------|--------|--|------|-----|---------|---------|------|----------|----|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| | | | | | | | 2017 | Jul | 01 | Balance | b/d | ✓ 20 340 | 00 | | |
| | | | | | | | | | 31 | Bank ✓ | CRJ2 | ✓ 12 771 | 00 | | |
| | | | | | | | | | | | | ✓ 33 111 | 00 | | |

(4)

| Dr | | | | Cost of Sales | | | | N2 | | | | Cr | | | |
|------|-----|---------|-----------------|---------------|----------|----|------|----|---------|--|------|--------|--|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| 2017 | Jul | 01 | Balance | b/d | ✓ 13 560 | 00 | | | | | | | | | |
| | | 31 | Trading stock ✓ | CRJ2 | ✓ 8 514 | 00 | | | | | | | | | |
| | | | | | ✓ 22 074 | 00 | | | | | | | | | |

(4)

| Dr | | | | Rent Income | | | | N3 | | | | Cr | |
|----------|---------|---------|------|-------------|-------|------|---------|----|------|--------|-------|----|-----|
| Date | Details | | Fol. | Amount | | Date | Details | | Fol. | Amount | | | |
| 2017 Jul | 01 | Balance | b/d | ✓ | 7 000 | | | | b/d | ✓ | 7 000 | 00 | |
| | 19 | Bank ✓ | CRJ2 | ✓ | 1 780 | | | | CRJ2 | ✓ | 1 780 | 00 | |
| | | | | ✓ | 8 780 | | | | | ✓ | 8 780 | 00 | (4) |

| Dr | | | | Wages | | | | N4 | | | | Cr | |
|----------|---------|---------|------|--------|-------|------|---------|----|------|--------|--|----|-----|
| Date | Details | | Fol. | Amount | | Date | Details | | Fol. | Amount | | | |
| 2017 Jul | 01 | Balance | b/d | ✓ | 3 330 | | | | | | | | |
| | 31 | Bank ✓ | CPJ2 | ✓ | 2 480 | | | | | | | | |
| | | | | ✓ | 5 810 | | | | | | | | (4) |

| Dr | | | | Packing Material | | | | N5 | | | | Cr | |
|----------|---------|---------|------|------------------|-------|------|---------|----|------|--------|--|----|-----|
| Date | Details | | Fol. | Amount | | Date | Details | | Fol. | Amount | | | |
| 2017 Jul | 01 | Balance | b/d | ✓ | 753 | | | | | | | | |
| | 31 | Bank ✓ | CPJ2 | ✓ | 376 | | | | | | | | |
| | | | | ✓ | 1 129 | | | | | | | | (4) |

| Dr | | | | Trading Licence | | | | N6 | | | | Cr | |
|----------|---------|---------|------|-----------------|-----|------|---------|----|------|--------|--|----|-----|
| Date | Details | | Fol. | Amount | | Date | Details | | Fol. | Amount | | | |
| 2017 Jul | 01 | Balance | b/d | ✓ | 414 | | | | | | | | (1) |

| Dr | | | | Stationery | | | | N7 | | | | Cr | |
|----------|---------|---------|------|------------|-----|------|---------|----|------|--------|--|----|-----|
| Date | Details | | Fol. | Amount | | Date | Details | | Fol. | Amount | | | |
| 2017 Jul | 01 | Balance | b/d | ✓ | 577 | | | | | | | | |
| | 06 | Bank ✓ | CPJ2 | ✓ | 38 | | | | | | | | |
| | 13 | Bank ✓ | CPJ2 | ✓ | 124 | | | | | | | | |
| | | | | ✓ | 739 | | | | | | | | (6) |

| Dr | | | | Water and Electricity | | | | N8 | | | | Cr | |
|----------|---------|---------|------|-----------------------|-------|------|---------|----|------|--------|--|----|-----|
| Date | Details | | Fol. | Amount | | Date | Details | | Fol. | Amount | | | |
| 2017 Jul | 01 | Balance | b/d | ✓ | 1 334 | | | | | | | | |
| | 22 | Bank ✓ | CPJ2 | ✓ | 595 | | | | | | | | |
| | | | | ✓ | 1 929 | | | | | | | | (4) |

| Dr | | | | Telephone | | | | N9 | | | | Cr | |
|----------|---------|---------|------|-----------|-------|------|---------|----|------|--------|--|----|-----|
| Date | Details | | Fol. | Amount | | Date | Details | | Fol. | Amount | | | |
| 2017 Jul | 01 | Balance | b/d | ✓ | 994 | | | | | | | | |
| | 21 | Bank ✓ | CPJ2 | ✓ | 348 | | | | | | | | |
| | | | | ✓ | 1 342 | | | | | | | | (4) |

» Activity 4.2

Middle order (20)

Trial Balance of Corcia Traders on 31 July 2017 ✓

| Balance Sheet accounts | Fol. | Debit | | Credit | |
|-------------------------|------|-----------|----|-----------|----|
| Capital | B1 | | | ✓ 220 000 | 00 |
| Drawings | B2 | ✓ 6 191 | 00 | | |
| Land and buildings | B3 | ✓ 105 000 | 00 | | |
| Vehicles | B4 | ✓ 64 065 | 00 | | |
| Equipment | B5 | ✓ 5 320 | 00 | | |
| Trading stock | B6 | ✓ 3 416 | 00 | | |
| Bank | B7 | ✓ 44 012 | 00 | | |
| Cash float | B8 | ✓ 450 | 00 | | |
| Nominal accounts | | | | | |
| Sales | N1 | | | ✓ 33 111 | 00 |
| Cost of sales | N2 | ✓ 22 074 | 00 | | |
| Rent income | N3 | | | ✓ 8 780 | 00 |
| Wages | N4 | ✓ 5 810 | 00 | | |
| Packing material | N5 | ✓ 1 129 | 00 | | |
| Trading licence | N6 | ✓ 414 | 00 | | |
| Stationery | N7 | ✓ 739 | 00 | | |
| Water and electricity | N8 | ✓ 1 929 | 00 | | |
| Telephone | N9 | ✓ 1 342 | 00 | | |
| | | ✓ 261 891 | 00 | ✓ 261 891 | 00 |

> Activity 4.3

1. *Middle order (83)*

Ensure the learners know how to open the Journals and General Ledger by themselves. This is the first activity where learners complete a services business and a trading business at the same time. Explain that Amiena sells (Sales) and rents out dresses (Services rendered – Current income).

Learners must also calculate the balance of the *Capital* account. They can only do that by adding the credit balances (R44 730 + R8 764 = R53 494) and subtracting the total from the total of the debit balances (R5 970 + R65 500 + R9 430 + R28 482 + R124 987 + R560 + R25 560 + R4 321 + R2 640 + R234 + R753 + R414 + R6 400 + R1 112 + R876 + R377 + R1 378 + R9 500 = R288 494). So, R288 494 – R53 494 = R235 000.

Cash Receipts Journal of Amiena's Dresses for September 2016

CRJ9

| Doc. no. | Day | Details | Fol. | Analysis of receipts | | Bank | | Sales | | Cost of sales | | Current income | | Sundry accounts | | | |
|----------|-----|-------------------|------|----------------------|----|---------|----|--------|----|---------------|----|----------------|----|-----------------|------|---------|--------------|
| | | | | | | | | | | | | | | Amount | Fol. | Details | |
| 301 | 02 | Sales | | 2 125 | 00 | ✓2 125 | 00 | ✓2 125 | 00 | ✓1 250 | 00 | | | | | | |
| 302 | 07 | Services rendered | | ✓380 | 00 | | | | | | | ✓380 | 00 | | | | |
| 303 | | Sales | | ✓4 904 | 50 | ✓5 284 | 50 | ✓4 904 | 50 | ✓2 885 | 00 | | | | | | |
| 304 | 16 | Sales | | ✓8 134 | 50 | | | ✓8 134 | 50 | ✓4 785 | 00 | | | | | | |
| 305 | | Services rendered | | ✓1 550 | 00 | ✓9 684 | 50 | | | | | ✓1550 | 00 | | | | |
| K61 | 21 | A Hassiem | | ✓11 750 | 00 | | | | | | | | | ✓11 750 | 00 | B1 | Capital✓ |
| 306 | | Services rendered | | ✓790 | 00 | ✓12 540 | 00 | | | | | ✓790 | 00 | | | | |
| K62 | 29 | S Hardy | | ✓1 325 | 00 | | | | | | | | | ✓1 325 | 00 | N4 | Rent income✓ |
| 307 | | Sales | | ✓3 323 | 50 | ✓4 648 | 50 | ✓3 323 | 50 | ✓1 955 | 00 | | | | | | |
| | | | | | | 34 282 | 50 | 18 487 | 50 | 10 875 | 00 | 2 720 | 00 | ✓13 075 | 00 | | |

(32)

✓

✓

B7

N1

N2/B6✓

Cash Payments Journal of Amiena's Dresses for September 2016

CPJ9

| Doc. no. | Day | Name of payee | Fol. | Bank | | Trading stock | Material cost | Wages | Stationery | Sundry accounts | | | | | | | |
|----------|-----|---------------------|------|----------|----|---------------|---------------|-------|------------|-----------------|------|----------|----|----------|-----|------------------------|--|
| | | | | | | | | | | Amount | Fol. | Details | | | | | |
| 107 | 01 | Meliska's Materials | | ✓2 331 | 00 | | ✓2 331 | 00 | | | | | | | | | |
| 108 | 03 | Municipality | | ✓340 | 00 | | | | | | | ✓340 | 00 | ✓ | N9 | Trading licence✓ | |
| 109 | 05 | Spamer Buildings | | ✓135 000 | 00 | | | | | | | ✓135 000 | 00 | | B3 | Land and buildings✓ | |
| 110 | 06 | M Mentoor | | ✓3 200 | 00 | | | | | | | ✓3 200 | 00 | | N10 | Rent expense✓ | |
| 111 | 09 | Bernett | | ✓4 260 | 00 | | | | | | | ✓4 260 | 00 | | B5 | Equipment✓ | |
| 112 | 11 | Marcel's Dresses | | ✓10 350 | 00 | ✓10 350 | 00 | | | | | | | | | | |
| 113 | 13 | Inkpen | | ✓433 | 00 | | | | | ✓433 | 00 | | | | | | |
| 114 | 14 | Cash | | ✓660 | 00 | | | ✓660 | 00 | | | | | | | | |
| 115 | 17 | Telkom | | ✓744 | 00 | | | | | | | ✓212 | 00 | | B2 | Drawings✓ | |
| | | | | | | | | | | | | ✓532 | 00 | | N12 | Telephone✓ | |
| 116 | 18 | Municipality | | ✓897 | 00 | | | | | | | ✓655 | 00 | | N11 | Water and electricity✓ | |
| | | | | | | | | | | | | ✓242 | 00 | | N13 | Rates✓ | |
| 117 | 23 | Marcel's Dresses | | ✓13 268 | 00 | ✓12 580 | 00 | ✓688 | 00 | | | | | | | | |
| 118 | 24 | Monre Crafts | | ✓667 | 00 | | | | | ✓114 | 00 | ✓553 | 00 | | N8 | Packing material✓ | |
| 119 | 27 | Rafiek's Motors | | ✓1 365 | 00 | | | | | | | ✓776 | 00 | | N14 | Vehicle expense✓ | |
| | | | | | | | | | | | | ✓589 | 00 | | B2 | Drawings✓ | |
| 120 | 28 | Cash | | ✓660 | 00 | | | ✓660 | 00 | | | | | | | | |
| 121 | 30 | N Ochse | | ✓4 555 | 00 | | | | | | | ✓4 555 | 00 | | N15 | Salaries✓ | |
| ✓ | | | | 178 730 | 00 | 22 930 | 00 | 3 019 | 00 | 1 320 | 00 | 547 | 00 | ✓150 914 | 00 | | |

(51)

B7

B6

N5

N6

N7

✓

2.–3. Middle order (90)

General Ledger of Amiena's Dresses Balance Sheet accounts

| Dr | | | | Capital | | | | B1 | | | | Cr |
|------|---------|--|------|---------|--|-------------|---------|---------|------|-----------|----|-----|
| Date | Details | | Fol. | Amount | | Date | Details | | Fol. | Amount | | |
| | | | | | | 2016 Sep | 01 | Balance | b/d | ✓ 235 000 | 00 | |
| | | | | | | | 21 | Bank ✓ | CRJ9 | ✓ 11 750 | 00 | |
| | | | | | | | | | | ✓ 246 750 | 00 | (4) |

| Dr | | | | Drawings | | | | B2 | | | | Cr |
|-------------|---------|---------|------|----------|----|------|---------|----|------|--------|--|-----|
| Date | Details | | Fol. | Amount | | Date | Details | | Fol. | Amount | | |
| 2016 Sep | 01 | Balance | b/d | ✓ 5 970 | 00 | | | | | | | |
| | 17 | Bank ✓ | CPJ9 | ✓ 212 | 00 | | | | | | | |
| | 27 | Bank ✓ | CPJ9 | ✓ 589 | 00 | | | | | | | |
| | | | | ✓ 6 771 | 00 | | | | | | | (6) |

| Dr | | | | Land and Buildings | | | | B3 | | | | Cr |
|-------------|---------|------|------|--------------------|----|------|---------|----|------|--------|--|-----|
| Date | Details | | Fol. | Amount | | Date | Details | | Fol. | Amount | | |
| 2016 Sep | 05 | Bank | CPJ9 | ✓ 135 000 | 00 | | | | | | | (1) |

| Dr | | | | Vehicles | | | | B4 | | | | Cr |
|-------------|---------|---------|------|----------|----|------|---------|----|------|--------|--|-----|
| Date | Details | | Fol. | Amount | | Date | Details | | Fol. | Amount | | |
| 2016 Sep | 01 | Balance | b/d | ✓ 65 500 | 00 | | | | | | | (1) |

| Dr | | | | Equipment | | | | B5 | | | | Cr |
|-------------|---------|---------|------|-----------|----|------|---------|----|------|--------|--|-----|
| Date | Details | | Fol. | Amount | | Date | Details | | Fol. | Amount | | |
| 2016 Sep | 01 | Balance | b/d | ✓ 9 430 | 00 | | | | | | | |
| | 09 | Bank ✓ | CPJ9 | ✓ 4 260 | 00 | | | | | | | |
| | | | | ✓ 13 690 | 00 | | | | | | | (4) |

| Dr | | | | Trading Stock | | | | B6 | | | | Cr |
|-------------|---------|---------|------|---------------|----|-------------|---------|-----------------|------|----------|----|-----|
| Date | Details | | Fol. | Amount | | Date | Details | | Fol. | Amount | | |
| 2016 Sep | 01 | Balance | b/d | ✓ 28 482 | 00 | 2016 Sep | 30 | Cost of sales ✓ | CRJ9 | ✓ 10 875 | 00 | |
| | 30 | Bank ✓ | CPJ9 | ✓ 22 930 | 00 | | | Balance | c/d | ✓ 40 537 | 00 | |
| | | | | ✓ 51 412 | 00 | | | | | 51 412 | 00 | |
| 2016 Oct | 01 | Balance | b/d | ✓ 40 537 | 00 | | | | | | | (8) |

| Dr | | | | Bank | | | | B7 | | | | Cr |
|-------------|---------|------------------|------|-----------|----|-------------|---------|------------------|------|-----------|----|-----|
| Date | Details | | Fol. | Amount | | Date | Details | | Fol. | Amount | | |
| 2016 Sep | 01 | Balance | b/d | ✓ 124 987 | 00 | 2016 Sep | 30 | Total payments ✓ | CPJ9 | ✓ 178 730 | 00 | |
| | 30 | Total receipts ✓ | CRJ9 | ✓ 34 282 | 50 | | | | | | | |
| | | Balance | c/d | ✓ 19 460 | 50 | | | | | | | |
| | | | | 178 730 | 00 | | | | | 178 730 | 00 | |
| | | | | | | 2016 Oct | 01 | Balance | b/d | ✓ 19 460 | 50 | (7) |

| Dr | | | | Cash Float | | | | B8 | | | | Cr | | | |
|------|----|---------|--|------------|--------|----|------|----|---------|--|------|--------|--|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| 2016 | | | | | | | | | | | | | | | |
| Sep | 01 | Balance | | b/d | ✓ 560 | 00 | | | | | | | | | |

(1)

Nominal accounts

| Dr | | | | Sales | | | | N1 | | | | Cr | | | |
|------|--|---------|--|-------|--------|--|------|----|---------|--|------|----------|----|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| | | | | | | | 2016 | | | | | | | | |
| | | | | | | | Sep | 01 | Balance | | b/d | ✓ 43 452 | 00 | | |
| | | | | | | | | 30 | Bank ✓ | | CRJ9 | ✓ 18 487 | 50 | | |
| | | | | | | | | | | | | ✓ 61 939 | 50 | | |

(4)

| Dr | | | | Cost of Sales | | | | N2 | | | | Cr | | | |
|------|----|-----------------|--|---------------|----------|----|------|----|---------|--|------|--------|--|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| 2016 | | | | | | | | | | | | | | | |
| Sep | 01 | Balance | | b/d | ✓ 25 560 | 00 | | | | | | | | | |
| | 30 | Trading stock ✓ | | CRJ9 | ✓ 10 875 | 00 | | | | | | | | | |
| | | | | | ✓ 36 435 | 00 | | | | | | | | | |

(4)

| Dr | | | | Current Income | | | | N3 | | | | Cr | | | |
|------|--|---------|--|----------------|--------|--|------|----|---------|--|------|----------|----|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| | | | | | | | 2016 | | | | | | | | |
| | | | | | | | Sep | 01 | Balance | | b/d | ✓ 10 042 | 00 | | |
| | | | | | | | | 30 | Bank ✓ | | CRJ9 | ✓ 2 720 | 00 | | |
| | | | | | | | | | | | | ✓ 12 762 | 00 | | |

(4)

| Dr | | | | Rent Income | | | | N4 | | | | Cr | | | |
|------|--|---------|--|-------------|--------|--|------|----|---------|--|------|---------|----|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| | | | | | | | 2016 | | | | | | | | |
| | | | | | | | Sep | 29 | Bank ✓ | | CRJ9 | ✓ 1 325 | 00 | | |

(2)

| Dr | | | | Material Cost | | | | N5 | | | | Cr | | | |
|------|----|---------|--|---------------|---------|----|------|----|---------|--|------|--------|--|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| 2016 | | | | | | | | | | | | | | | |
| Sep | 01 | Balance | | b/d | ✓ 4 321 | 00 | | | | | | | | | |
| | 30 | Bank ✓ | | CPJ9 | ✓ 3 019 | 00 | | | | | | | | | |
| | | | | | ✓ 7 340 | 00 | | | | | | | | | |

(4)

| Dr | | | | Wages | | | | N6 | | | | Cr | | | |
|------|----|---------|--|-------|---------|----|------|----|---------|--|------|--------|--|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| 2016 | | | | | | | | | | | | | | | |
| Sep | 01 | Balance | | b/d | ✓ 2 640 | 00 | | | | | | | | | |
| | 30 | Bank ✓ | | CPJ9 | ✓ 1 320 | 00 | | | | | | | | | |
| | | | | | ✓ 3 960 | 00 | | | | | | | | | |

(4)

| Dr | | | | Stationery | | | | N7 | | | | Cr | | | |
|------|----|---------|--|------------|--------|----|------|----|---------|--|------|--------|--|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| 2016 | | | | | | | | | | | | | | | |
| Sep | 01 | Balance | | b/d | ✓ 234 | 00 | | | | | | | | | |
| | 30 | Bank ✓ | | CPJ9 | ✓ 547 | 00 | | | | | | | | | |
| | | | | | ✓ 781 | 00 | | | | | | | | | |

(4)

| Dr | | | | Packing Material | | | | N8 | | | | Cr | | | |
|------|-----|---------|---------|------------------|---------|----|------|----|---------|--|------|--------|--|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| 2016 | Sep | 01 | Balance | b/d | ✓ 753 | 00 | | | | | | | | | |
| | | 24 | Bank ✓ | CPJ9 | ✓ 553 | 00 | | | | | | | | | |
| | | | | | ✓ 1 306 | 00 | | | | | | | | | |

(4)

| Dr | | | | Trading Licence | | | | N9 | | | | Cr | | | |
|------|-----|---------|---------|-----------------|--------|----|------|----|---------|--|------|--------|--|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| 2016 | Sep | 01 | Balance | b/d | ✓ 414 | 00 | | | | | | | | | |
| | | 03 | Bank ✓ | CPJ9 | ✓ 340 | 00 | | | | | | | | | |
| | | | | | ✓ 754 | 00 | | | | | | | | | |

(4)

| Dr | | | | Rent Expense | | | | N10 | | | | Cr | | | |
|------|-----|---------|---------|--------------|---------|----|------|-----|---------|--|------|--------|--|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| 2016 | Sep | 01 | Balance | b/d | ✓ 6 400 | 00 | | | | | | | | | |
| | | 06 | Bank ✓ | CPJ9 | ✓ 3 200 | 00 | | | | | | | | | |
| | | | | | ✓ 9 600 | 00 | | | | | | | | | |

(4)

| Dr | | | | Water and Electricity | | | | N11 | | | | Cr | | | |
|------|-----|---------|---------|-----------------------|---------|----|------|-----|---------|--|------|--------|--|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| 2016 | Sep | 01 | Balance | b/d | ✓ 1 112 | 00 | | | | | | | | | |
| | | 18 | Bank ✓ | CPJ9 | ✓ 655 | 00 | | | | | | | | | |
| | | | | | ✓ 1 767 | 00 | | | | | | | | | |

(4)

| Dr | | | | Telephone | | | | N12 | | | | Cr | | | |
|------|-----|---------|---------|-----------|---------|----|------|-----|---------|--|------|--------|--|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| 2016 | Sep | 01 | Balance | b/d | ✓ 876 | 00 | | | | | | | | | |
| | | 17 | Bank ✓ | CPJ9 | ✓ 532 | 00 | | | | | | | | | |
| | | | | | ✓ 1 408 | 00 | | | | | | | | | |

(4)

| Dr | | | | Rates | | | | N13 | | | | Cr | | | |
|------|-----|---------|---------|-------|--------|----|------|-----|---------|--|------|--------|--|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| 2016 | Sep | 01 | Balance | b/d | ✓ 377 | 00 | | | | | | | | | |
| | | 18 | Bank ✓ | CPJ9 | ✓ 242 | 00 | | | | | | | | | |
| | | | | | ✓ 619 | 00 | | | | | | | | | |

(4)

| Dr | | | | Vehicle Expense | | | | N14 | | | | Cr | | | |
|------|-----|---------|---------|-----------------|---------|----|------|-----|---------|--|------|--------|--|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| 2016 | Sep | 01 | Balance | b/d | ✓ 1 378 | 00 | | | | | | | | | |
| | | 27 | Bank ✓ | CPJ9 | ✓ 776 | 00 | | | | | | | | | |
| | | | | | ✓ 2 154 | 00 | | | | | | | | | |

(4)

| Dr | | Salaries | | | | N15 | | | | Cr |
|-------------|---------|----------|--------|----------|------|---------|------|--------|--|----|
| Date | Details | Fol. | Amount | | Date | Details | Fol. | Amount | | |
| 2016 Sep | 01 | Balance | b/d | ✓ 9 500 | 00 | | | | | |
| | 30 | Bank ✓ | CPJ9 | ✓ 4 555 | 00 | | | | | |
| | | | | ✓ 14 055 | 00 | | | | | |

(4)

4. Lower order (28)

Trial Balance of Amiena's Dresses on 30 September 2016 ✓

| Balance Sheet accounts ✓ | Fol. | Debit | | Credit | |
|---------------------------|------|-----------|----|-----------|----|
| Capital ✓ | B1 | | | 246 750 | 00 |
| Drawings ✓ | B2 | 6 771 | 00 | | |
| Land and buildings ✓ | B3 | 135 000 | 00 | | |
| Vehicles ✓ | B4 | 65 500 | 00 | | |
| Equipment ✓ | B5 | 13 690 | 00 | | |
| Trading stock ✓ | B6 | 40 537 | 00 | | |
| Bank ✓ | B7 | | | 19 460 | 50 |
| Cash float ✓ | B8 | 560 | 00 | | |
| Nominal accounts ✓ | | | | | |
| Sales ✓ | N1 | | | 61 939 | 50 |
| Cost of sales ✓ | N2 | 36 435 | 00 | | |
| Current income ✓ | N3 | | | 12 762 | 00 |
| Rent income ✓ | N4 | | | 1 325 | 00 |
| Material cost ✓ | N5 | 7 340 | 00 | | |
| Wages ✓ | N6 | 3 960 | 00 | | |
| Stationery ✓ | N7 | 781 | 00 | | |
| Packing material ✓ | N8 | 1 306 | 00 | | |
| Trading licence ✓ | N9 | 754 | 00 | | |
| Rent expense ✓ | N10 | 9 600 | 00 | | |
| Water and electricity ✓ | N11 | 1 767 | 00 | | |
| Telephone ✓ | N12 | 1 408 | 00 | | |
| Rates ✓ | N13 | 619 | 00 | | |
| Vehicle expense ✓ | N14 | 2 154 | 00 | | |
| Salaries ✓ | N15 | 14 055 | 00 | | |
| | | ✓ 342 237 | 00 | ✓ 342 237 | 00 |

5. Middle order (48)

| Date | Account debited | Account credited | Assets | | Owner's Equity | |
|------|----------------------|------------------|------------|--------------------------------|----------------|-----------------------------|
| | | | Effect | Reason | Effect | Reason |
| 03 | Trading licence ✓ | Bank ✓ | ✓ -340 | Cash decreases ✓ | ✓ -340 | Trading licence – expense ✓ |
| 05 | Land and buildings ✓ | Bank ✓ | ✓ -135 000 | Cash decreases ✓ | | |
| | | | ✓ +135 000 | Land and buildings increases ✓ | | |
| 07 | Bank ✓ | Current income ✓ | ✓ +380 | Cash increases ✓ | ✓ +380 | Current income ✓ |

| Date | Account debited | Account credited | Assets | | Owner's Equity | |
|------|-------------------|------------------|-------------|---------------------------|----------------|---------------------------|
| | | | Effect | Reason | Effect | Reason |
| | Bank ✓ | Sales ✓ | ✓ +4 904,50 | Cash increases ✓ | ✓ +2 019,50 | Profit earned ✓ |
| | Cost of sales ✓ | Trading stock ✓ | ✓ -2 885 | Trading stock decreases ✓ | | |
| 23 | Trading stock ✓ | Bank ✓ | ✓ -13 268 | Cash decreases ✓ | ✓ -688 | Material cost - expense ✓ |
| | Material cost ✓ | Bank ✓ | ✓ +12 580 | Trading stock increases ✓ | | |
| 27 | Vehicle expense ✓ | Bank ✓ | ✓ -1 365 | Cash decreases ✓ | ✓ -776 | Vehicle expense ✓ |
| | Drawings ✓ | Bank ✓ | | | ✓ -589 | Drawings ✓ |

Activity 4.4

1. Middle order (58)

Ensure the learners know how to open the Journals and General Ledger by themselves.

Two balances are missing. Learners must first calculate the balance of the *Cost of Sales* account and then the balance of the *Wages* account.

The opening balance of *Cost of Sales* is calculated as follows, according to the formula learnt in Topic 2:

$$\frac{100}{150} \times \frac{35\,535}{1} = R23\,690$$

The opening balance of the *Wages* account is calculated as follows:

Add up the credit balances (R237 000 + R52 424 + R35 535 + R5 400 = R330 359) and subtract this total from the total of the debit balances (R5 400 + R158 000 + R64 200 + R28 536 + R44 436 + R350 + R23 690 + R470 + R468 + R793 + R656 = R326 999). So, R326 999 – R330 359 = R3 360.

Cash Receipts Journal of Ceebock Shirts for June 2012

CRJ6

| Doc. no. | Day | Details | Fol. | Analysis of receipts | Bank | | Sales | | Cost of sales | | Sundry accounts | | | |
|----------|-----|------------|------|----------------------|---------|----|---------|----|---------------|----|-----------------|------|---------|---------------|
| | | | | | | | | | | | Amount | Fol. | Details | |
| 35 | 01 | G Pieterse | | | ✓12 000 | 00 | | | | | ✓12 000 | 00 | ✓ B1 | Capital ✓ |
| CRR | 07 | Sales | | 29 106 00 | ✓29 106 | 00 | ✓29 106 | 00 | ✓19 404 | 00 | | | | |
| CRR | 16 | Sales | | 12 285 00 | ✓12 285 | 00 | ✓12 285 | 00 | ✓8 190 | 00 | | | | |
| CRR | 23 | Sales | | 22 365 00 | ✓22 365 | 00 | ✓22 365 | 00 | ✓14 910 | 00 | | | | |
| CRR | 30 | Sales | | ✓18 585 00 | | | ✓18 585 | 00 | ✓12 390 | 00 | | | | |
| 36 | | D Sanbona | | ✓3 560 00 | ✓22 145 | 00 | | | | | ✓3 560 | 00 | N3 | Rent income ✓ |
| ✓ | | | | | 97 901 | 00 | 82 341 | 00 | 54 894 | 00 | 15 560 | 00 | ✓ | |

(23)

B7

N1

N2/B6 ✓

Cash Payments Journal of Ceebock Shirts for June 2012

CPJ6

| Doc. no. | Day | Name of payee | Fol. | Bank | | Trading stock | | Wages | | Sundry accounts | | |
|----------|-----|---------------|------|---------------|-----------|---------------|-----------|--------------|-----------|-----------------|-----------|---------------------------|
| | | | | | | | | | | Amount | Fol. | Details |
| 84 | 03 | Municipality | | ✓250 | 00 | | | | | ✓250 | 00 | N5✓ Trading licence✓ |
| 85 | 04 | Krombecks | | ✓5 250 | 00 | ✓5 250 | 00 | | | | | |
| 86 | 09 | Write & Wrong | | ✓165 | 00 | | | | | ✓165 | 00 | N6 Stationery✓ |
| 87 | 11 | Jan Pienaar | | ✓8 820 | 00 | ✓8 820 | 00 | | | | | |
| 88 | 12 | Cash | | ✓1 300 | 00 | | | | | ✓1 300 | 00 | B2 Drawings✓ |
| 89 | | Cash | | ✓1 255 | 00 | | | ✓1 255 | 00 | | | |
| 90 | 16 | Sparrebosch | | ✓5 330 | 00 | | | | | ✓5 330 | 00 | B5 Equipment✓ |
| 91 | 19 | Cash | | ✓1 255 | 00 | | | ✓1 255 | 00 | | | |
| 92 | | Municipality | | ✓655 | 00 | | | | | ✓424 | 00 | N7 Water and electricity✓ |
| | | | | | | | | | | ✓231 | 00 | B2 Drawings✓ |
| 93 | 23 | Krombecks | | ✓2 604 | 00 | ✓2 604 | 00 | | | | | |
| 94 | 26 | Cash | | ✓1 505 | 00 | | | ✓1 255 | 00 | ✓250 | 00 | B8 Cash float✓ |
| ✓ | | | | 28 389 | 00 | 16 674 | 00 | 3 765 | 00 | ✓7 950 | 00 | |

(35)

B7 B6 N4✓

2.-3. Middle and Higher order (63)

**General Ledger of Ceebock Shirts
Balance Sheet accounts**

| Dr | | | | Capital | | | | B1 | | | | Cr | |
|------|---------|--|------|---------|--|------|---------|---------|------|------------------|-----------|----|--|
| Date | Details | | Fol. | Amount | | Date | Details | | Fol. | Amount | | | |
| | | | | | | 2012 | | | | | | | |
| | | | | | | Jun | 01 | Balance | b/d | ✓ 237 000 | 00 | | |
| | | | | | | | | Bank ✓ | CRJ6 | ✓ 12 000 | 00 | | |
| | | | | | | | | | | ✓ 249 000 | 00 | | |

(4)

| Dr | | | | Drawings | | | | B2 | | | | Cr | |
|------|---------|---------|------|----------------|-----------|------|---------|----|------|--------|--|----|--|
| Date | Details | | Fol. | Amount | | Date | Details | | Fol. | Amount | | | |
| 2012 | | | | | | | | | | | | | |
| Jun | 01 | Balance | b/d | ✓ 5 400 | 00 | | | | | | | | |
| | 12 | Bank ✓ | CPJ6 | ✓ 1 300 | 00 | | | | | | | | |
| | 19 | Bank ✓ | CPJ6 | ✓ 231 | 00 | | | | | | | | |
| | | | | ✓ 6 931 | 00 | | | | | | | | |

(6)

| Dr | | | | Land and Buildings | | | | B3 | | | | Cr | |
|------|---------|---------|------|--------------------|----|------|---------|----|------|--------|--|----|--|
| Date | Details | | Fol. | Amount | | Date | Details | | Fol. | Amount | | | |
| 2012 | | | | | | | | | | | | | |
| Jun | 01 | Balance | b/d | ✓ 158 000 | 00 | | | | | | | | |

(1)

| Dr | | | | Vehicles | | | | B4 | | | | Cr | |
|------|---------|---------|------|----------|----|------|---------|----|------|--------|--|----|--|
| Date | Details | | Fol. | Amount | | Date | Details | | Fol. | Amount | | | |
| 2012 | | | | | | | | | | | | | |
| Jun | 01 | Balance | b/d | ✓ 64 200 | 00 | | | | | | | | |

(1)

| Dr | | | | Equipment | | | | B5 | | | | Cr | |
|------|---------|---------|------|-----------------|-----------|------|---------|----|------|--------|--|----|--|
| Date | Details | | Fol. | Amount | | Date | Details | | Fol. | Amount | | | |
| 2012 | | | | | | | | | | | | | |
| Jun | 01 | Balance | b/d | ✓ 28 536 | 00 | | | | | | | | |
| | 16 | Bank ✓ | CPJ6 | ✓ 5 330 | 00 | | | | | | | | |
| | | | | ✓ 33 866 | 00 | | | | | | | | |

(4)

| Dr | | | | Trading Stock | | | | B6 | | | | Cr | |
|----------|----|---------|------|---------------|-----------|----------|----|-----------------|------|---------------|-----------|----|--|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | | | |
| 2012 Jun | 01 | Balance | b/d | ✓ 44 436 | 00 | 2012 Jun | 30 | Cost of sales ✓ | CRJ6 | ✓ 54 894 | 00 | | |
| | 30 | Bank ✓ | CPJ6 | ✓ 16 674 | 00 | | | Balance | c/d | ✓ 6 216 | 00 | | |
| | | | | <u>61 110</u> | <u>00</u> | | | | | <u>61 110</u> | <u>00</u> | | |
| 2012 Jul | 01 | Balance | b/d | ✓ 6 216 | 00 | | | | | | | | |

(7)

| Dr | | | | Bank | | | | B7 | | | | Cr | |
|----------|----|------------------|------|---------------|-----------|----------|----|------------------|------|---------------|-----------|----|--|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | | | |
| 2012 Jun | 30 | Total receipts ✓ | CRJ6 | ✓ 97 901 | 00 | 2012 Jun | 01 | Balance | b/d | ✓ 52 424 | 00 | | |
| | | | | | | | 30 | Total payments ✓ | CPJ6 | ✓ 28 389 | 00 | | |
| | | | | | | | | Balance | c/d | ✓ 17 088 | 00 | | |
| | | | | <u>97 901</u> | <u>00</u> | | | | | <u>97 901</u> | <u>00</u> | | |
| 2012 Jul | 01 | Balance | b/d | ✓ 17 088 | 00 | | | | | | | | |

(7)

| Dr | | | | Cash Float | | | | B8 | | | | Cr | |
|----------|----|---------|------|--------------|-----------|------|--|---------|------|--------|--|----|--|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | | | |
| 2012 Jun | 01 | Balance | b/d | ✓ 350 | 00 | | | | | | | | |
| | 26 | Bank ✓ | CPJ6 | ✓ 250 | 00 | | | | | | | | |
| | | | | <u>✓ 600</u> | <u>00</u> | | | | | | | | |

(4)

Nominal accounts

| Dr | | | | Sales | | | | N1 | | | | Cr | |
|------|--|---------|------|--------|--|----------|----|---------|------|------------------|-----------|----|--|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | | | |
| | | | | | | 2012 Jun | 01 | Balance | b/d | ✓ 35 535 | 00 | | |
| | | | | | | | 30 | Bank ✓ | CRJ6 | ✓ 82 341 | 00 | | |
| | | | | | | | | | | <u>✓ 117 876</u> | <u>00</u> | | |

(4)

| Dr | | | | Cost of Sales | | | | N2 | | | | Cr | |
|----------|----|-----------------|------|-----------------|-----------|------|--|---------|------|--------|--|----|--|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | | | |
| 2012 Jun | 01 | Balance | b/d | ✓ 23 690 | 00 | | | | | | | | |
| | 30 | Trading stock ✓ | CRJ6 | ✓ 54 894 | 00 | | | | | | | | |
| | | | | <u>✓ 78 584</u> | <u>00</u> | | | | | | | | |

(4)

| Dr | | | | Rent Income | | | | N3 | | | | Cr | |
|------|--|---------|------|-------------|--|----------|----|---------|------|----------------|-----------|----|--|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | | | |
| | | | | | | 2012 Jun | 01 | Balance | b/d | ✓ 5 400 | 00 | | |
| | | | | | | | 30 | Bank ✓ | CRJ6 | ✓ 3 560 | 00 | | |
| | | | | | | | | | | <u>✓ 8 960</u> | <u>00</u> | | |

(4)

| Dr | | | | Wages | | | | N4 | | | | Cr |
|----------|----|---------|------|---------|----|------|--|---------|------|--------|--|-----|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | | |
| 2012 Jun | 01 | Balance | b/d | ✓ 3 360 | 00 | | | | | | | |
| | 30 | Bank ✓ | CPJ6 | ✓ 3 765 | 00 | | | | | | | |
| | | | | ✓ 7 125 | 00 | | | | | | | (4) |

| Dr | | | | Trading Licence | | | | N5 | | | | Cr |
|----------|----|---------|------|-----------------|----|------|--|---------|------|--------|--|-----|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | | |
| 2012 Jun | 01 | Balance | b/d | ✓ 470 | 00 | | | | | | | |
| | 03 | Bank ✓ | CPJ6 | ✓ 250 | 00 | | | | | | | |
| | | | | ✓ 720 | 00 | | | | | | | (4) |

| Dr | | | | Stationery | | | | N6 | | | | Cr |
|----------|----|---------|------|------------|----|------|--|---------|------|--------|--|-----|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | | |
| 2012 Jun | 01 | Balance | b/d | ✓ 468 | 00 | | | | | | | |
| | 09 | Bank ✓ | CPJ6 | ✓ 165 | 00 | | | | | | | |
| | | | | ✓ 633 | 00 | | | | | | | (4) |

| Dr | | | | Water and Electricity | | | | N7 | | | | Cr |
|----------|----|---------|------|-----------------------|----|------|--|---------|------|--------|--|-----|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | | |
| 2012 Jun | 01 | Balance | b/d | ✓ 793 | 00 | | | | | | | |
| | 19 | Bank ✓ | CPJ6 | ✓ 424 | 00 | | | | | | | |
| | | | | ✓ 1 217 | 00 | | | | | | | (4) |

| Dr | | | | Telephone | | | | N8 | | | | Cr |
|----------|----|---------|------|-----------|----|------|--|---------|------|--------|--|-----|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | | |
| 2012 Jun | 01 | Balance | b/d | ✓ 656 | 00 | | | | | | | (1) |

4. Middle order (18)

Trial Balance of Ceebock Shirts on 30 June 2012 ✓

| Balance Sheet accounts | Fol. | Debit | Credit |
|-------------------------|------|-----------|---------|
| Capital ✓ | B1 | | 249 000 |
| Drawings ✓ | B2 | 6 931 | |
| Land and buildings ✓ | B3 | 158 000 | |
| Vehicles ✓ | B4 | 64 200 | |
| Equipment ✓ | B5 | 33 866 | |
| Trading stock ✓ | B6 | 6 216 | |
| Bank ✓ | B7 | 17 088 | |
| Cash float ✓ | B8 | 600 | |
| Nominal accounts | | | |
| Sales ✓ | N1 | | 117 876 |
| Cost of sales ✓ | N2 | 78 584 | |
| Rent income ✓ | N3 | | 8 960 |
| Wages ✓ | N4 | 7 125 | |
| Trading licence ✓ | N5 | 720 | |
| Stationery ✓ | N6 | 633 | |
| Water and electricity ✓ | N7 | 1 217 | |
| Telephone ✓ | N8 | 656 | |
| | | ✓ 375 836 | 375 836 |

5. Middle and Higher order (7)

a. R54 894 ✓ (1)

b. $\frac{R54\,894}{42} = 1\,307$ T-shirts are sold. ✓ (3)

c. $\frac{R6\,216}{42} = 148$ T-shirts are left over. ✓ (3)

Activity 4.5

Question 1 follows on the next page.

2. Middle order (37)

Learners must calculate the profit percentage according to the formula learnt in Topic 2:

Calculate the profit amount:

$$\text{Profit} = R5\,855,10 - R3\,365 = R2\,490,10.$$

$$\text{The profit percentage is: } \frac{2\,490,10}{3\,365} \times \frac{100}{1} = 74\%$$

Cash Receipts Journal of Amacooka Traders for March 2016

CRJ3

| Doc. no. | Day | Details | Fol. | Analysis of receipts | | Bank | | Sales | | Cost of sales | | Sundry accounts | | | |
|----------|-----|---------|------|----------------------|----|---------|----|--------|----|---------------|----|-----------------|------|---------|--------------|
| | | | | | | | | | | | | Amount | Fol. | Details | |
| 22 | 01 | K Alva | | | | ✓25 000 | 00 | | | | | ✓25 000 | 00 | ✓ B1 | Capital✓ |
| CRR | 12 | Sales | | 930 | 90 | ✓930 | 90 | ✓930 | 90 | ✓535 | 00 | | | | |
| CRR | 21 | Sales | | 756 | 90 | ✓756 | 90 | ✓756 | 90 | ✓435 | 00 | | | | |
| CRR | 23 | Sales | | 2 061 | 90 | ✓2 061 | 90 | ✓2 061 | 90 | ✓1 185 | 00 | | | | |
| CRR | 28 | Sales | | 793 | 44 | ✓793 | 44 | ✓793 | 44 | ✓456 | 00 | | | | |
| CRR | 31 | Sales | | ✓1 348 | 50 | | | ✓1 348 | 50 | ✓775 | 00 | | | | |
| 23 | | D Radyn | | ✓1 215 | 00 | ✓2 563 | 50 | | | | | ✓1 215 | 00 | N11 | Rent income✓ |
| ✓ | | | | | | 32 106 | 64 | 5 891 | 64 | 3 386 | 00 | ✓26 215 | 00 | | |

(26)

B5 N1 N2/B4✓

Cash Payments Journal of Amacooka Traders for March 2016 ✓

CPJ3

| Doc. no. | Day | Name of payee | Fol. | Bank | | Stationery | Wages | Trading stock | Sundry accounts | | | | | | |
|----------|-----|--------------------|------|--------|----|------------|-------|---------------|-----------------|--------|---------|---------|------------------------|--|--|
| | | | | | | | | | Amount | Fol. | Details | | | | |
| 021 | 02 | Dot Rentals | | ✓1 215 | 00 | | | | | ✓1 215 | 00 | ✓ N3 | Rent expense✓ | | |
| 022 | | Municipality | | ✓163 | 00 | | | | | ✓163 | 00 | N4 | Trading licence✓ | | |
| 023 | | Melville Furniture | | ✓2 223 | 00 | | | | | ✓2 223 | 00 | B3 | Equipment✓ | | |
| 024 | | Cash | | ✓115 | 00 | | | | | ✓115 | 00 | B6 | Cash float✓ | | |
| 025 | 04 | Welcook Suppliers | | ✓3 764 | 00 | | | ✓3 764 | 00 | | | | | | |
| 026 | 06 | Pens Galore | | ✓233 | 00 | ✓233 | 00 | | | | | | | | |
| 027 | 07 | Cash | | ✓375 | 00 | | ✓375 | 00 | | | | | | | |
| 028 | 09 | Paarl Post | | ✓224 | 00 | | | | | ✓224 | 00 | N5 | Advertisements✓ | | |
| 029 | 18 | Plastika Ltd | | ✓341 | 00 | | | | | ✓341 | 00 | N6 | Packing material✓ | | |
| 030 | 21 | Cash | | ✓500 | 00 | | ✓375 | 00 | | ✓125 | 00 | B6 | Cash float✓ | | |
| 031 | 25 | Municipality | | ✓342 | 00 | | | | | ✓342 | 00 | N7 | Water and electricity✓ | | |
| 032 | | Waldo Suppliers | | ✓614 | 00 | | | | | ✓481 | 00 | N6 | Packing material✓ | | |
| | | | | | | | | | | ✓133 | 00 | N5 | Advertisements✓ | | |
| 033 | 27 | Nelson & Co. | | ✓2 113 | 00 | | | ✓2 113 | 00 | | | | | | |
| 034 | 29 | J Witche | | ✓1 110 | 00 | | | | | ✓1 110 | 00 | N8 | Salaries✓ | | |
| 035 | | Welcook Suppliers | | ✓1 440 | 00 | | | ✓1 440 | 00 | | | | | | |
| 036 | 30 | Cash | | ✓660 | 00 | | | | | ✓660 | 00 | B2 | Drawings✓ | | |
| ✓ | | | | 15 432 | 00 | 233 | 00 | 750 | 00 | 7 317 | 00 | ✓7 132 | 00 | | |

(51)

B5 N10 N9 B4 ✓

1., 3. and 4. Middle order (32)

The opening balance of the *Packing Material* account is calculated as follows: Add up the credit balances (R36 500 + R5 855,10 + R1 215 = R43 570,10) and subtract this total from the total of the debit balances (R815 + R3 544 + R8 793 + R8 722 + R200 + R3 365 + R4 860 + R130 + R338 + R478 + R4 440 + R6 000 + R562,10 = R42 247,10). So, R43 570,10 – R42 247,10 = R1 323.

**General Ledger of Amacooka Traders
Balance Sheet accounts**

| Dr | | | | Capital | | | | B1 | | | | Cr |
|------|---------|--|------|---------|--|-------------|---------|---------|------|----------|----|-----|
| Date | Details | | Fol. | Amount | | Date | Details | | Fol. | Amount | | |
| | | | | | | 2016 Mar | 01 | Balance | b/d | ✓ 36 500 | 00 | |
| | | | | | | | | Bank ✓ | CRJ3 | ✓ 25 000 | 00 | |
| | | | | | | | | | | ✓ 61 500 | 00 | (4) |

| Dr | | | | Drawings | | | | B2 | | | | Cr |
|-------------|---------|---------|------|----------|----|------|---------|----|------|--------|--|-----|
| Date | Details | | Fol. | Amount | | Date | Details | | Fol. | Amount | | |
| 2016 Mar | 01 | Balance | b/d | ✓ 815 | 00 | | | | | | | |
| | 30 | Bank ✓ | CPJ3 | ✓ 660 | 00 | | | | | | | |
| | | | | ✓ 1 475 | 00 | | | | | | | (4) |

| Dr | | | | Equipment | | | | B3 | | | | Cr |
|-------------|---------|---------|------|-----------|----|------|---------|----|------|--------|--|-----|
| Date | Details | | Fol. | Amount | | Date | Details | | Fol. | Amount | | |
| 2016 Mar | 01 | Balance | b/d | ✓ 3 544 | 00 | | | | | | | |
| | 02 | Bank ✓ | CPJ3 | ✓ 2 223 | 00 | | | | | | | |
| | | | | ✓ 5 767 | 00 | | | | | | | (4) |

| Dr | | | | Trading Stock | | | | B4 | | | | Cr |
|-------------|---------|---------|------|---------------|----|-------------|---------|-----------------|------|----------|----|-----|
| Date | Details | | Fol. | Amount | | Date | Details | | Fol. | Amount | | |
| 2016 Mar | 01 | Balance | b/d | ✓ 8 793 | 00 | 2016 Mar | 31 | Cost of sales ✓ | CRJ3 | ✓ 3 386 | 00 | |
| | 31 | Bank ✓ | CPJ3 | ✓ 7 317 | 00 | | | Balance | c/d | ✓ 12 724 | 00 | |
| | | | | 16 110 | 00 | | | | | 16 110 | 00 | |
| 2016 Apr | 01 | Balance | b/d | ✓ 12 724 | 00 | | | | | | | (7) |

| Dr | | | | Bank | | | | B5 | | | | Cr |
|-------------|---------|------------------|------|----------|----|-------------|---------|------------------|------|----------|----|-----|
| Date | Details | | Fol. | Amount | | Date | Details | | Fol. | Amount | | |
| 2016 Mar | 01 | Balance | b/d | ✓ 8 722 | 00 | 2016 Mar | 31 | Total payments ✓ | CPJ3 | ✓ 15 432 | 00 | |
| | 31 | Total receipts ✓ | CRJ3 | ✓ 32 106 | 64 | | | Balance | c/d | ✓ 25 396 | 64 | |
| | | | | 40 828 | 64 | | | | | 40 828 | 64 | |
| 2016 Apr | 01 | Balance | b/d | ✓ 25 396 | 64 | | | | | | | (7) |

| Dr | | | | Cash Float | | | | B6 | | | | Cr |
|-------------|---------|---------|------|------------|----|------|---------|----|------|--------|--|-----|
| Date | Details | | Fol. | Amount | | Date | Details | | Fol. | Amount | | |
| 2016 Mar | 01 | Balance | b/d | ✓ 200 | 00 | | | | | | | |
| | 02 | Bank ✓ | CPJ3 | ✓ 115 | 00 | | | | | | | |
| | 21 | Bank ✓ | CPJ3 | ✓ 125 | 00 | | | | | | | |
| | | | | ✓ 440 | 00 | | | | | | | (6) |

Nominal accounts

| Dr | | | | Sales | | | | N1 | | | | Cr |
|------|---------|---------|------|--------|-------|------|---------|------|------|--------|--------|----|
| Date | Details | | Fol. | Amount | | Date | Details | | Fol. | Amount | | |
| 2016 | | | | | | 2016 | | | | | | |
| Mar | 01 | Balance | b/d | ✓ | 5 855 | 01 | Balance | b/d | ✓ | 5 855 | 10 | |
| | 31 | Bank ✓ | CRJ3 | ✓ | 5 891 | 31 | Bank ✓ | CRJ3 | ✓ | 5 891 | 64 | |
| | | | | | | | | | | ✓ | 11 746 | |
| | | | | | | | | | | | 74 | |

(4)

| Dr | | | | Cost of Sales | | | | N2 | | | | Cr |
|------|---------|-----------------|------|---------------|-------|------|---------|----|------|--------|-------|----|
| Date | Details | | Fol. | Amount | | Date | Details | | Fol. | Amount | | |
| 2016 | | | | | | | | | | | | |
| Mar | 01 | Balance | b/d | ✓ | 3 365 | | | | | | | |
| | 31 | Trading stock ✓ | CRJ3 | ✓ | 3 386 | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | ✓ | 6 751 | |
| | | | | | | | | | | | 00 | |

(4)

| Dr | | | | Rent Expense | | | | N3 | | | | Cr |
|------|---------|---------|------|--------------|-------|------|---------|----|------|--------|-------|----|
| Date | Details | | Fol. | Amount | | Date | Details | | Fol. | Amount | | |
| 2016 | | | | | | | | | | | | |
| Mar | 01 | Balance | b/d | ✓ | 4 860 | | | | | | | |
| | 02 | Bank ✓ | CPJ3 | ✓ | 1 215 | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | ✓ | 6 075 | |
| | | | | | | | | | | | 00 | |

(4)

| Dr | | | | Trading Licence | | | | N4 | | | | Cr |
|------|---------|---------|------|-----------------|-----|------|---------|----|------|--------|-----|----|
| Date | Details | | Fol. | Amount | | Date | Details | | Fol. | Amount | | |
| 2016 | | | | | | | | | | | | |
| Mar | 01 | Balance | b/d | ✓ | 130 | | | | | | | |
| | 02 | Bank ✓ | CPJ3 | ✓ | 163 | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | ✓ | 293 | |
| | | | | | | | | | | | 00 | |

(4)

| Dr | | | | Advertisements | | | | N5 | | | | Cr |
|------|---------|---------|------|----------------|-----|------|---------|----|------|--------|-----|----|
| Date | Details | | Fol. | Amount | | Date | Details | | Fol. | Amount | | |
| 2016 | | | | | | | | | | | | |
| Mar | 01 | Balance | b/d | ✓ | 338 | | | | | | | |
| | 09 | Bank ✓ | CPJ3 | ✓ | 224 | | | | | | | |
| | 25 | Bank ✓ | CPJ3 | ✓ | 133 | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | ✓ | 695 | |
| | | | | | | | | | | | 00 | |

(6)

| Dr | | | | Packing Material | | | | N6 | | | | Cr |
|------|---------|---------|------|------------------|-------|------|---------|----|------|--------|-------|----|
| Date | Details | | Fol. | Amount | | Date | Details | | Fol. | Amount | | |
| 2016 | | | | | | | | | | | | |
| Mar | 01 | Balance | b/d | ✓ | 1 323 | | | | | | | |
| | 18 | Bank ✓ | CPJ3 | ✓ | 341 | | | | | | | |
| | 25 | Bank ✓ | CPJ3 | ✓ | 481 | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | ✓ | 2 145 | |
| | | | | | | | | | | | 00 | |

(6)

| Dr | | | | Water and Electricity | | | | N7 | | | | Cr |
|------|---------|---------|------|-----------------------|-----|------|---------|----|------|--------|-----|----|
| Date | Details | | Fol. | Amount | | Date | Details | | Fol. | Amount | | |
| 2016 | | | | | | | | | | | | |
| Mar | 01 | Balance | b/d | ✓ | 478 | | | | | | | |
| | 25 | Bank ✓ | CPJ3 | ✓ | 342 | | | | | | | |
| | | | | | | | | | | | | |
| | | | | | | | | | | ✓ | 820 | |
| | | | | | | | | | | | 00 | |

(4)

| Dr | | | | Salaries | | | | N8 | | | | Cr | | | |
|------|----|---------|--|----------|---------|----|------|----|---------|--|------|--------|--|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| 2016 | 01 | Balance | | b/d | ✓ 4 440 | 00 | | | | | | | | | |
| | 29 | Bank ✓ | | CPJ3 | ✓ 1 110 | 00 | | | | | | | | | |
| | | | | | ✓ 5 550 | 00 | | | | | | | | | |

(4)

| Dr | | | | Wages | | | | N9 | | | | Cr | | | |
|------|----|---------|--|-------|---------|----|------|----|---------|--|------|--------|--|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| 2016 | 01 | Balance | | b/d | ✓ 6 000 | 00 | | | | | | | | | |
| | 31 | Bank ✓ | | CPJ3 | ✓ 750 | 00 | | | | | | | | | |
| | | | | | ✓ 6 750 | 00 | | | | | | | | | |

(4)

| Dr | | | | Stationery | | | | N10 | | | | Cr | | | |
|------|----|---------|--|------------|--------|----|------|-----|---------|--|------|--------|--|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| 2016 | 01 | Balance | | b/d | ✓ 562 | 10 | | | | | | | | | |
| | 31 | Bank ✓ | | CPJ3 | ✓ 233 | 00 | | | | | | | | | |
| | | | | | ✓ 795 | 10 | | | | | | | | | |

(4)

| Dr | | | | Rent Income | | | | N11 | | | | Cr | | | |
|------|--|---------|--|-------------|--------|--|------|-----|---------|--|------|---------|----|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| | | | | | | | 2016 | 01 | Balance | | b/d | ✓ 1 215 | 00 | | |
| | | | | | | | | 31 | Bank ✓ | | CRJ3 | ✓ 1 215 | 00 | | |
| | | | | | | | | | | | | ✓ 2 430 | 00 | | |

(4)

5. Middle order (20)

Trial Balance of Amacooka Traders on 31 March 2016 ✓

| Balance Sheet accounts | Fol. | Debit | | Credit | |
|-------------------------|------|----------|----|--------|----|
| Capital ✓ | B1 | | | 61 500 | 00 |
| Drawings ✓ | B2 | 1 475 | 00 | | |
| Equipment ✓ | B3 | 5 767 | 00 | | |
| Trading stock ✓ | B4 | 12 724 | 00 | | |
| Bank ✓ | B5 | 25 396 | 64 | | |
| Cash float ✓ | B6 | 440 | 00 | | |
| Nominal accounts | | | | | |
| Sales ✓ | N1 | | | 11 746 | 74 |
| Cost of sales ✓ | N2 | 6 751 | 00 | | |
| Rent expense ✓ | N3 | 6 075 | 00 | | |
| Trading licence ✓ | N4 | 293 | 00 | | |
| Advertisements ✓ | N5 | 695 | 00 | | |
| Packing material ✓✓ | N6 | 2 145 | 00 | | |
| Water and electricity ✓ | N7 | 820 | 00 | | |
| Salaries ✓ | N8 | 5 550 | 00 | | |
| Wages ✓ | N9 | 6 750 | 00 | | |
| Stationery ✓ | N10 | 795 | 10 | | |
| Rent income ✓ | N11 | | | 2 430 | 00 |
| | | ✓ 75 676 | 74 | 75 676 | 74 |

6. Middle order (64)

| Day | General Ledger | | Assets | | Owner's Equity | |
|-----|--------------------|------------------|-------------|-------------------------------|----------------|------------------------------|
| | Account debited | Account credited | Effect | Reason | Effect | Reason |
| 02 | Rent expense ✓ | Bank ✓ | ✓ -1 215 | Cash decreases ✓ | ✓ -1 215 | Rent expense ✓ |
| | Trading licence ✓ | Bank ✓ | ✓ -163 | Cash decreases ✓ | ✓ -163 | Trading licence - expense ✓ |
| | Equipment ✓ | Bank ✓ | ✓ -2 223 | Cash decreases ✓ | | |
| | | | ✓ +2 223 | Equipment increases ✓ | | |
| | Cash float ✓ | Bank ✓ | ✓ +115 | Cash (cash float) increases ✓ | | |
| | | | ✓ -115 | Cash decreases ✓ | | |
| 04 | Trading stock ✓ | Bank ✓ | ✓ -3 764 | Cash decreases ✓ | | |
| | | | ✓ +3 764 | Trading stock increases ✓ | | |
| 06 | Stationery ✓ | Bank ✓ | ✓ -233 | Cash decreases ✓ | ✓ -233 | Stationery - expense ✓ |
| 18 | Packing material ✓ | Bank ✓ | ✓ -341 | Cash decreases ✓ | ✓ -341 | Packing material - expense ✓ |
| 30 | Drawings ✓ | Bank ✓ | ✓ -660 | Cash decreases ✓ | ✓ -660 | Drawings ✓ |
| 31 | Bank ✓ | Sales ✓ | ✓ +1 348,50 | Cash increases ✓ | ✓ +573,50 | Profit earned ✓ |
| | Cost of sales ✓ | Trading stock ✓ | ✓ -775 | Trading stock decreases ✓ | | |
| | Bank ✓ | Rent income ✓ | ✓ +1 215 | Cash increases ✓ | ✓ +1 215 | Rent income ✓ |

»»» Activity 4.6

1. Middle order (60)

In this activity, learners use three different profit percentages. Explain this beforehand, to ensure they understand which percentage is used with which sales.

Work through the calculation on the 27th with learners:

$$\frac{15}{115} \times R132\,250 = R17\,250.$$

Cash Receipts Journal of Zanzara Dealers for March 2015

CRJ3

| Doc. no. | Day | Details | Fol. | Analysis of receipts | | Bank | | Sales | | Cost of sales | | Sundry accounts | | | |
|----------|-----|----------|------|----------------------|----|---------|----|---------|----|---------------|----|-----------------|------|---------|--------------|
| | | | | | | | | | | | | Amount | Fol. | Details | |
| 36 | 04 | P Prins | | ✓1 500 | 00 | | | | | | | ✓1 500 | 00 | N7✓ | Rent income✓ |
| 16 | | Sales | | ✓16 800 | 00 | ✓18 300 | 00 | ✓16 800 | 00 | ✓12 600 | 00 | | | | |
| 17 | 08 | Sales | | 3 625 | 00 | ✓3 625 | 00 | ✓3 625 | 00 | ✓2 500 | 00 | | | | |
| 18 | 13 | Sales | | 420 | 50 | ✓420 | 50 | ✓420 | 50 | ✓290 | 00 | | | | |
| 19 | 20 | Sales | | 56 250 | 00 | ✓56 250 | 00 | ✓56 250 | 00 | ✓45 000 | 00 | | | | |
| 37 | 27 | W Victor | | ✓17 250 | 00 | | | | | | | ✓17 250 | 00 | B1 | Capital✓ |
| 20 | | Sales | | ✓762 | 70 | ✓18 012 | 70 | ✓762 | 70 | ✓526 | 00 | | | | |
| ✓ | | | | | | 96 608 | 20 | 77 858 | 20 | 60 916 | 00 | ✓18 750 | 00 | | |

B5

N1

N2/B4✓

(27)

Cash Payments Journal of Zanzara Dealers for March 2015
CPJ3

| Doc. no. | Day | Name of payee | Fol. | Bank | | Trading stock | | Wages | | Stationery | | Sundry accounts | | | |
|----------|-----|------------------|------|---------|----|---------------|----|-------|----|------------|----|-----------------|----|--------|-------------|
| | | | | ✓ | 00 | ✓ | 00 | ✓ | 00 | ✓ | 00 | ✓ | 00 | Amount | Fol. |
| 114 | 01 | Cash | | ✓500 | 00 | | | | | | | ✓500 | 00 | B6✓ | Cash float✓ |
| 115 | 03 | Halo Machinery | | ✓5 780 | 00 | | | | | | | ✓5 780 | 00 | B3 | Equipment✓ |
| 116 | 07 | Pulley Dealers | | ✓13 500 | 00 | ✓13 500 | 00 | | | | | | | | |
| 117 | 09 | Zebra Motors | | ✓335 | 00 | | | | | | | ✓335 | 00 | N4 | Fuel✓ |
| 118 | 11 | Cash | | ✓850 | 00 | | | ✓850 | 00 | | | | | | |
| 119 | 15 | W Victor | | ✓1 145 | 00 | | | | | | | ✓1 145 | 00 | B2 | Drawings✓ |
| 120 | 18 | Cash | | ✓850 | 00 | | | ✓850 | 00 | | | | | | |
| 121 | 22 | Speed Dealers | | ✓78 000 | 00 | ✓78 000 | 00 | | | | | | | | |
| 122 | 25 | Pages Stationery | | ✓230 | 00 | | | | | ✓230 | 00 | | | | |
| 123 | 26 | Cash | | ✓850 | 00 | | | ✓850 | 00 | | | | | | |
| 124 | 31 | Telkom | | ✓665 | 00 | | | | | | | ✓365 | 00 | N6 | Telephone✓ |
| | | | | | | | | | | | | ✓300 | 00 | B2 | Drawings✓ |
| ✓ | | | | 102 705 | 00 | 91 500 | 00 | 2 550 | 00 | 230 | 00 | ✓8 425 | 00 | | |

(33)

B5 B4 N5 N3✓

2.-3. Middle order (60)
**General Ledger of Zanzara Dealers
Balance Sheet accounts**

| Dr | | | | Capital | | | | B1 | | | | Cr | |
|------|---------|--|------|---------|--|------|---------|---------|------|----------|----|----|--|
| Date | Details | | Fol. | Amount | | Date | Details | | Fol. | Amount | | | |
| | | | | | | 2015 | | | | | | | |
| | | | | | | Mar | 01 | Balance | b/d | ✓115 000 | 00 | | |
| | | | | | | | 27 | Bank ✓ | CRJ3 | ✓17 250 | 00 | | |
| | | | | | | | | | | ✓132 250 | 00 | | |

(4)

| Dr | | | | Drawings | | | | B2 | | | | Cr | |
|------|---------|---------|------|----------|----|------|---------|----|------|--------|--|----|--|
| Date | Details | | Fol. | Amount | | Date | Details | | Fol. | Amount | | | |
| 2015 | | | | | | | | | | | | | |
| Mar | 01 | Balance | b/d | ✓5 500 | 00 | | | | | | | | |
| | 15 | Bank ✓ | CPJ3 | ✓1 145 | 00 | | | | | | | | |
| | 31 | Bank ✓ | CPJ3 | ✓300 | 00 | | | | | | | | |
| | | | | ✓6 945 | 00 | | | | | | | | |

(6)

| Dr | | | | Equipment | | | | B3 | | | | Cr | |
|------|---------|---------|------|-----------|----|------|---------|----|------|--------|--|----|--|
| Date | Details | | Fol. | Amount | | Date | Details | | Fol. | Amount | | | |
| 2015 | | | | | | | | | | | | | |
| Mar | 01 | Balance | b/d | ✓23 000 | 00 | | | | | | | | |
| | 03 | Bank ✓ | CPJ3 | ✓5 780 | 00 | | | | | | | | |
| | | | | ✓28 780 | 00 | | | | | | | | |

(4)

| Dr | | | | Trading Stock | | | | B4 | | | | Cr | | | |
|------|----|---------|------|---------------|-------------------|------|----|-----------------|------|--------|-------------------|----|--|--|--|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | | | | | |
| 2015 | | | | | | 2015 | | | | | | | | | |
| Mar | 01 | Balance | b/d | ✓ | 101 476 00 | Mar | 31 | Cost of sales ✓ | CRJ3 | ✓ | 60 916 00 | | | | |
| | 31 | Bank ✓ | CPJ3 | ✓ | 91 500 00 | | | Balance ✓ | c/d | | 132 060 00 | | | | |
| | | | | | <u>192 976 00</u> | | | | | | <u>192 976 00</u> | | | | |
| 2015 | | | | | | | | | | | | | | | |
| Apr | 01 | Balance | b/d | ✓ | 132 060 00 | | | | | | | | | | |

(7)

| Dr | | | | Bank | | | | B5 | | | | Cr | | | |
|------|----|------------------|------|--------|-------------------|------|----|------------------|------|--------|-------------------|----|--|--|--|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | | | | | |
| 2015 | | | | | | 2015 | | | | | | | | | |
| Mar | 01 | Balance | b/d | ✓ | 31 343 00 | Mar | 31 | Total payments ✓ | CPJ3 | ✓ | 102 705 00 | | | | |
| | 31 | Total receipts ✓ | CRJ3 | ✓ | 96 608 20 | | | Balance ✓ | c/d | | 25 246 20 | | | | |
| | | | | | <u>127 951 20</u> | | | | | | <u>127 951 20</u> | | | | |
| 2015 | | | | | | | | | | | | | | | |
| Apr | 01 | Balance | b/d | ✓ | 25 246 20 | | | | | | | | | | |

(7)

| Dr | | | | Cash Float | | | | B6 | | | | Cr | | | |
|------|----|---------|------|------------|-----------------|------|--|---------|------|--------|--|----|--|--|--|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | | | | | |
| 2015 | | | | | | | | | | | | | | | |
| Mar | 01 | Balance | b/d | ✓ | 150 00 | | | | | | | | | | |
| | | Bank ✓ | CPJ3 | ✓ | 500 00 | | | | | | | | | | |
| | | | | | <u>✓ 650 00</u> | | | | | | | | | | |

(4)

Nominal accounts

| Dr | | | | Sales | | | | N1 | | | | Cr | | | |
|------|--|---------|------|--------|--|------|----|---------|------|--------|---------------------|----|--|--|--|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | | | | | |
| | | | | | | 2015 | | | | | | | | | |
| | | | | | | Mar | 01 | Balance | b/d | ✓ | 125 000 00 | | | | |
| | | | | | | | 31 | Bank ✓ | CRJ3 | ✓ | 77 858 20 | | | | |
| | | | | | | | | | | | <u>✓ 202 858 20</u> | | | | |

(4)

| Dr | | | | Cost of Sales | | | | N2 | | | | Cr | | | |
|------|----|-----------------|------|---------------|---------------------|------|--|---------|------|--------|--|----|--|--|--|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | | | | | |
| 2015 | | | | | | | | | | | | | | | |
| Mar | 01 | Balance | b/d | ✓ | 80 600 00 | | | | | | | | | | |
| | 31 | Trading stock ✓ | CRJ3 | ✓ | 60 916 00 | | | | | | | | | | |
| | | | | | <u>✓ 141 516 00</u> | | | | | | | | | | |

(4)

| Dr | | | | Stationery | | | | N3 | | | | Cr | | | |
|------|----|---------|------|------------|-------------------|------|--|---------|------|--------|--|----|--|--|--|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | | | | | |
| 2015 | | | | | | | | | | | | | | | |
| Mar | 01 | Balance | b/d | ✓ | 780 00 | | | | | | | | | | |
| | 31 | Bank ✓ | CPJ3 | ✓ | 230 00 | | | | | | | | | | |
| | | | | | <u>✓ 1 010 00</u> | | | | | | | | | | |

(4)

| Dr | | | | Fuel | | | | N4 | | | | Cr | | | |
|------|----|---------|------|--------|-------------------|------|--|---------|------|--------|--|----|--|--|--|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | | | | | |
| 2015 | | | | | | | | | | | | | | | |
| Mar | 01 | Balance | b/d | ✓ | 775 00 | | | | | | | | | | |
| | 09 | Bank ✓ | CPJ3 | ✓ | 335 00 | | | | | | | | | | |
| | | | | | <u>✓ 1 110 00</u> | | | | | | | | | | |

(4)

| Dr | | | | Wages | | | | N5 | | | | Cr | |
|------|----|---------|------|---------|----|------|--|---------|------|--------|--|----|-----|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | | | |
| 2015 | | | | | | | | | | | | | |
| Mar | 01 | Balance | b/d | ✓ 1 500 | 00 | | | | | | | | |
| | 31 | Bank ✓ | CPJ3 | ✓ 2 550 | 00 | | | | | | | | |
| | | | | ✓ 4 050 | 00 | | | | | | | | (4) |

| Dr | | | | Telephone | | | | N6 | | | | Cr | |
|------|----|---------|------|-----------|----|------|--|---------|------|--------|--|----|-----|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | | | |
| 2015 | | | | | | | | | | | | | |
| Mar | 01 | Balance | b/d | ✓ 876 | 00 | | | | | | | | |
| | 31 | Bank ✓ | CPJ3 | ✓ 365 | 00 | | | | | | | | |
| | | | | ✓ 1 241 | 00 | | | | | | | | (4) |

| Dr | | | | Rent Income | | | | N7 | | | | Cr | |
|------|--|---------|------|-------------|--|------|----|---------|------|---------|----|----|-----|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | | | |
| | | | | | | 2015 | | | | | | | |
| | | | | | | Mar | 01 | Balance | b/d | ✓ 6 000 | 00 | | |
| | | | | | | | 04 | Bank ✓ | CRJ3 | ✓ 1 500 | 00 | | |
| | | | | | | | | | | ✓ 7 500 | 00 | | (4) |

4. Middle order (14)

Trial Balance of Zanzara Dealers on 31 March 2015

| Balance Sheet accounts | Fol. | Debit | | Credit | |
|-------------------------|------|---------|----|-----------|----|
| Capital ✓ | B1 | | | 132 250 | 00 |
| Drawings ✓ | B2 | 6 945 | 00 | | |
| Equipment ✓ | B3 | 28 780 | 00 | | |
| Trading stock ✓ | B4 | 132 060 | 00 | | |
| Bank ✓ | B5 | 25 246 | 20 | | |
| Cash float ✓ | B6 | 650 | 00 | | |
| Nominal accounts | | | | | |
| Sales ✓ | N1 | | | 202 858 | 20 |
| Cost of sales ✓ | N2 | 141 516 | 00 | | |
| Stationery ✓ | N3 | 1 010 | 00 | | |
| Fuel ✓ | N4 | 1 110 | 00 | | |
| Wages ✓ | N5 | 4 050 | 00 | | |
| Telephone ✓ | N6 | 1 241 | 00 | | |
| Rent income ✓ | N7 | | | 7 500 | 00 |
| | | 342 608 | 20 | ✓ 342 608 | 20 |

Activity 4.7

1.–2. Middle order (69)

Tell learners that the source documents shown must also be entered in the journals, and not only the transactions.

Learners must understand that stationery purchased can be for business use (*Stationery*) or for the resale of stationery (*Trading Stock*).

Two balances are missing. Learners must first calculate the balance of the *Cost of Sales* account and then the balance of the Bank account.

The opening balance of *Cost of Sales* can be calculated according to the formula learnt in Topic 2:

$$\frac{100}{140} \times \frac{20\,342}{1} = R14\,530$$

The opening balance of the *Bank* account is calculated as follows:
 Add the credit balances (R106 000 + R20 342 + R1 408 = R127 750)
 and subtract this total from the total of the debit balances
 (R934 + R95 000 + R5 710 + R6 280 + R150 + R14 530 + R1 650
 + R976 + R543 + R182 + R557 + R65 + R332 = R126 909).
 So, R127 750 – R126 909 = R841.

Cash Receipts Journal of Cut & Paste Shop for May 2018

CRJ5

| Doc. no. | Day | Details | Fol. | Analysis of receipts | | Bank | | Sales | | Cost of sales | | Sundry accounts | | |
|----------|-----|--------------|------|----------------------|----|--------|----|--------|----|---------------|----|-----------------|------|-------------------|
| | | | | | | | | | | | | Amount | Fol. | Details |
| CRR | 05 | Sales | | 987 | 00 | ✓987 | 00 | ✓987 | 00 | ✓705 | 00 | | | |
| 14 | 09 | J Henneman | | 155 | 00 | ✓155 | 00 | | | | | ✓155 | 00 | N10✓ Rent income✓ |
| CRR | 12 | Sales | | 947 | 80 | ✓947 | 80 | ✓947 | 80 | ✓677 | 00 | | | |
| CRR | 19 | Sales | | ✓1 377 | 60 | | | ✓1 377 | 60 | ✓984 | 00 | | | |
| 15 | | J Kritzinger | | ✓4 500 | 00 | ✓5 877 | 60 | | | | | ✓4 500 | 00 | B1 Capital✓ |
| CRR | 28 | Sales | | 985 | 60 | ✓985 | 60 | ✓985 | 60 | ✓704 | 00 | | | |
| ✓ | | | | ✓ | | 8 953 | 00 | 4 298 | 00 | 3 070 | 00 | ✓4 655 | 00 | |

B6 N1 N2/B5✓

(24)

Cash Payments Journal of Cut & Paste Shop for May 2018

CPJ5

| Doc. no. | Day | Name of payee | Fol. | Bank | | Trading stock | Stationery | Consumable goods | Sundry accounts | | | | |
|----------|-----|----------------------|------|--------|----|---------------|------------|------------------|-----------------|--------|---------|---------------------|----|
| | | | | | | | | | Amount | Fol. | Details | | |
| 103 | 02 | Scribblers Suppliers | | ✓1 476 | 00 | ✓1 374 | 00 | ✓102 | 00 | | | | |
| 104 | 06 | King Brokers | | ✓217 | 00 | | | | | ✓217 | 00 | N9 Insurance✓ | |
| 105 | 07 | Office Suppliers | | ✓1 296 | 00 | ✓1 251 | 00 | | | ✓45 | 00 | N11 Advertisements✓ | |
| 106 | 10 | Klix Packaging | | ✓383 | 00 | | | ✓383 | 00 | | | | |
| 107 | 11 | Quick Repairs | | ✓116 | 00 | | | | | ✓116 | 00 | N7 Repairs✓ | |
| 108 | 12 | Pacerpunt | | ✓50 | 00 | | ✓50 | 00 | | | | | |
| 109 | 14 | Scribblers Suppliers | | ✓2 779 | 00 | ✓1 402 | 00 | | | ✓1 377 | 00 | B4 Equipment✓ | |
| 110 | 15 | Cash | | ✓520 | 00 | | | | | ✓500 | 00 | N3 Wages✓ | |
| | | | | | | | | | | ✓20 | 00 | N8 Postage✓ | |
| 111 | 18 | Pacerpunt | | ✓616 | 00 | ✓616 | 00 | | | | | | |
| 112 | 20 | Klix Packaging | | ✓208 | 00 | | ✓91 | 00 | ✓117 | 00 | | | |
| 113 | 21 | Soapy Suds | | ✓112 | 00 | | | ✓112 | 00 | | | | |
| 114 | 24 | J Kritzinger | | ✓560 | 00 | | | | | ✓560 | 00 | B2 Drawings✓ | |
| 115 | 27 | Post Office | | ✓312 | 00 | | | | | ✓312 | 00 | N5 Telephone✓ | |
| 116 | 30 | H B Croxley | | ✓3 450 | 00 | | | | | ✓3 450 | 00 | N12 Salaries✓ | |
| ✓ | | | | 12 095 | 00 | 4 643 | 00 | 243 | 00 | 612 | 00 | ✓6 597 | 00 |

B6 B5 N6 N4✓

(45)

**General Ledger of Cut & Paste Shop
Balance Sheet accounts**

| Dr | | | | Capital | | | | B1 | | | | Cr | |
|------|---------|---------|------|---------|---------|------|---------|------|------|--------|---------|---------|----|
| Date | Details | | Fol. | Amount | | Date | Details | | Fol. | Amount | | | |
| | | | | | | 2018 | | | | | | | |
| May | 01 | Balance | b/d | ✓ | 106 000 | 00 | | | b/d | ✓ | 106 000 | 00 | |
| | | | | | | 19 | Bank ✓ | CRJ5 | | ✓ | 4 500 | 00 | |
| | | | | | | | | | | | ✓ | 110 500 | 00 |

(4)

| Dr | | | | Drawings | | | | B2 | | | | Cr |
|------|---------|---------|------|----------|-----|-------|---------|----|------|--------|--|----|
| Date | Details | | Fol. | Amount | | Date | Details | | Fol. | Amount | | |
| 2018 | | | | | | | | | | | | |
| May | 01 | Balance | b/d | ✓ | 934 | 00 | | | | | | |
| | 24 | Bank ✓ | CPJ5 | ✓ | 560 | 00 | | | | | | |
| | | | | | ✓ | 1 494 | 00 | | | | | |

(4)

| Dr | | | | Land and Buildings | | | | B3 | | | | Cr |
|------|---------|---------|------|--------------------|--------|------|---------|----|------|--------|--|----|
| Date | Details | | Fol. | Amount | | Date | Details | | Fol. | Amount | | |
| 2018 | | | | | | | | | | | | |
| May | 01 | Balance | b/d | ✓ | 95 000 | 00 | | | | | | |

(1)

| Dr | | | | Equipment | | | | B4 | | | | Cr |
|------|---------|---------|------|-----------|-------|-------|---------|----|------|--------|--|----|
| Date | Details | | Fol. | Amount | | Date | Details | | Fol. | Amount | | |
| 2018 | | | | | | | | | | | | |
| May | 01 | Balance | b/d | ✓ | 5 710 | 00 | | | | | | |
| | 14 | Bank ✓ | CPJ5 | ✓ | 1 377 | 00 | | | | | | |
| | | | | | ✓ | 7 087 | 00 | | | | | |

(4)

| Dr | | | | Trading Stock | | | | B5 | | | | Cr | |
|------|---------|---------|---------|---------------|-------|-------|---------|----|---------------|--------|---|--------|----|
| Date | Details | | Fol. | Amount | | Date | Details | | Fol. | Amount | | | |
| 2018 | | | | | | 2018 | | | | | | | |
| May | 01 | Balance | b/d | ✓ | 6 280 | 00 | May | 31 | Cost of sales | CRJ5 | ✓ | 3 070 | 00 |
| | 31 | Bank ✓ | CPJ5 | ✓ | 4 643 | 00 | | | Balance ✓ | c/d | ✓ | 7 853 | 00 |
| | | | | | | | | | | | | 10 923 | 00 |
| | | | | | | | | | | | | | |
| 2018 | Jun | 01 | Balance | b/d | ✓ | 7 853 | 00 | | | | | | |

(7)

| Dr | | | | Bank | | | | B6 | | | | Cr | |
|------|---------|------------------|------|--------|-------|------|---------|----|------------------|--------|---|--------|----|
| Date | Details | | Fol. | Amount | | Date | Details | | Fol. | Amount | | | |
| 2018 | | | | | | 2018 | | | | | | | |
| May | 01 | Balance | b/d | ✓ | 841 | 00 | May | 31 | Total payments ✓ | CPJ5 | ✓ | 12 095 | 00 |
| | 31 | Total receipts ✓ | CRJ5 | ✓ | 8 953 | 00 | | | | | | | |
| | | Balance ✓ | c/d | ✓ | 2 301 | 00 | | | | | | | |
| | | | | | | | | | | | | 12 095 | 00 |
| | | | | | | | | | | | | | |
| | | | | | | 2018 | Jun | 01 | Balance | b/d | ✓ | 2 301 | 00 |

(8)

| Dr | | | | Cash Float | | | | B7 | | | | Cr |
|------|---------|---------|------|------------|-----|------|---------|----|------|--------|--|----|
| Date | Details | | Fol. | Amount | | Date | Details | | Fol. | Amount | | |
| 2018 | | | | | | | | | | | | |
| May | 01 | Balance | b/d | ✓ | 150 | 00 | | | | | | |

(1)

Nominal accounts

| Dr | | | | Sales | | | | N1 | | | | Cr |
|------|----|---------|------|--------|--------------------|------|----|---------|------|--------|-----------|-----|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | | |
| 2018 | | | | | | 2018 | | | | | | |
| May | 01 | Balance | b/d | ✓ | 20 342 00 | May | 01 | Balance | b/d | ✓ | 20 342 00 | |
| | 31 | Bank ✓ | CRJ5 | ✓ | 4 298 00 | | 31 | Bank ✓ | CRJ5 | ✓ | 4 298 00 | |
| | | | | | <u>✓ 24 640 00</u> | | | | | | | (4) |

| Dr | | | | Cost of Sales | | | | N2 | | | | Cr |
|------|----|-----------------|------|---------------|--------------------|------|--|---------|------|--------|--|-----|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | | |
| 2018 | | | | | | | | | | | | |
| May | 01 | Balance | b/d | ✓ | 14 530 00 | | | | | | | |
| | 31 | Trading stock ✓ | CRJ5 | ✓ | 3 070 00 | | | | | | | |
| | | | | | <u>✓ 17 600 00</u> | | | | | | | (4) |

| Dr | | | | Wages | | | | N3 | | | | Cr |
|------|----|---------|------|--------|-------------------|------|--|---------|------|--------|--|-----|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | | |
| 2018 | | | | | | | | | | | | |
| May | 01 | Balance | b/d | ✓ | 1 650 00 | | | | | | | |
| | 15 | Bank ✓ | CPJ5 | ✓ | 500 00 | | | | | | | |
| | | | | | <u>✓ 2 150 00</u> | | | | | | | (4) |

| Dr | | | | Consumable Goods | | | | N4 | | | | Cr |
|------|----|---------|------|------------------|-------------------|------|--|---------|------|--------|--|-----|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | | |
| 2018 | | | | | | | | | | | | |
| May | 01 | Balance | b/d | ✓ | 976 00 | | | | | | | |
| | 31 | Bank ✓ | CPJ5 | ✓ | 612 00 | | | | | | | |
| | | | | | <u>✓ 1 588 00</u> | | | | | | | (4) |

| Dr | | | | Telephone | | | | N5 | | | | Cr |
|------|----|---------|------|-----------|-----------------|------|--|---------|------|--------|--|-----|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | | |
| 2018 | | | | | | | | | | | | |
| May | 01 | Balance | b/d | ✓ | 543 00 | | | | | | | |
| | 27 | Bank ✓ | CPJ5 | ✓ | 312 00 | | | | | | | |
| | | | | | <u>✓ 855 00</u> | | | | | | | (4) |

| Dr | | | | Stationery | | | | N6 | | | | Cr |
|------|----|---------|------|------------|-----------------|------|--|---------|------|--------|--|-----|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | | |
| 2018 | | | | | | | | | | | | |
| May | 01 | Balance | b/d | ✓ | 182 00 | | | | | | | |
| | 31 | Bank ✓ | CPJ5 | ✓ | 243 00 | | | | | | | |
| | | | | | <u>✓ 425 00</u> | | | | | | | (4) |

| Dr | | | | Repairs | | | | N7 | | | | Cr |
|------|----|---------|------|---------|-----------------|------|--|---------|------|--------|--|-----|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | | |
| 2018 | | | | | | | | | | | | |
| May | 01 | Balance | b/d | ✓ | 557 00 | | | | | | | |
| | 11 | Bank ✓ | CPJ5 | ✓ | 116 00 | | | | | | | |
| | | | | | <u>✓ 673 00</u> | | | | | | | (4) |

| Dr | | | | Postage | | | | N8 | | | | Cr | | | |
|------|----|---------|--|---------|--------|----|------|----|---------|--|------|--------|--|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| 2018 | | | | | | | | | | | | | | | |
| May | 01 | Balance | | b/d | ✓ 65 | 00 | | | | | | | | | |
| | 15 | Bank ✓ | | CPJ5 | ✓ 20 | 00 | | | | | | | | | |
| | | | | | ✓ 85 | 00 | | | | | | | | | |

(4)

| Dr | | | | Insurance | | | | N9 | | | | Cr | | | |
|------|----|---------|--|-----------|--------|----|------|----|---------|--|------|--------|--|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| 2018 | | | | | | | | | | | | | | | |
| May | 01 | Balance | | b/d | ✓ 332 | 00 | | | | | | | | | |
| | 06 | Bank ✓ | | CPJ5 | ✓ 217 | 00 | | | | | | | | | |
| | | | | | ✓ 549 | 00 | | | | | | | | | |

(4)

| Dr | | | | Rent Income | | | | N10 | | | | Cr | | | |
|------|--|---------|--|-------------|--------|--|------|-----|---------|--|------|---------|----|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| | | | | | | | 2018 | | | | | | | | |
| | | | | | | | May | 01 | Balance | | b/d | ✓ 1 408 | 00 | | |
| | | | | | | | | 09 | Bank ✓ | | CRJ5 | ✓ 155 | 00 | | |
| | | | | | | | | | | | | ✓ 1 563 | 00 | | |

(4)

| Dr | | | | Advertisements | | | | N11 | | | | Cr | | | |
|------|----|---------|--|----------------|--------|----|------|-----|---------|--|------|--------|--|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| 2018 | | | | | | | | | | | | | | | |
| May | 07 | Bank | | CPJ5 | ✓ 45 | 00 | | | | | | | | | |

(1)

| Dr | | | | Salaries | | | | N12 | | | | Cr | | | |
|------|----|---------|--|----------|---------|----|------|-----|---------|--|------|--------|--|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| 2018 | | | | | | | | | | | | | | | |
| May | 30 | Bank | | CPJ5 | ✓ 3 450 | 00 | | | | | | | | | |

(1)

4. Middle order (20)

Trial Balance of Cut & Paste Shop on 31 May 2018

| Balance Sheet accounts | Fol. | Debit | Credit |
|-------------------------|------|---------|-----------|
| Capital ✓ | B1 | | 110 500 |
| Drawings ✓ | B2 | 1 494 | |
| Land and buildings ✓ | B3 | 95 000 | |
| Equipment ✓ | B4 | 7 087 | |
| Trading stock ✓ | B5 | 7 853 | |
| Bank ✓ | B6 | | 2 301 |
| Cash float ✓ | B7 | 150 | |
| Nominal accounts | | | |
| Sales ✓ | N1 | | 24 640 |
| Cost of sales ✓ | N2 | 17 600 | |
| Wages ✓ | N3 | 2 150 | |
| Consumable goods ✓ | N4 | 1 588 | |
| Telephone ✓ | N5 | 855 | |
| Stationery ✓ | N6 | 425 | |
| Repairs ✓ | N7 | 673 | |
| Postage ✓ | N8 | 85 | |
| Insurance ✓ | N9 | 549 | |
| Rent income ✓ | N10 | | 1 563 |
| Advertisements ✓ | N11 | 45 | |
| Salaries ✓ | N12 | 3 450 | |
| | | 139 004 | ✓ 139 004 |

5. Middle order (60)

| Date | Account debited | Account credited | Effect | Reason | Effect | Reason |
|------|-----------------|------------------|----------|---------------------------|----------|------------------------------|
| 02 | Stationery ✓ | Bank ✓ | ✓ -1 476 | Cash decreases ✓ | ✓ -102 | Stationery – expense ✓ |
| | Trading stock ✓ | Bank ✓ | ✓ +1 374 | Trading stock increases ✓ | | |
| 05 | Bank ✓ | Sales ✓ | ✓ +987 | Cash increases ✓ | ✓ +282 | Profit earned ✓ |
| | Cost of sales ✓ | Trading stock ✓ | ✓ -705 | Trading stock decreases ✓ | | |
| 06 | Insurance ✓ | Bank ✓ | ✓ -217 | Cash decreases ✓ | ✓ -217 | Insurance – expense ✓ |
| 07 | Trading stock ✓ | Bank ✓ | ✓ -1 296 | Cash decreases ✓ | ✓ -45 | Advertisement – expense ✓ |
| | Advertisement ✓ | Bank ✓ | ✓ +1 251 | Trading stock increases ✓ | | |
| 09 | Bank ✓ | Rent income ✓ | ✓ +155 | Cash increases ✓ | ✓ +155 | Rent income ✓ |
| 10 | Consumables ✓ | Bank ✓ | ✓ -383 | Cash decreases ✓ | ✓ -383 | Consumable goods – expense ✓ |
| 24 | Drawings ✓ | Bank ✓ | ✓ -560 | Cash decreases ✓ | ✓ -560 | Drawings ✓ |
| 30 | Salary ✓ | Bank ✓ | ✓ -3 450 | Cash decreases ✓ | ✓ -3 450 | Salary – expense ✓ |

For information on Informal assessment, refer to the self-assessment, peer assessment and group assessment templates in Section 5 of this Teacher's Guide.

