



education

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NATIONAL CURRICULUM STATEMENT GRADES 10-12 (GENERAL)

SUBJECT ASSESSMENT GUIDELINES

ACCOUNTING

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PREFACE TO SUBJECT ASSESSMENT GUIDELINES

The Department of Education has developed and published Subject Assessment Guidelines for all 29 subjects of the National Curriculum Statement (NCS). These Assessment Guidelines should be read in conjunction with the relevant Subject Statements and Learning Programme Guidelines.

Writing Teams established from nominees of the nine provincial education departments and the teacher unions formulated the Subject Assessment Guidelines. The draft copies of the Subject Assessment Guidelines developed by the Writing Teams were sent to a wide range of readers, whose advice and suggestions were considered in refining these Guidelines. In addition, the Department of Education field-tested the Subject Assessment Guidelines in 2006 and asked for the comments and advice of teachers and subject specialists.

The Subject Assessment Guidelines are intended to provide clear guidance on assessment in Grades 10 to 12 from 2008.

The Department of Education wishes you success in the teaching of the National Curriculum Statement.

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1. PURPOSE OF THE SUBJECT ASSESSMENT GUIDELINES

This document provides guidelines for assessment in the National Curriculum Statement Grades 10 - 12 (General). The guidelines must be read in conjunction with *The National Senior Certificate: A Qualification at Level 4 on the National Qualifications Framework (NQF)* and the relevant Subject Statements. The Subject Assessment Guidelines will be applicable for Grades 10 to 12 from 2008.

The Department of Education encourages teachers to use these guidelines as they prepare to teach the National Curriculum Statement. Teachers should also use every available opportunity to hone their assessment skills. These skills relate both to the setting and marking of assessment tasks.

2. ASSESSMENT IN THE NATIONAL CURRICULUM STATEMENT

2.1 Introduction

Assessment in the National Curriculum Statement is an integral part of teaching and learning. For this reason, assessment should be part of every lesson and teachers should plan assessment activities to complement learning activities. In addition, teachers should plan a formal year-long Programme of Assessment. Together the informal daily assessment and the formal Programme of Assessment should be used to monitor learner progress through the school year.

Continuous assessment through informal daily assessment and the formal Programme of Assessment should be used to:

- develop learners' knowledge, skills and values
- assess learners' strengths and weaknesses
- provide additional support to learners
- revisit or revise certain sections of the curriculum and
- motivate and encourage learners.

In Grades 10 and 11 all assessment of the National Curriculum Statement is internal. In Grade 12 the formal Programme of Assessment which counts 25% is internally set and marked and externally moderated. The remaining 75% of the final mark for certification in Grade 12 is externally set, marked and moderated. In Life Orientation however, all assessment is internal and makes up 100% of the final mark for promotion and certification.

2.2 Continuous assessment

Continuous assessment involves assessment activities that are undertaken throughout the year, using various assessment forms, methods and tools. In Grades 10-12 continuous assessment comprises two different but related activities: informal daily assessment and a formal Programme of Assessment.

2.2.1 Daily assessment

The daily assessment tasks are the planned teaching and learning activities that take place in the subject classroom. Learner progress should be monitored during learning activities. This informal daily monitoring of progress can be done through question and answer sessions; short assessment tasks completed during the lesson by individuals, pairs or groups or homework exercises.

Individual learners, groups of learners or teachers can mark these assessment tasks. Self-assessment, peer assessment and group assessment actively involves learners in assessment. This is important as it allows learners to learn from and reflect on their own performance.

The results of the informal daily assessment tasks are not formally recorded unless the teacher wishes to do so. In such instances, a simple checklist may be used to record this assessment. However, teachers may use the learners' performance in these assessment tasks to provide verbal or written feedback to learners, the School Management Team and parents. This is particularly important if barriers to learning or poor levels of participation are encountered.

The results of these assessment tasks are not taken into account for promotion and certification purposes.