Informal assessment

Activities 4.1–4.7: Learners check and mark these activities.

Use an overhead/data projector to illustrate the answers to the CRJs and CPJs and show the General Ledgers on the board, posting from the completed Journals to the Ledger. The Trial Balances can also be shown on the board.

Give handouts so learners can mark their activities at their desks, while you call one learner at a time to check their books.

A useful technique is to mark one activity's Journals in one lesson and the General Ledger and Trial Balance of that activity during the next lesson, together with the next activity's Journals. By marking the Journals of each activity first, before learners do the General Ledger and Trial Balance for the same activity, learners do not carry mistakes made in the Journals on into the General Ledger and Trial Balance. (988)

Consolidation

- **Copy the accounts below into your ledger and complete each account. Answer the questions that follow. Wonderland Toy Stores uses a profit mark-up of 65% on cost price.**

**General Ledger of Wonderland Toy Stores
Balance Sheet accounts**

| Dr | | | | Bank | | | | B8 | | | | Cr | |
|------|-----|---------|------|---------|-----|-------|----|---------|------|--------|---------|-----|-----------|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | | | |
| 2012 | Dec | 01 | | Balance | b/d | 8 766 | 00 | 2012 | Dec | 31 | ? | ? | ? |
| | | 31 | | ? | | | | | | | Balance | c/d | 3 423 00 |
| | | | | | | | | | | | | | 22 787 00 |
| 2013 | Jan | 01 | | Balance | b/d | 3 423 | 00 | | | | | | |

| Dr | | | | Trading Stock | | | | B9 | | | | Cr | |
|------|-----|---------|------|---------------|-----|--------|----|---------|------|--------|---------|-----|-----------|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | | | |
| 2012 | Dec | 01 | | Balance | b/d | 85 680 | 00 | 2012 | Dec | 31 | ? | CRJ | 12 200 00 |
| | | 31 | | ? | CPJ | | | | | | Balance | c/d | ? |
| 2013 | Jan | 01 | | Balance | b/d | 88 143 | 00 | | | | | | |

Nominal accounts

| Dr | | | | Sales | | | | N1 | | | | Cr | |
|------|--|---------|------|--------|--|------|-----|---------|------|--------|---------|-----|-----------|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | | | |
| | | | | | | 2012 | Dec | 01 | | | Balance | c/d | 15 870 00 |
| | | | | | | | | 31 | | | ? | | ? |

• **Questions**

1. Name the contra-account for the amount of R12 200.
Cost of sales
2. What is the value of the trading stock purchased in December? R14 663
3. Name the contra-account for the amount given at Question 2. Bank
4. How much cash was received in December? R14 021
5. In which journal can the information given for Question 4 be found? CRJ
6. How much cash was paid out in December? R19 364
7. In which journal can the information given for Question 6 be found? CPJ
8. What was the cost price of the goods sold for cash in December? R12 200
9. In which journal can the information for Question 8 be found? CRJ
10. What is the selling price of the merchandise sold in December? R20 130
11. What is the contra-account for the amount given for Question 10? Bank
12. In which journal was the information for Question 11 recorded? CRJ

**General Ledger of Wonderland Toy Stores
Balance Sheet accounts**

| Dr | | | | Bank | | | | B8 | | | | Cr | |
|------|-----|---------|----------------|--------|---------------|-----------|------|---------|------|----------------|-----|---------------|-----------|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | | | |
| 2012 | Dec | 01 | Balance | b/d | 8 766 | 00 | 2012 | Dec | 31 | Total payments | CPJ | 19 364 | 00 |
| | | 31 | Total receipts | CRJ | 14 021 | 00 | | | | Balance | c/d | 3 423 | 00 |
| | | | | | 22 787 | 00 | | | | | | 22 787 | 00 |
| 2013 | Jan | 01 | Balance | b/d | 3 423 | 00 | | | | | | | |

| Dr | | | | Trading Stock | | | | B9 | | | | Cr | |
|------|-----|---------|---------|---------------|----------------|-----------|------|---------|------|---------------|-----|----------------|-----------|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | | | |
| 2012 | Dec | 01 | Balance | b/d | 85 680 | 00 | 2012 | Dec | 31 | Cost of sales | CRJ | 12 200 | 00 |
| | | 31 | Bank | CPJ | 14 663 | 00 | | | | Balance | c/d | 88 143 | 00 |
| | | | | | 100 343 | 00 | | | | | | 100 343 | 00 |
| 2013 | Jan | 01 | Balance | b/d | 88 143 | 00 | | | | | | | |

Nominal accounts

| Dr | | | | Sales | | | | N1 | | | | Cr | |
|------|--|---------|------|--------|--|------|------|---------|------|---------|-----|---------------|-----------|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | | | |
| | | | | | | | 2012 | Dec | 01 | Balance | b/d | 15 870 | 00 |
| | | | | | | | | | 31 | Bank | CRJ | 20 130 | 00 |
| | | | | | | | | | | | | 36 000 | 00 |

Extension

K Masinga has a dairy on his farm, called Valley Farm Milk.

Required

Take all the information into account and compile a Trial Balance.

Information

He buys his milk from the local farmers at R3 per litre, pasteurises it in his factory and sells it to Ding-Dong Dairies for R4,25 per litre, and for R4,50 per litre to some shops in the town nearby. He also buys cheese from Ding-Dong Dairies at R30/kg and sells it to the local community at R36/kg.

At the end of July 2016 the following balances and information appeared in the books of the business:

Capital R360 600, Drawings R800, Land and buildings, R255 000, Equipment R44 360, Trading stock R0, Bank R16 896, Sales R15 250, Cost of sales R12 500, Insurance R980, Telephone R810, Water and electricity R8 727 and Consumables R765.

Notes

The bank shows the correct balance.

No milk or cheese is left from the previous months.

However, the bookkeeper closed off the books before all transactions had been completed.

At the moment there are 3 500 litres of milk in the tanks. Ding-Dong Dairies will collect this on 1 August.

Valley Farm also purchased 50 kg of cheese of which 2 kg is left. K Masinga took home 2,5 kg of cheese and 50 litres of milk for personal use.

In the course of the month Valley Farm supplied 1 500 litres of milk to the local shops and 8 200 litres of milk to Ding-Dong Dairies. They also purchased an additional milk tank, R12 000, and had improvements done to the existing storeroom to accommodate the additional tank at a cost of R25 000.

This is a difficult activity and will be a challenge for most learners. Assist learners who need help by calculating the Trading stock, Sales and Cost of sales amounts.

Here is an analysis of the activity.

- At the moment there are 3 500 litres of milk in the tanks.
3 500 litres of milk is trading stock ($3\,500 \times 3 = R10\,500$).
- Valley Farm also purchased 50 kg of cheese of which 2 kg is left.
2 kg cheese forms part of Trading stock ($2 \times 30 = R60$).
- K Masinga took home 2,5 kg of cheese and 50 litres of milk for personal use.
Drawings ($2,5\text{ kg} \times 30$) + ($50\text{ litres} \times 3$) = R225. Both amounts are calculated at cost price.
- During the course of the month, Valley Farm Milk supplied 1 500 litres of milk to the local shops and 8 200 litres of milk to Ding-Dong Dairies.
Sales: Milk = ($1\,500\text{ litres} \times 4,50$) + ($8\,200\text{ litres} \times 4,25$) = R41 600
Cheese = $50\text{ kg} - 2\text{ kg (left over)} - 2,5\text{ kg (owner took for himself)} = 45,5\text{ kg sold} = 45,5\text{ kg} \times 36 = R1\,638$
Cost of sales:
Milk = ($1\,500\text{ litres} \times R3$) + ($8\,200\text{ litres} \times R3$) = R29 100
Cheese = $45,5\text{ kg} \times 30 = R1\,365$

Trial Balance of Valley Farm Milk on 31 July 2016

| Balance Sheet accounts | Fol. | Debit | Credit |
|---------------------------------------|------|----------------|----------------|
| Capital | | | 360 600 |
| Drawings (800 + 75 + 150) | | 1 025 | |
| Land and buildings (255 000 + 25 000) | | 280 000 | |
| Equipment (44 360 + 12 000) | | 56 360 | |
| Trading stock | | 10 560 | |
| Bank | | 16 896 | |
| Nominal accounts | | | |
| Sales (15 250 + 43 238) | | | 58 488 |
| Cost of sales (30 465 + 12 500) | | 42 965 | |
| Insurance | | 980 | |
| Telephone | | 810 | |
| Water and electricity | | 8 727 | |
| Consumables | | 765 | |
| | | 419 088 | 419 088 |

Topic 5

Circular flow

Learner's Book pages 48–56

Duration: 5 hours

Term and week/s
Term 1, Weeks 5–9

**New words
and concepts**

circular flow; closed economy; factor market; circular flow diagram

Curriculum and Assessment Policy Statement (CAPS) content

In this topic, learners will learn about THE ECONOMY. They will look at:

- the participants in the circular flow of a closed economy
- flow of goods and services, money and factors of production in the circular flow of a closed economy
- a flow diagram of a circular flow model

Resources

Gather your resources and teaching content from Grade 8 as you will need to recap Grade 8 work before you start teaching this topic. Recap content on the role of households, businesses and the government in the economy and on the goods and services and factor markets, as this information is the foundation for your teaching of the circular flow. Try to find new resources on this content to supplement your existing resources.

You may want to give the learners large sheets of newsprint for Activities 5.2 and 5.3 as they will need to draw their own circular flow diagrams.

Preparation

- Read through the topic and familiarise yourself with the content that you will need to teach. Think about what learners may already know about the topics, what skills they already have and any areas of difficulty that you think they might encounter.
- Work through your Grade 8 teaching content and resources for the sections you will recap in Lesson 5.
- Read your informal assessment notes from Grade 8 to remind yourself about where your learners were developmentally when they covered this work last year. Use this information to assess the learners informally again during this topic.
- Use your Grade 8 teaching notes to remind yourself about content that learners struggled with last year. Assess whether they have mastered the content when you recap it in Lesson 5, and prepare to re-teach trouble spots if necessary.
- Gather your resources from Grade 8 and your new resources for Grade 9 and plan how you will integrate them into your teaching.

Teaching the topic

There are 5 lessons in this topic.

| Lesson | Week | Pages | Activities |
|--------|------|-------|------------|
| 5 | 5 | 68 | – |
| 6 | 6 | 68 | – |
| 7 | 7 | 69 | 5.1 |
| 8 | 8 | 69 | 5.2 |
| 9 | 9 | 69 | 5.3 |

Lesson 5

- The work you taught in Grade 8 on the role of households, businesses and the government in the economy, and the goods and services and factor markets are an essential part of learners' understanding of the circular flow. You will need to ensure that the learners recall that information by recapping Grade 8 content this week.
- Start by recapping the role of households, businesses and the government in the economy, using the text and photo in the Learner's Book page 48 and your Grade 8 material.
- You may want to use class quizzes in your recap to make it more fun for the learners, and to reward those who recall and understand what they learnt last year.
- Question the learners frequently to assess what they have remembered, so that you can re-teach content if necessary.
- Recap the goods and services and factor markets with the learners using the text and photos in the Learner's Book page 49 and your Grade 8 notes and resources.
- Introduce the concept of the circular flow.

Lesson 6

- Recap the definition of the circular flow from Lesson 5.
- Ask learners if they know what a closed economy is. Explain that this is largely a theoretical concept because most countries today trade with other countries in some way.
- Ensure that learners understand that the circular flow diagram is based on a closed economy for simplicity's sake, and that the flow is just a model to illustrate concepts. It is not an accurate reflection of how economies work in reality. Explain that a model is a representation, for example a model airplane is not a real airplane, just a representation of one.
- Work through the participants in the circular flow model in the spider diagram in Figure 5.3 of the Learner's Book.

Lesson 7

- Recap the participants in the circular flow from Lesson 6.
- **Do Activity 5.1.**
- Allow enough time for learners to do this activity in class and work through the answers as a class.
- Discuss the three diagrams in Figure 5.4 of the Learner's Book.

Lesson 8

- Recap the flow of goods and services from Lesson 7.
- **Do Activity 5.2.**
- Allow enough time for learners to do this activity in class.
- Introduce the idea that the flows that you have discussed so far do not happen in isolation, do not stop and that the participants in the flows rely on one another.
- Work through Figure 5.6 in the Learner's Book with the learners, ensuring that they understand that the diagram is a combination of the three diagrams in Figure 5.4 of the Learner's Book.
- Let learners draw their own diagrams on large sheets of newsprint in groups.

Lesson 9

- Recap the circular flow diagram from Lesson 8.
- Work through the analysis of Figure 5.6 in the text that follows the diagram in the Learner's Book page 55.
- **Do Activity 5.3.**
- Allow enough time for learners to do this activity in class so that you can help the learners if they get stuck.

Answers

> Activity 5.1

1.–7. *Lower order* (10)

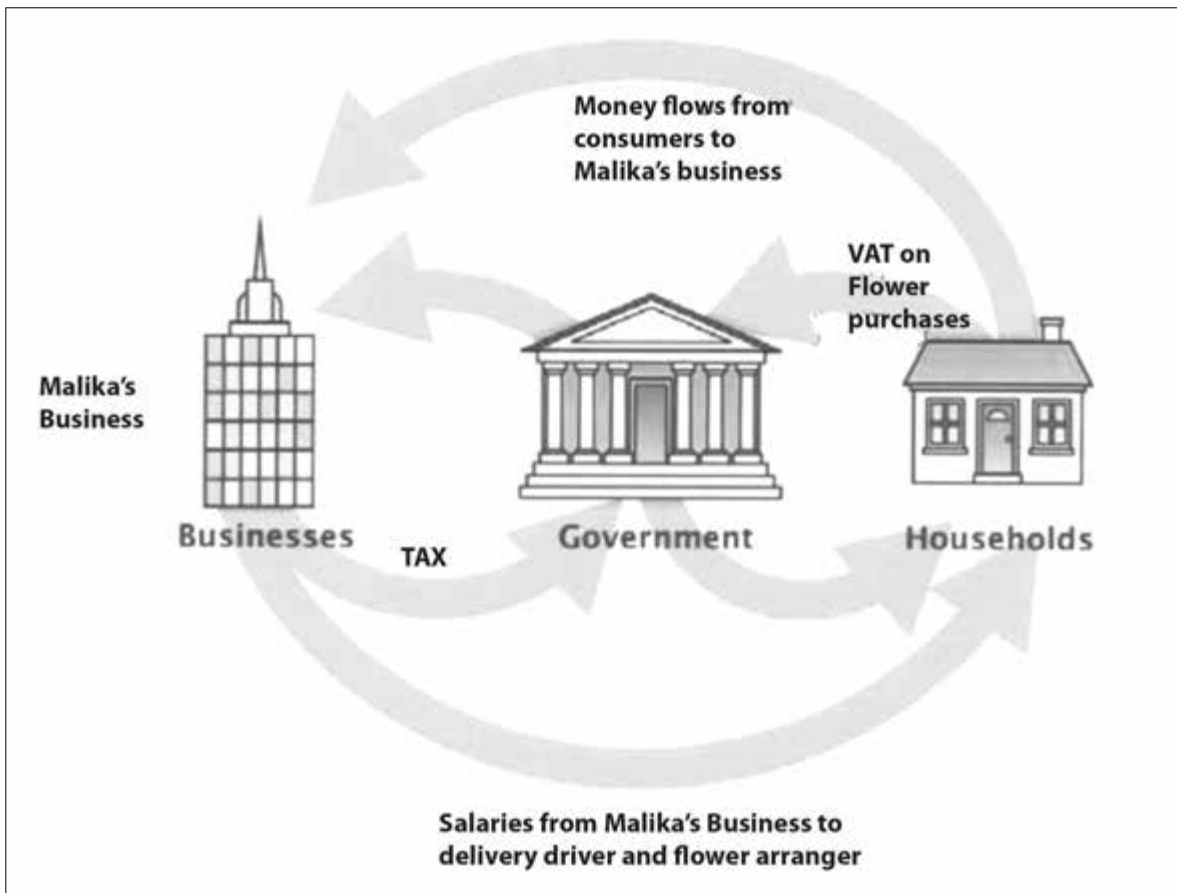
1. produce ✓; sell ✓; distribute ✓
2. profit ✓
3. produce ✓
4. earn ✓
5. spend ✓
6. collects ✓; taxes ✓
7. spends ✓

» Activity 5.2

1. *Middle order* (4)

Learners have their own discussions and make notes. Their notes could mention that money flows from consumers to Malika's business ✓; from Malika's business to the delivery driver and flower arranger through salaries; ✓ from Malika's business to the government in the form of tax; ✓ from consumers to the government in the form of the VAT that consumers pay when they buy Malika's flowers; ✓ and so on.

Learners' diagrams could look like this:



2. *Higher order* (13)

Learners draw their own diagrams of what they have discussed and written. Accept any reasonable diagram that shows realistic relationships between concepts. The aim is to lead the learners towards drawing their own circular flow diagrams. So, ideally the diagrams should resemble the one in Figure 5.6 of the Learner's Book page 54.

» Activity 5.3

1. *Higher order* (20)

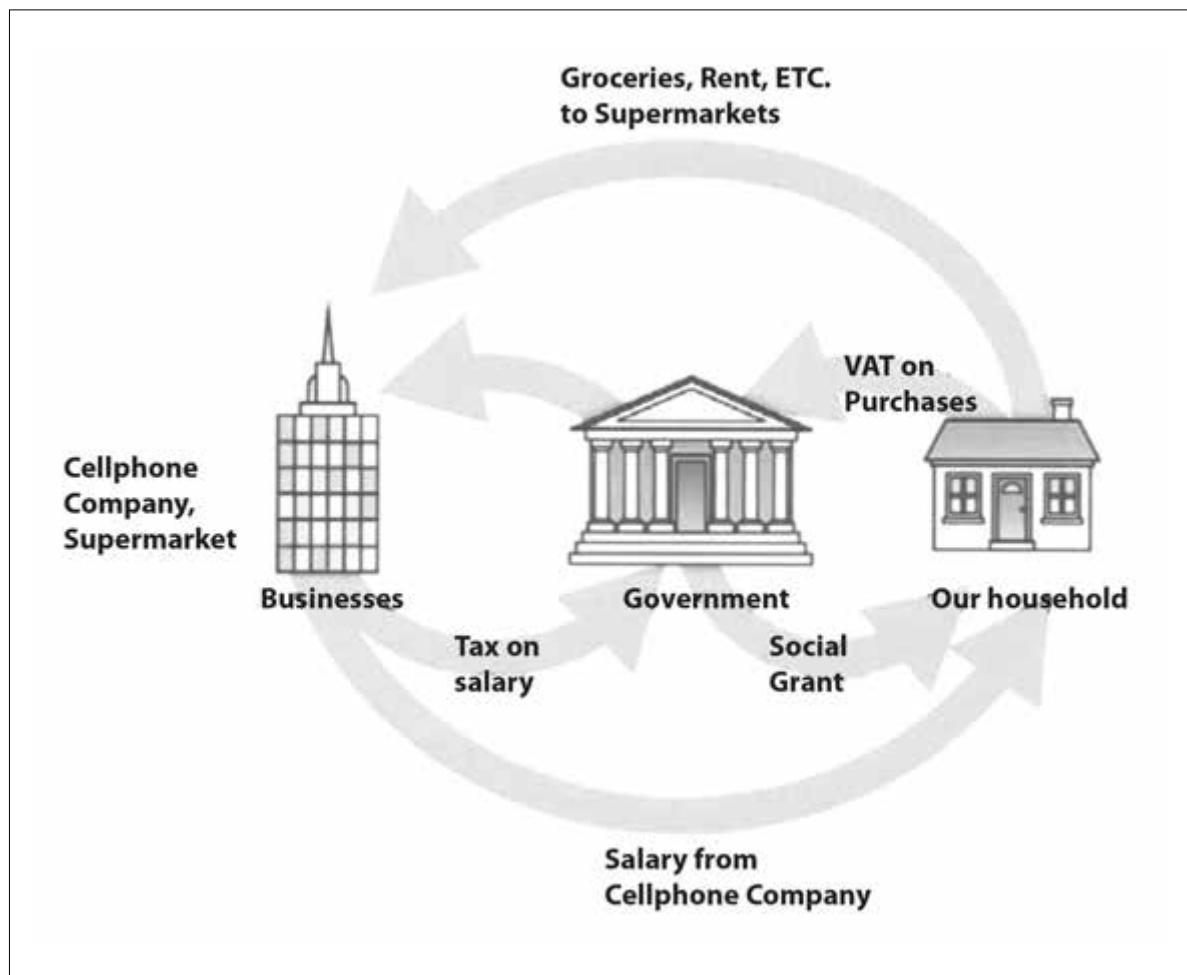
Learners' situations will vary, as will their answers. They work alone on this activity to make their notes relevant to their lives and personal experiences. Be sensitive to learners whose parents or caregivers may be unemployed. Help them to see that social grants

are also a form of income, if their families receive social grants. Otherwise, give them some alternatives of your own, such as the example of the nursing job or any similar example. Be available to assist them quietly and confidentially if necessary.

Learners' answers could read as follows:

My brother is my caregiver. ✓ He works for a large cellphone company. ✓ Money flows from his company in the form of his salary to our household. ✓ He pays tax on his salary, so money flows from my brother to the government through this direct tax. ✓ He buys groceries and pays our rent, so money flows from our household to businesses such as supermarkets. ✓ Part of this spending is tax such as VAT, so money flows from our household to the government in the form of these indirect taxes. ✓ Before my brother was employed, we received a social grant, so money flowed from the government to our household. ✓

Learners use their notes to draw their own circular flow models. Award 13 marks for the diagrams as per Activity 5.2 Q2. As example of the diagram is as follows:



For information on Informal assessment, refer to the self-assessment, peer assessment and group assessment templates in Section 5 of this Teacher's Guide.

Informal assessment

Activity 5.1: Observe the learners' ability to focus on individual work. Make notes of your observations. (no marks)

Activity 5.2: Take in the learners' answers and mark them. Observe the pair interactions and make notes of what you see. (17)

Activity 5.3: Observe how well the learners are able to focus on their own work and motivate themselves to work outside of a group situation. Take the answers in and mark them. (20)

Consolidation

- **Name the participants in the circular flow.**

- households
- businesses
- the government
- the goods and services market
- the factor market

- **Explain a closed economy.**

A closed economy is an economy that does not trade or interact with other economies at all. There are no exports or imports in a closed economy; it is self-sufficient.

- **Define the circular flow model.**

The circular flow is a model that describes the movement of money through the economy between participants.

Extension

Explain why we say that the circular flow model is a model of how money, goods and services flow through the economy.

We say this because the circular flow is just a simple model of how money flows through the economy. It is based on the following assumptions, which are not a true reflection of economic reality:

- Households spend all of the income that they earn on goods and services – they do not save any money.
- Households purchase all of the goods and services that businesses produce.

The model uses a closed economy to show that households consume all of the goods and services that businesses produce (no goods or services come from other economies) and that businesses only get the factors of production they need from the households. In the real world, we know that this is not the case.

Revision Term 1

Learner's Book pages 57–60

Topic 2: CRJ and CPJ (sole trader)

Activity 1: Revise the CRJ and CPJ of a sole trader

Middle order

Cash Receipts Journal of Check-my-figure for September 2019

CRJ4

| Doc. no. | Day | Details | Fol. | Analysis of receipts | | Bank | | Sales | | Cost of sales | | Current income | | Sundry accounts | | |
|----------|-----|-------------------|------|----------------------|----|--------|----|-------|----|---------------|----|----------------|----|-----------------|------|----------------|
| | | | | | | | | | | | | | | Amount | Fol. | Details |
| CRR | 05 | Services rendered | ✓ | 2 500 | 00 | | | | | | | 2 500 | 00 | | | |
| CRR | | Sales | ✓ | 1 667 | 00 | 4 167 | 00 | 1 667 | 00 | 1 250 | 25 | | | | | |
| CRR | 19 | Services rendered | ✓ | 3 050 | 00 | | | | | | | 3 050 | 00 | | | |
| CRR | | Sales | ✓ | 1 215 | 00 | 4 265 | 00 | 1 215 | 00 | 911 | 25 | | | | | |
| CRR | 28 | Services rendered | ✓ | 7 965 | 00 | 7 965 | 00 | | | | | 7 965 | 00 | | | |
| 23 | 30 | P Bosman | ✓ | 650 | 00 | | | | | | | | | 650 | 00 | N4 Rent income |
| CRR | | Sales | ✓ | 4 224 | 00 | | | 4 224 | 00 | 3 168 | 00 | | | | | |
| CRR | | Services rendered | ✓ | 906 | 00 | 5 780 | 00 | | | | | 906 | 00 | | | |
| | | | | | | 22 177 | 00 | 7 106 | 00 | 5 329 | 50 | 14 421 | 00 | 650 | 00 | |
| | | | | | | B6 | | N1 | | N2/B5 | | N3 | | | | |

Cash Payments Journal of Check-my-figure for September 2019

CPJ4

| Doc. no. | Day | Name of payee | Fol. | Bank | | Trading stock | | Consumable goods | | Wages | | Sundry accounts | | |
|----------|-----|-----------------------|------|--------|----|---------------|----|------------------|----|-------|----|-----------------|------|--------------------------|
| | | | | | | | | | | | | Amount | Fol. | Details |
| 324 | 02 | Check-it Centre | ✓ | 4 950 | 00 | | | | | | | 4 950 | 00 | N7 Rent expense |
| 325 | 04 | Cleansing Suppliers | ✓ | 3 560 | 00 | | | | | | | 3 560 | 00 | B4 Equipment |
| 326 | 09 | The Writer's Shoppe | ✓ | 557 | 00 | | | | | | | 557 | 00 | N8 Stationery |
| 327 | 11 | Natural Health Shoppe | ✓ | 2 716 | 00 | 1 793 | 00 | 923 | 00 | | | | | |
| 328 | 14 | Cash | ✓ | 2 590 | 00 | | | | | 2 590 | 00 | | | |
| 329 | 16 | Zest Fitness | ✓ | 1 850 | 00 | | | | | | | 1 850 | 00 | B4 Equipment |
| 330 | 22 | A Gilliland | ✓ | 850 | 00 | | | | | | | 850 | 00 | B2 Drawings |
| 331 | 25 | Rooibos Health | ✓ | 4 640 | 00 | 3 845 | 00 | 795 | 00 | | | | | |
| 332 | 28 | Cash | ✓ | 2 800 | 00 | | | | | 2 800 | 00 | | | |
| 333 | 29 | Municipality | ✓ | 556 | 00 | | | | | | | 556 | 00 | N9 Water and electricity |
| | | | | 25 069 | 00 | 5 638 | 00 | 1 718 | 00 | 5 390 | 00 | 12 323 | 00 | |
| | | | | B6 | | B5 | | N6 | | N5 | | | | |

(18)

Topic 3: Economic systems

Activity 2: Revise economic systems

2.1 Define an economic system. (3) *Lower order*

An economic system is a system that a country chooses ✓ to allocate its resources ✓ and distribute its goods and resources. ✓

2.2 Explain what the economic problem is. (2) *Lower order*

The economic problem is how to meet the endless wants and needs of people ✓ with limited resources. ✓

2.3 Name and explain the characteristics of the three main economic systems. (30) *Middle order*

In a planned economy, ✓ the government owns the land and natural resources, the factories and the farms. ✓ People are not allowed to own property. ✓ The government decides what should be produced and how much it should be sold for. ✓ The government also decides who gets how much of what is produced. ✓ So, there is no competition with businesses offering goods and services at different prices. ✓ This kind of economy is based on the idea that every worker should do the job he or she is able to do and they should get what they need to live. ✓ In a planned economy, workers don't have a choice about what they want to do. ✓ Government gives workers everything they need to live, including their food. ✓ This system is also called a command economy or directed economy. ✓

The aim of business in a market economy ✓ is to make a profit. ✓ The government's purpose is to allow business to make a profit. ✓ Entrepreneurs decide what goods and services to produce and how much to charge for them based on what they think people want and are willing to pay. ✓ Businesses and people borrow money from banks and investors. ✓ Workers can choose what kind of work they do and who they want to work for. ✓ So, in a market economy, consumers, the government and businesses spend money on goods and services. ✓ Workers and businesses make money from producing goods and services. ✓ The government makes money from taxes ✓ and spends money on public services. ✓

In a mixed economy, ✓ capital comes from banks, shareholders and the government through spending of taxes. ✓ Entrepreneurs decide what to produce. ✓ The government spends taxes on education, housing and clean water, for example. ✓ It also passes laws to control certain economic activity. ✓ Most countries in the world today have a mixed economy with different degrees of government control. ✓ South Africa is a mixed economy. ✓ The mixed economy has its origins in both the planned and the market economy. ✓ Some countries felt that a middle way between the two was the best way – they wanted to look after the welfare of their citizens ✓ but still ensure balanced economic growth for all by allowing private ownership of land and businesses. ✓

2.4 Give three advantages of each economic system you named in Question 2.3. (9) Middle order

| Advantages of planned economies (Any 3 × 1 = 3) |
|--|
| They can be very stable because they are closed systems. |
| They can stimulate growth in industry because the government doesn't have to wait for capital to accumulate before it makes investments in heavy industry. The government can direct economic resources to specific areas. |
| The government can direct economic resources to areas where they are most needed. |
| They look after the welfare of all of the government's citizens. |
| They are more focused on citizens' welfare than on profit and growth. |

✓✓✓

| Advantages of market economies (Any 3 × 1 = 3) |
|---|
| They are very flexible and can adapt quickly to change because individuals don't have to wait for the government to tell them how to adapt. |
| Individuals can choose what they want to produce and how much they want to produce goods for. |
| Consumers have a wide range of products and services to choose from. |
| They reward innovation and technological development. |
| They are good for economic growth because capital flows naturally to places where it gives the highest returns. |
| There is economic freedom, so if people work hard they are rewarded and can improve their lives. |

✓✓✓

| Advantages of mixed economies (Any 3 × 1 = 3) |
|---|
| They combine government and private businesses for good economic growth. |
| The government works to encourage the economy to grow in a balanced way so incomes are more equal than in market economies. |
| They encourage private businesses to make contributions to citizens' welfare. |
| They promote competition but protect citizens too. |

✓✓✓

2.5 Give two disadvantages of each economic system you named in Question 2.3. (6) Middle order

| Disadvantages of planned economies (Any 2 × 1 = 2) |
|---|
| They can limit economic growth and innovation as there is no entrepreneurship. |
| There is no freedom of choice for consumers. Directing what consumers want does not always work. For example, consumers have few choices about which products to buy – the government makes a limited range of things like clothing and foods available, and consumers have to buy what the government makes available. |
| They are inflexible systems that cannot adapt to change quickly. |
| There is no incentive for people to do their jobs well. |
| It is difficult to motivate workers to excel. |

✓✓

| Disadvantages of market economies (Any 2 × 1 = 2) | |
|---|----|
| There are large differences between the wealth of citizens – some get rich while others stay poor. | |
| They focus on profit rather than on the welfare of citizens. | |
| The government controls the economy as little as possible, so big businesses can have too much control. | |
| They make products and services available to consumers that may harm consumers. | ✓✓ |

| Disadvantages of mixed economies (Any 2 × 1 = 2) | |
|--|----|
| Economic growth can be limited because the government allocates lots of resources to citizens' welfare. | |
| Heavy government involvement in the economy through regulation makes them bureaucratic and open to corruption. | ✓✓ |

2.6 Explain what the global economy is. (3) *Lower order*

The global economy is the economy of the world formed ✓ by interlinked national economies ✓ that all affect each other. ✓

Topic 4: General Ledger and Trial Balance

Activity 3: Revise opening and balancing GL accounts

3.1–3.2 *Middle and Higher order*

Learners should first calculate the missing amounts in the CRJ and CPJ: The activity doesn't give the profit margin, so calculate that first:

$$\text{Profit} = \text{R}10\,800 - \text{R}7\,500 = \text{R}3\,300$$

$$\text{Profit \%} = \frac{3\,300}{7\,500} \times 100 = 44\%$$

Then calculate the Sales amount:

$$\text{Sales} = \frac{144}{100} \times \text{R}4\,850 = \text{R}6\,984$$

Calculate the Bank amount.

$$\text{R}12\,750 + \text{R}6\,984 = \text{R}19\,734$$

Calculate the Trading stock amount.

$$\text{R}12\,479 - \text{R}1\,200 - \text{R}915 - \text{R}3\,480 = \text{R}6\,884$$

General Ledger of Top Carpets Balance Sheet accounts

| Dr | | | | Capital | | | | B1 | | | | Cr | |
|------|---------|--|------|---------|--|-------------|---------|---------|------|----------|----|----|--|
| Date | Details | | Fol. | Amount | | Date | Details | | Fol. | Amount | | | |
| | | | | | | 2013 Aug | 01 | Balance | b/d | ✓ 35 469 | 00 | | |
| | | | | | | | 25 | Bank | CRJ8 | ✓ 12 000 | 00 | | |
| | | | | | | | | | | ✓ 47 469 | 00 | | |

| Dr | | | | Equipment | | | | B2 | | | | Cr | |
|-------------|---------|---------|------|-----------|----|------|---------|----|------|--------|--|----|--|
| Date | Details | | Fol. | Amount | | Date | Details | | Fol. | Amount | | | |
| 2013 Aug | 01 | Balance | b/d | ✓ 12 542 | 00 | | | | | | | | |
| | 23 | Bank | CPJ8 | ✓ 2 134 | 00 | | | | | | | | |
| | | | | ✓ 14 676 | 00 | | | | | | | | |

| Dr | | | | Trading Stock | | | | B3 | | | | Cr | | | |
|------|------|---------|-----------|---------------|---------------|-----------|------|-----|---------|-----------------|------|---------------|-----------|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| 2013 | Aug | 01 | Balance ✓ | b/d | 6 754 | 00 | 2013 | Aug | 31 | Cost of sales ✓ | CRJ8 | 4 850 | 00 | | |
| | | 31 | Bank ✓ | CPJ8 | 6 884 | 00 | | | | Balance ✓ | c/d | 8 788 | 00 | | |
| | | | | | <u>13 638</u> | <u>00</u> | | | | | | <u>13 638</u> | <u>00</u> | | |
| 2013 | Sept | 01 | Balance ✓ | b/d | 8 788 | 00 | | | | | | | | | |

| Dr | | | | Bank | | | | B4 | | | | Cr | | | |
|------|------|---------|------------------|------|---------------|-----------|------|-----|---------|------------------|------|---------------|-----------|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| 2013 | Aug | 01 | Balance ✓ | b/d | 8 775 | 00 | 2013 | Aug | 31 | Total payments ✓ | CPJ8 | 12 479 | 00 | | |
| | | 31 | Total receipts ✓ | CRJ8 | 19 734 | 00 | | | | Balance ✓ | c/d | 16 030 | 00 | | |
| | | | | | <u>28 509</u> | <u>00</u> | | | | | | <u>28 509</u> | <u>00</u> | | |
| 2013 | Sept | 01 | Balance ✓ | b/d | 16 030 | 00 | | | | | | | | | |

Nominal accounts

| Dr | | | | Sales | | | | N1 | | | | Cr | | | |
|------|--|---------|--|-------|--------|--|------|-----|---------|---------|------|-----------------|-----------|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| | | | | | | | 2013 | Aug | 01 | Balance | b/d | ✓ 10 800 | 00 | | |
| | | | | | | | | | 31 | Bank | CRJ8 | ✓ 6 984 | 00 | | |
| | | | | | | | | | | | | <u>✓ 17 784</u> | <u>00</u> | | |

| Dr | | | | Cost of Sales | | | | N2 | | | | Cr | | | |
|------|-----|---------|---------------|---------------|-----------------|-----------|------|----|---------|--|------|--------|--|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| 2013 | Aug | 01 | Balance | b/d | ✓ 7 500 | 00 | | | | | | | | | |
| | | 31 | Trading stock | CPJ8 | ✓ 4 850 | 00 | | | | | | | | | |
| | | | | | <u>✓ 12 350</u> | <u>00</u> | | | | | | | | | |

| Dr | | | | Rent Income | | | | N3 | | | | Cr | | | |
|------|--|---------|--|-------------|--------|--|------|-----|---------|---------|------|----------------|-----------|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| | | | | | | | 2013 | Aug | 01 | Balance | b/d | ✓ 3 500 | 00 | | |
| | | | | | | | | | 05 | Bank | CRJ8 | ✓ 750 | 00 | | |
| | | | | | | | | | | | | <u>✓ 4 250</u> | <u>00</u> | | |

| Dr | | | | Stationery | | | | N4 | | | | Cr | | | |
|------|-----|---------|---------|------------|--------------|-----------|------|----|---------|--|------|--------|--|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| 2013 | Aug | 01 | Balance | b/d | ✓ 425 | 00 | | | | | | | | | |
| | | 13 | Bank | CPJ8 | ✓ 91 | 00 | | | | | | | | | |
| | | | | | <u>✓ 516</u> | <u>00</u> | | | | | | | | | |

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Activity 4: Revise the GL and TB of a sole trader

4.1 Lower order; 4.2 Middle order

General Ledger of Check-my-figure Balance Sheet accounts

| Dr | | | | Capital | | | | B1 | | | | Cr |
|------|--|---------|------|---------|--|------|----|---------|------|-----------|----|----|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | | |
| | | | | | | 2019 | | | | | | |
| | | | | | | Sep | 01 | Balance | b/d | ✓ 150 171 | 00 | |

| Dr | | | | Drawings | | | | B2 | | | | Cr |
|------|----|---------|------|----------|----|------|--|---------|------|--------|--|----|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | | |
| 2019 | | | | | | | | | | | | |
| Sep | 01 | Balance | b/d | ✓ 3 850 | 00 | | | | | | | |
| | 22 | Bank | CPJ4 | ✓ 850 | 00 | | | | | | | |
| | | | | ✓ 4 700 | 00 | | | | | | | |

| Dr | | | | Vehicles | | | | B3 | | | | Cr |
|------|----|---------|------|----------|----|------|--|---------|------|--------|--|----|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | | |
| 2019 | | | | | | | | | | | | |
| Sep | 01 | Balance | b/d | ✓ 84 065 | 00 | | | | | | | |

| Dr | | | | Equipment | | | | B4 | | | | Cr |
|------|----|---------|------|-----------|----|------|--|---------|------|--------|--|----|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | | |
| 2019 | | | | | | | | | | | | |
| Sep | 01 | Balance | b/d | ✓ 51 250 | 00 | | | | | | | |
| | 04 | Bank | CPJ4 | ✓ 3 560 | 00 | | | | | | | |
| | 16 | Bank | CPJ4 | ✓ 1 850 | 00 | | | | | | | |
| | | | | 56 660 | 00 | | | | | | | |

| Dr | | | | Trading Stock | | | | B5 | | | | Cr |
|------|----|-----------|------|---------------|----|------|----|-----------------|------|--------|----|----|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | | |
| 2019 | | | | | | 2019 | | | | | | |
| Sep | 01 | Balance ✓ | b/d | 4 820 | 00 | Sep | 30 | Cost of sales ✓ | CRJ4 | 5 329 | 50 | |
| | 30 | Bank ✓ | CPJ4 | 5 638 | 00 | | | Balance ✓ | c/d | 5 128 | 50 | |
| | | | | 10 458 | 00 | | | | | 10 458 | 00 | |
| 2019 | | | | | | | | | | | | |
| Oct | 01 | Balance ✓ | b/d | 5 128 | 50 | | | | | | | |

| Dr | | | | Bank | | | | B6 | | | | Cr |
|------|----|------------------|------|--------|----|------|----|------------------|------|--------|----|----|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | | |
| 2019 | | | | | | 2019 | | | | | | |
| Sep | 01 | Balance ✓ | b/d | 25 709 | 00 | Sep | 30 | Total payments ✓ | CPJ4 | 25 069 | 00 | |
| | 30 | Total receipts ✓ | CRJ4 | 22 177 | 00 | | | Balance ✓ | c/d | 22 817 | 00 | |
| | | | | 47 886 | 00 | | | | | 47 886 | 00 | |
| 2019 | | | | | | | | | | | | |
| Oct | 01 | Balance ✓ | b/d | 22 817 | 00 | | | | | | | |

| Dr | | | | Cash Float | | | | B7 | | | | Cr |
|------|----|---------|------|------------|----|------|--|---------|------|--------|--|----|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | | |
| 2019 | | | | | | | | | | | | |
| Sep | 01 | Balance | b/d | ✓ 400 | 00 | | | | | | | |

Nominal accounts

| Dr | | | | Sales | | | | N1 | | | | Cr |
|------|--|---------|------|--------|--|------|----|---------|------|----------|----|----|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | | |
| | | | | | | 2019 | | | | | | |
| | | | | | | Sep | 01 | Balance | b/d | ✓ 18 080 | 00 | |
| | | | | | | | 30 | Bank | CRJ4 | ✓ 7 106 | 00 | |
| | | | | | | | | | | ✓ 25 186 | 00 | |

| Dr | | | | Cost of Sales | | | | N2 | | | | Cr |
|------|----|---------------|------|---------------|----|------|--|---------|------|--------|--|----|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | | |
| 2019 | | | | | | | | | | | | |
| Sep | 01 | Balance | b/d | ✓ 13 560 | 00 | | | | | | | |
| | 30 | Trading stock | CRJ4 | ✓ 5 329 | 50 | | | | | | | |
| | | | | ✓ 18 889 | 50 | | | | | | | |

| Dr | | | | Current Income | | | | N3 | | | | Cr |
|------|--|---------|------|----------------|--|------|----|---------|------|----------|----|----|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | | |
| | | | | | | 2019 | | | | | | |
| | | | | | | Sep | 01 | Balance | b/d | ✓ 36 130 | 00 | |
| | | | | | | | 30 | Bank | CRJ4 | ✓ 14 421 | 00 | |
| | | | | | | | | | | ✓ 50 551 | 00 | |

| Dr | | | | Rent Income | | | | N4 | | | | Cr |
|------|--|---------|------|-------------|--|------|----|---------|------|---------|----|----|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | | |
| | | | | | | 2019 | | | | | | |
| | | | | | | Sep | 01 | Balance | b/d | ✓ 1 408 | 00 | |
| | | | | | | | 30 | Bank | CRJ4 | ✓ 650 | 00 | |
| | | | | | | | | | | ✓ 2 058 | 00 | |

| Dr | | | | Wages | | | | N5 | | | | Cr |
|------|----|---------|------|---------|----|------|--|---------|------|--------|--|----|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | | |
| 2019 | | | | | | | | | | | | |
| Sep | 01 | Balance | b/d | ✓ 2 410 | 00 | | | | | | | |
| | 30 | Bank | CPJ4 | ✓ 5 390 | 00 | | | | | | | |
| | | | | ✓ 7 800 | 00 | | | | | | | |

| Dr | | | | Consumable Goods | | | | N6 | | | | Cr |
|------|----|---------|------|------------------|----|------|--|---------|------|--------|--|----|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | | |
| 2019 | | | | | | | | | | | | |
| Sep | 01 | Balance | b/d | ✓ 7 541 | 00 | | | | | | | |
| | 30 | Bank | CPJ4 | ✓ 1 718 | 00 | | | | | | | |
| | | | | ✓ 9 259 | 00 | | | | | | | |

| Dr | | | | Rent Expense | | | | N7 | | | | Cr |
|------|----|---------|------|--------------|----|------|--|---------|------|--------|--|----|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | | |
| 2019 | | | | | | | | | | | | |
| Sep | 01 | Balance | b/d | ✓ 9 875 | 00 | | | | | | | |
| | 02 | Bank | CPJ4 | ✓ 4 950 | 00 | | | | | | | |
| | | | | ✓ 14 825 | 00 | | | | | | | |

| Dr | | Stationery | | | | N8 | | | | Cr | |
|----------|----|------------|------|--------|----|------|--|---------|------|--------|--|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | |
| 2019 Sep | 01 | Balance | b/d | ✓ 210 | 00 | | | | | | |
| | 09 | Bank | CPJ4 | ✓ 557 | 00 | | | | | | |
| | | | | ✓ 767 | 00 | | | | | | |

| Dr | | Water and Electricity | | | | N9 | | | | Cr | |
|----------|----|-----------------------|------|---------|----|------|--|---------|------|--------|--|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | |
| 2019 Sep | 01 | Balance | b/d | ✓ 659 | 00 | | | | | | |
| | 29 | Bank | CPJ4 | ✓ 556 | 00 | | | | | | |
| | | | | ✓ 1 215 | 00 | | | | | | |

| Dr | | Telephone | | | | N10 | | | | Cr | |
|----------|----|-----------|------|---------|----|------|--|---------|------|--------|--|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | |
| 2019 Sep | 01 | Balance | b/d | ✓ 1 440 | 00 | | | | | | |

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4.3 Middle order

Trial Balance of Check-my-figure on 30 September 2019

| Balance Sheet accounts | Fol. | Debit | | Credit | | |
|-------------------------|------|---------|----|---------|----|---|
| Capital | B1 | | | 150 171 | 00 | ✓ |
| Drawings | B2 | 4 700 | 00 | | | ✓ |
| Vehicles | B3 | 84 065 | 00 | | | ✓ |
| Equipment | B4 | 56 660 | 00 | | | ✓ |
| Trading stock | B5 | 5 128 | 50 | | | ✓ |
| Bank | B6 | 22 817 | 00 | | | ✓ |
| Cash float | B7 | 400 | 00 | | | ✓ |
| Nominal accounts | | | | | | ✓ |
| Sales | N1 | | | 25 186 | 00 | ✓ |
| Cost of sales | N2 | 18 889 | 50 | | | ✓ |
| Current income | N3 | | | 50 551 | 00 | ✓ |
| Rent income | N4 | | | 2 058 | 00 | ✓ |
| Wages | N5 | 7 800 | 00 | | | ✓ |
| Consumable goods | N6 | 9 259 | 00 | | | ✓ |
| Rent expense | N7 | 14 825 | 00 | | | ✓ |
| Stationery | N8 | 767 | 00 | | | ✓ |
| Water and electricity | N9 | 1 215 | 00 | | | ✓ |
| Telephone | N10 | 1 440 | 00 | | | ✓ |
| | | 227 966 | 00 | 227 966 | 00 | |

(18)

Topic 5: The circular flow

Activity 5: Revise the circular flow

5.1 Define the circular flow. (3) Lower order

The circular flow is a model ✓ that describes the movement of money ✓ through the economy between participants. ✓

5.2 Explain why the circular flow is not an accurate reflection of economic reality. (4) Middle order

The model uses a closed economy ✓ to show that households consume all of the goods and services that businesses produce (no goods or services come from other economies) ✓ and that businesses only get the factors of production they need from the households. ✓ In the real world, we know that this is not the case. ✓

5.3 State what governments consume in the circular flow. (2)

Lower order

They consume money from households and businesses ✓ through tax. ✓

5.4 State what governments produce in the circular flow. (2)

Lower order

They produce goods and services ✓ for households and businesses to buy. ✓

5.5 Who are the participants in the circular flow? (5) Lower order

- households ✓
- businesses ✓
- the government ✓
- the goods and services market ✓
- the factor market ✓

5.6 Explain the role of the markets in the circular flow. (4)

Lower order

The goods and services market in an economy is all of the places where goods and services are exchanged in economic transactions. ✓ Households use their incomes to buy goods and services from businesses and from the government on the goods and services market. ✓ These goods and services are finished products that businesses have produced using the factors of production. ✓ The factor market is where people buy and sell the services of the factors of production themselves – land, capital, labour and entrepreneurship. ✓

5.7 Why are factors of production important in the circular flow? (2) Higher order

Without factors of production, businesses and the government would not be able to produce goods or offer services ✓ to sell on the goods and services market. ✓

5.8 Explain why the circular flow model is circular. (2)

Lower order

It is circular because the flow never stops ✓ and the participants in the flow all rely on one another. ✓

TOTAL MARKS: 188

Formal assessment

For information on how to assess learner's assignments, controlled tests, case studies and projects, please see Section 3 of this Teacher's Guide.

SECTION A
QUESTION 1
TASK

[20 marks; 12 minutes]

Answer the following questions.

- 1.1 Name the THREE economic systems and explain the main characteristic of each. (6)
 - 1.2 Name TWO advantages of each economic system. (6)
 - 1.3 Name TWO disadvantages of each economic system. (6)
 - 1.4 Explain what the term global economy means. (2)
- [20]

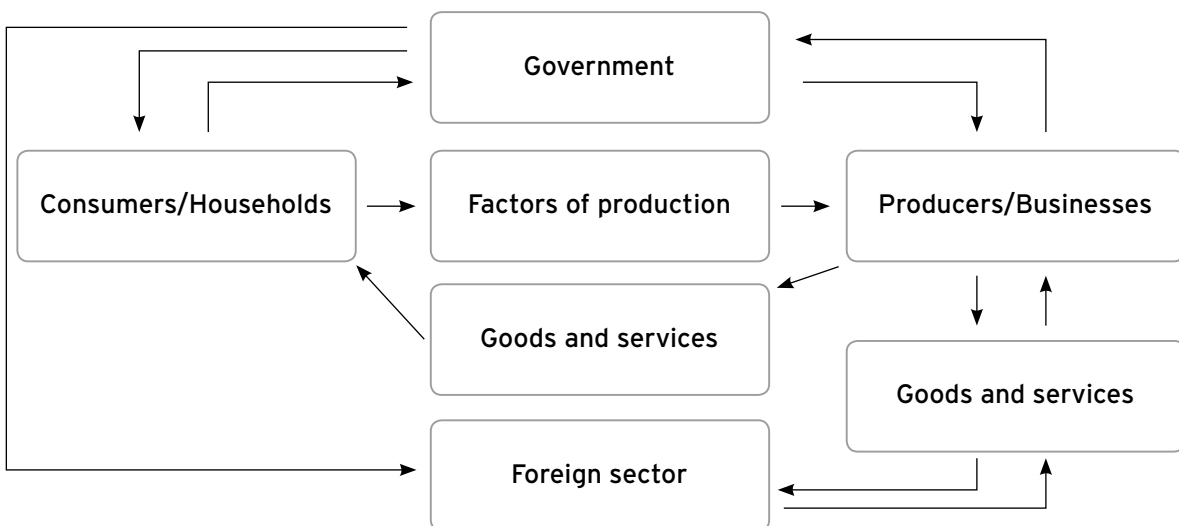
QUESTION 2
TASK

[20 marks; 12 minutes]

Study the diagram below and then answer the questions.

- 2.1 Explain how money flows from households to businesses and from businesses to households. (8)
 - 2.2 Explain why money flows out of the South African economy when goods are imported. (2)
 - 2.3 Explain where households get the money from that they spend on goods and services. (4)
 - 2.4 Who owns the factors of production? (2)
 - 2.5 How do foreign countries contribute to money flowing into the South African economy? (4)
- [20]

The economic cycle



SECTION B
QUESTION 3
TASK

[8 marks; 5 minutes]

Answer the following questions.

- 3.1 Jerry buys a motorcycle for R15 000 and sells it to Tom for R22 500. How much profit did Jerry make? (2)
- 3.2 What percentage profit did Jerry make in the above transaction? (2)
- 3.3 Smurfie puts a 30% mark up on his fruit. He buys oranges at R10 a bag at the Johannesburg fresh fruit and vegetable market. How much does Smurfie sell the bag of oranges for? (2)
- 3.4 The hardware store sells paint at a mark-up of 60%. How much do they buy the paint for if they sell it for R500? (2)
- [8]

QUESTION 4
TASK

[18 marks; 11 minutes]

Use the totals that are given below, calculate those that are missing and set up the following accounts in the General Ledger of Clever Dealers. Balance the accounts where required.

NOTE: The business uses a 50% mark-up on cost price.

TOTALS AS AT 31 MARCH 2014

| | | | |
|---------------|---------|-----------------|--------------|
| CRJ: Bank | R? | Cost of sales | R? |
| Sales | R42 000 | Sundry accounts | R103 000 |
| CPJ: Bank | R71 507 | Stationery | R2 777 |
| Trading stock | R51 300 | Sundry accounts | R17 430 [18] |

Bank

| | | | | | | | | | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
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Trading Stock

| | | | | | | | | | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
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Sales

| | | | | | | | | | | | | | | | | | | | |
|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|--|
| | | | | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | | | | | | | | | |

QUESTION 6**[6 marks; 3 minutes]****TASK**

Show the effect the following transaction has on the accounting equation, and give reasons.

Sold merchandise (cost R750) for R1 000 cash.

| ASSETS | | EQUITY | |
|--------|--------|--------|--------|
| Effect | Reason | Effect | Reason |
| | | | |
| | | | |
| | | | |

[6]

TOTAL: 100 MARKS

SECTION A

QUESTION 1

1.1 Planned economy: ✓ the government owns, plans and controls all the economic activities of a country. ✓

Market economy: ✓ in a free market economy, the owners of private businesses are allowed to manage their businesses as they wish, to make a profit. ✓

Mixed economy: ✓ the government, as well as people and businesses, own the land and natural resources. ✓ (6)

1.2 Advantages of a planned economy:

- stable system, since it is a closed system
- government can direct economic resources to specific areas
- government can direct economic resources to where they are most needed
- looks after the welfare of all the government's citizens
- more focused on citizens' welfare than on profit and growth (any✓✓)

Advantages of a market economy:

- very flexible and adaptable system
- individuals can choose what and how much they want to produce
- consumers have a wide range of products and services to choose from
- innovation and technological development is rewarded
- good for economic growth because capital flows naturally to places where it gives the highest returns
- there is economic freedom, so if people work hard they are rewarded and can improve their lives (any✓✓)

Advantages of a mixed economy:

- combines government and private businesses for good economic growth
 - government works to encourage the economy to grow in a balanced way so incomes are more equal than in market economies
 - encourages private businesses to make contributions to citizens' welfare
 - promotes competition, but also protects citizens (any✓✓)
- (6)

1.3 Disadvantages of a planned economy:

- can limit economic growth and innovation as there is no entrepreneurship
- no freedom of choice for consumers
- inflexible system that cannot adapt to change quickly
- there is no incentive for people to do their jobs well
- it is difficult to motivate workers to excel (any✓✓)

Disadvantages of a market economy

- large differences between the wealth of citizens – some get rich while others stay poor
- focus is on profit, rather than the welfare of citizens
- the government controls the economy as little as possible, so big businesses can have too much control
- makes products and services available to consumers that may harm consumers (any✓✓)

Disadvantages of a mixed economy:

- economic growth can be limited, because the government allocates lots of resources to the citizens' welfare
- heavy government involvement in the economy through regulation makes them bureaucratic and open to corruption (any✓✓)

(6)

- 1.4 The global economy is the economy of the world ✓ formed by interlinked national economies that all affect one another. ✓ (2)
[20]

QUESTION 2

- 2.1 Households own the factors of production, which they sell to businesses in exchange for money. ✓✓ Businesses use these factors of production to produce goods and services. ✓✓ Businesses pay the households for the factors of production in the form of salaries and wages. ✓ The money flows from the businesses to the households. ✓ Households use the salaries and wages to purchase goods and services from producers to meet their needs and desires. ✓ The money flows back to the producers. ✓ (any $4 \times 2 = 8$)

- 2.2 Money flows out of the country when goods are imported, ✓ because money that could be spent in our country is now being spent outside South Africa to buy goods. ✓ The revenue goes to a different country, not South Africa. (2)

- 2.3 Salaries (monthly) and wages (weekly) ✓✓; state grants ✓✓ (2 × 2 = 4)

- 2.4 Households ✓✓ (2)

- 2.5 Foreign countries help money flow into the economy by buying goods and services from South Africa. ✓ This means that we either export goods and services to other countries, or goods and services ✓ are imported from South Africa over there. Foreign countries pay for goods and services ✓ and the money flows into our economy. ✓

(4)

[20]

SECTION B

QUESTION 3

$$\begin{aligned}
 3.1 \text{ Profit} &= \text{Sales} - \text{Cost of Sales} \\
 &= \text{R}22\,500 - \text{R}15\,000 \\
 &= \text{R}7\,500 \checkmark\checkmark
 \end{aligned}$$

$$3.2 \frac{\text{R}7\,500}{\text{R}15\,000} \times 100 = 50\% \checkmark\checkmark$$

$$3.3 \frac{130}{100} \times 10 = \text{R}13 \checkmark\checkmark$$

$$3.4 \frac{100}{160} \times 500 = \text{R}312,50 \checkmark\checkmark \quad [8]$$

QUESTION 4

General Ledger of Clever Dealers Balance Sheet accounts

| Dr | | | | Bank | | | | Cr | | | |
|------|----|------------------|------|--------|-------------|------|----|------------------|------|--------|------------|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | |
| 2014 | | | | | | 2014 | | | | | |
| Mar | 31 | Total receipts ✓ | CRJ | ✓✓ | 145 000 00 | Mar | 31 | Total payments ✓ | CPJ | ✓ | 71 507 00 |
| | | | | | | | | Balance | c/d | ✓ | 73 493 00 |
| | | | | | | | | | | | |
| | | | | | 145 000 00 | | | | | | 145 000 00 |
| | | | | | | | | | | | |
| 2014 | | | | | | | | | | | |
| Apr | 01 | Balance | b/d | | 73 493 ✓ 00 | | | | | | |

(7)

| Dr | | | | Trading Stock | | | | Cr | | | |
|------|----|---------|------|---------------|-------------|------|----|-----------------|------|--------|-----------|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | |
| 2014 | | | | | | 2014 | | | | | |
| Mar | 31 | Bank ✓ | CPJ | ✓ | 51 300 00 | Mar | 31 | Cost of sales ✓ | CRJ | ✓✓ | 28 000 00 |
| | | | | | | | | Balance | c/d | ✓ | 23 300 00 |
| | | | | | | | | | | | |
| | | | | | 51 300 00 | | | | | | 51 300 00 |
| | | | | | | | | | | | |
| 2014 | | | | | | | | | | | |
| Apr | 01 | Balance | b/d | | 23 300 ✓ 00 | | | | | | |

(7)

| Dr | | | | Sales | | | | Cr | | | |
|------|--|---------|------|--------|--|------|----|---------|------|--------|-----------|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | |
| | | | | | | 2014 | | | | | |
| | | | | | | Mar | 31 | Bank ✓ | CRJ | ✓ | 42 000 00 |

(2)

| Dr | | Cost of Sales | | | | Cr | | | |
|------|----|-----------------|------|------------|------|---------|------|--------|--|
| Date | | Details | Fol. | Amount | Date | Details | Fol. | Amount | |
| 2014 | | | | | | | | | |
| Mar | 31 | Trading stock ✓ | CRJ | ✓28 000 00 | | | | | |

(2)

Dates and Folios: -1, max -2 [18]

QUESTION 5

Cash Receipts Journal of Deetlefs Stores for March 2014

CRJ3

| Doc. no. | Day | Details | Fol. | Analysis of receipts | Bank | Sales | Cost of sales | Sundry accounts | | |
|----------|-----|-------------|------|----------------------|------------|-----------|---------------|-----------------|------|---------------|
| | | | | | | | | Amount | Fol. | Details |
| CRR | 01 | Sales | | ✓8 400,00 | ✓8 400,00 | ✓8 400,00 | ✓6 000,00 | | | |
| 10 | 03 | S Deetlefs | | ✓30 000,00 | ✓30 000,00 | | | ✓30 000,00 | | Capital ✓ |
| 11 | 15 | R Pretorius | | ✓4 800,00 | ✓4 800,00 | | | ✓4 800,00 | | Rent income ✓ |
| ✓ | | | | | | | | | | |

(13)

Cash Payments Journal of Deetlefs Stores for March 2014

CPJ3

| Doc. no. | Day | Name of payee | Fol. | Bank | Wages | Trading stock | Sundry accounts | | |
|----------|-----|----------------|------|-----------|-----------|---------------|-----------------|------|--------------|
| | | | | | | | Amount | Fol. | Details |
| 37 | 05 | Total Insurers | | ✓3 444,00 | | | ✓3 444,00 | | Insurance ✓ |
| 38 | 06 | Cash | | ✓1 500,00 | ✓1 500,00 | | | | |
| 39 | 18 | Fourie Dealers | | ✓8 900,00 | | ✓3 500,00 | ✓5 000,00 | | Equipment ✓ |
| | | | | | | | ✓400,00 | | Stationery ✓ |
| 40 | 27 | Cash | | ✓120,00 | | | ✓120,00 | | Drawings ✓ |
| ✓ | | | | | | | | | |

[15]

Mark the two columns together

[28]

QUESTION 6

| ASSETS | | EQUITY | |
|---------|---------------------------|--------|----------|
| Effect | Reason | Effect | Reason |
| ✓+1 000 | Cash increases ✓ | ✓+250 | Profit ✓ |
| ✓-750 | Trading stock decreases ✓ | | |

[6]

TOTAL: 100 MARKS

TERM 2

Topic 6

Looking back, looking ahead

Learner's Book pages 62–64

Duration: 2 hours

Term and week/s
Term 2, Week 1

Curriculum and Assessment Policy Statement (CAPS) content

In this topic, learners will:

- revise what they learnt in Term 1
- get a brief glimpse of what they will learn in Term 2

Teaching the topic

- This is an opportunity to consolidate what the learners learnt in the previous term. If learners are still struggling with some concepts, give them additional activities or revision activities to do. Those who understand the work well can help those who are struggling.
- Encourage learners to draw mind maps (similar to those drawn in this topic) to revise what they learnt in the previous term.
- Once you are comfortable that learners understand the content so far, you may continue with the overview of the new term.
- When revising the new term, do not go into too much detail – you need spend no more than 10–15 minutes on the overview.
- Mention to the learners that they may use the overview mind map provided, and add their own notes during the term so that they have a complete mind map of the term's work by the end of the term.

Topic 7

Credit transactions: Debtors (1)

Learner's Book pages 65–79

Duration: 6 hours

Term and week/s

Term 2, Weeks 2–7

New words and concepts

credit sales; debtors; National Credit Act; debtors allowance; creditworthy; credit limits; credit agreement; terms of credit; Debtors Journal

Curriculum and Assessment Policy Statement (CAPS) content

In this topic, learners will learn about FINANCIAL LITERACY.

They will look at:

- credit sales
- debtors
- the National Credit Act
- debtors allowance
- the accounting cycle
- recording transactions in the Debtors Journal (DJ)
- recording receipts from debtors in the Cash Receipts Journal (CRJ)

Resources

Learners must each have an exercise book called an 'Eight money column' or 'Cash money column' for the CRJ and a 'Journal' or 'Treble Cash' book for the DJ. Exercise books are also required for the calculations. Photocopy the Cash Receipts Journal and Debtors Journal templates found at the end of this guide if necessary.

A calculator for each learner is essential.

Preparation

- Read through the topic and familiarise yourself with the content that you will need to teach. Think about what learners may already know about the topics, what skills they already have and any areas of difficulty that you think they might encounter.
- You should be aware of the differing needs of your learners by now and learners already know how to record cash transactions in a CRJ and CPJ. Consider the types of credit transactions learners will encounter and decide how you are going to explain them to your learners.

Teaching the topic

There are 6 lessons in this topic.

| Lesson | Week | Pages | Activities |
|--------|------|-------|------------|
| 2 | 2 | 93 | 7.1 |
| 3 | 3 | 93 | 7.2–7.3 |
| 4 | 4 | 94 | 7.4–7.5 |
| 5 | 5 | 94 | 7.6–7.7 |
| 6 | 6 | 94 | 7.8 |
| 7 | 7 | 94 | – |

Lesson 2

- Refer to Figure 7.1 in the Learner's Book and discuss what it means to buy on credit and how you apply for credit. Discuss the documents required to apply for credit. Find out what learners understand about these concepts.
- Work through the text explaining the concepts about credit in the Learner's Book pages 65–66. Pay attention to the content that learners are not familiar with.
- Discuss the advantages and disadvantages of credit to businesses and to customers.
- Follow the example of Lamond Traders to explain the recording of credit sales. The source document is an invoice. Show the invoice on the board and remind learners how to fill it in.
- Remind learners what the definition of a debtor is and discuss the National Credit Act and its implications.
- Explain what debtors allowance is and why businesses offer this option. Use the example of J Doolan returning one pair of sandals to Lamond Traders.
- Continue with the Lamond Traders example and introduce recording transactions in the Debtors Journal. Show learners how to record that invoice in the journal's different columns and to calculate the cost of sales (cost price).
- Discuss each step of the accounting cycle for credit transactions in the Learner's Book pages 70–71 as you work through the example. Refer to these steps as you go along, from the point where a debtor places an order until the point where it is paid for.
- **Do Activity 7.1.**
- It is important that you explain to the learners that only CREDIT SALES are entered into the Debtors Journal. Each transaction (each invoice number) is recorded in the Sales column and the Cost of sales column.
- As a control check, ensure that when the journal is completed, the total of the Cost of sales column must be equal to the calculation of the cost price of the Sales column.

Lesson 3

- Work through the example of Lamond Traders and J Doolan to explain the recording of receipts in the CRJ. Discuss the steps again. An invoice for goods sold was issued (entered in the DJ) and J Doolan received a receipt for part payment of his account (entered in the CRJ).
- Explain that this is a new transaction for the CRJ, when a debtor pays his account. They will enter the amount in the Debtors control column of the CRJ.
- Briefly discuss the term Debtors control account, which is opened in the General Ledger when credit sales to debtors are entered (from the DJ) and when payments from debtors are entered (from the CRJ). The Debtors control account controls all the transactions of the debtors in the Debtors Ledger. This is covered in Topic 12.
- **Do Activities 7.2 and 7.3.**

Lesson 4

- Mark and check the previous activities.
- **Do Activities 7.4 and 7.5.**
- Learners can do these activities on their own or with a partner. Assist those learners who are struggling while they work.

Lesson 5

- Mark and check the previous activities.
- **Do Activities 7.6 and 7.7.**

Lesson 6

- Mark and check the previous activities.
- **Do Activity 7.8.**

Lesson 7

- Use this lesson as an opportunity to mark, check and complete the activities you've done during this topic.
- Spend time consolidating this content with learners, especially those who are struggling. Give stronger learners a chance to do the extension activity and give input where required.
- Learners must understand this content as it forms the basis for Topic 12. Once they understand the DJ, it is easier to integrate the knowledge for the CJ and Creditors control (Topics 13 and 15).

Answers

» Activity 7.1

Middle order (8)

| Doc. no. | Day | Debtor | Fol. | Sales | | Cost of sales | |
|----------|-----|----------|------|---------|----|---------------|----|
| 01 | 04 | G Jezi | | ✓ 382 | 80 | ✓ 264 | 00 |
| 02 | 19 | S Shumwe | | ✓ 1 595 | 00 | ✓ 1 100 | 00 |
| 03 | 24 | L Mene | | ✓ 1 371 | 70 | ✓ 946 | 00 |
| | | | | ✓ 3 349 | 50 | ✓ 2 310 | 00 |

Note that the Cost of sales has three entries, which added together equal R2 310 (R264 + R1 100 + R946 = R2 310). This amount must equal the calculation of the Cost of sales (cost price) of the total of Sales column ($R3\ 349,50 \times \frac{100}{145} = R2\ 310$).

» **Activity 7.2**

Middle order (16)

In this activity the CRJ is added. This is the first activity where learners do a CRJ and a DJ together. So, they must remember to allocate transactions to two journals:

- the DJ for all CREDIT SALES (goods sold on credit)
- the CRJ for all RECEIPTS (when a debtor pays his debt).

Point out that Activity 7.2 follows on from Activity 7.1, so the invoice numbers must follow those of Activity 7.1.

Debtors Journal of Trendy Stores for May 2013

DJ2

| Doc. no. | Day | Debtor | Fol. | Sales | | Cost of sales | |
|----------|-----|----------|------|---------|----|---------------|----|
| | | | | ✓ | | ✓ | |
| 04 | 10 | G Jezi | | ✓ 474 | 15 | ✓ 327 | 00 |
| 05 | 17 | S Shumwe | | ✓ 1 754 | 50 | ✓ 1 210 | 00 |
| 06 | 30 | L Mene | | ✓ 1 493 | 50 | ✓ 1 030 | 00 |
| | | | | ✓ 3 722 | 15 | ✓ 2 567 | 00 |

(8)

Cash Receipts Journal of Trendy Stores for May 2013

CRJ1

| Doc. no. | Day | Details | Fol. | Analysis of receipts | | Bank | | Debtors control | | Sundry accounts | | |
|----------|-----|----------|------|----------------------|----|---------|----|-----------------|----|-----------------|------|---------|
| | | | | ✓ | | ✓ | | ✓ | | Amount | Fol. | Details |
| 001 | 02 | G Jezi | | 382 | 80 | ✓ 382 | 80 | ✓ 382 | 80 | | | |
| 002 | 21 | S Shumwe | | 1 595 | 00 | ✓ 1 595 | 00 | ✓ 1 595 | 00 | | | |
| 003 | 24 | L Mene | | 1 371 | 70 | ✓ 1 371 | 70 | ✓ 1 371 | 70 | | | |
| | | | | | | ✓ 3 349 | 50 | ✓ 3 349 | 50 | | | |

(8)

» **Activity 7.3**

Middle order (15)

Choose one of the debtor's accounts to discuss with learners. Refer to the debtor's credit limit and the credit term of 30 days.

1. G Jezi's account is managed well. ✓ He kept within his credit limit ✓ of R1 500 and paid his account within 30 days. ✓ (3)
2. The account of L Mene is managed ✓ well. His account is paid within 30 days ✓ and the account is within his credit limit ✓ of R1 500. (3)
3. The account of S Shumwe is not managed ✓ well. In April he kept within the credit limit, ✓ but he did not pay his account within the 30-day period. ✓ Yet Trendy Stores allowed him to buy even more goods. S Shumwe also exceeded his credit limit. ✓ This is a risky situation and equates to irresponsible lending. ✓ (5)
4. Sales for April: R3 349,50 ✓ + Sales for May: R3 722,15 ✓ – Payments in May: R3 349,50 ✓ = Total owed by debtors on 31 May: R3 722,15. ✓ (4)

» Activity 7.4

Middle order (8)

Debtors Journal of Pestana Traders for June 2018 **DJ1**

| Doc. no. | Day | Debtor | Fol. | Sales | | Cost of sales | |
|----------|-----|-----------|------|---------|----|---------------|----|
| | | | | | | | |
| 01 | 09 | E Simpiwe | | ✓ 1 440 | 00 | ✓ 900 | 00 |
| 02 | 15 | W Dube | | ✓ 944 | 00 | ✓ 590 | 00 |
| 03 | 27 | W Tokani | | ✓ 720 | 00 | ✓ 450 | 00 |
| | | | | ✓ 3 104 | 00 | ✓ 1 940 | 00 |

» Activity 7.5

Middle order (15)

Debtors Journal of Pestana Traders for July 2018 **DJ2**

| Doc. no. | Day | Debtor | Fol. | Sales | | Cost of sales | |
|----------|-----|-----------|------|---------|----|---------------|----|
| | | | | | | | |
| 04 | 08 | W Dube | | ✓ 230 | 00 | ✓ 143 | 75 |
| 05 | 15 | E Simpiwe | | ✓ 550 | 00 | ✓ 343 | 75 |
| 06 | 31 | W Tokani | | ✓ 820 | 00 | ✓ 512 | 50 |
| | | | | ✓ 1 600 | 00 | ✓ 1 000 | 00 |

(8)

Cash Receipts Journal of Pestana Traders for July 2018

CRJ2

| Doc. no. | Day | Details | Fol. | Analysis of receipts | | Bank | | Debtors control | | Sundry accounts | | |
|----------|-----|-----------|------|----------------------|----|---------|----|-----------------|----|-----------------|------|---------|
| | | | | | | | | | | Amount | Fol. | Details |
| 25 | 02 | E Simpiwe | | 1 200 | 00 | ✓ 1 200 | 00 | ✓ 1 200 | 00 | | | |
| 26 | 22 | W Tokani | | 720 | 00 | ✓ 720 | 00 | ✓ 720 | 00 | | | |
| 27 | 25 | W Dube | | 574 | 00 | ✓ 574 | 00 | ✓ 574 | 00 | | | |
| | | | | | | 2 494 | 00 | ✓ 2 494 | 00 | | | |

(7)

» Activity 7.6

1. Higher order (8)

| Debtor | W Dube | E Simpiwe | W Tokani |
|--------------------------|--------|-----------|----------|
| Invoice/Sales (+) | +R944 | ✓ R1 440 | ✓ R720 |
| OR | +R230 | ✓ -R1 200 | ✓ -R720 |
| Receipts/Payments (-) | -R574 | ✓ +R550 | ✓ +R820 |
| Total amount owed | R600 | ✓ R790 | ✓ R820 |

(8)

2. Higher order (12)

- The account of W Tokani is managed well, ✓ although it is the account with the largest outstanding amount. ✓ W Tokani paid his account within 30 days ✓ and he didn't exceed his credit limit. ✓ (4)
- The account of W Dube is not managed well ✓ as he didn't pay his account within 30 days. ✓ Pestana Traders also allowed him to exceed his credit limit. ✓ This is a risky situation and equates to irresponsible lending. ✓ (4)
- The account of E Simpiwe is not managed well. ✓ His account is paid within 30 days, ✓ but not in full. Pestana Traders also allowed him to buy more goods ✓ before his account was paid, which was risky. ✓ (4)

The purpose of this activity is to encourage learners to think about debtors' accounts. For example, how much the debtor owed the business at the end of the month. The activity doesn't need to be completed in this format, as long as learners can calculate the outstanding amounts owed by the debtors. Do the account of W Dube with learners as an example and they can complete the others on their own. Ensure learners understand that they must add any sales and invoices and subtract payments or receipts.

Activity 7.7

Lower order (10)

| Column A | | Column B | |
|----------|-------------------------|----------|---|
| 1. | Credit ✓ | D. | Postponed payment |
| 2. | National Credit Act ✓ | G. | Discourages reckless lending |
| 3. | Debtors ✓ | H. | Current assets |
| 4. | Cash Receipts Journal ✓ | F. | Subsidiary journal for receipts of a debtor |
| 5. | Duplicate invoice ✓ | J. | Source document issued to a debtor for goods sold |
| 6. | Granting credit ✓ | A. | To allow someone credit |
| 7. | Debtors Journal ✓ | I. | Subsidiary journal for sales to debtors |
| 8. | Credit limit ✓ | E. | The rand value that a client can spend/buy for |
| 9. | Receipts ✓ | B. | Source document issued to debtor for payment received |
| 10. | Credit term ✓ | C. | How much time a client has to repay a debt |

Activity 7.8

1. Middle order (50)

Debtors Journal of Sijaji Traders for September 2019

DJ3

| Doc. no. | Day | Debtor | Fol. | Sales | | Cost of sales | |
|----------|-----|-------------|------|----------|----|---------------|----|
| 113 | 03 | E Trout | | ✓ 3 920 | 00 | ✓ 3 136 | 00 |
| 114 | 08 | V Sigingiqi | | ✓ 2 404 | 00 | ✓ 1 923 | 20 |
| 115 | 12 | E Trout | | ✓ 4 568 | 00 | ✓ 3 654 | 40 |
| 116 | 16 | S Sophi | | ✓ 1 900 | 00 | ✓ 1 520 | 00 |
| 117 | 24 | V Sigingiqi | | ✓ 3 860 | 00 | ✓ 3 088 | 00 |
| 118 | 27 | S Sophi | | ✓ 2 750 | 00 | ✓ 2 200 | 00 |
| ✓ | | | | ✓ 19 402 | 00 | ✓ 15 521 | 60 |

(15)

Cash Receipts Journal of Sijaji Traders for September 2019
CRJ3

| Doc. no. | Day | Details | Fol. | Analysis of receipts | Bank | | Sales | | Cost of sales | | Debtors control | | Sundry accounts | | |
|----------|-----|-------------|------|----------------------|------------|-----------|-----------|--|---------------|--|-----------------|--|-----------------|------|--------------|
| | | | | | | | | | | | | | Amount | Fol. | Details |
| 74 | 01 | M Sijaji | | ✓8 500 00 | | | | | | | | | 8 500 00 | | Capital✓ |
| CRR | | Sales | | ✓2 484 00 | ✓10 984 00 | ✓2 484 00 | ✓1 987 20 | | | | | | | | |
| 75 | 09 | E Trout | | ✓3 516 00 | | | | | | | ✓3 516 00 | | | | |
| CRR | | Sales | | ✓3 354 00 | ✓6 870 00 | ✓3 354 00 | ✓2 683 20 | | | | | | | | |
| 76 | 15 | V Sigingiqi | | ✓3 588 00 | | | | | | | ✓3 588 00 | | | | |
| CRR | | Sales | | ✓2 626 00 | ✓6 214 00 | ✓2 626 00 | ✓2 100 80 | | | | | | | | |
| CRR | 20 | Sales | | ✓8 464 00 | | ✓8 464 00 | ✓6 771 20 | | | | | | | | |
| 77 | | S Rivalland | | ✓2 598 00 | ✓11 062 00 | | | | | | | | ✓2 598 00 | | Rent income✓ |
| 78 | 26 | V Sigingiqi | | ✓2 800 00 | ✓2 800 00 | | | | | | ✓2 800 00 | | | | |
| 79 | 30 | E Trout | | ✓4 256 00 | | | | | | | ✓4 256 00 | | | | |
| 80 | | S Sophi | | ✓2 881 00 | ✓7 137 00 | | | | | | ✓2 881 00 | | | | |
| ✓ | | | | | 45 067 00 | 16 928 00 | 13 542 40 | | | | 17 041 00 | | ✓11 098 00 | | |

(35)

2. Higher order (25)

| Debtor | E Trout | V Sigingiqi | S Sophi |
|---|----------|-------------|----------|
| Opening balance | ✓ 2 250 | ✓ 3 222 | ✓ 1 112 |
| Transactions: Sales (+) or Payments (-) | ✓ +3 920 | ✓ +2 404 | ✓ +1 900 |
| | ✓ -3 516 | ✓ -3 588 | ✓ +2 750 |
| | ✓ +4 568 | ✓ +3 860 | ✓ -2 881 |
| | ✓ -4 256 | ✓ -2 800 | |
| Closing balance | ✓ R2 966 | ✓ R3 098 | ✓ R2 881 |

(17)

| Debtors' accounts balances | |
|----------------------------|----------|
| E Trout | ✓ 2 966 |
| V Sigingiqi | ✓ 3 098 |
| S Sophi | ✓ 2 881 |
| | ✓ R8 945 |

| Control of debtors' accounts | | |
|------------------------------|-----|-----------|
| Opening balance | | ✓ 6 584 |
| Total sales to debtors | DJ | ✓ +19 402 |
| Total payments by debtors | CRJ | ✓ -17 041 |
| Closing balance | | ✓ R8 945 |

(8)

Assist learners with the calculation of the amount paid by S Sophi on the 30th: Balance of R1 112 + R1 900 + R2 750 = R5 762. If half of the account is paid: $\frac{R5\ 762}{2} = R2\ 881$ is paid. Learners can also do Question 2 to calculate the outstanding amount.

When learners do the debtors' schedule, they may need help. The closing balance of each debtor is entered in the 'Debtors' accounts balances' table. This is added to reach a total amount. In the other table, 'Control of debtors' accounts', the opening balance is the total owed by debtors at the beginning of the month; total sales is the total from the DJ for the month; and total payments by debtors is the total from the Debtors control column in the CRJ. The totals of these two tables must be the same.

Informal assessment

Activities 7.1–7.3: Do these activities on the board and explain each transaction as you work through them. Learners mark and check their own work. (39)

Activities 7.4–7.6: Plan your board work so that all three activities fit on the board, if possible. Complete each activity on the board and explain each transaction. Learners must check and mark their own work and correct any mistakes.

When you do Activity 7.6, highlight each figure in the previous activities so that learners can clearly see where the figures come from.

The other two activities can also be displayed on an overhead/data projector and Activity 7.6 completed on the board using that information. (31)

Activities 7.7–7.8: Learners mark their own work using a handout. Check each learner's book while the others complete the activities. (85)

For information on Informal assessment, refer to the self-assessment, peer assessment and group assessment templates in Section 5 of this Teacher's Guide.

Consolidation

Read the keywords, which would form part of a transaction, and decide in which journal each entry would appear. You must be able to distinguish between the DJ (credit sales), CRJ (receipts) and the CPJ (payments).

| No. | Keyword(s) | Journal |
|-----|---|---------|
| 1. | Receipt issued | CRJ |
| 2. | Paid debt (to the business) | CRJ |
| 3. | Cashed cheque | CPJ |
| 4. | Invoice issued | DJ |
| 5. | Payment; cheque issued | CPJ |
| 6. | Purchased goods and paid | CPJ |
| 7. | Paid by cheque | CPJ |
| 8. | Cash sales; according to cash register roll | CRJ |
| 9. | Merchandise sold on credit | DJ |
| 10. | Settlement of an account | CRJ |
| 11. | Sold merchandise for cash | CRJ |
| 12. | Sold goods on credit | DJ |
| 13. | Bought a computer and paid | CPJ |
| 14. | Merchandise sold for cash | CRJ |
| 15. | Received; in payment of an account | CRJ |
| 16. | Received rent payment | CRJ |

Extension

Read through the transactions of Sports Wholesalers below and record ONLY those that are applicable to the Debtors Journal and Cash Receipts Journal for March 2012. Don't close off the journals.

Sports Wholesalers trades in sports equipment and uses a mark-up of 80% on cost price.

Notes:

- Remember to exclude transactions that don't belong in the DJ and CRJ.
- It is considered unethical business practice to have a high mark-up percentage. It is only used here for ease of calculation.

The following information was taken from the business's books:
 Debtors List on 1 March 2012:
 J Botha, R150 J Kallis, R88

Transactions for March 2012

- 01 H Amla, the owner, increases his capital contribution by R50 000.
 Issued receipt no. 75.
 Cash sales of R4 770 as per cash register roll.
- 03 G Smith bought goods for R225 and asked that they be charged to his account. Issued invoice no. 125.
- 07 Issued cheque no. 023 in favour of Kyle Suppliers for the following:
 - Goods, R3 000
 - Printer, R1 900
 - Office stationery, R650.
- 13 J Kallis orders sport equipment, R522. Charge this to his account.
- 15 Issued a cheque to Dee Andra and received the following:
 - Merchandise, R4 200 (less 5% trade discount)
 - Equipment, R1 010
 - Stationery, R650 (of which R300 was for the owner's personal use).
- 17 Received a cheque from J Botha to pay his debt as at 1 March 2012.
 Cash sales of merchandise with a cost price of R3 520.
- 20 Issued a cheque in favour of SPM for R2 400. R700 was for rates and taxes, R1 200 for water and electricity and the remainder for the personal rates and taxes of the owner.
- 29 Cash sales of R5 346 (cost price R2 970).
 Received a cheque from J Kallis in full payment of his account to date.
- 30 Issued an invoice to J Kallis, R234 (cost price R130).

Cash Receipts Journal of Sports Wholesalers for March 2012

CRJ3

| Doc. no. | Day | Details | Fol. | Analysis of receipts | Bank | | Sales | | Cost of sales | | Debtors control | | Sundry accounts | | |
|----------|-----|----------|------|----------------------|-----------|--|----------|----------|---------------|--|-----------------|--|-----------------|------|---------|
| | | | | | | | | | | | | | Amount | Fol. | Details |
| 75 | 01 | H Amla | | 50 000 00 | | | | | | | | | 50 000 00 | | Capital |
| CRR | | Sales | | 4 770 00 | 54 770 00 | | 4 770 00 | 2 650 00 | | | | | | | |
| 76 | 17 | J Botha | | 150 00 | | | | | | | 150 00 | | | | |
| CRR | | Sales | | 6 336 00 | 6 486 00 | | 6 336 00 | 3 520 00 | | | | | | | |
| CRR | 29 | Sales | | 5 346 00 | | | 5 346 00 | 2 970 00 | | | | | | | |
| 77 | | J Kallis | | 610 00 | 5 956 00 | | | | | | 610 00 | | | | |

Debtors Journal of Sports Wholesalers for March 2012

DJ3

| Doc. no. | Day | Debtor | Fol. | Sales | Cost of sales |
|----------|-----|----------|------|--------|---------------|
| 125 | 03 | G Smith | | 225 00 | 125 00 |
| 126 | 13 | J Kallis | | 522 00 | 290 00 |
| 127 | 30 | J Kallis | | 234 00 | 130 00 |

Topic 8

Price theory

Learner's Book pages 80–94

Duration: 6 hours

Term and week/s
Term 2, Weeks 2–7

**New words
and concepts**

price theory; law of demand; demand curve; x -axis; y -axis; law of supply; supply curve; equilibrium price; quantity demanded; quantity supplied

Curriculum and Assessment Policy Statement (CAPS) content

In this topic, learners will learn about THE ECONOMY. They will look at:

- law of demand and a graphical illustration of the demand curve
- law of supply and graphical illustration of the supply curve
- equilibrium price and quantity
- change in quantity demanded
- change in quantity supplied
- increase and decrease in demand
- increase and decrease in supply
- graphical illustration of the change in demand and the change in supply

Resources

This topic requires learners to become familiar with drawing the demand and supply curves, so you may want to get lots of large newsprint sheets so they can practise their skills.