2.2.2 Programme of Assessment

In addition to daily assessment, teachers should develop a year-long formal Programme of Assessment for each subject and grade. In Grades 10 and 11 the Programme of Assessment consists of tasks undertaken during the school year and an end-of-year examination. The marks allocated to assessment tasks completed during the school year will be 25%, and the end-of-year examination mark will be 75% of the total mark. This excludes Life Orientation.

In Grade 12, the Programme of Assessment consists of tasks undertaken during the school year and counts 25% of the final Grade 12 mark. The other 75% is made up of externally set assessment tasks. This excludes Life Orientation where the internal assessment component counts 100% of the final assessment mark.

The marks achieved in each assessment task in the formal Programme of Assessment must be recorded and included in formal reports to parents and School Management Teams. These marks will determine if the learners in Grades 10 and 11 are promoted. In Grade 12, these marks will be submitted as the internal continuous assessment mark. Section 3 of this document provides details on the weighting of the tasks for promotion purposes.

2.2.2.1 Number and forms of assessment required for Programmes of Assessment in Grades 10 and 11

The requirements for the formal Programme of Assessment for Grades 10 and 11 are summarised in Table 2.1. The teacher must provide the Programme of Assessment to the subject head and School Management Team before the start of the school year. This will be used to draw up a school assessment plan for each of the subjects in each grade. The proposed school assessment plan should be provided to learners and parents in the first week of the first term.

Table 2.1: Number of assessment tasks which make up the Programme of Assessment by subject in Grades 10 and 11

SUBJECTS	TERM 1	TERM 2	TERM 3	TERM 4	TOTAL
Language 1: Home Language	4	4*	4	4*	16
Language 2: Choice of HL or FAL	HL	4	4	4	16
	FAL	4	4	4	16
Life Orientation	1	1*	1	2*	5
Mathematics or Maths Literacy	2	2*	2	2*	8
Subject choice 1**	2	2*	2	1*	7
Subject choice 2**	2	2*	2	1*	7
Subject choice 3	2	2*	2	1*	7

Note:

* One of these tasks must be an examination

** If one or two of the subjects chosen for subject choices 1, 2 or 3 include a Language, the number of tasks indicated for Languages 1 and 2 at Home Language (HL) and First Additional Language (FAL) are still applicable. Learners who opt for a Second Additional Language are required to complete 13 tasks in total: 4 tasks in term 1 and 3 tasks in each of terms 2, 3 and 4.

Two of the assessment tasks for each subject must be examinations. In Grades 10 and 11 these examinations should be administered in mid-year and November. These examinations should take account of the requirements set out in Section 3 of this document. They should be carefully designed and weighted to cover all the Learning Outcomes of the subject.

Two of the assessment tasks for all subjects, excluding Life Orientation, should be tests written under controlled conditions at a specified time. The tests should be written in the first and third terms of the year.

The remainder of the assessment tasks should not be tests or examinations. They should be carefully designed tasks, which give learners opportunities to research and explore the subject in exciting and varied ways. Examples of assessment forms are debates, presentations, projects, simulations, written reports, practical tasks, performances, exhibitions and research projects. The most appropriate forms of assessment for each subject are set out in Section 3. Care should be taken to ensure that learners cover a variety of assessment forms in the three grades.

The weighting of the tasks for each subject is set out in Section 3.

2.2.2.2 Number and forms of assessment required for Programme of Assessment in Grade 12

In Grade 12 all subjects include an internal assessment component, which is 25% of the final assessment mark. The requirements of the internal Programme of Assessment for Grade 12 are summarised in Table 2.2. The teacher must provide the Programme of Assessment to the subject head and School Management Team before the start of the school year. This will be used to draw up a school assessment plan for each of the subjects in each grade. The proposed school assessment plan should be provided to learners and parents in the first week of the first term.