Find local examples to illustrate the change in prices of goods and services according to supply and demand in your area, using the examples in the Learner's Book as a guide.

Source news articles from magazines, the Internet and newspapers about price changes, supply and demand. You could also find adverts for seasonal goods and services and discuss how the prices of these goods change at different times of the year such as heaters in winter; fans in summer; tyre and car service prices around school holidays and accommodation prices around the festive season. Ask the learners to bring their own examples to class as well. Display them on a noticeboard.

Gather old newspapers and magazines that the learners can use to source articles and adverts about supply and demand.

Preparation

- Read through the topic and familiarise yourself with the content that you will need to teach. Think about what learners may already know about the topics, what skills they already have and any areas of difficulty that you think they might encounter.
- Learners may struggle with this content and you run the risk of confusing them if you are not absolutely sure of your facts when you teach. It is critical that you are familiar with the content and with drawing supply and demand curves before you teach this topic. You will need to be confident and authoritative in your teaching.

- Extract the demand and supply graphs you will need from the Learner's Book and draw additional graphs to show your own examples to supplement your teaching.
- Gather your articles and adverts. Plan how you will integrate them into your teaching.
- Each week in this topic builds on content taught in the previous week, so make sure that progression occurs and that the learners understand each lesson's work before you progress to the next lesson.

Teaching the topic

There are 6 lessons in this topic.

| Lesson | Week | Pages | Activities |
|--------|------|---------|------------|
| 2 | 2 | 102 | – |
| 3 | 3 | 102–103 | 8.1 |
| 4 | 4 | 103 | – |
| 5 | 5 | 103 | 8.2 |
| 6 | 6 | 103–104 | 8.3 |
| 7 | 7 | 104 | 8.4–8.6 |

Lesson 2

- Use the text on page 80 and the photograph in Figure 8.1 of the Learner's Book as a starting point for your discussion about price theory.
- Ask learners to give some more examples of price changes in response to demand for goods and services. Ask them to look out over the next few weeks for adverts and articles about this and to bring them to class.
- Work through the text in the Learner's Book page 81 that defines demand and the law of demand.
- If the learners have brought their own examples of articles and adverts showing demand to class, discuss them. If you have old newspapers or magazines that they can use, hand them out and let them search for examples to discuss.
- If you have time, start introducing the demand curve.

Lesson 3

- Recap demand and the law of demand.
- Explain that economists use graphs to show the relationship between demand, supply and price and that these graphs help us to understand how businesses price goods and services.
- Work through the demand curve in Figure 8.2 of the Learner's Book with the learners. It may be easier for them to understand if you draw the graph on the board or on a large sheet of newsprint, teaching the elements as you draw them in.
- Analyse the demand curve using the points below Figure 8.2 in the Learner's Book page 82.
- Work through the cellphone example in Figure 8.3 of the Learner's Book.
- Teach the learners how to read data off the curve using the text below Figure 8.3 in the Learner's Book.

- If there is time, use one of your own demand curve examples to reinforce your teaching.
- **Do Activity 8.1.**

Lesson 4

- Recap demand, the law of demand and the demand curve.
- Give the learners some newsprint sheets and divide them into groups. Ask them to draw a demand curve using units and quantities that you give them.
- Ask the learners if, in the light of what they know about demand, they can guess what supply is and how supply and price would be related.
- Use the text and the illustrations in Figure 8.4 of the Learner's Book to teach supply and how supply influences prices.
- Ask the learners what they think would happen if supply is greater than demand and if demand is greater than supply.
- Ask the learners if they can work out what the law of supply is, knowing what they know about the law of demand.
- Explain the law of supply.

Lesson 5

- Use the graph in Figure 8.5 of the Learner's Book to teach the supply curve, using the same method as you used to teach the demand curve. Draw the graph on the board or a sheet of newsprint, explaining its elements as you draw them in.
- Analyse the supply curve using the points below Figure 8.5 in the Learner's Book pages 84–85.
- Work through the cellphone example in Figure 8.6 of the Learner's Book.
- Teach the learners how to read data off the curve using the text below Figure 8.6 in the Learner's Book page 85.
- If there is time, use one of your own supply curve examples to reinforce your teaching.
- **Do Activity 8.2.**
- Allow time for the learners to complete this activity in class.

Lesson 6

- Recap demand, supply, the laws of demand and supply and the demand and supply curves.
- You may want to leave some examples of demand and supply curves visible on the classroom wall for a few weeks so that learners can refer to them at any time during your teaching.
- Remind the learners that these curves form part of price theory. Then teach the equilibrium price of a product.
- Using Figure 8.7 of the Learner's Book, teach learners how to find the equilibrium price and quantity using a graph.
- Work through Figure 8.8 of the Learner's Book, showing the equilibrium price and quantity for the cellphone example. Analyse the graph using the points below Figure 8.8 in the Learner's Book.

- **Do Activity 8.3.**
- Allow time for the learners to complete this activity in class.
- Use Figure 8.9 in the Learner's Book to teach movement along the demand curve in response to a change in quantity demanded.
- Use Figure 8.10 in the Learner's Book to teach movement along the supply curve in response to a change in quantity supplied.

Lesson 7

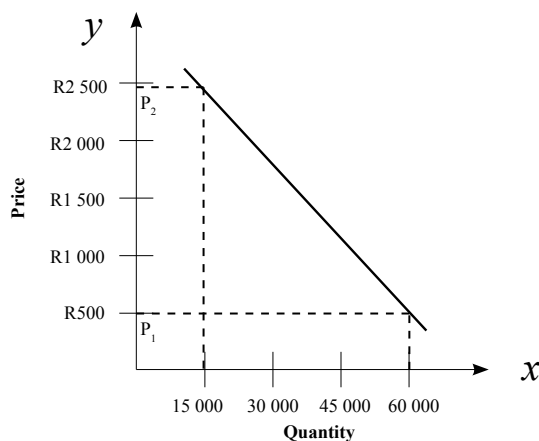
- Recap equilibrium price and quantity, change in quantity demanded and change in quantity supplied by revising the graphs you taught in Lesson 6 to ensure progression.
- **Do Activity 8.4.**
- Continue by teaching increase and decrease in demand. Use Figure 8.11 in the Learner's Book to show what happens to the demand curve when there is an increase and decrease in demand.
- Link the concepts of an increase or decrease in demand and an increase or decrease in supply. Ask learners what they think will happen to the supply curve if supply increases or decreases.
- Using Figure 8.12 in the Learner's Book, teach the supply curve shift that happens in response to an increase or decrease in supply.
- **Do Activities 8.5 and 8.6.**
- Allow time for the learners to complete these activities in class so that you can help them if they get stuck.

Answers

Activity 8.1

Middle order (10)

Learners' graphs should look like this:



Award marks as follows:

- Two marks for the correct placement of and units on the x -axis
- Two marks for the correct placement of and units on the y -axis
- Two marks for the correct demand curve
- Two marks for P₁ correctly shown
- Two marks for P₂ correctly shown.

»» Activity 8.2

1. *Lower order* (3)

Demand is the quantity of a good or service ✓ that consumers want to buy ✓ when the good or service is at a specific price. ✓

2. *Lower order* (2)

Supply is how much of a good or service is available ✓ for consumers to buy. ✓

3. *Middle order* (2)

Supply is high, ✓ so the price is low. ✓

4. *Higher order* (1)

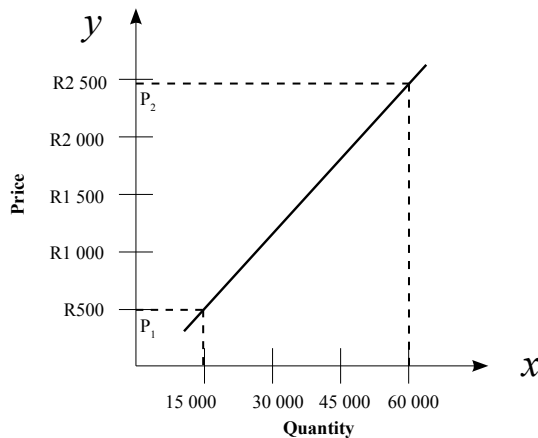
Yes, there are clothes for winter and summer, and fashions or trends also change regularly. ✓

5. *Middle order* (3)

When a shop has a sale, it lowers the prices of its goods. ✓ When the price of goods is low, the quantity demanded will be high. ✓ By lowering the prices, the shop hopes to increase the demand for its goods and so, sell more goods. ✓

6. *Middle order* (10)

Learners' graphs should look like this:



Award marks as follows:

- Two marks for the correct placement of and units on the x -axis
- Two marks for the correct placement of and units on the y -axis
- Two marks for the correct supply curve
- Two marks for P_1 correctly shown
- Two marks for P_2 correctly shown.

»» Activity 8.3

1. *Lower order* (1)

The price of a product when demand equals supply. ✓

2. *Middle order* (8)

Learners draw and label a graph like the one in Figure 8.7.

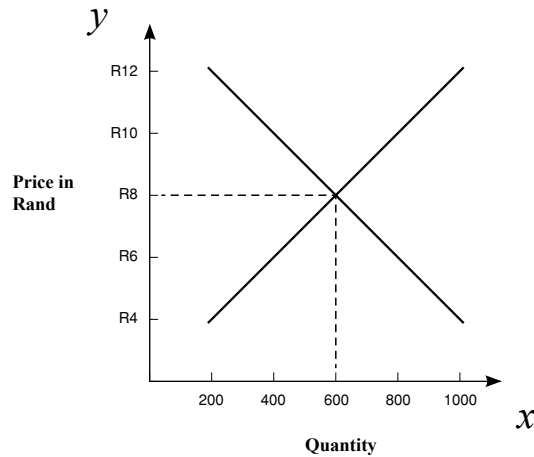
Award marks as follows:

- One mark for the x -axis correctly labelled
- One mark for the y -axis correctly labelled

- Two marks for the demand curve
- Two marks for the supply curve
- Two marks for the indication of the price and quantity at which the curves intersect

3. Higher order (10)

Learners' graphs look like this:



Award marks as follows:

- Two marks for the correct placement of and units on the x -axis
- Two marks for the correct placement of and units on the y -axis
- Two marks for the correct supply curve
- Two marks for the correct demand curve
- Two marks for the indication of the price and quantity at which the curves intersect

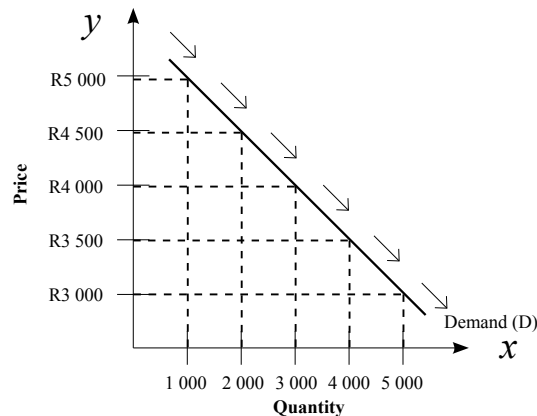
4. Middle order (2)

The equilibrium price is R8 ✓ and the equilibrium quantity is 600. ✓

Activity 8.4

1.–2.: Middle order (32)

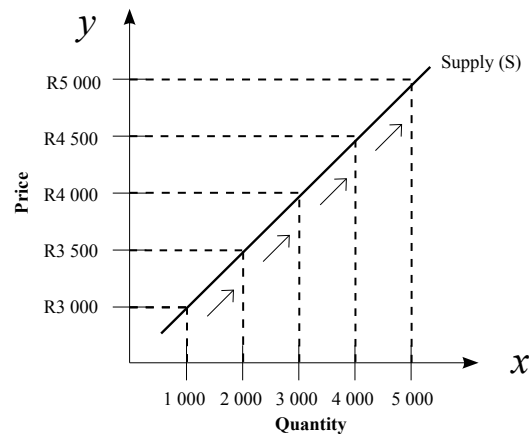
1. a. Learners' graphs should look like this:



Award marks as follows:

- Two marks for the correct placement of and units on the x -axis
 - Two marks for the correct placement of and units on the y -axis
 - Two marks for the correct demand curve
 - Four marks for the plotting lines correctly shown
 - Two marks for the arrows showing the slope of the demand curve (12)
- b.** The change in quantity demanded causes a movement along the demand curve. ✓ For example, when the price of laptops is R3 000 (low), demand is high (5 000). ✓ But when the price of laptops is R5 000 (high), demand is low (1 000). ✓ The movement along the demand curve is shown by the arrows in the graph. ✓ As the price increases, the demand drops. (4)

2. a. Learners' graphs should look like this:



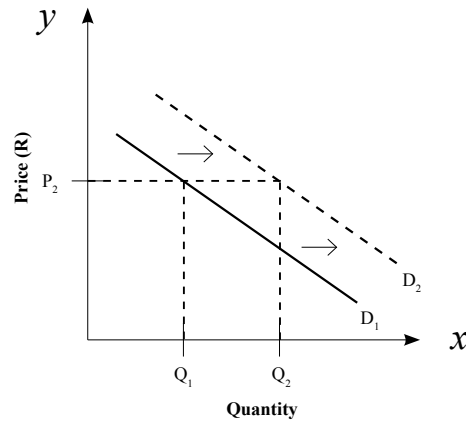
Award marks as follows:

- Two marks for the correct placement of and units on the x -axis
 - Two marks for the correct placement of and units on the y -axis
 - Two marks for the correct supply curve
 - Four marks for the plotting lines correctly shown
 - Two marks for the arrows showing the slope of the supply curve (12)
- b.** The change in quantity supplied causes a movement along the supply curve. ✓ For example, when the price of laptops is R3 000 (low), supply is low (1 000). ✓ But when the price of laptops is R5 000 (high), supply is high (5 000). ✓ The movement along the supply curve is shown by the arrows in the graph. ✓ As the price increases, the supply increases, and suppliers are willing to provide more. (4)

» **Activity 8.5**

1.–2.: Middle order (28)

1. Learners' graphs should look like this:

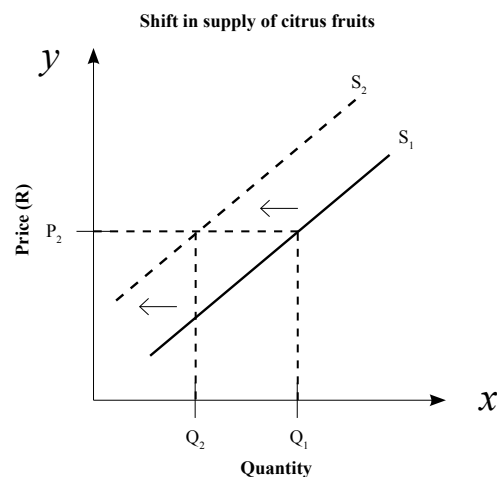


Award marks as follows:

- Two marks for the correct placement of and labelling of the x -axis
- Two marks for the correct placement of and labelling of the y -axis
- Two marks for demand curve D_1
- Two marks for demand curve D_2
- Two marks for P_1 correctly shown
- Two marks for Q_1 and Q_2 correctly shown
- Two marks for the arrows indicating the direction of the demand curve shift. (14)

The graphs must show that the whole demand curve shifts to the right.

2. Learners' graphs should look like this:



Award marks as follows:

- Two marks for the correct placement of and labelling of the x -axis
- Two marks for the correct placement of and labelling of the y -axis
- Two marks for supply curve S_1
- Two marks for supply curve S_2
- Two marks for P_1 correctly shown

- Two marks for Q_1 and Q_2 correctly shown
- Two marks for the arrows indicating the direction of the supply curve shift. (14)

The graphs must show that the whole supply curve shifts to the left.

Activity 8.6

1. **Lower order (1)**

Changes in the quantity that consumers demand are always caused by a change in price. ✓

2. **Middle order (13)**

A change in quantity demanded causes movements up or down the demand curve. ✓ Learners draw a rough diagram such as the one in Figure 8.9 of the Learner's Book to illustrate this.

Award marks as follows:

- Two marks for the correct placement of and units on the x -axis
- Two marks for the correct placement of and units on the y -axis
- Two marks for the correct demand curve
- Four marks for the plotting lines correctly shown
- Two marks for the arrows showing the slope of the demand curve (12)

3. **Lower order (1)**

Changes in the quantity that producers supply are always caused by a change in price. ✓

4. **Middle order (13)**

A change in quantity supplied causes movements up and down the supply curve. ✓ Learners draw a rough diagram such as the one in Figure 8.10 of the Learner's Book to illustrate this.

Award marks as follows:

- Two marks for the correct placement of and units on the x -axis
- Two marks for the correct placement of and units on the y -axis
- Two marks for the correct supply curve
- Four marks for the plotting lines correctly shown
- Two marks for the arrows showing the slope of the supply curve (12)

5. **Higher order (29)**

The demand and supply curves shift. ✓ Learners draw rough diagrams such as Figures 8.11 and 8.12 of the Learner's Book to illustrate these shifts. Award marks for these graphs as per Activity 8.5, Questions 1 and 2 (14 + 14 = 28).

Informal assessment

Activity 8.1: Observe the learners' group interactions and make notes about how their ability to share information with a group is developing. (no marks)

Activities 8.2, 8.3, 8.4 and 8.5:

Take in the learners' graphs and mark them to ensure that they have interpreted the question information correctly and represented it graphically in a way that

demonstrates understanding. Use Activity 8.5 for peer assessment and allow learners to check each other's graphs and point out ways of representing the information more accurately, if necessary. (103)

Activity 8.6: Take in the learners' answers and mark them to assess how well the learners are able to work on their own. Observe them as they work to see how focused they remain on the task. Be available to assist them if they get stuck. (57)

For information on Informal assessment, refer to the self-assessment, peer assessment and group assessment templates in Section 5 of this Teacher's Guide.

Consolidation

- **Explain price theory.**

Price theory is the economic theory that states that the price of goods and services depends on the relationship between their supply and their demand.

- **State the laws of demand and supply.**

The law of demand is a law in economics that states that consumers buy more of a good or service when its price goes down, and less of a good or service when its price goes up. Another way of explaining the law of demand is as follows: if the supply of a good or service does not change, when demand goes up price increases and when demand goes down price decreases. The law of supply is a law that states that if demand stays the same, when supply of a good or service increases its price drops, and when supply of a good or service decreases its price goes up.

- **Define equilibrium price.**

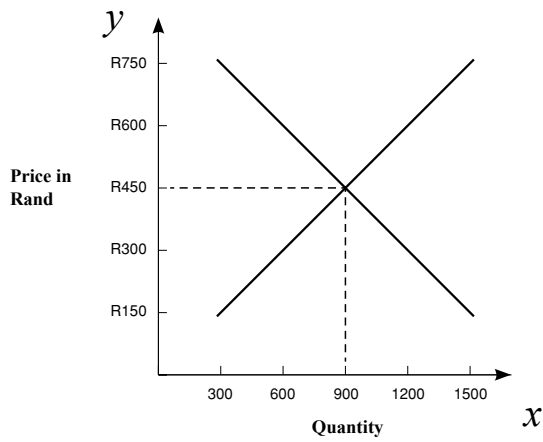
Equilibrium price is the price of a product when demand equals supply.

Extension

- **Draw a supply and demand curve using the following information and determine the equilibrium price and quantity of skateboards.**

| Demand for skateboards | | Supply of skateboards | |
|------------------------|-------|-----------------------|-------|
| R150 | 1 500 | R150 | 300 |
| R300 | 1 200 | R300 | 600 |
| R450 | 900 | R450 | 900 |
| R600 | 600 | R600 | 1 200 |
| R750 | 300 | R750 | 1 500 |

Learners' graphs look like this:



The equilibrium price is R450 and the equilibrium quantity is 900.

Formal assessment

For information on Formal Assessment Task 2: Data response and on how to assess learner's assignments, controlled tests, case studies and projects, please see Section 3 of this Teacher's Guide.

Topic 9

Sectors of the economy

Learner's Book pages 95–105

Duration: 4 hours

Term and week/s
Term 2, Weeks 8–9

New words and concepts

primary sector;
secondary sector;
tertiary sector;
agricultural;
industrial;
interrelationships;
sustainability;
skills levels

Curriculum and Assessment Policy Statement (CAPS) content

In this topic, learners will learn about ENTREPRENEURSHIP. They will look at:

- the primary sector
- the secondary sector
- the tertiary sector
- types of businesses found in the three sectors
- the interrelationship of the three sectors
- sustainable use of resources in the three sectors
- the role of the three sectors in the economy
- types of skills required in each sector

Resources

This topic recaps some of the content you taught in Grade 8. Reuse your Grade 8 resources, such as articles about and pictures of the different economic sectors and the businesses in them, and find new ones to supplement your existing ones.

Make a list of some of the local businesses in your area and note whether they are in the primary, secondary or tertiary sectors. Using

local examples will be most effective for this topic. Make notes about how the local businesses you have listed are interrelated.

You will be recapping sustainable resource use so have your resources for renewable and non-renewable resources ready, or find new ones.

Gather articles and information about skilled, unskilled and semi-skilled labour and sustainable resource use. Articles about developed and developing countries and the role that the economic sectors play in these countries will also be very helpful. Make a list of your own examples of jobs that require skilled, semi-skilled and unskilled labour.

Preparation

- Read through the topic and familiarise yourself with the content that you will need to teach. Think about what learners may already know about the topics, what skills they already have and any areas of difficulty that you think they might encounter.
- Revise what you have already taught the learners about the primary, secondary and tertiary sectors and sustainable resource use in Grade 8.
- Anticipate what your learners may know about different levels of skills in the labour force. If most of your learners are fairly well-off, they may be familiar with skilled and semi-skilled labour. If your learners struggle with poverty, they may be more familiar with unskilled labour positions. Prepare yourself for the kinds of experiences your learners may have had so that you can teach this content sensitively.
- Avoid stigmatising any type of labour in your teaching. Make sure that your learners do not do so either.
- Gather your resources and plan how you will integrate them into your teaching. Ask the learners to bring their own news articles and resources to class that are relevant to this topic's content.

Teaching the topic

There are 2 lessons in this topic.

| Lesson | Week | Pages | Activities |
|--------|------|---------|------------|
| 8 | 8 | 112–113 | 9.1 |
| 9 | 9 | 113 | 9.2–9.3 |

Lesson 8

- Start by recapping what the learners remember about the primary, secondary and tertiary sectors from Grade 8, using the photos and class discussion questions in the Learner's Book page 95.
- You may want to use a class quiz to do this. Alternatively, allow the learners to have a ten-minute group discussion about the three sectors and to prepare some notes about what they remember to present to the class.

- Using your articles and picture resources, and the text and photos in the Learner's Book pages 96–98, recap the three sectors.
- Ask learners to provide their own examples of businesses in each sector to contribute to the discussion.
- **Do Activity 9.1.**
- Allow time for the learners to complete this activity in class and to report back in their groups.
- Use the diagrams in Figures 9.5, 9.6, 9.7 and 9.8 in the Learner's Book, and your own resources, to teach the interrelationship of the three sectors.

Lesson 9

- Recap the three sectors and their interrelationship.
- **Do Activity 9.2.**
- Allow time for the learners to complete this activity in class and to report back in their groups.
- Recap what the learners know about sustainable resource use, renewable resources and non-renewable resources.
- Work through the text on sustainable use of resources in the three sectors in the Learner's Book page 102.
- Ask the learners if they know which sector most of the money comes from in developed and developing countries. Ask them to explain their answers. Use your own resources to discuss this.
- Work through the text on the role of the three sectors in the economy in the Learner's Book page 103.
- Ask the learners to name some of the jobs they know something about. Write the list on the board. With the learners' input, classify the jobs according to the level of skills the learners think people need to do each job.
- Use this classification and your own examples as a starting point for teaching skilled, unskilled and semi-skilled labour.
- Work through the text in the Learner's Book pages 103–105 on the types of skills required in each sector and the levels of skills that each sector requires.
- **Do Activity 9.3.**
- Allow time for the learners to start this activity in class and plan their research and report-writing as homework.

Answers

»» Activity 9.1

1., 2., 3b and c, 4.: Middle order; 3a and d: Higher order

1.–3. (14)

Learners give their own local examples and base their group discussion and reports on the examples they chose. For example, if they live in a rural wheat-farming area, they could answer the following as one business example in Question 3:

- a. The commercial wheat farms in this area need lots of fertile land; ✓ enough rainfall in winter ✓; cool temperatures in the growing season ✓; fertilisers ✓; seed ✓; harvesters ✓; farm workers ✓, and so on.
 - b. They produce wheat ✓, which they sell to mills such as Bokomo Foods for processing. ✓
 - c. They work directly with ✓ natural resources, so they are primary-sector industries. ✓
 - d. Without the wheat farmers, the mills such as Bokomo Foods would have no inputs for producing their goods, which include breakfast cereals. ✓ These secondary-sector industries would not survive without the commercial wheat farmers. ✓ They are also linked to retail industries in the tertiary sector because retail businesses such as general dealers and supermarkets buy manufactured foods from secondary-sector businesses such as Bokomo. ✓ Without food suppliers, retail businesses would have no goods to sell. ✓ Encourage learners to see connections between all five of the businesses they chose for this question.
4. Learners use their answers in Question 3 a–d and streamline them into an informal report that they can discuss with others in the class. Award 8 marks for the contents of the report (one mark for each point made) and two marks for report structure. (10)

»» Activity 9.2

1.–3.: Middle and Higher order (25)

There are two components to this activity: the group discussion and the class presentation. Ensure that the learners discuss Question 2 creatively and critically. They should show evidence that they can integrate and apply what they have learnt to their real-life experiences. Encourage the groups to think of creative ways of portraying their presentation information.

Learners recall what they discussed in Activity 9.1 about the relationships between the businesses in different sectors in their area. They apply this to their own lives. For example, in Question 2 learners could say the following: If the wheat industry in the area collapsed because the wheat crop failed due to drought, ✓ the commercial farmers would not be able to continue financially. ✓ The price of wheat would go up because it would be scarce, ✓ so Bokomo Foods would have to pay a lot more for its production inputs. ✓ This

would mean that they would have to charge more money for their food goods, ✓ which would put financial pressure on consumers. ✓ Consumers would have to cut their spending in other areas to afford food. ✓ So, they would spend less on important things such as healthcare and education. ✓ Other industries, such as leisure, entertainment and tourism, ✓ would suffer because people would save their money to spend on essential goods instead. ✓

Encourage learners to choose a presentation format that they enjoy for Question 3. They could use a formal report or something more creative such as a short play. Ensure that all learners participate in the report-back and that, whichever presentation format they choose, they still convey information accurately and clearly. Award 10 marks for presentation content and 5 marks for how the information was conveyed.

» Activity 9.3

1.–2.: Higher order, 3. Middle order (15)

Learners refer to their work in Activity 9.1 and do independent research, which they then correlate with their partners' research to prepare a short report.

Learners progress through Activities 9.1 and 9.2 and build on their knowledge to research how skilled the labour is in different businesses from different sectors. They focus on any two businesses that they discussed in Activity 9.1. Make sure that this decision is democratic and that dominant learners do not insist on researching their own choices. They use the media centre; local library; Internet or local universities and colleges or the school's career guidance advisor to do their research. Their research does not have to be exhaustive – they are not aiming to find out exactly what they need to study and how they need to qualify to work in the positions. They just need to assess what the work entails and what skill level it requires. For example, a commercial wheat farm requires high skill and expertise levels to plan the farm's operations and to determine when to plant and harvest. There is also specialised equipment that needs operating and high-end analysis of soil chemistry to be done. However, farm workers who need to plough the fields to prepare for planting do not need to be as skilled as the farm's specialists.

Learners use their research to draft a short report, with an introduction paragraph, two separate body paragraphs (one for each business) and a concluding paragraph. Award 10 marks for report content and 5 marks for structure and presentation.

Informal assessment

Activity 9.1: Observe how well the learners interact in groups and how fairly they contribute to the group work. Make notes about your observations. Use the following rubric to assess the reports.

Rubric

| Rating code | Description of competence | Percentage |
|-------------|--|------------|
| 7 | Outstanding achievement: the report covered all of the required areas fully, showed evidence of thorough research and understanding, was submitted on time and was well written | 80–100 |
| 6 | Meritorious achievement: the report covered all of the required areas with most of the detail required, showed evidence of good research and understanding, was submitted on time and was well written | 70–79 |
| 5 | Substantial achievement: the report covered most of the required areas, showed evidence of research and understanding and was submitted on time | 60–69 |
| 4 | Adequate achievement: the report covered little of the required information, showed little evidence of research and understanding, was submitted on time and contained a few writing and presentation errors | 50–59 |
| 3 | Moderate achievement: the report covered very little of the required information, showed very little evidence of research and understanding, and contained writing errors | 40–49 |
| 2 | Elementary achievement: the report covered hardly any required areas, showed almost no evidence of research and understanding and contained many writing errors | 30–39 |
| 1 | Not achieved: the report was not submitted at all or was submitted late | 0–29 |

Activity 9.2: Observe the group discussion and make notes on each group's performance, focusing on the content the learners present as well as the way in which they present it. Reward fresh and innovative ways of presenting the information. (no marks)

Activity 9.3: Take in the learners' reports and mark them to assess how well the learners are able to collaborate on a report. (15)

For information on Informal assessment, refer to the self-assessment, peer assessment and group assessment templates in Section 5 of this Teacher's Guide.

Consolidation

- **Describe the primary, secondary and tertiary sectors and give your own example of a business in each sector.**

The primary sector is the economic sector in which businesses use land and natural resources as raw materials.

The secondary sector is the economic sector in which people use raw materials from the primary sector to process or manufacture things people can use.

The tertiary sector is the economic sector in which businesses offer services to the public.

Learners give their own examples of a business in each sector.

- **Which type of country makes most of its money from the primary sector – a developing country or a developed country? Explain.**

A developing country, because more people work close to the land in these countries, which are less industrialised than developed countries.

Extension

Describe the connection between standard of living and the tertiary sector.

The tertiary sector plays a larger role in the economies of developed countries than in developing countries. This is because the standard of living is higher in developed countries, so people can afford services such as entertainment, tourism and media. In developing countries where the standard of living is lower, many of the services in the tertiary sector, such as restaurants, holiday accommodation, financial services and entertainment are an unaffordable luxury.

Revision Term 2

Learner's Book pages 106–109

Topic 7: Credit transactions: Debtors (1)

Activity 1: Revise credit transactions with debtors

1.1–1.3 Middle order

Debtors Journal of Tonbren Traders for November 2015 DJ11

| Doc. no. | Day | Debtor | Fol. | Sales | | Cost of sales | |
|----------|-----|------------|------|---------|----|---------------|----|
| | | | | | | | |
| 89 | 04 | F Abrahams | | ✓ 3 501 | 00 | ✓ 2 625 | 75 |
| 90 | 13 | A Carolus | | ✓ 4 563 | 00 | ✓ 3 422 | 25 |
| 91 | | N Baard | | ✓ 3 582 | 00 | ✓ 2 686 | 50 |
| 92 | 21 | F Abrahams | | ✓ 5 152 | 00 | ✓ 3 864 | 00 |
| 93 | 26 | A Carolus | | ✓ 2 757 | 00 | ✓ 2 067 | 75 |
| | | | | 19 555 | 00 | 14 666 | 25 |

(10)

Cash Receipts Journal of Tonbren Traders for November 2015

CRJ11

| Doc. no. | Day | Details | Fol. | Analysis of receipts | | Bank | | Sales | | Cost of sales | | Debtors control | Sundry accounts | | | |
|----------|-----|------------|------|----------------------|----|---------|----|--------|----|---------------|----|-----------------|-----------------|--------|--------------|--|
| | | | | | | | | | | | | | Amount | Fol. | Details | |
| 55 | 01 | P Gahno | | ✓25 000 | 00 | | | | | | | ✓25 000 | 00 | | Capital✓ | |
| 56 | | N Baard | | ✓1 117 | 00 | ✓26 117 | 00 | | | | | ✓1 117 | 00 | | | |
| CRR | 11 | Sales | | ✓3 357 | 00 | | | ✓3 357 | 00 | ✓2 517 | 75 | | | | | |
| 57 | | A Carolus | | ✓2 034 | 00 | ✓5 391 | 00 | | | | | ✓2 034 | 00 | | | |
| 58 | 15 | F Abrahams | | ✓7 721 | 00 | | | | | | | ✓7 721 | 00 | | | |
| CRR | | Sales | | ✓8 460 | 00 | ✓16 181 | 00 | ✓8 460 | 00 | ✓6 345 | 00 | | | | | |
| CRR | 24 | Sales | | ✓448 | 00 | | | ✓448 | 00 | ✓336 | 00 | | | | | |
| 59 | | A Carolus | | ✓4 250 | 00 | ✓4 698 | 00 | | | | | ✓4 250 | 00 | | | |
| 60 | 30 | S Jacobs | | ✓5 600 | 00 | | | | | | | | ✓5 600 | 00 | Rent income✓ | |
| 61 | | F Abrahams | | ✓2 420 | 00 | ✓8 020 | 00 | | | | | 2 420 | 00 | | | |
| | | | | | | 60 407 | 00 | 12 265 | 00 | 9 198 | 75 | 17 542 | 00 | 30 600 | 00 | |

Calculation of the amount paid by F Abrahams on the 15th:
 Balance (R4 220) + R3 501 = R7 721

Cash Payments Journal of Tonbren Traders for November 2015
CPJ11

| Doc. no. | Day | Name of payee | Fol. | Bank | | Trading stock | | Wages | | Sundry accounts | | |
|----------|-----|-----------------------|------|---------------|-----------|---------------|-----------|---------------|-----------|-----------------|-----------|------------------------|
| | | | | ✓ | 00 | ✓ | 00 | ✓ | 00 | Amount | Fol. | Details |
| 221 | 02 | Cash | | ✓4 330 | 00 | | | ✓4 330 | 00 | | | |
| 222 | 05 | Municipality | | ✓866 | 00 | | | | | ✓866 | 00 | Water and electricity✓ |
| 223 | 08 | Jandre & Eugan Stores | | ✓8 552 | 00 | ✓8 552 | 00 | | | | | |
| 224 | 10 | Inkpencil | | ✓661 | 00 | | | | | ✓661 | 00 | Stationery✓ |
| 225 | 14 | Jandre & Eugan Stores | | ✓2 333 | 00 | ✓2 333 | 00 | | | | | |
| 226 | 16 | Cash | | ✓4 330 | 00 | | | ✓4 330 | 00 | | | |
| 227 | 18 | Telkom | | ✓1 023 | 00 | | | | | ✓445 | 00 | Drawings✓ |
| | | | | | | | | | | ✓578 | 00 | Telephone✓ |
| 228 | 22 | PC Answers | | ✓4 220 | 00 | | | | | ✓4 220 | 00 | Equipment✓ |
| 229 | 27 | Goods-for-All | | ✓5 668 | 00 | ✓5 202 | 00 | | | ✓466 | 00 | Drawings✓ |
| 230 | 30 | Cash | | ✓4 330 | 00 | | | ✓4 330 | 00 | | | |
| | | | | 36 313 | 00 | 16 087 | 00 | 12 990 | 00 | 7 236 | 00 | |

(67)

1.4 Higher order

Schedule of the debtors' accounts.

| Debtor | F Abrahams | N Baard | A Carolus |
|--|-----------------|-----------------|-----------------|
| Opening balance | ✓ 4 220 | ✓ 1 117 | ✓ 3 434 |
| Transactions: Sales (+) or Payments(-) | ✓ +3 501 | ✓ -1 117 | ✓ -2 034 |
| | ✓ -7 721 | ✓ +3 582 | ✓ +4 563 |
| | ✓ +5 152 | | ✓ -4 250 |
| | ✓ -2 420 | | ✓ +2 757 |
| Closing balance | ✓ R2 732 | ✓ R3 582 | ✓ R4 470 |

| Debtors' accounts balances | |
|----------------------------|----------------|
| F Abrahams | ✓ 2 732 |
| N Baard | ✓ 3 582 |
| A Carolus | ✓ 4 470 |
| | R10 784 |

| Control of debtors' accounts | | |
|------------------------------|-----|------------------|
| Opening balance | | ✓ 8 771 |
| Total sales to debtors | DJ | ✓ +19 555 |
| Total payments by debtors | CRJ | ✓ -17 542 |
| Closing balance | | ✓ R10 784 |

(23)

Topic 8: Price theory

Activity 2: Revise price theory

2.1 Define price theory. (3) *Lower order*

Price theory is the economic theory ✓ that states that the price of goods and services ✓ depends on the relationship between their supply and their demand. ✓

2.2 According to price theory, which two factors influence the price of goods and services? (2) *Lower order*

Supply ✓ and demand ✓

2.3 Define demand. Explain the law of demand. (7) *Middle order*

Demand is the quantity of a good or service that consumers want to buy ✓ when the good or service is at a specific price. ✓ The law of demand is a law in economics ✓ that states that consumers buy more of a good or service ✓ when its price goes down, ✓ and less of a good or service ✓ when its price goes up. ✓

2.4 Define supply. Explain the law of supply. (6) *Middle order*

Supply is how much of a good or service is available ✓ for consumers to buy. ✓ The law of supply is a law that states ✓ that if demand stays the same, ✓ when supply of a good or service increases its price drops, ✓ and when supply of a good or service decreases its price goes up. ✓

2.5 Make a rough labelled drawing of a demand curve. Write some notes to explain what the graph shows. (14) *Middle order*

Learners draw a graph that resembles Figure 8.2 of the Learner's Book. Their notes say something like this:

- You plot price on the y -axis ✓ and quantity on the x -axis. ✓
- When the price of a good or service is low (at P_1), ✓ the quantity demanded will be high (Q_1). ✓
- When the price of a good or service is high (at P_2), ✓ the quantity demanded will be low (Q_2). ✓
- The relationship between price and quantity demanded makes a curve. ✓

Award the same number of marks for the presence of these notes on the learners' drawings.

2.6 Explain how demand curves and supply curves are different. (2) *Middle order*

A demand curve is a graph showing how the demand for a good or service and its price are related, ✓ whereas a supply curve is a graph showing how the supply of a good or service and its price are related. ✓

2.7 What happens to price when supply increases? (1) *Lower order*

Price drops. ✓

2.8 What happens to price when demand increases? (1)

Lower order

Price increases. ✓

2.9 Describe the equilibrium price of a good or service. (2)

Lower order

Equilibrium price is the price of a product ✓ when demand equals supply. ✓

2.10 Draw a rough labelled graph showing a good's equilibrium price and quantity. (10) *Middle order*

Learners' diagrams should resemble the graph in Figure 8.7 of the Learner's Book. Award marks for the following: axes labelled correctly; ✓✓ demand curve the correct shape; ✓✓ supply curve the correct shape; ✓✓ demand and supply curves intersect; ✓✓ plotting of the equilibrium point done correctly to show a price on the y -axis and a quantity on the x -axis. ✓✓

2.11 Complete the following sentences. (4) *Lower order*

- A change in quantity demanded causes a movement up or down the demand curve. ✓
- A change in quantity supplied causes a movement up or down the supply curve. ✓
- An increase or decrease in demand causes a shift of the demand curve. ✓
- An increase or decrease in supply causes a shift of the supply curve. ✓

Topic 9: Sectors of the economy

Activity 3: Revise the sectors of the economy

3.1 What is an economic sector? (2) *Lower order*

It is a way of grouping business activities. ✓✓

3.2 Name and briefly explain the three economic sectors. (6)

Middle order

- Primary sector: ✓ the economic sector in which businesses use land and natural resources as raw materials. ✓
- Secondary sector: ✓ the economic sector in which people use raw materials from the primary sector to process or manufacture things people can use. ✓
- Tertiary sector: ✓ the economic sector in which businesses offer services to the public. ✓

3.3 Name three types of businesses in each of the economic sectors you named in Question 3.2. (9) *Middle order*

- Primary sector: fishing, farming, mining ✓✓✓
- Secondary sector: food and drink factories, textile factories, clothing manufacturers ✓✓✓
- Tertiary sector: banks, hospitals, hotels ✓✓✓
(any other correct answers)

3.4 The economic sectors are interrelated and depend on one another for survival. Explain this statement. (8) *Higher order*

Businesses in the primary sector need other businesses to buy their products. ✓ Businesses in the secondary sector need the raw materials that the primary sector produces. ✓ Businesses in the secondary sector make finished goods for another company to sell or export. ✓ The secondary and tertiary sectors are also linked to each other and to the primary sector. ✓ The tertiary sector needs products from the primary sector. ✓ This is because the tertiary sector uses what the secondary sector manufactures. ✓ No business can happen in any of the sectors if the primary sector

does not supply food such as wheat, sugar and meat for workers in all of the sectors to buy and eat. ✓ So, if one sector breaks down, the other two sectors cannot work properly. ✓

3.5 Explain why the primary sector in particular needs to use resources sustainably. (6) *Middle order*

The primary sector uses many resources, ✓ so it needs to be extremely careful to use resources sustainably. ✓ If the resources that the primary sector uses, such as soil, forests, water, coal, oil, fish stocks and minerals, are used up, ✓ this sector will no longer be able to provide raw materials ✓ for the secondary sector to use ✓ to produce goods. ✓

3.6 Describe the role the primary sector plays in the economies of developed countries and of developing countries. (5)

Middle order

In poorer countries, most of the money comes from the primary sector. ✓✓ This is because more people work close to the land. ✓ So, the primary sector plays a bigger role in the economies of developing countries. ✓✓

3.7 Describe the role the tertiary sector plays in the economies of developed countries and of developing countries. (5)

Middle order

In richer countries, most of the money comes from the tertiary sector. ✓✓ This is because most people provide services to others. ✓✓ So, the tertiary sector plays a larger role in the economies of developed countries. ✓

3.8 Briefly discuss the skill levels that the primary, secondary and tertiary sectors require. (7) *Middle order*

In very general terms, the primary sector requires lower levels of skills, ✓ such as the skills of unskilled workers; ✓ the secondary sector ✓ requires the level of skills that semi-skilled workers have; ✓ and the tertiary sector ✓ requires the level of skills that skilled workers have. ✓ However, this is not exclusively the case. ✓

TOTAL MARKS: 190

Formal assessment

For information on how to assess learners' assignments, controlled tests, examinations, case studies and projects, please see Section 3 of this Teacher's Guide.

SECTION A
QUESTION 1*Learner's Book pages 110–114*

1.1 Mixed ✓✓

1.2 Market economy ✓✓

1.3 Exports ✓✓

(6)

QUESTION 2

2.1 True ✓✓

2.2 True ✓✓

(4)

QUESTION 3

| Factor | Demand | Supply | Price |
|---|--------------------|----------------|----------------|
| e.g.: If a popular pop star dies, how will this affect the market for his CDs? | Increases | Increases | Increases |
| 3.1 Summer clothes are sold at the end of the summer. | Decreases ✓ | Decreases ✓ | Decreases ✓ |
| 3.2 A large clothing store has a summer sale. | Increases ✓ | Decreases ✓ | Decreases ✓ |
| 3.3 It starts raining during a Saturday outdoor market day sale. How does this affect the market for umbrellas? | Increases ✓ | Increases ✓ | Increases ✓ |
| 3.4 An extra supplier starts selling umbrellas at the outdoor market day. | Remains constant ✓ | Increases ✓ | Decreases ✓ |

(12)

QUESTION 4

4.1 Primary sector: ✓✓ uses land and natural resources as raw materials ✓✓

Secondary sector: ✓✓ uses raw materials from the primary sector to process or manufacture things people can use ✓✓

Tertiary sector: ✓✓ offers services to the public ✓✓

(12)

4.2 Primary sector: mining, farming, forestry, fishing ✓✓

(any 1 × 2 = 2)

Secondary sector: clothing manufacturers, car factories, construction ✓✓

(any 1 × 2 = 2)

Tertiary sector: hospitals, schools, transportation services, entertainment services ✓✓

(any 1 × 2 = 2)

(6)

[18]

SECTION B QUESTION 5

| No. | Source document | Journal | Account debited | Account credited | Assets | Equity |
|-----|----------------------|---------|-----------------|------------------|------------------------|-------------------|
| 5.1 | Cheque counterfoil ✓ | CPJ ✓ | Trading stock ✓ | Bank ✓ | +12 000 ✓ -12 000 ✓ | |
| 5.2 | Cash register roll ✓ | CRJ ✓ | Bank ✓ | Sales ✓ | +800 ✓ | +800 or +250 ✓ |
| | | | Cost of sales ✓ | Trading stock ✓ | -550 ✓ | -550 |
| 5.3 | Duplicate receipt ✓ | CRJ ✓ | Bank ✓ | Rent income ✓ | +2 000 ✓ | +2 000 ✓ |

(21)

QUESTION 6

Trial Balance of Rice Krispie Dealers on 31 October 2014

| Balance Sheet accounts | Fol. | Debit | Credit |
|-------------------------|------|---------|----------|
| Capital | B1 | | ✓✓52 021 |
| Drawings | B2 | ✓150 | |
| Equipment | B3 | ✓1 875 | |
| Vehicles | B4 | ✓12 500 | |
| Trading stock | B5 | ✓6 205 | |
| Bank | B6 | ✓23 802 | |
| Cash float | B7 | ✓50 | |
| Nominal accounts | | | |
| Sales | N1 | | ✓10 788 |
| Cost of sales | N2 | ✓✓8 091 | |
| Salaries | N3 | ✓2 760 | |
| Wages | N4 | ✓4 510 | |
| Trading licence | N5 | ✓100 | |
| Rent expense | N6 | ✓2 400 | |
| Insurance | N7 | ✓80 | |
| Stationery | N8 | ✓286 | |
| | | 62 809 | 62 809 |

(17)

QUESTION 7

$$7.1 \frac{684}{2736} \times 100 = 25\% \checkmark\checkmark \quad (2)$$

7.2

Debtors Journal of Gunz Dealers for July 2014

DJ7

| Doc. no. | Day | Debtor | Fol. | Sales | | Cost of sales | |
|----------|-----|----------|------|-------|----|---------------|----|
| 302 | 03 | P Borman | | ✓960 | 00 | ✓✓768 | 00 |
| 303 | 14 | S Moll | | ✓720 | 00 | ✓576 | 00 |
| 304 | 30 | T Gomes | | ✓462 | 00 | ✓369 | 60 |
| 305 | | S Moll | | ✓580 | 00 | ✓464 | 00 |

(9)

Cash Receipts Journal of Gunz Dealers for July 2014

CRJ3

| Doc. no. | Day | Details | Fol. | Analysis of receipts | Bank | Sales | Cost of sales | Debtors control |
|----------|-----|----------|------|----------------------|-------------|------------|---------------|-----------------|
| 909 | 03 | S Moll | | ✓ 520 00 | ✓ 520 00 | | | ✓ 520 00 |
| CRR | 07 | Sales | | ✓ 6 600 00 | ✓ 6 600 00 | ✓ 6 600 00 | ✓ 5 280 00 | |
| 910 | 21 | P Borman | | ✓ 1 370 00 | ✓✓ 1 370 00 | | | ✓ 1 370 00 |
| | | | | | | | | |

Doc. no. -1

Mark the two columns together

(11)

[22]

TOTAL: 100 MARKS

TERM 3

Topic 10

Looking back, looking ahead

Learner's Book pages 116–119

Duration: 2 hours

Term and week/s
Term 3, Week 1

Curriculum and Assessment Policy Statement (CAPS) content

In this topic, learners will:

- revise what they learnt in Term 2
- get a brief glimpse of what they will learn in Term 3

Teaching the topic

- This is an opportunity to consolidate what the learners learnt in the previous term. If learners are still struggling with some concepts, give them additional activities or revision activities to do. Those who understand the work well can help those who are struggling.
- Encourage learners to draw mind maps (similar to those drawn in this topic) to revise what they learnt in the previous term.
- Once you are comfortable that learners understand the content so far, you may continue with the overview of the new term.
- When revising the new term, do not go into too much detail – you need spend no more than 10–15 minutes on the overview.
- Mention to the learners that they may use the overview mind map provided, and add their own notes during the term so that they have a complete mind map of the term's work by the end of the term.

Term and week/s
Term 3, Weeks 2–5**New words
and concepts**trade unions;
negotiations; blue-
collar workers;
white-collar
workers; tradesmen;
COSATU;
collective
bargaining;
retrenchment;
strikes; workplace
forums; CCMA**Curriculum and Assessment Policy Statement
(CAPS) content**

In this topic, learners will learn about THE ECONOMY. They will look at:

- the concept of trade unions
- a brief historical development of trade unions
- the roles and responsibilities of trade unions in South Africa
- the effect of trade unions in businesses
- the contribution of trade unions to sustainable growth and development

Resources

Gather pamphlets and news articles about trade unions from newspapers, magazines and the Internet. If there are trade union offices in your area, visit them and collect information and brochures. Alternatively, access their websites. The Congress of South African Trade Unions (Cosatu) website is a good place to start: <http://www.cosatu.org.za/>.

Find articles about industrial action in South Africa and in other countries such as France, where industrial action happens quite frequently. Research any industrial action that may have happened in your area recently. Ask the trade unions involved what the dispute was about and how it was resolved.

You will need old newspapers or Internet access for the learners for Activity 11.1. This activity will also require materials for the learners to make scrapbooks – large sheets of newsprint, pairs of scissors and glue, and paint or coloured pencils if available.

Access a copy of the Labour Relations Act (LRA) and Constitution of South Africa. If you have an Internet connection, find them here: <http://www.gov.za/documents/download.php?f=161934> (LRA) <http://www.gov.za/documents/constitution/1996/constitution.pdf> (Constitution). The Department of Labour's website is a good resource for this topic as well: <https://www.labour.gov.za/>.

If you do not have Internet access, contact your local government office.

Contact the Commission for Conciliation, Mediation and Arbitration (CCMA) and ask them to provide information or brochures about what they do: <http://www.ccma.org.za/>, 0861 16 16 16 or info@ccma.org.za.

Preparation

- Read through the topic and familiarise yourself with the content that you will need to teach. Think about what learners may already know about the topics, what skills they already have and any areas of difficulty that you think they might encounter.
- Gather your resources and plan how you will integrate them into your teaching.
- Familiarise yourself with how a debate works for Activity 11.2, if you do not know. If your school has a debating society, talk to the teacher who runs it and find out about how to hold a successful debate.

Teaching the topic

There are 4 lessons in this topic.

| Lesson | Week | Pages | Activities |
|--------|------|---------|------------|
| 2 | 2 | 128 | 11.1 |
| 3 | 3 | 128–129 | 11.2 |
| 4 | 4 | 129 | – |
| 5 | 5 | 129 | 11.3 |

Lesson 2

- Introduce the concept of trade unions by discussing your school's elected student council and what it does for learners. Link this to the concept of trade unions and what they do for workers.
- Use one of your news articles about or photos of a recent strike, preferably in your area, to continue the discussion on what trade unions are. Show some pamphlets that you have collected from trade union offices; pass them around so that the learners can look at them and discuss them.
- Work through the text in the Learner's Book page 121.
- **Do Activity 11.1.**
- Learners use class time to plan how they will find and speak to trade union members and come up with ideas for their scrapbook presentations.
- Set learners the homework task of finding and talking to a trade union member before the next class.

Lesson 3

- Give learners some more time in class to work on Activity 11.1. What they do not finish they need to complete for homework.
- Work through the text and timeline (Figure 11.4) in the Learner's Book page 123 showing the history of trade unions. Discuss the history of trade unions using the photos in Figures 11.3 and 11.5 in the Learner's Book.

- Now that the learners know a little about trade unions, ask them what they think the roles and responsibilities of trade unions are. Write their suggestions on the board.
- Work through the text on the roles and responsibilities of trade unions in the Learner's Book pages 124–126.
- **Do Activity 11.2.**
- Learners work in small groups to discuss the importance of trade unions and draw up their summary tables. Encourage them to note any differences of opinion they may encounter for a discussion in Lesson 4.

Lesson 4

- In this lesson, ask learners to think about the discussions they had while doing Activity 11.2 in Lesson 3.
- Working as a class, have an informal debate/discussion about the following two opposing points of view:
 1. Labour law should protect workers enough for trade unions not to be necessary. Trade unions are bad for the economy because when they organise strikes, the country loses millions of rands.
 2. Trade unions are an essential part of labour law. Economic growth can never be more important than workers' rights.
- Conclude the discussion by encouraging the class to reach an agreement.

Lesson 5

- Ask the learners to suggest some ways in which trade unions affect businesses. Use your resources to supplement this discussion.
- Work through the text on the effects of trade unions on businesses. Use your LRA, CCMA and SA Constitution resources to supplement your teaching.
- Recap sustainable growth and development, then teach this content in the Learner's Book pages 127–128.
- **Do Activity 11.3.**
- Set this activity as homework if there is not enough time to supervise it during class time.

Answers

» Activity 11.1

1. *Lower order* (2)

Cosatu is the Congress of South African Trade Unions, ✓
a federation of many of the trade unions in South Africa. ✓

2. *Middle order* (5)

A trade union negotiates with employers for their members. ✓
A trade union is controlled, run and paid for by its members. ✓
Trade unions negotiate with employers to get the best deal for their members ✓ in terms of hiring, firing, wages and working conditions. ✓ They are organisations of workers that protect the rights and promote the interests of their members. ✓

3. **Higher order** (Any $5 \times 1 = 5$)

Learners give names such as Police and Prisons Civil Rights Union (POPCRU), South African Democratic Nurses' Union (SADNU); Democratic Nursing Organisation of South Africa (DENOSA); South African Democratic Teachers Union (SADTU); Southern African Clothing and Textile Workers Union (SACTWU); Food and Allied Workers Union (FAWU); National Education, Health and Allied Workers' Union (NEHAWU); National Union of Mineworkers (NUM) and South African Transport and Allied Workers Union (SATAWU).

4. **Higher order** (7)

Learners' information will vary according to who they speak to and the union they choose.

5. **Higher order** (10)

Encourage learners to present their information creatively and attractively. Display the scrapbooks for other pairs to look at. Award 8 marks for content display and 2 marks for attractive presentation

»»» **Activity 11.2**

1. **Higher order** (8)

Learners' answers should make the following connections: In developing countries, economies depend largely on the primary sector. ✓ Many workers in this sector are unskilled or semi-skilled. ✓ This means that they are easier to exploit. ✓ In South Africa, the mining industry and the apartheid government exploited mineworkers to enrich the country. ✓ These workers had no political or economic rights. ✓ Trade unions empower workers and help them to avoid being exploited ✓ by employers who have more power than workers. ✓ This means that all of the participants in the economy benefit from economic activity, and not just employers. ✓

2. **Middle order** (14)

Learners' tables should look like this:

| Trade union roles | Trade union responsibilities |
|--|--|
| Organise industrial action ✓ | Negotiate with employers to improve working conditions ✓ |
| Negotiate with employers through collective bargaining to improve working conditions ✓ | Try to attract new trade union members ✓ |
| Work to get the government to pass laws that will improve their members' lives ✓ | Not force anyone into joining a trade union ✓ |
| Provide professional training, legal advice and legal representation for their members ✓ | Make decisions based on a secret vote by all their members ✓ |
| Represent workers' interests during disputes with employers ✓ | Ensure that industrial action is lawful and peaceful ✓ |

| Trade union roles | Trade union responsibilities |
|--|---|
| Work with employers to get employees a greater say in the decisions that management make ✓ | Make reasonable demands on employers ✓ |
| | Help to settle disputes between employers and employees ✓ |
| | Help to bring about peaceful, democratic workplaces ✓ |

Activity 11.3

1. *Higher order* (8)

Learners give their own examples. They mention that trade unions make for an educated workforce ✓ that is respected and encouraged to improve its skills. ✓ They ensure healthy dialogue between workers and employers ✓ in an environment where the rights of employers and employees are protected by law. ✓ By protecting the rights of employers and employees, trade unions contribute to sustainable growth and development. ✓ A business that exploits its workers is not growing and developing sustainably. ✓ A business that respects its workers and develops their skills ✓ is creating a climate for sustainable growth and development. ✓

2. *Middle order* (16)

Learners mention the following: Trade unions have the potential to have great effects on businesses. ✓ To know what these effects are, businesses need to be familiar with the LRA and the Constitution of South Africa. ✓ This legislation gives workers and their unions the right to:

- Form, join and take part in a trade union ✓
- Settle disagreements with their employers through an independent third party, the CCMA. The CCMA is an official and independent group of people from the government, organised business and organised labour ✓
- Be at the workplace for union reasons ✓
- Elect trade union representatives at the workplace ✓
- Take time off for union activities ✓
- Access information for collective bargaining purposes ✓
- Strike, although not all strikes are protected by the Act. ✓

These trade union rights help to guide businesses and employees in labour relations. ✓ The LRA makes labour legislation in South Africa consistent with the International Labour Organisation's (ILO) international labour laws. ✓ Businesses need to ensure they accommodate trade unions. ✓ So, they need to know about:

- Collective bargaining: A process that workers and businesses use to negotiate about working conditions ✓
- Workplace forums: Employee forums that give employees a say in how a business is run ✓
- Industrial action ✓
- Disciplinary action, including disputes and dismissals. ✓

Informal assessment

Activity 11.1: Observe the pair interactions to make sure that learners are contributing equally to the work required. Take in and mark the scrapbooks. (29)

Activity 11.2: Make detailed notes of learners' abilities to analyse and tabulate information. (12)

Activity 11.3: Take in the learners' answers and mark them to assess how well the learners are able to work on their own. (24)

For information on Informal assessment, refer to the self-assessment, peer assessment and group assessment templates in Section 5 of this Teacher's Guide.

Consolidation

- **Define a workplace forum.**

An employee forum that gives employees a say in how a business is run.

- **Define the CCMA.**

The Commission for Conciliation, Mediation and Arbitration (CCMA) is an official and independent group of people from the government, organised business and organised labour. It helps employees to settle disagreements with their employers through an independent third party.

- **List the responsibilities of trade unions.**

Trade unions must:

- Negotiate with employers to improve their members' working conditions
- Try to attract new trade union members
- Not force anyone into joining a trade union
- Make decisions based on a secret vote by all their members
- Ensure that all industrial action is lawful and peaceful
- Make reasonable demands on the employers
- Help to settle disputes between employers and employees
- Help to bring about peaceful workplaces.

Extension

Find out about the ILO. Write a brief report about what it is, what it does, what organisation it belongs to and why it was established.

Learners do their own research. They mention that the ILO is a United Nations agency that draws up and enforces international labour standards. It runs the International Labour Conference every year and aims to ensure social justice for workers all over the world.

Formal assessment

For information on Formal Assessment Task 3: Project and on how to assess learner's assignments, controlled tests, case studies and projects, please see Section 3 of this Teacher's Guide.

Term and week/s
Term 3, Weeks 2–5

**New words
and concepts**

Debtors Ledger;
posting; General
Ledger; Debtors
List; debtors'
accounts; *Debtors
Control* account

**Curriculum and Assessment Policy Statement
(CAPS) content**

In this topic, learners will learn about FINANCIAL LITERACY. They will look at:

- posting to the Debtors Ledger and General Ledger
- the effect of credit transactions on the accounting equation

Resources

Learners must each have an exercise book called an 'Eight money column' or 'Cash money column' for the CRJ, and preferably a 'Journal' exercise book (with two money columns only) or a 'Treble Cash' book for the DJ. They will need a Double Ledger book for the General Ledger and a 'Treble Cash' book for the Debtors Ledger.

It works well if learners do the Debtors Ledger (Topic 15) in the 'Treble Cash' book and the Debtors Journal in the two-money column 'Journal' book. This helps them not to get confused between the Debtors Journal and the Debtors Ledger. Photocopy the Cash Receipts Journal, Debtors Journal, Debtors Ledger and General Ledger templates found at the end of this guide if necessary.

A calculator for each learner is essential.

Preparation

- Read through the topic and familiarise yourself with the content that you will need to teach. Think about what learners may already know about the topics, what skills they already have and any areas of difficulty that you think they might encounter.
- The learners already know how to record transactions in a CRJ and DJ. They also know how to post Journals to the General Ledger. However, the three-column ledger will be new to them. This may be challenging for them to master and you need to consider how you plan to explain it.

Teaching the topic

There are 4 lessons in this topic.

| Lesson | Week | Pages | Activities |
|--------|------|---------|------------|
| 2 | 2 | 134 | 12.1 |
| 3 | 3 | 134–135 | 12.2 |
| 4 | 4 | 135 | 12.3 |
| 5 | 5 | 136 | 12.4–12.7 |

Lesson 2

- Refer to Figure 12.1 in the Learner's Book and discuss outstanding debts.
- **Do Activity 12.1 Question 1.**
- Discuss the examples of Lamond Traders and Small Traders in the Learner's Book and posting an invoice and receipt to the Debtors Ledger. Explain each step as you go along.
 1. Source document – Invoice from the Debtors Journal: posted to the debit side, because it increases the debtor's account.
 2. Source document – Receipt from the Cash Receipts Journal: posted to the credit side, because it decreases the debtor's account.
- Explain that the Debtors Ledger differs from the General Ledger in that it is updated as soon as a transaction takes place. The Debtors Ledger account then shows the balance due after each transaction, while the General Ledger is balanced at the end of the month and shows only this balance.
- **Do Activity 12.1 Questions 2 and 3.**
- Continue with the next example of Emma Shoppe and posting the Debtors Journal to the General Ledger. Emphasise the following:

1. Selling price

| Debtors Control | Sales |
|---|--|
| The Asset increased and the debtor's account increased by the debt incurred | The Owner's equity increased by the selling price of the goods |

2. Cost price

| Cost of Sales | Trading Stock |
|---|---|
| The Owner's equity decreased by the cost price of the goods | The Asset decreased because the stock decreased |

- Then discuss the posting of the CRJ to the General Ledger (debtors).
- **Do Activity 12.1 Questions 4 and 5.**
- Discuss the examples in the Learner's Book pages 141–142 showing the effect these examples of posting have on the accounting equation.
- **Do Activity 12.1 Question 6.**
- If the learners struggle with grasping this content, use the additional example of Naik Traders in the Learner's Book pages 137–140 to explain it again.

Lesson 3

- Mark and check Activity 12.1.
- Review the Debtors Ledger and emphasise where we get the information from:

| | | | |
|-----|---------|----------------------------|----------------------------------|
| DJ | Invoice | Entry in the debit column | Add amount to the balance |
| CRJ | Receipt | Entry in the credit column | Subtract amount from the balance |

- Debtors can settle their accounts in three ways:
 - Settle accounts on the first of the month, for example, 1 April: Debtor pays the previous month's account in full
 - Settle accounts in full (up to date): Debtor pays the full amount that he or she owes up until that day in full
 - Settle accounts in part: Debtor pays only a part of his or her account.
- **Do Activity 12.2.**
- Ask learners to open their journals for the activity and assist them with a few of the calculations.
- You can do the calculations with the learners or let them do them on their own. Remind them that they also need to allocate the transactions shown by all the source documents in the activity.

Lesson 4

- Mark and check Activity 12.2.
- **Do Activity 12.3.**
- It is difficult to explain an account like *Trading Stock* with only half the information. Goods have been sold, but not yet bought, so where do the goods come from? So, in this activity, two half-completed accounts have been added to do the *Trading Stock* account in full, with entries from the CPJ (cash purchases), the CRJ (the cost price of goods sold for cash) and the DJ (the cost price of goods sold on credit).
- The *Trading Stock* and *Debtors Control* accounts are key accounts and the relationship between them must be clearly understood. Write the following on the board and explain the two accounts to learners or use a specific figure in the activity and ask them to explain what the figure means. Sometimes if learners understand it in this way, the content becomes more real to them.

| Dr | | Trading Stock | | Cr |
|---------|---------------------------------------|---------------|--|----|
| Balance | (stock left over from previous month) | Cost of sales | CRJ (cost price of goods sold for cash) | |
| Bank | CPJ (stock purchased for cash) | Cost of sales | DJ (cost price of goods sold for credit) | |
| | | Balance | (stock left over for this month) | |

| Dr | | Debtors Control | | Cr |
|---------|--|-----------------|---|----|
| Balance | (amount owed by debtors from previous month) | Bank | CRJ (cash received from debtors in payment of their accounts) | |
| Sales | DJ (credit sales to debtors) | Balance | (amount owed by debtors at the end of the month) | |

Lesson 5

- Mark and check Activity 12.3.
- **Do Activity 12.4.**
- This activity will assist learners to see the bigger picture and how the content fits together.
- **Do Activity 12.5.**
- This is an excellent activity to practise the General Ledger. If there are struggling learners, help them work out the calculations and the missing balances in the General Ledger beforehand.
- **Do Activity 12.6.**
- This activity may be easy for some of them to do. So, continue to spend time with struggling learners.
- **Do Activity 12.7.**
- If there is time available, do the examples in the Learner's Book pages 150–152 on analysing and interpreting accounts as an enrichment activity. This can also be used as a challenge for learners who understand the content.

Answers

» Activity 12.1

1. Middle order (45)

Cash Receipts Journal of The Scribble Shoppe for June 2012

CRJ6

| Doc. no. | Day | Details | Fol. | Analysis of receipts | Bank | | Sales | | Cost of sales | | Debtors control | | Sundry accounts | | | | |
|----------|-----|----------------------|------|----------------------|----------|---------|-------|--------|---------------|--------|-----------------|--------|-----------------|----------|---------|----------|-----------------|
| | | | | | | | | | | | | | Amount | Fol. | Details | | |
| 401 | 01 | P Theron | | | ✓200 000 | 00 | | | | | | | ✓200 000 | 00 | B1✓ | Capital✓ | |
| CRR | 02 | Sales | | 1 200 | 00 | ✓1 200 | 00 | ✓1 200 | 00 | ✓960 | 00 | | | | | | |
| 402 | 05 | F Meyer | D1 | ✓1 600 | 00 | | | | | | | ✓1 600 | 00 | | | | |
| 403 | | A Fieties | D2 | ✓4 000 | 00 | ✓5 600 | 00 | | | | | ✓4 000 | 00 | | | | |
| 404 | 13 | F Meyer | D1 | 3 040 | 00 | ✓3 040 | 00 | | | | | ✓3 040 | 00 | | | | |
| 405 | 17 | Galileo Distributors | | ✓3 200 | 00 | | | | | | | | | ✓3 200 | 00 | N4 | Rent income✓ |
| CRR | | Sales | | ✓3 600 | 00 | ✓6 800 | 00 | ✓3 600 | 00 | ✓2 880 | 00 | | | | | | |
| 406 | 25 | A Fieties | D2 | 6 000 | 00 | ✓6 000 | 00 | | | | | ✓6 000 | 00 | | | | |
| CRR | 29 | Services rendered | | ✓3 000 | 00 | | | | | | | | | ✓3 000 | 00 | N3 | Current income✓ |
| CRR | | Sales | | ✓2 800 | 00 | ✓5 800 | 00 | ✓2 800 | 00 | ✓2 240 | 00 | | | | | | |
| ✓ | | | | ✓ | | 228 440 | 00 | 7 600 | 00 | 6 080 | 00 | 14 640 | 00 | ✓206 200 | 00 | | |
| | | | | | | B4 | | N1 | | N2/B2 | | B3✓ | | | | | |

(34)

Debtors Journal of The Scribble Shoppe for June 2012

DJ6

| Doc. no. | Day | Debtor | Fol. | Sales | | Cost of sales | |
|----------|-----|------------|------|----------|----|---------------|----|
| | | | | | | | |
| 981 | 02 | F Meyer | D1 | ✓ 2 400 | 00 | ✓ 1 920 | 00 |
| 982 | 03 | A Fieties | D2 | ✓ 6 000 | 00 | ✓ 4 800 | 00 |
| 983 | 06 | H Mojalefa | D3 | ✓ 1 400 | 00 | ✓ 1 120 | 00 |
| 984 | 19 | A Fieties | D2 | ✓ 1 600 | 00 | ✓ 1 280 | 00 |
| ✓ | | | | ✓ 11 400 | 00 | ✓ 9 120 | 00 |

B3/N1 N2/B2

2. Middle order (22)

Debtors Ledger of The Scribble Shoppe

F Meyer

D1

| Date | Details/Document no. | Fol. | Debit (+) | Credit (-) | Balance |
|-------------|-----------------------------|------|------------|------------|------------|
| 2012 Jun 01 | Account rendered | | | | ✓ 2 240 00 |
| 02 | Invoice no. 981 ✓ | DJ6 | ✓ 2 400 00 | | 4 640 00 |
| 05 | Receipt no. 402 ✓ | CRJ6 | | ✓ 1 600 00 | 3 040 00 |
| 13 | Receipt no. 404 ✓ | CRJ6 | | ✓ 3 040 00 | ✓ 0 00 |
| 29 | No entry – Cash transaction | | | | |

A Fieties

D2

| Date | Details/Document no. | Fol. | Debit (+) | Credit (-) | Balance |
|-------------|----------------------|------|------------|------------|------------|
| 2012 Jun 01 | Account rendered | | | | ✓ 4 000 00 |
| 03 | Invoice no. 982 ✓ | DJ6 | ✓ 6 000 00 | | 10 000 00 |
| 05 | Receipt no. 403 ✓ | CRJ6 | | ✓ 4 000 00 | 6 000 00 |
| 19 | Invoice no. 984 ✓ | DJ6 | ✓ 1 600 00 | | 7 600 00 |
| 25 | Receipt no. 406 ✓ | CRJ6 | | ✓ 6 000 00 | ✓ 1 600 00 |

H Mojalefa

D3

| Date | Details/Document no. | Fol. | Debit (+) | Credit (-) | Balance |
|-------------|----------------------|------|------------|------------|------------|
| 2012 Jun 01 | Account rendered | | | | ✓ 7 200 00 |
| 06 | Invoice no. 983 ✓ | DJ6 | ✓ 1 400 00 | | ✓ 8 600 00 |

3.-4. Lower order (39)

**General Ledger of The Scribble Shoppe
Balance Sheet accounts**

| Dr | | | | Capital | | B1 | | | | Cr | |
|------|---------|------|--------|-------------|---------|------|-----------|--|--|----|--|
| Date | Details | Fol. | Amount | Date | Details | Fol. | Amount | | | | |
| | | | | 2012 Jun 01 | Balance | b/d | ✓ 215 000 | | | 00 | |
| | | | | | Bank ✓ | CRJ6 | ✓ 200 000 | | | 00 | |
| | | | | | | | ✓ 415 000 | | | 00 | |

| Dr | | | | Trading Stock | | | | B2 | | | | Cr |
|----------|----|---------|------|---------------|----|----------|----|-----------------|------|---------|----|----|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | | |
| 2012 Jun | 01 | Balance | b/d | ✓ 26 788 | 00 | 2012 Jun | 30 | Cost of sales ✓ | CRJ6 | ✓ 6 080 | 00 | |
| | | | | | | | | Cost of sales ✓ | DJ6 | ✓ 9 120 | 00 | |

(5)

| Dr | | | | Debtors Control | | | | B3 | | | | Cr |
|----------|----|---------|------|-----------------|----|----------|----|-----------|------|----------|----|----|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | | |
| 2012 Jun | 01 | Balance | b/d | ✓ 13 440 | 00 | 2012 Jun | 30 | Bank ✓ | CRJ6 | ✓ 14 640 | 00 | |
| | 30 | Sales ✓ | DJ6 | ✓ 11 400 | 00 | | | Balance ✓ | c/d | 10 200 | 00 | |
| | | | | 24 840 | 00 | | | | | 24 840 | 00 | |
| 2012 Jul | 01 | Balance | b/d | ✓ 10 200 | 00 | | | | | | | |

(7)

| Dr | | | | Bank | | | | B4 | | | | Cr |
|----------|----|------------------|------|-----------|----|------|--|---------|------|--------|--|----|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | | |
| 2012 Jun | 01 | Balance | b/d | ✓ 51 668 | 00 | | | | | | | |
| | 30 | Total receipts ✓ | CRJ6 | ✓ 228 440 | 00 | | | | | | | |

(3)

Nominal accounts

| Dr | | | | Sales | | | | N1 | | | | Cr |
|------|--|---------|------|--------|--|----------|----|-------------------|------|----------|----|----|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | | |
| | | | | | | 2012 Jun | 01 | Balance | b/d | ✓ 57 221 | 25 | |
| | | | | | | | 30 | Bank ✓ | CRJ6 | ✓ 7 600 | 00 | |
| | | | | | | | | Debtors control ✓ | DJ6 | ✓ 11 400 | 00 | |
| | | | | | | | | | | ✓ 76 221 | 25 | |

(6)

| Dr | | | | Cost of Sales | | | | N2 | | | | Cr |
|----------|----|-----------------|------|---------------|----|------|--|---------|------|--------|--|----|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | | |
| 2012 Jun | 01 | Balance | b/d | ✓ 45 777 | 00 | | | | | | | |
| | 30 | Trading stock ✓ | CRJ6 | ✓ 6 080 | 00 | | | | | | | |
| | | Trading stock ✓ | DJ6 | ✓ 9 120 | 00 | | | | | | | |
| | | | | ✓ 60 977 | 00 | | | | | | | |

(6)

| Dr | | | | Current Income | | | | N3 | | | | Cr |
|------|--|---------|------|----------------|--|----------|----|---------|------|----------|----|----|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | | |
| | | | | | | 2012 Jun | 01 | Balance | b/d | ✓ 13 442 | 00 | |
| | | | | | | | 29 | Bank ✓ | CRJ6 | ✓ 3 000 | 00 | |
| | | | | | | | | | | ✓ 16 442 | 00 | |

(4)

| Dr | | | | Rent Income | | | | N4 | | | | Cr |
|------|--|---------|------|-------------|--|----------|----|---------|------|----------|----|----|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | | |
| | | | | | | 2012 Jun | 01 | Balance | b/d | ✓ 9 400 | 00 | |
| | | | | | | | 17 | Bank ✓ | CRJ6 | ✓ 3 200 | 00 | |
| | | | | | | | | | | ✓ 12 600 | 00 | |

(4)

5. Middle order (4)

List (schedule) of balances of debtors on 30 June 2012

| | | |
|------------------------|-----------|------------------|
| F Meyer | D1 | R0 ✓ |
| A Fieties | D2 | R1 600 ✓ |
| H Mojalefa | D3 | R8 600 ✓ |
| Debtors control | B3 | R10 200 ✓ |

Learners calculate the balance of the *Debtors Control* account =
 F Meyer + A Fieties + H Mojalefa = R2 240 + R4 000 + R7 200 =
 R13 440

6. Middle order (30)

| No. | Assets | | Owner's Equity | | Liabilities | |
|-----|------------|---------------------------|----------------|------------------------|-------------|--------|
| | Effect | Reason | Effect | Reason | Effect | Reason |
| 01 | ✓ +200 000 | Cash increases ✓ | ✓ +200 000 | Capital contribution ✓ | | |
| 02 | ✓ +2 400 | Debtors increase ✓ | ✓ +480 | Profit earned ✓ | | |
| | ✓ -1 920 | Trading stock decreases ✓ | | | | |
| | ✓ +1 200 | Cash increases ✓ | ✓ +240 | Profit earned ✓ | | |
| | ✓ -960 | Trading stock decreases ✓ | | | | |
| 25 | ✓ -6 000 | Debtors decrease ✓ | | | | |
| | ✓ +6 000 | Cash increases ✓ | | | | |
| 29 | ✓ +3 000 | Cash increases ✓ | ✓ +3 000 | Current income ✓ | | |
| | ✓ +2 800 | Cash increases ✓ | ✓ +560 | Profit earned ✓ | | |
| | ✓ -2 240 | Trading stock decreases ✓ | | | | |

7. Middle order (40)

| No. | Account debited | Account credited | A | OE | L |
|------|-------------------|-------------------|------------|------------|---|
| e.g. | Bank ✓ | Current income ✓ | ✓ +1 337 | ✓ +1 337 | |
| 01 | Bank ✓ | Capital ✓ | ✓ +200 000 | ✓ +200 000 | |
| 02 | Debtors control ✓ | Sales ✓ | ✓ +2 400 | ✓ +2 400 | |
| | Cost of sales ✓ | Trading stock ✓ | ✓ -1 920 | ✓ -1 920 | |
| | Bank ✓ | Sales ✓ | ✓ +1 200 | ✓ +1 200 | |
| | Cost of sales ✓ | Trading stock ✓ | ✓ -960 | ✓ -960 | |
| 25 | Bank ✓ | Debtors control ✓ | ✓✓ ±6 000 | | |
| 29 | Bank ✓ | Current income ✓ | ✓ +3 000 | ✓ +3 000 | |
| | Bank ✓ | Sales ✓ | ✓ +2 800 | ✓ +2 800 | |
| | Cost of sales ✓ | Trading stock ✓ | ✓ -2 240 | ✓ -2 240 | |

Activity 12.2

Learners must calculate the profit percentage:

$$\begin{aligned} \text{Profit} &= \text{Sales} - \text{Cost of sales (use the balance amounts)} \\ &= \text{R}41\,400 - \text{R}34\,500 \\ &= \text{R}6\,900 \end{aligned}$$

$$\frac{\text{Profit}}{\text{Cost price}} \times 100 = \frac{6\,900}{34\,500} \times 100 = 20\%$$

The cost of sales for 3 July is calculated as follows:

$$2\,880 \times \frac{100}{120} = \text{R}2\,400$$

Learners calculate the balance of D Nyathi =
Debtors control – R Matthyser – N Mapetla =
R15 120 – R3 720 – R5 160

1. Middle order (40)

Cash Receipts Journal of Wiechers Traders for July 2015

CRJ7

| Doc. no. | Day | Details | Fol. | Analysis of receipts | | Bank | | Sales | | Cost of sales | | Debtors control | | Sundry accounts | | |
|----------|-----|-------------|------|----------------------|----|----------|----|---------|----|---------------|----|-----------------|----|-----------------|------|-----------------|
| | | | | | | | | | | | | | | Amount | Fol. | Details |
| 161 | 03 | D Nyathi | D2 | ✓6 240 | 00 | | | | | | | ✓6 240 | 00 | | | |
| CRR | | Sales | | ✓43 200 | 00 | ✓49 440 | 00 | ✓43 200 | 00 | ✓36 000 | 00 | | | | | |
| 162 | 07 | R Matthyser | D1 | 1 440 | 00 | ✓1 440 | 00 | | | | | ✓1 440 | 00 | | | |
| CRR | 14 | Sales | | ✓39 600 | 00 | | | ✓39 600 | 00 | ✓33 000 | 00 | | | | | |
| 163 | | M Wiechers | | ✓120 000 | 00 | ✓159 600 | 00 | | | | | | | ✓120 000 | 00 | B1 Capital✓ |
| 164 | 24 | Sales | | ✓1 440 | 00 | | | ✓1 440 | 00 | ✓1 200 | 00 | | | | | |
| 165 | | S Vianello | | ✓3 600 | 00 | ✓5 040 | 00 | | | | | | | ✓3 600 | 00 | N3 Rent income✓ |
| 166 | 31 | D Nyathi | D2 | ✓6 690 | 00 | ✓6 690 | 00 | | | | | 6 690 | 00 | | | |
| ✓ | | | | ✓ | | 222 210 | 00 | 84 240 | 00 | 70 200 | 00 | 14 370 | 00 | 123 600 | 00 | |
| | | | | | | B4 | | N1 | | N2/B2 | | B3✓ | | | | (27) |

Debtors Journal of Wiechers Traders for July 2015

DJ7

| Doc. no. | Day | Debtor | Fol. | Sales | | Cost of sales | |
|----------|-----|-------------|------|---------|-------|---------------|-------|
| 294 | 03 | R Matthyser | D1 | ✓2 880 | 00 | ✓2 400 | 00 |
| 295 | 07 | N Mapetla | D3 | ✓3 840 | 00 | ✓3 200 | 00 |
| 296 | 18 | D Nyathi | D2 | ✓4 440 | 00 | ✓3 700 | 00 |
| 297 | | N Mapetla | D3 | ✓2 580 | 00 | ✓2 150 | 00 |
| 298 | 30 | D Nyathi | D2 | ✓2 250 | 00 | ✓1 875 | 00 |
| ✓ | | | | ✓15 990 | 00 | ✓13 325 | 00 |
| | | | | | B3/N1 | | N2/B2 |

(13)

2. Middle order (22)

Debtors Ledger of Wiechers Traders R Matthyser

D1

| Date | Details/Document no. | Fol. | Debit (+) | Credit (-) | Balance |
|-------------|----------------------|------|------------|------------|------------|
| 2015 Jul 01 | Account rendered | | | | ✓ 3 720 00 |
| 03 | Invoice no. 294 ✓ | DJ7 | ✓ 2 880 00 | | 6 600 00 |
| 07 | Receipt no. 162 ✓ | CRJ7 | | ✓ 1 440 00 | ✓ 5 160 00 |

(6)

D Nyathi

D2

| Date | Details/Document no. | Fol. | Debit (+) | Credit (-) | Balance |
|-------------|----------------------|------|------------|------------|------------|
| 2015 Jul 01 | Account rendered | | | | ✓ 6 240 00 |
| 03 | Receipt no. 161 ✓ | CRJ7 | | ✓ 6 240 00 | 0 00 |
| 18 | Invoice no. 296 ✓ | DJ7 | ✓ 4 440 00 | | 4 440 00 |
| 30 | Invoice no. 298 ✓ | DJ7 | ✓ 2 250 00 | | 6 690 00 |
| 31 | Receipt no. 166 ✓ | CRJ7 | | ✓ 6 690 00 | ✓ 0 00 |

(10)

N Mapetla

D3

| Date | Details/Document no. | Fol. | Debit (+) | Credit (-) | Balance |
|-------------|----------------------|------|------------|------------|-------------|
| 2015 Jul 01 | Account rendered | | | | ✓ 5 160 00 |
| 07 | Invoice no. 295 ✓ | DJ7 | ✓ 3 840 00 | | 9 000 00 |
| 18 | Invoice no. 297 ✓ | DJ7 | ✓ 2 580 00 | | ✓ 11 580 00 |

(6)

3. Lower order (31)

General Ledger of Wiechers Traders Balance Sheet accounts

| Dr | | | | Capital | | B1 | | | | Cr |
|------|---------|------|--------|-------------|---------|------|--------------|--|--|----|
| Date | Details | Fol. | Amount | Date | Details | Fol. | Amount | | | |
| | | | | 2015 Jul 01 | Balance | b/d | ✓ 480 000 00 | | | |
| | | | | 14 | Bank ✓ | CRJ7 | ✓ 120 000 00 | | | |

(3)

| Dr | | | | Trading Stock | | B2 | | | | Cr |
|-------------|---------|------|-------------|---------------|-----------------|------|-------------|--|--|----|
| Date | Details | Fol. | Amount | Date | Details | Fol. | Amount | | | |
| 2015 Jul 01 | Balance | b/d | ✓ 51 780 00 | 2015 Jul 31 | Cost of sales ✓ | CRJ7 | ✓ 70 200 00 | | | |
| | | | | | Cost of sales ✓ | DJ7 | ✓ 13 325 00 | | | |

(5)

| Dr | | | | Debtors Control | | B3 | | | | Cr |
|-------------|------------|------|-------------|-----------------|---------|------|-------------|--|--|----|
| Date | Details | Fol. | Amount | Date | Details | Fol. | Amount | | | |
| 2015 Jul 01 | Balance | b/d | ✓ 15 120 00 | 2015 Jul 31 | Bank ✓ | CRJ7 | ✓ 14 370 00 | | | |
| | 31 Sales ✓ | DJ7 | ✓ 15 990 00 | | Balance | c/d | ✓ 16 740 00 | | | |
| | | | 31 110 00 | | | | 31 110 00 | | | |
| 2015 Aug 01 | Balance | b/d | ✓ 16 740 00 | | | | | | | |

(7)

| Dr | | | | Bank | | | | B4 | | | | Cr |
|------|----|------------------|------|-----------|----|------|--|---------|------|--------|--|----|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | | |
| 2015 | | | | | | | | | | | | |
| Jul | 01 | Balance | b/d | ✓ 51 678 | 00 | | | | | | | |
| | 31 | Total receipts ✓ | CRJ7 | ✓ 222 210 | 00 | | | | | | | |

(3)

Nominal accounts

| Dr | | | | Sales | | | | N1 | | | | Cr |
|------|--|---------|------|--------|--|------|----|-------------------|------|----------|----|----|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | | |
| | | | | | | 2015 | | | | | | |
| | | | | | | Jul | 01 | Balance | b/d | ✓ 41 400 | 00 | |
| | | | | | | | 31 | Bank ✓ | CRJ7 | ✓ 84 240 | 00 | |
| | | | | | | | | Debtors control ✓ | DJ7 | ✓ 15 990 | 00 | |

(5)

| Dr | | | | Cost of Sales | | | | N2 | | | | Cr |
|------|----|-----------------|------|---------------|----|------|--|---------|------|--------|--|----|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | | |
| 2015 | | | | | | | | | | | | |
| Jul | 01 | Balance | b/d | ✓ 34 500 | 00 | | | | | | | |
| | 31 | Trading stock ✓ | CRJ7 | ✓ 70 200 | 00 | | | | | | | |
| | | Trading stock ✓ | DJ7 | ✓ 13 325 | 00 | | | | | | | |

(5)

| Dr | | | | Rent Income | | | | N3 | | | | Cr |
|------|--|---------|------|-------------|--|------|----|---------|------|---------|----|----|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | | |
| | | | | | | 2015 | | | | | | |
| | | | | | | Jul | 01 | Balance | b/d | ✓ 7 200 | 00 | |
| | | | | | | | 24 | Bank ✓ | CRJ7 | ✓ 3 600 | 00 | |

(3)

4. Middle order (4)

List (schedule) of balances of debtors on 31 July 2015

| | | |
|-----------------|----|-----------|
| R Matthyser | D1 | R5 160 ✓ |
| D Nyathi | D2 | R0 ✓ |
| N Mapetla | D3 | R11 580 ✓ |
| Debtors control | B3 | R16 740 ✓ |

5. Middle order (20)

| No. | Assets | | Owner's Equity | | Liabilities | |
|-----|-----------|---------------------------|----------------|------------------------|-------------|--------|
| | Effect | Reason | Effect | Reason | Effect | Reason |
| 07 | ✓-1 440 | Debtors decrease ✓ | | | | |
| | ✓+1 440 | Cash increases ✓ | | | | |
| | ✓+3 840 | Debtors increase | +640 | Profit earned ✓ | | |
| | ✓-3 200 | Trading stock decreases | | | | |
| 14 | ✓+39 600 | Cash increases ✓ | +6 600 | Profit earned ✓ | | |
| | ✓-33 000 | Trading stock decreases ✓ | | | | |
| | ✓+120 000 | Cash increases ✓ | +120 000 | Capital contribution ✓ | | |

6. Middle order (28)

| No. | Account debited | Account credited | A | OE |
|------|-------------------|-------------------|------------|------------|
| e.g. | Bank ✓ | Current income ✓ | ✓ +1 337 | ✓ +1 337 |
| 07 | Bank ✓ | Debtors control ✓ | ✓✓ ± 1 440 | |
| | Debtors control ✓ | Sales ✓ | ✓ +3 840 | ✓ +3 840 |
| | Cost of sales ✓ | Trading stock ✓ | ✓ -3 200 | ✓ -3 200 |
| 14 | Bank ✓ | Sales ✓ | ✓ +39 600 | ✓ +39 600 |
| | Cost of sales ✓ | Trading stock ✓ | ✓ -33 000 | ✓ -33 000 |
| | Bank ✓ | Capital ✓ | ✓ +120 000 | ✓ +120 000 |

» Activity 12.3

1. a.–b. Middle order (37)

Debtors Journal of Dilbert Traders for January 2017

DJ1

| Doc. no. | Day | Debtor | Fol. | Sales | | Cost of sales | |
|----------|-----|------------|------|---------|----|---------------|----|
| | | | | ✓ | 00 | ✓ | 00 |
| 506 | 02 | B Ferreira | D1 | ✓ 2 160 | 00 | ✓ 1 800 | 00 |
| 507 | 07 | B Ferreira | D1 | ✓ 960 | 00 | ✓ 800 | 00 |
| 508 | 19 | J de Lange | D2 | ✓ 312 | 00 | ✓ 260 | 00 |
| 509 | 27 | J de Lange | D2 | ✓ 864 | 00 | ✓ 720 | 00 |
| 510 | | B Ferreira | D1 | ✓ 744 | 00 | ✓ 620 | 00 |
| | | | | ✓ 5 040 | 00 | ✓ 4 200 | 00 |

(12)

B6/N1 N2/B5

Cash Receipts Journal of Dilbert Traders for January 2017

CRJ1

| Doc. no. | Day | Details | Fol. | Analysis of receipts | | Bank | | Sales | | Cost of sales | | Debtors control | Sundry accounts | | |
|----------|-----|------------|------|----------------------|----|----------|----|----------|----|---------------|----|-----------------|-----------------|------|---------|
| | | | | ✓ | 00 | ✓ | 00 | ✓ | 00 | ✓ | 00 | | Amount | Fol. | Details |
| CRR | 02 | Sales | | 8 880 | 00 | ✓ 8 880 | 00 | ✓ 8 880 | 00 | ✓ 7 400 | 00 | | | | |
| 301 | 04 | B Ferreira | D1 | 4 704 | 00 | ✓ 4 704 | 00 | | | | | ✓ 4 704 | 00 | | |
| 302 | 07 | J de Lange | D2 | 1 408 | 00 | ✓ 1 408 | 00 | | | | | ✓ 1 408 | 00 | | |
| CRR | 19 | Sales | | 15 360 | 00 | ✓ 15 360 | 00 | ✓ 15 360 | 00 | ✓ 12 800 | 00 | | | | |
| 303 | 24 | J de Lange | D2 | ✓ 1 984 | 00 | | | | | | | ✓ 1 984 | 00 | | |
| CRR | | Sales | | ✓ 15 000 | 00 | ✓ 16 984 | 00 | ✓ 15 000 | 00 | ✓ 12 500 | 00 | | | | |
| CRR | 30 | Sales | | ✓ 20 400 | 00 | | | ✓ 20 400 | 00 | ✓ 17 000 | 00 | | | | |
| 304 | | B Ferreira | D1 | ✓ 2 400 | 00 | ✓ 22 800 | 00 | | | | | ✓ 2 400 | 00 | | |
| ✓ | | | | | | 70 136 | 00 | 59 640 | 00 | 49 700 | 00 | ✓ 10 496 | 00 | | |

(25)

B7 N1 N2/B5 B6 ✓

2. Middle order (23)

Debtors Ledger of Dilbert Traders B Ferreira

D1

| Date | Details/Document no. | Fol. | Debit (+) | | Credit (-) | | Balance | |
|-------------|----------------------|------|-----------|----|------------|----|---------|----|
| 2017 Jan | 01 Account rendered | | | | | | ✓ 3 240 | 00 |
| | 02 Invoice no. 506 ✓ | DJ1 | ✓ 2 160 | 00 | | | 5 400 | 00 |
| | 04 Receipt no. 301 ✓ | CRJ1 | | | ✓ 4 704 | 00 | 696 | 00 |
| | 07 Invoice no. 507 ✓ | DJ1 | ✓ 960 | 00 | | | 1 656 | 00 |
| | 27 Invoice no. 510 ✓ | DJ1 | ✓ 744 | 00 | | | 2 400 | 00 |
| | 30 Receipt no. 304 ✓ | CRJ1 | | | ✓ 2 400 | 00 | ✓ 0 | 00 |

(12)

J de Lange

D2

| Date | Details/Document no. | Fol. | Debit (+) | | Credit (-) | | Balance | |
|-------------|----------------------|------|-----------|----|------------|----|----------|----|
| 2017 Jan | 01 Account rendered | | | | | | ✓ 14 838 | 00 |
| | 07 Receipt no. 302 ✓ | CRJ1 | | | ✓ 1 408 | 00 | 13 430 | 00 |
| | 19 Invoice no. 508 ✓ | DJ1 | ✓ 312 | 00 | | | 13 742 | 00 |
| | 24 Receipt no. 303 ✓ | CRJ1 | | | ✓ 1 984 | 00 | 11 758 | 00 |
| | 27 Invoice no. 509 ✓ | DJ1 | ✓ 864 | 00 | | | ✓ 12 622 | 00 |

(10)

D Gifford

D3

| Date | Details/Document no. | Fol. | Debit (+) | | Credit (-) | | Balance | |
|-------------|----------------------|------|-----------|--|------------|--|----------|----|
| 2017 Jan | 01 Account rendered | | | | | | ✓ 15 522 | 00 |

(1)

3. Middle order (35)

General Ledger of Dilbert Traders Balance Sheet accounts

| Dr | | | | Trading Stock | | | | B5 | | | | Cr | | | | | |
|-------------|----|---------|------|---------------|----|-------------|----|-----------------|------|----------|----|----|--|---------|------|--------|--|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | | | | Details | Fol. | Amount | |
| 2017 Jan | 01 | Balance | b/d | ✓ 56 800 | 00 | 2017 Jan | 31 | Cost of sales ✓ | CRJ1 | ✓ 49 700 | 00 | | | | | | |
| | 31 | Bank ✓ | CPJ1 | ✓ 33 680 | 00 | | | Cost of sales ✓ | DJ1 | ✓ 4 200 | 00 | | | | | | |
| | | | | | | | | Balance | c/d | ✓ 36 580 | 00 | | | | | | |
| | | | | 90 480 | 00 | | | | | 90 480 | 00 | | | | | | |
| 2017 Feb | 01 | Balance | b/d | ✓ 36 580 | 00 | | | | | | | | | | | | |

(9)

| Dr | | | | Debtors Control | | | | B6 | | | | Cr | | | | | |
|-------------|----|---------|------|-----------------|----|-------------|----|-----------|------|----------|----|----|--|---------|------|--------|--|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | | | | Details | Fol. | Amount | |
| 2017 Jan | 01 | Balance | b/d | ✓ 33 600 | 00 | 2017 Jan | 31 | Bank ✓ | CRJ1 | ✓ 10 496 | 00 | | | | | | |
| | 31 | Sales ✓ | DJ1 | ✓ 5 040 | 00 | | | Balance ✓ | c/d | 28 144 | 00 | | | | | | |
| | | | | 38 640 | 00 | | | | | 38 640 | 00 | | | | | | |
| 2017 Feb | 01 | Balance | b/d | ✓ 28 144 | 00 | | | | | | | | | | | | |

(7)

| Dr | | | | Bank | | | | B7 | | | | Cr | | | |
|------|----|------------------|------|----------|----|------|----|------------------|------|----------|----|----|--|--|--|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | | | | | |
| 2017 | | | | | | 2017 | | | | | | | | | |
| Jan | 01 | Balance | b/d | ✓ 3 400 | 00 | Jan | 31 | Total payments ✓ | CPJ1 | ✓ 36 960 | 00 | | | | |
| | 31 | Total receipts ✓ | CRJ1 | ✓ 70 136 | 00 | | | Balance | c/d | ✓ 36 576 | 00 | | | | |
| | | | | 73 536 | 00 | | | | | 73 536 | 00 | | | | |
| 2017 | | | | | | | | | | | | | | | |
| Feb | 01 | Balance | b/d | ✓ 36 576 | 00 | | | | | | | | | | |

(7)

Nominal accounts

| Dr | | | | Sales | | | | N1 | | | | Cr | | | |
|------|--|---------|------|--------|--|------|----|-------------------|------|-----------|----|----|--|--|--|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | | | | | |
| | | | | | | 2017 | | | | | | | | | |
| | | | | | | Jan | 01 | Balance | b/d | ✓ 241 200 | 00 | | | | |
| | | | | | | | 31 | Bank ✓ | CRJ1 | ✓ 59 640 | 00 | | | | |
| | | | | | | | | Debtors control ✓ | DJ1 | ✓ 5 040 | 00 | | | | |
| | | | | | | | | | | ✓ 305 880 | 00 | | | | |

(6)

| Dr | | | | Cost of Sales | | | | N2 | | | | Cr | | | |
|------|----|-----------------|------|---------------|----|------|--|---------|------|--------|--|----|--|--|--|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | | | | | |
| 2017 | | | | | | | | | | | | | | | |
| Jan | 01 | Balance | b/d | ✓ 201 000 | 00 | | | | | | | | | | |
| | 31 | Trading stock ✓ | CRJ1 | ✓ 49 700 | 00 | | | | | | | | | | |
| | | Trading stock ✓ | DJ1 | ✓ 4 200 | 00 | | | | | | | | | | |
| | | | | ✓ 254 900 | 00 | | | | | | | | | | |

(6)

4. Higher order (11)

a. It implements more cash sales ✓ as in January, goods to the value of R59 640 were sold for cash whereas only R5 040 were credit sales. ✓✓ (3)

b. Advantages:

- The business will not run into cash flow problems. ✓✓
- They can finance the credit sales (debtors) from the cash sales. ✓✓
- The business requires less operating capital. ✓✓
- There are fewer bad debts. ✓✓

(Any two)

Disadvantages:

- They could sell more goods if credit sales could increase to the same level as that of the cash sales. ✓✓
- Their credit option is not utilised to its maximum. ✓✓
- Their credit allowance policy as well as their credit collection policy is probably too stringent. ✓✓ (8)

(Any two)

Activity 12.4

1. Middle order (25)

Learners complete the CRJ and use the completed DJ and CPJ to post to the General and Debtors Ledgers.