Table 2.2: Number of assessment tasks which make up the Programme of Assessment by subject in Grade 12

SUBJECTS	TERM 1	TERM 2	TERM 3	TERM 4	TOTAL
Language 1: Home Language	5	5*	4*		14
Language 2: Choice of HL or FAL	HL	5	5*	4*	14
	FAL	5	5*	4*	14
Life Orientation	1	2*	2*		5
Mathematics or Maths Literacy	3	2*	2*		7
Subject choice 1**	2	2*	(2*) 3*		(6 [#]) 7
Subject choice 2**	2	2*	(2*) 3*		(6 [#]) 7
Subject choice 3	2	2*	(2*) 3*		(6 [#]) 7

Note:

- * One of these tasks in Term 2 and/or Term 3 must be an examination
- ** If one or two of the subjects chosen for subject choices 1, 2 or 3 include a Language, the number of tasks indicated for Languages 1 and 2 at Home Language (HL) and First Additional Language (FAL) are still applicable. Learners who opt for a Second Additional Language are required to complete 12 tasks in total: 5 tasks in term 1, 4 tasks in term 2 and 3 tasks in term 3.
- # The number of internal tasks per subject differs from 6 to 7 as specified in Section 3 of this document.

Schools can choose to write one or two internal examinations in Grade 12. Should a school choose to write only one internal examination in Grade 12, a scheduled test should be written at the end of the term to replace the other examination. Internal examinations should conform to the requirements set out in Section 3 of this document. They should be carefully designed and weighted to cover all the Learning Outcomes of the subject.

Two of the assessment tasks for all subjects, excluding Life Orientation, should be tests written under controlled conditions at a specified time.

The remainder of the assessment tasks should not be tests or examinations. They should be carefully designed tasks, which give learners opportunities to research and explore the subject in exciting and focused ways. Examples of assessment forms are debates, presentations, projects, simulations, assignments, case studies, essays, practical tasks, performances, exhibitions and research projects. The most appropriate forms of assessment for each subject are set out in Section 3.

2.3 External assessment in Grade 12

External assessment is only applicable to Grade 12 and applies to the final end-of-year examination. This makes up 75% of the final mark for Grade 12. This excludes Life Orientation which is not externally examined.

The external examinations are set externally, administered at schools under conditions specified in the *National policy on the conduct, administration and management of the assessment of the National Senior Certificate: A qualification at Level 4 on the National Qualifications Framework (NQF)* and marked externally.

In some subjects the external assessment includes practical or performance tasks that are externally set, internally assessed and externally moderated. These performance tasks account for one third of the end-of-year external examination mark in Grade 12 (that is 25% of the final mark). Details of these tasks are provided in Section 3.

Guidelines for the external examinations are provided in Section 3.

2.4 Recording and reporting on the Programme of Assessment

The Programme of Assessment should be recorded in the teacher's portfolio of assessment. The following should be included in the teacher's portfolio:

- a contents page;
- the formal Programme of Assessment;
- the requirements of each of the assessment tasks;
- the tools used for assessment for each task; and
- record sheets for each class.

Teachers must report regularly and timeously to learners and parents on the progress of learners. Schools will determine the reporting mechanism but it could include written reports, parent-teacher interviews and parents' days. Schools are required to provide written reports to parents once per term on the Programme of Assessment using a formal reporting tool. This report must indicate the percentage achieved per subject and include the following seven-point scale.

RATING CODE	RATING	MARKS %
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

2.5 Moderation of the assessment tasks in the Programme of Assessment

Moderation of the assessment tasks should take place at three levels.

LEVEL	MODERATION REQUIREMENTS
School	The Programme of Assessment should be submitted to the subject head and School Management Team before the start of the academic year for moderation purposes. Each task which is to be used as part of the Programme of Assessment should be submitted to the subject head for moderation before learners attempt the task. Teacher portfolios and evidence of learner performance should be moderated twice a year by the head of the subject or her/his delegate.
Cluster/ district/ region	Teacher portfolios and a sample of evidence of learner performance must be moderated twice during the first three terms.
Provincial/ national	Teacher portfolios and a sample of evidence of learner performance must be moderated once a year.

3. ASSESSMENT OF ACCOUNTING IN GRADES 10 – 12

3.1 Introduction

Assessment in Accounting gathers valid information about the learners' knowledge, skills, values, attitudes and ability to make meaningful and informed, personal, collaborative financial decisions in economic and social environments. The study and assessment of Accounting must not only cover the recording, reporting and interpreting of financial information but should also promote critical reflection on diverse Accounting issues.

Accounting covers valuable skills that prepare learners for success in a variety of careers. Teachers must take all these skills into account when planning teaching, learning and assessment activities. For example, the ability to make appropriate financial decisions in consultation with other stakeholders in a business context is crucial for learners to achieve success or exploit opportunities in the business environment; hence, this forms part of the Learning Outcomes of the subject. As assessment is a vital component of the learning process, teachers must ensure that the assessment activities positively reinforce the Learning Outcomes.

The following table suggests optimal weighting in assessment of Accounting in the NCS:

ACCOUNTING	WEIGHTING
Skills in financial accounting (Learning Outcome 1) - collecting, reporting and evaluating financial information of past financial periods, to assess the financial performance of a person or organisation in making appropriate decisions	50% - 60%
Skills in managerial accounting (Learning Outcome 2) - compiling, reporting and evaluating financial information largely geared towards future financial periods, to evaluate business options to make appropriate decisions	20% - 25%
Skills in managing resources (Learning Outcome 3) - understanding strategies and tools to manage resources and make decisions in a responsible manner and using knowledge of internal control and ethical issues in administering a business to achieve desired objectives	20% - 25%

The knowledge, skills, values and attitudes (SKVAs) for assessment in Accounting are listed in the National Curriculum Statement. There are a number of important points that must be kept in mind in the teaching and assessment of these SKVAs:

- **Teachers and learners must adopt an attitude of lifelong learning to cope with the evolving nature of the subject.**

Accounting, as a subject, continually changes in response to changes in the economic and legal world. Therefore, teachers must inculcate an attitude of lifelong learning through independent research in learners. Teachers should mirror this attitude at all times to reinforce the desired attitude. For example, Generally Accepted Accounting Practice (GAAP) changes regularly through statements issued by the various institutes. The nature of business organisations changes as a result of amendments to the statutes and tax conditions which change annually. Teachers must keep up to date with these changes to deliver the subject successfully to their learners.

- **Learners must acquire communication and decision making skills.**
 These skills are crucial for success in the business world and have been reinforced in the democratic constitution of our country. Learners consequently require the social and collaborative skills that enable them to interact well and appropriately with others. Accounting teachers must ensure that group work activities are appropriately designed so that learners can positively interact with others. Teachers should also ensure that at least one activity per grade requires learners to demonstrate presentation, using verbal and visual techniques.
- **The renewed focus on ethics and accountability must be reinforced in the learning process.**
 There has been a serious and renewed focus on ethical business behaviour, not only in South Africa but internationally. A plethora of fraud cases and incidents involving a lack of business ethics has been reported in the media. This has led to initiatives on the part of government and business leaders to solve the underlying problems. Learning Outcome 3 (Managing Resources) is geared towards the ‘right way of doing business’. Through this Learning Outcome, learners should appreciate that all members of the economic environment are accountable to a number of stakeholders. In the business context of the past, the primary focus was on the needs of the owner, that is the achievement of a desired profit objective. The focus has now shifted to the impact of a business organisation on other stakeholders, for example employees, the local community, potential shareholders and government. Accounting teachers must reinforce attitudes of ethical and accountable behaviour in learners and are advised to use topical real-life scenarios and scenarios using experiences of the learners to achieve this.
- **The recording function must be kept in context at all times.**
 In the past, many teachers regarded knowledge of the recording or ‘book-keeping’ process as a major outcome for high school Accounting. Under the new curriculum, however, this aspect forms *part of one* Assessment Standard (AS2) within *one* Learning Outcome (LO1). Teachers must be aware at all times that there are other Learning Outcomes and Assessment Standards to be covered in the appropriate balance to achieve the Critical, Developmental and Learning Outcomes. The study of the book-keeping or recording process (documents, journals, ledgers and trial balances) as reflected under Assessment Standard 2 is regarded as formative in nature as it constitutes the means to obtain financial information which is used to make decisions. Therefore, the recording process should be assessed at appropriate stages during the year and will not be specifically examined in the end-of-year examination in any grade.
- **The skill in using modern technology must not be ignored.**
 Although schools have differing resources and differing access to modern technology, the use of modern technology permeates most leading business organisations. Teachers are strongly advised to arrange excursions or presentations on this aspect for each grade. Where possible, assessment activities should be adapted to make use of the technology available.