Cash Receipts Journal of Storm Stores for December 2020

CRJ12

| Doc. no. | Day | Details | Fol. | Analysis of receipts | | Bank | | Sales | | Cost of sales | | Debtors control | | Sundry accounts | | | |
|----------|-----|----------|------|----------------------|----|---------|----|---------|----|---------------|----|-----------------|---------|-----------------|------|-------------|---|
| | | | | | | | | | | | | | | Amount | Fol. | Details | |
| CRR | 01 | Sales | | 1 200 | 00 | ✓1 200 | 00 | ✓1 200 | 00 | ✓857 | 14 | | | | | | |
| CRR | 04 | Sales | | 10 080 | 00 | ✓10 080 | 00 | ✓10 080 | 00 | ✓7 200 | 00 | | | | | | |
| R10 | 09 | S Storm | | | | ✓24 000 | 00 | | | | | | ✓24 000 | 00 | B1 | Capital | ✓ |
| CRR | 11 | Sales | | 22 800 | 00 | ✓22 800 | 00 | ✓22 800 | 00 | ✓16 285 | 71 | | | | | | |
| R11 | 14 | A Andani | D2 | 66 300 | 00 | ✓66 300 | 00 | | | | | ✓66 300 | 00 | | | | |
| R12 | 15 | G Tamba | | | | ✓36 000 | 00 | | | | | | ✓36 000 | 00 | N3 | Rent income | ✓ |
| CRR | 25 | Sales | | 7 560 | 00 | ✓7 560 | 00 | ✓7 560 | 00 | ✓5 400 | 00 | | | | | | |
| R13 | 30 | S Miba | D3 | 59 700 | 00 | ✓59 700 | 00 | | | | | ✓59 700 | 00 | | | | |
| ✓ | | | | | | 227 640 | 00 | 41 640 | 00 | 29 742 | 85 | 126 000 | 00 | ✓60 000 | 00 | | |

B7 N1 N2/B5 B6✓

2. Middle order (51)

General Ledger of Storm Stores Balance Sheet accounts

| Dr | | | | Capital | | | | B1 | | | | Cr | |
|------|---------|--|------|---------|--|------|---------|---------|-------|----------|----|----|-----|
| Date | Details | | Fol. | Amount | | Date | Details | | Fol. | Amount | | | |
| | | | | | | 2020 | 01 | Balance | b/d | ✓156 000 | 00 | | |
| | | | | | | | 09 | Bank ✓ | CRJ12 | ✓24 000 | 00 | | |
| | | | | | | | | | | ✓180 000 | 00 | | (4) |

| Dr | | | | Trading Stock | | | | B5 | | | | Cr | |
|------|---------|---------|-------|---------------|----|------|---------|-----------------|-------|---------|----|----|-----|
| Date | Details | | Fol. | Amount | | Date | Details | | Fol. | Amount | | | |
| 2020 | 01 | Balance | b/d | ✓95 670 | 00 | 2020 | 31 | Cost of sales ✓ | CRJ12 | ✓29 742 | 85 | | |
| | 31 | Bank ✓ | CPJ12 | ✓101 400 | 00 | | | Cost of sales ✓ | DJ12 | ✓69 428 | 57 | | |
| | | | | | | | | Balance | c/d | ✓97 898 | 58 | | |
| | | | | 197 070 | 00 | | | | | 197 070 | 00 | | |
| 2021 | 01 | Balance | b/d | ✓97 898 | 58 | | | | | | | | (9) |

| Dr | | | | Debtors Control | | | | B6 | | | | Cr | |
|------|---------|---------|------|-----------------|--------|------|---------|---------|-------|----------|----|----|-----|
| Date | Details | | Fol. | Amount | | Date | Details | | Fol. | Amount | | | |
| 2020 | 01 | Balance | b/d | ✓139 | 200 00 | 2020 | 31 | Bank ✓ | CRJ12 | ✓126 000 | 00 | | |
| | 31 | Sales ✓ | DJ12 | ✓97 200 | 00 | | | Balance | c/d | ✓110 400 | 00 | | |
| | | | | 236 400 | 00 | | | | | 236 400 | 00 | | |
| 2021 | 01 | Balance | b/d | ✓110 400 | 00 | | | | | | | | (7) |

| Dr | | | | Bank | | | | B7 | | | | Cr | | | |
|------|-----|---------|------------------|-------|-------------------|----|------|-----|---------|------------------|-------|-------------------|----|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| 2020 | Dec | 01 | Balance | b/d | ✓ 56 777 | 00 | 2020 | Dec | 31 | Total payments ✓ | CPJ12 | ✓ 157 200 | 00 | | |
| | | 31 | Total receipts ✓ | CRJ12 | ✓ 227 640 | 00 | | | | Balance | c/d | ✓ 127 217 | 00 | | |
| | | | | | <u>284 417 00</u> | | | | | | | <u>284 417 00</u> | | | |
| 2021 | Jan | 01 | Balance | b/d | ✓ 127 217 | 00 | | | | | | | | | |

(7)

Nominal accounts

| Dr | | | | Sales | | | | N1 | | | | Cr | | | |
|------|--|---------|--|-------|---------------------|--|------|-----|---------|-------------------|-------|-----------|----|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| | | | | | | | 2020 | Dec | 01 | Balance | b/d | ✓ 113 484 | 00 | | |
| | | | | | | | | | 31 | Bank ✓ | CRJ12 | ✓ 41 640 | 00 | | |
| | | | | | | | | | | Debtors control ✓ | DJ12 | ✓ 97 200 | 00 | | |
| | | | | | <u>✓ 252 324 00</u> | | | | | | | | | | |

(6)

| Dr | | | | Cost of Sales | | | | N2 | | | | Cr | | | |
|------|-----|---------|-----------------|---------------|---------------------|----|------|----|---------|--|------|--------|--|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| 2020 | Dec | 01 | Balance | b/d | ✓ 81 060 | 00 | | | | | | | | | |
| | | 31 | Trading stock ✓ | CRJ12 | ✓ 29 742 | 85 | | | | | | | | | |
| | | | Trading stock ✓ | DJ12 | ✓ 69 428 | 57 | | | | | | | | | |
| | | | | | <u>✓ 180 231 42</u> | | | | | | | | | | |

(6)

| Dr | | | | Rent Income | | | | N3 | | | | Cr | | | |
|------|--|---------|--|-------------|--------------------|--|------|-----|---------|---------|-------|----------|----|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| | | | | | | | 2020 | Dec | 01 | Balance | b/d | ✓ 12 000 | 00 | | |
| | | | | | | | | | 15 | Bank ✓ | CRJ12 | ✓ 36 000 | 00 | | |
| | | | | | <u>✓ 48 000 00</u> | | | | | | | | | | |

(4)

| Dr | | | | Wages | | | | N4 | | | | Cr | | | |
|------|-----|---------|---------|-------|-------------------|----|------|----|---------|--|------|--------|--|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| 2020 | Dec | 01 | Balance | b/d | ✓ 4 500 | 00 | | | | | | | | | |
| | | 31 | Bank ✓ | CPJ12 | ✓ 3 000 | 00 | | | | | | | | | |
| | | | | | <u>✓ 7 500 00</u> | | | | | | | | | | |

(4)

| Dr | | | | Stationery | | | | N5 | | | | Cr | | | |
|------|-----|---------|---------|------------|-------------------|----|------|----|---------|--|------|--------|--|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| 2020 | Dec | 01 | Balance | b/d | ✓ 465 | 00 | | | | | | | | | |
| | | 31 | Bank ✓ | CPJ12 | ✓ 4 800 | 00 | | | | | | | | | |
| | | | | | <u>✓ 5 265 00</u> | | | | | | | | | | |

(4)

3. Middle order (24)

Debtors Ledger of Storm Stores

C Gwari

D1

| Date | Details/Document no. | Fol. | Debit (+) | Credit (-) | Balance |
|----------------|----------------------|------|-------------|------------|-------------|
| 2020 Dec 01 | Account rendered | | | | ✓ 2 400 00 |
| | 30 Invoice no. F35 ✓ | DJ12 | ✓ 37 980 00 | | ✓ 40 380 00 |

(4)

A Andani

D2

| Date | Details/Document no. | Fol. | Debit (+) | Credit (-) | Balance |
|----------------|----------------------|-------|-------------|-------------|-------------|
| 2020 Dec 01 | Account rendered | | | | ✓ 45 000 00 |
| | 04 Invoice no. F31 ✓ | DJ12 | ✓ 7 500 00 | | 52 500 00 |
| | 08 Invoice no. F32 ✓ | DJ12 | ✓ 13 800 00 | | 66 300 00 |
| | 14 Receipt no. R11 ✓ | CRJ12 | | ✓ 66 300 00 | 0 00 |
| | 17 Invoice no. F34 ✓ | DJ12 | ✓ 10 320 00 | | ✓ 10 320 00 |

(10)

S Miba

D3

| Date | Details/Document no. | Fol. | Debit (+) | Credit (-) | Balance |
|----------------|----------------------|-------|-------------|-------------|-------------|
| 2020 Dec 01 | Account rendered | | | | ✓ 91 800 00 |
| | 11 Invoice no. F33 ✓ | DJ12 | ✓ 27 600 00 | | 119 400 00 |
| | 30 Receipt no. R13 ✓ | CRJ12 | | ✓ 59 700 00 | ✓ 59 700 00 |

(6)

List (schedule) of balances of debtors on 31 December 2020

| | | |
|------------------------|-----------|-------------------|
| C Gwari | D1 | R40 380 ✓ |
| A Andani | D2 | R10 320 ✓ |
| S Miba | D3 | R59 700 ✓ |
| Debtors control | B6 | R110 400 ✓ |

(4)

Activity 12.5

Middle and Higher order (44)

The learners must do a few calculations beforehand. You can help them with the calculations or ask them to work on their own.

Calculations:

$$\text{Debtors control} = \text{K Barlow} + \text{E Jones} = \text{R}10\,812 + \text{R}8\,415 = \text{R}19\,227$$

$$\begin{aligned} \text{Profit margin} &= \frac{\text{profit}}{\text{cost price}} \times 100 \text{ (use the balance amounts)} \\ &= \frac{(145\,095 - 116\,076)}{116\,076} \times 100 = 25\% \end{aligned}$$

$$\text{Cost of sales (in DJ)} = \text{R}40\,953 \times \frac{100}{125} = \text{R}32\,762,40$$

$$\text{Sales (in CRJ)} = \text{R}3\,947\,706 - \text{R}12\,750 - \text{R}3\,574\,080 = \text{R}360\,876$$

$$\text{Cost of sales (in CRJ)} = \text{R}360\,876 \times \frac{100}{125} = \text{R}288\,700,80$$

$$\text{Bank (in CPJ)} = \text{R}393\,847,50 + \text{R}6\,120 + \text{R}41\,488,50 = \text{R}441\,456$$

**General Ledger of Mittner Traders
Balance Sheet accounts**

| Dr | | | | | Trading Stock | | | | | B7 | | | | | Cr | | | | |
|------|----|---------|------|----------------|---------------|------|----|-----------------|------|----------------|-----------|--|--|--|----|--|--|--|--|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | | | | | | | | | |
| 2015 | | | | | | 2015 | | | | | | | | | | | | | |
| Mar | 01 | Balance | b/d | ✓ 53 677 | 50 | Mar | 31 | Cost of sales ✓ | DJ3 | ✓✓ 32 762 | 40 | | | | | | | | |
| | 31 | Bank ✓ | CPJ3 | ✓ 393 847 | 50 | | | Cost of sales ✓ | CRJ3 | ✓✓ 288 700 | 80 | | | | | | | | |
| | | | | | | | | Balance | c/d | ✓ 126 061 | 80 | | | | | | | | |
| | | | | 447 525 | 00 | | | | | 447 525 | 00 | | | | | | | | |
| 2015 | | | | | | | | | | | | | | | | | | | |
| Apr | 01 | Balance | b/d | ✓ 126 061 | 80 | | | | | | | | | | | | | | |

(11)

| Dr | | | | | Debtors Control | | | | | B8 | | | | | Cr | | | | |
|------|----|---------|------|---------------|-----------------|------|----|---------|------|---------------|-----------|--|--|--|----|--|--|--|--|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | | | | | | | | | |
| 2015 | | | | | | 2015 | | | | | | | | | | | | | |
| Mar | 01 | Balance | b/d | ✓✓ 19 227 | 00 | Mar | 31 | Bank ✓ | CRJ3 | ✓ 12 750 | 00 | | | | | | | | |
| | 31 | Sales ✓ | DJ3 | ✓ 40 953 | 00 | | | Balance | c/d | ✓ 47 430 | 00 | | | | | | | | |
| | | | | 60 180 | 00 | | | | | 60 180 | 00 | | | | | | | | |
| 2015 | | | | | | | | | | | | | | | | | | | |
| Apr | 01 | Balance | b/d | ✓ 47 430 | 00 | | | | | | | | | | | | | | |

(8)

| Dr | | | | | Bank | | | | | B9 | | | | | Cr | | | | |
|------|----|------------------|------|------------------|-----------|------|----|------------------|------|------------------|-----------|--|--|--|----|--|--|--|--|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | | | | | | | | | |
| 2015 | | | | | | 2015 | | | | | | | | | | | | | |
| Mar | 01 | Balance | b/d | ✓ 208 437 | 00 | Mar | 31 | Total payments ✓ | CPJ3 | ✓✓ 441 456 | 00 | | | | | | | | |
| | 31 | Total receipts ✓ | CRJ3 | ✓ 3 947 706 | 00 | | | Balance | c/d | ✓ 3 714 687 | 00 | | | | | | | | |
| | | | | 4 156 143 | 00 | | | | | 4 156 143 | 00 | | | | | | | | |
| 2015 | | | | | | | | | | | | | | | | | | | |
| Apr | 01 | Balance | b/d | ✓ 3 714 687 | 00 | | | | | | | | | | | | | | |

(8)

Nominal accounts

| Dr | | | | | Sales | | | | | N1 | | | | | Cr | | | | |
|------|--|---------|------|--------|-------|------|----|-------------------|------|------------------|-----------|--|--|--|----|--|--|--|--|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | | | | | | | | | |
| | | | | | | 2015 | | | | | | | | | | | | | |
| | | | | | | Mar | 01 | Balance | b/d | ✓ 145 095 | 00 | | | | | | | | |
| | | | | | | | 31 | Debtors control ✓ | DJ3 | ✓ 40 953 | 00 | | | | | | | | |
| | | | | | | | | Bank ✓ | CRJ3 | ✓✓ 360 876 | 00 | | | | | | | | |
| | | | | | | | | | | ✓ 546 924 | 00 | | | | | | | | |

(7)

| Dr | | | | | Cost of Sales | | | | | N2 | | | | | Cr | | | | |
|------|----|-----------------|------|------------------|---------------|------|--|---------|------|--------|--|--|--|--|----|--|--|--|--|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | | | | | | | | | |
| 2015 | | | | | | | | | | | | | | | | | | | |
| Mar | 01 | Balance | b/d | ✓ 116 076 | 00 | | | | | | | | | | | | | | |
| | 31 | Trading stock ✓ | CRJ3 | ✓ 288 700 | 00 | | | | | | | | | | | | | | |
| | | Trading stock ✓ | DJ3 | ✓ 32 762 | 40 | | | | | | | | | | | | | | |
| | | | | ✓ 437 538 | 40 | | | | | | | | | | | | | | |

(6)

| Dr | | | | Stationery | | | | N4 | | | | Cr | | | |
|------|----|---------|--|------------|----------|----|------|----|---------|--|------|--------|--|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| 2015 | | | | | | | | | | | | | | | |
| Mar | 01 | Balance | | b/d | ✓ 8 670 | 00 | | | | | | | | | |
| | 31 | Bank ✓ | | CPJ3 | ✓ 6 120 | 00 | | | | | | | | | |
| | | | | | ✓ 14 790 | 00 | | | | | | | | | |

(4)

» Activity 12.6

Middle order (15)

Learners record the transactions directly into the Debtors Ledger, instead of posting them from the CRJ and DJ. Pay attention to the last transaction. It must not be entered in F Gabu's account, because he has already paid for it.

Debtors Ledger of Faber Traders F Gabu

D1

| Date | Details/Document no. | Fol. | Debit (+) | | Credit (-) | | Balance | |
|-------------|----------------------|------------------|-----------|---------|------------|----------|----------|----|
| 2013 Feb | 01 | Account rendered | ✓ | | | | ✓ 13 952 | 00 |
| | 06 | Invoice ✓ | DJ | ✓ 1 424 | 00 | | 15 376 | 00 |
| | 09 | Receipt ✓ | CRJ | | | ✓ 13 952 | 1 424 | 00 |
| | 15 | Invoice ✓ | DJ | ✓ 532 | 00 | | 1 956 | 00 |
| | 18 | Receipt ✓ | CRJ | | | ✓ 1 200 | 756 | 00 |
| | 21 | Invoice ✓ | DJ | ✓ 852 | 00 | | 1 608 | 00 |
| | 26 | Receipt ✓ | CRJ | | | ✓ 1 608 | ✓ 0 | 00 |

> Activity 12.7

Middle order (50)

| Day | Source document | Account debited | Account credited | Assets | | Owner's Equity | |
|-----|----------------------------|-------------------|-------------------|------------|---------------------------|----------------|--------------------------------|
| | | | | Effect | Reason | Effect | Reason |
| 1. | Deposit slip (duplicate) ✓ | Bank ✓ | Capital ✓ | ✓ +100 000 | Cash increases ✓ | ✓ +100 000 | Owner's capital contribution ✓ |
| 2. | Invoice (duplicate) ✓ | Debtors control ✓ | Sales ✓ | ✓ +7 440 | Debtors increase ✓ | ✓ +1 860 | Profit earned ✓ |
| | | Cost of sales ✓ | Trading stock ✓ | ✓ -5 580 | Trading stock decreases ✓ | | |
| 3. | Receipt (duplicate) ✓ | Bank ✓ | Rent income ✓ | ✓ +7 000 | Cash increases ✓ | ✓ +7 000 | Rent income ✓ |
| 4. | Cheque counterfoil ✓ | Stationery ✓ | Bank ✓ | ✓ -1 908 | Cash decreases ✓ | ✓ -1 908 | Stationery - expense ✓ |
| 5. | Cash register roll ✓ | Bank ✓ | Sales ✓ | ✓ +19 012 | Cash increases ✓ | ✓ +5 432 | Profit earned ✓ |
| | | Cost of sales ✓ | Trading stock ✓ | ✓ -13 580 | Trading stock decreases ✓ | | |
| 6. | Receipt (duplicate) ✓ | Bank ✓ | Debtors control ✓ | ✓ +11 856 | Cash increases ✓ | | |
| | | | | ✓ -11 856 | Debtors decrease ✓ | | |

For information on Informal assessment, refer to the self-assessment, peer assessment and group assessment templates in Section 5 of this Teacher's Guide.

Informal assessment

Activities 12.1–12.2: Show the CRJ and DJ on an overhead/data projector. Then show how you post to the Debtors Ledger step by step on the board. You can highlight the invoices in one colour and insert them in the same colour in the debit column of the Debtors Ledger. Highlight the receipts in another colour and insert them in the same colour in the credit column of the Debtors Ledger. (325)

Activities 12.3–12.4: One way to mark these activities is by giving a handout to each learner. This gives learners that struggle time to work at their own pace. This also gives you some time to check learners' books individually. (206)

Activity 12.5: The best way to mark a General Ledger is by doing it on the board, as you explain where the answers are found. (44)

Activities 12.6–12.7: These activities can be used for peer assessments. (65)

Consolidation

C Nel is the owner of Reitsma Traders. The business sells goods at cost price + 30%.

Balances on 1 December 2014

| | | | |
|-----------------|---------|-----------------------|---------|
| Capital | R36 000 | Sales | R73 320 |
| Drawings | R2 110 | Cost of sales | R56 400 |
| Trading stock | R54 800 | Stationery | R554 |
| Debtors control | R20 936 | Wages | R8 450 |
| Bank | R16 040 | Water and electricity | R898 |

Debtors:

| | |
|-----------|--------|
| S Moore | R? |
| E Klopper | R4 044 |
| P Ciel | R1 280 |
| M Gama | R2 652 |

The following source documents were issued during December.

Duplicate invoices for goods sold:

| No. | Date | To | Amount |
|-----|------|-----------|--------|
| 010 | 03 | S Moore | R808 |
| 011 | 08 | E Klopper | R1 212 |
| 012 | 16 | P Ciel | R1 616 |
| 013 | 23 | M Gama | R2 020 |

Duplicate receipts:

Date Details

| | |
|----|--|
| 02 | No. 555 to S Moore as part-settlement of his account: R8 136 |
| 07 | No. 556 to C Nel as capital contribution: R17 200 |
| 15 | No. 557 to M Gama as part-settlement of his account: R1 768 |

Cash sales according to cash register roll:

| Date | Amount |
|-------------|---------------|
| 07 | R16 800 |
| 15 | R4 800 |
| 28 | R12 400 |

Cheque counterfoils:

| No. | Date | To | For | Amount |
|------------|-------------|--------------------------|-----------------------|---------------|
| 7441 | 04 | Drakenstein Municipality | Water and electricity | R1 280 |
| 7442 | 09 | Cash | Wages | R16 492 |
| 7443 | 17 | Circle Stationers | Stationery | R680 |
| 7444 | 24 | Anahita Ltd. | Trading stock | R12 800 |
| 7445 | 28 | C Nel | Drawings | R5 200 |

Required

Record the transactions in the following subsidiary books:

1. Debtors Journal for December 2014
2. Cash Receipts Journal for December 2014 with columns for Analysis of receipts, Bank, Sales, Cost of sales, Debtors control and Sundry accounts.
Hint: There are two source documents involved with the CRJ. Make sure to record them in date order.
3. Cash Payments Journal for December 2014 with columns for Bank, Trading stock, Stationery, Wages and Sundry accounts.
4. Post the journals to the debtors' accounts in the Debtors Ledger and draw up a Debtors List.
5. Open the accounts with the given balances in the General Ledger.
6. Post from the journals to these accounts and balance the accounts where necessary.

Remind learners which source document to use with which journal.

| Source document | Journal |
|------------------------|----------------|
| Duplicate invoice | DJ |
| Duplicate receipt | CRJ |
| Cash register roll | CRJ |
| Cheque counterfoil | CPJ |

Help them to calculate the balance of S Moore's account as follows:

$$\begin{aligned} \text{S Moore} &= \text{Debtors control} - \text{E Klopper} - \text{P Ciel} - \text{M Gama} \\ &= \text{R20 936} - \text{R4 044} - \text{R1 280} - \text{R2 652} \\ &= \text{R12 960} \end{aligned}$$

1.

Debtors Journal of Reitsma Traders for December 2014 **DJ12**

| Doc. no. | Day | Debtor | Fol. | Sales | | Cost of sales | |
|----------|-----|-----------|------|--------------|-----------|---------------|-----------|
| | | | | | | | |
| 010 | 03 | S Moore | D1 | 808 | 00 | 621 | 54 |
| 011 | 08 | E Klopper | D2 | 1 212 | 00 | 932 | 31 |
| 012 | 16 | P Ciel | D3 | 1 616 | 00 | 1 243 | 08 |
| 013 | 23 | M Gama | D4 | 2 020 | 00 | 1 553 | 85 |
| | | | | 5 656 | 00 | 4 350 | 78 |

B6/N1

N2/B5

2.-3.

Cash Receipts Journal of Reitsma Traders for December 2014

CRJ12

| Doc. no. | Day | Details | Fol. | Analysis of receipts | Bank | | Sales | | Cost of sales | | Debtors control | | Sundry accounts | | | |
|----------|-----|---------|------|----------------------|------------------|--|------------------|------------------|---------------|--|-----------------|--|------------------|------|---------|--|
| | | | | | | | | | | | | | Amount | Fol. | Details | |
| 555 | 02 | S Moore | D1 | 8 136 00 | 8 136 00 | | | | | | 8 136 00 | | | | | |
| CRR | 07 | Sales | | 16 800 00 | | | 16 800 00 | 12 923 08 | | | | | | | | |
| 556 | | C Nel | | 17 200 00 | 34 000 00 | | | | | | | | 17 200 00 | B1 | Capital | |
| CRR | 15 | Sales | | 4 800 00 | | | 4 800 00 | 3 692 31 | | | | | | | | |
| 557 | | M Gama | D4 | 1 768 00 | 6 568 00 | | | | | | 1 768 00 | | | | | |
| CRR | 28 | Sales | | 12 400 00 | 12 400 00 | | 12 400 00 | 9 538 46 | | | | | | | | |
| | | | | | 61 104 00 | | 34 000 00 | 26 153 85 | | | 9 904 00 | | 17 200 00 | | | |

B7

N1

N2/B5

B6

Cash Payments Journal of Reitsma Traders for December 2014

CPJ12

| Doc. no. | Day | Name of payee | Fol. | Bank | | Trading stock | | Stationery | | Wages | | Sundry accounts | | |
|----------|-----|--------------------------|------|------------------|-----------|------------------|-----------|---------------|-----------|------------------|-----------|-----------------|-----------|-----------------------|
| | | | | | | | | | | | | Amount | Fol. | Details |
| 7441 | 04 | Drakenstein Municipality | | 1 280 00 | 00 | | | | | | | 1 280 00 | N5 | Water and electricity |
| 7442 | 09 | Cash | | 16 492 00 | 00 | | | | | 16 492 00 | | | | |
| 7443 | 17 | Circle Stationers | | 680 00 | 00 | | | 680 00 | | | | | | |
| 7444 | 24 | Anahita Ltd | | 12 800 00 | 00 | 12 800 00 | 00 | | | | | | | |
| 7445 | 28 | C Nel | | 5 200 00 | 00 | | | | | | | 5 200 00 | B2 | Drawings |
| | | | | 36 452 00 | 00 | 12 800 00 | 00 | 680 00 | 00 | 16 492 00 | 00 | 6 480 00 | 00 | |

B7

B5

N3

N4

4.

Debtors Ledger of Reitsma Traders

S Moore

D1

| Date | Details/Document no. | Fol. | Debit (+) | Credit (-) | Balance |
|----------|----------------------|-------|-----------|------------|-----------|
| 2014 Dec | | | | | |
| 01 | Account rendered | | | | 12 960 00 |
| 02 | Receipt no. 555 | CRJ12 | | 8 136 00 | 4 824 00 |
| 03 | Invoice no. 010 | DJ12 | 808 00 | | 5 632 00 |

E Klopper**D2**

| Date | | Details/Document no. | Fol. | Debit (+) | | Credit (-) | | Balance | |
|------|-----|----------------------|------------------|-----------|-------|------------|--|---------|----|
| 2014 | Dec | 01 | Account rendered | | | | | 4 044 | 00 |
| | | 08 | Invoice no. 011 | DJ12 | 1 212 | 00 | | 5 256 | 00 |

P Ciel**D3**

| Date | | Details/Document no. | Fol. | Debit (+) | | Credit (-) | | Balance | |
|------|-----|----------------------|------------------|-----------|-------|------------|--|---------|----|
| 2014 | Dec | 01 | Account rendered | | | | | 1 280 | 00 |
| | | 16 | Invoice no. 012 | DJ12 | 1 616 | 00 | | 2 896 | 00 |

M Gama**D4**

| Date | | Details/Document no. | Fol. | Debit (+) | | Credit (-) | | Balance | |
|------|-----|----------------------|------------------|-----------|-------|------------|-------|---------|-----|
| 2014 | Dec | 01 | Account rendered | | | | | 2 652 | 00 |
| | | 15 | Receipt no. 557 | CRJ12 | | | 1 768 | 00 | 884 |
| | | 23 | Invoice no. 013 | DJ12 | 2 020 | 00 | | 2 904 | 00 |

List (schedule) of balances of debtors on 31 December 2014

| | | |
|------------------------|-----------|----------------|
| S Moore | D1 | R5 632 |
| E Klopper | D2 | R5 256 |
| P Ciel | D3 | R2 896 |
| M Gama | D4 | R2 904 |
| Debtors control | B6 | R16 688 |

5.-6.**General Ledger of Reitsma Traders
Balance Sheet accounts**

| Dr | | | | Capital | | | | B1 | | | | Cr | |
|------|--|---------|------|---------|--|------|-----|---------|---------|--------|---------------|-----------|--|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | | | |
| | | | | | | 2014 | Dec | 01 | Balance | b/d | 36 000 | 00 | |
| | | | | | | | | 07 | Bank | CRJ12 | 17 200 | 00 | |
| | | | | | | | | | | | 53 200 | 00 | |

| Dr | | | | Drawings | | | | B2 | | | | Cr | |
|------|-----|---------|---------|----------|--------------|-----------|--|---------|------|--------|--|----|--|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | | | |
| 2014 | Dec | 01 | Balance | b/d | 2 110 | 00 | | | | | | | |
| | | 28 | Bank | CPJ12 | 5 200 | 00 | | | | | | | |
| | | | | | 7 310 | 00 | | | | | | | |

| Dr | | | | Trading Stock | | | | B5 | | | | Cr | |
|------|-----|---------|---------|---------------|---------------|-----------|------|---------|------|---------------|-------|---------------|-----------|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | | | |
| 2014 | Dec | 01 | Balance | b/d | 54 800 | 00 | 2014 | Dec | 31 | Cost of sales | CRJ12 | 26 153 | 85 |
| | | 31 | Bank | CPJ12 | 12 800 | 00 | | | | Cost of sales | DJ12 | 4 350 | 78 |
| | | | | | | | | | | Balance | c/d | 37 095 | 37 |
| | | | | | 67 600 | 00 | | | | | | 67 600 | 00 |
| 2015 | Jan | 01 | Balance | b/d | 37 095 | 37 | | | | | | | |

| Dr | | | | | Debtors Control | | | | | B6 | | | | | Cr | | | | | |
|------|-----|---------|---------|------|-----------------|-----------|------|-----|---------|---------|-------|---------------|-----------|------|----|---------|--|------|--------|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | |
| 2014 | Dec | 01 | Balance | b/d | 20 936 | 00 | 2014 | Dec | 31 | Bank | CRJ12 | 9 904 | 00 | | | | | | | |
| | | 31 | Sales | DJ12 | 5 656 | 00 | | | | Balance | c/d | 16 688 | 00 | | | | | | | |
| | | | | | <u>26 592</u> | <u>00</u> | | | | | | <u>26 592</u> | <u>00</u> | | | | | | | |
| 2015 | Jan | 01 | Balance | b/d | 16 688 | 00 | | | | | | | | | | | | | | |

| Dr | | | | | Bank | | | | | B7 | | | | | Cr | | | | | |
|------|-----|---------|----------------|-------|---------------|-----------|------|-----|---------|----------------|-------|---------------|-----------|------|----|---------|--|------|--------|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | |
| 2014 | Dec | 1 | Balance | b/d | 16 040 | 00 | 2014 | Dec | 31 | Total payments | CPJ12 | 36 452 | 00 | | | | | | | |
| | | 31 | Total receipts | CRJ12 | 61 104 | 00 | | | | Balance | c/d | 40 692 | 00 | | | | | | | |
| | | | | | <u>77 144</u> | <u>00</u> | | | | | | <u>77 144</u> | <u>00</u> | | | | | | | |
| 2015 | Jan | 01 | Balance | b/d | 40 692 | 00 | | | | | | | | | | | | | | |

Nominal accounts

| Dr | | | | | Sales | | | | | N1 | | | | | Cr | | | | | |
|------|--|---------|--|------|--------|--|------|-----|---------|-----------------|-------|----------------|-----------|------|----|---------|--|------|--------|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | |
| | | | | | | | 2014 | Dec | 01 | Balance | b/d | 73 320 | 00 | | | | | | | |
| | | | | | | | | | 31 | Bank | CRJ12 | 34 000 | 00 | | | | | | | |
| | | | | | | | | | | Debtors control | DJ12 | 5 656 | 00 | | | | | | | |
| | | | | | | | | | | | | <u>112 976</u> | <u>00</u> | | | | | | | |

| Dr | | | | | Cost of Sales | | | | | N2 | | | | | Cr | | | | | |
|------|-----|---------|---------------|-------|---------------|-----------|------|--|---------|----|------|--------|--|------|----|---------|--|------|--------|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | |
| 2014 | Dec | 01 | Balance | b/d | 56 400 | 00 | | | | | | | | | | | | | | |
| | | 31 | Trading stock | CRJ12 | 26 153 | 85 | | | | | | | | | | | | | | |
| | | | Trading stock | DJ12 | 4 350 | 78 | | | | | | | | | | | | | | |
| | | | | | <u>86 904</u> | <u>63</u> | | | | | | | | | | | | | | |

| Dr | | | | | Stationery | | | | | N3 | | | | | Cr | | | | | |
|------|-----|---------|---------|-------|--------------|-----------|------|--|---------|----|------|--------|--|------|----|---------|--|------|--------|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | |
| 2014 | Dec | 01 | Balance | b/d | 554 | 00 | | | | | | | | | | | | | | |
| | | 31 | Bank | CPJ12 | 680 | 00 | | | | | | | | | | | | | | |
| | | | | | <u>1 234</u> | <u>00</u> | | | | | | | | | | | | | | |

| Dr | | | | | Wages | | | | | N4 | | | | | Cr | | | | | |
|------|-----|---------|---------|-------|---------------|-----------|------|--|---------|----|------|--------|--|------|----|---------|--|------|--------|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | |
| 2014 | Dec | 01 | Balance | b/d | 8 450 | 00 | | | | | | | | | | | | | | |
| | | 31 | Bank | CPJ12 | 16 492 | 00 | | | | | | | | | | | | | | |
| | | | | | <u>24 942</u> | <u>00</u> | | | | | | | | | | | | | | |

| Dr | | | | Water and Electricity | | | | N5 | | | | Cr | | | |
|------|----|---------|--|-----------------------|--------------|-----------|------|----|---------|--|------|--------|--|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| 2014 | | | | | | | | | | | | | | | |
| Dec | 01 | Balance | | b/d | 898 | 00 | | | | | | | | | |
| | 04 | Bank | | CPJ12 | 1 280 | 00 | | | | | | | | | |
| | | | | | <u>2 178</u> | <u>00</u> | | | | | | | | | |

Extension

- Your scatterbrained friend, M Schutte, has asked for your help. He has lost his *Debtors Control* account in the General Ledger that you drew up for him. However, he still has the Debtors Ledger.

Required

Recreate the *Debtors Control* account from the Debtors Ledger.

Information

Debtors Ledger of Schutte Traders

S Mdaka

D1

| Date | | Details/Document no. | | Fol. | Debit (+) | | Credit (-) | | Balance | |
|------|-----|----------------------|--|------|-----------|----|------------|----|---------|----|
| 2013 | Nov | Account rendered | | | | | | | 8 200 | 80 |
| | | Invoice no. 522 | | DJ | 5 311 | 44 | | | 13 512 | 24 |
| | | Receipt no. 771 | | CRJ | | | 8 200 | 80 | 5 311 | 44 |
| | | Invoice no. 525 | | DJ | 18 392 | 40 | | | 23 703 | 84 |

J Tanner

D2

| Date | | Details/Document no. | | Fol. | Debit (+) | | Credit (-) | | Balance | |
|------|-----|----------------------|--|------|-----------|----|------------|----|---------|----|
| 2013 | Nov | Account rendered | | | | | | | 14 520 | 00 |
| | | Invoice no. 524 | | | 11 707 | 20 | | | 26 227 | 20 |
| | | Receipt no. 773 | | CRJ | | | 26 227 | 20 | 0 | 00 |
| | | Invoice no. 526 | | DJ | 10 114 | 20 | | | 10 114 | 20 |

A Falck

D3

| Date | | Details/Document no. | | Fol. | Debit (+) | | Credit (-) | | Balance | |
|------|-----|----------------------|--|------|-----------|----|------------|----|---------|----|
| 2013 | Nov | Account rendered | | | | | | | 6 868 | 80 |
| | | Invoice no. 523 | | | 13 199 | 40 | | | 20 068 | 20 |
| | | Receipt no. 772 | | CRJ | | | 5 400 | 00 | 14 668 | 20 |
| | | Receipt no. 774 | | CRJ | | | 3 600 | 00 | 11 068 | 20 |

General Ledger of Schutte Traders Balance Sheet account

| Dr | | | | Debtors Control | | | | B6 | | | | Cr | | | |
|------|-----|---------|---------|-----------------|---------------|-----------|------|-----|---------|---------|------|---------------|-----------|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| 2013 | Nov | 01 | Balance | b/d | 29 589 | 60 | 2013 | Nov | 30 | Bank | CRJ | 43 428 | 00 | | |
| | | 30 | Sales | DJ | 58 724 | 64 | | | | Balance | c/d | 44 886 | 24 | | |
| | | | | | <u>88 314</u> | <u>24</u> | | | | | | <u>88 314</u> | <u>24</u> | | |
| 2013 | Dec | 01 | Balance | b/d | 44 886 | 24 | | | | | | | | | |

Calculations

Balance (total of the debtors' account rendered at the beginning of the month):

$$R8\ 200,80 + R14\ 520 + R6\ 868,80 = R29\ 589,60$$

$$\text{Sales (total of all invoices): } R5\ 311,44 + R18\ 392,40 + R11\ 707,20 + R10\ 114,20 + R13\ 199,40 = R58\ 724,64$$

$$\text{Bank (total of all receipts): } R8\ 200,80 + R26\ 227,20 + R5\ 400 + R3\ 600 = R43\ 428$$

$$\text{Balance (total of the debtors' final balances): } R23\ 703,84 + R10\ 114,20 + R11\ 068,20 = R44\ 886,24$$

- **Ciao Café has two debtors: T Holiasmenos and A Janse van Vuuren.**

Required

Study the accounts below from the Debtors Ledger and complete the Debtors Journal from the information given. Profit mark-up is 50% on cost price.

Debtors Ledger of Ciao Café

T Holiasmenos

D1

| Date | Details/Document no. | Fol. | Debit (+) | | Credit (-) | | Balance | |
|-------------|----------------------|------------------|-----------|-------|------------|-------|---------|----|
| 2018 Nov | 01 | Account rendered | | | | | 1 835 | 49 |
| | 03 | Invoice no. 903 | DJ | 1 466 | 25 | | 3 301 | 74 |
| | 05 | Receipt no. 656 | CRJ | | | 1 300 | 2 001 | 24 |
| | 15 | Invoice no. 905 | DJ | 3 487 | 89 | | 5 489 | 13 |
| | 17 | Receipt no. 677 | CRJ | | | 5 100 | 389 | 13 |

A Janse van Vuuren

D2

| Date | Details/Document no. | Fol. | Debit (+) | | Credit (-) | | Balance | |
|-------------|----------------------|------------------|-----------|--------|------------|--------|---------|----|
| 2018 Nov | 01 | Account rendered | | | | | 10 354 | 53 |
| | 10 | Invoice no. 904 | DJ | 8 157 | 45 | | 18 511 | 98 |
| | 19 | Invoice no. 906 | DJ | 10 260 | 69 | | 28 772 | 67 |
| | 25 | Receipt no. 687 | CRJ | | | 28 772 | 0 | 00 |

Debtors Journal of Ciao Café for November 2018

DJ11

| Doc. no. | Day | Balance Sheet accounts | Fol. | Sales | | Cost of sales | |
|----------|-----|------------------------|------|---------------|-----------|---------------|-----------|
| 903 | 03 | T Holiasmenos | D1 | 1 466 | 25 | 977 | 50 |
| 904 | 10 | A Janse van Vuuren | D2 | 8 157 | 45 | 5 438 | 30 |
| 905 | 15 | T Holiasmenos | D1 | 3 487 | 89 | 2 325 | 26 |
| 906 | 19 | A Janse van Vuuren | D2 | 10 260 | 69 | 6 840 | 46 |
| | | | | 23 372 | 28 | 15 581 | 52 |

Learners use the invoices from the two Debtors Ledger accounts and place them in date order in the Debtors Journal. They focus only on invoices because this is a Debtors Journal. The cost of sales must also be calculated.

$$3 \text{ Nov: } R1\ 466,25 \times \frac{100}{150} = R977,50$$

$$10 \text{ Nov: } R8\ 157,45 \times \frac{100}{150} = R5\ 438,30$$

$$15 \text{ Nov: } R3\ 487,89 \times \frac{100}{150} = R2\ 325,26$$

$$19 \text{ Nov: } R10\ 260,69 \times \frac{100}{150} = R6\ 840,46$$

Topic 13

Credit transactions: Creditors (1)

Learner's Book pages 155–163

Duration: 3 hours

Curriculum and Assessment Policy Statement (CAPS) content

In this topic, learners will learn about FINANCIAL LITERACY. They will look at:

- creditors
- creditors allowance
- the accounting cycle
- recording of transactions in the Creditors Journal (CJ)

Term and week/s
Term 3, Weeks 6–8

New words and concepts

creditors; trade discount; credit invoice; creditors allowances; Creditors Journal

Resources

Learners must each have an exercise book called an 'Eight money column' or 'Cash money column' for the CPJ and the CJ. Photocopy the Cash Payments Journal and Creditors Journal templates found at the end of this guide if necessary.

A calculator for each learner is essential.

Preparation

- Read through the topic and familiarise yourself with the content that you will need to teach. Think about what learners may already know about the topics, what skills they already have and any areas of difficulty that you think they might encounter.
- The learners already know how to record transactions in a CPJ. Transactions in the CJ are quite similar, so they may find this easy to do.

Teaching the topic

There are 3 lessons in this topic.

| Lesson | Week | Pages | Activities |
|--------|------|-------|------------|
| 6 | 6 | 159 | 13.1–13.2 |
| 7 | 7 | 160 | 13.3 |
| 8 | 8 | 160 | 13.4 |

Lesson 6

- Refer to Figure 13.1 in the Learners Book and have a class discussion on buying on credit and how to identify who is the debtor and who is the creditor in credit transactions. Assess what learners understand and where they are struggling.
- Discuss each section outlined in the Learner's Book, including creditors, recording credit purchases and trade discount.
- Use the examples given in the Learner's Book to assist your teaching. For example, the Learner's Book page 158 example of Wilson Traders returning a leather chair to Africa Leathers to explain creditors allowance. Learners will deal with this concept in more detail in Grade 10.
- Discuss the steps in the accounting cycle from the point where the business places the order to the creditor until the point where the business pays for the order.
- Use the example of Tucson Stores in the Learner's Book. Refer to the accounting cycle and each step as you go along.
 1. Source document – Invoice: Show the invoice on the board and revise with learners how to fill it in. Remind them that this will be the original invoice that they receive and will need to renumbered.
 2. Journal – Creditors Journal: Show learners how to allocate that invoice in the Creditors Journal in the different columns. Stationery and Packing material will be allocated to the Sundry accounts column because there are no analysis columns for them.
- **Do Activity 13.1.**
- It is important that you explain to learners that only CREDIT PURCHASES are entered into the Creditors Journal.
- Each transaction (each invoice number) is recorded in the Creditors control column. In other words, for each (renumbered) invoice there must be an amount in the Creditors control column. After that the transaction is allocated to a specific column. If there is no specific column for it, then it is allocated to the Sundry accounts column.
- The number of analysis columns for which provision must be made depends on the requirements of each individual business and is determined by the nature and type of business.
- Provision is always made for Sundry accounts in the journal because it is not possible to provide individual analysis columns for every type of receipt or payment.
- Creditors column: In this column we write the name of the person or business from whom the invoice is received.
- Cross-checking with the CJ: The total of the Creditors control column must be equal to the total of the analysis columns plus the total of the Sundry accounts column.
- **Do Activity 13.2.**

Lesson 7

- Mark and check Activities 13.1 and 13.2.
- **Do Activity 13.3.**

Lesson 8

- Mark and check Activity 13.3.
- **Do Activity 13.4.**

Answers

» Activity 13.1

1. *Middle order* (4)

$$R9\ 080 \times 7,5\% = R681 \checkmark\checkmark$$

$$R9\ 080 - R681 = R8\ 399 \checkmark\checkmark$$

2. *Middle order* (18)

Learners complete the invoice. Emphasise who issued the invoice (Diva Designs) and who is receiving it (Lara Fashions).

| DIVA DESIGNS | | | | | |
|--------------------------------|-------------------|-------|----|------------|-----------------|
| 217 Iziko Street, Durban, 4001 | | | | | |
| Original Tax Invoice | | | | | |
| VAT no.: 42811 | | | | | |
| | | | | | NO. V253 |
| TO: Lara Fashions | | | | | |
| 98 Bree Street ✓ | | | | | |
| CAPE TOWN | | | | | |
| 8000 | | | | | |
| | | | | | 14 March 2013 ✓ |
| BOUGHT FROM: Diva Designs ✓ | | | | | |
| QUANTITY | DETAILS | PRICE | | AMOUNT | |
| 20 | Dresses | ✓ 210 | 00 | ✓ 4 200 | 00 |
| 25 | Skirts | ✓ 138 | 00 | ✓ 3 450 | 00 |
| 50 | Blouses | ✓ 89 | 00 | ✓ 4 450 | 00 |
| 100 | Pairs socks | ✓ 16 | 00 | ✓ 1 600 | 00 |
| 30 | Pairs of trousers | ✓ 114 | 00 | ✓ 3 420 | 00 |
| TOTAL | | | | ✓ 17 120 | 00 |
| 20% TRADE DISCOUNT | | | | ✓✓✓ -2 024 | 00 |
| TOTAL DUE | | | | ✓ 15 096 | 00 |

Calculations for the trade discount:

$$(20 \times R210) + (25 \times R138) + (50 \times R89) + (100 \times R16) + (30 \times R114) = R17\ 120$$

$$\text{Trade discount: } R17\ 120 - R7\ 000 = R10\ 120$$

$$R10\ 120 \times 20\% = R2\ 024$$

Pay attention to the pocket calculators learners have and the different ways in which they work.

> Activity 13.2

Middle order (10)

Creditors Journal of Books Galore for September 2016

CJ9

| Doc. no. | Day | Creditor | Fol. | Creditors control | | Trading stock | | Repairs | | Sundry accounts | | |
|----------|-----|--------------------|------|-------------------|----|---------------|----|---------|----|-----------------|------|------------------|
| | | | | ✓ | | ✓ | | ✓ | | Amount | Fol. | Details |
| 101 | 02 | CNC News Suppliers | *C1 | ✓ 4 117 | 00 | ✓ 4 117 | 00 | | | | | |
| 102 | 09 | Tech B2E | *C2 | ✓ 368 | 00 | | | ✓ 368 | 00 | | | |
| 103 | 16 | Grab Publishers | *C3 | ✓ 4 019 | 00 | ✓ 3 618 | 00 | | | ✓ 401 | 00 | *N8 Stationery ✓ |
| ✓ | | | | 8 504 | 00 | 7 735 | 00 | 368 | 00 | ✓ 401 | 00 | |

*B7

*B6

*N10

*Folio numbers are only inserted once posting has been done from Activity 15.1 in Topic 15.

>> Activity 13.3

Middle order (18)

Learners must pay attention to the following:

4 May: $R85 \times 10 = R850$; $R850 - 6\% = R799$

8 May: If a transaction doesn't say whether goods are bought on credit or cash, it is accepted to be on credit.

14 May: $R3\ 810 - 10\% = R3\ 429$; $R3\ 429 + R4\ 800 = R8\ 229$

Creditors Journal of Barnes Stationers for May 2020

CJ5

| Doc. no. | Day | Creditor | Fol. | Creditors control | | Trading stock | | Stationery | | Sundry accounts | | |
|----------|-----|-----------------|------|-------------------|----|---------------|----|------------|----|-----------------|------|------------------|
| | | | | ✓ | | ✓ | | ✓ | | Amount | Fol. | Details |
| 21 | 04 | Fitch & Co. | C2 | ✓✓ 799 | 00 | ✓ 799 | 00 | | | | | |
| 22 | 08 | Khaya Suppliers | C1 | ✓ 783 | 00 | | | ✓ 783 | 00 | | | |
| 23 | 14 | Fitch & Co. | C2 | ✓ 8 229 | 00 | ✓✓ 3 429 | 00 | | | ✓ 4 800 | 00 | *B6 Equipment ✓ |
| 24 | 20 | Khaya Suppliers | C1 | ✓ 1 140 | 00 | ✓ 1 140 | 00 | | | | | |
| 25 | 26 | The Advertiser | C4 | ✓ 824 | 00 | | | | | ✓ 824 | 00 | Advertisements ✓ |
| ✓ | | | * | 11 775 | 00 | 5 368 | 00 | 783 | 00 | ✓ 5 624 | 00 | |

*B8

*B7

*N5 ✓

*Folio numbers are only inserted once posting has been done from Activity 15.2 in Topic 15.

Activity 13.4

Middle order (22)

Creditors Journal of Blaine Traders for September 2012

CJ9

| Doc. no. | Day | Creditor | Fol. | Creditors control | | Trading stock | | Sundry accounts | | |
|----------|-----|---------------------|------|-------------------|----|---------------|----|-----------------|------|------------------------|
| | | | | | | | | Amount | Fol. | Details |
| 622 | 08 | Eggers Traders | C3 | ✓✓ 6 313 | 70 | ✓ 6 313 | 70 | | | |
| 623 | 21 | Cotfab Distributors | C1 | ✓ 1 280 | 40 | ✓ 1 280 | 40 | | | |
| 624 | 25 | Neven & Co. | C2 | ✓ 5 315 | 70 | ✓✓ 2 851 | 20 | ✓ 417 | 00 | *N6 Packing material ✓ |
| | | | | | | | | ✓ 1 800 | 00 | *B6 Equipment ✓ |
| | | | | | | | | ✓ 247 | 50 | *N5 Stationery ✓ |
| 625 | 29 | Eggers Traders | C3 | ✓ 4 824 | 00 | | | ✓ 4 824 | 00 | *N5 Stationery ✓ |
| 626 | 30 | Cotfab Distributors | C1 | ✓✓ 2 340 | 00 | ✓ 2 340 | 00 | | | |
| ✓ | | | * | 20 073 | 80 | 12 785 | 30 | ✓ 7 288 | 50 | |

*B9

*B7

*Folio numbers are only inserted once posting has been done from Activity 15.3 in Topic 15.

Learners must pay attention to the following:

8 Sep: R6 646 – 5% = R6 313,70

25 Sep: R3 240 – 12% = R2 851,20; R2851,20 + R417 + R1 800 + R247,50 = R5 315,70

30 Sep: R2 400 – 2,5% = R2 340

For information on Informal assessment, refer to the self-assessment, peer assessment and group assessment templates in Section 5 of this Teacher's Guide.

Informal assessment

Activity 13.1: Show the invoice on an overhead/data projector. Fill in each section, explaining as you go along. Learners can check their own work. (22)

Activities 13.2–13.3: Do the CJ on the board while you explain each transaction. Show how to calculate the different amounts where the trade discounts apply again. Learners can mark their own work. (28)

Activity 13.4: This activity can be a peer assessment, using a handout. (22)

Consolidation

- Read each transaction and complete the table below.

Example: Paid the telephone account, R650.

| No. | Account 1 | Account 2 | Amount |
|------|-----------|-----------|--------|
| e.g. | Telephone | Bank | 650 |

Transactions for May 2012

- 01 Received an invoice from Pretorius Suppliers for purchases of goods of R7 400, less 12,5% trade discount.
- 02 Purchase stationery from Pen & Paper for R189 on credit.
- 03 Received an invoice from CJ Motors R3 367 for repairs done to the delivery van.
- 04 Purchase a computer for R6 800 from Madlelo on credit.
- 05 Purchase merchandise from MJ Fashions and receive their credit invoice for R12 900.

| No. | Account 1 | Account 2 | Amount |
|-----|---------------|-------------------|---------|
| 01 | Trading stock | Creditors control | R6 475 |
| 02 | Stationery | Creditors control | R189 |
| 03 | Repairs | Creditors control | R3 367 |
| 04 | Equipment | Creditors control | R6 800 |
| 05 | Trading stock | Creditors control | R12 900 |

Extension

Analyse the creditors' accounts of Zandvliet by answering the questions that follow.

| Creditors | Credit limit | Credit term | Month 1 Purchases | Month 2 Purchases |
|--------------|--------------|-------------|-------------------|-------------------|
| Amalienstein | R5 100 | 60 days | 3 000 | 4 000 |
| De Tradouw | R23 000 | 60 days | 14 000 | 8 000 |
| Le Domaine | R7 500 | 30 days | 4 000 | |
| Afrimat | R15 000 | 60 days | 8 500 | 2 100 |
| Les Hauts | R25 000 | 30 days | 12 000 | 16 000 |

1. Calculate the outstanding amount of each creditor at the end of Month 2.

| | | |
|--------------|---------|-------------------|
| Amalienstein | R7 000 | R3 000 + R4 000 |
| De Tradouw | R22 000 | R14 000 + R8 000 |
| Le Domaine | R4 000 | R4 000 |
| Afrimat | R10 600 | R8 500 + R2 100 |
| Les Hauts | R28 000 | R12 000 + R16 000 |

2. Which account(s) is/are not managed well?

Amalienstein: the credit terms are R5 100, but the debt is R7 000 after 60 days

Les Hauts: the credit terms are R25 000, but the debt is R28 000 after 30 days

3. Which account(s) is/are managed well?

Le Domaine: the credit terms are R7 500, but the debt is only R4 000 after 30 days

De Tradouw: the credit terms are R23 000, but the debt is R22 000 after 60 days

Afrimat: the credit terms are R15 000, but the debt is R10 600 after 60 days

4. Which account do you think was managed the best?

Le Domaine

5. Calculate the total amount owed to the creditors.

$$R7\ 000 + R22\ 000 + R4\ 000 + R10\ 600 + R28\ 000 = R71\ 600$$

Topic 14

Functions of a business

Learner's Book pages 164–176

Duration: 3 hours

Term and week/s

Term 3, Weeks 6–8

New words and concepts

eight business functions; administration; purchasing; marketing; finance; public relations; human resources; production; general management; risk management

Curriculum and Assessment Policy Statement (CAPS) content

In this topic, learners will learn about ENTREPRENEURSHIP.

They will look at:

- the eight main functions:
 - administration
 - purchasing
 - marketing
 - financial
 - public relations
 - human resources
 - production
 - general management
- risk management
- characteristics of the business functions
- role and importance of the business functions

Resources

Gather news articles from newspapers, magazines and the Internet that deal with any of the eight business functions.

Source businesspeople in your area who could come to the class to talk to the learners about the business functions. Arrange, in good time, for the speaker to come during Lesson 8.

Preparation

- Read through the topic and familiarise yourself with the content that you will need to teach. Think about what learners may already know about the topics, what skills they already have and any areas of difficulty that you think they might encounter.
- Gather your resources and plan how you will integrate them into your teaching.
- Prepare a brief on what you would like the businessperson to talk to your class about. Make the arrangements for the talk with plenty of time to spare, and have a backup speaker ready or an alternative lesson planned in case the speaker cancels at short notice.

- Plan your teaching for Lessons 6 and 7 well, as there is a lot of content to get through in two hours.
- Prepare questions for a class quiz that you can use to revise the business functions at the end of Lesson 7.

Teaching the topic

There are 3 lessons in this topic.

| Lesson | Week | Pages | Activities |
|--------|------|---------|------------|
| 6 | 6 | 165 | – |
| 7 | 7 | 165 | – |
| 8 | 8 | 165–166 | 14.1–14.2 |

Lesson 6

- There is a lot of content to work through this week so make sure you have an efficient system in place for teaching this content.
- Have a brief discussion about participating in a school team effort where different functions are required for the team to be successful. Use your resources and the diagram in Figure 14.2 of the Learner’s Book as a starting point for your discussion of what business functions are.
- Ask the learners if they can use the discussion to think of what the business functions would be. Introduce the eight functions.
- Work through the text in the Learner’s Book pages 166–170 about the administration, purchasing, marketing and finance functions and their characteristics, roles and importance.
- Ask the learners to think about how each function manages the business’s risk, and teach risk management after you’ve taught each function.

Lesson 7

- There is a lot of content to work through this week so make sure you have an efficient system in place for teaching this content.
- Recap briefly what you taught last week about the administration, purchasing, marketing and finance functions.
- As you did last week, work through the text in the Learner’s Book pages 170–175 on the public relations, human resources, production and general management functions and their characteristics, roles and importance.
- Ask learners to think about how each function manages the business’s risk. Teach risk management after you’ve taught each function.
- If there is time, have a class quiz in which you ask questions you have prepared to revise the business functions.

Lesson 8

- Arrange for the visiting businessperson you have chosen to be at the school for this week’s lesson.
- Introduce the speaker to the class.

- Tell learners to take notes during the speaker's talk and hand in summary notes of the talk for assessment.
- Ensure that the learners listen respectfully and allow time for them to ask questions if they have any.
- **Do Activities 14.1 and 14.2.**
- If there is no time to do these activities during class time, set them for homework as individual work.

Answers

> Activity 14.1

1.–3. *Middle order* (20)

Learners make summary notes of the talk that the speaker gave. Make sure they are comprehensive and show evidence that the learners have understood and can apply the contents of the talk. Award 15 marks for summary content (one mark per point) and 5 marks for content accuracy and summary structure.

>> Activity 14.2

Middle order (72)

| Business function | What it does | Why it is important | How it manages risk |
|-------------------|---|---|--|
| Administration | Runs the administrative side of the business. ✓ Keeps administration of the business's operations running smoothly. ✓ | This is an important function because without accurate record-keeping and administration, ✓ it is difficult to keep track of what is happening in all of the departments of the business. ✓ | Businesses are at risk if their administrative functions do not work properly. ✓ If a business is not administered smoothly, the business's performance suffers. ✓ When a business's administrative systems are in place, there is less risk of the business experiencing problems. ✓ |
| Purchasing | Procures or buys all of the raw materials and finished products that a business needs to function. ✓ Purchases things that the business needs to operate that are not necessarily part of producing goods. ✓ For example, employees need desks, computers, telephones and stationery. ✓ The business also needs packaging materials if it produces goods that it packs for sale and services such as cleaning and equipment repair services. ✓ Keeps an appropriate supply of raw materials and other goods and services available to the business so that the business can achieve its objectives. ✓ | This is an important function because without the raw materials needed to produce goods ✓, a business has no outputs and makes no money. ✓ | It is important for the purchasing function to work properly to manage the risk of a business running out of the inputs it needs to produce outputs. ✓ Businesses risk losing money if their production processes are delayed due to a lack of raw materials. ✓ Delays are expensive and give the business a bad reputation. ✓ Businesses also risk losing money if the purchasing function is not able to purchase goods or raw materials at the best possible price. ✓ Businesses cannot afford to spend more than is necessary on their production costs. ✓ |

| Business function | What it does | Why it is important | How it manages risk |
|-------------------------|---|--|--|
| Marketing | <p>Makes potential customers aware of the business's goods or services. ✓</p> <p>Appeals to a need that potential customers have and provides a way of meeting that need. ✓</p> <p>Determines what goods the business should produce; ✓ determines how the business and its goods should be branded to have the biggest impact on potential customers; ✓ determines the best distribution channels for the business's goods; ✓ advertises and promotes the goods; ✓ provides publicity for the business and its goods; ✓ determines the best pricing for the business's goods; ✓ finds a target market for the goods; ✓ makes decisions about how to standardise production processes and manages the marketing budget. ✓</p> | <p>This is an important function because if nobody knows about or can access the business's goods, ✓ the business will not make sales. ✓</p> | <p>When businesses spend money to produce goods or offer services, they take a risk because they do not know if customers will buy their outputs. ✓</p> <p>The marketing function can manage this risk by bringing customers and outputs together so that the business can meet customers' needs and get a return on the money they invested in production. ✓</p> |
| Finance | <p>Manages all of the aspects of the business's finances. ✓</p> | <p>This is an important function because businesses exist to make a profit. ✓ They cannot make a profit if money is mismanaged. ✓</p> | <p>A business's money is at huge risk from criminal acts such as fraud and theft and from bad business decisions. ✓ The finance function constantly evaluates the business's financial risk and makes sure that these risks are managed. ✓</p> |
| Public relations | <p>Gives businesses positive publicity and exposes them to as many potential customers as possible in as positive a way as possible to encourage sales. ✓</p> <p>Communicates with the public about what the business does. ✓</p> | <p>This is an important role because consumers' impressions of a business guide them to make their buying choices. ✓</p> | <p>The public relations function is important for managing the risk of a business getting a bad reputation. ✓ It is very easy for one consumer to be unhappy with a good and to spread the news about his or her bad experience with a business. ✓ If people hear enough bad stories about a business, they will stop using that business. ✓ The public relations function makes sure that consumers see the business positively by communicating with the public and telling them about all of the business's good qualities. ✓</p> |

| Business function | What it does | Why it is important | How it manages risk |
|--------------------|---|--|--|
| Human resources | Manages the people in a business. ✓ Looks after the welfare of employees and ensures that the business has the right number of employees, with the right skills, to operate productively and profitably. ✓ | It is an important role because when employees are not treated well, they do not work well. ✓ Good human resources management and skills development are essential for the business's productivity. ✓ | A dissatisfied workforce puts the business at risk of industrial action. ✓ An unhappy workforce is an unproductive workforce. ✓ This puts the business at risk of losing money due to low productivity and of producing poor-quality goods because of a lack of motivation and incentive to work well. ✓ A strong human resources function allows a business to manage the risks associated with staffing. ✓ |
| Production | Manages all aspects of a business's production process, including getting the resources or inputs required for the production process in the right quantities at the right time; ✓ manages all aspects of the production process, including efficiency and quality; ✓ scheduling the production process; ✓ choosing the best production method for the good; ✓ managing the production budget; ✓ controlling production costs; ✓ keeping up to date with technology that makes production faster and cheaper ✓ and improving the production process to produce better-quality goods more efficiently. ✓ | This is an important function because without a well-managed production process, ✓ businesses cannot produce quality goods cost-effectively enough for the business to cover its production costs and make a profit. ✓ | Businesses spend lots of money on inputs for the production process. ✓ Things like raw materials, employee training and equipment and machinery for manufacturing are very expensive. ✓ They run the risk of this money being wasted if the production process does not produce good-quality goods on schedule. ✓ A strong production function makes sure that the production process is efficient and that outputs can cover production costs. ✓ |
| General management | Oversees and manages all of the other business functions. ✓ | This is an important function because a business cannot operate without strong overall leadership and management. ✓ | Because this function manages all of the other functions, it can observe and analyse how the other functions are performing and assess whether they are putting the business at risk. ✓ This function constantly checks the progress of the business and of all its functions against the business's vision and mission. ✓ General management manages risk by making sure that all of the functions are working properly and working together in the best interests of the business. ✓ |

Learners use the topic content in the Learner's Book to complete the table with their own summary notes, such as the ones above.

For information on Informal assessment, refer to the self-assessment, peer assessment and group assessment templates in Section 5 of this Teacher's Guide.

Informal assessment

Activity 14.1: Take in the learners' summary notes and mark them. Observe the learners during the talk and assess how well they are able to focus and absorb information from an external source. (20)

Activity 14.2: Take in the learners' tables and mark them to assess how well the learners are able to summarise information for revision. (72)

Consolidation

- **Name the eight business functions.**

Administration, purchasing, marketing, finance, public relations, human resources, production, general management

- **Discuss the role of the general management function of a business.**

The general management function is the function that oversees and manages all of the other business functions. Its main role is to steer the business in the direction of its mission and vision by managing the activities of the other business functions.

- **Explain how the production function helps to manage a business's risk.**

Businesses spend lots of money on inputs for the production process. Things like raw materials, employee training and equipment and machinery for manufacturing are very expensive. They run the risk of this money being wasted if the production process does not produce good-quality products on schedule. A strong production function makes sure that the production process is efficient and that outputs can cover production costs.

Extension

Choose a business in your area. Find out what it does. Write a short report in which you say what you think the eight business functions will do in that business.

Learners choose a local business, research it, and analyse it. They write down what they think each function will do in that specific business. For example, if they choose a supermarket, they could say that the purchasing function buys the supermarket's stock to sell; the marketing function produces the television, newspaper and radio adverts that the local area sees; the human resources function hires cashiers, shelf-packers, managers and bakery staff, and so on. Learners should show the integration and application of knowledge to a real business context.

Term and week/sTerm 3, Weeks
9–10**New words
and concepts**cheques;
counterfoils;
signing rights;
Creditors Ledger;
General Ledger;
Creditors List;
creditors' accounts;
Creditors Control
account**Curriculum and Assessment Policy Statement
(CAPS) content**

In this topic, learners will learn about FINANCIAL LITERACY.
They will look at:

- recording of payments to creditors in the Cash Payments Journal (CPJ)
- posting to the Creditors Ledger and General Ledger
- the effect of credit transactions on the accounting equation

Resources

Learners must each have an exercise book called an 'Eight money column' or 'Cash money column' for the CPJ and the CJ. They also need a 'Double Ledger' book for the General Ledger and a 'Treble Cash' book for the Creditors Ledger. Photocopy the Cash Payments and the Creditors Journals and the Creditors and General Ledger templates found at the end of this guide if necessary.

A calculator for each learner is essential.

Preparation

- Read through the topic and familiarise yourself with the content that you will need to teach. Think about what learners may already know about the topics, what skills they already have and any areas of difficulty that you think they might encounter.
- The learners already know how to record transactions in a General Ledger. Posting from the CJ to the General Ledger should be fairly easy for the learners to master because it is done in the same way as posting from the CPJ.
- Learners are familiar with a three-column ledger and they also know how to post journals to the Debtors Ledger, which looks similar to the Creditors Ledger. This should help their understanding of this content.
- It may be difficult for them to understand that you have two 'three-column ledgers' that look exactly the same, but function in exactly the opposite way to each other. Consider how you will explain this to learners.

Teaching the topic

There are 2 lessons in this topic.

| Lesson | Week | Pages | Activities |
|--------|------|---------|------------|
| 9 | 9 | 171-172 | 15.1-15.2 |
| 10 | 10 | 172-173 | 15.3-15.5 |

Lesson 9

- Refer to Figure 15.1 in the Learner's Book and discuss the differences between buying for cash and buying on credit. Remind learners about the National Credit Act briefly from Topic 7 and use it to revise buying on credit.
- Continue with recording payments to creditors in the CPJ using the example of Tucson Stores and Chapman Suppliers in the Learner's Book.
- Discuss the steps from the point where the business places the order until the point where the order is paid.
- Talk about the accounting cycle and explain each step as you go along.
 1. Source document – Cheque: Show learners a cheque on the board and remind them how to complete it.
 2. Journal – Cash Payments Journal: Show learners how to allocate that cheque payment in the journal, in the Bank and in the Creditors control columns.
- **Do Activity 15.1 Question 1.**
- Continue with the example of Tucson Stores, covering posting to the Creditors and General Ledgers. Discuss each step as you go along.
 1. Source document – Invoice from the Creditors Journal: posted to the credit side because it increases the creditor's account.
 2. Source document – Cheque from the Cash Payments Journal: posted to the debit side because it decreases the creditor's account.
- Explain that the Creditor's Ledger differs from the General Ledger in that it is updated as soon as a transaction takes place. The ledger account then shows the balance due after each transaction, while the General Ledger shows only the closing balance at the end of the month.
- **Do Activity 15.1 Question 2.**
- Discuss posting the Creditors Journal to the General Ledger for creditors, continuing with the example of Chelsea Traders. There are two ways to explain this:
 1. The *Creditors Control* account has been credited because it increased (liabilities increase on the credit side) and according to the double-entry principle, all the other accounts are debited OR
 2. Identify each account, for example: *Trading Stock* is an Asset that increased because we bought some stock or *Stationery* is an expense that decreased Owner's equity and is therefore debited.

- Emphasise the following:
 1. Credit purchases of an Asset

| Creditors Control | | Trading Stock | |
|-------------------|--|---|--|
| | Liability increased because debt to a creditor increased | Asset increased because the stock has increased | |

2. Credit purchase of an Expense

| Creditors Control | | Stationery | |
|-------------------|--|--|--|
| | Liability increased because debt to a creditor increased | Stationery is an expense that decreased the Owners' equity | |

3. Payment of the creditor's account

| Creditors Control | | Bank | |
|--|--|------|---|
| Liability decreased because debt to a creditor decreased | | | Asset decreased because the Bank decreased by a payment |

- Use the next example of Sarama Shop in the Learner's Book pages 185–189 to consolidate this content.
- **Do Activity 15.2.**
- Work through this activity with the learners and explain the calculations. If there are learners struggling with this content, then calculate the missing figures with them beforehand.

Lesson 10

- Mark and check the previous activities.
- Review the Creditors Ledger and emphasise where we get the information from:

| | | | |
|-----|---------|----------------------------|----------------------------------|
| CJ | Invoice | Entry in the credit column | Add amount to the balance |
| CPJ | Cheque | Entry in the debit column | Subtract amount from the balance |

- The business can settle creditors' accounts in three ways:
 - Settle accounts on the first of the month, for example 1 April: Business pays the previous month's account in full to the creditor
 - Settle accounts in full (up to date): Business pays the full amount that he owes up until that day in full
 - Settle accounts in part: Business only pays a part of the creditor's account.
- **Do Activity 15.3.**

- Ask learners to open their journals for the activity and assist them with the calculations if necessary.
- **Do Activity 15.4.**
- There is only one calculation in this activity. See whether learners are able to do this calculation on their own.
- Discuss the effect of credit transactions on the accounting equation. Start with cash purchases and move on to credit purchases.
- **Do Activity 15.5.**
- Work through the examples of the accounting equation, explaining each transaction as you go along.
- If there is time available, do the example in the Learner's Book pages 194–196 on analysing and interpreting accounts as an enrichment activity. This can also be used as a challenge for learners who understand the content.

Answers

» Activity 15.1

1. Middle order (18)

Cash Payments Journal of Books Galore for September 2016

CPJ9

| Doc. no. | Day | Name of payee | Fol. | Bank | | Creditors control | | Stationery | | Wages | | Sundry accounts | | | |
|----------|-----|--------------------|------|---------|----|-------------------|----|------------|----|-------|----|-----------------|------|---------|-----------|
| | | | | ✓ | | ✓ | | ✓ | | ✓ | | Amount | Fol. | Details | |
| 0432 | 07 | Grab Publishers | *C3 | ✓ 558 | 00 | ✓ 558 | 00 | | | | | | | | |
| 0433 | 13 | CNC News Suppliers | *C1 | ✓ 1 375 | 00 | ✓ 1 375 | 00 | | | | | | | | |
| 0434 | 14 | Cash | | ✓ 600 | 00 | | | | | ✓ 600 | 00 | | | | |
| 0435 | 23 | Boxes Inc. | | ✓ 196 | 00 | | | ✓ 196 | 00 | | | | | | |
| 0436 | 24 | Tech B2E | | ✓ 9 450 | 00 | | | | | | | ✓ 9 450 | 00 | *N10 | Repairs ✓ |
| 0437 | 29 | Cash | | ✓ 600 | 00 | | | | | ✓ 600 | 00 | | | | |
| 0438 | 30 | Tech B2E | *C2 | ✓ 2 638 | 00 | ✓ 2 638 | 00 | | | | | | | | |
| ✓ | | | | 15 417 | 00 | 4 571 | 00 | 196 | 00 | 1 200 | 00 | ✓ 9 450 | 00 | | |

*B5

*B7

*N8 ✓

*Folio numbers are only inserted once cross-entries have been made.

2. Middle order (22)

Creditors Ledger of Books Galore

CNC News Suppliers

C1

| Date | Details/Document no. | Fol. | Debit (-) | Credit (+) | Balance |
|--------------|----------------------|-------------------|-----------|------------|------------|
| 2016 Sept | 01 | Account rendered | | | ✓ 3 420 00 |
| | 02 | Invoice no. 101 ✓ | CJ9 | ✓ 4 117 00 | 7 537 00 |
| | 13 | Cheque no. 0433 ✓ | CPJ9 | ✓ 1 375 00 | ✓ 6 162 00 |

(6)

Tech B2E

C2

| Date | Details/Document no. | Fol. | Debit (-) | Credit (+) | Balance |
|--------------|----------------------|-------------------|-----------|------------|------------|
| 2016 Sept | 01 | Account rendered | | | ✓ 2 270 00 |
| | 09 | Invoice no. 102 ✓ | CJ9 | ✓ 368 00 | 2 638 00 |
| | 30 | Cheque no. 0438 ✓ | CPJ9 | ✓ 2 638 00 | ✓ 0 00 |

(6)

Grab Publishers
C3

| Date | Details/Document no. | Fol. | Debit (-) | | Credit (+) | | Balance | |
|--------------|----------------------|-------------------|-----------|-------|------------|---------|---------|------------|
| 2016 Sept | 01 | Account rendered | | | | | ✓ 558 | 00 |
| | 07 | Cheque no. 0432 ✓ | CPJ9 | ✓ 558 | 00 | | | 0 00 |
| | 16 | Invoice no. 103 ✓ | CJ9 | | | ✓ 4 019 | 00 | ✓ 4 019 00 |

(6)

List (schedule) of creditors balances on 30 September 2016

| | | |
|--------------------------|-----------|---------------------|
| CNC News Suppliers | C1 | R6 162,00 ✓ |
| Tech B2E | C2 | R0,00 ✓ |
| Grab Publishers | C3 | R4 019,00 ✓ |
| Creditors control | B7 | R10 181,00 ✓ |

(4)

» Activity 15.2
1. Middle order (26)
Cash Payments Journal of Barnes Stationers for May 2020
CPJ5

| Doc. no. | Day | Name of payee | Fol. | Bank | | Trading stock | Creditors control | | Wages | | Sundry accounts | | |
|----------|-----|-------------------|------|-----------|------|---------------|-------------------|--------|--------|---------|-----------------|----------|----------------|
| | | | | Amount | Fol. | | Amount | Fol. | Amount | Fol. | Details | | |
| 56 | 02 | Onelogix | C3 | ✓✓ 10 340 | 00 | | ✓ 10 340 | 00 | | | | | |
| 57 | 04 | Telkom | | ✓ 569 | 00 | | | | | ✓ 569 | 00 | | Drawings ✓ |
| 58 | 16 | Fitch & Co. | C2 | ✓✓ 31 028 | 00 | | ✓ 31 028 | 00 | | | | | |
| 59 | | Cash | | ✓ 840 | 00 | | | | ✓ 840 | 00 | | | |
| 60 | 23 | Cash | | ✓ 840 | 00 | | | | ✓ 840 | 00 | | | |
| 61 | 28 | Mia Casa Agents | | ✓ 4 800 | 00 | | | | | ✓ 4 800 | 00 | | Rent expense ✓ |
| 62 | 30 | Wapnick Suppliers | | ✓ 54 047 | 00 | ✓ 48 165 | 00 | | | ✓ 482 | 00 | N5 | Stationery ✓ |
| ✓ | | | | | | | | | | ✓ 5 400 | 00 | B6 | Equipment ✓ |
| | | | ✓ | 102 464 | 00 | 48 165 | 00 | 41 368 | 00 | 1 680 | 00 | ✓ 11 251 | 00 |

B5

B7

B8 ✓

Learners must pay attention to the following:

2 May: The outstanding balance of Onelogix = Creditors control –
 Khaya Suppliers – Fitch & Co. = R71 940 – R39 600 – R22 000 =
 R10 340

16 May: R22 000 + R799 + R8 229 = R31 028

2. Middle order (26)
Creditors Ledger of Barnes Stationers
Khaya Suppliers
C1

| Date | Details/Document no. | Fol. | Debit (-) | | Credit (+) | | Balance | |
|-------------|----------------------|------------------|-----------|--|------------|--------|----------|-------------|
| 2020 May | 01 | Account rendered | | | | | ✓ 39 600 | 00 |
| | 08 | Invoice no. 22 ✓ | CJ5 | | | ✓ 783 | 00 | 40 383 00 |
| | 20 | Invoice no. 24 ✓ | CJ5 | | | ✓ 1140 | 00 | ✓ 41 523 00 |

(6)

Fitch & Co.**C2**

| Date | Details/Document no. | Fol. | Debit (-) | | Credit (+) | | Balance | |
|-------------|----------------------|------------------|-----------|----------|------------|----|----------|----|
| 2020 May | 01 | Account rendered | | | | | ✓ 22 000 | 00 |
| | 04 | Invoice no. 21 ✓ | CJ5 | | ✓ 799 | 00 | 22 799 | 00 |
| | 14 | Invoice no. 23 ✓ | CJ5 | | ✓ 8 229 | 00 | 31 028 | 00 |
| | 16 | Cheque no. 58 ✓ | CPJ5 | ✓ 31 028 | 00 | | ✓ 0 | 00 |

(8)

Onelogix**C3**

| Date | Details/Document no. | Fol. | Debit (-) | | Credit (+) | | Balance | |
|-------------|----------------------|------------------|-----------|----------|------------|--|----------|----|
| 2020 May | 01 | Account rendered | | | | | ✓ 10 340 | 00 |
| | 02 | Cheque no. 56 ✓ | CPJ5 | ✓ 10 340 | 00 | | ✓ 0 | 00 |

(4)

The Advertiser**C4**

| Date | Details/Document no. | Fol. | Debit (-) | | Credit (+) | | Balance | |
|-------------|----------------------|------------------|-----------|--|------------|----|---------|----|
| 2020 May | 26 | Invoice no. 25 ✓ | CJ5 | | ✓ 824 | 00 | ✓ 824 | 00 |

(3)

List (schedule) of creditors balances on 30 September 2016

| | | |
|--------------------------|-----------|---------------------|
| Khaya Suppliers | C1 | R41 523,00 ✓ |
| Fitch & Co. | C2 | R0,00 ✓ |
| Onelogix | C3 | R0,00 ✓ |
| The Advertiser | C4 | R824,00 ✓ |
| Creditors control | B8 | R42 347,00 ✓ |

(5)

3. Middle order (28)**General Ledger of Barnes Stationers
Balance Sheet accounts**

| Dr | | | | Bank | | | | B5 | | | | Cr | | | |
|-------------|---------|---------|--------|----------|------|-------------|------|------------------|------|-----------|----|----|--|--|--|
| Date | Details | Fol. | Amount | | Date | Details | Fol. | Amount | | | | | | | |
| 2020 May | 01 | Balance | b/d | ✓ 85 800 | 00 | 2020 May | 31 | Total payments ✓ | CPJ5 | ✓ 102 464 | 00 | | | | |

(3)

| Dr | | | | Equipment | | | | B6 | | | | Cr | | | |
|-------------|---------|---------------------|--------|-----------|------|---------|------|--------|--|--|--|----|--|--|--|
| Date | Details | Fol. | Amount | | Date | Details | Fol. | Amount | | | | | | | |
| 2020 May | 01 | Balance | b/d | ✓ 137 500 | 00 | | | | | | | | | | |
| | 14 | Creditors control ✓ | CJ5 | ✓ 4 800 | 00 | | | | | | | | | | |
| | 30 | Bank ✓ | CPJ5 | ✓ 5 400 | 00 | | | | | | | | | | |
| | | | | ✓ 147 700 | 00 | | | | | | | | | | |

(6)

| Dr | | | | Trading Stock | | | | B7 | | | | Cr | | | |
|-------------|---------|---------------------|--------|---------------|------|---------|------|--------|--|--|--|----|--|--|--|
| Date | Details | Fol. | Amount | | Date | Details | Fol. | Amount | | | | | | | |
| 2020 May | 01 | Balance | b/d | ✓ 92 950 | 00 | | | | | | | | | | |
| | 31 | Creditors control ✓ | CJ5 | ✓ 5 368 | 00 | | | | | | | | | | |
| | | Bank ✓ | CPJ5 | ✓ 48 165 | 00 | | | | | | | | | | |
| | | | | ✓ 146 483 | 00 | | | | | | | | | | |

(6)

| Dr | | | | Creditors Control | | | | B8 | | | | Cr | | | |
|------|-----|---------|---------|-------------------|----------|----|------|-----|---------|--------------------|------|----------|----|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| 2020 | May | 31 | Bank ✓ | CPJ5 | ✓ 41 368 | 00 | 2020 | May | 01 | Balance | b/d | ✓ 71 940 | 00 | | |
| | | | Balance | c/d | ✓ 42 347 | 00 | | | 31 | Sundry purchases ✓ | CJ5 | ✓ 11 775 | 00 | | |
| | | | | | 83 715 | 00 | | | | | | 83 715 | 00 | | |
| | | | | | | | 2020 | Jun | 01 | Balance ✓ | b/d | 42 347 | 00 | | |

(7)

Nominal accounts

| Dr | | | | Stationery | | | | N5 | | | | Cr | | | |
|------|-----|---------|---------------------|------------|---------|----|------|----|---------|--|------|--------|--|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| 2020 | May | 01 | Balance | b/d | ✓ 7 370 | 00 | | | | | | | | | |
| | | 30 | Bank ✓ | CPJ5 | ✓ 482 | 00 | | | | | | | | | |
| | | 31 | Creditors control ✓ | CJ5 | ✓ 783 | 00 | | | | | | | | | |
| | | | | | ✓ 8 635 | 00 | | | | | | | | | |

(6)

Activity 15.3

Learners must pay attention to the following calculations:

The balance of the Creditors control

= Cotfab Distributors + Neven & Co. + Eggers Traders + Singh Stores

= R2 340 + R9 510 + R2 364 + R390

= R14 604

29 Sep: R2 340 + R1 280,40 = R3 620,40

1. Middle order (21)

Cash Payments Journal of Blaine Traders for September 2012

CPJ9

| Doc. no. | Day | Name of payee | Fol. | Bank | | Trading stock | Creditors control | | Sundry accounts | | | |
|----------|-----|---------------------|------|----------|----|---------------|-------------------|--------|-----------------|----------|---------|----------------------|
| | | | | Amount | | | Amount | | Amount | Fol. | Details | |
| 840 | 02 | Neven & Co. | C2 | ✓ 5 910 | 00 | | ✓ 5 910 | 00 | | | | |
| 841 | 04 | Bestbier Furniture | | ✓ 12 700 | 00 | | | | ✓ 12 700 | 00 | B6 | Equipment ✓ |
| 842 | 12 | Eggers Traders | C3 | ✓ 2 364 | 00 | | ✓ 2 364 | 00 | | | | |
| 843 | 14 | Neven & Co. | | ✓ 2 794 | 00 | ✓ 2 794 | 00 | | | | | |
| 844 | 23 | Kaan Motors | | ✓ 1 020 | 00 | | | | ✓ 1 020 | 00 | | Vehicle - expenses ✓ |
| 845 | 27 | Neven & Co. | C2 | ✓ 3 600 | 00 | | ✓ 3 600 | 00 | | | | |
| 846 | 29 | Cotfab Distributors | C1 | ✓✓ 3 620 | 40 | | ✓ 3 620 | 40 | | | | |
| ✓ | | | ✓ | 32 008 | 40 | 2 794 | 00 | 15 494 | 40 | ✓ 13 720 | 00 | |

B7

B9 ✓

2. Middle order (28)

Creditors Ledger of Blaine Traders Cotfab Distributors

C1

| Date | Details/Document no. | Fol. | Debit (-) | | Credit (+) | | Balance | |
|-------------|----------------------|------|-----------|----|------------|----|---------|----|
| 2012 Sep | 01 Account rendered | | | | | | ✓ 2 340 | 00 |
| | 21 Invoice no. 623 ✓ | CJ9 | | | ✓ 1 280 | 40 | 3 620 | 40 |
| | 29 Cheque no. 846 ✓ | CPJ9 | ✓ 3 620 | 40 | | | ✓ 0 | 00 |
| | 30 Invoice no. 626 | CJ9 | | | 2 340 | 00 | 2 340 | 00 |

(6)

Neven & Co.

C2

| Date | Details/Document no. | Fol. | Debit (-) | | Credit (+) | | Balance | |
|-------------|----------------------|------|-----------|----|------------|----|---------|----|
| 2012 Sep | 01 Account rendered | | | | | | ✓ 9 510 | 00 |
| | 02 Cheque no. 840 ✓ | CPJ9 | ✓ 5 910 | 00 | | | 3 600 | 00 |
| | 25 Invoice no. 624 ✓ | CJ9 | | | ✓ 5 315 | 70 | 8 915 | 70 |
| | 27 Cheque no. 845 ✓ | CPJ9 | ✓ 3 600 | 00 | | | ✓ 5 315 | 70 |

(8)

Eggers Traders

C3

| Date | Details/Document no. | Fol. | Debit (-) | | Credit (+) | | Balance | |
|-------------|----------------------|------|-----------|----|------------|----|----------|----|
| 2012 Sep | 01 Account rendered | | | | | | ✓ 2 364 | 00 |
| | 08 Invoice no. 622 ✓ | CJ9 | | | ✓ 6 313 | 70 | 8 677 | 70 |
| | 12 Cheque no. 842 ✓ | CPJ9 | ✓ 2 364 | 00 | | | 6 313 | 70 |
| | 29 Invoice no. 625 ✓ | CJ9 | | | ✓ 4 824 | 00 | ✓ 11 137 | 70 |

(8)

Singh Stores

C4

| Date | Details/Document no. | Fol. | Debit (-) | | Credit (+) | | Balance | |
|-------------|----------------------|------|-----------|--|------------|--|---------|----|
| 2012 Sep | 01 Account rendered | | | | | | ✓ 390 | 00 |

(1)

List (schedule) of creditors' balances on 30 September 2012

| | | |
|--------------------------|-----------|---------------------|
| Cotfab Distributors | C1 | R2 340,00 ✓ |
| Neven & Co. | C2 | R5 315,70 ✓ |
| Eggers Traders | C3 | R11 137,70 ✓ |
| Singh Stores | C4 | R390,00 ✓ |
| Creditors control | B9 | R19 183,40 ✓ |

(5)

3. Middle order (26)

General Ledger of Blaine Traders Balance Sheet accounts

| Dr | | | | Equipment | | | | B6 | | | | Cr | | | |
|-------------|----|---------------------|------|-----------|----|------|--|---------|------|--------|--|----|--|--|--|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | | | | | |
| 2012 Sep | 01 | Balance | b/d | ✓ 53 648 | 00 | | | | | | | | | | |
| | 04 | Bank ✓ | CPJ9 | ✓ 12 700 | 00 | | | | | | | | | | |
| | 25 | Creditors control ✓ | CJ9 | ✓ 1 800 | 00 | | | | | | | | | | |

(5)

| Dr | | | | Trading Stock | | | | B7 | | | | Cr | | | |
|------|----|---------------------|--|---------------|----------|----|------|----|---------|--|------|--------|--|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| 2012 | 01 | Balance | | b/d | ✓ 7 095 | 00 | | | | | | | | | |
| | 30 | Creditors control ✓ | | CJ9 | ✓ 12 785 | 30 | | | | | | | | | |
| | | Bank ✓ | | CPJ9 | ✓ 2 794 | 00 | | | | | | | | | |

(5)

| Dr | | | | Creditors Control | | | | B9 | | | | Cr | | | |
|------|----|-----------|--|-------------------|---------------|-----------|------|----|--------------------|--|------|---------------|-----------|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| 2012 | 30 | Bank ✓ | | CPJ9 | ✓ 15 494 | 40 | 2012 | 01 | Balance | | b/d | ✓✓ 14 604 | 00 | | |
| | | Balance ✓ | | c/d | 19 183 | 40 | | 30 | Sundry purchases ✓ | | CJ9 | ✓ 20 073 | 80 | | |
| | | | | | 34 677 | 80 | | | | | | 34 677 | 80 | | |
| | | | | | | | 2012 | 01 | Balance | | b/d | ✓ 19 183 | 40 | | |

(8)

Nominal accounts

| Dr | | | | Stationery | | | | N5 | | | | Cr | | | |
|------|----|---------------------|--|------------|---------|----|------|----|---------|--|------|--------|--|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| 2012 | 01 | Balance | | b/d | ✓ 652 | 00 | | | | | | | | | |
| | 25 | Creditors control ✓ | | CJ9 | ✓ 247 | 50 | | | | | | | | | |
| | 29 | Creditors control ✓ | | CJ9 | ✓ 4 824 | 00 | | | | | | | | | |

(5)

| Dr | | | | Packing Material | | | | N6 | | | | Cr | | | |
|------|----|---------------------|--|------------------|--------|----|------|----|---------|--|------|--------|--|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| 2012 | 01 | Balance | | b/d | ✓ 780 | 00 | | | | | | | | | |
| | 25 | Creditors control ✓ | | CJ9 | ✓ 417 | 00 | | | | | | | | | |

(3)

Activity 15.4

1.–2. Middle order (24)

Learners must pay attention to the calculation for Stationery:

$$R162\ 537 - R78\ 642 - R18\ 360 - R54\ 264 = R11\ 271$$

General Ledger of Moody Traders Balance Sheet accounts

| Dr | | | | Trading Stock | | | | B6 | | | | Cr | | | |
|------|----|---------------------|--|---------------|------------------|-----------|------|----|---------|--|------|--------|--|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| 2015 | 01 | Balance | | b/d | ✓ 591 600 | 00 | | | | | | | | | |
| | 30 | Bank ✓ | | CPJ6 | ✓ 71 400 | 00 | | | | | | | | | |
| | | Creditors control ✓ | | CJ6 | ✓ 78 642 | 00 | | | | | | | | | |
| | | | | | ✓ 741 642 | 00 | | | | | | | | | |

(6)

| Dr | | | | Creditors Control | | | | B7 | | | | Cr |
|----------|----|---------|------|-------------------|-------------------|----------|----|--------------------|------|--------|-------------------|----|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | | |
| 2015 Jun | 30 | Bank ✓ | CPJ6 | ✓ | 96 900 00 | 2015 Jun | 01 | Balance | b/d | ✓ | 107 100 00 | |
| | | Balance | c/d | ✓ | 172 737 00 | | 30 | Sundry purchases ✓ | CJ6 | ✓ | 162 537 00 | |
| | | | | | <u>269 637 00</u> | | | | | | <u>269 637 00</u> | |
| | | | | | | 2015 Jul | 01 | Balance | b/d | ✓ | 172 737 00 | |

(7)

Nominal accounts

| Dr | | | | Stationery | | | | N4 | | | | Cr |
|----------|----|---------------------|------|------------|--------------------|------|--|---------|------|--------|--|----|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | | |
| 2015 Jun | 01 | Balance | b/d | ✓ | 23 460 00 | | | | | | | |
| | 21 | Bank ✓ | CPJ6 | ✓ | 12 750 00 | | | | | | | |
| | 30 | Creditors control ✓ | CJ6 | ✓✓ | 11 271 00 | | | | | | | |
| | | | | | <u>✓ 47 481 00</u> | | | | | | | |

(7)

| Dr | | | | Packing Material | | | | N5 | | | | Cr |
|----------|----|---------------------|------|------------------|--------------------|------|--|---------|------|--------|--|----|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | | |
| 2015 Jun | 01 | Balance | b/d | ✓ | 8 215 00 | | | | | | | |
| | 30 | Creditors control ✓ | CJ6 | ✓ | 18 360 00 | | | | | | | |
| | | | | | <u>✓ 26 575 00</u> | | | | | | | |

(4)

Activity 15.5

Middle order (70)

| No. | Source document | Account debited | Account credited | ASSETS | | OWNER'S EQUITY | | LIABILITIES | |
|-----|---------------------------------|---------------------|---------------------|-----------|---------------------------|----------------|-------------------------------|-------------|----------------------|
| | | | | Effect | Reason | Effect | Reason | Effect | Reason |
| 01 | Bank deposit slip (duplicate) ✓ | Bank ✓ | Capital ✓ | ✓+400 000 | Cash increases ✓ | ✓+400 000 | Owners capital contribution ✓ | | |
| 02 | Cheque counterfoil ✓ | Rent expense ✓ | Bank ✓ | ✓-27 400 | Cash decreases ✓ | ✓-27 400 | Rent – expense ✓ | | |
| 03 | Invoice (original) ✓ | Equipment ✓ | Creditors control ✓ | ✓+94 260 | Equipment increases ✓ | | | ✓+94 260 | Owe creditors more ✓ |
| 04 | Invoice (original) ✓ | Stationery ✓ | Creditors control ✓ | | | ✓-569 | Stationery – expense ✓ | ✓+569 | Owe creditors more ✓ |
| 05 | Cheque counterfoil ✓ | Drawings ✓ | Bank ✓ | ✓-680 | Cash decreases ✓ | ✓-680 | Drawings ✓ | | |
| 06 | Cheque counterfoil ✓ | Telephone ✓ | Bank ✓ | ✓-961 | Cash decreases ✓ | ✓-961 | Telephone – expense ✓ | | |
| 07 | Cheque counterfoil ✓ | Creditors control ✓ | Bank ✓ | ✓-25 000 | Cash decreases ✓ | | | ✓-25 000 | Owe creditors less ✓ |
| 08 | Invoice (original) ✓ | Trading stock ✓ | Creditors control ✓ | ✓+31 450 | Trading stock increases ✓ | | | ✓+31 450 | Owe creditors more ✓ |
| 09 | Cheque counterfoil ✓ | Wages ✓ | Bank ✓ | ✓-1 700 | Cash decreases ✓ | ✓-1 700 | Wages – expense ✓ | | |
| 10 | Cheque counterfoil ✓ | Trading stock ✓ | Bank ✓ | ✓-26 890 | Cash decreases ✓ | | | | |
| | | | | ✓+26 890 | Trading stock increases ✓ | | | | |

For information on Informal assessment, refer to the self-assessment, peer assessment and group assessment templates in Section 5 of this Teacher's Guide.

Informal assessment

Activity 15.1: Show the CPJ on an overhead/data projector while you work through each transaction. Then show the completed CJ from Activity 13.2 together with the CPJ. Explain step by step on the board how you post to the Creditors Ledger. Highlight the invoices in one colour and use the same colour in the credit column of the Creditors Ledger. Highlight the cheques in another colour and use the same colour in the debit column of the Creditors Ledger. Learners can mark their own work. (40)

Activities 15.2–15.3: Show the CPJ on an overhead/data projector while you work through each transaction. Then show the completed CJ from Activity 13.3 together with the CPJ. Explain step by step how you post to the Creditors Ledger and the General Ledger, using different colours for each journal.

Another way to mark Activity 15.3 is by using a handout. This gives learners who are struggling time to work at their own pace and you some time to check learners' books. (155)

Activity 15.4: A good method of marking a General Ledger is by doing it on the board, as you explain where the answers come from. Learners' answers can also be marked by a partner using a handout for informal assessment class marks. (24)

Activity 15.5: Learners do this activity on the board. Call one learner at a time to the board to complete a transaction, while you do corrections, if necessary. This is a good way to assess whether learners still struggle with the accounting equation and in what areas. (70)

Consolidation

- **Complete the following sentences.**
 - A credit transaction is a transaction where the business buys items on **credit**.
 - A creditor is a **Current liability** because the business must pay back the debt within one year.
 - After the business orders goods, it receives an **original invoice** with the goods.
 - **Creditors** are suppliers to whom the business owes money.
- **TRANSACTION: Received invoice 756 from EMS Suppliers for goods, R1 970 less 2,5% trade discount; 5 packs of paper, R57,20 each; and 9 rolls of packing material at R5 each. The last invoice entered in the CJ of Huguenot All Sorts was no. 233. Complete the invoice on 3 March 2016. Complete the CJ entry for this invoice.**

ORIGINAL

NO. ~~756~~

234

INVOICE

Tax invoice

VAT no. 25894

3 March 2016

TO: Huguenot All Sorts

BOUGHT FROM: EMS SUPPLIERS

| Quantity | Description | PRICE | | AMOUNT | |
|----------|--------------------------------|-------|----|--------|----|
| | Goods less 2,5% trade discount | | | 1 920 | 75 |
| 5 | Packs of paper | 57 | 20 | 286 | 00 |
| 9 | Rolls packing material | 5 | 00 | 45 | 00 |
| | | | | 2 251 | 75 |
| | | | | | |

Creditors Journal of Huguenot All Sorts for March 2016**CJ3**

| Doc. no. | Day | Creditors | Fol. | Creditors control | | Trading stock | | Sundry accounts | | |
|----------|-----|---------------|------|-------------------|----|---------------|----|-----------------|------|------------------|
| | | | | | | | | Amount | Fol. | Details |
| 234 | 03 | EMS Suppliers | | 2 251 | 75 | 1 920 | 75 | 286 | 00 | Stationery |
| | | | | | | | | 45 | 00 | Packing material |

Extension

- Use the four creditors' accounts of Neverland Suppliers to draw up the *Creditors Control* account in the General Ledger.

**Creditors Ledger of Neverland Suppliers
Captain Hook Traders****C1**

| Date | | Details/Document no. | Fol. | Debit (-) | | Credit (+) | | Balance | |
|------|-----|----------------------|------|-----------|--|------------|----|---------|----|
| 2012 | Jul | 01 Account rendered | | | | | | 2 115 | 00 |
| | | 15 Invoice no. 63 | CJ | | | 2 423 | 00 | 4 538 | 00 |
| | | 28 Invoice no. 65 | CPJ | | | 4 413 | 00 | 8 951 | 00 |

Peter Pan Stores**C2**

| Date | | Details/Document no. | Fol. | Debit (-) | | Credit (+) | | Balance | |
|------|-----|----------------------|------|-----------|----|------------|----|---------|----|
| 2012 | Jul | 01 Account rendered | | | | | | 1 458 | 00 |
| | | 04 Cheque no. 704 | CPJ | 1 458 | 00 | | | 0 | 00 |
| | | 25 Invoice no. 64 | CJ | | | 1 989 | 00 | 1 989 | 00 |

Tinkerbell Shoppe**C3**

| Date | | Details/Document no. | Fol. | Debit (-) | | Credit (+) | | Balance | |
|------|-----|----------------------|------|-----------|----|------------|----|---------|----|
| 2012 | Jul | 01 Account rendered | | | | | | 2 314 | 00 |
| | | 15 Invoice no. 62 | CJ | | | 1 470 | 00 | 3 784 | 00 |
| | | 21 Cheque no. 707 | CPJ | 964 | 00 | | | 2 820 | 00 |

Wendy & Co.

C4

| Date | Details/Document no. | | Fol. | Debit (-) | | Credit (+) | | Balance | |
|-------------|----------------------|----------------|------|-----------|--|------------|----|---------|----|
| 2012 Jul | 06 | Invoice no. 61 | CJ | | | 295 | 00 | 295 | 00 |

This activity appears easy, however learners find it difficult to understand exactly what they need to do. Do an example with them first if necessary. Learners must understand the basic ‘picture’ of the *Creditors Control* account:

| Dr | | Creditors Control | | | | Cr | | | |
|---------|-----|--|--|--|--|------------------|-----|---|--|
| Bank | CPJ | (total of all payments/cheques) | | | | Balance | b/d | (total of the creditors' accounts rendered at the beginning of the month) | |
| Balance | c/d | (total of the creditors' final balances) | | | | Sundry purchases | CJ | (total of all invoices) | |

**General Ledger of Neverland Suppliers
Balance Sheet accounts**

| Dr | | Creditors Control | | | | B6 | | Cr | | | |
|-------------|---------|-------------------|------|---------------|-----------|-------------|---------|------------------|------|---------------|-----------|
| Date | Details | | Fol. | Amount | | Date | Details | | Fol. | Amount | |
| 2012 Jul | 31 | Bank | CPJ | 2 422 | 00 | 2012 Jul | 01 | Balance | b/d | 5 887 | 00 |
| | | Balance | c/d | 14 055 | 00 | | 31 | Sundry purchases | CJ | 10 590 | 00 |
| | | | | 16 477 | 00 | | | | | 16 477 | 00 |
| | | | | | | 2012 Jul | 01 | Balance | b/d | 14 055 | 00 |

- Use the information below and draw up a Creditors control account in the books of Serotonin Traders. Balance the account and supply appropriate folio references.

Transactions for October 2017

- 01 Total amount owing to creditors, R435 917,62.
- 30 Total credit purchases of items during the month, R502 172,40.
Total payments to creditors during the month, R522 912,60.

**General Ledger of Serotonin Traders
Balance Sheet account**

| Dr | | Creditors Control | | | | B9 | | Cr | | | |
|-------------|---------|-------------------|------|----------------|-----------|-------------|---------|------------------|------|----------------|-----------|
| Date | Details | | Fol. | Amount | | Date | Details | | Fol. | Amount | |
| 2017 Oct | 31 | Bank | CPJ | 522 912 | 60 | 2017 Oct | 01 | Balance | b/d | 435 917 | 62 |
| | | Balance | c/d | 415 177 | 42 | | 31 | Sundry purchases | CJ | 502 172 | 40 |
| | | | | 938 090 | 02 | | | | | 938 090 | 02 |
| | | | | | | 2017 Nov | 01 | Balance | b/d | 415 177 | 42 |

- Record the transactions of Thierry’s Furnishers on the next page in the account of Evangelino’s Traders. Supply the required folio references; document numbers may be ignored.

Transactions for November 2014

- 01 Amount owed to Evangelino's Traders, R25 926,00.
- 03 Bought goods on credit from Evangelino's Traders, R141,00.
- 06 Bought packing material by cheque from Evangelino's Traders, R3 258,00.
- 15 Received goods on credit rendered by Evangelino's Traders, R472,80.
- 25 Sent a cheque to Evangelino's Traders in settlement of the amount to date.

Creditors Ledger of Thierry's Furnishers Evangelino's Traders

C1

| Date | | Details/Document no. | Fol. | Debit (-) | | Credit (+) | | Balance | |
|------|----|----------------------|------|-----------|----|------------|----|---------|----|
| 2014 | | | | | | | | | |
| Nov | 01 | Account rendered | | | | | | 25 926 | 00 |
| | 03 | Invoice | CJ | | | 141 | 00 | 26 067 | 00 |
| | 15 | Invoice | CJ | | | 472 | 80 | 26 539 | 80 |
| | 25 | Cheque | CPJ | 26 539 | 80 | | | 0 | 00 |

The transaction of 6 May is a cash transaction, so it is not shown in the Creditors Ledger. The business has already paid for these goods.

Revision Term 3

Learner's Book pages 197–202

Topic 11: Trade unions

Activity 1: Revise trade unions

1.1 Define a trade union. (7) *Lower order*

A trade union is an organised association of workers ✓ in a trade, group of trades, or a profession, ✓ that is formed to protect and further the workers' rights and interests. ✓ It negotiates with employers for their members. ✓ A trade union is controlled, run and paid for by its members. ✓ Trade unions negotiate with employers to get the best deal for their members in terms of hiring, firing, wages and working conditions. ✓ They are organisations of workers that protect the rights and promote the interests of their members. ✓

1.2 Explain what an organised worker is. (1) *Lower order*

A worker who belongs to a trade union ✓

1.3 Describe a trade union's main function. (2) *Lower order*

To protect worker rights ✓ and promote worker interests ✓

1.4 There are trade unions for four different groups of workers in South Africa. Name each group and give a brief description of each. (8) *Middle order*

- General workers: ✓ Skilled and unskilled employees in a range of industries ✓
- Tradesmen: ✓ Employees with particular skills such as bricklaying ✓
- Blue-collar workers: ✓ Skilled and unskilled workers in a particular industry ✓
- White-collar workers: ✓ Professionals such as teachers ✓

1.5 Write a paragraph explaining how trade unions helped to end apartheid. (14) *Middle order*

Cheap labour helped to build South Africa during the apartheid years. ✓ The apartheid government took away black South Africans' freedom to work and live where they wanted to. ✓ They became guest workers in their own country because of the system of black homelands. ✓ If you worked outside of the homelands you were regarded as migrant labour. ✓ Black workers were very poorly paid and overworked. ✓ They fought for the end of apartheid as well as for better working conditions. ✓ The trade union movement in South Africa helped to change apartheid laws and to bring about the rights that South African workers enjoy today. ✓ One of the most important of those rights is the right to take industrial action such as to strike. ✓ Trade unions were a strong force that helped to bring about political change. ✓ Today, the government sets minimum wages for workers in different

industries, including domestic workers and farm labourers. ✓ In the 1980s, Cosatu organised mass strikes against new labour laws. ✓ The trade unions, together with community organisations, arranged many stay-aways through which people demanded political change. ✓ Many trade union leaders became well-known members of the African National Congress (ANC) after the 1994 elections. ✓ After the first democratic elections of 1994, the new government passed new labour laws to protect workers. ✓

1.6 What is industrial action? (2) Lower order

It is action that workers take ✓ to protest against their employers. ✓

1.7 Name five roles of trade unions. (5) Lower order

Trade unions:

- Negotiate with employers through collective bargaining to improve their members' wages, benefits and working conditions and to manage retrenchments ✓
- Work to get the government to pass laws that will improve their members' lives ✓
- Provide professional training, legal advice and legal representation for their members ✓
- Organise industrial action ✓
- Represent workers' interests during disputes with employers ✓
- Work with employers to get employees a greater say in the decisions that management makes. ✓ (Any 5)

1.8 Define collective bargaining. (3) Lower order

This is when trade unions ✓ negotiate workers' rights ✓ with employers. ✓

1.9 Name five responsibilities of trade unions. (5) Lower order

Trade unions must:

- Negotiate with employers to improve their members' working conditions ✓
- Try to attract new trade union members ✓
- Not force anyone into joining a trade union ✓
- Make decisions based on a secret vote by all their members ✓
- Ensure that all industrial action is lawful and peaceful ✓
- Make reasonable demands on the employers ✓
- Help to settle disputes between employers and employees ✓
- Help to bring about peaceful workplaces. ✓ (Any 5)

1.10 Describe how trade unions affect businesses. (20) Middle order

Trade unions have a lot of power. ✓ They have the potential to have great effects on businesses. ✓ To know what these effects are, businesses need to be familiar with the Labour Relations Act (LRA) and the Constitution of South Africa. ✓ This legislation gives workers and their unions the right to:

- Form, join and take part in a trade union ✓
- Settle disagreements with their employers through an independent third party, the Commission for Conciliation, Mediation and Arbitration (CCMA). The CCMA is an official and independent group of people from the government, organised business and organised labour ✓

- Be at the workplace for union reasons ✓
- Elect trade union representatives at the workplace ✓
- Take time off for union activities ✓
- Access information for collective bargaining purposes ✓
- Strike, although not all strikes are protected by the Act. ✓

These trade union rights help to guide businesses and employees in labour relations. ✓ The LRA makes labour legislation in South Africa consistent with the International Labour Organisation's (ILO) international labour laws. ✓

Businesses need to make sure they accommodate trade unions.

✓ So, they need to know about:

- Collective bargaining: ✓ A process that workers and businesses use to negotiate about working conditions ✓
- Workplace forums: ✓ Employee forums that give employees a say in how a business is run ✓
- Industrial action ✓
- Disciplinary action: ✓ Including disputes and dismissals ✓

1.11 What is a workplace forum? (3) *Lower order*

An employee forum ✓ that gives employees a say ✓ in how a business is run ✓

1.12 Explain how trade unions can contribute to sustainable growth and development. (7) *Middle order*

Trade unions make for an educated workforce ✓ that is respected and encouraged to improve its skills. ✓ They ensure healthy dialogue between workers and employers ✓ in an environment where the rights of employers and employees are protected by law. ✓ By protecting the rights of employers and employees, trade unions contribute to sustainable growth and development. ✓ A business that exploits its workers is not growing and developing sustainably. ✓ A business that respects its workers and develops their skills is creating a climate for sustainable growth and development. ✓

Topic 12: Credit transactions: Debtors (2)

Activity 2: Revise credit transactions for debtors

2.1 *Middle order*

November 2019

- 01 P Nagiah owes Glacier Traders R16 800. ✓
 - 21 P Nagiah bought items for R4 600 from Glacier Traders. ✓
Source document: Invoice (duplicate). ✓
 - 28 P Nagiah pays R13 000 to Glacier Traders. ✓
Source document: Receipt (duplicate). ✓
 - 30 P Nagiah owes Glacier Traders R8 400. ✓
- (6)

2.2 Middle order

- a. CRJ ✓
 - b. CPJ ✓
 - c. CRJ ✓
 - d. CRJ ✓
 - e. DJ ✓
- (5)

2.3 Middle order

- a. B (1) and (3) ✓
 - b. B only (2) ✓
 - c. C only (4) ✓
- (3)

2.4 Middle order

- a. Sales is an income account and income increases when goods are sold. ✓ Income accounts increase by credit entries. ✓
- b. Trading stock is an Asset and this asset decreases by the cost price of goods sold, as the stock is no longer in the business. ✓ Asset accounts decrease by credit entries. ✓
- c. Cost of sales is an Expense and increases when more goods are sold. ✓ Expense accounts increase by debit entries. ✓

(3 × 2 = 6)

Topic 13: Credit transactions: Creditors (1)

Activity 3: Revise credit transactions for creditors

3.1 Middle order

| | | | | | | | | |
|---|-------------------|---|---|--------|---|---|---------|---|
| A | 665 | ✓ | E | R994 | ✓ | H | R3 582 | ✓ |
| B | N | ✓ | F | CJ | ✓ | I | R993 | ✓ |
| C | B | ✓ | G | R8 118 | ✓ | J | R21 112 | ✓ |
| D | Creditors control | ✓ | | | | | | |

(10)

3.2 Higher order

$$R3\ 980 - R3\ 582 = R398 \checkmark\checkmark$$

$$\text{Trade discount} = \frac{398}{3\ 980} \times 100 = 10\% \checkmark\checkmark\checkmark \quad (5)$$

Topic 14: Functions of a business

Activity 4: Revise the functions of a business

4.1 What is a business function? (3) Lower order

An operation or process ✓ that people in the business perform often ✓ to help the business to achieve its objectives ✓

4.2 There are eight business functions. Name them. (8)

Lower order

- Administration function ✓
- Purchasing function ✓
- Marketing function ✓
- Finance function ✓
- Public relations function ✓
- Human resources function ✓
- Production function ✓
- General management function ✓

4.3 Name the business function that handles and records information and keeps records. (1) Lower order

The administration function ✓

4.4 List five activities of the purchasing function. (5) Lower order

The purchasing function is responsible for:

- Acquiring raw materials at the best possible price ✓
- Making sure that the raw materials are ordered on time so that production is not held up ✓
- Making sure that purchases stay within budget ✓
- Keeping accurate records of purchases ✓
- Making sure that there is always enough stock of raw materials, but not too much. When there is too much, it means that the business has spent money unnecessarily on raw materials that it doesn't need yet. That money could have been better spent elsewhere in the business. ✓

4.5 Explain how the production function helps a business to manage risk. (9) Middle order

It is important for the purchasing function to work properly to manage the risk of a business running out of the inputs it needs ✓ to produce outputs. ✓ Businesses risk losing money if their production processes are delayed due to a lack of raw materials. ✓ Delays are expensive ✓ and give the business a bad reputation. ✓ Businesses also risk losing money ✓ if the purchasing function is not able to purchase goods or raw materials ✓ at the best possible price. ✓ Businesses cannot afford to spend more than is necessary on their production costs. ✓

4.6 Define publicity. (2) Lower order

Actions that are designed to attract the interest ✓ of the public ✓

4.7 Which business function determines which distribution channels to use for a business's goods? (1) Middle order

The marketing function ✓

4.8 Explain why the finance function is so important. (3) Middle order

The role of the finance function is to manage all of the aspects of the business's finances. ✓ This is an important function because businesses exist to make a profit. ✓ They cannot make a profit if money is mismanaged. ✓

4.9 What is public relations? (6) Lower order

Public relations is about giving businesses positive publicity ✓ and exposing them to as many potential customers as possible ✓ in as positive a way as possible ✓ to encourage sales. ✓ The public relations function communicates with the public ✓ about what the business does. ✓

4.10 Name five responsibilities of the HR function. (5) Lower order

The human resources function manages a business's staffing. It deals with the following:

- Recruiting or hiring staff ✓
- Defining job descriptions ✓

- Administering staff leave ✓
- Retaining staff so that they do not go and work for the competition ✓
- Dismissing and retrenching staff if necessary in a way that complies with labour legislation ✓
- Keeping staff happy, fulfilled and motivated so that they perform well ✓
- Training staff and developing their skills ✓
- Ensuring that the workplace is healthy and safe, in compliance with occupational health and safety laws ✓
- Working with trade unions to maintain good labour relations and resolve disputes ✓
- Keeping the business compliant with laws such as the Employment Equity Act, Labour Relations Act, Basic Conditions of Employment Act and Skills Development Act. ✓ (Any 5)

4.11 Describe the responsibilities of the production function. (10) *Middle order*

The production function manages all aspects of a business's production process, ✓ including:

- Getting the resources or inputs required for the production process in the right quantities at the right time ✓✓
- Managing all aspects of the production process, including efficiency and quality ✓
- Scheduling the production process ✓
- Choosing the best production method for the goods ✓
- Managing the production budget ✓
- Controlling production costs ✓
- Keeping up to date with technology that makes production faster and cheaper ✓
- Improving the production process to produce better-quality goods more efficiently. ✓

4.12 Which business function makes sure that all of the functions work together? (1) *Lower order*

The general management function ✓

Topic 15: Credit transactions: Creditors (2)

Activity 5: Revise credit transactions for creditors

Learners must pay attention to the following:

13 May: R6 246 + R22 412 = R 28 658

5.1 Middle order

Cash Payments Journal of Rent-a-Costume & Décor for May 2019

CPJ5

| Doc. no. | Day | Name of payee | Fol. | Bank | | Creditors control | | Wages | | Trading stock | | Sundry accounts | | | |
|----------|-----|-----------------|------|---------|----|-------------------|----|--------|----|---------------|----|-----------------|------|---------|----------------|
| | | | | | | | | | | | | Amount | Fol. | Details | |
| 81 | 02 | Pen & Paper | | ✓1 068 | 00 | | | | | | | ✓547 | 00 | N5 | Stationery✓ |
| | | | | | | | | | | | | ✓521 | 00 | N6 | Material cost✓ |
| 82 | 08 | Cash | | ✓500 | 00 | | | | | | | ✓500 | 00 | | Cash float✓ |
| 83 | | Cash | | ✓3 400 | 00 | | | ✓3 400 | 00 | | | | | | |
| 84 | 13 | Forsyth Traders | C1 | ✓28 658 | 00 | ✓28 658 | 00 | | | | | | | | |
| 85 | 15 | Cash | | ✓3 400 | 00 | | | ✓3 400 | 00 | | | | | | |
| 86 | | Cash | | ✓600 | 00 | | | | | | | ✓600 | 00 | B2 | Drawings✓ |
| 87 | | Cash | | ✓3 655 | 00 | | | | | ✓3 655 | 00 | | | | |
| 88 | 17 | Thembelani's | C2 | ✓23 250 | 00 | ✓1 250 | 00 | | | ✓22 000 | 00 | | | | |
| 89 | 18 | Telkom | | ✓1 418 | 00 | | | | | | | ✓1 040 | 00 | | Telephone✓ |
| | | | | | | | | | | | | ✓378 | 00 | B2 | Drawings✓ |
| 90 | 25 | Cash | | ✓23 500 | 00 | | | ✓3 400 | 00 | | | ✓20 100 | 00 | B5 | Equipment✓ |
| 91 | 27 | B Bell-Roberts | | ✓11 700 | 00 | | | | | | | ✓11 700 | 00 | | Salaries✓ |
| ✓ | | | | 101 149 | 00 | 29 908 | 00 | 10 200 | 00 | 25 655 | 00 | 35 386 | 00 | | |

B8

B9

(35)

5.2 Middle order

Creditors Journal of Rent-a-Costume & Décor for May 2019

CJ5

| Doc. no. | Day | Creditor | Fol. | Creditors control | | Trading stock | | Stationery | | Sundry accounts | | | |
|----------|-----|--------------------|------|-------------------|----|---------------|----|------------|----|-----------------|------|---------|-------------------|
| | | | | | | | | | | Amount | Fol. | Details | |
| 21 | 06 | Thembelani's | C2 | ✓23 936 | 00 | | | | | ✓23 936 | 00 | B5 | Equipment✓ |
| 22 | 11 | Forsyth Traders | C1 | ✓22 412 | 00 | | | | | ✓19 850 | 00 | N6 | Material cost✓ |
| | | | | | | | | | | ✓2 562 | 00 | | Repairs✓ |
| 23 | 21 | Bacchus Stationers | C4 | ✓876 | 00 | | | ✓625 | 00 | ✓251 | 00 | | Packing material✓ |
| 24 | 24 | Thembelani's | C2 | ✓16 300 | 00 | ✓15 400 | 00 | | | ✓900 | 00 | B2 | Drawings✓ |
| 25 | 30 | Kidz Parties | C3 | ✓410 | 00 | | | | | ✓410 | 00 | | Advertisements✓ |
| ✓ | | | | 63 934 | 00 | 15 400 | 00 | 625 | 00 | 47 909 | 00 | | |

B8

B9

N5

(20)

5.3 Middle order

General Ledger of Rent-a-Costume & Décor Balance Sheet accounts

| Dr | | | | Drawings | | | | B2 | | | | Cr | | | | | |
|------|---------|-------------------|------|----------|----|------|---------|----|------|--------|--|------|---------|--|------|--------|--|
| Date | Details | | Fol. | Amount | | Date | Details | | Fol. | Amount | | Date | Details | | Fol. | Amount | |
| 2019 | | | | | | | | | | | | | | | | | |
| May | 01 | Balance | b/d | ✓7 000 | 00 | | | | | | | | | | | | |
| | 15 | Bank | CPJ5 | ✓600 | 00 | | | | | | | | | | | | |
| | 18 | Bank | CPJ5 | ✓378 | 00 | | | | | | | | | | | | |
| | 24 | Creditors control | CJ5 | ✓900 | 00 | | | | | | | | | | | | |
| | | | | ✓8 878 | 00 | | | | | | | | | | | | |

| Dr | | | | | Creditors Control | | | | | B8 | | | | | Cr | | | | | | |
|------|----|-----------|--|------|-------------------|-----------|------|------|---------|--------------------|-----------|---------------|-----------|------|----|---------|--|------|--------|---|---|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | |
| 2019 | | | | | | | | 2019 | | | | | | | | | | | | | |
| May | 31 | Bank ✓ | | CPJ5 | 29 908 | 00 | | May | 01 | Balance ✓ | b/d | 12 552 | 00 | | | | | | | ✓ | |
| | | Balance ✓ | | c/d | 46 578 | 00 | | | 31 | Sundry purchases ✓ | CJ5 | 63 934 | 00 | | | | | | | | ✓ |
| | | | | | 76 486 | 00 | | | | | | 76 486 | 00 | | | | | | | | |
| | | | | | | | | 2019 | Jun | 01 | Balance ✓ | b/d | 46 578 | 00 | | | | | | | |

| Dr | | | | | Trading Stock | | | | | B9 | | | | | Cr | | | | | | |
|------|----|-------------------|--|------|------------------|-----------|------|--|---------|----|------|--------|--|------|----|---------|--|------|--------|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | |
| 2019 | | | | | | | | | | | | | | | | | | | | | |
| May | 01 | Balance | | b/d | ✓ 192 213 | 00 | | | | | | | | | | | | | | | |
| | 31 | Creditors control | | CJ5 | ✓ 15 400 | 00 | | | | | | | | | | | | | | | |
| | | Bank | | CPJ5 | ✓ 25 655 | 00 | | | | | | | | | | | | | | | |
| | | | | | ✓ 233 268 | 00 | | | | | | | | | | | | | | | |

Nominal accounts

| Dr | | | | | Stationery | | | | | N5 | | | | | Cr | | | | | | |
|------|----|-------------------|--|------|----------------|-----------|------|--|---------|----|------|--------|--|------|----|---------|--|------|--------|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | |
| 2019 | | | | | | | | | | | | | | | | | | | | | |
| May | 01 | Balance | | b/d | ✓ 749 | 00 | | | | | | | | | | | | | | | |
| | 02 | Bank | | CPJ5 | ✓ 547 | 00 | | | | | | | | | | | | | | | |
| | 31 | Creditors control | | CJ5 | ✓ 625 | 00 | | | | | | | | | | | | | | | |
| | | | | | ✓ 1 921 | 00 | | | | | | | | | | | | | | | |

(20)

5.4 Middle order

Creditors Ledger of Rent-a-Costume & Décor Thembelani's

C2

| Date | | Details/Document no. | | Fol. | Debit (-) | | Credit (+) | | Balance | |
|------|----|----------------------|--|------|-----------|----|------------|----|----------|----|
| 2019 | | | | | | | | | | |
| May | 01 | Account rendered ✓ | | | | | | | ✓ 1 378 | 00 |
| | 06 | Invoice no. 21 ✓ | | CJ5 | | | ✓ 23 936 | 00 | ✓ 25 314 | 00 |
| | 17 | Cheque no. 88 ✓ | | CPJ5 | ✓ 1 250 | 00 | | | ✓ 24 064 | 00 |
| | 24 | Invoice no. 24 ✓ | | CJ5 | | | ✓ 16 300 | 00 | ✓ 40 364 | 00 |

✓

(12)

TOTAL MARKS: 253

Formal assessment

For information on how to assess learners' assignments, controlled tests, case studies and projects, please see Section 3 of this Teacher's Guide.

SECTION A
QUESTION 1
TASK

[20 marks; 12 minutes]

Read the information and answer the following questions.

Short history of COSATU

The Congress of South African Trade Unions (COSATU) was launched in December 1985 after four years of unity talks between unions opposed to apartheid and committed to a non-racial, non-sexist and democratic South Africa. At our launch we represented less than half a million workers organised into 33 unions. We currently have more than two million workers, of whom at least 1.8 million are paid up. Even by international standards we have been among the fastest growing trade union movements in the world. Today, when most trade unions are facing a decline in membership, we have continued to grow.

Our main broad strategic objectives have always been:

- to improve the material conditions of our members and of the working people as a whole
- to organise the unorganised
- to ensure that participation of workers takes place in the struggle for peace and democratic principles.

Since its inception, it is a federation based on the following core principle: Non-racialism – COSATU rejects apartheid and racism in all its forms. We believe that all workers, regardless of race, should organise and unite. Now more than ever before we need to bury the apartheid legacy.

Source: www.COSATU.org.za

- 1.1 What does the acronym COSATU stand for? (2)
- 1.2 When was COSATU founded? (2)
- 1.3 In South Africa there are trade unions for four groups of workers.
Name each group and give a brief description of each. (8)
- 1.4 Name two of COSATU's goals. (4)
- 1.5 Define the following concepts:
- 1.5.1 Collective bargaining (2)
- 1.5.2 Workplace forums (2)
- [20]

SECTION B
QUESTION 2
TASK

[28 marks; 17 minutes]

Toys for Us toy store sells toys to various other toy stores in the area. Dinkie Toy is the owner and manager of the store.

- 2.1 Complete the *Debtors Control* and *Trading Stock* accounts in the General Ledger.
- 2.2 Complete Baby Boom's account in the Debtors Ledger.

The partially completed accounts appear below.

Additional information

1. The total of the Debtors list at the end of August amounted to R55 600.
2. The company applies a mark-up of 100% on cost.
3. Goods worth R76 800 were purchased cash during the month.
4. The cost of goods sold on credit was R26 540.
5. The cost of goods sold for cash was R32 180.
6. The total amount of money received from debtors amounted to R61 040.
7. Total for invoices received for goods, R55 310.

NOTE: The mark-up percentage of 100% is very high and considered to be unethical business practice. It is only used here for ease of calculation.

Debtors Ledger of Toys for Us Baby Boom

D1

| Date | Details/Document no. | Fol. | Debit (+) | Credit (-) | Balance |
|--------------|----------------------|------|-----------|------------|-----------|
| 2014 Sept | 01 Account rendered | | | | 17 890 00 |
| | 05 | DJ | | | 22 790 00 |
| | 14 Receipt | | | | 7 200 00 |
| | 18 Invoice | | | | 9 950 00 |
| | 31 | CRJ | | | 0 00 |

(8)

General Ledger of Toys for Us Balance Sheet accounts

Dr

Debtors Control

Cr

| Date | Details | Fol. | Amount | Date | Details | Fol. | Amount |
|-------------|------------|------|--------|-------------|---------|------|--------|
| 2014 Sep | 01 Balance | b/d | | 2014 Sep | 30 Bank | CRJ | |
| | 30 | DJ | | | Balance | c/d | |
| 2014 Oct | 01 Balance | b/d | | | | | |

(8)

Dr

Trading Stock

Cr

| Date | Details | Fol. | Amount | Date | Details | Fol. | Amount |
|-------------|------------|------|-----------|-------------|---------|------|--------|
| 2014 Sep | 01 Balance | b/d | | 2014 Sep | 30 | CRJ | |
| | 30 | CPJ | | | | DJ | |
| | | CJ | | | Balance | c/d | |
| 2014 Oct | 01 Balance | b/d | 81 430 00 | | | | |

(12)

[28]

QUESTION 3**[20 marks; 12 minutes]****TASK**

Use the given information and show the entries in the following journals of Letabu Dealers for March 2014. It is not necessary to close the journals.

3.1 Cash Payments Journal (CPJ)

3.2 Creditors Journal (CJ)

Transactions for March 2014

02 Pay Hillside Properties R4 000 rental for March. Pay with cheque 001.

Receive a cash register to the value of R12 300 from Home and Office. Pay by cheque.

04 Receive invoice L56 for R25 000 from Hanlulene Suppliers for merchandise bought on credit. Renumber the invoice to A52.

14 Buy stationery of R500 and trading stock of R5 000 from Wholesale 4 SA. Pay by cheque.

15 Buy a computer on credit from Home and Office for R12 500 (Invoice FM56).

18 Buy trading stock from Hanlulene Suppliers for R10 000 and pay by cheque.

24 Invoice L59 is received from Hanlulene Suppliers together with trading stock bought on credit, R5 000.

28 Pay Hanlulene Suppliers by paying the account in full.

(20)

Cash Payments Journal of Letabu Dealers for March 2014**CPJ1**

| Doc. no. | Day | Name of payee | Fol. | Bank | Trading stock | Creditors control | Stationery | Sundry accounts | | | |
|----------|-----|---------------|------|------|---------------|-------------------|------------|-----------------|------|---------|--|
| | | | | | | | | Amount | Fol. | Details | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |

Creditors' Journal of Letabu Dealers for March 2014

CJ1

| Doc. no. | Day | Creditor | Fol. | Creditors control | Trading stock | Stationery | Sundry accounts | | |
|----------|-----|----------|------|-------------------|---------------|------------|-----------------|------|---------|
| | | | | | | | Amount | Fol. | Details |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |

QUESTION 4

[12 marks; 7 minutes]

TASK

Show what effect the following transactions have on the accounting equation.

- Buying goods on credit from Greytow Ltd for R12 350 less 20% trade discount.
- Paying Kruger & Co. R9 865 in settlement of their account.
- Receiving R3 000 from J McKenzie as partial payment of the amount she owes on her account.

[12]

| No. | Assets | | Owner's Equity | | Liabilities | |
|-----|--------|--------|----------------|--------|-------------|--------|
| | Effect | Reason | Effect | Reason | Effect | Reason |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |

SECTION C

QUESTION 5

[20 marks; 12 minutes]

5.1 Name and describe the eight business functions. (16)

5.2 Define the following terms:

5.2.1 Publicity (2)

5.2.2 Public relations (2)

[20]

TOTAL: 100 MARKS

SECTION A
QUESTION 1

- 1.1 Congress of South African Trade Unions ✓✓
 1.2 December 1985 ✓✓
 1.3 General workers: skilled and unskilled workers in a range of industries ✓✓
 Tradesmen: employees with particular skills such as bricklaying ✓✓
 Blue-collar workers: skilled and unskilled workers in a particular industry ✓✓
 White-collar workers: professionals such as teachers ✓✓ (4 × 2 = 8)
 1.4
- to improve the material conditions of their members and of the working people as a whole ✓✓
 - to organise the unorganised ✓✓
 - to ensure that participation of workers takes place in the struggle for peace and democratic principles ✓✓
 - promoting a core principle of non-racialism ✓✓ (any 2 × 2 = 4)
- 1.5
- 1.5.1 When trade unions negotiate workers' rights and working conditions with employers ✓✓
 1.5.2 Employee forums that give employees a say in how a business is run. ✓✓

(20)

SECTION B
QUESTION 2

2.1

General Ledger of Toys for Us
Balance Sheet accounts

| Dr | | | | Debtors Control | | | | Cr | | | |
|----------|----|---------|------|-----------------|----|----------|----|---------|------|---------|----|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | |
| 2014 Sep | 01 | Balance | b/d | ✓55 600 | 00 | 2014 Sep | 30 | Bank | CRJ | ✓61 040 | 00 |
| | 30 | Sales ✓ | DJ | ✓✓53 080 | 00 | | | Balance | c/d | ✓47 640 | 00 |
| | | | | 108 680 | 00 | | | | | 108 680 | 00 |
| 2014 Oct | 01 | Balance | b/d | ✓✓47 640 | 00 | | | | | | |

(8)

| Dr | | | | Trading Stock | | | | Cr | | | |
|----------|----|----------------------|------|---------------|----|----------|----|-----------------|------|----------|----|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | |
| 2014 Sep | 01 | Balance | b/d | ✓✓8 040 | 00 | 2014 Sep | 30 | Cost of sales ✓ | CRJ | ✓32 180 | 00 |
| | 30 | Bank ✓ | CPJ | ✓76 800 | 00 | | | Cost of sales ✓ | DJ | ✓26 540 | 00 |
| | | Creditors' control ✓ | CJ | ✓55 310 | 00 | | | Balance | c/d | ✓81 430 | 00 |
| | | | | 140 150 | 00 | | | | | ✓140 150 | 00 |
| 2014 Oct | 01 | Balance | b/d | 81 430 | 00 | | | | | | |

(12)

2.2

Debtors Ledger of Toys for Us Baby Boom

D1

| Date | | Details/Document no. | Fol. | Debit (+) | | Credit (-) | | Balance | |
|------|------|----------------------|------------------|-----------|--------|------------|---------|---------|----------|
| 2014 | Sept | 01 | Account rendered | | | | | 17 890 | 00 |
| | | 05 | Invoice ✓ | DJ | ✓4 900 | 00 | | 22 790 | 00 |
| | | 14 | Receipt | CRJ✓ | | | ✓15 590 | 00 | 7 200 00 |
| | | 18 | Invoice | DJ✓ | ✓2 750 | 00 | | | 9 950 00 |
| | | 31 | Receipt ✓ | CRJ | | | ✓9 950 | 00 | 0 00 |

(8)

QUESTION 3

3.1

Cash Payments Journal of Letabu Dealers for March 2014

CPJ1

| Doc. no. | Day | Name of payee | Fol. | Bank | | Trading stock | | Creditors control | | Stationery | | Sundry accounts | | |
|----------|-----|---------------------|------|---------|------|---------------|------|-------------------|------|------------|------|-----------------|----|----------------|
| | | | | Amount | Fol. | Amount | Fol. | Amount | Fol. | Amount | Fol. | Details | | |
| 001 | 02 | Hillside Properties | | ✓4 000 | 00 | | | | | | | ✓4 000 | 00 | Rent expense ✓ |
| 002 | | Home and Office | | ✓12 300 | 00 | | | | | | | ✓12 300 | 00 | Equipment ✓ |
| 003 | 14 | Wholesale 4 SA | | ✓5 500 | 00 | ✓5 000 | 00 | | | ✓500 | 00 | | | |
| 004 | 18 | Hanlulene Suppliers | | ✓10 000 | 00 | ✓10 000 | 00 | | | | | | | |
| 005 | 28 | Hanlulene Suppliers | | ✓30 000 | 00 | | | 30 000 | ✓ | 00 | | | | |
| -1 | | | | | | | | | | | | | | |

(13)

3.2

Creditors' Journal of Letabu Dealers for March 2014

CJ1

| Doc. no. | Day | Creditor | Fol. | Creditors control | | Trading stock | | Stationery | | Sundry accounts | | |
|----------|-----|---------------------|------|-------------------|------|---------------|------|------------|------|-----------------|----|-------------|
| | | | | Amount | Fol. | Amount | Fol. | Amount | Fol. | Details | | |
| A52 | 04 | Hanlulene Suppliers | | ✓25 000 | 00 | ✓25 000 | 00 | | | | | |
| A53 | 15 | Home and Office | | ✓12 500 | 00 | | | | | ✓12 500 | 00 | Equipment ✓ |
| A54 | 24 | Hanlulene Suppliers | | ✓5 000 | 00 | ✓5 000 | 00 | | | | | |
| -1 | | | | | | | | | | | | |

(7)

QUESTION 4

| No. | Assets | | Owner's Equity | | Liabilities | |
|-----|---------|--------------------------|----------------|--------|-------------|----------------------------|
| | Effect | Reason | Effect | Reason | Effect | Reason |
| 1. | ✓+9 880 | Trading stock increases✓ | | | ✓+9 880 | Creditors' debt increases✓ |
| 2. | ✓-9 865 | Cash decreases✓ | | | ✓-9 865 | Creditors' debt decreases✓ |
| 3. | ✓+3 000 | Cash increases✓ | | | | |
| | ✓-3 000 | Debtors decreases✓ | | | | |

(12)

SECTION C QUESTION 5

5.1 General management: oversees and manages all of the other business functions, including planning and strategising to achieve business objectives. ✓✓

Purchasing: procures or buys all of the raw materials and finished goods that a business needs to function. ✓✓

Production: manages all aspects of a business's production, including getting the resources or inputs required for the production process in the right quantities at the right time and managing all aspects of the production process, including efficiency and quality. ✓✓

Marketing: makes customers aware of the business and its goods and develops strategies for getting goods to customers. ✓✓

Public relations: gives businesses positive publicity and exposes them to as many potential customers as possible in as positive a way as possible to encourage sales. ✓✓

Human resources: manages the people in a business (staffing) and looks after the business's human capital. ✓✓

Administration: keeps administration (record-keeping) of the business's operations running smoothly. ✓✓

Finance: manages all aspects of the business's finances (money). ✓✓

(8 × 2 = 16)

5.2

5.2.1 Actions designed to attract the interest of the public. ✓✓

5.2.2 Public relations involves giving businesses positive publicity ✓ and exposing them to as many potential customers as possible ✓ in as positive a way as possible to encourage sales. ✓✓

(4)

TOTAL: 100 MARKS

TERM 4

Topic 16

Looking back, looking ahead

Learner's Book pages 204–207

Duration: 2 hours

Term and week/s
Term 4, Week 1

Curriculum and Assessment Policy Statement (CAPS) content

In this topic, learners will:

- revise what they learnt in Term 3
- get a brief glimpse of what they will learn in Term 4

Teaching the topic

- This is an opportunity to consolidate what the learners learnt in the previous term. If learners are still struggling with some concepts, give them additional activities or revision activities to do. Those who understand the work well can help those who are struggling.
- Encourage learners to draw mind maps (similar to those drawn in this topic) to revise what they learnt in the previous term.
- Once you are comfortable that learners understand the content so far, you may continue with the overview of the new term.
- When revising the new term, do not go into too much detail – you need spend no more than 10–15 minutes on the overview.
- Mention to the learners that they may use the overview mind map provided, and add their own notes during the term so that they have a complete mind map of the term's work by the end of the term.

Term and week/s
Term 4, Weeks 2–7**Curriculum and Assessment Policy Statement
(CAPS) content**

In this topic, you will learn about FINANCIAL LITERACY. We will look at:

- recording cash and credit transactions of a sole trader in the subsidiary journals
- posting to the Debtors Journal (DJ), Creditors Journal (CJ) and General Ledger
- preparing a Trial Balance

Resources

Learners must each have an exercise book called an 'Eight money column' or 'Cash money column' for the CRJ, CPJ and CJ and preferably a 'Journal' book (with two money columns only) or a 'Treble Cash' book for the DJ. Also, a 'Double Ledger' book for the General Ledger and a 'Treble Cash' book for the Debtors and Creditors Ledgers are required.

Photocopy the Cash Receipts, Cash Payments, Creditors and Debtors Journal templates, as well as the Debtors, Creditors and General Ledger templates found at the end of this guide if necessary.

A calculator for each learner is essential.

Preparation

- Read through the topic and familiarise yourself with the content that you will need to teach. Think about what learners may already know about the topics, what skills they already have and any areas of difficulty that you think they might encounter.
- Learners already know how to record all the different transactions in the journals. They also know how to post the different journals to the General Ledger and to the Debtors and Creditors Ledgers.
- However, it may be difficult for them to master all four journals at the same time. Consider how you are going to present this information to learners in a way that will enable them to understand how all the content fits together.

Teaching the topic

There are 6 lessons in this topic.

| Lesson | Week | Pages | Activities |
|--------|------|---------|------------|
| 2 | 2 | 201–202 | 17.1–17.2 |
| 3 | 3 | 202 | 17.3 |
| 4 | 4 | 202 | 17.4 |
| 5 | 5 | 202 | 17.5 |
| 6 | 6 | 202 | 17.6 |
| 7 | 7 | 203 | 17.7–17.10 |

Lesson 2

- Refer to Figure 17.1 in the Learner's Book and have a class discussion on the cash and credit transactions learnt to date. Use the accounting cycle to outline the four processes involved on the board. Explain that this topic will give learners many opportunities to practise what they have learnt.
- Check that all learners understand the basics of recording cash and credit transactions of a sole trader in the subsidiary journals.
- **Do Activity 17.1.**
- Discuss the first part of the Heysteck Stores example in the Learner's Book page 211, covering the recording of transactions in the different subsidiary journals. Reinforce the different journals as follows:
 1. Each journal differs from the others by the specific source document that is used:

| CRJ | CPJ | DJ | CJ |
|---|--------------------|--------------------------|---------------------------|
| Cash register roll Duplicate receipt Deposit slip | Cheque counterfoil | Duplicate invoice issued | Original invoice received |

2. A transaction will use certain key words to give an indication of the specific journal to be used:

| CRJ | CPJ | DJ | CJ |
|---------------|-----------|--------------|------------------|
| Cash received | Cash paid | Credit sales | Credit purchases |

- **Do Activity 17.2 Question 1.**
- Help learners do the calculations for cost prices in the Heysteck Stores example because profit margin is $33\frac{1}{3}\%$. Cost price calculations for the 4th: $\frac{100}{133\frac{1}{3}} \times R3\ 501 = R2\ 625,75$
- Give learners a handout for Activity 17.2's CRJ, CPJ, CJ and DJ which they can use to do corrections at home and to post to the different ledgers asked for in Questions 2 and 3.

- Work through the next part of the Heysteck Stores example, covering the posting to the Debtors and Creditors Ledgers. Reinforce the differences between the Debtors and Creditors Ledgers as follows:

| Debtors Ledger: | Creditors Ledger: |
|----------------------|---------------------|
| DJ → Invoice → Dr + | CJ → Invoice → Cr + |
| CRJ → Receipt → Cr - | CPJ → Cheque → Dr - |

- Work through the next part of the Heysteck Stores example, covering the posting to the General Ledger and the preparation of a Trial Balance.
- Use different colours to assist learners in following the transactions and journal entries through the example as shown in the Learner's Book example. Do this when you explain the activities as well.
- The following diagram may help those learners that struggle with the General Ledger:

| Journal | Posting |
|---------|--|
| CRJ | Debit: Bank Credit: All the other accounts <i>except for</i> Cost of Sales |
| CPJ | Credit: Bank Debit: All the other accounts |
| DJ | Debit: Debtors Control Credit: Sales Debit: Cost of Sales Credit: Trading Stock |
| CJ | Credit: Creditors Control Debit: All the other accounts |

- **Do Activity 17.2 Questions 2–4.**

Lesson 3

- Mark and check Activity 17.2.
- **Do Activity 17.3.**

Lesson 4

- Mark and check Activity 17.3.
- **Do Activity 17.4.**

Lesson 5

- Mark and check Activity 17.4.
- **Do Activity 17.5.**

Lesson 6

- Mark and check Activity 17.5.
- **Do Activity 17.6.**

Lesson 7

- Mark and check Activity 17.6.
- **Do Activity 17.7.**
- This activity gives learners more practice with how all the information fits together.
- **Do Activity 17.8.**
- This activity reinforces the General Ledger.
- **Do Activities 17.9 and 17.10.**
- These two activities reinforce the Debtors and Creditors Ledgers.

Answers

> Activity 17.1

Middle order (91)

This activity aims at assisting learners to make the correct choice of journal, before they begin with the activities involving the completion of journals.

| No. | Transaction | Journal | Two accounts involved | |
|-----|--|---------|-----------------------|-------------------------|
| 1. | Cashed a cheque for wages | CPJ | Bank | Wages |
| 2. | Paid rent | CPJ ✓ | Bank ✓ | Rent expense ✓ |
| 3. | Purchased goods on credit | CJ ✓ | Creditors control ✓ | Trading stock ✓ |
| 4. | Cash received for services rendered | CRJ ✓ | Bank ✓ | Current income ✓ |
| 5. | Paid an outstanding account | CPJ ✓ | Bank ✓ | Creditors control ✓ |
| 6. | Repairs paid cash | CPJ ✓ | Bank ✓ | Repairs ✓ |
| 7. | Owner took cash for his own use | CPJ ✓ | Bank ✓ | Drawings ✓ |
| 8. | Purchased a vehicle and paid for it | CPJ ✓ | Bank ✓ | Vehicles ✓ |
| 9. | Consumable goods purchased on credit | CJ ✓ | Creditors control ✓ | Consumable goods ✓ |
| 10. | Paid for stationery bought | CPJ ✓ | Bank ✓ | Stationery ✓ |
| 11. | Purchased goods and paid by cheque | CPJ ✓ | Bank ✓ | Trading stock ✓ |
| 12. | Purchased a building and paid by cheque | CPJ ✓ | Bank ✓ | Land and buildings ✓ |
| 13. | Received cash for the rent of a building | CRJ ✓ | Bank ✓ | Rent income ✓ |
| 14. | Packing material purchased on credit | CJ ✓ | Creditors control ✓ | Packing material ✓ |
| 15. | Cash sales of goods (selling price) | CRJ ✓ | Bank ✓ | Sales ✓ |
| | (cost price) | | Cost of sales ✓ | Trading stock ✓ |
| 16. | Paid the telephone account | CPJ ✓ | Bank ✓ | Telephone ✓ |
| 17. | Cashed a cheque for the cash register | CPJ ✓ | Bank ✓ | Cash float ✓ |
| 18. | Received an invoice for repairs | CJ ✓ | Creditors control ✓ | Repairs ✓ |
| 19. | Paid the water and electricity | CPJ ✓ | Bank ✓ | Water and electricity ✓ |

| No. | Transaction | Journal | Two accounts involved | |
|-----|---|---------|-----------------------|--------------------|
| 20. | Owner increased his capital contribution | CRJ ✓ | Bank ✓ | Capital ✓ |
| 21. | Paid the trading licence | CPJ ✓ | Bank ✓ | Trading licence ✓ |
| 22. | Purchased equipment on credit | CJ ✓ | Creditors control ✓ | Equipment ✓ |
| 23. | Paid for packing material bought | CPJ ✓ | Bank ✓ | Packing material ✓ |
| 24. | Issued an invoice for goods (selling price) | DJ ✓ | Debtors control ✓ | Sales ✓ |
| | (cost price) | | Cost of sales ✓ | Trading stock ✓ |
| 25. | Purchased a vehicle on credit | CJ ✓ | Creditors control ✓ | Vehicles ✓ |
| 26. | Purchased stationery on credit | CJ ✓ | Creditors control ✓ | Stationery ✓ |
| 27. | Paid for a computer bought | CPJ ✓ | Bank ✓ | Equipment ✓ |
| 28. | Issued a cheque to pay a salary | CPJ ✓ | Bank ✓ | Salaries ✓ |
| 29. | Received an invoice for an advertisement taken out in the local paper | CJ ✓ | Creditors control ✓ | Advertisement ✓ |
| 30. | Issued a receipt for payment of an account | CRJ ✓ | Bank ✓ | Debtors control ✓ |

» Activity 17.2

1. Lower and Middle order (75)

Cash Receipts Journal of Viwe Traders for July 2012

CRJ5

| Doc. no. | Day | Details | Fol. | Analysis of receipts | | Bank | | Sales | | Cost of sales | | Debtors control | | Sundry accounts | | | |
|----------|-----|----------------|------|----------------------|----|---------|----|--------|----|---------------|----|-----------------|----|-----------------|------|---------|---------------|
| | | | | | | | | | | | | | | Amount | Fol. | Details | |
| 113 | 02 | X Viwe | | | | ✓25 140 | 00 | | | | | | | 25 140 | 00 | B1 | Capital ✓ |
| CRR | 06 | Sales | | 2 905 | 00 | | | ✓2 905 | 00 | ✓2 324 | 00 | | | | | | |
| 114 | | E Roux | D1 | 880 | 00 | ✓3 785 | 00 | | | | | ✓880 | 00 | | | | |
| CRR | 11 | Sales | | 2 205 | 00 | | | ✓2 205 | 00 | ✓1 764 | 00 | | | | | | |
| 115 | | M Smuts | D2 | 3 500 | 00 | ✓5 705 | 00 | | | | | ✓3 500 | 00 | | | | |
| CRR | 18 | Sales | | 2 380 | 00 | | | ✓2 380 | 00 | ✓1 904 | 00 | | | | | | |
| 116 | | W Truter | D3 | 3 659 | 00 | ✓6 039 | 00 | | | | | ✓3 659 | 00 | | | | |
| CRR | 25 | Sales | | 2 222 | 50 | ✓2 222 | 50 | ✓2 222 | 50 | ✓1 778 | 00 | | | | | | |
| CRR | 31 | Sales | | 1 438 | 50 | | | ✓1 438 | 50 | ✓1 150 | 80 | | | | | | |
| 117 | | Fortuin Shoppe | | 1 880 | 00 | ✓3 318 | 50 | | | | | | | 1 880 | 00 | N3 | Rent income ✓ |
| ✓ | | | | | | 46 210 | 00 | 11 151 | 00 | 8 920 | 80 | 8 039 | 00 | 27 020 | 00 | | |

B8 N1 N2/B6 B7

(22)

Note: Mark up = 25%

Cash Payments Journal of Viwe Traders for July 2012
CPJ5

| Doc. no. | Day | Name of payee | Fol. | Bank | | Trading stock | | Wages | | Creditors control | | Sundry accounts | | | |
|----------|-----|----------------|------|--------|------|---------------|------|--------|------|-------------------|------|-----------------|------|---------|---------------------|
| | | | | Amount | Fol. | Amount | Fol. | Amount | Fol. | Amount | Fol. | Amount | Fol. | Details | |
| 337 | 03 | Sume Traders | C2 | ✓2 700 | 00 | | | | | ✓2 700 | 00 | | | | |
| 338 | 05 | Cash | | ✓1 197 | 00 | | | ✓850 | 00 | | | 347 | 00 | N8 | Telephone✓ |
| 339 | 08 | Jolise Stores | C1 | ✓7 103 | 00 | | | | | ✓7 103 | 00 | | | | |
| 340 | 11 | Nienke Ltd | | ✓2 315 | 00 | ✓2 210 | 00 | | | | | 105 | 00 | N5 | Stationery✓ |
| 341 | 13 | Janko Ltd | C3 | ✓4 416 | 00 | | | | | ✓4 416 | 00 | | | | |
| 342 | 16 | Jolise Stores | | ✓5 815 | 00 | | | | | | | 5 815 | 00 | B5 | Equipment✓ |
| 343 | 17 | Cash | | ✓1 200 | 00 | | | ✓850 | 00 | | | 350 | 00 | B9 | Cash float✓ |
| 344 | 24 | City Treasurer | | ✓1 441 | 00 | | | | | | | 864 | 00 | N7 | Municipal services✓ |
| | | | | | | | | | | | | 577 | 00 | B2 | Drawings✓ |
| 345 | 27 | Tegan Traders | | ✓3 913 | 00 | ✓3 312 | 00 | | | | | 601 | 00 | N5 | Stationery✓ |
| 346 | 31 | Sume Traders | | ✓1 331 | 00 | ✓997 | 00 | | | | | 334 | 00 | N9 | Advertising✓ |
| ✓ | | | | 31 431 | 00 | 6 519 | 00 | 1 700 | 00 | 14 219 | 00 | 8 993 | 00 | | |

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B8 B6 N4 B10

Debtors Journal of Viwe Traders for July 2012
DJ5

| Doc. no. | Day | Debtor | Fol. | Sales | | Cost of sales | |
|----------|-----|----------|------|--------|----|---------------|----|
| 451 | 02 | E Roux | D1 | ✓934 | 50 | ✓747 | 60 |
| 452 | 09 | M Smuts | D2 | ✓6 524 | 00 | ✓5 219 | 20 |
| 453 | 12 | W Truter | D3 | ✓2 709 | 00 | ✓2 167 | 20 |
| 454 | 17 | E Roux | D1 | ✓8 324 | 75 | ✓6 659 | 80 |
| 455 | 27 | W Truter | D3 | ✓8 267 | 00 | ✓6 613 | 60 |
| ✓ | | | | 26 759 | 25 | 21 407 | 40 |

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B7/N1 N2/B6

Creditors Journal of Viwe Traders for July 2012
CJ5

| Doc. no. | Day | Creditor | Fol. | Creditors control | | Trading stock | | Stationery | | Sundry accounts | | | |
|----------|-----|---------------|------|-------------------|------|---------------|------|------------|------|-----------------|------|---------|--------------------|
| | | | | Amount | Fol. | Amount | Fol. | Amount | Fol. | Amount | Fol. | Details | |
| 661 | 07 | Jolise Stores | C1 | ✓4 143 | 00 | ✓3 588 | 00 | | | 555 | 00 | N6 | Packing material ✓ |
| 662 | 13 | Sume Traders | C2 | ✓15 429 | 00 | ✓7 311 | 00 | | | 8 118 | 00 | B5 | Equipment ✓ |
| 663 | 20 | Janko Ltd | C3 | ✓10 220 | 00 | ✓9 226 | 00 | ✓994 | 00 | | | | |
| 664 | 25 | Jolise Stores | C1 | ✓932 | 00 | | | | | 282 | 00 | N6 | Packing material ✓ |
| | | | | | | | | | | 650 | 00 | N9 | Advertising ✓ |
| 665 | 28 | Janko Ltd | C3 | ✓993 | 00 | ✓993 | 00 | | | | | | |
| ✓ | | | | 31 717 | 00 | 21 118 | 00 | 994 | 00 | 9 605 | 00 | | |

(15)

B10 B6 N5

2. Middle order (70)
**General Ledger of Viwe Traders
Balance Sheet accounts**

| Dr | | | | Capital | | | | B1 | | | | Cr | | | |
|------|---------|------|--------|---------|---------|------|--------|------|---------|------|----------|------|---------|------|--------|
| Date | Details | Fol. | Amount | Date | Details | Fol. | Amount | Date | Details | Fol. | Amount | Date | Details | Fol. | Amount |
| | | | | 2012 | | | | 01 | Balance | b/d | ✓289 860 | | | | 00 |
| | | | | | | | | 02 | Bank | CRJ5 | ✓25 140 | | | | 00 |
| | | | | | | | | | | | ✓315 000 | | | | 00 |

(3)

| Dr | | | | Drawings | | | | B2 | | | | Cr | | | |
|------|-----|---------|---------|----------|----------|----|------|----|---------|--|------|--------|--|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| 2012 | Jul | 01 | Balance | b/d | ✓ 23 224 | 00 | | | | | | | | | |
| | | 24 | Bank | CPJ5 | ✓ 577 | 00 | | | | | | | | | |
| | | | | | ✓ 23 801 | 00 | | | | | | | | | |

(3)

| Dr | | | | Land and Buildings | | | | B3 | | | | Cr | | | |
|------|-----|---------|---------|--------------------|-----------|----|------|----|---------|--|------|--------|--|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| 2012 | Jul | 01 | Balance | b/d | ✓ 185 000 | 00 | | | | | | | | | |

(1)

| Dr | | | | Vehicles | | | | B4 | | | | Cr | | | |
|------|-----|---------|---------|----------|----------|----|------|----|---------|--|------|--------|--|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| 2012 | Jul | 01 | Balance | b/d | ✓ 88 600 | 00 | | | | | | | | | |

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| Dr | | | | Equipment | | | | B5 | | | | Cr | | | |
|------|-----|---------|-------------------|-----------|----------|----|------|----|---------|--|------|--------|--|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| 2012 | Jul | 01 | Balance | b/d | ✓ 7 924 | 00 | | | | | | | | | |
| | | 13 | Creditors control | CJ5 | ✓ 8 118 | 00 | | | | | | | | | |
| | | 16 | Bank | CPJ5 | ✓ 5 815 | 00 | | | | | | | | | |
| | | | | | ✓ 21 857 | 00 | | | | | | | | | |

(4)

| Dr | | | | Trading Stock | | | | B6 | | | | Cr | | | |
|------|-----|---------|-------------------|---------------|----------|----|------|-----|---------|---------------|------|----------|----|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| 2012 | Jul | 01 | Balance | b/d | ✓ 36 109 | 00 | 2012 | Jul | 31 | Cost of sales | CRJ5 | ✓ 8 920 | 80 | | |
| | | 31 | Bank | CPJ5 | ✓ 6 519 | 00 | | | | | DJ5 | ✓ 21 407 | 40 | | |
| | | | Creditors control | CJ5 | ✓ 21 118 | 00 | | | | | | ✓ 33 417 | 80 | | |
| | | | | | 63 746 | 00 | | | | | | 63 746 | 00 | | |
| 2012 | Aug | 01 | Balance | b/d | ✓ 33 417 | 80 | | | | | | | | | |

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| Dr | | | | Debtors Control | | | | B7 | | | | Cr | | | |
|------|-----|---------|---------|-----------------|----------|----|------|-----|---------|------|------|----------|----|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| 2012 | Jul | 01 | Balance | b/d | ✓ 2 948 | 00 | 2012 | Jul | 31 | Bank | CRJ5 | ✓ 8 039 | 00 | | |
| | | 31 | Sales | DJ5 | ✓ 26 759 | 25 | | | | | | ✓ 21 668 | 25 | | |
| | | | | | 29 707 | 25 | | | | | | 29 707 | 25 | | |
| 2012 | Aug | 01 | Balance | b/d | ✓ 21 668 | 25 | | | | | | | | | |

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| Dr | | | | Bank | | | | B8 | | | | Cr | | | |
|------|-----|---------|----------------|------|----------|----|------|-----|---------|----------------|------|----------|----|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| 2012 | Jul | 01 | Balance | b/d | ✓ 7 582 | 00 | 2012 | Jul | 31 | Total payments | CRJ5 | ✓ 31 431 | 00 | | |
| | | 31 | Total receipts | CRJ5 | ✓ 46 210 | 00 | | | | | | ✓ 22 361 | 00 | | |
| | | | | | 53 792 | 00 | | | | | | 53 792 | 00 | | |
| 2012 | Aug | 01 | Balance | b/d | ✓ 22 361 | 00 | | | | | | | | | |

(5)

| Dr | | | | | Cash Float | | | | | B9 | | | | | Cr | | | | | |
|------|-----|---------|---------|------|------------|-----|------|----|---------|----|------|--------|--|------|----|---------|--|------|--------|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | |
| 2012 | Jul | 01 | Balance | b/d | ✓ | 100 | 00 | | | | | | | | | | | | | |
| | | 17 | Bank | CPJ5 | ✓ | 350 | 00 | | | | | | | | | | | | | |
| | | | | | | ✓ | 450 | 00 | | | | | | | | | | | | |

(3)

| Dr | | | | | Creditors Control | | | | | B10 | | | | | Cr | | | | | |
|------|-----|---------|---------|------|-------------------|--------|--------|------|---------|------|------------------|--------|---------|--------|----|---------|----|------|--------|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | |
| 2012 | Jul | 31 | Bank | CPJ5 | ✓ | 14 219 | 00 | 2012 | Jul | 01 | Balance | b/d | ✓ | 11 131 | 00 | | | | | |
| | | | Balance | c/d | ✓ | 28 629 | 00 | | | 31 | Sundry purchases | CJ5 | ✓ | 31 717 | 00 | | | | | |
| | | | | | | ✓ | 42 848 | 00 | | | | | | | ✓ | 42 848 | 00 | | | |
| | | | | | | | | | | 2012 | Aug | 01 | Balance | b/d | ✓ | 28 629 | 00 | | | |

(5)

Nominal accounts

| Dr | | | | | Sales | | | | | N1 | | | | | Cr | | | | | |
|------|--|---------|--|------|--------|--|------|------|---------|----|-----------------|--------|---|---------|----|---------|--|------|--------|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | |
| | | | | | | | | 2012 | Jul | 01 | Balance | b/d | ✓ | 132 300 | 00 | | | | | |
| | | | | | | | | | | 31 | Bank | CRJ5 | ✓ | 11 151 | 00 | | | | | |
| | | | | | | | | | | | Debtors control | DJ5 | ✓ | 26 759 | 25 | | | | | |
| | | | | | | | | | | | | | ✓ | 170 210 | 25 | | | | | |

(4)

| Dr | | | | | Cost of Sales | | | | | N2 | | | | | Cr | | | | | |
|------|-----|---------|---------------|------|---------------|--------|---------|----|---------|----|------|--------|--|------|----|---------|--|------|--------|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | |
| 2012 | Jul | 01 | Balance | b/d | ✓ | 75 600 | 00 | | | | | | | | | | | | | |
| | | 31 | Trading stock | CRJ5 | ✓ | 8 920 | 80 | | | | | | | | | | | | | |
| | | | Trading stock | DJ5 | ✓ | 21 407 | 40 | | | | | | | | | | | | | |
| | | | | | | ✓ | 105 928 | 20 | | | | | | | | | | | | |

(4)

| Dr | | | | | Rent Income | | | | | N3 | | | | | Cr | | | | | |
|------|--|---------|--|------|-------------|--|------|------|---------|----|---------|--------|---|--------|----|---------|--|------|--------|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | |
| | | | | | | | | 2012 | Jul | 01 | Balance | b/d | ✓ | 8 800 | 00 | | | | | |
| | | | | | | | | | | 31 | Bank | CRJ5 | ✓ | 1 880 | 00 | | | | | |
| | | | | | | | | | | | | | ✓ | 10 680 | 00 | | | | | |

(3)

| Dr | | | | | Wages | | | | | N4 | | | | | Cr | | | | | |
|------|-----|---------|---------|------|--------|-------|--------|----|---------|----|------|--------|--|------|----|---------|--|------|--------|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | |
| 2012 | Jul | 01 | Balance | b/d | ✓ | 9 850 | 00 | | | | | | | | | | | | | |
| | | 31 | Bank | CPJ5 | ✓ | 1 700 | 00 | | | | | | | | | | | | | |
| | | | | | | ✓ | 11 550 | 00 | | | | | | | | | | | | |

(3)

| Dr | | | | Stationery | | | | N5 | | | | Cr | | | |
|------|-----|---------|-------------------|------------|---------|----|------|----|---------|--|------|--------|--|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| 2012 | Jul | 01 | Balance | b/d | ✓ 887 | 00 | | | | | | | | | |
| | | 11 | Bank | CPJ5 | ✓ 105 | 00 | | | | | | | | | |
| | | 27 | Bank | CPJ5 | ✓ 601 | 00 | | | | | | | | | |
| | | 31 | Creditors control | CJ5 | ✓ 994 | 00 | | | | | | | | | |
| | | | | | ✓ 2 587 | 00 | | | | | | | | | |

(5)

| Dr | | | | Packing Material | | | | N6 | | | | Cr | | | |
|------|-----|---------|-------------------|------------------|---------|----|------|----|---------|--|------|--------|--|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| 2012 | Jul | 01 | Balance | b/d | ✓ 990 | 00 | | | | | | | | | |
| | | 07 | Creditors control | CJ5 | ✓ 555 | 00 | | | | | | | | | |
| | | 25 | Creditors control | CJ5 | ✓ 282 | 00 | | | | | | | | | |
| | | | | | ✓ 1 827 | 00 | | | | | | | | | |

(4)

| Dr | | | | Municipal Services | | | | N7 | | | | Cr | | | |
|------|-----|---------|---------|--------------------|---------|----|------|----|---------|--|------|--------|--|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| 2012 | Jul | 01 | Balance | b/d | ✓ 1 334 | 00 | | | | | | | | | |
| | | 24 | Bank | CPJ5 | ✓ 864 | 00 | | | | | | | | | |
| | | | | | ✓ 2 198 | 00 | | | | | | | | | |

(3)

| Dr | | | | Telephone | | | | N8 | | | | Cr | | | |
|------|-----|---------|---------|-----------|---------|----|------|----|---------|--|------|--------|--|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| 2012 | Jul | 01 | Balance | b/d | ✓ 1 146 | 00 | | | | | | | | | |
| | | 05 | Bank | CPJ5 | ✓ 347 | 00 | | | | | | | | | |
| | | | | | ✓ 1 493 | 00 | | | | | | | | | |

(3)

| Dr | | | | Advertising | | | | N9 | | | | Cr | | | |
|------|-----|---------|-------------------|-------------|---------|----|------|----|---------|--|------|--------|--|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| 2012 | Jul | 01 | Balance | b/d | ✓ 797 | 00 | | | | | | | | | |
| | | 25 | Creditors control | CJ5 | ✓ 650 | 00 | | | | | | | | | |
| | | 31 | Bank | CPJ5 | ✓ 334 | 00 | | | | | | | | | |
| | | | | | ✓ 1 781 | 00 | | | | | | | | | |

(4)

3. Middle order (36)

Debtors Ledger of Viwe Traders E Roux

D1

| Date | | Details/Document no. | | Fol. | Debit (+) | | Credit (-) | | Balance | |
|------|-----|----------------------|------------------|------|-----------|----|------------|----|---------|----|
| 2012 | Jul | 01 | Account rendered | | | | | | ✓ 880 | 00 |
| | | 02 | Invoice no. 451 | DJ5 | ✓ 934 | 50 | | | 1 814 | 50 |
| | | 06 | Receipt no. 114 | CRJ5 | | | ✓ 880 | 00 | ✓ 934 | 50 |
| | | 17 | Invoice no. 454 | DJ5 | ✓ 8 324 | 75 | | | 9 259 | 25 |

(5)

M Smuts**D2**

| Date | Details/Document no. | Fol. | Debit (+) | Credit (-) | Balance |
|-------------|----------------------|------|------------|------------|------------|
| 2012 Jul 01 | Account rendered | | | | ✓ 1 118 00 |
| 09 | Invoice no. 452 | DJ5 | ✓ 6 524 00 | | 7 642 00 |
| 11 | Receipt no. 115 | CRJ5 | | ✓ 3 500 00 | ✓ 4 142 00 |

(4)

W Truter**D3**

| Date | Details/Document no. | Fol. | Debit (+) | Credit (-) | Balance |
|-------------|----------------------|------|------------|------------|------------|
| 2012 Jul 01 | Account rendered | | | | ✓ 950 00 |
| 12 | Invoice no. 453 | DJ5 | ✓ 2 709 00 | | 3 659 00 |
| 18 | Receipt no. 116 | CRJ5 | | ✓ 3 659 00 | 0 00 |
| 27 | Invoice no. 455 | DJ5 | ✓ 8 267 00 | | ✓ 8 267 00 |