- **Activities should expose learners to evaluation of financial information in new and unfamiliar situations.**

Decision making using critical and creative thinking and real-life problem-solving are determining factors for success in many careers. Teachers should consequently develop assessment activities that expose learners to the practical conditions faced by businesspersons and entrepreneurs and should encourage learners to explore alternative ways of dealing with situations. The skill of critical evaluation of financial information is reinforced by the Critical Outcomes and should be emphasised in all contexts or modules in the learning process from Grade 10 to 12.

- **Teachers must seek ways to integrate Learning Outcomes and Assessment Standards in teaching and assessment activities.**

In Accounting, it is often not advisable to teach concepts in isolation. For example, the recording of information in the books serves the dual purpose of providing reliable information and safeguarding assets. Consequently, it would be more effective to integrate the study of the recording process under Learning Outcome 1 with the study of the internal control issues under Learning Outcome 3. Similarly, interpretation of financial statements under Learning Outcome 1 often raises ethical considerations and should be linked with that aspect of Learning Outcome 3. This approach will enable teachers to effectively use the time available to cover the curriculum and should be used in assessment activities.

3.2 Daily assessment in Grades 10, 11 and 12

Formative assessment is a crucial element of teaching and learning as it monitors and supports the learning process. Parents, teachers and school authorities use this type of assessment to acquire information on learners' progress. Daily assessment should be used as part of the formative assessment process to:

- assess strengths and weaknesses in a timely manner for example as a baseline or diagnostic assessment of learners' abilities;
- alert teachers and learners to the need for additional support when necessary (e.g. revisiting certain sections);
- motivate and encourage learners to actively participate in class;
- reassess teaching and learning activities; and
- reinforce the development of learners' skills, knowledge, values and attitudes.

Learner progress in daily assessment tasks does not need to be recorded and is not taken into account for promotion and certification purposes. However, the Accounting teacher should note the development of learners' knowledge, skills and values; learners' strengths and weaknesses and additional support required and provided during these activities.

Examples of daily assessment tools and techniques include teacher checklists, self-assessment checklists, and short oral or written tests. Appendix 1 lists examples of daily assessment tools.

3.3 Assessment in Grades 10 and 11

The Programme of Assessment for Accounting in Grades 10 and 11 consists of seven tasks which are internally assessed. Of the seven tasks, the six tasks which are completed during the school year make up 25% of the total mark for Accounting, while the end-of-year examination is the seventh task and makes up the remaining 75%.