(5)

List (schedule) of balances of debtors on 31 July 2012

| | | |
|------------------------|-----------|---------------------|
| E Roux | D1 | R9 259,25 ✓ |
| M Smuts | D2 | R4 142,00 ✓ |
| W Truter | D3 | R8 267,00 ✓ |
| Debtors control | B7 | R21 668,25 ✓ |

(4)

Creditors Ledger of Viwe Traders**Jolise Stores****C1**

| Date | Details/Document no. | Fol. | Debit (-) | Credit (+) | Balance |
|-------------|----------------------|------|------------|------------|------------|
| 2012 Jul 01 | Account rendered | | | | ✓ 2 960 00 |
| 07 | Invoice no. 661 | CJ5 | | ✓ 4 143 00 | 7 103 00 |
| 08 | Cheque no. 339 | CPJ5 | ✓ 7 103 00 | | 0 00 |
| 25 | Invoice no. 664 | CJ5 | | ✓ 932 00 | ✓ 932 00 |

(5)

Sume Traders**C2**

| Date | Details/Document no. | Fol. | Debit (-) | Credit (+) | Balance |
|-------------|----------------------|------|------------|-------------|-------------|
| 2012 Jul 01 | Account rendered | | | | ✓ 3 755 00 |
| 03 | Cheque no. 337 | CPJ5 | ✓ 2 700 00 | | 1 055 00 |
| 13 | Invoice no. 662 | CJ5 | | ✓ 15 429 00 | ✓ 16 484 00 |

(4)

Janko Ltd**C3**

| Date | Details/Document no. | Fol. | Debit (-) | Credit (+) | Balance |
|-------------|----------------------|------|------------|-------------|-------------|
| 2012 Jul 01 | Account rendered | | | | ✓ 4 416 00 |
| 13 | Cheque no. 341 | CPJ5 | ✓ 4 416 00 | | 0 00 |
| 20 | Invoice no. 663 | CJ5 | | ✓ 10 220 00 | 10 220 00 |
| 28 | Invoice no. 665 | CJ5 | | ✓ 993 00 | ✓ 11 213 00 |

(5)

List (schedule) of balances of creditors on 31 July 2012

| | | |
|--------------------------|------------|---------------------|
| Jolise Traders | C1 | R932,00 ✓ |
| Sume Traders | C2 | R16 484,00 ✓ |
| Janko Ltd | C3 | R11 213,00 ✓ |
| Creditors control | B10 | R28 629,00 ✓ |

(4)

4. Lower order (20)

Trial Balance of Viwe Traders on 31 July 2012 ✓

| Balance Sheet accounts | Fol. | Debit | | Credit | |
|-------------------------|------|---------|----|---------|----|
| Capital ✓ | B1 | | | 315 000 | 00 |
| Drawings ✓ | B2 | 23 801 | 00 | | |
| Land and buildings ✓ | B3 | 185 000 | 00 | | |
| Vehicles ✓ | B4 | 88 600 | 00 | | |
| Equipment ✓ | B5 | 21 857 | 00 | | |
| Trading stock ✓ | B6 | 33 417 | 80 | | |
| Debtors control ✓ | B7 | 21 668 | 25 | | |
| Bank ✓ | B8 | 22 361 | 00 | | |
| Cash float ✓ | B9 | 450 | 00 | | |
| Creditors control ✓ | B10 | | | 28 629 | 00 |
| Nominal accounts | | | | | |
| Sales ✓ | N1 | | | 170 210 | 25 |
| Cost of sales ✓ | N2 | 105 928 | 20 | | |
| Rent income ✓ | N3 | | | 10 680 | 00 |
| Wages ✓ | N4 | 11 550 | 00 | | |
| Stationery ✓ | N5 | 2 587 | 00 | | |
| Packing material ✓ | N6 | 1 827 | 00 | | |
| Municipal services ✓ | N7 | 2 198 | 00 | | |
| Telephone ✓ | N8 | 1 493 | 00 | | |
| Advertising ✓ | N9 | 1 781 | 00 | | |
| | | 524 519 | 25 | 524 519 | 25 |

Activity 17.3

1. Middle and Higher order (66)

Cash Receipts Journal of Valley Traders for August 2013

CRJ7

| Doc. no. | Day | Details | Fol. | Analysis of receipts | Bank | | Sales | | Cost of sales | | Debtors control | | Sundry accounts | | | |
|----------|-----|-----------------|------|----------------------|-------------|----|-------------|------------|---------------|--|-----------------|--|-----------------|------|---------------|--|
| | | | | | | | | | | | | | Amount | Fol. | Details | |
| CRR | 02 | Sales | | 735 00 | | | ✓ 735 00 | ✓ 490 00 | | | | | | | | |
| 80 | | H van der Vyver | D1 | 9 662 00 | ✓ 10 397 00 | | | | | | ✓ 9 662 00 | | | | | |
| 81 | 05 | A Robain | D3 | 3 240 00 | ✓ 3 240 00 | | | | | | ✓ 3 240 00 | | | | | |
| CRR | 11 | Sales | | 1 020 00 | | | ✓ 1 020 00 | ✓ 680 00 | | | | | | | | |
| 82 | | D Brandt | D2 | 9 830 00 | ✓ 10 850 00 | | | | | | ✓ 9 830 00 | | | | | |
| CRR | 23 | Sales | | 10 275 00 | | | ✓ 10 275 00 | ✓ 6 850 00 | | | | | | | | |
| 83 | | C Fourie | | 2 300 00 | ✓ 12 575 00 | | | | | | | | 2 300 00 | N3 | Rent income ✓ | |
| CRR | 31 | Sales | | 1 533 00 | 1 533 00 | | ✓ 1 533 00 | ✓ 1 022 00 | | | | | | | | |
| ✓ | | | | | 38 595 00 | | 13 563 00 | 9 042 00 | | | 22 732 00 | | 2 300 00 | | | |
| | | | | | | B7 | N1 | N2/B5 | | | B6 | | | | | |

(17)

Cash Payments Journal of Valley Traders for August 2013
CPJ7

| Doc. no. | Day | Name of payee | Fol. | Bank | | Trading stock | | Creditors control | | Wages | | Sundry accounts | | | |
|----------|-----|------------------|------|----------|----|---------------|----|-------------------|----|---------|----|-----------------|------|---------|-------------------------|
| | | | | | | | | | | | | Amount | Fol. | Details | |
| 109 | 04 | Firmani Stores | C1 | ✓ 19 688 | 00 | | | ✓ 19 688 | 00 | | | | | | |
| 110 | 09 | Snell Stores | | ✓ 21 265 | 00 | ✓ 20 400 | 00 | | | | | 865 | 00 | N5 | Stationery ✓ |
| 111 | | Cash | | ✓ 5 350 | 00 | | | | | ✓ 4 700 | 00 | 650 | 00 | B2 | Drawings ✓ |
| 112 | 10 | Hauptfleisch Ltd | C2 | ✓ 19 500 | 00 | | | ✓ 19 500 | 00 | | | | | | |
| 113 | 19 | Xangelé Traders | C3 | ✓ 3 556 | 00 | | | ✓ 3 556 | 00 | | | | | | |
| 114 | | Burger Shoppe | | ✓ 2 617 | 00 | ✓ 2 148 | 00 | | | | | 469 | 00 | N6 | Consumable goods ✓ |
| 115 | 21 | Cash | | ✓ 4 700 | 00 | | | | | ✓ 4 700 | 00 | | | | |
| 116 | | Telkom SA Ltd | | ✓ 466 | 00 | | | | | | | 466 | 00 | N7 | Telephone ✓ |
| 117 | 27 | City Treasurer | | ✓ 858 | 00 | | | | | | | 858 | 00 | N8 | Water and electricity ✓ |
| 118 | 29 | Hauptfleisch Ltd | | ✓ 2 950 | 00 | ✓ 1 800 | 00 | | | | | 1 150 | 00 | B4 | Equipment ✓ |
| ✓ | | | | 80 950 | 00 | 24 348 | 00 | 42 744 | 00 | 9 400 | 00 | 4 458 | 00 | | |

(25)

B7

B5

B9

N4

Debtors Journal of Valley Traders for August 2013
DJ7

| Doc. no. | Day | Debtor | Fol. | Sales | | Cost of sales | |
|----------|-----|-----------------|------|---------|----|---------------|----|
| 221 | 04 | D Brandt | D2 | ✓ 1 836 | 00 | ✓ 1 224 | 00 |
| 222 | 15 | H van der Vyver | D1 | ✓ 1 662 | 00 | ✓ 1 108 | 00 |
| 223 | 21 | A Robain | D3 | ✓ 2 463 | 00 | ✓ 1 642 | 00 |
| 224 | 29 | D Brandt | D2 | ✓ 2 349 | 00 | ✓ 1 566 | 00 |
| ✓ | | | | ✓ 8 310 | 00 | ✓ 5 540 | 00 |

(11)

B6/N1

N2/B5

Creditors Journal of Valley Traders for August 2013
CJ7

| Doc. no. | Day | Creditor | Fol. | Creditors control | | Trading stock | | Stationery | | Consumable goods | | Sundry accounts | | | |
|----------|-----|------------------|------|-------------------|----|---------------|----|------------|----|------------------|----|-----------------|------|---------|-------------|
| | | | | | | | | | | | | Amount | Fol. | Details | |
| 182 | 05 | Firmani Stores | C1 | ✓ 3 204 | 00 | ✓ 2 717 | 00 | ✓ 487 | 00 | | | | | | |
| 183 | 12 | Xangelé Traders | C3 | ✓ 5 131 | 00 | ✓ 3 067 | 00 | | | ✓ 614 | 00 | 1 450 | 00 | B4 | Equipment ✓ |
| 184 | 27 | Firmani Stores | C1 | ✓ 733 | 00 | | | | | | | 733 | 00 | N9 | Repairs ✓ |
| 185 | 30 | Hauptfleisch Ltd | C2 | ✓ 1 046 | 00 | | | ✓ 456 | 00 | ✓ 590 | 00 | | | | |
| ✓ | | | | 10 114 | 00 | 5 784 | 00 | 943 | 00 | 1 204 | 00 | 2 183 | 00 | | |

(13)

B9

B5

N5

N6

2. Middle order (63)
**General Ledger of Valley Traders
Balance Sheet accounts**

| Dr | | | | Capital | | | | B1 | | | | Cr | | | |
|------|--|---------|--|---------|--------|--|------|-----|---------|---------|------|-----------|----|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| | | | | | | | 2013 | Aug | 01 | Balance | b/d | ✓ 147 700 | 00 | | |

(1)

| Dr | | | | Drawings | | | | B2 | | | | Cr | | | |
|------|-----|---------|---------|----------|----------|----|------|----|---------|--|------|--------|--|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| 2013 | Aug | 01 | Balance | b/d | ✓ 22 180 | 00 | | | | | | | | | |
| | | 09 | Bank | CPJ7 | ✓ 650 | 00 | | | | | | | | | |
| | | | | | ✓ 22 830 | 00 | | | | | | | | | |

(3)

| Dr | | | | Land and Buildings | | | | B3 | | | | Cr | | | |
|------|-----|---------|---------|--------------------|----------|----|------|----|---------|--|------|--------|--|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| 2013 | Aug | 01 | Balance | b/d | ✓ 95 000 | 00 | | | | | | | | | |

(1)

| Dr | | | | Equipment | | | | B4 | | | | Cr | | | |
|------|-----|---------|-------------------|-----------|----------|----|------|----|---------|--|------|--------|--|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| 2013 | Aug | 01 | Balance | b/d | ✓ 33 585 | 00 | | | | | | | | | |
| | | 12 | Creditors control | CJ7 | ✓ 1 450 | 00 | | | | | | | | | |
| | | 29 | Bank | CPJ7 | ✓ 1 150 | 00 | | | | | | | | | |
| | | | | | ✓ 36 185 | 00 | | | | | | | | | |

(4)

| Dr | | | | Trading Stock | | | | B5 | | | | Cr | | | |
|------|-----|---------|-------------------|---------------|----------|----|------|-----|---------|---------------|------|----------|----|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| 2013 | Aug | 01 | Balance | b/d | ✓ 31 921 | 00 | 2013 | Aug | 31 | Cost of sales | CRJ7 | ✓ 9 042 | 00 | | |
| | | 31 | Bank | CPJ7 | ✓ 24 348 | 00 | | | | Cost of sales | DJ7 | ✓ 5 540 | 00 | | |
| | | | Creditors control | CJ7 | ✓ 5 784 | 00 | | | | Balance | c/d | ✓ 47 471 | 00 | | |
| | | | | | 62 053 | 00 | | | | | | 62 053 | 00 | | |
| 2013 | Sep | 01 | Balance | b/d | ✓ 47 471 | 00 | | | | | | | | | |

(7)

| Dr | | | | Debtors Control | | | | B6 | | | | Cr | | | |
|------|-----|---------|---------|-----------------|----------|----|------|-----|---------|---------|------|----------|----|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| 2013 | Aug | 01 | Balance | b/d | ✓ 28 986 | 00 | 2013 | Aug | 31 | Bank | CRJ7 | ✓ 22 732 | 00 | | |
| | | 31 | Sales | DJ7 | ✓ 8 310 | 00 | | | | Balance | c/d | ✓ 14 564 | 00 | | |
| | | | | | 37 296 | 00 | | | | | | 37 296 | 00 | | |
| 2013 | Sep | 01 | Balance | b/d | ✓ 14 564 | 00 | | | | | | | | | |

(5)

| Dr | | | | Bank | | | | B7 | | | | Cr | | | |
|------|-----|---------|----------------|------|----------|----|------|-----|---------|----------------|------|----------|----|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| 2013 | Aug | 01 | Balance | b/d | ✓ 18 035 | 00 | 2013 | Aug | 31 | Total payments | CPJ7 | ✓ 80 950 | 00 | | |
| | | 31 | Total receipts | CRJ7 | ✓ 38 595 | 00 | | | | | | | | | |
| | | | Balance | c/d | ✓ 24 320 | 00 | | | | | | | | | |
| | | | | | 80 950 | 00 | | | | | | 80 950 | 00 | | |
| | | | | | | | 2013 | Sep | 01 | Balance | b/d | ✓ 24 320 | 00 | | |

(5)

| Dr | | | | Cash Float | | | | B8 | | | | Cr | | | |
|------|-----|---------|---------|------------|--------|----|------|----|---------|--|------|--------|--|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| 2013 | Aug | 01 | Balance | b/d | ✓ 350 | 00 | | | | | | | | | |

(1)

| Dr | | | | Creditors Control | | | | B9 | | | | Cr | | | |
|------|----|---------|------|-------------------|---------------|-----------|------|-----|------------------|---------|------|---------------|-----------|----|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| 2013 | | | | | | | 2013 | | | | | | | | |
| Aug | 31 | Bank | CPJ7 | ✓ | 42 744 | 00 | Aug | 01 | Balance | b/d | ✓ | 88 597 | 00 | | |
| | | Balance | c/d | ✓ | 55 967 | 00 | | 31 | Sundry purchases | CJ7 | ✓ | 10 114 | 00 | | |
| | | | | | <u>98 711</u> | <u>00</u> | | | | | | <u>98 711</u> | <u>00</u> | | |
| | | | | | | | 2013 | Sep | 01 | Balance | b/d | ✓ | 55 967 | 00 | |

(5)

Nominal accounts

| Dr | | | | Sales | | | | N1 | | | | Cr | | | |
|------|--|---------|--|-------|--------|--|------|----|-----------------|------|------|------------------|-----------|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| | | | | | | | 2013 | | | | | | | | |
| | | | | | | | Aug | 01 | Balance | b/d | ✓ | 135 615 | 00 | | |
| | | | | | | | | 31 | Bank | CRJ7 | ✓ | 13 563 | 00 | | |
| | | | | | | | | | Debtors control | DJ7 | ✓ | 8 310 | 00 | | |
| | | | | | | | | | | | | <u>✓ 157 488</u> | <u>00</u> | | |

(4)

| Dr | | | | Cost of Sales | | | | N2 | | | | Cr | | | |
|------|----|---------------|------|---------------|------------------|-----------|------|----|---------|--|------|--------|--|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| 2013 | | | | | | | | | | | | | | | |
| Aug | 01 | Balance | c/d | ✓ | 95 210 | 00 | | | | | | | | | |
| | 31 | Trading stock | CRJ7 | ✓ | 9 042 | 00 | | | | | | | | | |
| | | Trading stock | DJ7 | ✓ | 5 540 | 00 | | | | | | | | | |
| | | | | | <u>✓ 109 792</u> | <u>00</u> | | | | | | | | | |

(4)

| Dr | | | | Rent Income | | | | N3 | | | | Cr | | | |
|------|--|---------|--|-------------|--------|--|------|----|---------|------|------|-----------------|-----------|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| | | | | | | | 2013 | | | | | | | | |
| | | | | | | | Aug | 01 | Balance | b/d | ✓ | 28 875 | 00 | | |
| | | | | | | | | 23 | Bank | CRJ7 | ✓ | 2 300 | 00 | | |
| | | | | | | | | | | | | <u>✓ 31 175</u> | <u>00</u> | | |

(3)

| Dr | | | | Wages | | | | N4 | | | | Cr | | | |
|------|----|---------|------|-------|-----------------|-----------|------|----|---------|--|------|--------|--|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| 2013 | | | | | | | | | | | | | | | |
| Aug | 01 | Balance | b/d | ✓ | 28 000 | 00 | | | | | | | | | |
| | 31 | Bank | CPJ7 | ✓ | 9 400 | 00 | | | | | | | | | |
| | | | | | <u>✓ 37 400</u> | <u>00</u> | | | | | | | | | |

(3)

| Dr | | | | Stationery | | | | N5 | | | | Cr | | | |
|------|----|-------------------|------|------------|----------------|-----------|------|----|---------|--|------|--------|--|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| 2013 | | | | | | | | | | | | | | | |
| Aug | 01 | Balance | b/d | ✓ | 6 823 | 00 | | | | | | | | | |
| | 09 | Bank | CPJ7 | ✓ | 865 | 00 | | | | | | | | | |
| | 31 | Creditors control | CJ7 | ✓ | 943 | 00 | | | | | | | | | |
| | | | | | <u>✓ 8 631</u> | <u>00</u> | | | | | | | | | |

(4)

| Dr | | | | Consumable Goods | | | | N6 | | | | Cr | | | |
|------|-----|---------|-------------------|------------------|---------|----|------|----|---------|--|------|--------|--|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| 2013 | Aug | 01 | Balance | b/d | ✓ 7 038 | 00 | | | | | | | | | |
| | | 19 | Bank | CPJ7 | ✓ 469 | 00 | | | | | | | | | |
| | | 31 | Creditors control | CJ7 | ✓ 1 204 | 00 | | | | | | | | | |
| | | | | | ✓ 8 711 | 00 | | | | | | | | | |

(4)

| Dr | | | | Telephone | | | | N7 | | | | Cr | | | |
|------|-----|---------|---------|-----------|---------|----|------|----|---------|--|------|--------|--|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| 2013 | Aug | 01 | Balance | b/d | ✓ 8 052 | 00 | | | | | | | | | |
| | | 21 | Bank | CPJ7 | ✓ 466 | 00 | | | | | | | | | |
| | | | | | ✓ 8 518 | 00 | | | | | | | | | |

(3)

| Dr | | | | Water and Electricity | | | | N8 | | | | Cr | | | |
|------|-----|---------|---------|-----------------------|----------|----|------|----|---------|--|------|--------|--|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| 2013 | Aug | 01 | Balance | b/d | ✓ 9 218 | 00 | | | | | | | | | |
| | | 27 | Bank | CPJ7 | ✓ 858 | 00 | | | | | | | | | |
| | | | | | ✓ 10 076 | 00 | | | | | | | | | |

(3)

| Dr | | | | Repairs | | | | N9 | | | | Cr | | | |
|------|-----|---------|-------------------|---------|----------|----|------|----|---------|--|------|--------|--|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| 2013 | Aug | 01 | Balance | b/d | ✓ 16 389 | 00 | | | | | | | | | |
| | | 27 | Creditors control | CJ7 | ✓ 733 | 00 | | | | | | | | | |
| | | | | | ✓ 17 122 | 00 | | | | | | | | | |

(3)

3. Middle order (34)

Debtors Ledger of Valley Traders H van der Vyver

D1

| Date | | Details/Document no. | | Fol. | Debit (+) | | Credit (-) | | Balance | |
|------|-----|----------------------|------------------|------|-----------|----|------------|----|---------|----|
| 2013 | Aug | 01 | Account rendered | | | | | | ✓ 9 662 | 00 |
| | | 02 | Receipt no. 80 | CRJ7 | | | ✓ 9 662 | 00 | 0 | 00 |
| | | 15 | Invoice no. 222 | DJ7 | ✓ 1 662 | 00 | | | ✓ 1 662 | 00 |

(4)

D Brandt

D2

| Date | | Details/Document no. | | Fol. | Debit (+) | | Credit (-) | | Balance | |
|------|-----|----------------------|------------------|------|-----------|----|------------|----|----------|----|
| 2013 | Aug | 01 | Account rendered | | | | | | ✓ 12 883 | 00 |
| | | 04 | Invoice no. 221 | DJ7 | ✓ 1 836 | 00 | | | 14 719 | 00 |
| | | 11 | Receipt no. 82 | CRJ7 | | | ✓ 9 830 | 00 | 4 889 | 00 |
| | | 29 | Invoice no. 224 | DJ7 | ✓ 2 349 | 00 | | | ✓ 7 238 | 00 |

(5)

A Robain

D3

| Date | | Details/Document no. | | Fol. | Debit (+) | | Credit (-) | | Balance | |
|------|-----|----------------------|------------------|------|-----------|----|------------|----|---------|----|
| 2013 | Aug | 01 | Account rendered | | | | | | ✓ 6 441 | 00 |
| | | 05 | Receipt no. 81 | CRJ7 | | | ✓ 3 240 | 00 | 3 201 | 00 |
| | | 21 | Invoice no. 223 | DJ7 | ✓ 2 463 | 00 | | | ✓ 5 664 | 00 |

(4)

List (schedule) of balances of debtors on 31 August 2013

| | | |
|------------------------|-----------|---------------------|
| H van der Vyver | D1 | R1 662,00 ✓ |
| D Brandt | D2 | R7 238,00 ✓ |
| A Robain | D3 | R5 664,00 ✓ |
| Debtors control | B6 | R14 564,00 ✓ |

(4)

**Creditors Ledger of Valley Traders
Firmani Stores**

C1

| Date | Details/Document no. | Fol. | Debit (-) | Credit (+) | Balance |
|-------------|----------------------|------|-------------|------------|-------------|
| 2013 Aug 01 | Account rendered | | | | ✓ 19 688 00 |
| 04 | Cheque no. 109 | CPJ7 | ✓ 19 688 00 | | 0 00 |
| 05 | Invoice no. 182 | CJ7 | | ✓ 3 204 00 | 3 204 00 |
| 27 | Invoice no. 184 | CJ7 | | ✓ 733 00 | ✓ 3 937 00 |

(5)

Hauptfleisch Ltd

C2

| Date | Details/Document no. | Fol. | Debit (-) | Credit (+) | Balance |
|-------------|----------------------|------|-------------|------------|-------------|
| 2013 Aug 01 | Account rendered | | | | ✓ 29 532 00 |
| 10 | Cheque no. 112 | CPJ7 | ✓ 19 500 00 | | 10 032 00 |
| 30 | Invoice no. 185 | CJ7 | | ✓ 1 046 00 | ✓ 11 078 00 |

(4)

Xangelé Traders

C3

| Date | Details/Document no. | Fol. | Debit (-) | Credit (+) | Balance |
|-------------|----------------------|------|------------|------------|-------------|
| 2013 Aug 01 | Account rendered | | | | ✓ 39 377 00 |
| 12 | Invoice no. 183 | CJ7 | | ✓ 5 131 00 | 44 508 00 |
| 19 | Cheque no. 113 | CPJ7 | ✓ 3 556 00 | | ✓ 40 952 00 |

(4)

List (schedule) of balances of creditors on 31 August 2013

| | | |
|--------------------------|-----------|---------------------|
| Firmani Stores | C1 | R3 937,00 ✓ |
| Hauptfleisch Ltd | C2 | R11 078,00 ✓ |
| Xangelé Traders | C3 | R40 952,00 ✓ |
| Creditors control | B9 | R55 967,00 ✓ |

(4)

4. Lower order (18)

Trial Balance of Valley Traders on 31 August 2013

| Balance Sheet accounts | Fol. | Debit | Credit |
|------------------------|------|--------|---------|
| Capital ✓ | B1 | | 147 700 |
| Drawings ✓ | B2 | 22 830 | |
| Land and buildings ✓ | B3 | 95 000 | |
| Equipment ✓ | B4 | 36 185 | |
| Trading stock ✓ | B5 | 47 471 | |
| Debtors control ✓ | B6 | 14 564 | |
| Bank ✓ | B7 | | 24 320 |
| Cash float ✓ | B8 | 350 | |
| Creditors control ✓ | B9 | | 55 967 |

| Nominal accounts | | | |
|-------------------------|----|----------------|----------------|
| Sales ✓ | N1 | | 157 488 |
| Cost of sales ✓ | N2 | 109 792 | |
| Rent income ✓ | N3 | | 31 175 |
| Wages ✓ | N4 | 37 400 | |
| Stationery ✓ | N5 | 8 631 | |
| Consumable goods ✓ | N6 | 8 711 | |
| Telephone ✓ | N7 | 8 518 | |
| Water and electricity ✓ | N8 | 10 076 | |
| Repairs ✓ | N9 | 17 122 | |
| | | 416 650 | 416 650 |

Activity 17.4

Learners will need to do these calculations:

20 May: R1 889 + R9 006,50 = R10 895,50

29 May: R451 + R4 740 = R5 191

Guide the learners when opening the ledger accounts, especially with the placement order of the accounts in the Balance Sheet and Nominal account sections.

1. Middle and Higher order (47)

Cash Receipts Journal of Electrics for All for May 2013

CRJ5

| Doc. no. | Day | Details | Fol. | Analysis of receipts | Bank | | Sales | | Cost of sales | | Debtors control | | Sundry accounts | | | | |
|----------|-----|-----------|------|----------------------|----------|---------------|-----------|--------------|---------------|--------------|-----------------|--------------|-----------------|---------------|-----------|---------------|--|
| | | | | | | | | | | | | | Amount | Fol. | Details | | |
| 50 | 01 | M Busiswe | | | ✓ 24 000 | 00 | | | | | | | 24 000 | 00 | B1 | Capital ✓ | |
| CRR | 12 | Sales | | 774 | 00 | | ✓ 774 | 00 | ✓ 516 | 00 | | | | | | | |
| 51 | | F Step | D2 | 500 | 00 | ✓ 1 274 | 00 | | | | ✓ 500 | 00 | | | | | |
| 52 | 29 | L Laager | D1 | 5 671 | 00 | ✓ 5 671 | 00 | ✓ 480 | 00 | ✓ 320 | 00 | ✓ 5 191 | 00 | | | | |
| CRR | 31 | Sales | | 3 570 | 00 | | ✓ 3 570 | 00 | ✓ 2 380 | 00 | | | | | | | |
| 53 | | R Jacobs | | 3 500 | 00 | ✓ 7 070 | 00 | | | | | | 3 500 | 00 | N8 | Rent income ✓ | |
| ✓ | | | | | | 38 015 | 00 | 4 824 | 00 | 3 216 | 00 | 5 691 | 00 | 27 500 | 00 | | |

B8 N1 N2/B6 B7

(15)

Cash Payments Journal of Electrics for All for May 2013

CPJ5

| Doc. no. | Day | Name of payee | Fol. | Bank | | Trading stock | Packing material | Creditors control | | Sundry accounts | | | |
|----------|-----|---------------------|------|---------------|-----------|---------------|------------------|-------------------|-----------|-----------------|-----------|---------------|-------------------------|
| | | | | | | | | | | Amount | Fol. | Details | |
| 107 | 04 | Pata Motors | | ✓ 77 023 | 00 | | | | | 76 500 | 00 | B4 | Vehicles ✓ |
| | | | | | | | | | | 523 | 00 | N4 | Fuel ✓ |
| 108 | 09 | Piek and Pay Stores | | ✓ 1 275 | 00 | | | | | 554 | 00 | B2 | Drawings ✓ |
| | | | | | | | | | | 721 | 00 | N7 | Water and electricity ✓ |
| 109 | 12 | H Bosman | C2 | ✓ 800 | 00 | | | ✓ 800 | 00 | | | | |
| 110 | 13 | H Bosman | | ✓ 585 | 00 | | ✓ 585 | 00 | | | | | |
| 111 | 20 | W Hugo | C1 | ✓ 10 895 | 50 | | | ✓ 10 895 | 50 | | | | |
| 112 | 27 | I Louw | | ✓ 4 880 | 00 | | | | | 4 880 | 00 | N6 | Salaries ✓ |
| 113 | 30 | H Bosman | | ✓ 2 667 | 00 | ✓ 2 667 | 00 | | | | | | |
| ✓ | | | | 98 125 | 50 | 2 667 | 00 | 585 | 00 | 11 695 | 50 | 83 178 | 00 |

B8 B6 N3 B9

(17)

Creditors Journal of Electrics for All for May 2013

CJ5

| Doc. no. | Day | Creditor | Fol. | Creditors control | | Trading stock | | Packing material | | Sundry accounts | | |
|----------|-----|----------------|------|-------------------|----|---------------|----|------------------|----|-----------------|------|----------------|
| | | | | ✓ | | ✓ | | ✓ | | Amount | Fol. | Details |
| 332 | 14 | H Bosman | C2 | ✓ 805 | 00 | ✓ 805 | 00 | | | | | |
| 333 | 16 | W Hugo | C1 | ✓ 9 006 | 50 | ✓ 2 150 | 50 | ✓ 256 | 00 | 6 600 | 00 | B5 Equipment ✓ |
| 334 | 23 | Lebo Suppliers | C3 | ✓ 6 410 | 00 | ✓ 4 610 | 00 | ✓ 1 800 | 00 | | | |
| ✓ | | | | 16 221 | 50 | 7 565 | 50 | 2 056 | 00 | 6 600 | 00 | |

B9 B6 N3

Debtors Journal of Electrics for All for May 2013

DJ5

| Doc. no. | Day | Balance Sheet accounts | Fol. | Sales | | Cost of sales | |
|----------|-----|------------------------|------|---------|----|---------------|----|
| | | | | ✓ | | ✓ | |
| 60 | 18 | L Laager | D1 | ✓ 4 740 | 00 | ✓ 3 792 | 00 |
| 61 | 24 | F Step | D2 | ✓ 849 | 00 | ✓ 679 | 20 |
| ✓ | | | | 5 589 | 00 | 3 471 | 20 |

B7/N1 N2/B6

2. Middle order (60)

**General Ledger of Electrics for All
Balance Sheet accounts**

| Dr | | | | Capital | | | | B1 | | | | Cr | | | |
|------|---------|--|------|---------|--|-------------|---------|---------|------|-----------|----|----|--|--|--|
| Date | Details | | Fol. | Amount | | Date | Details | | Fol. | Amount | | | | | |
| | | | | | | 2013 May | 01 | Balance | b/d | ✓ 160 000 | 00 | | | | |
| | | | | | | | | Bank | CRJ5 | ✓ 24 000 | 00 | | | | |
| | | | | | | | | | | ✓ 184 000 | 00 | | | | |

| Dr | | | | Drawings | | | | B2 | | | | Cr | | | |
|-------------|---------|---------|------|----------|----|------|---------|----|------|--------|--|----|--|--|--|
| Date | Details | | Fol. | Amount | | Date | Details | | Fol. | Amount | | | | | |
| 2013 May | 01 | Balance | b/d | ✓ 6 180 | 00 | | | | | | | | | | |
| | 09 | Bank | CPJ5 | ✓ 554 | 00 | | | | | | | | | | |
| | | | | ✓ 6 734 | 00 | | | | | | | | | | |

| Dr | | | | Land and Buildings | | | | B3 | | | | Cr | | | |
|-------------|---------|---------|------|--------------------|----|------|---------|----|------|--------|--|----|--|--|--|
| Date | Details | | Fol. | Amount | | Date | Details | | Fol. | Amount | | | | | |
| 2013 May | 01 | Balance | b/d | ✓ 125 000 | 00 | | | | | | | | | | |

| Dr | | | | Vehicles | | | | B4 | | | | Cr | | | |
|-------------|---------|---------|------|-----------|----|------|---------|----|------|--------|--|----|--|--|--|
| Date | Details | | Fol. | Amount | | Date | Details | | Fol. | Amount | | | | | |
| 2013 May | 01 | Balance | b/d | ✓ 71 467 | 00 | | | | | | | | | | |
| | 04 | Bank | CPJ5 | ✓ 76 500 | 00 | | | | | | | | | | |
| | | | | ✓ 147 967 | 00 | | | | | | | | | | |

| Dr | | | | Equipment | | | | B5 | | | | Cr | | | |
|-------------|---------|-------------------|------|-----------|----|------|---------|----|------|--------|--|----|--|--|--|
| Date | Details | | Fol. | Amount | | Date | Details | | Fol. | Amount | | | | | |
| 2013 May | 01 | Balance | b/d | ✓ 7 068 | 00 | | | | | | | | | | |
| | 16 | Creditors control | CJ5 | ✓ 6 600 | 00 | | | | | | | | | | |
| | | | | ✓ 13 668 | 00 | | | | | | | | | | |

| Dr | | | | Trading Stock | | | | B6 | | | | Cr | | | |
|------|-----|---------|-------------------|---------------|---------------|-----------|------|-----|---------|---------------|------|---------------|-----------|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| 2013 | May | 01 | Balance | b/d | ✓ 7 837 | 00 | 2013 | May | 31 | Cost of sales | DJ5 | ✓ 4 358 | 00 | | |
| | | 31 | Bank | CPJ5 | ✓ 2 667 | 00 | | | | Cost of sales | CRJ5 | ✓ 3 216 | 00 | | |
| | | | Creditors control | CJ5 | ✓ 7 565 | 50 | | | | Balance | c/d | ✓ 10 495 | 50 | | |
| | | | | | 18 069 | 50 | | | | | | 18 069 | 50 | | |
| 2013 | Jun | 01 | Balance | b/d | ✓ 10 495 | 50 | | | | | | | | | |

(7)

| Dr | | | | Debtors Control | | | | B7 | | | | Cr | | | |
|------|-----|---------|---------|-----------------|--------------|-----------|------|-----|---------|---------|------|--------------|-----------|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| 2013 | May | 01 | Balance | b/d | ✓ 1 140 | 00 | 2013 | May | 31 | Bank | CRJ5 | ✓ 5 691 | 00 | | |
| | | 31 | Sales | DJ5 | ✓ 5 589 | 00 | | | | Balance | c/d | ✓ 1 038 | 00 | | |
| | | | | | 6 729 | 00 | | | | | | 6 729 | 00 | | |
| 2013 | Jun | 01 | Balance | b/d | ✓ 1 038 | 00 | | | | | | | | | |

(5)

| Dr | | | | Bank | | | | B8 | | | | Cr | | | |
|------|-----|---------|----------------|------|----------------|-----------|------|-----|---------|----------------|------|----------------|-----------|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| 2013 | May | 31 | Total receipts | CRJ5 | ✓ 38 015 | 00 | 2013 | May | 01 | Balance | b/d | ✓ 8 825 | 00 | | |
| | | | Balance | c/d | ✓ 68 935 | 50 | | | 31 | Total payments | CPJ5 | ✓ 98 125 | 50 | | |
| | | | | | 106 950 | 50 | | | | | | 106 950 | 50 | | |
| | | | | | | | 2013 | Jun | 01 | Balance | b/d | ✓ 68 935 | 50 | | |

(5)

| Dr | | | | Creditors Control | | | | B9 | | | | Cr | | | |
|------|-----|---------|---------|-------------------|---------------|-----------|------|-----|---------|------------------|------|---------------|-----------|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| 2013 | May | 31 | Bank | CPJ5 | ✓ 11 695 | 50 | 2013 | May | 01 | Balance | b/d | ✓ 27 082 | 00 | | |
| | | | Balance | c/d | ✓ 31 608 | 00 | | | 31 | Sundry purchases | CJ5 | ✓ 16 221 | 50 | | |
| | | | | | 43 303 | 50 | | | | | | 43 303 | 50 | | |
| | | | | | | | 2013 | Jun | 01 | Balance | b/d | ✓ 31 608 | 00 | | |

(5)

Nominal accounts

| Dr | | | | Sales | | | | N1 | | | | Cr | | | |
|------|--|---------|--|-------|--------|--|------|-----|---------|-----------------|------|-----------------|-----------|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| | | | | | | | 2013 | May | 01 | Balance | b/d | ✓ 81 600 | 00 | | |
| | | | | | | | | | 31 | Bank | CRJ5 | ✓ 4 824 | 00 | | |
| | | | | | | | | | | Debtors control | DJ5 | ✓ 5 589 | 00 | | |
| | | | | | | | | | | | | ✓ 92 013 | 00 | | |

(4)

| Dr | | | | Cost of Sales | | | | N2 | | | | Cr | | | |
|------|-----|---------|---------------|---------------|-----------------|-----------|------|----|---------|--|------|--------|--|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| 2013 | May | 01 | Balance | b/d | ✓ 54 400 | 00 | | | | | | | | | |
| | | 31 | Trading stock | DJ5 | ✓ 4 358 | 00 | | | | | | | | | |
| | | | Trading stock | CRJ5 | ✓ 3 216 | 00 | | | | | | | | | |
| | | | | | ✓ 61 974 | 00 | | | | | | | | | |

(4)

| Dr | | | | | Packing Material | | | | N3 | | | | Cr |
|------|----|-------------------|--|------|------------------|----|------|--|---------|--|------|--------|----|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | |
| 2013 | | | | | | | | | | | | | |
| May | 01 | Balance | | b/d | ✓ 630 | 00 | | | | | | | |
| | 31 | Bank | | CPJ5 | ✓ 585 | 00 | | | | | | | |
| | 31 | Creditors control | | CJ5 | ✓ 2 056 | 00 | | | | | | | |
| | | | | | ✓ 3 271 | 00 | | | | | | | |

(4)

| Dr | | | | | Fuel | | | | N4 | | | | Cr |
|------|----|---------|--|------|---------|----|------|--|---------|--|------|--------|----|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | |
| 2013 | | | | | | | | | | | | | |
| May | 01 | Balance | | b/d | ✓ 580 | 00 | | | | | | | |
| | 04 | Bank | | CPJ5 | ✓ 523 | 00 | | | | | | | |
| | | | | | ✓ 1 103 | 00 | | | | | | | |

(3)

| Dr | | | | | Telephone | | | | N5 | | | | Cr |
|------|----|---------|--|------|-----------|----|------|--|---------|--|------|--------|----|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | |
| 2013 | | | | | | | | | | | | | |
| May | 01 | Balance | | b/d | ✓ 479 | 00 | | | | | | | |

(1)

| Dr | | | | | Salaries | | | | N6 | | | | Cr |
|------|----|---------|--|------|----------|----|------|--|---------|--|------|--------|----|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | |
| 2013 | | | | | | | | | | | | | |
| May | 01 | Balance | | b/d | ✓ 9 372 | 00 | | | | | | | |
| | 27 | Bank | | CPJ5 | ✓ 4 880 | 00 | | | | | | | |
| | | | | | ✓ 14 252 | 00 | | | | | | | |

(3)

| Dr | | | | | Water and Electricity | | | | N7 | | | | Cr |
|------|----|---------|--|------|-----------------------|----|------|--|---------|--|------|--------|----|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | |
| 2013 | | | | | | | | | | | | | |
| May | 01 | Balance | | b/d | ✓ 854 | 00 | | | | | | | |
| | 09 | Bank | | CPJ5 | ✓ 721 | 00 | | | | | | | |
| | | | | | ✓ 1 575 | 00 | | | | | | | |

(3)

| Dr | | | | | Rent Income | | | | N8 | | | | Cr |
|------|--|---------|--|------|-------------|--|------|----|---------|--|------|----------|----|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | |
| | | | | | | | 2013 | | | | | | |
| | | | | | | | May | 01 | Balance | | b/d | ✓ 7 500 | 00 |
| | | | | | | | | 31 | Bank | | CRJ5 | ✓ 3 500 | 00 |
| | | | | | | | | | | | | ✓ 11 000 | 00 |

(3)

3. Middle order (26)

Debtors Ledger of Electrics for All L Laager

| | | | | | | | D1 | | | |
|------|----|----------------------|--|------|-----------|----|------------|----|---------|----|
| Date | | Details/Document no. | | Fol. | Debit (+) | | Credit (-) | | Balance | |
| 2013 | | | | | | | | | | |
| May | 01 | Account rendered | | | | | | | ✓ 451 | 00 |
| | 18 | Invoice no. 60 | | DJ5 | ✓ 4 740 | 00 | | | 5 191 | 00 |
| | 29 | Receipt no. 52 | | CRJ5 | | | ✓ 5 191 | 00 | ✓ 0 | 00 |

(4)

F Step**D2**

| Date | Details/Document no. | Fol. | Debit (+) | | Credit (-) | | Balance | |
|-------------|----------------------|------|-----------|----|------------|----|---------|----|
| 2013 May | 01 Account rendered | | | | | | ✓ 689 | 00 |
| | 12 Receipt no. 51 | CRJ5 | | | ✓ 500 | 00 | 189 | 00 |
| | 24 Invoice no. 61 | DJ5 | ✓ 849 | 00 | | | ✓ 1 038 | 00 |

(4)

List (schedule) of balances of debtors on 31 May 2013

| | | |
|------------------------|-----------|--------------------|
| L Laager | D1 | R0,00 ✓ |
| F Step | D2 | R1 038,00 ✓ |
| Debtors control | B7 | R1 038,00 ✓ |

(3)

Creditors Ledger of Electrics for All**W Hugo****C1**

| Date | Details/Document no. | Fol. | Debit (-) | | Credit (+) | | Balance | |
|-------------|----------------------|------|-----------|----|------------|----|---------|----|
| 2013 May | 01 Account rendered | | | | | | ✓ 1 889 | 00 |
| | 16 Invoice no. 333 | CJ5 | | | ✓ 9 006 | 50 | 10 895 | 50 |
| | 20 Cheque no. 111 | CPJ5 | ✓ 10 895 | 50 | | | ✓ 0 | 00 |

(4)

H Bosman**C2**

| Date | Details/Document no. | Fol. | Debit (-) | | Credit (+) | | Balance | |
|-------------|----------------------|------|-----------|----|------------|----|---------|----|
| 2013 May | 01 Account rendered | | | | | | ✓ 4 300 | 00 |
| | 12 Cheque no. 109 | CPJ5 | ✓ 800 | 00 | | | 3 500 | 00 |
| | 14 Invoice no. 332 | CJ5 | | | ✓ 805 | 00 | ✓ 4 305 | 00 |

(4)

Lebo Suppliers**C3**

| Date | Details/Document no. | Fol. | Debit (-) | | Credit (+) | | Balance | |
|-------------|----------------------|------|-----------|--|------------|----|----------|----|
| 2013 May | 01 Account rendered | | | | | | ✓ 20 893 | 00 |
| | 23 Invoice no. 334 | CJ5 | | | ✓ 6 410 | 00 | ✓ 27 303 | 00 |

(3)

List (schedule) of balances of creditors on 31 May 2013

| | | |
|--------------------------|-----------|---------------------|
| W Hugo | C1 | R0,00 ✓ |
| H Bosman | C2 | R4 305,00 ✓ |
| Lebo Suppliers | C3 | R27 303,00 ✓ |
| Creditors control | B9 | R31 608,00 ✓ |

(4)

4. Lower order (18)**Trial Balance of Electrics for All on 31 May 2013 ✓**

| Balance Sheet accounts | Fol. | Debit | | Credit | |
|------------------------|------|---------|----|---------|----|
| Capital ✓ | B1 | | | 184 000 | 00 |
| Drawings ✓ | B2 | 6 734 | 00 | | |
| Land and buildings ✓ | B3 | 125 000 | 00 | | |
| Vehicles ✓ | B4 | 147 967 | 00 | | |
| Equipment ✓ | B5 | 13 668 | 00 | | |
| Trading stock ✓ | B6 | 10 495 | 50 | | |
| Debtors control ✓ | B7 | 1 038 | 00 | | |
| Bank ✓ | B8 | | | 68 935 | 50 |
| Creditors control ✓ | B9 | | | 31 608 | 00 |

| Nominal accounts | | | | | |
|-------------------------|----|---------|----|---------|----|
| Sales ✓ | N1 | | | 92 013 | 00 |
| Cost of sales ✓ | N2 | 61 974 | 00 | | |
| Packing material ✓ | N3 | 3 271 | 00 | | |
| Fuel ✓ | N4 | 1 103 | 00 | | |
| Telephone ✓ | N5 | 479 | 00 | | |
| Salaries ✓ | N6 | 14 252 | 00 | | |
| Water and electricity ✓ | N7 | 1 575 | 00 | | |
| Rent income ✓ | N8 | | | 11 000 | 00 |
| | | 387 556 | 50 | 387 556 | 50 |

Activity 17.5

1. Middle and Higher order (52)

NOTE: The high mark-up percentage of 190% that learners have to calculate is considered unethical business practice. It is only used here for ease of calculation.

Cash Receipts Journal of Slamet Stores for April 2014

CRJ4

| Doc. no. | Day | Details | Fol. | Analysis of receipts | | Bank | | Sales | | Cost of sales | | Debtors control | | Sundry accounts | | | |
|----------|-----|-------------|------|----------------------|----|----------|----|---------|----|---------------|----|-----------------|----|-----------------|------|---------|---------------|
| | | | | | | | | | | | | | | Amount | Fol. | Details | |
| 87 | 04 | D Slamet | | 29 162 | 00 | ✓ 29 162 | 00 | | | | | | | 29 162 | 00 | B1 | Capital ✓ |
| 88 | 13 | T Baxter | D1 | 1 060 | 00 | | | | | | | ✓ 1 060 | 00 | | | | |
| CRR | | Sales | | 2 175 | 00 | ✓ 3 235 | 00 | ✓ 2 175 | 00 | ✓ 750 | 00 | | | | | | |
| CRR | 16 | Sales | | 2 958 | 00 | | | ✓ 2 958 | 00 | ✓ 1 020 | 00 | | | | | | |
| 89 | | L Zoar | D3 | 350 | 00 | ✓ 3 308 | 00 | | | | | ✓ 350 | 00 | | | | |
| 90 | 30 | R Philander | | 1 246 | 00 | | | | | | | | | 1 246 | 00 | N3 | Rent income ✓ |
| 91 | | J Domingo | D2 | 13 329 | 30 | ✓ 14 575 | 30 | | | | | ✓ 13 329 | 30 | | | | |
| ✓ | | | | | | 50 280 | 30 | 5 133 | 00 | 1 770 | 00 | 14 739 | 30 | 30 408 | 00 | | |
| | | | | | | B8 | | N1 | | N2/B6 | | B7 | | | | | |

(14)

Cash Payments Journal of Slamet Stores for April 2014

CPJ4

| Doc. no. | Day | Name of payee | Fol. | Bank | | Trading stock | | Creditors control | | Wages | | Sundry accounts | | | | | |
|----------|-----|------------------|------|---------|----|---------------|----|-------------------|----|---------|----|-----------------|------|---------|-------------------------|--|--|
| | | | | | | | | | | | | Amount | Fol. | Details | | | |
| 107 | 04 | Boyd Traders | C3 | ✓ 107 | 00 | | | ✓ 107 | 00 | | | | | | | | |
| 108 | 05 | D Slamet | | ✓ 345 | 00 | | | | | | | 345 | 00 | B2 | Drawings ✓ | | |
| 109 | 12 | Cash | | ✓ 1 200 | 00 | | | | | ✓ 1 200 | 00 | | | | | | |
| 110 | 14 | Mountifield Ltd | C1 | ✓ 7 346 | 00 | | | ✓ 7 346 | 00 | | | | | | | | |
| 111 | 18 | Boyd Traders | | ✓ 4 002 | 00 | ✓ 3 486 | 00 | | | | | 516 | 00 | N5 | Stationery ✓ | | |
| 112 | 23 | Cekiso Suppliers | C2 | ✓ 2 423 | 00 | | | ✓ 2 423 | 00 | | | | | | | | |
| 113 | 26 | Cash | | ✓ 1 200 | 00 | | | | | ✓ 1 200 | 00 | | | | | | |
| 114 | 28 | Telkom SA Ltd | | ✓ 341 | 00 | | | | | | | 341 | 00 | N7 | Telephone ✓ | | |
| 115 | 29 | Municipality | | ✓ 612 | 00 | | | | | | | 612 | 00 | N8 | Water and electricity ✓ | | |
| ✓ | | | | 17 576 | 00 | 3 486 | 00 | 9 876 | 00 | 2 400 | 00 | 1 814 | 00 | | | | |
| | | | | B8 | | B6 | | B9 | | N4 | | | | | | | |

(20)

Debtors Journal of Slamet Stores for April 2014

DJ4

| Doc. no. | Day | Debtor | Fol. | Sales | | Cost of sales | |
|----------|-----|-----------|------|---------|----|---------------|----|
| 321 | 07 | L Zoar | D3 | ✓ 1 461 | 60 | ✓ 504 | 00 |
| 322 | 11 | T Baxter | D1 | ✓ 1 740 | 00 | ✓ 600 | 00 |
| 323 | 20 | J Domingo | D2 | ✓ 9 706 | 30 | ✓ 3 347 | 00 |
| ✓ | | | | 12 907 | 90 | 4 451 | 00 |
| | | | | B7/N1 | | N2/B6 | |

(7)

Creditors Journal of Slamet Stores for April 2014

CJ4

| Doc. no. | Day | Creditor | Fol. | Creditors control | | Trading stock | | Stationery | | Sundry accounts | | |
|----------|-----|------------------|------|-------------------|----|---------------|----|------------|----|-----------------|------|------------------|
| | | | | ✓ | | ✓ | | ✓ | | Amount | Fol. | Details |
| 116 | 02 | Mountifield Ltd | C1 | ✓ 3 623 | 00 | ✓ 3 623 | 00 | | | | | |
| 117 | 19 | Cekiso Suppliers | C2 | ✓ 3 192 | 00 | | | | | 2 899 | 00 | B5 Equipment ✓ |
| | | | | | | | | | | 293 | 00 | N6 Advertising ✓ |
| 118 | 22 | Mountifield Ltd | C1 | ✓ 356 | 00 | ✓ 356 | 00 | | | | | |
| 119 | 27 | Boyd Traders | C3 | ✓ 3 694 | 85 | ✓ 3 183 | 85 | ✓ 511 | 00 | | | |
| ✓ | | | | 10 865 | 85 | 7 162 | 85 | 511 | 00 | 3 192 | 00 | |

B9 B6 N5

(11)

2. Middle order (60)

**General Ledger of Slamet Stores
Balance Sheet accounts**

| Dr | | | | Capital | | | | B1 | | | | Cr | |
|------|---------|--|------|---------|--|------|---------|---------|------|-----------|----|----|--|
| Date | Details | | Fol. | Amount | | Date | Details | | Fol. | Amount | | | |
| | | | | | | 2014 | | | | | | | |
| | | | | | | Apr | 01 | Balance | b/d | ✓ 95 838 | 00 | | |
| | | | | | | | 04 | Bank | CRJ4 | ✓ 29 162 | 00 | | |
| | | | | | | | | | | ✓ 125 000 | 00 | | |

(3)

| Dr | | | | Drawings | | | | B2 | | | | Cr | |
|------|---------|---------|------|----------|----|------|---------|----|------|--------|--|----|--|
| Date | Details | | Fol. | Amount | | Date | Details | | Fol. | Amount | | | |
| 2014 | | | | | | | | | | | | | |
| Apr | 01 | Balance | b/d | ✓ 5 935 | 00 | | | | | | | | |
| | 05 | Bank | CPJ4 | ✓ 345 | 00 | | | | | | | | |
| | | | | ✓ 6 280 | 00 | | | | | | | | |

(3)

| Dr | | | | Land and Buildings | | | | B3 | | | | Cr | |
|------|---------|---------|------|--------------------|----|------|---------|----|------|--------|--|----|--|
| Date | Details | | Fol. | Amount | | Date | Details | | Fol. | Amount | | | |
| 2014 | | | | | | | | | | | | | |
| Apr | 01 | Balance | b/d | ✓ 135 000 | 00 | | | | | | | | |

(1)

| Dr | | | | Vehicles | | | | B4 | | | | Cr | |
|------|---------|---------|------|----------|----|------|---------|----|------|--------|--|----|--|
| Date | Details | | Fol. | Amount | | Date | Details | | Fol. | Amount | | | |
| 2014 | | | | | | | | | | | | | |
| Apr | 01 | Balance | b/d | ✓ 50 900 | 00 | | | | | | | | |

(1)

| Dr | | | | Equipment | | | | B5 | | | | Cr | |
|------|---------|-------------------|------|-----------|----|------|---------|----|------|--------|--|----|--|
| Date | Details | | Fol. | Amount | | Date | Details | | Fol. | Amount | | | |
| 2014 | | | | | | | | | | | | | |
| Apr | 01 | Balance | b/d | ✓ 12 524 | 00 | | | | | | | | |
| | 19 | Creditors control | CJ4 | ✓ 2 899 | 00 | | | | | | | | |
| | | | | ✓ 15 423 | 00 | | | | | | | | |

(3)

| Dr | | | | Trading Stock | | | | B6 | | | | Cr | |
|------|---------|-------------------|------|---------------|----|------|---------|---------------|------|----------|----|----|--|
| Date | Details | | Fol. | Amount | | Date | Details | | Fol. | Amount | | | |
| 2014 | | | | | | 2014 | | | | | | | |
| Apr | 01 | Balance | b/d | ✓ 10 745 | 00 | Apr | 30 | Cost of sales | CRJ4 | ✓ 1 770 | 00 | | |
| | 30 | Bank | CPJ4 | ✓ 3 486 | 00 | | | Cost of sales | DJ4 | ✓ 4 451 | 00 | | |
| | | Creditors control | CJ4 | ✓ 7 162 | 85 | | | Balance | c/d | ✓ 15 172 | 85 | | |
| | | | | 21 393 | 85 | | | | | 21 393 | 85 | | |
| 2014 | | | | | | | | | | | | | |
| May | 01 | Balance | b/d | ✓ 15 172 | 85 | | | | | | | | |

(7)

| Dr | | | | Debtors Control | | | | B7 | | | | Cr | | | |
|------|-----|---------|---------|-----------------|---------------|-----------|------|-----|---------|---------|------|---------------|-----------|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| 2014 | Apr | 01 | Balance | b/d | ✓ 5 586 | 00 | 2014 | Apr | 30 | Bank | CRJ4 | ✓ 14 739 | 30 | | |
| | | 30 | Sales | DJ4 | ✓ 12 907 | 90 | | | | Balance | c/d | ✓ 3 754 | 60 | | |
| | | | | | 18 493 | 90 | | | | | | 18 493 | 90 | | |
| 2014 | May | 01 | Balance | b/d | ✓ 3 754 | 60 | | | | | | | | | |

(5)

| Dr | | | | Bank | | | | B8 | | | | Cr | | | |
|------|-----|---------|----------------|------|---------------|-----------|------|-----|---------|----------------|------|---------------|-----------|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| 2014 | Apr | 01 | Balance | b/d | ✓ 22 836 | 00 | 2014 | Apr | 30 | Total payments | CPJ4 | ✓ 17 576 | 00 | | |
| | | 30 | Total receipts | CRJ4 | ✓ 50 280 | 30 | | | | Balance | c/d | ✓ 55 540 | 30 | | |
| | | | | | 73 116 | 30 | | | | | | 73 116 | 30 | | |
| 2014 | May | 01 | Balance | b/d | ✓ 55 540 | 30 | | | | | | | | | |

(5)

| Dr | | | | Creditors Control | | | | B9 | | | | Cr | | | |
|------|-----|---------|---------|-------------------|---------------|-----------|------|-----|---------|------------------|------|---------------|-----------|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| 2014 | Apr | 30 | Bank | CPJ4 | ✓ 9 876 | 00 | 2014 | Apr | 01 | Balance | b/d | ✓ 6 253 | 00 | | |
| | | | Balance | c/d | ✓ 7 242 | 85 | | | 30 | Sundry purchases | CJ4 | ✓ 10 865 | 85 | | |
| | | | | | 17 118 | 85 | | | | | | 17 118 | 85 | | |
| | | | | | | | 2014 | May | 01 | Balance | b/d | ✓ 7 242 | 85 | | |

(5)

Nominal accounts

| Dr | | | | Sales | | | | N1 | | | | Cr | | | |
|------|--|---------|--|-------|--------|--|------|-----|---------|-----------------|------|------------------|-----------|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| | | | | | | | 2014 | Apr | 01 | Balance | b/d | ✓ 221 125 | 00 | | |
| | | | | | | | | | 30 | Bank | CRJ4 | ✓ 5 133 | 00 | | |
| | | | | | | | | | | Debtors control | DJ4 | ✓ 12 907 | 90 | | |
| | | | | | | | | | | | | ✓ 239 165 | 90 | | |

(4)

| Dr | | | | Cost of Sales | | | | N2 | | | | Cr | | | |
|------|-----|---------|---------------|---------------|-----------------|-----------|------|----|---------|--|------|--------|--|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| 2014 | Apr | 01 | Balance | b/d | ✓ 76 250 | 00 | | | | | | | | | |
| | | 30 | Trading stock | CRJ4 | ✓ 1 770 | 00 | | | | | | | | | |
| | | | Trading stock | DJ4 | ✓ 4 451 | 00 | | | | | | | | | |
| | | | | | ✓ 82 471 | 00 | | | | | | | | | |

(4)

| Dr | | | | Rent Income | | | | N3 | | | | Cr | | | |
|------|--|---------|--|-------------|--------|--|------|-----|---------|---------|------|----------------|-----------|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| | | | | | | | 2014 | Apr | 01 | Balance | b/d | ✓ 2 642 | 00 | | |
| | | | | | | | | | 30 | Bank | CRJ4 | ✓ 1 246 | 00 | | |
| | | | | | | | | | | | | ✓ 3 888 | 00 | | |

(3)

| Dr | | | | Wages | | | | N4 | | | | Cr | | | |
|-------------|---------|---------|------|---------|----|------|---------|----|------|--------|--|----|--|--|--|
| Date | Details | | Fol. | Amount | | Date | Details | | Fol. | Amount | | | | | |
| 2014 Apr | 01 | Balance | b/d | ✓ 2 915 | 00 | | | | | | | | | | |
| | 30 | Bank | CPJ4 | ✓ 2 400 | 00 | | | | | | | | | | |
| | | | | ✓ 5 315 | 00 | | | | | | | | | | |

(3)

| Dr | | | | Stationery | | | | N5 | | | | Cr | | | |
|-------------|---------|-------------------|------|------------|----|------|---------|----|------|--------|--|----|--|--|--|
| Date | Details | | Fol. | Amount | | Date | Details | | Fol. | Amount | | | | | |
| 2014 Apr | 01 | Balance | b/d | ✓ 942 | 00 | | | | | | | | | | |
| | 18 | Bank | CPJ4 | ✓ 516 | 00 | | | | | | | | | | |
| | 30 | Creditors control | CJ4 | ✓ 511 | 00 | | | | | | | | | | |
| | | | | ✓ 1 969 | 00 | | | | | | | | | | |

(4)

| Dr | | | | Advertising | | | | N6 | | | | Cr | | | |
|-------------|---------|-------------------|------|-------------|----|------|---------|----|------|--------|--|----|--|--|--|
| Date | Details | | Fol. | Amount | | Date | Details | | Fol. | Amount | | | | | |
| 2014 Apr | 01 | Balance | b/d | ✓ 323 | 00 | | | | | | | | | | |
| | 19 | Creditors control | CJ4 | ✓ 293 | 00 | | | | | | | | | | |
| | | | | ✓ 616 | 00 | | | | | | | | | | |

(3)

| Dr | | | | Telephone | | | | N7 | | | | Cr | | | |
|-------------|---------|---------|------|-----------|----|------|---------|----|------|--------|--|----|--|--|--|
| Date | Details | | Fol. | Amount | | Date | Details | | Fol. | Amount | | | | | |
| 2014 Apr | 01 | Balance | b/d | ✓ 1 068 | 00 | | | | | | | | | | |
| | 28 | Bank | CPJ4 | ✓ 341 | 00 | | | | | | | | | | |
| | | | | ✓ 1 409 | 00 | | | | | | | | | | |

(3)

| Dr | | | | Water and Electricity | | | | N8 | | | | Cr | | | |
|-------------|---------|---------|------|-----------------------|----|------|---------|----|------|--------|--|----|--|--|--|
| Date | Details | | Fol. | Amount | | Date | Details | | Fol. | Amount | | | | | |
| 2014 Apr | 01 | Balance | b/d | ✓ 834 | 00 | | | | | | | | | | |
| | 29 | Bank | CPJ4 | ✓ 612 | 00 | | | | | | | | | | |
| | | | | ✓ 1 446 | 00 | | | | | | | | | | |

(3)

3. Middle order (33)

Debtors Ledger of Slamet Stores T Baxter

D1

| Date | Details/Document no. | | Fol. | Debit (+) | | Credit (-) | | Balance | |
|-------------|----------------------|------------------|------|-----------|----|------------|----|---------|----|
| 2014 Apr | 01 | Account rendered | | | | | | ✓ 1 263 | 00 |
| | 11 | Invoice no. 322 | DJ4 | ✓ 1 740 | 00 | | | 3 003 | 00 |
| | 13 | Receipt no. 88 | CRJ4 | | | ✓ 1 060 | 00 | ✓ 1 943 | 00 |

(4)

J Domingo**D2**

| Date | | Details/Document no. | Fol. | Debit (+) | | Credit (-) | | Balance | |
|------|----|----------------------|------|-----------|----|------------|----|---------|----|
| 2014 | | | | | | | | | |
| Apr | 01 | Account rendered | | | | | | ✓ 3 623 | 00 |
| | 20 | Invoice no. 323 | DJ4 | ✓ 9 706 | 30 | | | 13 329 | 30 |
| | 30 | Receipt no. 91 | CRJ4 | | | ✓ 13 329 | 30 | ✓ 0 | 00 |

(4)

L Zoar**D3**

| Date | | Details/Document no. | Fol. | Debit (+) | | Credit (-) | | Balance | |
|------|----|----------------------|------|-----------|----|------------|----|---------|----|
| 2014 | | | | | | | | | |
| Apr | 01 | Account rendered | | | | | | ✓ 700 | 00 |
| | 07 | Invoice no. 321 | DJ4 | ✓ 1 461 | 60 | | | 2 161 | 60 |
| | 16 | Receipt no. 89 | CRJ4 | | | ✓ 350 | 00 | ✓ 1 811 | 60 |

(4)

List (schedule) of balances of debtors on 30 April 2014

| | | |
|------------------------|-----------|--------------------|
| T Baxter | D1 | R1 943,00 ✓ |
| J Domingo | D2 | R0,00 ✓ |
| L Zoar | D3 | R1 811,60 ✓ |
| Debtors control | B7 | R3 754,60 ✓ |

(4)

**Creditors Ledger of Slamet Stores
Mountifield Ltd****C1**

| Date | | Details/Document no. | Fol. | Debit (-) | | Credit (+) | | Balance | |
|------|----|----------------------|------|-----------|----|------------|----|---------|----|
| 2014 | | | | | | | | | |
| Apr | 01 | Account rendered | | | | | | ✓ 3 723 | 00 |
| | 02 | Invoice no. 116 | CJ4 | | | ✓ 3 623 | 00 | 7 346 | 00 |
| | 14 | Cheque no. 110 | CPJ4 | ✓ 7 346 | 00 | | | 0 | 00 |
| | 22 | Invoice no. 184 | CJ4 | | | ✓ 356 | 00 | ✓ 356 | 00 |

(5)

Cekiso Suppliers**C2**

| Date | | Details/Document no. | Fol. | Debit (-) | | Credit (+) | | Balance | |
|------|----|----------------------|------|-----------|----|------------|----|---------|----|
| 2014 | | | | | | | | | |
| Apr | 01 | Account rendered | | | | | | ✓ 2 423 | 00 |
| | 19 | Invoice no. 117 | CJ4 | | | ✓ 3 192 | 00 | 5 615 | 00 |
| | 23 | Cheque no. 112 | CPJ4 | ✓ 2 423 | 00 | | | ✓ 3 192 | 00 |

(4)

Boyd Traders**C3**

| Date | | Details/Document no. | Fol. | Debit (-) | | Credit (+) | | Balance | |
|------|----|----------------------|------|-----------|----|------------|----|---------|----|
| 2014 | | | | | | | | | |
| Apr | 01 | Account rendered | | | | | | ✓ 107 | 00 |
| | 04 | Cheque no. 107 | CPJ4 | ✓ 107 | 00 | | | 0 | 00 |
| | 27 | Invoice no. 119 | CJ4 | | | ✓ 3 694 | 85 | ✓ 3 694 | 85 |

(4)

List (schedule) of balances of creditors on 30 April 2014

| | | |
|--------------------------|-----------|--------------------|
| Mountifield Ltd | C1 | R356,00 ✓ |
| Cekiso Suppliers | C2 | R3 192,00 ✓ |
| Boyd Traders | C3 | R3 694,85 ✓ |
| Creditors control | B9 | R7 242,85 ✓ |

(4)

4. Lower order (18)

Trial Balance of Slamet Stores on 30 April 2014 ✓

| Balance Sheet accounts | Fol. | Debit | | Credit | |
|-------------------------|------|----------------|-----------|----------------|-----------|
| Capital ✓ | B1 | | | 125 000 | 00 |
| Drawings ✓ | B2 | 6 280 | 00 | | |
| Land and buildings ✓ | B3 | 135 000 | 00 | | |
| Vehicles ✓ | B4 | 50 900 | 00 | | |
| Equipment ✓ | B5 | 15 423 | 00 | | |
| Trading stock ✓ | B6 | 15 172 | 85 | | |
| Debtors control ✓ | B7 | 3 754 | 60 | | |
| Bank ✓ | B8 | 55 540 | 30 | | |
| Creditors control ✓ | B9 | | | 7 242 | 85 |
| Nominal accounts | | | | | |
| Sales ✓ | N1 | | | 239 165 | 90 |
| Cost of sales ✓ | N2 | 82 471 | 00 | | |
| Rent income ✓ | N3 | | | 3 888 | 00 |
| Wages ✓ | N4 | 5 315 | 00 | | |
| Stationery ✓ | N5 | 1 969 | 00 | | |
| Advertising ✓ | N6 | 616 | 00 | | |
| Telephone ✓ | N7 | 1 409 | 00 | | |
| Water and electricity ✓ | N8 | 1 446 | 00 | | |
| | | 375 296 | 75 | 375 296 | 75 |

Activity 17.6

1. Middle and Higher order (66)

Cash Receipts Journal of Nani Traders for March 2017

CRJ3

| Doc. no. | Day | Details | Fol. | Analysis of receipts | Bank | Sales | Cost of sales | Debtors control | Sundry accounts | | |
|----------|-----|-------------|------|----------------------|-----------------|-----------------|-----------------|-----------------|-----------------|------|---------------|
| | | | | | | | | | Amount | Fol. | Details |
| 46 | 01 | A Kelby | D2 | 342 00 | | | | ✓ 342 00 | | | |
| CRR | | Sales | | 544 00 | ✓ 886 00 | ✓ 544 00 | ✓ 340 00 | | | | |
| CRR | 04 | Sales | | 480 00 | | ✓ 480 00 | ✓ 300 00 | | | | |
| 47 | | J Agulhas | D3 | 165 00 | ✓ 645 00 | | | ✓ 165 00 | | | |
| 48 | 14 | C Kurz | D4 | 300 00 | | | | ✓ 300 00 | | | |
| 49 | | J Majiet | | 1 000 00 | ✓ 1 300 00 | | | | 1 000 00 | N8 | Rent income ✓ |
| 50 | 27 | A Khonjwayo | D1 | 850 00 | | | | ✓ 850 00 | | | |
| CRR | | Sales | | 720 00 | ✓ 1 570 00 | ✓ 720 00 | ✓ 450 00 | | | | |
| 51 | 28 | A Khonjwayo | D1 | 484 00 | ✓ 484 00 | | | ✓ 484 00 | | | |
| ✓ | | | | | 4 885 00 | 1 744 00 | 1 090 00 | 2 141 00 | 1 000 00 | | |

(18)

B9 N1 N2/B6 B7

Cash Payments Journal of Nani Traders for March 2017
CPJ3

| Doc. no. | Day | Name of payee | Fol. | Bank | | Trading stock | | Wages | | Creditors control | | Sundry accounts | | | | | |
|----------|-----|-----------------|------|--------|------|---------------|--------|-------|---------|-------------------|------|-----------------|--------|------|------------|---|--|
| | | | | Amount | Fol. | Details | Amount | Fol. | Details | Amount | Fol. | Details | Amount | Fol. | Details | | |
| 182 | 04 | E Carlse | C2 | ✓1 386 | 00 | | | | | ✓1 386 | 00 | | | | | | |
| 183 | | T Emslie | | ✓6 150 | 00 | ✓2 350 | 00 | | | | | 3 800 | 00 | B5 | Equipment | ✓ | |
| 184 | 05 | Cash | | ✓680 | 00 | | | ✓680 | 00 | | | | | | | | |
| 185 | 07 | Cash | | ✓660 | 00 | | | | | | | 200 | 00 | B10 | Cash float | ✓ | |
| | | | | | | | | | | | | 460 | 00 | B2 | Drawings | ✓ | |
| 186 | 18 | Cash | | ✓375 | 00 | ✓180 | 00 | ✓150 | 00 | | | 45 | 00 | N3 | Stationery | ✓ | |
| 187 | 27 | Cash | | ✓800 | 00 | | | ✓680 | 00 | | | 120 | 00 | B2 | Drawings | ✓ | |
| 188 | 28 | N Fortuin | C1 | ✓2 496 | 00 | | | | | ✓2 496 | 00 | | | | | | |
| 189 | | N Fortuin | | ✓5 080 | 00 | ✓5 080 | 00 | | | | | | | | | | |
| D/O | | Tamson Insurers | | ✓582 | 00 | | | | | | | 582 | 00 | N9 | Insurance | ✓ | |
| ✓ | | | | 18 209 | 00 | 7 610 | 00 | 1 510 | 00 | 3 882 | 00 | 5 207 | 00 | | | | |

(24)

B9 B6 N4 B8

Debtors Journal of Nani Traders for March 2017
DJ3

| Doc. no. | Day | Debtor | Fol. | Sales | | Cost of sales | |
|----------|-----|-------------|------|-------|----|---------------|----|
| 138 | 08 | A Khonjwayo | D1 | ✓416 | 00 | ✓260 | 00 |
| 139 | 19 | A Khonjwayo | D1 | ✓608 | 00 | ✓380 | 00 |
| 140 | | J Agulhas | D3 | ✓270 | 00 | ✓168 | 75 |
| 141 | 27 | A Kelby | D2 | ✓128 | 00 | ✓80 | 00 |
| ✓ | | | | 1 422 | 00 | 888 | 75 |

(9)

B7/N1 N2/B6

Creditors Journal of Nani Traders for March 2017
CJ3

| Doc. no. | Day | Creditor | Fol. | Creditors control | | Trading stock | | Stationery | | Sundry accounts | | | | |
|----------|-----|-----------------|------|-------------------|------|---------------|--------|------------|---------|-----------------|------|---------|------------------|---|
| | | | | Amount | Fol. | Details | Amount | Fol. | Details | Amount | Fol. | Details | | |
| 303 | 03 | AllSorts | C5 | ✓10 445 | 00 | ✓1 505 | 00 | ✓360 | 00 | 8 580 | 00 | B5 | Equipment | ✓ |
| 304 | 06 | N Fortuin | C1 | ✓1 504 | 00 | ✓1 380 | 00 | ✓124 | 00 | | | | | |
| 305 | 09 | R Jones | C4 | ✓3 040 | 00 | ✓3 040 | 00 | | | | | | | |
| 306 | 10 | N Fortuin | C1 | ✓720 | 00 | ✓720 | 00 | | | | | | | |
| 307 | 28 | Writer's Shoppe | C3 | ✓274 | 00 | | | ✓211 | 00 | 63 | 00 | N5 | Packing material | ✓ |
| ✓ | | | | 15 983 | 00 | 6 645 | 00 | 695 | 00 | 8 643 | 00 | | | |

(15)

B8 B6 N3

2. Middle order (60)
**General Ledger of Nani Traders
Balance Sheet accounts**

| Dr | | | | Capital | | | | B1 | | | | Cr | | | |
|------|---------|--|------|---------|--|------|---------|---------|------|----------|----|----|--|--|--|
| Date | Details | | Fol. | Amount | | Date | Details | | Fol. | Amount | | | | | |
| | | | | | | 2017 | | | | | | | | | |
| | | | | | | Mar | 01 | Balance | b/d | ✓150 171 | 00 | | | | |

(1)

| Dr | | | | Drawings | | | | B2 | | | | Cr | | | |
|------|---------|---------|------|----------|----|------|---------|----|------|--------|--|----|--|--|--|
| Date | Details | | Fol. | Amount | | Date | Details | | Fol. | Amount | | | | | |
| 2017 | | | | | | | | | | | | | | | |
| Mar | 01 | Balance | b/d | ✓3 850 | 00 | | | | | | | | | | |
| | 07 | Bank | CPJ3 | ✓460 | 00 | | | | | | | | | | |
| | 27 | Bank | CPJ3 | ✓120 | 00 | | | | | | | | | | |
| | | | | ✓4 430 | 00 | | | | | | | | | | |

(4)

| Dr | | Land and Buildings | | | | B3 | | | | Cr | |
|------|----|--------------------|------|----------|----|------|--|---------|------|--------|--|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | |
| 2017 | | | | | | | | | | | |
| Mar | 01 | Balance | b/d | ✓ 77 500 | 00 | | | | | | |

(1)

| Dr | | Vehicles | | | | B4 | | | | Cr | |
|------|----|----------|------|----------|----|------|--|---------|------|--------|--|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | |
| 2017 | | | | | | | | | | | |
| Mar | 01 | Balance | b/d | ✓ 26 800 | 00 | | | | | | |

(1)

| Dr | | Equipment | | | | B5 | | | | Cr | |
|------|----|-------------------|------|----------|----|------|--|---------|------|--------|--|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | |
| 2017 | | | | | | | | | | | |
| Mar | 01 | Balance | b/d | ✓ 38 250 | 00 | | | | | | |
| | 03 | Creditors control | CJ3 | ✓ 8 580 | 00 | | | | | | |
| | 04 | Bank | CPJ3 | ✓ 3 800 | 00 | | | | | | |
| | | | | ✓ 50 630 | 00 | | | | | | |

(4)

| Dr | | Trading Stock | | | | B6 | | | | Cr | |
|------|----|-------------------|------|----------|----|------|----|---------------|------|----------|----|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | |
| 2017 | | | | | | 2017 | | | | | |
| Mar | 01 | Balance | b/d | ✓ 4 820 | 00 | Mar | 31 | Cost of sales | DJ3 | ✓ 888 | 75 |
| | 31 | Bank | CPJ3 | ✓ 7 610 | 00 | | | Cost of sales | CRJ3 | ✓ 1 090 | 00 |
| | | Creditors control | CJ3 | ✓ 6 645 | 00 | | | Balance | c/d | ✓ 17 096 | 25 |
| | | | | 19 075 | 00 | | | | | 19 075 | 00 |
| 2017 | | | | | | | | | | | |
| Apr | 01 | Balance | b/d | ✓ 17 096 | 25 | | | | | | |

(7)

| Dr | | Debtors Control | | | | B7 | | | | Cr | |
|------|----|-----------------|------|---------|----|------|----|---------|------|---------|----|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | |
| 2017 | | | | | | 2017 | | | | | |
| Mar | 01 | Balance | b/d | ✓ 2 120 | 00 | Mar | 31 | Bank | CRJ3 | ✓ 2 141 | 00 |
| | 31 | Sales | DJ3 | ✓ 1 422 | 00 | | | Balance | c/d | ✓ 1 401 | 00 |
| | | | | 3 542 | 00 | | | | | 3 542 | 00 |
| 2017 | | | | | | | | | | | |
| Apr | 01 | Balance | b/d | ✓ 1 401 | 00 | | | | | | |

(5)

| Dr | | Creditors Control | | | | B8 | | | | Cr | |
|------|----|-------------------|------|----------|----|------|----|------------------|------|----------|----|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | |
| 2017 | | | | | | 2017 | | | | | |
| Mar | 31 | Bank | CPJ3 | ✓ 3 882 | 00 | Mar | 01 | Balance | b/d | ✓ 5 245 | 00 |
| | | Balance | c/d | ✓ 17 346 | 00 | | 31 | Sundry purchases | CJ3 | ✓ 15 983 | 00 |
| | | | | 21 228 | 00 | | | | | 21 228 | 00 |
| | | | | | | 2017 | | | | | |
| | | | | | | Apr | 01 | Balance | b/d | ✓ 17 346 | 00 |

(5)

| Dr | | Bank | | | | B9 | | | | Cr | |
|------|----|----------------|------|---------|----|------|----|----------------|------|----------|----|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | |
| 2017 | | | | | | 2017 | | | | | |
| Mar | 31 | Balance | b/d | ✓ 5 709 | 00 | Mar | 31 | Total payments | CPJ3 | ✓ 18 209 | 00 |
| | | Total receipts | CPJ3 | ✓ 4 885 | 00 | | | | | | |
| | | Balance | c/d | ✓ 7 615 | 00 | | | | | | |
| | | | | 18 209 | 00 | | | | | 18 209 | 00 |
| | | | | | | 2017 | | | | | |
| | | | | | | Apr | 01 | Balance | b/d | ✓ 7 615 | 00 |

(5)

| Dr | | | | Cash Float | | | | B10 | | | | Cr | |
|------|----|---------|------|------------|-----------------|------|--|---------|------|--------|--|----|-----|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | | | |
| 2017 | | | | | | | | | | | | | |
| Mar | 01 | Balance | b/d | ✓ | 400 00 | | | | | | | | |
| | 07 | Bank | CPJ3 | ✓ | 200 00 | | | | | | | | |
| | | | | | <u>✓ 600 00</u> | | | | | | | | (3) |

Nominal accounts

| Dr | | | | Sales | | | | N1 | | | | Cr | |
|------|--|---------|------|--------|--|------|----|-----------------|------|--------|--------------------|----|-----|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | | | |
| | | | | | | 2017 | | | | | | | |
| | | | | | | Mar | 01 | Balance | b/d | ✓ | 18 080 00 | | |
| | | | | | | | 31 | Bank | CRJ3 | ✓ | 1 744 00 | | |
| | | | | | | | | Debtors control | DJ3 | ✓ | 1 422 00 | | |
| | | | | | | | | | | | <u>✓ 21 246 00</u> | | (4) |

| Dr | | | | Cost of Sales | | | | N2 | | | | Cr | |
|------|----|---------------|------|---------------|--------------------|------|--|---------|------|--------|--|----|-----|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | | | |
| 2017 | | | | | | | | | | | | | |
| Mar | 01 | Balance | b/d | ✓ | 11 300 00 | | | | | | | | |
| | 31 | Trading stock | DJ3 | ✓ | 888 75 | | | | | | | | |
| | | Trading stock | CRJ3 | ✓ | 1 090 00 | | | | | | | | |
| | | | | | <u>✓ 13 278 75</u> | | | | | | | | (4) |

| Dr | | | | Stationery | | | | N3 | | | | Cr | |
|------|----|-------------------|------|------------|-----------------|------|--|---------|------|--------|--|----|-----|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | | | |
| 2017 | | | | | | | | | | | | | |
| Mar | 01 | Balance | b/d | ✓ | 210 00 | | | | | | | | |
| | 18 | Bank | CPJ3 | ✓ | 45 00 | | | | | | | | |
| | 31 | Creditors control | CJ3 | ✓ | 695 00 | | | | | | | | |
| | | | | | <u>✓ 950 00</u> | | | | | | | | (4) |

| Dr | | | | Wages | | | | N4 | | | | Cr | |
|------|----|---------|------|--------|-------------------|------|--|---------|------|--------|--|----|-----|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | | | |
| 2017 | | | | | | | | | | | | | |
| Mar | 01 | Balance | b/d | ✓ | 2 410 00 | | | | | | | | |
| | 31 | Bank | CPJ3 | ✓ | 1 510 00 | | | | | | | | |
| | | | | | <u>✓ 3 920 00</u> | | | | | | | | (3) |

| Dr | | | | Packing Material | | | | N5 | | | | Cr | |
|------|----|-------------------|------|------------------|-----------------|------|--|---------|------|--------|--|----|-----|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | | | |
| 2017 | | | | | | | | | | | | | |
| Mar | 01 | Balance | b/d | ✓ | 635 00 | | | | | | | | |
| | 28 | Creditors control | CJ3 | ✓ | 63 00 | | | | | | | | |
| | | | | | <u>✓ 698 00</u> | | | | | | | | (3) |

| Dr | | | | Telephone | | | | N6 | | | | Cr | |
|------|----|---------|------|-----------|--------|------|--|---------|------|--------|--|----|-----|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | | | |
| 2017 | | | | | | | | | | | | | |
| Mar | 01 | Balance | b/d | ✓ | 370 00 | | | | | | | | (1) |

| Dr | | Water and Electricity | | | | N7 | | | | Cr |
|-------------|------------|-----------------------|--------|----|------|---------|------|--------|--|----|
| Date | Details | Fol. | Amount | | Date | Details | Fol. | Amount | | |
| 2017 Mar | 01 Balance | b/d | ✓ 562 | 00 | | | | | | |

(1)

| Dr | | Rent Income | | | | N8 | | | | Cr |
|------|---------|-------------|--------|--|-------------|------------|------|---------|----|----|
| Date | Details | Fol. | Amount | | Date | Details | Fol. | Amount | | |
| | | | | | 2017 Mar | 01 Balance | b/d | ✓ 1 440 | 00 | |
| | | | | | | 14 Bank | CRJ3 | ✓ 1 000 | 00 | |
| | | | | | | | | ✓ 2 440 | 00 | |

(3)

| Dr | | Insurance | | | | N9 | | | | Cr |
|-------------|---------|-----------|--------|----|------|---------|------|--------|--|----|
| Date | Details | Fol. | Amount | | Date | Details | Fol. | Amount | | |
| 2017 Mar | 28 Bank | CPJ3 | ✓ 582 | 00 | | | | | | |

(1)

3. Middle order (45)

Debtors Ledger of Nani Traders

A Khonjwayo

D1

| Date | Details/Document no. | Fol. | Debit (+) | | Credit (-) | | Balance | |
|-------------|----------------------|------|-----------|----|------------|----|---------|----|
| 2017 Mar | 01 Account rendered | | | | | | ✓ 310 | 00 |
| | 08 Invoice no. 138 | DJ3 | ✓ 416 | 00 | | | 726 | 00 |
| | 19 Invoice no. 139 | DJ3 | ✓ 608 | 00 | | | 1 334 | 00 |
| | 27 Receipt no. 50 | CRJ3 | | | ✓ 850 | 00 | 484 | 00 |
| | 28 Receipt no. 51 | CRJ3 | | | ✓ 484 | 00 | ✓ 0 | 00 |

(6)

A Kelby

D2

| Date | Details/Document no. | Fol. | Debit (+) | | Credit (-) | | Balance | |
|-------------|----------------------|------|-----------|----|------------|----|---------|----|
| 2017 Mar | 01 Account rendered | | | | | | ✓ 1 345 | 00 |
| | Receipt no. 46 | CRJ3 | | | ✓ 342 | 00 | 1 003 | 00 |
| | 27 Invoice no. 141 | DJ3 | ✓ 128 | 00 | | | ✓ 1 131 | 00 |

(4)

J Agulhas

D3

| Date | Details/Document no. | Fol. | Debit (+) | | Credit (-) | | Balance | |
|-------------|----------------------|------|-----------|----|------------|----|---------|----|
| 2017 Mar | 01 Account rendered | | | | | | ✓ 165 | 00 |
| | 04 Receipt no. 47 | CRJ3 | | | ✓ 165 | 00 | 0 | 00 |
| | 19 Invoice no. 140 | DJ3 | ✓ 270 | 00 | | | ✓ 270 | 00 |

(4)

C Kurz

D4

| Date | Details/Document no. | Fol. | Debit (+) | | Credit (-) | | Balance | |
|-------------|----------------------|------|-----------|--|------------|----|---------|----|
| 2017 Mar | 01 Account rendered | | | | | | ✓ 300 | 00 |
| | 14 Receipt no. 48 | CRJ3 | | | ✓ 300 | 00 | ✓ 0 | 00 |

(3)

List (schedule) of balances of debtors on 31 March 2017

| | | |
|------------------------|-----------|--------------------|
| A Khonjwayo | D1 | R0,00 ✓ |
| A Kelby | D2 | R1 131,00 ✓ |
| J Agulhas | D3 | R270,00 ✓ |
| C Kurz | D4 | R0,00 ✓ |
| Debtors control | B7 | R1 401,00 ✓ |

(5)

**Creditors Ledger of Nani Traders
N Fortuin**

C1

| Date | Details/Document no. | Fol. | Debit (-) | Credit (+) | Balance |
|-------------|----------------------|------|------------|------------|------------|
| 2017 Mar | 01 Account rendered | | | | ✓ 1 230 00 |
| | 06 Invoice no. 304 | CJ3 | | ✓ 1 504 00 | 2 734 00 |
| | 10 Invoice no. 306 | CJ3 | | ✓ 720 00 | 3 454 00 |
| | 28 Cheque no. 188 | CPJ3 | ✓ 2 496 00 | | ✓ 958 00 |

(5)

E Carlse

C2

| Date | Details/Document no. | Fol. | Debit (-) | Credit (+) | Balance |
|-------------|----------------------|------|------------|------------|------------|
| 2017 Mar | 01 Account rendered | | | | ✓ 1 386 00 |
| | 04 Cheque no. 182 | CPJ3 | ✓ 1 386 00 | | ✓ 0 00 |

(3)

Writer's Shoppe

C3

| Date | Details/Document no. | Fol. | Debit (-) | Credit (+) | Balance |
|-------------|----------------------|------|-----------|------------|----------|
| 2017 Mar | 01 Account rendered | | | | ✓ 724 00 |
| | 28 Invoice no. 307 | CJ3 | | ✓ 274 00 | ✓ 998 00 |

(3)

R Jones

C4

| Date | Details/Document no. | Fol. | Debit (-) | Credit (+) | Balance |
|-------------|----------------------|------|-----------|------------|------------|
| 2017 Mar | 01 Account rendered | | | | ✓ 1 576 00 |
| | 09 Invoice no. 305 | CJ3 | | ✓ 3 040 00 | ✓ 4 616 00 |

(3)

AllSorts

C5

| Date | Details/Document no. | Fol. | Debit (-) | Credit (+) | Balance |
|-------------|----------------------|------|-----------|-------------|-------------|
| 2017 Mar | 01 Account rendered | | | | ✓ 329 00 |
| | 03 Invoice no. 303 | CJ3 | | ✓ 10 445 00 | ✓ 10 774 00 |

(3)

List (schedule) of balances of creditors on 31 March 2017

| | | |
|--------------------------|-----------|---------------------|
| N Fortuin | C1 | R958,00 ✓ |
| E Carlse | C2 | R0,00 ✓ |
| Writer's Shoppe | C3 | R998,00 ✓ |
| R Jones | C4 | R4 616,00 ✓ |
| AllSorts | C5 | R10 774,00 ✓ |
| Creditors control | B8 | R17 346,00 ✓ |

(6)

4. Lower order (20)

Trial Balance of Nani Traders on 31 March 2017 ✓

| Balance Sheet accounts | Fol. | Debit | | Credit | |
|-------------------------|------|----------------|-----------|----------------|-----------|
| Capital ✓ | B1 | | | 150 171 | 00 |
| Drawings ✓ | B2 | 4 430 | 00 | | |
| Land and buildings ✓ | B3 | 77 500 | 00 | | |
| Vehicles ✓ | B4 | 26 800 | 00 | | |
| Equipment ✓ | B5 | 50 630 | 00 | | |
| Trading stock ✓ | B6 | 17 096 | 25 | | |
| Debtors control ✓ | B7 | 1 401 | 00 | | |
| Creditors control ✓ | B8 | | | 17 346 | 00 |
| Bank ✓ | B9 | | | 7 615 | 00 |
| Cash float ✓ | B10 | 600 | 00 | | |
| Nominal accounts | | | | | |
| Sales ✓ | N1 | | | 21 246 | 00 |
| Cost of sales ✓ | N2 | 13 278 | 75 | | |
| Stationery ✓ | N3 | 950 | 00 | | |
| Wages ✓ | N4 | 3 920 | 00 | | |
| Packing material ✓ | N5 | 698 | 00 | | |
| Telephone ✓ | N6 | 370 | 00 | | |
| Water and electricity ✓ | N7 | 562 | 00 | | |
| Rent income ✓ | N8 | | | 2 440 | 00 |
| Insurance ✓ | N9 | 582 | 00 | | |
| | | 198 818 | 00 | 198 818 | 00 |

» Activity 17.7

1. Middle and Higher order (16)

This activity has three journals already completed. Learners must complete the CRJ and then post all the journals to the General Ledger.

Cash Receipts Journal of Cyclone Cycles for November 2019

CRJ3

| Doc. no. | Day | Details | Fol. | Analysis of receipts | Bank | Sales | Cost of sales | Current income | Debtors control | Sundry accounts | | |
|----------|-----|-------------------|------|----------------------|-------------------|-----------------|-----------------|----------------|-----------------|-------------------|------|---------------|
| | | | | | | | | | | Amount | Fol. | Details |
| 37 | 01 | G Hassiem | | | ✓143 000 00 | | | | | 143 000 00 | B1 | Capital ✓ |
| 38 | 03 | A Valverde | | 2 190 00 | | ✓2 190 00 | ✓1 460 00 | | | | | |
| 39 | | J Philander | | 9 900 00 | ✓12 090 00 | | | | | 9 900 00 | N3 | Rent income ✓ |
| CRR | 09 | S April | | 330 00 | ✓330 00 | | | ✓330 00 | | | | |
| 40 | 13 | E Zabel | | 770 00 | ✓770 00 | | | | ✓770 00 | | | |
| CRR | 18 | Services rendered | | 105 00 | ✓105 00 | | | ✓105 00 | | | | |
| 41 | 23 | I Basson | | 6 963 00 | 6 963 00 | ✓6 963 00 | ✓4 642 00 | | | | | |
| 42 | 28 | P Salvodelli | | 825 00 | 825 00 | | | | ✓825 00 | | | |
| ✓ | | | | | 164 083 00 | 9 153 00 | 6 102 00 | 435 00 | 1 595 00 | 152 900 00 | | |
| | | | | | B9 | N1 | N2/B6 | N4 | B7 | | | |

2. Higher order (18)

Cash Payments Journal of Cyclone Cycles for November 2019

CPJ3

| Doc. no. | Day | Name of payee | Fol. | Bank | | Trading stock | | Consumable goods | | Wages | | Creditors control | | Sundry accounts | | |
|----------|-----|-------------------|------|---------------|-----------|---------------|-----------|------------------|-----------|---------------|-----------|-------------------|-----------|-----------------|------|---------|
| | | | | Amount | Fol. | Amount | Fol. | Amount | Fol. | Amount | Fol. | Amount | Fol. | Amount | Fol. | Details |
| | 30 | Total | b/d | 68 750 | 00 | 26 400 | 00 | 16 500 | 00 | 22 000 | 00 | ✓✓3 850 | 00 | | | |
| 201 | | Ride Traders | | ✓14 300 | 00 | ✓14 300 | 00 | | | | | | | | | |
| 202 | | Cash | | ✓9 250 | 00 | | | | | ✓9 250 | 00 | | | | | |
| 203 | | Slipstream Stores | | ✓2 200 | 00 | | | | | | | ✓2 200 | 00 | | | |
| ✓ | | | | <u>94 500</u> | <u>00</u> | <u>40 700</u> | <u>00</u> | <u>16 500</u> | <u>00</u> | <u>31 250</u> | <u>00</u> | <u>6 050</u> | <u>00</u> | | | |

(9)

B9 B6 N6 N5 B8

Debtors Journal of Cyclone Cycles for November 2019

DJ3

| Doc. no. | Day | Debtor | Fol. | Sales | | Cost of sales | |
|----------|-----|--------|------|--------------|-----------|---------------|-----------|
| | 30 | Total | b/d | 1 170 | 00 | ✓780 | 00 |
| 331 | | Sales | | ✓3 630 | 00 | ✓2 420 | 00 |
| | | | | <u>4 800</u> | <u>00</u> | <u>3 200</u> | <u>00</u> |

(3)

B7/N1 N2/B6

Creditors Journal of Cyclone Cycles for November 2019

CJ3

| Doc. no. | Day | Creditor | Fol. | Creditors control | | Trading stock | | Consumable goods | | Sundry accounts | | |
|----------|-----|------------------|------|-------------------|-----------|---------------|-----------|------------------|-----------|-----------------|-----------|---------|
| | | | | Amount | Fol. | Amount | Fol. | Amount | Fol. | Amount | Fol. | Details |
| | 30 | Total | b/d | 26 180 | 00 | 14 850 | 00 | 11 000 | 00 | ✓✓330 | 00 | |
| 213 | | Sprint Suppliers | | ✓12 100 | 00 | ✓12 100 | 00 | | | | | |
| 214 | | Spin Gear Stores | | ✓16 500 | 00 | | | ✓16 500 | 00 | | | |
| | | | | <u>54 780</u> | <u>00</u> | <u>26 950</u> | <u>00</u> | <u>27 500</u> | <u>00</u> | <u>330</u> | <u>00</u> | |

(6)

B8 B6 N6

3. Middle order (46)

General Ledger of Cyclone Cycles Balance Sheet accounts

| Dr | | | | Capital | | | | B1 | | | | Cr | | | | | |
|------|---------|--|------|---------|--|------|---------|----|---------|--------|-----------------|------|---------|--|------|--------|--|
| Date | Details | | Fol. | Amount | | Date | Details | | Fol. | Amount | | Date | Details | | Fol. | Amount | |
| | | | | | | 2019 | Nov | 01 | Balance | b/d | ✓550 000 | | | | | | |
| | | | | | | | | | Bank | CRJ3 | ✓143 000 | | | | | | |
| | | | | | | | | | | | <u>✓693 000</u> | | | | | | |

(3)

| Dr | | | | Trading Stock | | | | B6 | | | | Cr | | | | | |
|------|---------|----|-------------------|---------------|----------------|-----------|---------|-----|------|---------------|------|----------------|---------|--|------|--------|--|
| Date | Details | | Fol. | Amount | | Date | Details | | Fol. | Amount | | Date | Details | | Fol. | Amount | |
| 2019 | Nov | 01 | Balance | b/d | ✓168 520 | 00 | 2019 | Nov | 30 | Cost of sales | DJ3 | ✓3 200 | | | | | |
| | | 30 | Bank | CPJ3 | ✓40 700 | 00 | | | | Cost of sales | CRJ3 | ✓6 102 | | | | | |
| | | | Creditors control | CJ3 | ✓26 950 | 00 | | | | Balance | c/d | ✓226 868 | | | | | |
| | | | | | <u>236 170</u> | <u>00</u> | | | | | | <u>236 170</u> | | | | | |
| 2019 | Dec | 01 | Balance | b/d | ✓226 868 | 00 | | | | | | | | | | | |

(7)

| Dr | | | | Debtors Control | | | | B7 | | | | Cr | | | |
|------|-----|---------|---------|-----------------|---------|----|------|-----|---------|---------|------|---------|----|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| 2019 | Nov | 01 | Balance | b/d | ✓ 2 420 | 00 | 2019 | Nov | 30 | Bank | CRJ3 | ✓ 1 595 | 00 | | |
| | | 30 | Sales | DJ3 | ✓ 4 800 | 00 | | | | Balance | c/d | ✓ 5 625 | 00 | | |
| | | | | | 7 220 | 00 | | | | | | 7 220 | 00 | | |
| 2019 | Dec | 01 | Balance | b/d | ✓ 5 625 | 00 | | | | | | | | | |

(5)

| Dr | | | | Creditors Control | | | | B8 | | | | Cr | | | |
|------|-----|---------|---------|-------------------|----------|----|------|-----|---------|------------------|------|----------|----|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| 2019 | Nov | 30 | Bank | CPJ3 | ✓ 6 050 | 00 | 2019 | Nov | 01 | Balance | b/d | ✓ 7 793 | 00 | | |
| | | | Balance | c/d | ✓ 56 523 | 00 | | | 30 | Sundry purchases | CJ3 | ✓ 54 780 | 00 | | |
| | | | | | 62 573 | 00 | | | | | | 62 573 | 00 | | |
| | | | | | | | 2019 | Dec | 01 | Balance | b/d | ✓ 56 523 | 00 | | |

(5)

| Dr | | | | Bank | | | | B9 | | | | Cr | | | |
|------|-----|---------|----------------|------|-----------|----|------|-----|---------|----------------|------|----------|----|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| 2019 | Nov | 01 | Balance | b/d | ✓ 12 550 | 00 | 2019 | Nov | 30 | Total payments | CPJ3 | ✓ 94 500 | 00 | | |
| | | 30 | Total receipts | CRJ3 | ✓ 164 083 | 00 | | | | Balance | c/d | ✓ 82 133 | 00 | | |
| | | | | | 176 633 | 00 | | | | | | 176 633 | 00 | | |
| 2019 | Dec | 01 | Balance | b/d | ✓ 82 133 | 00 | | | | | | | | | |

(5)

Nominal accounts

| Dr | | | | Sales | | | | N1 | | | | Cr | | | |
|------|--|---------|--|-------|--------|--|------|-----|---------|-----------------|------|-----------|----|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| | | | | | | | 2019 | Nov | 01 | Balance | b/d | ✓ 98 700 | 00 | | |
| | | | | | | | | | 30 | Bank | CRJ3 | ✓ 9 153 | 00 | | |
| | | | | | | | | | | Debtors control | DJ3 | ✓ 4 800 | 00 | | |
| | | | | | | | | | | | | ✓ 112 653 | 00 | | |

(4)

| Dr | | | | Cost of Sales | | | | N2 | | | | Cr | | | |
|------|-----|---------|---------------|---------------|----------|----|------|----|---------|--|------|--------|--|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| 2019 | Nov | 01 | Balance | b/d | ✓ 65 800 | 00 | | | | | | | | | |
| | | 30 | Trading stock | CRJ3 | ✓ 6 102 | 00 | | | | | | | | | |
| | | | Trading stock | DJ3 | ✓ 3 200 | 00 | | | | | | | | | |
| | | | | | ✓ 75 102 | 00 | | | | | | | | | |

(4)

| Dr | | | | Rent Income | | | | N3 | | | | Cr | | | |
|------|--|---------|--|-------------|--------|--|------|-----|---------|---------|------|----------|----|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| | | | | | | | 2019 | Nov | 01 | Balance | b/d | ✓ 34 650 | 00 | | |
| | | | | | | | | | 03 | Bank | CRJ3 | ✓ 9 900 | 00 | | |
| | | | | | | | | | | | | ✓ 44 550 | 00 | | |

(3)

| Dr | | | | Current Income | | | | N4 | | | | Cr | | | |
|------|--|---------|--|----------------|--------|--|------|-----|---------|---------|------|---------|----|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| | | | | | | | 2019 | Nov | 01 | Balance | b/d | ✓ 1 200 | 00 | | |
| | | | | | | | | | 30 | Bank | CRJ3 | ✓ 435 | 00 | | |
| | | | | | | | | | | | | ✓ 1 635 | 00 | | |

(3)

| Dr | | | | Wages | | | | N5 | | | | Cr | | | |
|------|----|---------|------|--------|--------------------|------|--|---------|------|--------|--|----|--|--|--|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | | | | | |
| 2019 | | | | | | | | | | | | | | | |
| Nov | 01 | Balance | b/d | ✓ | 62 500 00 | | | | | | | | | | |
| | 30 | Bank | CPJ3 | ✓ | 31 250 00 | | | | | | | | | | |
| | | | | | ✓ 93 750 00 | | | | | | | | | | |

(3)

| Dr | | | | Consumable Goods | | | | N6 | | | | Cr | | | |
|------|----|-------------------|------|------------------|--------------------|------|--|---------|------|--------|--|----|--|--|--|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | | | | | |
| 2019 | | | | | | | | | | | | | | | |
| Nov | 01 | Balance | b/d | ✓ | 3 127 00 | | | | | | | | | | |
| | 30 | Bank | CPJ3 | ✓ | 16 500 00 | | | | | | | | | | |
| | | Creditors control | CJ3 | ✓ | 27 500 00 | | | | | | | | | | |
| | | | | | ✓ 47 127 00 | | | | | | | | | | |

(4)

> Activity 17.8

Higher order (46)

There are a few calculations that you need to help the learners with. If they are struggling, work through the answers to the missing figures beforehand.

General Ledger of Fleur de Lys Suppliers Balance Sheet accounts

| Dr | | | | Trading Stock | | | | B6 | | | | Cr | | | |
|------|----|---------------------|------|---------------|---------------------|------|----|-----------------|------|--------|---------------------|----|--|--|--|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | | | | | |
| 2015 | | | | | | 2015 | | | | | | | | | |
| Jun | 01 | Balance | b/d | ✓ | 1 101 600 00 | Jun | 30 | Cost of sales ✓ | DJ6 | ✓ | 224 400 00 | | | | |
| | 30 | Bank ✓ | CPJ6 | ✓ | 71 400 00 | | | Cost of sales ✓ | CRJ6 | ✓ | 626 200 00 | | | | |
| | | Creditors control ✓ | CJ6 | ✓ | 78 642 00 | | | Balance | c/d | ✓ | 401 042 00 | | | | |
| | | | | | 1 251 642 00 | | | | | | 1 251 642 00 | | | | |
| 2015 | | | | | | | | | | | | | | | |
| Jul | 01 | Balance | b/d | ✓ | 401 042 00 | | | | | | | | | | |

(11)

| Dr | | | | Debtors Control | | | | B7 | | | | Cr | | | |
|------|----|---------|------|-----------------|-------------------|------|----|---------|------|--------|-------------------|----|--|--|--|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | | | | | |
| 2015 | | | | | | 2015 | | | | | | | | | |
| Jun | 01 | Balance | b/d | ✓ | 219 300 00 | Jun | 30 | Bank ✓ | CRJ6 | ✓ | 358 569 00 | | | | |
| | 30 | Sales ✓ | DJ6 | ✓ | 309 672 00 | | | Balance | c/d | ✓ | 170 403 00 | | | | |
| | | | | | 528 972 00 | | | | | | 528 972 00 | | | | |
| 2015 | | | | | | | | | | | | | | | |
| Jul | 01 | Balance | b/d | ✓ | 170 403 00 | | | | | | | | | | |

(8)

| Dr | | | | Creditors Control | | | | B9 | | | | Cr | | | |
|------|----|---------|------|-------------------|-------------------|------|----|--------------------|------|--------|-------------------|----|--|--|--|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | | | | | |
| 2015 | | | | | | 2015 | | | | | | | | | |
| Jun | 30 | Bank ✓ | CPJ6 | ✓ | 20 900 00 | Jun | 01 | Balance | b/d | ✓ | 107 100 00 | | | | |
| | | Balance | c/d | ✓ | 248 737 00 | | 30 | Sundry purchases ✓ | CJ6 | ✓ | 162 537 00 | | | | |
| | | | | | 269 637 00 | | | | | | 269 637 00 | | | | |
| | | | | | | 2015 | | | | | | | | | |
| | | | | | | Jul | 01 | Balance | b/d | ✓ | 248 737 00 | | | | |

(7)

Nominal accounts

| Dr | | | | Sales | | | | N1 | | | | Cr |
|-------------|---------|-------------------|------|--------|-----------|------|---------|----|------|--------|-----------|----|
| Date | Details | | Fol. | Amount | | Date | Details | | Fol. | Amount | | |
| 2015 Jun | 01 | Balance | b/d | ✓ | 3 561 228 | | | | b/d | ✓ | 3 561 228 | 00 |
| | 30 | Bank ✓ | CRJ6 | ✓✓ | 864 156 | | | | CRJ6 | ✓✓ | 864 156 | 00 |
| | | Debtors control ✓ | DJ6 | ✓ | 309 672 | | | | DJ6 | ✓ | 309 672 | 00 |
| | | | | ✓ | 4 735 056 | | | | | ✓ | 4 735 056 | 00 |

(7)

| Dr | | | | Cost of Sales | | | | N2 | | | | Cr |
|-------------|---------|-----------------|------|---------------|-----------|------|---------|----|------|--------|--|----|
| Date | Details | | Fol. | Amount | | Date | Details | | Fol. | Amount | | |
| 2015 Jun | 01 | Balance | b/d | ✓ | 2 580 600 | | | | | | | |
| | 30 | Trading stock ✓ | CRJ6 | ✓ | 626 200 | | | | | | | |
| | | Trading stock ✓ | DJ6 | ✓ | 224 400 | | | | | | | |
| | | | | ✓ | 3 431 200 | | | | | | | |

(6)

| Dr | | | | Stationery | | | | N3 | | | | Cr |
|-------------|---------|---------------------|------|------------|--------|------|---------|----|------|--------|--|----|
| Date | Details | | Fol. | Amount | | Date | Details | | Fol. | Amount | | |
| 2015 Jun | 01 | Balance | b/d | ✓ | 23 460 | | | | | | | |
| | 16 | Bank ✓ | CPJ6 | ✓ | 12 750 | | | | | | | |
| | 30 | Creditors control ✓ | CJ6 | ✓✓ | 11 220 | | | | | | | |
| | | | | ✓ | 47 430 | | | | | | | |

(7)

Calculations for missing amounts:

1. CRJ: Sales

To calculate the sales, you need to calculate the profit percentage first.

$$\text{Profit} = R3\,561\,228 - R2\,580\,600 = R980\,628$$

$$\begin{aligned} \text{Profit \%} &= \frac{\text{profit}}{\text{cost price}} \times 100 \\ &= \frac{980\,628}{2\,580\,600} \times 100 \\ &= 38\% \end{aligned}$$

$$\text{Sales} = \frac{138}{100} \times R626\,200 = R864\,156$$

2. CRJ: Debtors control

$$R2\,259\,708 - R864\,156 - R1\,036\,983 = R358\,569$$

3. CJ: Stationery

$$R162\,537 - R78\,642 - R18\,360 - R54\,315 = R11\,220$$

> **Activity 17.9**

Middle and Higher order (24)

Learners must pay close attention to who is selling to whom, and who issued and/or received the invoice. Use this to help them remember:

| Source document | Journal |
|---------------------------|---------|
| Duplicate receipt issued | CRJ |
| Cheque counterfoil | CPJ |
| Duplicate invoice issued | DJ |
| Original invoice received | CJ |

**Creditors Ledger of Franklins Interiors
Woolford Suppliers**

C1

| Date | Details/Document no. | Fol. | Debit (-) | | Credit (+) | | Balance | |
|-------------|----------------------|------|-----------|----|------------|----|----------|----|
| 2013 Apr | 01 Account rendered | | | | | | ✓ 7 139 | 20 |
| | 04 Invoice ✓ | CJ | | | ✓ 9 645 | 53 | 16 784 | 73 |
| | 14 Invoice ✓ | CJ | | | ✓ 1 750 | 08 | 18 534 | 81 |
| | 17 Cheque ✓ | CPJ | ✓ 18 534 | 81 | | | 0 | 00 |
| | 24 Invoice ✓ | CJ | | | ✓ 16 518 | 40 | 16 518 | 40 |
| | 31 Invoice ✓ | CJ ✓ | | | ✓ 690 | 40 | ✓ 17 208 | 80 |

(13)

**Debtors Ledger of Franklins Interiors
A Zelinsky**

D1

| Date | Details/Document no. | Fol. | Debit (+) | | Credit (-) | | Balance | |
|-------------|----------------------|-------|-----------|----|------------|----|----------|----|
| 2013 Apr | 01 Account rendered | | | | | | ✓ 2 374 | 40 |
| | 07 Invoice ✓ | DJ | ✓ 13 448 | 00 | | | 15 822 | 40 |
| | 11 Receipt ✓ | CRJ | | | ✓ 2 374 | 40 | 13 448 | 00 |
| | 21 Invoice ✓ | DJ | ✓ 5 888 | 00 | | | 19 336 | 00 |
| | 27 Receipt ✓ | CRJ ✓ | | | ✓ 4 000 | 00 | ✓ 15 336 | 00 |

(11)

> **Activity 17.10**

1. Higher order (7)

Learners should first calculate the balance of L Mhlopo:

$$R2\ 834 - R1\ 492 - R688 = R654$$

General Ledger of Shero Traders

| Dr | | | | | Debtors Control | | | | | Cr | | | | |
|-------------|----|---------|------|-----------------|-----------------|----|---------|------|------------|------|--|---------|------|-----------------|
| Date | | Details | Fol. | Amount | Date | | Details | Fol. | Amount | Date | | Details | Fol. | Amount |
| 2013 Jun | 01 | Balance | b/d | ✓ 2 834 00 | 2013 Jun | 31 | Bank ✓ | CRJ | ✓ 4 225 00 | | | Balance | c/d | ✓ 4 239 00 |
| | 30 | Sales ✓ | DJ | ✓ 5 630 00 | | | | | | | | | | |
| | | | | 8 464 00 | | | | | | | | | | 8 464 00 |
| 2013 Jul | 01 | Balance | b/d | ✓ 4 239 00 | | | | | | | | | | |

For information on Informal assessment, refer to the self-assessment, peer assessment and group assessment templates in Section 5 of this Teacher's Guide.

2. Higher order (11)

Debtors Ledger of Shero Traders L Mhlopo

D1

| Date | Details/Document no. | Fol. | Debit (+) | | Credit (-) | | Balance | |
|-------------|----------------------|------|-----------|----|------------|----|---------|---------|
| 2013 Jun | 01 Account rendered | | | | | | ✓✓ 654 | 00 |
| | 05 Invoice no. 64 ✓ | DJ | ✓ 512 | 00 | | | | 1166 00 |
| | 09 Invoice no. 67 ✓ | DJ | ✓ 756 | 00 | | | | 1922 00 |
| | 13 Receipt no. 187 ✓ | CRJ | | | ✓ 654 | 00 | | 1268 00 |
| | 29 Receipt no. 194 ✓ | CRJ | | | ✓ 1268 | 00 | ✓ 0 | 00 |

Informal assessment

Activity 17.1: Do Activity 17.1 orally in class, giving each learner an opportunity to answer, while they mark their activities at the same time. This works well as an introduction to Activity 17.2. (91)

Activities 17.2–17.6: These activities can be checked and marked by the learners on their own. These activities are marked best using a handout. Learners mark their activities, while you check their books.

For all of these activities, a good method is to mark an activity's journals in one lesson and the ledgers of that activity during the next lesson, together with the journals of the next activity.

If learners make mistakes in their journals, they don't carry those mistakes forward to their ledgers and Trial Balance. So, mark the journals of each activity first, before you ask learners to do the ledgers and Trial Balance. (887)

Activity 17.7: Show the CRJ on an overhead/data projector and learners mark their own work. A good method for marking the General Ledger is by doing it on the board, as you explain where the answers come from. If time is limited, mark the activity using a handout. (80)

Activities 17.8–17.10: Do these activities on the board. Learners mark their own work or check a partner's work. They can also be marked as informal class assessments. (88)

Consolidation

Indicate the effect of each of the following transactions on the accounting equation.

Example: Bought stationery on credit from Ricky Traders for R220.

| No. | Source document | Journal | Account debited | Account credited | A | OE | L |
|------|------------------|---------|-----------------|-------------------|---|------|------|
| e.g. | Original invoice | CJ | Stationery | Creditors control | | -220 | +220 |

Transactions

- 01 The owner increased his capital contribution by 25% to R20 000.
- 02 Received rent for the month from Thomas Services, R800.
- 03 Bought merchandise on credit from Tak Traders, R370 less 10% trade discount.
- 04 Sold merchandise on credit to D Parsons, R99 (cost price R62).
- 05 Paid L Amber by cheque in payment of the business account, R370.
- 06 The owner took a cash cheque of the business to pay his personal telephone account of R100.

- 07 Received a cheque from M Mponeng to settle her debt of R375.
- 08 Sold merchandise for cash to K Mettler, R770 (cost price R616).
- 09 Issued a cheque to Mbenenge Motors for a delivery vehicle purchased, R18 000, and fuel, R110.
- 10 Stationery purchased on credit from Moenti Ltd for R380, as well as equipment to the value of R11 842.
- 11 Bought the following on credit from Junaid Ltd: Goods, R2 150 less 12% trade discount, packing material, R256, and a fax machine for office use, R1 600.
- 12 Issued a cheque to Stokes Insurers in settlement of the owner's insurance premium, R250, and the business's insurance premium, R400.

| No. | Source document | Journal | Account debited | Account credited | A | OE | L |
|------|--------------------------------|---------|-------------------|-------------------|---------|--------|---------|
| e.g. | Original invoice | CJ | Stationery | Creditors control | | -220 | +220 |
| 01 | Duplicate receipt/deposit slip | CRJ | Bank | Capital | +4 000 | +4 000 | |
| 02 | Duplicate receipt | CRJ | Bank | Rent – income | +800 | +800 | |
| 03 | Original invoice | CJ | Trading stock | Creditors control | +333 | | +333 |
| 04 | Duplicate invoice | DJ | Debtors control | Sales | +99 | +99 | |
| | | | Cost of sales | Trading stock | -62 | -62 | |
| 05 | Cheque counterfoil | CPJ | Creditors control | Bank | -370 | | -370 |
| 06 | Cheque counterfoil | CPJ | Drawings | Bank | -100 | -100 | |
| 07 | Duplicate receipt | CRJ | Bank | Debtors control | ±375 | | |
| 08 | Cash register roll | CRJ | Bank | Sales | +770 | +770 | |
| | | | Cost of sales | Trading stock | -616 | -616 | |
| 09 | Cheque counterfoil | CPJ | Vehicles | Bank | ±18 000 | | |
| | | | Fuel | Bank | -110 | -110 | |
| 10 | Original invoice | CJ | Equipment | Creditors control | +11 842 | | +11 842 |
| | | | Stationery | Creditors control | | -380 | +380 |
| 11 | Original invoice | CJ | Trading stock | Creditors control | +1 892 | | +1 892 |
| | | | Packing material | Creditors control | | -256 | +256 |
| | | | Equipment | Creditors control | +1 600 | | +1 600 |
| 12 | Cheque counterfoil | CPJ | Drawings | Bank | -250 | -250 | |
| | | | Insurance | Bank | -400 | -400 | |

Extension (18)

Complete the table by filling in the missing words.

| Transaction | Source document | Journal | Account(s) debited | Account(s) credited |
|-------------------------------------|--------------------------------|------------|----------------------------------|-------------------------------|
| Credit sales | Duplicate invoice | DJ | Debtors control Cost of sales | Sales Trading stock |
| Cash purchases | Cheque counterfoil | CPJ | Trading stock | Bank |
| Capital contribution | Duplicate receipt | CRJ | Bank | Capital |
| Payment received from debtor | Duplicate receipt | CRJ | Bank | Debtors control |
| Equipment bought on credit | Original credit invoice | CJ | Equipment | Creditors control |
| Paid creditor by cheque | Cheque counterfoil | CPJ | Creditors control | Bank |
| Cash sales | Cash register roll | CRJ | Bank Cost of sales | Sales Trading stock |
| Rent received | Duplicate receipt | CRJ | Bank | Rent income |
| Owner withdrew cash | Cheque counterfoil | CPJ | Drawings | Bank |

Topic 18

Business plan

Learner's Book pages 238–251

Duration: 6 hours

Term and week/s

Term 4, Weeks 2–7

New words and concepts

projections;
production plan;
marketing plan;
management plan;
financial plan;
SWOT analysis;
batch production;
mass production;
job production;
unique selling points; break-even points; profit percentage

Curriculum and Assessment Policy Statement (CAPS) content

In this topic, learners will learn about ENTREPRENEURSHIP. They will look at:

- concept of a business plan
- components of a business plan
- format of a business plan:
 - front cover
 - table of contents
 - description of the good or service
 - goals of the business
 - who owns the business
 - production plan
 - marketing plan
 - management plan
 - SWOT analysis
 - conclusion
- financial plan:
 - fixed and variable costs
 - break-even points
 - mark-up on sales
 - profit percentage

Resources

Try to find a sample business plan from a business in your area to show the learners.

Gather news articles from magazines, newspapers and the Internet about the importance of planning in a business. Also look for articles about the importance of a good business plan for entrepreneurs and SMMEs. Banks such as Standard Bank offer advice on writing a business plan. Many entrepreneurs apply to banks for financing so banks assist them with writing a good business plan. You could visit a consultant at your local bank for information about how to write a business plan or look for information on the banks' websites.

Find examples of vision statements to share with the learners. You can find these on large businesses' websites or by contacting the businesses directly.

You will recap the SWOT analysis that you taught in Grade 7, so use the resources you gathered for that content again and supplement them with new ones. You will also revise start-up capital briefly, as well as goal-setting.

Preparation

- Read through the topic and familiarise yourself with the content that you will need to teach. Think about what learners may already know about the topics, what skills they already have and any areas of difficulty that you think they might encounter.
- Gather your resources and plan how you will integrate them into your teaching.
- Try to look at a real example of a business plan or to find sample business plans on websites such as this one: <http://southafrica.smetoolkit.org/sa/en/category/2944/Business-Plans> .

Teaching the topic

There are 6 lessons in this topic.

| Lesson | Week | Pages | Activities |
|--------|------|---------|------------|
| 2 | 2 | 241–242 | – |
| 3 | 3 | 242 | 18.1 |
| 4 | 4 | 242 | 18.2 |
| 5 | 5 | 243 | 18.3 |
| 6 | 6 | 243 | 18.4 |
| 7 | 7 | 243 | 18.5 |

Lesson 2

- Begin by talking about planning, using the text in the Learner's Book pages 238–239. Ensure that this discussion is relevant to the learners' lives, and not only to the business context.

- Revise start-up capital. Remind the learners that starting a new business is expensive and capital is difficult to find. Ask them how they think they could show potential investors that they have a good business idea and that they are organised and serious about starting the business.
- Explain that the business plan is an important part of planning a new business or planning for the extension or expansion of an existing business.
- Introduce the concept of a business plan.
- Have a brainstorming session about the kind of information learners think a business plan would need to cover. They close their Learner's Books for this session and think of ideas independently.
- Then work through their ideas along with the text on the components of a business plan in Figure 18.2 of the Learner's Book.

Lesson 3

- This week you will start teaching the format of a business plan. Talk about why the learners think a standardised format would be useful, and why it is best to follow a standardised format instead of presenting information in your own way.
- Ask them what they think a good format would look like, given the components that need to go into a business plan.
- Work through the diagram in Figure 18.3 of the Learner's Book giving the format of a business plan.
- Discuss the front cover using Figure 18.4 and table of contents using Figure 18.5 of the Learner's Book.
- **Do Activity 18.1.**
- Learners do this activity in class time. Give them time to discuss the questions.

Lesson 4

- Continue with the format of a business plan. Ask learners why they think it is important to describe the business's goods or services in a business plan.
- Talk about business goals, revising the content you taught in Grade 7. Spend some time on vision statements. Use the Learner's Book examples and your own resources to teach learners what makes a good vision statement.
- **Do Activity 18.2.**
- Let the learners have some fun defining a business and writing a vision statement for it. Ensure that they spend this time defining the business and its goals so that they know what to write in their vision statements.
- Allow time for report-backs to the class. The groups should enjoy hearing what their peers came up with in this activity. Encourage and reward creative and critical thinking.

Lesson 5

- Move on to the part of the business plan that describes who owns the business. Ask learners why they think this information might be important.
- Discuss the production plan and its importance. Link this to the content you taught about production when you taught the business functions last term.
- Discuss the marketing plan and its importance. Link this to the content you taught about marketing when you taught the business functions last term.
- **Do Activity 18.3.**
- If there is time, allow learners to do this during class so that you can help them if they get stuck. Set it as homework if there is no time.

Lesson 6

- Start by working through and discussing the learners' answers for Activity 18.3.
- Talk about the management plan and its importance. Link this to the content you taught about general management when you taught the business functions last term.
- Revise the SWOT analysis from Grade 7 using Figure 18.8 in the Learner's Book.
- Talk about the importance of the SWOT analysis in the context of a business plan.
- **Do Activity 18.4.**
- Learners complete this activity in class.

Lesson 7

- Start by going through the learners' answers to Activity 18.4.
- Move on to the financial plan. Discuss this plan and its importance. Link this to the content you taught about finance when you taught the business functions last term.
- Recap fixed and variable costs, break-even points and mark-ups from Entrepreneur's Day in Grade 7 and the Income Statement from Grade 8.
- Work through the profit percentage calculation with the learners and give them some examples to calculate in pairs.
- **Do Activity 18.5.**
- Conclude by referring to the diagram about the format of the business plan in Figure 18.3 of the Learner's Book to summarise and recap.

Answers

»» Activity 18.1

1. *Lower order* (3)

A business plan is a formal, written plan ✓ that gives a detailed description ✓ of how a business is going to achieve its goals. ✓

2. *Middle order* (4)

Business plans represent everything that your business is about.

✓ So, it is important to prepare a business plan properly. ✓ An incomplete, badly written or sloppy business plan will tell readers that your business is badly run and that you do not care about being meticulous. ✓ Investors will not want to finance a badly run business. ✓

3. *Higher order* (any 4)

Learners give their own opinions and say why they agree or disagree. For example, they could say they agree because planning and analysis is critical to the success of a business ✓ you cannot just start a business and hope that it will work. ✓ Or they could say they do not agree because if a business idea is good enough, ✓ it will work no matter what. ✓ You often see people making a living out of businesses that started without following the strict structure of a business plan. ✓ Ideally, learners should recognise the value of the business plan and see that it is instrumental in turning an idea into reality. ✓

4. *Middle order* (7)

Learners should include the logo, ✓ name, ✓ personal details, ✓ date of preparation ✓ and a slogan ✓. Ensure that it looks professional ✓ and shows that learners have given some thought to its preparation. ✓

»»» Activity 18.2

1. *Lower order* (3)

A business's vision statement is a statement of what the business aims to achieve ✓ in the medium term or the long term. ✓

The vision statement helps managers to choose the best actions to take to reach the business's goals. ✓

2. *Higher order* (5)

Learners take some time to talk about exactly how they see the business so that they have a base on which to build their vision statements. Let them work freely and creatively and use some entrepreneurial initiative, but make sure that the vision statement is not simply a marketing slogan. They must have defined the business well enough for the vision statement to give the business's medium-term and long-term goals.

> Activity 18.3

1. *Middle order* (4)

Preparing it helps you to make sure that your production process is properly planned. ✓ Production equipment is a large part of a business's start-up costs, ✓ so if you are using the business plan to apply for start-up capital, ✓ potential investors want to see that you have spent lots of time planning and organising the production function. ✓

2. *Middle order* (4)

The production plan contains information about the kind of production process that the business uses. ✓ It needs to specify what kind of production system the business uses, as well as:

- Where the business gets its raw materials from ✓
- What equipment and machinery it needs to manufacture its goods ✓
- What equipment and machinery the business already has and what it still needs to get for manufacturing to be possible. ✓

3. *Lower order* (2)

The marketing plan is the part of the business plan ✓ that explains how the business is going to market its goods and services. ✓

4. *Middle order* (8)

The marketing plan should include the following information:

- What marketing aims the business wants to achieve ✓
- An explanation of how your goods and services will benefit consumers ✓
- Details about the market research you have done to establish whether there is a market for your business ✓
- Details about the target market you have identified for your business ✓
- Information about your competitors and a plan for how you plan to stay ahead of them ✓
- Details about how you plan to advertise and brand your business and about what the advertising budget will be ✓
- Information about the monthly and yearly sales targets you have set for the business ✓
- Information about how you plan to price your goods and what payment methods your business will accept. ✓

»» Activity 18.4

1.–3. *Higher order* (19)

1. Learners do their own SWOT analysis of the Whale View Restaurant and Coffee Shop. Ensure that they write an accurate conclusion that shows that there are more opportunities and strengths than threats and weaknesses about the business idea. Check that they have come up with strategies to overcome the threats and weaknesses that could affect the business negatively.

2. Learners' answers could be structured as follows:

| STRENGTHS | WEAKNESSES |
|---|--|
| <ul style="list-style-type: none">• Setting ✓• Tourist trade is guaranteed every year at whale season ✓• Tourists visit Hermanus throughout the year• When people are on holiday, they like to take a break from preparing meals and treat themselves to things like coffee and cake ✓ | <ul style="list-style-type: none">• Whale season is a very busy time, so the coffee shop will need more staff, but it cannot maintain its staff numbers all year as there is not enough business ✓• The owner has run restaurants before but may not be familiar with coffee shop trade in small towns such as Hermanus ✓ |

| OPPORTUNITIES | THREATS |
|---|---|
| <ul style="list-style-type: none"> • Hermanus is growing because of increasing tourist numbers ✓ • The numbers of people moving there from Cape Town is also growing (people no longer need to work in an office and can stay in touch with their businesses using the Internet) ✓ • So, the numbers of people coming to the coffee shop could increase all year round ✓ | <ul style="list-style-type: none"> • This is a tourist destination, so there is strong competition - lots of coffee shops all catering for tourists ✓ • If behaviour patterns of whales change and they move away from Hermanus, the town could lose many of its tourists ✓ |

(10)

3. Sample conclusion: Whale View Restaurant and Coffee Shop has the potential to succeed. ✓ The tourist trade is guaranteed over whale season, ✓ and the increasing population of the town means that the business could operate profitably out of season. ✓ As the owner, my experience stands in my favour. ✓ I know the restaurant trade and can transfer my skills to refocus on the coffee shop trade. ✓ I will need to plan my staffing well to accommodate seasonal changes in the business, ✓ and make sure that I maintain a high profile all year round so that people remember my business. ✓ I will run specials out of season and keep advertising, ✓ and I will make sure that the quality and service that people experience at my business is always excellent, so that they keep coming back. ✓

(9)

Activity 18.5

1. **Lower order** (2)

The financial plan is the business owner's opportunity to show that the business's finances have been planned thoroughly ✓ and that the business is financially viable. ✓

2. **Lower order** (8)

The financial plan states what the business's financial goals are. ✓ It gives information about how much financing the business needs to start up or to expand. ✓ This includes information about how much money the owners have to invest in the business. ✓ It also states the capital sources that the owners are investigating. ✓ The financial plan also gives the following information:

- Fixed and variable costs ✓
- Break-even points ✓
- Mark-ups on sales ✓
- The profit percentage. ✓

3. **Middle order** (4)

Potential investors want to see that the owners are innovative and plan to look in many different places for capital. ✓ They also want to see that the owners are willing to make sacrifices for the business by investing their own capital into the business. ✓ This tells investors that the owners are serious about the business ✓ and will work hard to make the business a success to get the money back that they put in. ✓

Informal assessment

Activity 18.1: Observe the group interactions and make notes of what you see. (no marks)

Activity 18.2: Observe the group interactions and note who drives the process in this activity. Make sure that no group members get a 'free ride' by sitting back and letting more driven learners do all the thinking and executing. (no marks)

Activity 18.3: Take in the learners' answers and mark them. (18)

Activity 18.4: Observe the group interactions and make notes about how well the learners can apply what they know to business contexts. (no marks)

Activity 18.5: Take in the learners' answers and mark them to assess how well the learners are able to work on their own. (14)

For information on Informal assessment, refer to the self-assessment, peer assessment and group assessment templates in Section 5 of this Teacher's Guide.

Consolidation

- **Explain the difference between fixed and variable costs.**
Fixed costs are production costs that do not change when the number of goods that a business produces changes. Variable costs are costs that do change according to the number of goods produced.
- **Define a break-even point.**
Break-even points are the points at which a business makes enough money to cover its production costs.
- **Why are break-even points an important part of a business plan?**
This is important business plan information because potential investors need to see that your financial targets are realistic.
- **Explain what a management plan is.**
The management plan tells potential investors a lot about a business. By looking at the management plan, potential investors can see whether the managers of the business have enough skills and experience to make the business succeed.

Extension

- **A well-designed logo on the front cover of a business plan gives the business a professional look. It tells people that you have given thought to how the business is branded. Think about a business that you would like to start. Write down what it is and what it would do. Write a vision statement for the business, and design a logo and an overall look for the business's branding. Write some notes about why you chose the logo and branding that you did. What does it say about you, and what does it say about your business to potential investors?**
Learners give their own business idea, business description, vision statement, logo and branding ideas. They write about why they designed the logo and branding as they did and explain how the logo, vision statement and branding say something about them and their business to potential investors.
- **Write a short paragraph about why you think branding is part of marketing a business.**
Learners give their own opinions.

Revision Term 4

Learner's Book pages 252–257

Topic 17: Transactions: Cash and credit

Activity 1: Revise journals

1.1 Middle order

Cash Receipts Journal of Adams Traders for May 2019

CRJ5

| Doc. no. | Day | Details | Fol. | Analysis of receipts | Bank | Sales | Cost of sales | Debtors control | Sundry accounts | | |
|----------|-----|-----------------|------|----------------------|------------|-----------|---------------|-----------------|-----------------|------|--------------|
| | | | | | | | | | Amount | Fol. | Details |
| 446 | 01 | T Adams | | ✓2 600 00 | | | | | ✓2 600 00 | B1 | Capital✓ |
| 447 | | Vuzi Properties | | ✓1 200 00 | ✓3 800 00 | | | | ✓1 200 00 | N3 | Rent income✓ |
| 448 | 10 | L April | D1 | ✓2 815 80 | | | | ✓2 815 80 | | | |
| 449 | | M Alexander | D3 | ✓5 525 00 | ✓8 340 80 | | | ✓5 525 00 | | | |
| CRR | 14 | Sales | | ✓1 809 00 | | ✓1 809 00 | ✓1 340 00 | | | | |
| 450 | | S Fortuin | D2 | ✓1 500 00 | ✓3 309 00 | | | ✓1 500 00 | | | |
| CRR | 26 | Sales | | ✓8 775 00 | | ✓8 775 00 | ✓6 500 00 | | | | |
| 451 | | M Schaiffer | | ✓1 250 00 | ✓10 025 00 | | | | ✓1 250 00 | N3 | Rent income✓ |
| | | | | | 25 474 80 | 10 584 00 | 7 840 00 | 9 840 80 | 5 050 00 | | |

B7 N1 N2/B5 B6

(25)

Cash Payments Journal of Adams Traders for May 2019

CPJ5

| Doc. no. | Day | Name of payee | Fol. | Bank | Trading stock | Wages | Creditors control | Sundry accounts | | |
|----------|-----|---------------|------|-----------|---------------|-----------|-------------------|-----------------|------|------------------------|
| | | | | | | | | Amount | Fol. | Details |
| 313 | 02 | Tamsan | | ✓6 653 00 | ✓6 600 00 | | | ✓53 00 | N5 | Stationery✓ |
| 314 | 09 | Cash | | ✓2 650 00 | | ✓2 650 00 | | | | |
| 315 | 20 | Cash | | ✓2 650 00 | | ✓2 650 00 | | | | |
| 316 | 23 | C Booysen | C1 | ✓2 660 00 | | | ✓2 660 00 | | | |
| 317 | 25 | Sun Insurers | | ✓320 00 | | | | ✓320 00 | B2 | Drawings✓ |
| 318 | 28 | M Marx | | ✓1 600 00 | | | | ✓1 600 00 | N8 | Salaries✓ |
| 319 | 31 | City Council | | ✓1 008 00 | | | | ✓356 00 | N6 | Water and electricity✓ |
| ✓ | | | | | | | | ✓652 00 | B2 | Drawings✓ |
| | | | | 17 541 00 | 6 600 00 | 5 300 00 | 2 660 00 | 2 981 00 | | |

B7 B5 N4 B8

(22)

Debtors Journal of Adams Traders for May 2019

DJ5

| Doc. no. | Day | Balance Sheet accounts | Fol. | Sales | | Cost of sales | |
|----------|-----|------------------------|------|--------|----|---------------|----|
| 91 | 03 | L April | D1 | ✓894 | 60 | ✓497 | 00 |
| 92 | 08 | S Fortuin | D2 | ✓1 429 | 20 | ✓794 | 00 |
| 93 | | L April | D1 | ✓934 | 20 | ✓519 | 00 |
| 94 | 22 | M Alexander | D3 | ✓1 548 | 00 | ✓860 | 00 |
| | | | | 4 806 | 00 | 2 670 | 00 |

B6/N1

N2/B5

(8)

Creditors Journal of Adams Traders for May 2019
CJ5

| Doc. no. | Day | Creditor | Fol. | Creditors control | | Trading stock | | Stationery | | Sundry accounts | | |
|----------|-----|------------|------|-------------------|-----------|---------------|-----------|------------|-----------|-----------------|-----------|----------------------|
| | | | | | | | | | | Amount | Fol. | Details |
| 146 | 04 | C Booyesen | C1 | ✓650 | 00 | ✓650 | 00 | | | | | |
| 147 | 12 | A Botes | C2 | ✓1 620 | 00 | ✓1 620 | 00 | | | | | |
| 148 | 21 | C Booyesen | C1 | ✓5 112 | 00 | | | ✓231 | 00 | ✓4 881 | 00 | B4 Equipment✓ |
| 149 | 24 | A Botes | C2 | ✓2 266 | 00 | ✓1 334 | 00 | | | ✓932 | 00 | N7 Packing material✓ |
| | | | | 9 648 | 00 | 3 604 | 00 | 231 | 00 | 5 813 | 00 | |

B8

B5

N5

(12)

1.2 Lower order
**General Ledger of Adams Traders
Balance Sheet accounts**

| Dr | | | | Capital | | | | B1 | | | | Cr |
|------|---------|--|------|---------|--|-------------|---------|----------|------|----------------|-----------|----|
| Date | Details | | Fol. | Amount | | Date | Details | | Fol. | Amount | | |
| | | | | | | 2019 May | 01 | Balance✓ | b/d | 177 400 | 00 | |
| | | | | | | | | Bank✓ | CRJ5 | 2 600 | 00 | |
| | | | | | | | | ✓ | | 180 000 | 00 | |

| Dr | | | | Drawings | | | | B2 | | | | Cr |
|-------------|---------|---------|------|---------------|-----------|------|---------|----|------|--------|--|----|
| Date | Details | | Fol. | Amount | | Date | Details | | Fol. | Amount | | |
| 2019 May | 01 | Balance | b/d | 19 204 | 00 | ✓ | | | | | | |
| | 25 | Bank | CPJ5 | 320 | 00 | ✓✓ | | | | | | |
| | 31 | Bank | CPJ5 | 652 | 00 | ✓✓ | | | | | | |
| | | | | 20 176 | 00 | ✓ | | | | | | |

| Dr | | | | Land and Buildings | | | | B3 | | | | Cr |
|-------------|---------|---------|------|--------------------|----|------|---------|----|------|--------|--|----|
| Date | Details | | Fol. | Amount | | Date | Details | | Fol. | Amount | | |
| 2019 May | 01 | Balance | b/d | 106 000 | 00 | ✓ | | | | | | |

| Dr | | | | Equipment | | | | B4 | | | | Cr |
|-------------|---------|-------------------|------|---------------|-----------|------|---------|----|------|--------|--|----|
| Date | Details | | Fol. | Amount | | Date | Details | | Fol. | Amount | | |
| 2019 May | 01 | Balance | b/d | 41 356 | 00 | ✓ | | | | | | |
| | 21 | Creditors control | CJ5 | 4 881 | 00 | ✓✓ | | | | | | |
| | | | | 46 237 | 00 | ✓ | | | | | | |

| Dr | | | | Trading Stock | | | | B5 | | | | Cr |
|-------------|---------|---------------------|------|---------------|-----------|-------------|---------|-----------------|------|---------------|-----------|----|
| Date | Details | | Fol. | Amount | | Date | Details | | Fol. | Amount | | |
| 2019 May | 01 | Balance✓ | b/d | 47 354 | 00 | 2019 May | 31 | Cost of sales✓✓ | CRJ5 | 7 840 | 00 | |
| | 31 | Bank✓✓ | CPJ5 | 6 600 | 00 | | | Cost of sales✓✓ | DJ5 | 2 670 | 00 | |
| | | Creditors control✓✓ | CJ5 | 3 604 | 00 | | | Balance✓ | c/d | 47 048 | 00 | |
| | | | | 57 558 | 00 | | | | | 57 558 | 00 | |
| 2019 Jun | 01 | Balance | b/d | 47 048 | 00 | | | | | | | |

| Dr | | | | Debtors Control | | | | B6 | | | | Cr | |
|------|-----|---------|----------|-----------------|---------------|-----------|------|---------|------|----------|------|---------------|-----------|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | | | |
| 2019 | May | 01 | Balance✓ | b/d | 10 062 | 00 | 2019 | May | 31 | Bank✓✓ | CRJ5 | 9 840 | 80 |
| | | 31 | Sales✓✓ | DJ5 | 4 806 | 00 | | | | Balance✓ | c/d | 5 027 | 20 |
| | | | | | 14 868 | 00 | | | | | | 14 868 | 00 |
| 2019 | Jun | 01 | Balance✓ | b/d | 5 027 | 20 | | | | | | | |

| Dr | | | | Bank | | | | B7 | | | | Cr | |
|------|-----|---------|------------------|--------|---------------|-----------|------|---------|------|------------------|------|---------------|-----------|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | | | |
| 2019 | May | 01 | Balance✓ | b/d | 11 611 | 00 | 2019 | May | 31 | Total payments✓✓ | CPJ5 | 17 541 | 00 |
| | | 31 | Total receipts✓✓ | CRJ5 | 25 474 | 80 | | | | Balance✓ | c/d | 19 544 | 80 |
| | | | | | 37 085 | 80 | | | | | | 37 085 | 80 |
| 2019 | Jun | 01 | Balance✓ | b/d | 19 544 | 80 | | | | | | | |

| Dr | | | | Creditors Control | | | | B8 | | | | Cr | |
|------|-----|---------|----------|-------------------|---------------|-----------|------|---------|------|--------------------|-----|---------------|-----------|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | | | |
| 2019 | May | 31 | Bank✓✓ | CPJ5 | 2 660 | 00 | 2019 | May | 01 | Balance✓ | b/d | 8 778 | 00 |
| | | | Balance✓ | c/d | 15 766 | 00 | | | 31 | Sundry purchases✓✓ | CJ5 | 9 648 | 00 |
| | | | | | 18 426 | 00 | | | | | | 18 426 | 00 |
| | | | | | | | 2019 | Jun | 01 | Balance✓ | b/d | 15 766 | 00 |

Nominal accounts

| Dr | | | | Sales | | | | N1 | | | | Cr | |
|------|--|---------|------|--------|--|------|------|---------|------|-------------------|------|----------------|-----------|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | | | |
| | | | | | | | 2019 | May | 01 | Balance✓ | b/d | 227 600 | 00 |
| | | | | | | | | | 31 | Bank✓✓ | CRJ5 | 10 584 | 00 |
| | | | | | | | | | | Debtors control✓✓ | DJ5 | 4 806 | 00 |
| | | | | | | | | | | ✓ | | 242 990 | 00 |

| Dr | | | | Cost of Sales | | | | N2 | | | | Cr | |
|------|-----|---------|---------------|---------------|------------------|-----------|--|---------|------|--------|--|----|--|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | | | |
| 2019 | May | 01 | Balance | b/d | ✓ 113 800 | 00 | | | | | | | |
| | | 31 | Trading stock | CRJ5 | ✓✓ 7 840 | 00 | | | | | | | |
| | | | Trading stock | DJ5 | ✓ 2 670 | 00 | | | | | | | |
| | | | | | ✓ 124 310 | 00 | | | | | | | |

| Dr | | | | Rent Income | | | | N3 | | | | Cr | |
|------|--|---------|------|-------------|--|------|------|---------|------|----------|------|---------------|-----------|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | | | |
| | | | | | | | 2019 | May | 01 | Balance✓ | b/d | 17 422 | 00 |
| | | | | | | | | | | Bank✓ | CRJ5 | 1 200 | 00 |
| | | | | | | | | | 26 | Bank✓ | CRJ5 | 1 250 | 00 |
| | | | | | | | | | | ✓ | | 19 872 | 00 |

| Dr | | | | Wages | | | | N4 | | | | Cr | | | |
|------|-----|---------|---------|-------|--------|-------|--------|----|---------|--|------|--------|--|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| 2019 | May | 01 | Balance | b/d | ✓ | 6 981 | 00 | | | | | | | | |
| | | 31 | Bank | CPJ5 | ✓✓ | 5 300 | 00 | | | | | | | | |
| | | | | | | ✓ | 12 281 | 00 | | | | | | | |

| Dr | | | | Stationery | | | | N5 | | | | Cr | | | |
|------|-----|---------|-------------------|------------|--------|-------|-------|----|---------|--|------|--------|--|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| 2019 | May | 01 | Balance | b/d | ✓ | 5 010 | 00 | | | | | | | | |
| | | 02 | Bank | CPJ5 | ✓✓ | 53 | 00 | | | | | | | | |
| | | 30 | Creditors control | CJ5 | ✓✓ | 231 | 00 | | | | | | | | |
| | | | | | | ✓ | 5 294 | 00 | | | | | | | |

| Dr | | | | Water and Electricity | | | | N6 | | | | Cr | | | |
|------|-----|---------|---------|-----------------------|--------|-------|-------|----|---------|--|------|--------|--|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| 2019 | May | 01 | Balance | b/d | ✓ | 1 997 | 00 | | | | | | | | |
| | | 31 | Bank | CPJ5 | ✓✓ | 356 | 00 | | | | | | | | |
| | | | | | | ✓ | 2 353 | 00 | | | | | | | |

| Dr | | | | Packing Material | | | | N7 | | | | Cr | | | |
|------|-----|---------|-------------------|------------------|--------|-----|-------|----|---------|--|------|--------|--|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| 2019 | May | 01 | Balance | b/d | ✓ | 733 | 00 | | | | | | | | |
| | | 24 | Creditors control | CJ5 | ✓✓ | 932 | 00 | | | | | | | | |
| | | | | | | ✓ | 1 665 | 00 | | | | | | | |

| Dr | | | | Salaries | | | | N8 | | | | Cr | | | |
|------|-----|---------|---------|----------|--------|--------|--------|----|---------|--|------|--------|--|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| 2019 | May | 01 | Balance | b/d | ✓ | 62 378 | 00 | | | | | | | | |
| | | 28 | Bank | CPJ5 | ✓✓ | 1 600 | 00 | | | | | | | | |
| | | | | | | ✓ | 63 978 | 00 | | | | | | | |

| Dr | | | | Telephone | | | | N9 | | | | Cr | | | |
|------|-----|---------|---------|-----------|--------|-------|------|----|---------|--|------|--------|--|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| 2019 | May | 01 | Balance | b/d | ✓ | 4 714 | 00 | | | | | | | | |

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1.3 Middle order

Debtors Ledger of Adams Traders L April

| Date | | Details/Document no. | | Fol. | Debit (+) | | Credit (-) | | Balance | |
|------|-----|----------------------|-------------------|------|-----------|----|------------|----|---------|----|
| 2019 | May | 01 | Account rendered✓ | | | | | | 987 | 00 |
| | | 03 | Invoice no. 91✓✓ | DJ5 | 894 | 60 | | | 1 881 | 60 |
| | | 08 | Invoice no. 93✓✓ | DJ5 | 934 | 20 | | | 2 815 | 80 |
| | | 10 | Receipt no. 448✓✓ | CRJ5 | | | 2 815 | 80 | 0 | 00 |

S Fortuin**D2**

| Date | Details/Document no. | Fol. | Debit (+) | | Credit (-) | | Balance | |
|-------------|----------------------|-------------------|-----------|-------|------------|-------|---------|-------|
| 2019 May | 01 | Account rendered✓ | | | | | 1 550 | 00 |
| | 08 | Invoice no. 92✓✓ | DJ5 | 1 429 | 20 | | 2 979 | 20 |
| | 14 | Receipt no. 450✓✓ | CRJ5 | | | 1 500 | 00 | 1 479 |

M Alexander**D3**

| Date | Details/Document no. | Fol. | Debit (+) | | Credit (-) | | Balance | |
|-------------|----------------------|-------------------|-----------|-------|------------|-------|---------|-------|
| 2019 May | 01 | Account rendered✓ | | | | | 7 525 | 00 |
| | 10 | Receipt no. 449✓✓ | CRJ5 | | | 5 525 | 00 | 2 000 |
| | 22 | Invoice no. 94✓✓ | DJ5 | 1 548 | 00 | | | 3 548 |

List (schedule) of balances of debtors on 31 May 2019

| | | |
|------------------------|-----------|------------------|
| L April | D1 | R0,00 |
| S Fortuin | D2 | R1 479,20 |
| M Alexander | D3 | R3 548,00 |
| Debtors control | B6 | R5 027,20 |

Creditors Ledger of Adams Traders**C Booyesen****C1**

| Date | Details/Document no. | Fol. | Debit (-) | | Credit (+) | | Balance | |
|-------------|----------------------|-------------------|-----------|-------|------------|-------|---------|-------|
| 2019 May | 01 | Account rendered✓ | | | | | 1 660 | 00 |
| | 04 | Invoice no. 146✓✓ | CJ5 | | | 650 | 00 | 2 310 |
| | 21 | Invoice no. 148✓✓ | CJ5 | | | 5 112 | 00 | 7 422 |
| | 23 | Cheque no. 316✓✓ | CPJ5 | 2 660 | 00 | | | 4 762 |

A Botes**C2**

| Date | Details/Document no. | Fol. | Debit (-) | | Credit (+) | | Balance | |
|-------------|----------------------|-------------------|-----------|--|------------|-------|---------|-------|
| 2019 May | 01 | Account rendered✓ | | | | | 2 165 | 00 |
| | 12 | Invoice no. 147✓✓ | CJ5 | | | 1 620 | 00 | 3 785 |
| | 24 | Invoice no. 149✓✓ | CJ5 | | | 2 266 | 00 | 6 051 |

W de Jager**C3**

| Date | Details/Document no. | Fol. | Debit (-) | | Credit (+) | | Balance | |
|-------------|----------------------|-------------------|-----------|--|------------|--|---------|----|
| 2019 May | 01 | Account rendered✓ | | | | | 4 953 | 00 |

List (schedule) of balances of creditors on 31 May 2019

| | | |
|--------------------------|-----------|-------------------|
| C Booyesen | C1 | R4 762,00 |
| A Botes | C2 | R6 051,00 |
| W de Jager | C3 | R4 953,00 |
| Creditors control | B8 | R15 766,00 |

(30)

1.4 Lower order

Trial Balance of Adams Traders on 31 May 2019

| Balance Sheet accounts | Fol. | Debit | | Credit | |
|-------------------------|------|----------|----|----------|----|
| Capital | B1 | ✓ | | 180 000 | 00 |
| Drawings | B2 | ✓20 176 | 00 | | |
| Land and buildings | B3 | ✓106 000 | 00 | | |
| Equipment | B4 | ✓46 237 | 00 | | |
| Trading stock | B5 | ✓47 048 | 00 | | |
| Debtors control | B6 | ✓5 027 | 20 | | |
| Bank | B7 | ✓19 544 | 80 | | |
| Creditors control | B8 | | | ✓15 766 | 00 |
| Nominal accounts | | | | | |
| Sales | N1 | | | ✓242 990 | 00 |
| Cost of sales | N2 | ✓124 310 | 00 | | |
| Rent income | N3 | | | ✓19 872 | 00 |
| Wages | N4 | ✓12 281 | 00 | | |
| Stationery | N5 | ✓5 294 | 00 | | |
| Water and electricity | N6 | ✓2 353 | 00 | | |
| Packing material | N7 | ✓1 665 | 00 | | |
| Salaries | N8 | ✓63 978 | 00 | | |
| Telephone | N9 | ✓4 714 | 00 | | |
| | | 458 628 | 00 | 458 628 | 00 |

(17)

Activity 2: Revise ledgers

Middle and Higher order

General Ledger of Olivier Traders Balance Sheet accounts

| Dr | | | | Equipment | | | | B4 | | | | Cr | | | |
|------|----|-------------------|------|-----------|----|------|--|---------|------|--------|--|----|--|--|--|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | | | | | |
| 2017 | | | | | | | | | | | | | | | |
| Mar | 01 | Balance | b/d | ✓ 54 306 | 00 | | | | | | | | | | |
| | 18 | Bank | CPJ3 | ✓✓ 21 224 | 00 | | | | | | | | | | |
| | 31 | Creditors control | CJ3 | ✓ 2 560 | 00 | | | | | | | | | | |
| | | | | 78 090 | 00 | | | | | | | | | | |

| Dr | | | | Trading Stock | | | | B5 | | | | Cr | | | |
|------|----|---------------------|------|---------------|----|------|----|-----------------|------|--------|----|----|--|--|--|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | | | | | |
| 2017 | | | | | | 2017 | | | | | | | | | |
| Mar | 01 | Balance✓ | b/d | 1 052 | 50 | Mar | 31 | Cost of sales✓✓ | DJ3 | 622 | 50 | | | | |
| | 31 | Bank✓✓ | CPJ3 | 7 722 | 50 | | | Cost of sales✓✓ | CRJ3 | 5 307 | 00 | | | | |
| | | Creditors control✓✓ | CJ3 | 4 320 | 00 | | | Balance✓ | c/d | 7 165 | 50 | | | | |
| | | | | 13 095 | 00 | | | | | 13 095 | 00 | | | | |
| 2017 | | | | | | | | | | | | | | | |
| Apr | 01 | Balance✓ | b/d | 7 165 | 50 | | | | | | | | | | |

| Dr | | | | Debtors Control | | | | B6 | | | | Cr | | | |
|------|----|----------|------|-----------------|----|------|----|----------|------|--------|----|----|--|--|--|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | | | | | |
| 2017 | | | | | | 2017 | | | | | | | | | |
| Mar | 01 | Balance✓ | b/d | 377 | 00 | Mar | 31 | Bank✓✓ | CRJ3 | 250 | 00 | | | | |
| | 31 | Sales✓✓ | DJ3 | 830 | 00 | | | Balance✓ | c/d | 957 | 00 | | | | |
| | | | | 1 207 | 00 | | | | | 1 207 | 00 | | | | |
| 2017 | | | | | | | | | | | | | | | |
| Apr | 01 | Balance✓ | b/d | 957 | 00 | | | | | | | | | | |

| Dr | | | | Bank | | | | B7 | | | | Cr | | | |
|------|-----|---------|------------------|------|---------------|-----------|------|-----|---------|------------------|------|---------------|-----------|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| 2017 | Mar | 01 | Balance✓ | b/d | 4 087 | 50 | 2017 | Mar | 31 | Total payments✓✓ | CPJ6 | 43 276 | 00 | | |
| | | 31 | Total receipts✓✓ | CRJ6 | 77 406 | 00 | | | | Balance✓ | c/d | 38 217 | 50 | | |
| | | | | | <u>81 493</u> | <u>50</u> | | | | | | <u>81 493</u> | <u>50</u> | | |
| 2017 | Apr | 01 | Balance✓ | b/d | 38 217 | 50 | | | | | | | | | |

| Dr | | | | Creditors Control | | | | B8 | | | | Cr | | | |
|------|-----|---------|----------|-------------------|--------------|-----------|------|-----|---------|--------------------|------|--------------|-----------|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| 2017 | Mar | 31 | Bank✓✓ | CPJ3 | 4 620 | 00 | 2017 | Mar | 01 | Balance✓ | b/d | 1 060 | 10 | | |
| | | | Balance✓ | c/d | 3 683 | 00 | | | 31 | Sundry purchases✓✓ | CJ3 | 7 242 | 90 | | |
| | | | | | <u>8 303</u> | <u>00</u> | | | | | | <u>8 303</u> | <u>00</u> | | |
| | | | | | | | 2017 | Apr | 01 | Balance✓ | b/d | 3 683 | 00 | | |

Nominal accounts

| Dr | | | | Sales | | | | N1 | | | | Cr | | | |
|------|--|---------|--|-------|--------|--|------|-----|---------|-------------------|------|---------------|-----------|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| | | | | | | | 2017 | Mar | 01 | Balance✓ | b/d | 89 700 | 00 | | |
| | | | | | | | | | 31 | Bank✓✓ | CRJ3 | 7 076 | 00 | | |
| | | | | | | | | | | Debtors control✓✓ | DJ3 | 830 | 00 | | |
| | | | | | | | | | | ✓ | | <u>97 606</u> | <u>00</u> | | |

| Dr | | | | Cost of Sales | | | | N2 | | | | Cr | | | |
|------|-----|---------|---------------|---------------|-----------------|-----------|------|----|---------|--|------|--------|--|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| 2017 | Mar | 01 | Balance | c/d | ✓ 67 275 | 00 | | | | | | | | | |
| | | 31 | Trading stock | CRJ3 | ✓✓ 5 307 | 00 | | | | | | | | | |
| | | | Trading stock | DJ3 | ✓✓ 622 | 50 | | | | | | | | | |
| | | | | | <u>✓ 73 204</u> | <u>50</u> | | | | | | | | | |

| Dr | | | | Stationery | | | | N3 | | | | Cr | | | |
|------|-----|---------|-------------------|------------|----------------|-----------|------|----|---------|--|------|--------|--|--|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | | |
| 2017 | Mar | 01 | Balance | b/d | ✓ 633 | 00 | | | | | | | | | |
| | | 16 | Bank | CPJ6 | ✓✓ 411 | 00 | | | | | | | | | |
| | | 31 | Bank | CPJ6 | ✓✓ 123 | 00 | | | | | | | | | |
| | | | Creditors control | CJ6 | ✓✓ 362 | 90 | | | | | | | | | |
| | | | | | <u>✓ 1 529</u> | <u>90</u> | | | | | | | | | |

(56)

Calculations of missing amounts:

- Calculating the profit mark-up, using the balance figures:

$$\text{Profit \%} = \frac{(\text{R}97\,606 - \text{R}67\,275)}{67\,275} \times 100 = 33\frac{1}{3}$$

- CRJ: Cost of sales

$$\text{Cost of sales} = \frac{100}{133\frac{1}{3}} \times \text{R}7\,076 = \text{R}5\,307$$

- DJ: Cost of sales

$$\text{Cost of sales} = \frac{100}{133\frac{1}{3}} \times \text{R}830 = \text{R}622,50$$

4. CJ: Creditors control
R4 320 + R2 560 + R362,90 = R7 242,90
5. Balance: Debtors control
R212 + R165 = R377
6. Balance: Creditors control
R420 + R365,70 + R274,40 = R1 060,10

Activity 3: Revise Debtors and Creditors Ledgers

Higher order

Debtors Ledger of Lindsay Suppliers Wihan Traders

D1

| Date | Details/Document no. | Fol. | Debit (+) | | Credit (-) | | Balance | |
|-------------|----------------------|-------------------|-----------|-----|------------|-----|---------|--------|
| 2016 Dec | 01 | Account rendered✓ | | | | | 992 | 70 |
| | 05 | Invoice no. 104✓✓ | DJ | 396 | 32 | | 1 389 | 02 |
| | 09 | Receipt no. 461✓✓ | CRJ | | | 992 | 70 | 396 32 |

Creditors Ledger of Lindsay Suppliers Veejay and Singh

C1

| Date | Details/Document no. | Fol. | Debit (-) | | Credit (+) | | Balance | |
|-------------|----------------------|-------------------|-----------|-------|------------|-------|---------|----------|
| 2016 Dec | 01 | Account rendered✓ | | | | | 885 | 40 |
| | 10 | Invoice no. 82✓✓ | CJ | | | 5 250 | 00 | 6 135 40 |
| | 15 | Invoice no. 85✓✓ | CJ | | | 1 667 | 40 | 7 802 80 |
| | 30 | Cheque no. T45✓✓ | CPJ | 7 802 | 80 | | | 0 00 |

(12)

Activity 4: Revise accounting equations

Middle and Higher order

| GENERAL LEDGER | | | | | | | |
|----------------|----------------------|---------|------------------------------------|--------------------------|-------------------|-------------------|---------|
| No. | Source document | Journal | Account debited | Account credited | A | OE | L |
| 4.1 | Duplicate receipt ✓ | CRJ✓ | Bank✓ | Capital✓ | ✓+13 800 | ✓+13 800 | |
| 4.2 | Cheque counterfoil✓ | CPJ✓ | Trading stock ✓ | Bank✓ | ✓✓± R1 450 | | |
| 4.3 | Cash register roll✓ | CRJ✓ | Bank✓ Cost of sales✓ | Sales✓ Trading stock✓ | ✓+543,75 ✓-435 | ✓+543,75 ✓-435 | |
| 4.4 | Original invoice ✓ | CJ✓ | Trading stock✓ | Creditors control✓ | ✓+7 264 | | ✓+7 264 |
| 4.5 | Duplicate receipt ✓ | CRJ✓ | Bank✓ | Debtors control✓ | ✓✓± 306 | | |
| 4.6 | Cheque counterfoil ✓ | CPJ✓ | Insurance✓ Drawings✓ | Bank✓ Bank✓ | ✓-245 ✓-105 | ✓-245 ✓-105 | |
| 4.7 | Duplicate invoice ✓ | DJ✓ | Debtors control✓ Cost of sales✓ | Sales✓ Trading stock✓ | ✓+375 ✓-250 | ✓+375 ✓-250 | |
| 4.8 | Cheque counterfoil ✓ | CPJ✓ | Creditors control✓ | Bank✓ | ✓-980 | | ✓-980 |
| 4.9 | Cheque counterfoil✓ | CPJ✓ | Repairs✓ | Bank✓ | ✓-260 | ✓-260 | |
| 4.10 | Original invoice ✓ | CJ✓ | Stationery✓ | Creditors control✓ | | ✓-213 | ✓+213 |

(72)

Topic 18: Business plan

Activity 5: Revise the business plan

5.1 Define a business plan. (5) *Lower order*

A business plan is a formal, ✓ written plan ✓ that gives a detailed description of how a business is going to achieve its goals. ✓ It includes information about the business's finances, ✓ and shows projections of how much money the business aims to make. ✓

5.2 What are projections, and why are they so important in a business plan? (3) *Lower order*

A projection is an estimate of what is going to happen ✓ based on how things are happening in the present. ✓ They are important because investors will not invest capital in a business that projects that it won't make very much money. ✓

5.3 Explain why it is so important to prepare a business plan properly. (4) *Middle order*

Business plans represent everything that your business is about. ✓ So, it is important to prepare a business plan properly. ✓ An incomplete, badly written or sloppy business plan will tell readers that your business is badly run ✓ and that you do not care about being meticulous. ✓

5.4 Name the components of a business plan. (5) *Lower order*

- Information about the business: what it does, who owns it and what its goals are ✓
- Production plan ✓
- Marketing plan ✓
- Management plan ✓
- Financial plan ✓

5.5 Make brief summary notes of what format a business plan should follow. (10) *Middle order*

A business plan should follow this format:

- Front cover ✓
- Table of contents ✓
- Description of the goods or services offered by the business ✓
- Goals of the business ✓
- Who owns the business ✓
- The production plan ✓
- The marketing plan ✓
- The management plan ✓
- SWOT analysis and conclusion ✓
- Financial plan ✓

5.6 List all the information about the description of the goods or services offered by the business that the business plan should contain. (6) *Lower order*

In this section of the business plan, you:

- Explain the nature of the business ✓
- State what goods and services the business offers ✓
- Say what you think the demands for your goods and services is or will be ✓

- Include a description of the location of the business, for example: close to popular tourist whale-watching spots, in a popular coastal holiday town, on the main road where there is a lot of tourist traffic ✓
- Describe briefly what makes your business's goods unique ✓
- Say whether you are pricing your goods and services as luxury or budget goods to give an idea of where they fit into the market. ✓

5.7 Define a business's vision statement. (4) Lower order

A business's vision statement is a statement of what the business aims to achieve ✓ in the medium term or the long term. ✓ The vision statement helps managers to choose the best actions to take ✓ to reach the business's goals. ✓

5.8 Why do you think a vision statement is an important part of a business plan? (2) Middle order

It shows investors ✓ that you have well-developed medium-term and long-term goals. ✓

5.9 What should the production plan of a business plan specify? (4) Lower order

The production plan needs to specify what kind of production process the business uses. ✓ It also needs to specify the following:

- Where the business gets its raw materials from ✓
- What equipment and machinery it needs to manufacture its goods ✓
- What equipment and machinery the business already has and what it still needs to get for manufacturing to be possible. ✓

5.10 Give two reasons why a production plan's information is important to a business plan. (2) Lower order

It is important because preparing it helps you to make sure that your production process is properly planned. ✓ Also, production equipment is a large part of a business's start-up costs, ✓ so if you are using the business plan to apply for start-up capital, potential investors want to see that you have spent lots of time planning and organising the production function. ✓ (Any 2)

5.11 Define a management plan. (3) Lower order

The management plan tells potential investors a lot about a business. ✓ By looking at the management plan, potential investors can see whether the managers of the business have enough skills and experience ✓ to make the business succeed. ✓

5.12 Explain why you need to include a SWOT analysis in a business plan. (10) Middle order

A SWOT analysis maps out the things that could affect the success of a business. ✓ It allows you to identify areas you need to work on ✓ (threats and weaknesses) ✓ and areas you need to emphasise ✓ (strengths and opportunities). ✓ If there are more strengths and opportunities than threats and weaknesses, ✓ the business has a good chance of succeeding. ✓

Investors want to know that your business plan is showing them the full picture. ✓ They want to know that you are skilled enough to be able to identify threats and to acknowledge weaknesses. ✓ They also want to know that you are skilled enough to exploit business opportunities and recognise strengths. ✓ So, you need to include a SWOT analysis of your business in the business plan.

5.13 Why is the conclusion to the SWOT analysis important? (4)
Middle order

The conclusion is where you show that there are more opportunities and strengths ✓ than threats and weaknesses about your business idea. ✓ You also need to show that you have come up with strategies to overcome the threats and weaknesses ✓ that could affect your business negatively. ✓

5.14 List the four pieces of information that are important to the financial plan. (4) Lower order

Information about the following:

- Fixed and variable costs ✓
- Break-even points ✓
- Mark-ups on sales ✓
- The profit percentage. ✓

5.15 Why is the financial plan one of the most important parts of the business plan? (3) Lower order

No business will work if it is not financially feasible. ✓ The financial plan is the business owner's opportunity to show that the business's finances have been planned thoroughly ✓ and that the business is financially viable. ✓

TOTAL MARKS: 407

Formal assessment

For information on how to assess learner's assignments, controlled tests, examinations, case studies and projects, please see Section 3 of this Teacher's Guide.

Note: Actual end-of-year examination paper and memo can be found in the Resources section at the end of this guide.

SECTION A
QUESTION 1*Learner's Book pages 258–268*

- 1.1 A
1.2 D
1.3 B
1.4 C
1.5 D
1.6 B
1.7 A
1.8 B
1.9 B
1.10 D

(10 × 2 = 20)

QUESTION 2

- 2.1 C
2.2 M
2.3 F
2.4 B
2.5 G
2.6 E
2.7 I
2.8 L
2.9 D
2.10 K

(10 × 2 = 20)

QUESTION 3

| Selling Price | % profit on cost (% mark-up) | Cost |
|---------------|---------------------------------|--------|
| R150 | 50% | R100✓✓ |
| R500 | 25% | R400✓✓ |
| R800 | 60%✓✓ | R500 |
| R385✓✓ | 10% | R350 |
| R60 | 20%✓✓ | R50 |

(5 × 2 = 10)

QUESTION 4

- 4.1 True
4.2 False
4.3 False
4.4 True
4.5 False

(5 × 2 = 10)

SECTION B

QUESTION 5

| Characteristics | Planned economy | Market economy | Mixed economy |
|-----------------|---|--|---|
| 5.1 | Government makes all the decisions ✓✓ | Land, property and businesses owned by private people ✓✓ | Government, people and businesses own the land and natural resources ✓✓ |
| 5.2 | Government owns the land and natural resources ✓✓ | Entrepreneurs decide what goods and services to produce ✓✓ | Capital comes from banks, shareholders and the government ✓✓ |

(12)

QUESTION 6

Role of government:

- Collects taxes from households and businesses
- Uses money to provide goods and services for households and businesses to buy
- Employs households and pays their wages and salaries
- Employs businesses as service providers, contractors, etc.

(any 3 × 1 = 3)

Role of businesses:

- They are manufacturers
- Provide goods and services to households
- Receive money from households for goods and services
- Pay wages and salaries to households for labour
- Pay taxes to the government on profits earned
- Receive goods and services from the government

(any 3 × 1 = 3)

Role of the foreign sector:

- Interaction occurs between the businesses of the foreign sector and the South African economic cycle
- South Africa pays money for imported goods and services
- South Africa receives money for goods and services exported to other foreign countries
- South Africa invests money abroad
- The foreign sector invests money in South Africa

(any 3 × 1 = 3)

Role of households:

- Households include consumers of goods and services
- Spend money on goods and services
- Pay taxes to the government on the income they earn (PAYE)
- Receive goods and services from the government, e.g. healthcare, education, roads
- Earn salaries and wages in exchange for labour

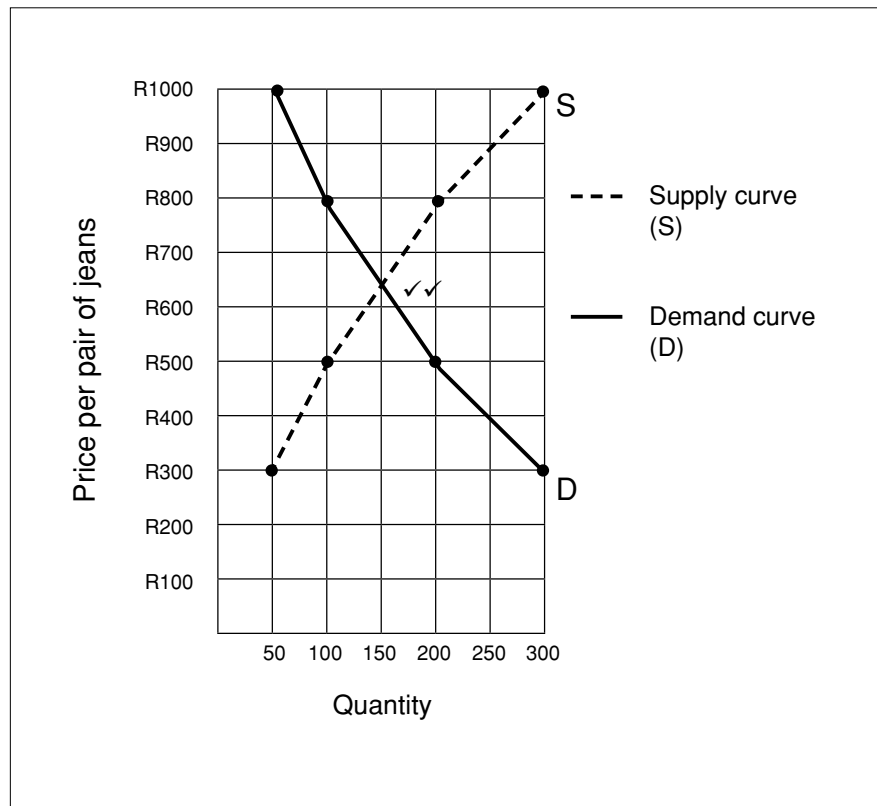
(any 3 × 1 = 3)

QUESTION 7

7.1 Demand is the quantity of a good or service that consumers want to buy when the good or service is at a specific price. ✓✓

7.2 Supply is how much of a good or service is available for consumers to buy. ✓✓

7.3 and 7.4



Allocate 4 marks to the graph: 2 marks per curve

7.5 Market equilibrium price ✓✓

7.6 Demand will decrease ✓✓

7.7 Demand will increase ✓✓

[16]

SECTION C QUESTION 8

| No. | Source document | Journal | Assets | | Equity | | Liabilities | |
|-----|----------------------|---------|---------|-------------------------------|---------|------------------------|-------------|----------------------|
| | | | Effect | Reason | Effect | Reason | Effect | Reason |
| 1. | Original invoice ✓ | CJ ✓ | | | ✓-4 680 | Stationery - expense ✓ | ✓+4 680 | Creditors increase ✓ |
| 2. | Cheque counterfoil ✓ | CPJ ✓ | ✓-2 500 | Cash decreases ✓ | ✓-2 500 | Drawings ✓ | | |
| 3. | Duplicate invoice ✓ | DJ ✓ | ✓+5 000 | Debtors increase ✓ | ✓+1 000 | Profit ✓ | | |
| 4. | | | ✓-4 000 | Trading stock decreases ✓ | | | | |
| 5. | Cheque counterfoil ✓ | CPJ ✓ | ✓+350 | Cash (Cash float) increases ✓ | | | | |
| | | | ✓-350 | Cash decreases ✓ | | | | |
| 6. | Duplicate receipt ✓ | CRJ ✓ | ✓+2 800 | Cash increases ✓ | | | | |
| | | | ✓-2 800 | Debtors decrease ✓ | | | | |

(32)

QUESTION 9

General Ledger of Sinothando Dealers

| Dr | | | | | Debtors Control | | | | | Cr | | | | |
|-------------|--|------------|--|------|-----------------|------|-------------|--|---------|----|------|-----------|----|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | |
| 2014 Apr 01 | | Balance | | b/d | ✓ 14 700 | 00 | 2014 Apr 30 | | Bank ✓ | | CRJ3 | ✓✓ 4 065 | 00 | |
| | | 30 Sales ✓ | | DJ3 | ✓ 3 500 | 00 | | | Balance | | c/d | ✓✓ 14 135 | 00 | |
| | | | | | 18 200 00 | | | | | | | 18 200 00 | | |
| 2014 May 01 | | Balance | | b/d | 14 135 | ✓ 00 | | | | | | | | |

(9)

| Dr | | | | | Trading Stock | | | | | Cr | | | | |
|-------------|--|-----------|--|---------------------|---------------|---------|-------------|--|-----------------|----|------|----------|----|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | |
| 2014 Apr 01 | | Balance | | b/d | ✓ 2 600 | 00 | 2014 Apr 30 | | Cost of sales ✓ | | CRJ3 | ✓ 8 600 | 00 | |
| | | 30 Bank ✓ | | CPJ3 | ✓ 8 400 | 00 | | | Cost of sales ✓ | | DJ3 | ✓✓ 2 800 | 00 | |
| | | | | Creditors control ✓ | CJ3 | ✓ 1 700 | 00 | | | | | | | |

(10)

| Dr | | | | | Creditors Control | | | | | Cr | | | | |
|-------------|--|---------|--|------|-------------------|----|-------------|--|--------------------|----|------|----------|----|--|
| Date | | Details | | Fol. | Amount | | Date | | Details | | Fol. | Amount | | |
| 2014 Apr 30 | | Bank ✓ | | CPJ3 | ✓✓ 1 705 | 00 | 2014 Apr 01 | | Balance | | b/d | ✓ 920 | 00 | |
| | | | | | | | 30 | | Sundry purchases ✓ | | CJ3 | ✓✓ 5 010 | 00 | |

✓ DATES (7)

✓ FOLIO NUMBERS

[28]

SECTION D

QUESTION 10

- 10.1 Performance of daily tasks such as answering phone calls and emails; doing clerical work; paying accounts; handling, recording and filing information; planning; scheduling, record-keeping; organising; being thorough and meticulous and paying attention to detail; being good at setting up efficient systems; being able to liaise with people from all of the departments in the business; managing the administration budget (any 1 × 2 = 2)
- 10.2 Acquiring raw materials at the best possible price
Ensuring that the raw materials are ordered on time so that production is not held up ✓✓
Ensuring that purchases stay within budget ✓✓
Keeping accurate records of purchases ✓✓
Ensuring there is always enough stock of raw materials, but not too much. ✓✓ (any 3 × 2 = 6)
- 10.3 A strong production function ensures that the production process is efficient ✓ and that outputs can cover the production costs. ✓ (2)
- 10.4 It manages all aspects of the business's finances. ✓ The main objective of businesses is to make a profit. A business cannot make a profit if money is mismanaged. ✓ (2)
- 10.5 The main purpose of the public relations function involves giving businesses positive publicity and exposing them to as many potential customers as possible in as positive a way as possible to encourage sales. ✓ It is about creating a good image of a business in the eyes of the public. ✓ (2)
- 10.6 The human resources function manages the people in a business. ✓✓ It looks after the welfare of the employees and ensures that the business has the right number of employees, with the right skills, to operate productively and profitably. ✓✓ It deals with recruiting or hiring staff; ✓✓ defining job descriptions; administering staff leave; ✓✓ retaining staff so that they do not go and work for the competition; ✓✓ dismissing and retrenching staff if necessary in a way that complies with labour legislation; ✓✓ keeping staff happy, fulfilled and motivated so that they perform well; training staff and developing their skills; ✓✓ ensuring that the workplace is healthy and safe, in compliance with occupational health and safety laws; ✓✓ working with trade unions to maintain good labour relations and resolve disputes; ✓✓ keeping the business compliant with labour legislation. ✓✓ (any 3 × 2 = 6)

[20]

QUESTION 11

11.1 A formal, written plan that gives a detailed description of how a business is going to achieve its goals. ✓✓

11.2 The overseas tourists will stay with South Africans, eat their food and experience Cape hospitality. ✓✓

11.3 Form of ownership: Sibuy is working by himself, so he cannot establish a partnership. A partnership consists of 2–20 people. His choices are either a sole trader or a close corporation. ✓✓

Location: He can run his business from his home, but he should make sure that his target market can reach him to make reservations. He must be accessible to his tourists. ✓✓

Competition: There are 30 other competitors. He must know what his competitors are doing and what their price per tour is. He must ensure that his tour price is competitive. ✓✓

11.4 Overseas tourist magazines, ✓✓ Internet with a personal website ✓✓

11.5 Profit = Income ✓ – expenses ✓

11.6 Petrol, unforeseen expenses, Vuyo's salary. (any 2 × 2 = 4)
[20]

TOTAL: 200 MARKS

3. Formal Assessment

| | |
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1. Assessment in Economic and Management Sciences in Grade 9

Assessment in Economic and Management Sciences focuses on the knowledge, skills and values inherent in the activities of production, consumption, exchange and making meaningful and informed financial decisions in economic and social environments.

Economic and Management Sciences covers valuable skills such as economic, entrepreneurship, financial and managerial skills that prepare learners for success in different economic and business environments. Teachers must consider all these skills when planning teaching, learning and assessment activities.

Tasks should cover the content and concepts according to the Annual Teaching Plan. They should include a variety of activities and strategies that assess knowledge and skills. These assessment strategies may form the focus of specific tasks or they may be used together as part of a task.

In Economic and Management Sciences, the following forms of assessment are preferred, although they are not the only ones that you may use:

- projects
- tests (both class tests and controlled tests)
- data responses
- examinations
- oral presentations
- case studies
- assignments
- posters.

Assessment in Grade 9 is made up of:

- informal or daily assessment
- formal assessment.

In *Study & Master Economic and Management Sciences Grade 9*:

- Informal assessment advice is given as part of the lesson guidance in the Lesson-by-lesson section (Section 2) of this Teacher's Guide.
- Detailed guidance and assessment tools for formal assessment are provided in this section.

Summary of formal assessments expected in Grade 9

| Grade | Formal assessments | SBA (40%) | Final examination (60%) | Total |
|-------|---|----------------------------------|----------------------------------|-------|
| 9 | <ul style="list-style-type: none">• 2 formal assessments• 1 formal assessment - project• 2 tests• Mid-year examination• End-of-year examination | Refer to Programme of Assessment | Refer to Programme of Assessment | 100 |

2. Programme of Assessment

The Programme of Assessment provided in *Study & Master Economic and Management Sciences Grade 9* is in line with the Curriculum and Assessment Policy Statement (CAPS) for Economic and Management Sciences and thus spreads out the formal assessment tasks throughout the year. It is made up of assignments, controlled tests, case studies, data responses, projects and exams. This is reflected in the table below.

| Term | Week | Type of formal assessment | Tool(s) of assessment | Content and topic focus of assessment | Learner's Book and/or Teacher's Guide page reference | Total number of marks of task | Contribution to year mark |
|------|------|--------------------------------|-----------------------|---|---|-------------------------------|---------------------------|
| 1 | 5 | Assignment | Rubric/memo | The economy • Topic 3: Economic systems | Teacher's Guide pp. 270–275 | 50 | 150 |
| 1 | 10 | Controlled Test 1 (60 minutes) | Memo | Financial literacy • Topic 2: Cash Receipts Journal and Cash Payments Journal (sole trader) • Topic 4: General Ledger and Trial Balance (sole trader) The economy • Topic 3: Economic systems • Topic 5: Circular flow | Teacher's Guide pp. 82–90 | 100 | |
| 2 | 7 | Data response | Memo | The economy • Topic 8: Price theory | Teacher's Guide pp. 270–274 | 50 | 150 |
| 2 | 10 | Mid-year exam (60 minutes) | Memo | Financial literacy • Topic 2: Cash Receipts Journal and Cash Payments Journal (sole trader) • Topic 4: General Ledger and Trial Balance (sole trader) • Topic 7: Credit transactions: Debtors (1) The economy • Topic 3: Economic systems • Topic 5: Circular flow • Topic 8: Price theory Entrepreneurship • Topic 9: Sectors of the economy | Learner's Book pp. 110–114 Teacher's Guide pp. 123–125 | 100 | |
| 3 | 5 | Project | Rubric/memo | The economy • Topic 11: Trade unions | Teacher's Guide pp. 284–288 | 50 | 150 |
| 3 | 10 | Controlled Test 2 (60 minutes) | Memo | The economy • Topic 11: Trade unions Financial literacy • Topic 12: Credit transactions: Debtors (2) • Topic 13: Credit transactions: Creditors (1) • Topic 15: Credit transactions: Creditors (2) Entrepreneurship • Topic 14: Functions of a business | Teacher's Guide pp. 192–198 | 100 | |

| Term | Week | Type of formal assessment | Tool(s) of assessment | Content and topic focus of assessment | Learner's Book and/or Teacher's Guide page reference | Total number of marks of task | Contribution to year mark |
|------|------|--------------------------------|-----------------------|---|---|-------------------------------|---------------------------|
| 4 | 10 | End-of-year exam (120 minutes) | Memo | Financial literacy <ul style="list-style-type: none"> • Topic 2: Cash Receipts Journal and Cash Payments Journal (sole trader) • Topic 4: General Ledger and Trial Balance (sole trader) • Topic 7: Credit transactions: Debtors (1) • Topic 12: Credit transactions: Debtors (2) • Topic 13: Credit transactions: Creditors (1) • Topic 15: Credit transactions: Creditors (2) • Topic 17: Transactions: Cash and credit The economy <ul style="list-style-type: none"> • Topic 3: Economic systems • Topic 5: Circular flow • Topic 8: Price theory • Topic 11: Trade unions Entrepreneurship <ul style="list-style-type: none"> • Topic 9: Sectors of the economy • Topic 14: Functions of a business • Topic 18: Business plan | Learner's Book pp. 258–268 Teacher's Guide pp. 259–264 and 302–317 | 200 | 200 |

| SBA | Examination |
|---|--------------------------|
| Term 1: 150 | Written examination: 200 |
| Term 2: 150 | |
| Term 3: 150 | |
| Convert to 40% | Convert to 60% |
| Year mark: SBA + end-of-year examination = 100% | |

3. Formal Assessment Tasks

When scheduling a task, the resource needs of a task must be considered. For example, you may want to schedule a task on the National Budget at the time when the Minister of Finance makes his presentation. Alternatively, you may want to link tasks to other significant or special days and events. You should allow time for research, if necessary – perhaps during holidays or long weekends – so that all learners can go to a library or interview people, or do whatever the task requires.

Formal Assessment Task 1

Term 1, to be completed by Week 5

Marks: 50

Type of task: Assignment

Economic and Management Sciences topic: The economy

Topic 3: Economic systems

Resources

Photocopies of
assessment rubric

Curriculum and Assessment Policy Statement (CAPS) content

- The three major economic systems:
 - planned economy
 - market economy
 - mixed economy
- Origin of each economic system
- Advantages and disadvantages of each economic system
- Characteristics of each economic system
- The global economy

Background

In this task, learners are required to:

- Write an essay in which they discuss, compare and contrast the three main economic systems: planned economies, market economies and mixed economies.
- Talk about what the three types of economic systems are; how they are similar; how they are different; their advantages and their disadvantages.
- Do their own research and write one paragraph in which they briefly describe an example of each type of economy.

Outlining the task with the learners

- Allow time in Term 1, immediately after you have completed Topic 3 in Week 5, to talk about this Formal Assessment Task with the learners.
- Read through the task with them and answer any queries.
- Allow learners one week to complete their responses.
- Remind the learners that their paragraph of research must show that they have understood the content of this topic.
- Draw the learners' attention to how the task will be assessed.

Assessing the task

1. The main points of the essay have been outlined below in the memorandum, including mark allocations.
2. Learners' essays will vary, but they should contain the most important information and have an introduction, body paragraphs and conclusion.
3. Ensure that learners have understood the content and have applied it creatively, particularly in their own paragraph of research.
4. Use the rubric below to assess the learners' assignments.
5. Record your assessments in the Formal Assessment Task 1 column on the Record sheet for Formal Assessment Tasks 1, 2 and 3 (page 297).

Rubric

Use the following rubric to assess learners' assignments.

| Rating code | Description of competence | Percentage |
|-------------|---|------------|
| 7 | Outstanding achievement: the essay covered all of the required areas fully, analysed each economic system, gave good examples and descriptions of each economic system, was submitted on time and was well written and well presented | 80–100 |
| 6 | Meritorious achievement: the essay covered all of the required areas with most of the detail required, gave examples of each of the economic systems, was submitted on time and was well written and well presented | 70–79 |
| 5 | Substantial achievement: the essay covered most of the required areas, gave examples of some of the economic systems and was submitted on time | 60–69 |

| Rating code | Description of competence | Percentage |
|-------------|---|------------|
| 4 | Adequate achievement: the essay covered few of the economic systems, gave examples of the economic systems, was submitted on time and contained a few writing and presentation errors | 50–59 |
| 3 | Moderate achievement: the essay covered some of the economic systems, gave no examples of economic systems, and contained writing and presentation errors | 40–49 |
| 2 | Elementary achievement: the essay covered hardly any required areas, gave no examples and contained many writing and presentation areas | 30–39 |
| 1 | Not achieved: the essay was not submitted at all or was submitted late | 0–29 |

Memorandum

Learners must talk about:

1. What the three types of economic systems are (4)
2. How they are similar (10)
3. How they are different (10)
4. Their advantages (10)
5. Their disadvantages. (10)

They must also do their own research and write one paragraph in which they briefly describe an example of each type of economy. (6)

An economic system is a system that a country chooses to allocate its resources and distribute its goods and resources. ✓ There are three main economic systems: planned economies, market economies and mixed economies. ✓✓✓

How they are similar: The aim of an economic system is to solve the economic problem. ✓✓ The economic problem is how to meet the endless wants and needs of people ✓✓ with limited resources. ✓✓ Someone has to decide what to produce and how to produce it, ✓ how much to charge for the product or service ✓ and how to share it out among the people of the country (distribution). ✓ Different countries have come up with different ways of doing this. These ways are economic systems. ✓

A planned economy is an economic system in which the government or workers' councils make all the decisions about the production and consumption of goods and services, based on their idea of what

is good for all the people of that country. ✓ The government owns the land and natural resources, the factories and the farms. ✓ The government decides what should be produced and how much it should be sold for. ✓ The government also decides who gets how much of what is produced. ✓ So, there is no competition with businesses offering goods and services at different prices. ✓ This system is also called a command economy ✓ or directed economy. ✓ Examples of planned economies are Burma, North Korea and the former Soviet Union. ✓✓✓

The advantages of planned economies are as follows: They can be very stable because they are closed systems; ✓ they can stimulate growth in industry because the government doesn't have to wait for capital to accumulate before it makes investments in heavy industry, rather the government can direct economic resources to specific areas; ✓ the government can direct economic resources to areas where they are most needed; ✓ they look after the welfare of all of the government's citizens; ✓ and they are more focused on citizens' welfare than on profit and growth. ✓ The disadvantages are: they can limit economic growth and innovation as there is no entrepreneurship; ✓ there is no freedom of choice for consumers; ✓ they are inflexible systems that cannot adapt to change quickly; ✓ there is no incentive for people to do their jobs well; ✓ and it is difficult to motivate workers to excel. ✓

A market economy is an unplanned economy in which land, property and businesses are owned by private people, not the government. ✓ The aim of business in a market economy is to make a profit. ✓ The government's purpose is to allow business to make a profit. ✓ Entrepreneurs decide what goods and services to produce and how much to charge for them based on what they think people want and are willing to pay. ✓ Businesses and people borrow money from banks and investors. ✓ Workers can choose what kind of work they do and who they want to work for. ✓ So, in a market economy, consumers, the government and businesses spend money on goods and services. ✓ Workers and businesses make money from producing goods and services. ✓ The government makes money from taxes and spends money on public services. ✓

The advantages of market economies are as follows: they are very flexible and can adapt quickly to change because individuals don't have to wait for the government to tell them how to adapt; ✓ individuals can choose what they want to produce and how much they want to produce goods for; ✓ consumers have a wide range of products and services to choose from; ✓ they reward innovation and technological development; ✓ they are good for economic growth because capital flows naturally to places where it gives the highest returns; ✓ and there is economic freedom, so if people work hard they are rewarded and can improve their lives. ✓ The disadvantages are: there are large differences between the wealth of citizens – some

get rich while others stay poor; ✓ they focus on profit rather than on the welfare of citizens; ✓ the government controls the economy as little as possible, so big businesses can have too much control; ✓ and they make products and services available to consumers that may harm consumers. ✓

A mixed economy is a mixture of private and government control of the economy. ✓ The government, as well as people and businesses, owns the land and natural resources. ✓ In a mixed economy, capital comes from banks, shareholders and the government through spending of taxes. ✓ Entrepreneurs decide what to produce. ✓ The government spends taxes on education, housing and clean water, for example. ✓ It also passes laws to control certain economic activity. ✓ For example, the South African government has passed laws that make businesses hire people who were left out of the economy once controlled by the apartheid government. This is called affirmative action. Most countries in the world today have a mixed economy with different degrees of government control. ✓✓ South Africa is a mixed economy. ✓

The advantages of mixed economies are as follows: they combine government and private businesses for good economic growth; ✓ the government works to encourage the economy to grow in a balanced way so incomes are more equal than in market economies; ✓ they encourage private businesses to make contributions to citizens' welfare; ✓ and they promote competition but protect citizens too.

✓ The disadvantages are: economic growth can be limited because the government allocates lots of resources to citizens' welfare; ✓ and heavy government involvement in the economy through regulation makes them bureaucratic and open to corruption. ✓

Learners add their own paragraph of research here, then conclude the essay. (6)

Formal Assessment Task 1

Formal Assessment Task 1 guideline follows. This must be photocopied for learners.

Formal Assessment Task 1

Assignment

Time: 60 minutes Marks: 50

Economic systems

In this assignment, you are required to write an essay in which you discuss, compare and contrast the three main economic systems: planned economies, market economies and mixed economies.

Talk about:

1. What the three types of economic systems are (4)
2. How they are similar (10)
3. How they are different (10)
4. Their advantages (10)
5. Their disadvantages. (10)

Also do your own research and write one paragraph in which you briefly describe an example of each type of economy. (6)

Your teacher will use the following rubric to assess your assignment.

Rubric

| Rating code | Description of competence | Percentage |
|-------------|--|------------|
| 7 | Outstanding achievement: the group worked well together to formulate a questionnaire, asked the questions effectively and respectfully and each member of the group submitted a comprehensive, well-written report in time. | 80–100 |
| 6 | Meritorious achievement: the group worked well together to formulate a good questionnaire, asked questions respectfully, and each group member submitted a well-written report on time. | 70–79 |
| 5 | Substantial achievement: the group mostly worked well together to formulate a good questionnaire, asked questions respectfully, and most group members submitted well-written reports on time. | 60–69 |
| 4 | Adequate achievement: the group worked together to formulate an adequate questionnaire, asked questions respectfully, and some group members submitted reports on time. | 50–59 |
| 3 | Moderate achievement: the group struggled to work together, formulated a questionnaire that was not comprehensive, asked questions respectfully, and some group members submitted reports on time. | 40–49 |
| 2 | Elementary achievement: the group could not work together to formulate a comprehensive questionnaire. They relied on the shop steward to volunteer information and take the lead, and few group members submitted reports on time. | 30–39 |
| 1 | Not achieved: the group did not function, did not formulate a questionnaire or arrange a shop steward interview, and no reports were submitted. | 0–29 |

Formal Assessment Task 2

Term 2, to be completed by Week 7

Marks: 50

Type of task: Data response

Economic and Management Sciences topic:

The economy

Topic 8: Price theory

Resources

Photocopies of
assessment rubric

Curriculum and Assessment Policy Statement (CAPS) content

- Law of demand and a graphical illustration of the demand curve
- Law of supply and graphical illustration of the supply curve
- Equilibrium price and quantity
- Change in quantity demanded
- Change in quantity supplied
- Increase and decrease in demand
- Increase and decrease in supply
- Graphical illustration of the change in demand and the change in supply

Background

In this task, learners are required to:

- Use the information given to answer relevant questions.
- Show an understanding and retention of the relevant theory.
- Use a real-life case study/scenario/information to apply their knowledge of the topic.

Outlining the task with the learners

- Allow time in Term 2, immediately after you have completed Lessons 6–7 of Topic 8, to talk about this Formal Assessment Task with the learners.
- Read through the task with them and answer any queries.
- Allow learners one week to complete their responses.
- Remind learners that they must apply the content that they have learnt when they answer the questions.
- Draw the learners' attention to how the task will be assessed.

Assessing the task

1. The answers to the questions are below, including the mark allocation per question.
2. When you mark learners' answers, ensure that they have understood the content and address any problems in your feedback to them.

3. The task and its memorandum are below. Use the memorandum to assess learners' responses.
4. Record your assessments in the Formal Assessment Task 2 column on the Record sheet for Formal Assessment Tasks 1, 2 and 3 (page 297).

Rubric

| Rating code | Description of competence | Percentage |
|-------------|---------------------------|------------|
| 7 | Outstanding achievement | 80–100 |
| 6 | Meritorious achievement | 70–79 |
| 5 | Substantial achievement | 60–69 |
| 4 | Adequate achievement | 50–59 |
| 3 | Moderate achievement | 40–49 |
| 2 | Elementary achievement | 30–39 |
| 1 | Not achieved | 0–29 |

Learners use the following information to answer the questions (memorandum included below).

Fifteen years ago, South Africans were not familiar with the wide range of coffee-drinking options that people in the USA and Europe have been used to for many years. American coffee-shop chain Starbucks was founded in 1971. Today, there are over 20 000 Starbucks shops in countries of the world. Since many international companies did not invest in South Africa during apartheid, South Africans were not exposed to the Starbucks coffee-drinking culture.

Today, with exposure in South Africa to cultures and businesses from all over the world, a uniquely South African style of coffee shop is becoming more and more popular. An example of such a coffee shop is Vida e Caffè, which has 51 outlets in South Africa. These outlets serve many different styles of coffee, such as lattes, cappuccinos, frozen coffees and espressos. They are trendy and fun, and they make a lot of money.

Suppose that in 1980s, the suburb of Cambridge in East London had one coffee shop called Theo's. Theo's only served normal filter coffee. Theo's coffee sales were doing well, so he decided to put up his prices. He also tried a December special, where he offered coffee at a lower price. When he charged R2,00 for a coffee for his special December offer, he would sell 300 coffees per month. At his normal price of R2,50 per coffee, he sold 200 coffees in a month. And when he put up his price to R3,00 a coffee, he sold 100 coffees a month.

1. Draw the demand curve showing the relationship between Theo's price and quantity demanded. (10)

Learners' graphs look like this. Award marks as follows:

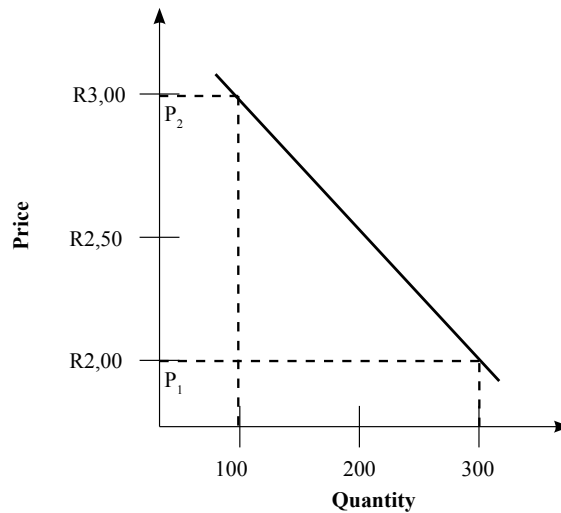
Two marks for the correct placement of and units on the x -axis

Two marks for the correct placement of and units on the y -axis

Two marks for the correct demand curve

Two marks for P_1 correctly shown

Two marks for P_2 correctly shown.



Fast forward to 2000. Theo's now has so much experience in the coffee shop trade that he decided to buy a franchise of the popular New York-style coffee shop chain, called Perc Up. He is still in the same East London suburb, but East Londoners have got to like the American style of drinking a wide variety of quality coffees in an upbeat location.

2. Analyse what has influenced the demand for coffee in Theo's town. (2)

A change in consumers' preference. ✓ Coffee shops have become more fashionable and more people want to be seen in them. ✓

3. Describe four other factors that can influence demand, with an example of each. (8)

Learners list any three of the following:

- **New technology**, ✓ such as a smartphone that has a new function, can mean that the demand for a new product increases. ✓
- **Changes in a country's population** ✓ can affect the demand for goods and services. For example, a country that has a younger population will have a high demand for products such as cellphones, tablets and trendy clothes. But a country that has an older population, such as Japan, will have more of a demand for medical services and products that older people prefer, such as more conservative, durable clothing. ✓
- **Price** ✓ can affect demand. You have seen that when the price of a good or service is low, the quantity demanded will be high, and that when the price of a good or service is high, demand will be low. ✓
- **Income levels** ✓ also affect demand. When incomes are higher, there is more demand for goods and services. When incomes are lower, there is less demand for goods and services. ✓

- **Competition ✓** affects demand too. For example, if one cellphone company offers the newest smartphone for R300 per month on contract, and another cellphone provider starts competing by offering the same smartphone for R250 per month, demand for the smartphone will increase. ✓
- **The nature of a product or service ✓** also affects demand. Basic necessities, such as bread, maize meal and healthcare are always in demand because everybody needs them and will try to buy them no matter how much they cost. ✓
- **Consumers' expectations about products and services ✓** also affect demand. For example, if people know that the price of laptop is going to increase next week, they will all want to buy the laptop this week to save money. The demand for the laptop will increase until the price increases. ✓

Theo's business does well until 2005, when a plant disease attacks coffee plantations. It spreads throughout South America, where most of Perc Up's beans are grown. This affects supply.

4. What factor affecting supply is this an example of? (1)

It is an example of a natural disaster: coffee growers have no healthy coffee beans to supply to coffee shops. ✓

Theo's sales drop as a result of the drop in supply. He has to do something to keep his business going, so he increases his prices as follows:

| Price | Quantity |
|--------|----------|
| R20,00 | 400 |
| R15,00 | 600 |
| R10,00 | 800 |

5. Draw the supply curve showing the relationship between price and quantity supplied after the plant disease affects Theo's capacity to supply coffees. (10)

Learners' graphs look like this. Award marks as follows:

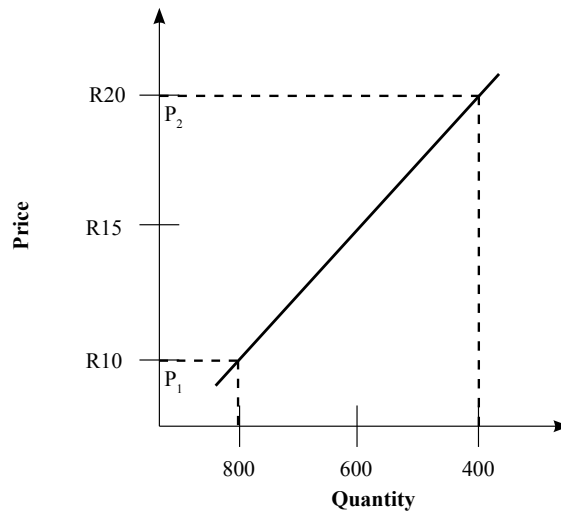
Two marks for the correct placement of and units on the x-axis

Two marks for the correct placement of and units on the y-axis

Two marks for the correct supply curve

Two marks for P_1 correctly shown

Two marks for P_2 correctly shown.



6. Describe four other factors that affect supply, with an example of each. (8)

- **New production technology ✓** can also increase supply. For example, the supply of wheat used to be limited to what it was possible for farm workers to harvest by hand. When technology resulted in combine harvesters, farms could increase their supply of wheat dramatically. ✓
- **The price of goods that are related to a specific good ✓** can affect supply. For example, textile manufacturers need cotton to produce textiles for clothing. If there is a drought and the cotton crop is affected negatively, the cotton price will increase. This will make it more expensive for textile producers to buy cotton. They will have to reduce their supply of textiles. ✓
- **Producers' expectations about products and services ✓** can also affect supply. For example, if there is a weather forecast for a heat wave, ice cream producers expect the demand for their products to increase. So, they will increase their ice cream supply. ✓
- **Government regulations ✓** can affect supply. For example, if a government policy comes into effect that imposes an import duty on a product, supply of that product will decrease. ✓
- **The cost of production inputs ✓** affects supply as well. If labour or raw materials, for example, become more expensive, producers will need to reduce their supply. ✓

By 2007, the effects of the plant disease have passed. Business at Perc Up returns to normal. Theo wants to find the price at which his coffees will have a perfect balance in the market - the price at which demand and supply will be the same.

7. What is this price called?

(1)

It is called equilibrium price. ✓

Theo spends some time analysing his business records and extracts the following figures about the relationship between demand, supply and price in his business:

| Demand for coffee | | Supply of coffee | |
|-------------------|----------|------------------|----------|
| Price | Quantity | Price | Quantity |
| R15,00 | 800 | R15,00 | 400 |
| R20,00 | 600 | R20,00 | 600 |
| R25,00 | 400 | R25,00 | 800 |

8. Draw a graph showing the equilibrium price for Perc Up. (10)

Learners' graphs look like this. Award marks as follows:

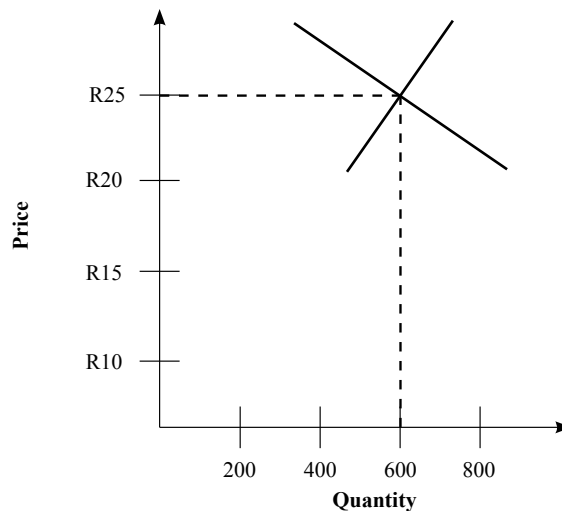
Two marks for the correct placement of and units on the x-axis

Two marks for the correct placement of and units on the y-axis

Two marks for the correct supply curve

Two marks for the correct demand curve

Two marks for the indication of the price and quantity at which the curves intersect (10)



Formal Assessment Task 2

Formal Assessment Task 2 guideline follows. This must be photocopied for learners.

Formal Assessment Task 2

Data response

Time: 60 minutes Marks: 50

Fifteen years ago, South Africans were not familiar with the wide range of coffee-drinking options that people in the USA and Europe have been used to for many years. American coffee-shop chain Starbucks was founded in 1971. Today, there are over 20 000 Starbucks shops in countries of the world. Since many international companies did not invest in South Africa during apartheid, South Africans were not exposed to the Starbucks coffee-drinking culture.

Today, with exposure in South Africa to cultures and businesses from all over the world, a uniquely South African style of coffee shop is becoming more and more popular. An example of such a coffee shop is Vida e Caffè, which has 51 outlets in South Africa. These outlets serve many different styles of coffee, such as lattes, cappuccinos, frozen coffees and espressos. They are trendy and fun, and they make a lot of money.

Suppose that in 1980s, the suburb of Cambridge in East London had one coffee shop called Theo's. Theo's only served normal filter coffee. Theo's coffee sales were doing well, so he decided to put up his prices. He also tried a December special, where he offered coffee at a lower price. When he charged R2,00 for a coffee for his special December offer, he would sell 300 coffees per month. At his normal price of R2,50 per coffee, he sold 200 coffees in a month. And when he put up his price to R3,00 a coffee, he sold 100 coffees a month.

- 1. Draw the demand curve showing the relationship between Theo's price and quantity demanded. (10)**

Fast forward to 2000. Theo's now has so much experience in the coffee shop trade that he decided to buy a franchise of the popular New York-style coffee shop chain, called Perc Up. He is still in the same East London suburb, but East Londoners have got to like the American style of drinking a wide variety of quality coffees in an upbeat location.

- 2. Analyse what has influenced the demand for coffee in Theo's town. (2)**
- 3. Describe four other factors that can influence demand, with an example of each. (8)**

Theo's business does well until 2005, when a plant disease attacks coffee plantations. It spreads throughout South America, where most of Perc Up's beans are grown. This affects supply.

4. What factor affecting supply is this an example of? (1)

Theo's sales drop as a result of the drop in supply. He has to do something to keep his business going, so he increases his prices as follows:

| Price | Quantity |
|--------|----------|
| R20,00 | 400 |
| R15,00 | 600 |
| R10,00 | 800 |

5. Draw the supply curve showing the relationship between price and quantity supplied after the plant disease affects Theo's capacity to supply coffees. (10)

6. Describe four other factors that affect supply, with an example of each. (8)

By 2007, the effects of the plant disease have passed. Business at Perc Up returns to normal. Theo wants to find the price at which his coffees will have a perfect balance in the market - the price at which demand and supply will be the same.

7. What is this price called? (1)

Theo spends some time analysing his business records and extracts the following figures about the relationship between demand, supply and price in his business:

| Demand for coffee | | Supply of coffee | |
|-------------------|----------|------------------|----------|
| Price | Quantity | Price | Quantity |
| R15,00 | 800 | R15,00 | 400 |
| R20,00 | 600 | R20,00 | 600 |
| R25,00 | 400 | R25,00 | 800 |

8. Draw a graph showing the equilibrium price for Perc Up. (10)

Formal Assessment Task 3

Term 3, to be completed by Week 5

Marks: 50

Type of task: Project

Economic and Management Sciences topic:

The economy

Topic 11: Trade unions

Resources

Photocopies of
assessment rubric

Curriculum and Assessment Policy Statement (CAPS) content

- The concept of trade unions
- A brief historical development of trade unions
- The roles and responsibilities of trade unions in South Africa
- The effect of trade unions in businesses
- The contribution of trade unions to sustainable growth and development.

Background

This project requires learners to:

- Find out about the trade unions that represent workers in businesses in their area. If they cannot find a business that has organised workers, they contact any trade union that operates in any business in your province.
- Work in groups to contact their chosen business; formulate questions to ask the business's shop steward about his or her trade union work; interview the shop steward at the business or at school and prepare a report about trade unions.

Outlining the task with the learners

- Allow time in Term 3, around Weeks 2 or 3, and after you have started Topic 11, to talk about this Formal Assessment Task with the learners.
- Read through the task with them and answer any queries.
- Allow learners one or two weeks to complete the project. Some of the work will be done during class time and some will be completed for homework.
- Remind the learners that they will be assessed both on their ability to work effectively as a group and on their individual reports.

Assessing the task

1. The detailed requirements of this task and guidelines for how you can assist the learners are below.
2. During the course of the project, carefully observe learners and make notes on their group participation and general behaviour

during the class activities and the interviews. These notes will assist you when you assess each group's performance.

3. Take in the learners' individual reports and mark them.
4. Use the rubric below to assess the learners' responses.
5. Record your assessments in the Formal Assessment Task 3 column on the Record sheet for Formal Assessment Tasks 1, 2 and 3 (page 297).

Rubric

| Rating code | Description of competence | Percentage |
|-------------|--|------------|
| 7 | Outstanding achievement: the group worked well together to formulate a questionnaire, asked the questions effectively and respectfully and each member of the group submitted a comprehensive, well-written report in time. | 80–100 |
| 6 | Meritorious achievement: the group worked well together to formulate a good questionnaire, asked questions respectfully, and each group member submitted a well-written report on time. | 70–79 |
| 5 | Substantial achievement: the group mostly worked well together to formulate a good questionnaire, asked questions respectfully, and most group members submitted well-written reports on time. | 60–69 |
| 4 | Adequate achievement: the group worked together to formulate an adequate questionnaire, asked questions respectfully, and some group members submitted reports on time. | 50–59 |
| 3 | Moderate achievement: the group struggled to work together, formulated a questionnaire that was not comprehensive, asked questions respectfully, and some group members submitted reports on time. | 40–49 |
| 2 | Elementary achievement: the group could not work together to formulate a comprehensive questionnaire. They relied on the shop steward to volunteer information and take the lead, and few group members submitted reports on time. | 30–39 |
| 1 | Not achieved: the group did not function, did not formulate a questionnaire or arrange a shop steward interview, and no reports were submitted. | 0–29 |

Part 1: Contact businesses to find out about their trade unions (class time) (5)

1. Help the learners to select and make contact with businesses in your area that are likely to have organised workers.
2. The shop steward is the person in a business who represents the organised workers and communicates with management on their behalf. Choose a business. Help the learners to find out who the shop steward is in that business and to make contact with him or her.

Part 2: Prepare a list of questions to ask the shop steward (homework) (15)

1. Learners will need to find out information about the following:
 - a. What is the name of the trade union that the shop steward represents?
 - b. How did the trade union come about? How long has it been running for?
 - c. What are the main worker concerns that the shop steward deals with?
 - d. How does the trade union act as a link between workers and management?
 - e. What kind of workers does the trade union represent – general workers, tradesmen, blue-collar workers or white-collar workers?
 - f. What are the roles and responsibilities of the trade union in the shop steward's specific business?

Learners write up their group's own list of questions based on the information they need to get and on the specific business they are researching. Guide the learners towards writing up questionnaires that will yield good results.

Part 3: Interview the shop steward (class time) (15)

1. Help the learners to set up a meeting with the shop steward at the business. Meet with the shop steward or arrange for the shop steward to come to your school to address you.
2. Learners listen carefully to what the shop steward has to say and make notes.

Part 4: Prepare a report about trade unions (homework) (15)

1. Each group member prepares an individual report about the questions their group asked and the answers they got.
2. They hand in the reports to you for assessment.

Formal Assessment Task 3

Formal Assessment Task 3 guideline follows. This must be photocopied for learners.

Formal Assessment Task 3

Project

Marks: 50

Trade unions

In this project, your group is required to find out about the trade unions that represent workers in businesses in your area. If you cannot find a business that has organised workers, contact any trade union that operates in any business in your province.

Part 1: Contact businesses to find out about their trade unions (class time). (5)

1. Your teacher will help you to select and make contact with businesses in your area that are likely to have organised workers.
2. The shop steward is the person in a business who represents the organised workers and communicates with management on their behalf. Choose a business. Your teacher will help you to find out who the shop steward is in that business and to make contact with him or her.

Part 2: Prepare a list of questions to ask the shop steward (homework). (15)

1. You will need to find out information about the following:
 - a. What is the name of the trade union that the shop steward represents?
 - b. How did the trade union come about? How long has it been running for?
 - c. What are the main worker concerns that the shop steward deals with?
 - d. How does the trade union act as a link between workers and management?
 - e. What kind of workers does the trade union represent – general workers, tradesmen, blue-collar workers or white-collar workers?
 - f. What are the roles and responsibilities of the trade union in the shop steward's specific business?

Write up your group's own list of questions based on the information you need to get and on the specific business you are researching.

Part 3: Interview the shop steward (class time). (15)

1. Your teacher will help you to set up a meeting with the shop steward at the business. Meet with the shop steward or arrange for the shop steward to come to your school to address you.
2. Listen carefully to what the shop steward has to say and make notes.

Part 4: Prepare a report about trade unions (homework).

(15)

1. Each group member prepares an individual report about the questions your group asked and the answers you got.
2. Hand in your report to your teacher for assessment.

Your teacher will use the following rubric to assess your project.

Rubric

| Rating code | Description of competence | Percentage |
|-------------|--|------------|
| 7 | Outstanding achievement: the group worked well together to formulate a questionnaire, asked the questions effectively and respectfully and each member of the group submitted a comprehensive, well-written report in time. | 80–100 |
| 6 | Meritorious achievement: the group worked well together to formulate a good questionnaire, asked questions respectfully, and each group member submitted a well-written report on time. | 70–79 |
| 5 | Substantial achievement: the group mostly worked well together to formulate a good questionnaire, asked questions respectfully, and most group members submitted well-written reports on time. | 60–69 |
| 4 | Adequate achievement: the group worked together to formulate an adequate questionnaire, asked questions respectfully, and some group members submitted reports on time. | 50–59 |
| 3 | Moderate achievement: the group struggled to work together, formulated a questionnaire that was not comprehensive, asked questions respectfully, and some group members submitted reports on time. | 40–49 |
| 2 | Elementary achievement: the group could not work together to formulate a comprehensive questionnaire. They relied on the shop steward to volunteer information and take the lead, and few group members submitted reports on time. | 30–39 |
| 1 | Not achieved: the group did not function, did not formulate a questionnaire or arrange a shop steward interview, and no reports were submitted. | 0–29 |

4. Tests and Examinations: Guidance

- Tests and examinations may include a variety of assessment styles such as multiple-choice questions, one-line answers, true-and-false questions, filling in the missing word, written paragraphs, labelling diagrams and doing calculations.
- Tests and examinations must be completed under strictly controlled conditions.
- The end-of-year examination for Grade 9 is set externally, and marked and moderated internally.

Tests and examinations must cater for a range of cognitive levels. The following is the suggested weighting for the Senior Phase:

| Cognitive levels | Activity | Percentage of task |
|------------------|---|--------------------|
| Lower order | Assessing knowledge and remembering | 30% |
| Middle order | Assessing understanding and application | 40% |
| Higher order | Analysing, evaluating and creating | 30% |

Controlled Test 1

Term 1, Week 10

Marks: 100

Economic and Management Sciences topics: Financial literacy

- Topic 2: Cash Receipts Journal and Cash Payments Journal (sole trader)
- Topic 4: General Ledger and Trial Balance (sole trader)

The economy

- Topic 3: Economic systems
- Topic 5: Circular flow

Resources

Teacher's Guide:
pages 82–90

A photocopy of the
test paper for each
learner

Curriculum and Assessment Policy Statement (CAPS) content

Content, knowledge and skills covered in Topics 2–5

Background

- You will find a photocopiable copy of Controlled Test 1 on pages 82–90 of this guide. Photocopy the test for each learner.
- The first controlled test focuses on all material covered in Term 1 and should be written in Week 10 of Term 1.
- These controlled tests follow a similar format as the examinations.

Outlining the task with the learners

- Ensure that learners are aware from the beginning of Term 1, and remind them regularly, that they will be assessed on content covered in Topics 2–5.
- Explain to the learners that controlled tests look the same and require the same preparation as examinations.

Assessing the task

1. You will find a photocopiable memorandum for Controlled Test 1 on pages 83–86 of this guide. You may photocopy this memorandum.
2. Mark the learners' tests according to this memorandum.
3. Record learners' marks in the Controlled Test 1 column on the Record sheet for Controlled Tests 1 and 3 (page 298).

Mid-year Examination

Term 2, Week 10

Marks: 100

Economic and Management Sciences topics:

Financial literacy

- Topic 2: Cash Receipts Journal and Cash Payments Journal (sole trader)
- Topic 4: General Ledger and Trial Balance (sole trader)
- Topic 7: Credit transactions: Debtors (1)

The economy

- Topic 3: Economic systems
- Topic 5: Circular flow
- Topic 8: Price theory

Entrepreneurship

- Topic 9: Sectors of the economy

Resources

Learner's Book
pages 110–114

Teacher's Guide
pages 123–125

Curriculum and Assessment Policy Statement (CAPS) content

Content, knowledge and skills covered in Terms 1–2

Background

The mid-year examination focuses on all material covered in Terms 1 and 2 and the questions require lower-order, middle-order and higher-order thinking skills from the learners. The examination is divided into two sections as follows:

- Section A: All questions are compulsory and they require short, direct answers that range from one word to a sentence in length. Learners apply their knowledge of content learnt thus far in a combination of ways (40 marks).
- Section B: All questions are compulsory and learners are required to answer questions to show understanding of content and solve problems using the financial accounting they have learnt, in different case studies/scenarios (60 marks).

Outlining the task with the learners

- At the beginning of Term 2, spend some time discussing with the learners what material they will need to cover for the examination.
- In Weeks 4 or 5 of Term 2, spend some time discussing the format of the examination with the learners, including how much time they will be given to complete it. You can refer to the notes in 'Background' above to help you with this explanation.

- In Weeks 9–10 of Term 2, spend time preparing for the examination.
- Explain that the way the examination is structured means that they will not be able to leave out any sections of work as they prepare for it.

The task

- The learners will find an examination practice paper on pages 110–114 of the Learner’s Book. The marking memorandum to this paper appears on pages 123–125 of this guide (Section 2).
- Use the format of this mid-year examination practice paper to prepare an actual mid-year examination paper. Refer to the guidelines here and in the CAPS document to help you. The Learner’s Book also has a Study skills section that might be useful.

Assessing the task

1. Formulate a memorandum for the examination.
2. Mark the learners’ exams according to this memorandum.
3. Record learners’ marks in the Mid-year examination column on the Record sheet for Mid-year and End-of-year examinations (page 299).

Controlled Test 2

Term 3, Week 10

Marks: 100

Economic and Management Sciences topics:

The economy

- Topic 11: Trade unions

Financial literacy

- Topic 12: Credit transactions: Debtors (2)
- Topic 13: Credit transactions: Creditors (1)
- Topic 15: Credit transactions: Creditors (2)

Entrepreneurship

- Topic 14: Functions of a business

Resources

Teacher's Guide:
pages 192–198

A photocopy of the
test paper for each
learner

Curriculum and Assessment Policy Statement (CAPS) content

Content, knowledge and skills covered in Topics 11–15

Background

- You will find a photocopiable copy of Controlled Test 2 on pages 185–188 of this guide. Photocopy the test for each learner.
- The second controlled test focuses on all material covered in Term 3 and should be written in Week 10 of Term 3.
- These controlled tests follow a similar format as the examinations.

Outlining the task with the learners

- Ensure that learners are aware from the beginning of Term 3, and remind them regularly, that they will be assessed on content covered in Topics 11–15.
- Explain to the learners that controlled tests look the same and require the same preparation as examinations.

Assessing the task

1. You will find a photocopiable memorandum for Controlled Test 2 on pages 195–198 of this guide. You may photocopy this memorandum.
2. Mark the learners' tests according to this memorandum.
3. Record learners' marks in the Controlled Test 2 column on the Record sheet for Controlled Tests 1 and 2 (page 298).

End-of-year Examination

Term 4, Weeks 8-10

Marks: 200

Economic and Management Sciences topics:

Financial literacy

- Topic 2: Cash Receipts Journal and Cash Payments Journal (sole trader)
- Topic 4: General Ledger and Trial Balance (sole trader)
- Topic 7: Credit transactions: Debtors (1)
- Topic 12: Credit transactions: Debtors (2)
- Topic 13: Credit transactions: Creditors (1)
- Topic 15: Credit transactions: Creditors (2)
- Topic 17: Transactions: Cash and credit

The economy

- Topic 3: Economic systems
- Topic 5: Circular flow
- Topic 8: Price theory
- Topic 11: Trade unions

Entrepreneurship

- Topic 9: Sectors of the economy
- Topic 14: Functions of a business
- Topic 18: Business plan

Resources

Learner's Book
pages 258–268

Teacher's Guide
pages 259–264
and 292–317

A photocopy of
the end-of-year
examination paper
for each learner

Curriculum and Assessment Policy Statement (CAPS) content

Content, knowledge and skills covered in Terms 1–4

Background

The end-of-year examination focuses on all material covered during the year and the questions require lower-order, middle-order and higher-order thinking skills from the learners. The examination is divided into four sections as follows:

- Section A: Covers all the topics
All questions are compulsory and they require short, direct answers that range from one word to a phrase or a full sentence in length (60 marks).
- Section B: Topic: The economy
All questions are compulsory and they require learners to present and apply their knowledge and skills in answers that range from short, direct responses, full sentences in point form to extended writing in short paragraphs (40 marks).

- Section C: Topic: Financial literacy
All questions are compulsory and learners are required to answer questions to show understanding of content and solve problems using the financial accounting they have learnt, in different scenarios (60 marks).
- Section D: Topic: Entrepreneurship
All questions are compulsory and learners are required to use their knowledge and skills to apply content to case studies and real-life scenarios (40 marks).

Outlining the task with the learners

- At the beginning of Term 4, spend some time discussing with the learners what material will need to be covered by them in the examination.
- In Week 4 of Term 4, spend some time reminding learners about the format of the examination, including how much time they will be given to complete it. You can refer to the notes in 'Background' above to help you with this explanation.
- In Weeks 8–9 of Term 4, spend time preparing for the examination.
- Explain that the way the examination is structured means that they will not be able to leave out any sections of work as they prepare for it.

The task

- The learners will find an examination practice paper on pages 258–268 of the Learner's Book. The marking memorandum to this paper appears on pages 259–264 of this guide (Section 2).
- An end-of-year examination paper for the actual examination appears on pages 302–312 of this guide (Section 4). Photocopy this examination paper for the learners.

Assessing the task

1. You will find a photocopiable memorandum for the actual end-of-year examination on pages 313–317 of this guide (Section 4). You may photocopy this memorandum.
2. Mark the learners' exams according to this memorandum.
3. Record learners' marks in the End-of-year examination column on the Record sheet for Mid-year and End-of-year examinations (page 299).

5. Recording and reporting

The results of all Formal Assessment Tasks, tests and examinations should be recorded and are used for reporting on learners' performance each term.

Recording is a process by which you document the level of a learner's performance in a specific assessment task. Records of learner performance should provide evidence of the learner's conceptual progression within a grade and her or his readiness to progress or be promoted to the next grade. Records of learner performance should also be used to verify the progress made by yourself and your learners in the teaching and learning process.

The Programme of Assessment (pages 268–269) details how a learner's Economic and Management Sciences mark per term is arrived at.

The following photocopiable assessment recording tools are provided in this section:

- Record sheet for Formal Assessment Tasks 1, 2 and 3
- Record sheet for Controlled Tests 1 and 2
- Record sheet for Mid-year and End-of-year examinations
- Economic and Management Sciences assessment record sheet

Reporting is a process of communicating learner performance to learners, parents, schools, and other stakeholders. Learner performance can be reported in a number of ways. These include report cards, parents' meetings, school visitation days, parent-teacher conferences, phone calls, letters, class or school newsletters, etc. Marks in all subjects must be recorded in percentages. Reporting on learners' progress in Economic and Management Sciences should be done using the following seven rating codes and descriptors:

| Rating code | Description of competence | Percentage |
|-------------|---------------------------|------------|
| 7 | Outstanding achievement | 80-100 |
| 6 | Meritorious achievement | 70-79 |
| 5 | Substantial achievement | 60-69 |
| 4 | Adequate achievement | 50-59 |
| 3 | Moderate achievement | 40-49 |
| 2 | Elementary achievement | 30-39 |
| 1 | Not achieved | 0-29 |

4. Resources

- | | |
|---|------------|
| 1. Actual end-of-year examination paper and marking memorandum | 302 |
| 2. PowerPoint CD | 318 |
| 3. List of useful reading material and Internet resources | 319 |
| 4. Glossary for teachers | 320 |
| 5. Lesson plan template | 324 |

1. Actual end-of-year examination paper and marking memorandum

| | | |
|---------------|-------------------------|------------------|
| GRADE 9 | END-OF-YEAR EXAMINATION | TERM 4 |
| TIME: 2 HOURS | | TOTAL: 200 MARKS |

SECTION A QUESTION 1 TASK

[20 marks; 12 minutes]

Choose the correct answer and write down only the correct letter next to the number.

1.1 A product is sold at R1 200 with a mark-up of 25%. The cost price of this product was:

- A: R300
- B: R960
- C: R1 500
- D: R900

1.2 What source document is used to enter the transaction in our books when we purchase goods for cash?

- A: Original invoice
- B: Duplicate invoice
- C: Receipt
- D: Cheque counterfoil

1.3

| Dr | | | | Cost of Sales | | | | Cr | | | |
|------|---------------|------|----------|---------------|---------|------|--------|----|--|--|--|
| Date | Details | Fol. | Amount | Date | Details | Fol. | Amount | | | | |
| | Trading stock | CRJ | 1 480 00 | | | | | | | | |
| | | | | | | | | | | | |

A reason for the entry in the above-mentioned account:

- A: Merchandise is sold for cash
- B: Profit on the merchandise sold
- C: Cost of merchandise sold for credit
- D: Cost of merchandise sold for cash

1.4 The following is not an advantage of the market economy:

- A: Can adapt to change quickly
- B: Consumers have a wide variety of products and services to choose from
- C: Big businesses have great degree of control
- D: There is economic freedom

1.5 The following are businesses in the primary sector:

- A: Farming
- B: Food factories
- C: Hospitals
- D: Construction

1.6 A Trial Balance is:

- A: A list of balances drawn up before completing the General Ledger
- B: A list of balances drawn up after completing the General Ledger
- C: A list of incomes drawn up before completing the General Ledger
- D: A list of expenses drawn up before completing the General Ledger

1.7 Which one is not correct: The law of supply and demand states the following:

- A: Demand rises, price rises
- B: Supply falls, price rises
- C: Demand falls, price rises
- D: Demand rises, price falls

1.8 In South Africa there are unions for:

- A: General workers
- B: Artisans
- C: Blue- and white-collar workers
- D: All of the above

1.9 The marketing plan of your business plan should contain the following:

- A: Target market
- B: Initial costs
- C: Breakeven point
- D: Profit percentages

1.10 The general management function is not responsible for the following:

- A: Administration of staff leave
- B: High-level planning
- C: Planning, organising and controlling resources
- D: Manage all the other managers in the business (10 × 2 = 20)

QUESTION 2**[10 marks; 6 minutes]****TASK**

Indicate whether the following statements are TRUE or FALSE. Only write the number and TRUE or FALSE.

- 2.1 When you sell on credit, you will be able to sell more stock, because customers do not have to wait until they have cash to buy.
- 2.2 The most important income of a business concern is current income.
- 2.3 In the economic cycle, goods and services, money and factors of production flow through the economy.
- 2.4 A unique selling point is a quality of a product or service that makes consumers buy that product or service instead of others.
- 2.5 There are nine business functions, usually performed by different departments in the business. (5 × 2 = 10)

QUESTION 3**[20 marks; 12 minutes]****TASK**

Match the term in Column A to the explanation in Column B. Only write the number and letter from each column.

| Column A | | Column B | |
|----------|--------------------------|----------|---|
| 3.1 | Economic problem | A | Actions designed to attract the interest of the public |
| 3.2 | Collective bargaining | B | Are repaid within a period of one year |
| 3.3 | Current liabilities | C | Stop working to force management to increase your wages and improve your working conditions |
| 3.4 | Projection | D | The amount supplied is greater than the amount demanded |
| 3.5 | Market equilibrium price | E | Incur a cost to obtain an income |
| 3.6 | Expense | F | How to satisfy unlimited needs and wants with limited resources |
| 3.7 | Publicity | G | Owner's interest in the business |
| 3.8 | Trading stock | H | An estimate of what will happen in the future based on how things are in the present |
| 3.9 | Balance | I | A process where workers and businesses negotiate working conditions |
| 3.10 | Strike | J | The price at which the supply of and demand for a product is the same |
| | | K | Established to protect and promote workers' rights |
| | | L | Difference between the debit and credit sides of an account in the General Ledger |
| | | M | Goods that are being traded |

(20)

QUESTION 4

[10 marks; 6 minutes]

TASK

Fill in the missing words. Choose from the following.

earn, produce, spend, collect, profit, taxes, sell, spend, distribute

- 4.1 Businesses _____, _____ and _____ goods and services.
- 4.2 The main objective of a business is to make a _____.
- 4.3 Workers help to _____ goods and services.
- 4.4 Workers _____ money.
- 4.5 Workers then _____ money.
- 4.6 The government _____ money through _____.
- 4.7 The government then _____ money to improve people's lives. (10)

SECTION B

QUESTION 5

[19 marks; 11 minutes]

TASK

Answer the following questions.

- 5.1 List the THREE main economic systems used by all countries and discuss each one briefly. (9)
- 5.2 Explain what is meant by a closed economy. (2)
- 5.3 List the FIVE participants of the economic cycle in a closed economy. (5)
- 5.4 What is consumed and produced by the government in the economic cycle? (3)
- (19)

QUESTION 6**[9 marks; 5 minutes]****TASK**

Complete the following table.

| | Demand | Supply | Price |
|--|--------|--------|-------|
| Example: Why do people buy more grapes in December than in July? | High | High | Low |
| Why are oranges more expensive in December than in July? | | | |
| Why is holiday accommodation more expensive in the peak holiday season? | | | |
| Why do clothing stores have sales at the end of the summer and winter seasons? | | | |

(9)

QUESTION 7**[12 marks; 7 minutes]****TASK**

Read the information below and answer the questions.

A trade union is an organisation founded by workers to take care of their economic and social interests. In the late 1980s, large numbers of people in South Africa joined the main trade unions, namely the Congress of South African Trade Unions (COSATU), the National Council of Trade Unions and the Federation of South African Trade Unions. There is close cooperation between the trade unions in South Africa to bring about political, economic and social changes.

7.1 Name THREE roles of trade unions.

(6)

7.2 State THREE responsibilities of trade unions.

(6)

[12]

SECTION C
QUESTION 8

[35 marks; 21 minutes]

The subsidiary journals of Lenro Traders for April 2014 have been recorded and concluded. Column totals of the subsidiary journals are given.

TASK

Post the items to the following accounts as provided on your answer sheet.

Balances, among others, on 1 April 2014

| | |
|-------------------|---------|
| Trading stock | R8 800 |
| Debtors control | R12 328 |
| Creditors control | R9 456 |
| Wages | R478 |
| Sales | R79 706 |

NOTE: Balance the *Trading Stock* and *Creditors Control* accounts only. No other additions or balancing are required. Folio numbers must be indicated in all ledger accounts.

COLUMN TOTALS FOR APRIL 2014

Cash Receipts Journal of Lenro Traders for April 2014

CRJ2

| Bank | Sales | Cost of sales | Debtors control | Sundry accounts |
|------------|------------|---------------|-----------------|-----------------|
| R11 933,00 | R11 310,00 | R9 048,00 | R? | R180,00 |

Cash Payments Journal of Lenro Traders for April 2014

CPJ2

| Bank | Trading stock | Wages | Creditors control | Sundry accounts |
|------------|---------------|---------|-------------------|-----------------|
| R11 300,00 | R3 139,00 | R999,00 | R6 085,00 | R1 077,00 |

Debtors Journal of Lenro Traders for April 2014

DJ2

| Sales | Cost of sales |
|---------|---------------|
| R443,00 | R354,00 |

Creditors Journal of Lenro Traders for April 2014

CJ2

| Creditors control | Packing material | Trading stock | Sundry accounts |
|-------------------|------------------|---------------|-----------------|
| R? | R555,00 | R5 948,00 | R666,00 |

General Ledger of Lenro Traders

| Dr | | | | Debtors Control | | | | Cr | | | |
|------|--|---------|------|-----------------|--|------|--|---------|------|--------|--|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |

(6)

| Dr | | | | Trading Stock | | | | Cr | | | |
|------|--|---------|------|---------------|--|------|--|---------|------|--------|--|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |

(12)

| Dr | | | | Creditors Control | | | | Cr | | | |
|------|--|---------|------|-------------------|--|------|--|---------|------|--------|--|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |

(9)

| Dr | | | | Sales | | | | Cr | | | |
|------|--|---------|------|--------|--|------|--|---------|------|--------|--|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |

(5)

| Dr | | | | Wages | | | | Cr | | | |
|------|--|---------|------|--------|--|------|--|---------|------|--------|--|
| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |
| | | | | | | | | | | | |

(3)

[35]

QUESTION 9**[10 marks; 6 minutes]**

Study the following account of T West, a creditor, as it appears in the Creditors Ledger of Martin Limited for October 2014. Some information has been omitted.

TASK

Answer the questions that follow.

Information

The following balances appear in the list of creditors on 30 September 2014.

| | |
|-------------------|--------|
| Z East | R1 520 |
| Creditors control | R2 690 |
| U South | R120 |
| T West | R? |
| K Winters | R570 |

Creditors Ledger of Martin Limited**T West****C3**

| Day | Details/Document no. | Fol. | Debit | Credit | Balance |
|--------|----------------------|------|--------|--------|---------|
| 2014 | | | | | |
| Oct 01 | Account rendered | | | | R? |
| 05 | Invoice no. 25 | | | | R? |
| 20 | Cheque no. 38 | | | | R? |
| 25 | Invoice no. 30 | | | | R? |
| 31 | Cheque no. 45 | | 550,00 | | 550,00 |

9.1 Calculate the amount owed by T West on 1 October 2014.

9.2 The goods purchased from T West were invoiced on 5 October at R1 040. A trade discount of 5% must still be taken into account. Calculate the invoice amount.

9.3 Name the account to be debited and the account to be credited for the transaction of the 20th.

9.4 Calculate the amount paid to T West on the 20th if the account is paid in full.

9.5 What was the amount of invoice no. 30, received from T West for stationery purchased on the 25th? (10)

QUESTION 10**[15 marks; 9 minutes]****TASK**

Show what effect the following transactions have on the accounting equation.

- Debtor A Cronjé settled his account by cheque, R580.
- Sold merchandise on credit to C Buck, R720 (cost price R450).
- Withdraw a cheque for R800 for the owner's personal use.

| ASSETS | | EQUITY | | LIABILITIES | |
|--------|--------|--------|--------|-------------|--------|
| Effect | Reason | Effect | Reason | Effect | Reason |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

(15)

SECTION D
QUESTION 11
TASK

[15 marks; 9 minutes]

Study the table below from the SARS website and answer the questions.

TOP TEN IMPORT COMMODITIES FOR NOVEMBER 2008

| No. | Description | Value |
|-----|--|----------------|
| 1. | Crude oil | R7 192 908 141 |
| 2. | Gold, monetary | R5 552 008 727 |
| 3. | Plane with an unloaded mass of a maximum 15 000 kg | R1 366 075 664 |
| 4. | Original equipment components for vehicles | R1 242 768 905 |
| 5. | Telephones for cellular networks | R1 131 588 222 |
| 6. | Refined copper | R796 888 333 |
| 7. | Copper ore | R766 585 686 |
| 8. | Electrical energy | R557 587 948 |
| 9. | Motor vehicles with a specific cylinder capacity | R555 762 951 |
| 10. | Distillate fuel | R526 869 408 |

- 11.1 Which of the imported goods fall under the primary sector? (2)
- 11.2 South Africa imports most of its goods from the _____ sector. (2)
- 11.3 From the above table it is clear that South Africa does not have a strong manufacturing sector. Explain why it is important to have a strong manufacturing sector. (2)
- 11.4 South Africa exports mainly metals and minerals. Name THREE metals or minerals that South Africa exports. (3)
- 11.5 South Africa also exports agricultural products such as wheat and maize. Name TWO circumstances when you think South Africa will import agricultural products. (4)
- 11.6 Why do you think South Africa has to import crude oil? (2)

[15]

QUESTION 12**[11 marks; 7 minutes]****TASK**

Certain business functions appear below. There is also a list of responsibilities. Clarify the responsibilities and write them next to the correct business function.

| DEPARTMENT | RESPONSIBILITIES |
|---------------------------|------------------|
| FINANCE | 1. 2. |
| PRODUCTION and PURCHASING | 1. 2. |
| MARKETING | 1. 2. |
| ADMINISTRATION | 1. 2. |
| HUMAN RESOURCES | 1. 2. |
| PUBLIC RELATIONS | 1. |

(11)

List of responsibilities

- a. Chooses the person with the best qualifications for the job
- b. Promotes a positive public image of the company
- c. Buys stock from the best suppliers at the lowest possible cost
- d. Answers the telephone and emails
- e. Chooses the best method of production for the goods
- f. Advertises the goods
- g. Manages the cash flow of the business
- h. Works with unions
- i. Finds the target market for the goods
- j. Does all the filing
- k. Keeps the assets of the business safe

QUESTION 13**[14 marks; 9 minutes]****TASK**

Read the case study and answer the questions.

In January, Patrick makes 25 security gates. The material costs him R11 250 ($R450 \times 25$ gates). He pays himself R150 for each gate he makes, so his total labour cost is R3 750. He pays R2 500 rent per month for his premises and electricity costs him R250 per month. He pays his younger brother R400 per month to do his bookkeeping, and advertising costs him R250 per month. Many of the costs (rent, advertising, his brother's salary) remain the same regardless of how many gates Patrick makes. These are the **FIXED COSTS** of the business. Other costs (raw materials and his own labour) vary, depending on how many gates he makes. These are called **VARIABLE COSTS**.

Total costs of production = fixed costs + variable costs

13.1 Calculate Patrick's costs for making 25 gates using this example:

| | |
|-----------------------|---------------|
| FIXED COSTS | |
| Rent | R2 500 |
| Electricity | R250 |
| Bookkeeping | R400 |
| Advertising | R250 |
| Total fixed costs | R_____ |
| VARIABLE COSTS | |
| Materials | R11 250 |
| Labour | R3 750 |
| Total variable costs | R_____ |
| TOTAL COSTS | R_____ |

(3)

13.2 Now calculate Patrick's costs if he makes 40 gates. (6)

13.3 Calculate the unit cost if he makes 40 gates a month. Work out his profit on each gate if he sells them at R1 000 each. (2)

13.4 Does Patrick make more or less profit on the gates if he only makes 25? Explain the difference. (3)

[14]

TOTAL: 200 MARKS

SECTION A**QUESTION 1**

1.1 B ✓✓

1.2 D ✓✓

1.3 D ✓✓

1.4 C ✓✓

1.5 A ✓✓

1.6 B ✓✓

1.7 C ✓✓

1.8 D ✓✓

1.9 A ✓✓

1.10 A ✓✓

(10 × 2 = 20)

QUESTION 2

2.1 True ✓✓

2.2 False ✓✓

2.3 True ✓✓

2.4 True ✓✓

2.5 False ✓✓

(5 × 2 = 10)

QUESTION 3

3.1 F ✓✓

3.2 I ✓✓

3.3 B ✓✓

3.4 H ✓✓

3.5 J ✓✓

3.6 E ✓✓

3.7 A ✓✓

3.8 M ✓✓

3.9 L ✓✓

3.10 C ✓✓

(10 × 2 = 20)

QUESTION 4

4.1 collect, sell and distribute ✓✓✓

4.2 profit ✓

4.3 produce ✓

4.4 earn ✓

4.5 spend ✓

4.6 earn, taxes ✓✓

4.7 spends ✓

(10 × 1 = 10)

SECTION B**QUESTION 5**

5.1 Market economic system: ✓

Government does not play an active role ✓

All economic decisions are made by private individuals ✓

Planned economic system: ✓
 All land and capital owned by the government ✓
 Government takes all economic decisions and receives all profit ✓

Mixed economic system: ✓
 Mixture of private and government control of the economy ✓✓
 (9)

5.2 A closed economy does not trade with other economies; has little or no interaction with other national economies. (2)

5.3 Households ✓
 Businesses ✓
 Government ✓
 Goods and services market ✓
 Factor market ✓ (5)

5.4 Government consumes money ✓ from households and businesses through taxation and produces goods ✓ and services ✓ to businesses and households. (3)
 [19]

QUESTION 6

| | Demand | Supply | Price |
|--|--------|--------|--------|
| Example: Why do people buy more grapes in December than in July? | High | High | Low |
| Why are oranges more expensive in December than in July? | High ✓ | Low ✓ | High ✓ |
| Why is holiday accommodation more expensive in the peak holiday season? | High ✓ | Low ✓ | High ✓ |
| Why do clothing stores have sales at the end of the summer and winter seasons? | Low ✓ | High ✓ | Low ✓ |

(9)

QUESTION 7

7.1 Role of trade unions: Unions can organise the following:

- Workers can stop working and strike.
- Workers can stop working overtime or work less overtime.
- Workers can advertise their problems with posters and protests.
- Workers can picket – they can stand outside a workplace and try to prevent people going into or out of the building.

- Negotiate with employers through collective bargaining to improve their members' wages, benefits and working conditions and to manage retrenchments.
- Work to get the government to pass laws that will improve their members' lives.
- Provide professional training, legal advice and legal representation for their members.
- Organise industrial action.
- Represent workers' interests during disputes with employers.
- Work with employers to get employees a greater say in the decisions that management makes. (any 3 × 2 = 6)

7.2 Responsibilities of trade unions:

- Negotiate with employers to improve their members' working conditions.
- Try to attract new trade union members.
- Not force anyone into joining a trade union.
- Make decisions based on a secret vote by all their members.
- Ensure that all industrial action is lawful and peaceful.
- Make reasonable demands on the employers.
- Help to settle disputes between employers and employees.
- Help to bring about peaceful workplaces. (any 3 × 2 = 6)

SECTION C QUESTION 8

General Ledger of Lenro Traders

| Dr | | | | | Debtors Control | | | | | Cr | |
|------|----|---------|------|-------------|-----------------|----|---------|------|--------|----|--|
| Date | | Details | Fol. | Amount | Date | | Details | Fol. | Amount | | |
| 2014 | | | | | 2014 | | | | | | |
| Apr | 01 | Balance | b/d | ✓ 12 328 00 | Apr | 30 | Bank ✓ | CRJ2 | 443 ✓✓ | 00 | |
| | 30 | Sales ✓ | DJ2 | ✓ 443 00 | | | | | | | |

(6)

| Dr | | | | | Trading Stock | | | | | Cr | |
|------|----|---------------------|------|------------|---------------|----|-----------------|------|-------------|----|--|
| Date | | Details | Fol. | Amount | Date | | Details | Fol. | Amount | | |
| 2014 | | | | | 2014 | | | | | | |
| Apr | 01 | Balance | b/d | ✓ 8 800 00 | Apr | 30 | Cost of sales ✓ | CRJ2 | ✓ 9 048 00 | 00 | |
| | 30 | Bank ✓ | CPJ2 | ✓ 3 139 00 | | | Cost of sales ✓ | DJ2 | ✓ 354 00 | 00 | |
| | | Creditors control ✓ | CJ2 | ✓ 5 948 00 | | | Balance | c/d | ✓✓ 8 485 00 | 00 | |
| | | | | 17 887 00 | | | | | 17 887 00 | 00 | |
| 2014 | | | | | | | | | | | |
| May | 01 | Balance | b/d | ✓ 8 485 00 | | | | | | | |

(12)

Dr Creditors Control Cr

| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | |
|-------------|----|---------|------|-----------|----|-------------|----|--------------------|------|----------|----|
| 2014 Apr | 30 | Bank ✓ | CPJ2 | ✓ 6 085 | 00 | 2014 Apr | 01 | Balance | b/d | ✓ 9 456 | 00 |
| | | Balance | c/d | ✓✓ 10 540 | 00 | | 30 | Sundry purchases ✓ | CJ2 | ✓✓ 7 169 | 00 |
| | | | | 16 625 | 00 | | | | | 16 625 | 00 |
| | | | | | | 2014 May | 01 | Balance | b/d | ✓ 10 540 | 00 |

(9)

Dr Sales Cr

| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | |
|------|--|---------|------|--------|--|-------------|----|-------------------|------|----------|----|
| | | | | | | 2014 Apr | 01 | Balance | b/d | ✓ 79 706 | 00 |
| | | | | | | | | Bank ✓ | CRJ2 | ✓ 11 310 | 00 |
| | | | | | | | | Debtors control ✓ | DJ2 | ✓ 443 | 00 |

(5)

Dr Wages Cr

| Date | | Details | Fol. | Amount | | Date | | Details | Fol. | Amount | |
|-------------|----|---------|------|--------|----|------|--|---------|------|--------|--|
| 2014 Apr | 01 | Balance | b/d | ✓ 478 | 00 | | | | | | |
| | 30 | Bank ✓ | CPJ2 | ✓ 999 | 00 | | | | | | |

(3)

[35]

QUESTION 9

9.1 R480 ✓✓

9.2 R988 ✓✓

9.3 Debit: Creditors control ✓ Credit: Bank ✓

9.4 R1 468 ✓✓

9.5 R1 100 ✓✓

(10)

QUESTION 10

| ASSETS | | EQUITY | | LIABILITIES | |
|-----------|---------------------------|---------|------------|-------------|--------|
| Effect | Reason | Effect | Reason | Effect | Reason |
| 1. +580 ✓ | Cash increases ✓ | | | | |
| -580 ✓ | Debtors decrease ✓ | | | | |
| 2. +720 ✓ | Debtors increase ✓ | +270 ✓✓ | Profit ✓ | | |
| -450 ✓ | Trading stock ✓ decreases | | | | |
| 3. -800 ✓ | Cash decreases ✓ | -800 ✓ | Drawings ✓ | | |

(15)

SECTION D

QUESTION 11

- 11.1 Crude oil ✓✓
- 11.2 Secondary sector ✓✓
- 11.3 South Africa needs to export more manufacturing goods to achieve sustainable economic growth. We cannot compete in international trade if we do not have a successful manufacturing sector. ✓✓
- 11.4 Gold, copper, platinum, iron ore, coal (any ✓✓✓✓)
- 11.5 If there has been a drought or a crop failure, or when demand exceeds supply. (any $2 \times 2 = 4$)
- 11.6 SA does not have oil deposits. Oil is very important to an economy. ✓✓ [15]

QUESTION 12

| DEPARTMENT | RESPONSIBILITIES |
|---------------------------|---|
| FINANCE | 1. Manages the cash flow of the business ✓ 2. Keeps the assets of the business safe ✓ |
| PRODUCTION and PURCHASING | 1. Buys stock from the best suppliers at the lowest possible cost ✓ 2. Chooses the best method of production for the goods ✓ |
| MARKETING | 1. Advertises the goods ✓ 2. Finds the target market for the goods ✓ |
| ADMINISTRATION | 1. Answers the telephone and e-mails ✓ 2. Does all the filing ✓ |
| HUMAN RESOURCES | 1. Chooses the person with the best qualifications for the job ✓ 2. Works with unions ✓ |
| PUBLIC RELATIONS | 1. Promotes a positive public image of the company ✓ |

(11)

QUESTION 13

13.1 $R3\,400✓ + R15\,000✓ = R18\,400✓$

13.2 Total costs of production = Fixed costs + Variable costs
 $= R3\,400✓ + R18\,000✓✓ + R6\,000✓✓$
 $= R27\,400✓$

13.3 $\frac{27\,400✓}{40} = R685$ per gate
 $R1\,000 - R685 = R315✓$

13.4 $\frac{R18\,400}{25} = R736✓$

$R1\,000 - R736 = R264$

If he makes 25, he makes less profit; R264 instead of R315.

He should rather make 40 gates. ✓✓

(14)

TOTAL: 200 MARKS

2. PowerPoint CD

This Teacher's Guide comes with a CD that provides MS PowerPoint slides for some of the Economic and Management Sciences lessons.

3. List of useful reading material and Internet resources

1. Read as much literature as you can that is relevant to Economic and Management Sciences:
 - Financial magazines e.g. *Financial Mail*
 - Financial newspapers e.g. *Business Day* and the financial sections in newspapers e.g. Personal Finance section in the *Sunday Times*
 - Internet websites dealing with national and international financial and economic matters, especially entrepreneurs and entrepreneurship
 - *National Geographic* for information on people and their life circumstances around the world
2. Stay abreast of current affairs and events that impact the South African and global economies e.g. natural disasters, economic changes, industrial action, financial crises and the development of the emerging economies of Brazil, Russia, India, China and South Africa (the BRICS countries).
3. The Congress of South African Trade Unions (Cosatu) website is a good place to start reading about trade unions: <http://www.cosatu.org.za/>. Visit the offices of local trade unions in your area.
4. Access a copy of the Labour Relations Act (LRA) and Constitution of South Africa at <http://www.gov.za/documents/download.php?f=161934> (LRA) and <http://www.gov.za/documents/constitution/1996/constitution.pdf> (SA Constitution)
5. Department of Labour's website: <https://www.labour.gov.za/>. Contact your local government office.
6. Commission for Conciliation, Mediation and Arbitration (CCMA): <http://www.ccma.org.za/>, 0861 16 16 16 or info@ccma.org.za.

4. Glossary for teachers

accountability – the acknowledgement and assumption of responsibility for your actions, duties and decisions. Someone who is accountable should be able to justify and explain his/her decisions and actions

accounting concepts – words that are used in accounting (e.g. assets, owner's equity, liabilities)

accounting cycle – steps that are followed from the initiating of a transaction to the final reporting on it

accounting equation – $\text{assets} = \text{owner's equity} + \text{liabilities}$

acquisition and disposal of tangible assets – the purchase and sale of fixed assets

administrative costs – the costs incurred in administering a manufacturing business

Balance Sheet – a statement that reflects the financial position of the business on a specific date

books of first entry – all subsidiary journals (Cash, Debtors, Creditors and General Journals, etc.)

break-even point – the point when the cost of the number of units of a good produced equals the total sales of that good sold, with no loss or profit to the business

business cycle – the fluctuation of economic activity in the economy (sometimes with no regular intervals)

business plan – an action plan that entrepreneurs draw up for the purpose of starting a business

cash budget – cash forecast of future cash receipts and payments, setting out the expected cash receipts and cash payments over the budget period

circular flow – the flow of goods and services in one direction and money in another and opposite direction, between consumers, businesses, the public sector and the foreign sector

close corporation – a form of ownership (according to Act 74 of 1984)

code of ethics – a written set of rules and guidelines which outline the moral standards and ethical principles to be followed by an organisation and all of its members

company – a form of ownership (according to Act 61 of 1973 as amended)

consumer – someone who uses goods and services to satisfy wants

consumable goods – items that are used up (consumed) during the financial year, such as stationery, packaging and cleaning materials

contemporary – existing at the present time

cost principles – the methods used to classify and determine costs (e.g. direct cost, indirect cost)

creditors payment schedules – timelines to pay creditors

current accounting practices – current accounting practice in South Africa, determined by the various Acts of Parliament and GAAP

cycle – the oscillation of the values of economic variables around a secular trend line

debtors collection schedules – timelines for receipt of payments from debtors

depreciation – a decrease in the value of an asset over a period of time

direct labour costs – the salaries and wages paid to the employees who are directly involved in the manufacture of a good

direct material costs – the costs of all the raw materials that are used directly in the manufacture of a good

discuss – compare a number of possible views about an issue or problem and weigh up their relative importance

drawings – cash or other assets that the owner withdraws from the business

economic empowerment – enhancing the ability of people to take control of their lives and make responsible economic decisions

economic growth – an increase in the economic activity of the country which results in a rise in the standard of living

economy – an area in which production, consumption and exchange takes place

employee contributions – money deducted from the employee's salary towards a particular fund (e.g. medical aid, Unemployment Insurance Fund)

employer contributions – additional contributions by the employer towards the various employee funds (e.g. Unemployment Insurance Fund)

entrepreneur – a person with a good idea who combines the factors of production to produce goods and services

ethics – the moral values and principles that set the standards of good and proper conduct for people and organisations

evaluate – compare a number of views about an issue or problem and weigh up their relative importance (like discuss); a final judgement is essential

examine – break down a problem or an issue in order to understand it

exchange – trading goods and services for money

externality – third-party effect; a consequence of an economic activity which affects other parties without this being reflected in market prices

factors of production – the physical, financial and human resources used in production

final accounts – accounts that are prepared for the determination of profit or loss and the distribution of these in accordance with accounting practice

financial accounting – financial information primarily for internal use

financial period – a predetermined timeline for financial activities

financial statement – final report reflecting financial results and position for a given period in accordance with accounting practice

fixed costs – costs that remain the same regardless of the level of production

franchise – the right to run a business using the name and idea of an established person

Generally Accepted Accounting Practices (GAAP) – concepts and principles according to accounting standards regulated by the Companies Act (Act No. 61 of 1993), and which are acceptable in the financial world

global economy – the world-wide economy

human right – a right that belongs to all persons

indigenous – originating in the region or country where found; native

indirect labour costs – the salaries and wages paid to the employees who are not directly involved in the manufacture of a good

indirect material costs – the cost of the raw materials used in the manufacturing process, which are either not directly identifiable in the finished goods or are a relatively insignificant part of the finished goods

insurance – providing financial protection in the event of loss

internal audit – an independent objective assurance and consulting activity designed to add value and improve an organisation's operation

internal control – an action taken by management to enhance the likelihood that established objectives and goals will be achieved

International Financial Reporting Standards (IFRS) – a single set of high-quality financial reporting standards, developed by the International Accounting Standards Board (IASB), which is fast becoming the global standard for the preparation of public company financial statements

inventory – various stocks on hand for resale or manufacturing purposes

investigate – to look for evidence, explain and analyse (e.g. investigate why the government chose to increase interest rates in July)

King Code – a report drawn up by a South African committee chaired by former High Court judge Mervyn King, which sets out the principles and guidelines relating to good and ethical corporate governance

macro-economics – the part of Economics concerned with large-scale or general economic factors (e.g. interest rates, national productivity)

managerial accounting – provides financial information primarily for internal use

marginalised – having been pushed to the margins or edges (e.g. marginalised people – people who have been pushed to the edge of economic activity – the poorest, the unemployed, those most vulnerable)

market – the interface of buyers and sellers that influences the price of a good or service

marketing mix – the combination of price, product, place and promotion to make a good or service desirable to the consumer

micro-economics – the part of Economics concerned with single factors and focusing on the smallest decision-making unit

mortgage bond – a loan taken out at a commercial bank in order to buy property, which is repaid over a long period (usually 20 years) and is classified as a non-current liability

need – the desire for a good or a service

needs analysis – identifying the needs of customers

non-profit organisation – an organisation whose major focus point is service delivery and not profit

price – the amount of money paid for a good or service

production cost – various costs incurred in the production of a good

productivity – a measurement of the output of labour in production

profitability – a business's ability to generate profit and is a measure of how well a business has performed

projected Income Statement – a forecast of future revenue and expenditure

sustainability – the ability to maintain economic, social and environmental resources, by operating in a manner that does not jeopardise our current and future social, environmental and economic well-being

sustainable development – development that meets the needs of the present without compromising the ability of future generations to meet their own needs

tangible assets – all fixed assets (moveable and non-moveable)

trade union – an association established by workers to look after their interests (e.g. salaries, working conditions)

transparency – an open and honest way of doing things that allows other people to know exactly what you are doing and does not seek to hide the truth

variable costs – the costs that change with the level of production

ventures – commercial undertakings where there is a possibility of loss as well as profit

vulnerable – exposed to attack or harm, either physical or emotional (e.g. economically, women, children, the elderly, the handicapped, the poor)

want – a need backed by the willingness to sacrifice resources to satisfy it

workplace forum – committee of workers operating at the workplace to address issues that concern them directly

5. Lesson plan template

| | |
|--|--|
| Topic of lesson: | |
| Term/Week/Learner's Book page reference/ Time | |
| Curriculum and Assessment Policy Statement (CAPS) content: | |
| Resources: | |
| New words and concepts: | |
| Preparation: | |
| Teaching the topic (guidelines for each lesson): | |
| Answers for activities: | |
| Informal assessment of relevant activities: | |
| Consolidation/ extension activities and answers: | |

5. Assessment Templates

- | | |
|-------------------------------------|------------|
| 1. Self-assessment template | 326 |
| 2. Peer assessment template | 327 |
| 3. Group assessment template | 328 |

1. Self-assessment template

My name: _____

Date: _____ Activity: _____

Choose one of the columns to record how well you did this activity.

| 7 Outstanding (80–100%) | 6 Meritorious (70–79%) | 5 Substantial (60–69%) | 4 Adequate (50–59%) | 3 Moderate (40–49%) | 2 Elementary (30–39%) | 1 Not achieved (0–29%) |
|---|---|---|--|--|---|---|
| I understood exactly what to do and did outstanding work. | I understood what to do very well and did very good work. | I understood what to do well and did good work. | I understood more or less what to do and completed most of the work. | I needed some help and completed some of the work. | I needed quite a lot of help to do this. I was not sure what to do. | I did not understand the work at all. I need a lot of help. |

Comments on my work

1. What I liked about my work

2. How I can improve my work

2. Peer assessment template

My name: _____

My partner's name: _____

Date: _____ Activity: _____

Choose one of the columns to record how well your friend did this activity.

| 7 Outstanding (80–100%) | 6 Meritorious (70–79%) | 5 Substantial (60–69%) | 4 Adequate (50–59%) | 3 Moderate (40–49%) | 2 Elementary (30–39%) | 1 Not achieved (0–29%) |
|---|--|--|--|---|---|--|
| I cannot find anything wrong with this work. It is excellent. | There are not many things that can be improved. It is very good. | There are a few things that can be improved, but I think this is good. | I think this needs a bit more work and then it will be good. | I think my partner needs some help with this. | I don't think my partner understood everything very well. | I don't think my partner understands this work at all. |

Comments on my partner's work

1. What I liked about my partner's work

2. How my partner can improve his/her work

3. Group assessment template

Names: _____

Date: _____ Activity: _____

Choose one column to show how well your group did this activity.

| Criteria | 7 Outstanding (80-100%) | 6 Meritorious (70-79%) | 5 Substantial (60-69%) | 4 Adequate (50-59%) | 3 Moderate (40-49%) | 2 Elementary (30-39%) | 1 Not achieved (0-29%) |
|-----------------------------------|-------------------------------|------------------------------|------------------------------|---------------------------|---------------------------|-----------------------------|------------------------------|
| We made decisions together | | | | | | | |
| Everyone contributed ideas | | | | | | | |
| We gave each other a turn to talk | | | | | | | |
| We followed the instructions | | | | | | | |
| We used the time to work together | | | | | | | |

Comments on our group's work

1. What I liked about my group's work

2. How we as a group can improve our work

6. Source documents and journal templates

| | |
|--|------------|
| 1. Cash Payments Journal | 330 |
| 2. Cash Receipts Journal | 331 |
| 3. General Ledger account | 332 |
| 4. Trial Balance | 333 |
| 5. Debtors Ledger | 334 |
| 6. Creditors Ledger | 334 |
| 7. Accounting Equation | 335 |
| 8. Debtors Journal | 335 |
| 9. Creditors Journal | 336 |
| 10. Deposit slip | 337 |
| 11. Cheque and cheque counterfoil | 337 |
| 12. Receipt | 338 |
| 13. Cash Invoice | 338 |

3.

**General Ledger of _____
_____ account**

| Dr | | | | | Cr | | | | |
|------|---------|------|--------|--|------|---------|------|--------|--|
| Date | Details | Fol. | Amount | | Date | Details | Fol. | Amount | |
| | | | | | | | | | |
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| | | | | | | | | | |
| | | | | | | | | | |

| Dr | | | | | Cr | | | | |
|------|---------|------|--------|--|------|---------|------|--------|--|
| Date | Details | Fol. | Amount | | Date | Details | Fol. | Amount | |
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| Dr | | | | | Cr | | | | |
|------|---------|------|--------|--|------|---------|------|--------|--|
| Date | Details | Fol. | Amount | | Date | Details | Fol. | Amount | |
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| | | | | | | | | | |

| Dr | | | | | Cr | | | | |
|------|---------|------|--------|--|------|---------|------|--------|--|
| Date | Details | Fol. | Amount | | Date | Details | Fol. | Amount | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |
| | | | | | | | | | |

5.

Debtors Ledger of _____

| Date | | Details/Document no. | Fol. | Debit (+) | | Credit (-) | | Balance | |
|------|--|----------------------|------|-----------|--|------------|--|---------|--|
| | | | | | | | | | |
| | | | | | | | | | |
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| | | | | | | | | | |

6.

Creditors Ledger of _____

| Date | | Details/Document no. | Fol. | Debit (-) | | Credit (+) | | Balance | |
|------|--|----------------------|------|-----------|--|------------|--|---------|--|
| | | | | | | | | | |
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10.

| DEPOSIT SLIP | | | | | | | | | | |
|----------------------|---------------|------|------------------------------|-------|----------|-------------------|----------|----------|--|--|
| Bank | | | Date _____ | | | | | | | |
| Cash being deposited | | | | | | | | | | |
| Credit | | | Account number | | | | | | | |
| | | | | | | | R | c | | |
| | | | Note | | | | | | | |
| | | | Silver | | | | | | | |
| | | | Bronze | | | | | | | |
| | | | Money orders | | | | | | | |
| | | | Sub-total | | | | | | | |
| Cheques deposited | Drawer's name | Bank | Branch name / clearance code | | | | | | | |
| | 1 | | | | | | | | | |
| | 2 | | | | | | | | | |
| | 3 | | | | | | | | | |
| Details of depositor | | | | | | | | | | |
| Name | | | | Total | R | | | | | |
| Signature | | Tel. | | | | | | | | |
| | | | | | | Deposit reference | | | | |
| | | | | | | | | | | |

11.

| | | | |
|--------------|---------|--------------------------|--|
| | | 004-003 | |
| TO | | CHEQUE | |
| FOR | | BRANCH | |
| Balance | R _____ | | |
| Deposit | R _____ | Pay: | |
| Subtotal | R _____ | The amount of | |
| Other debits | R _____ | rand R _____ | |
| This cheque | R _____ | cent or Bearer | |
| Balance | R _____ | _____ | |
| 123 | | 123 004003 4569876009 18 | |

12.

| | | |
|-----------------|--|----------|
| RECEIPT | | NO. |
| Received from: | | |
| The amount of: | | R |
| For payment of: | | |
| | | |

13.

| CASH INVOICE | | NO. | |
|---------------------|-------------------|------------|--------|
| | | Date: | |
| TO: | <hr/> <hr/> <hr/> | | |
| BOUGHT FROM: | | | |
| Quantity | Description | Unit price | Amount |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| E & OE | | | |

7. Documents

You can use this section to file the Curriculum and Assessment Policy Statement (CAPS) for Economic and Management Sciences (Grades 7–9) as well as other documentation received from the Department of Basic Education.

Grade

9

Study & Master

Economic and Management Sciences

Study & Master Economic and Management Sciences has been especially developed by an experienced author team for the Curriculum and Assessment Policy Statement (CAPS). This new and easy-to-use course helps learners to master essential content and skills in Economic and Management Sciences.

The comprehensive Learner's Book:

- explains key concepts as well as economic and accounting terms in accessible language
- includes real-life examples
- provides glossary boxes in the margin as well as a comprehensive glossary in the back for easy reference
- offers opportunities for frequent consolidation in its Review and Exam Preparation sections.

The innovative Teacher's Guide includes:

- extended contents pages for easy daily planning
- guidance on the teaching and assessment of each lesson
- answers to all the activities in the Learner's Book
- a comprehensive glossary
- photocopiable assessment tasks, tests and exemplar examination papers and memorandums
- photocopiable templates and resources for the teacher.

Marietjie Barnard's extended teaching experience has manifested in her being awarded for the National Teaching Awards and in excellent national results. She has previously published with Cambridge when she was the lead author of an Accounting course aimed at bridging the gap between Grades 9 and 10.



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