The following is a suggested allocation of marks for Accounting in Grades 10 and 11:

ASSESSMENT TASKS	GRADES 10 and 11	MARKS
1 Project	30%	100 (25% of the final mark)
1 Mid-year examination (one paper)	10%	
2 Tests (under controlled conditions)	20%	
2 Other tasks e.g. research, presentation, report, case study	40%	
1 Final end-of-year examination		300 (75% of the final mark)
		400 (100%)

Number of assessment tasks which make up the Programme of Assessment for Accounting in Grades 10 and 11:

Term 1		Term 2		Term 3		Term 4
Other Task 1	Test	Project Task	Mid-year exam	Other Task 2	Test	Final exam
20%	10%	30%	10%	20%	10%	300 marks = 75%
100 marks = 25%						

The sequence of Assessment Standards in the school's Work Schedules will influence the type of assessment tasks and topics chosen in each term. Assessment tasks should be carefully selected to cater for a variety of different activities and they must cover different Assessment Standards.

A project in each grade forms a major part of the Programme of Assessment in Accounting. The Assessment Standards covered in these projects are not examined again in the Mid-year or November examinations to avoid over-testing on these Assessment Standards. For example, note the earlier statement regarding the context of the bookkeeping process. The project on this topic in Grade 10 should cover the recording of information in documents, journals, ledgers and trial balances. Consequently, these aspects should not be covered again in the end-of-year examination. Refer to Appendix 2 for details of projects in each grade.

Work Schedules and the assessment programmes should dovetail after the teacher has designed both. Examples of Programmes of Assessment matched to Work Schedules are provided below.

3.3.1 Examples of Programmes of Assessment in Grades 10 and 11

The following tables provide examples of Programmes of Assessment matched to Work Schedules in Grades 10 and 11.

Example of a Grade 10 Programme of Assessment:

SEVEN TASKS MAKING UP THE PROGRAMME OF ASSESSMENT							
CONTEXT	INTEGRATION	ASSESSMENT TASKS		④ MID-YEAR EXAM	⑦ FINAL EXAM		
10.3.1 Indigenous systems 2 weeks	10.1.3 Accounting equation	Term 1 - ①Research and Presentation: Budget and cost concepts of an indigenous trader and sole trader entrepreneur		✓	✓		
	10.3.1 Comparing systems			✓	✓		
	10.3.4 Inventory system			✓	✓		
	10.3.5 Ethics			✓	✓		
10.2 Managerial accounting 3 weeks	10.2.1 Distinguish MA/FA			✓	✓		
	10.2.2 Cost concepts			✓	✓		
	10.2.3 Budget concepts			✓	✓		
10.1.2 Recording information 12 weeks	10.1.1 Concepts			Term 1 - ②Test: Trial balance concepts and overview of book-keeping process	Term 2: ③Project: Recording information from source documents to trial balance either manually or using software	✓	✓
	10.1.3 Accounting equation					✓	✓
	10.1.2 Book-keeping					ASs of project not re-examinable	
	10.3.4 Perpetual system						
	10.3.5 Ethics	✓	✓				
	10.3.6 Internal control	✓	✓				
10.3.2 Salaries and wages 3 weeks	10.1.1 Concepts	Term 3 - ⑤Data response test: Payslip and media article		✓	✓		
	10.1.3 Accounting equation			✓	✓		
	10.3.5 Ethics			✓	✓		
	10.3.6 Internal control			✓	✓		
10.1.5 Reporting information 10 weeks	10.1.1 Concepts	Term 3 - ⑥Case study: Financial statements and critical evaluation		✓	✓		
	10.1.3 Accounting equation			✓	✓		
	10.3.4 Perpetual system			✓	✓		
	10.3.5 Ethics			✓	✓		
	10.3.6 Internal control			✓	✓		
10.1.7 VAT 2 weeks	10.1.7 Concepts			✓	✓		
	10.3.5 Ethics			✓	✓		

①-⑦ Indicates the seven tasks for Grade 10.

Example of a Grade 11 Programme of Assessment:

SEVEN TASKS MAKING UP THE PROGRAMME OF ASSESSMENT					
CONTEXT	INTEGRATION	ASSESSMENT TASKS	④ MID-YEAR EXAM	⑦ FINAL EXAM	
Cash transactions 3 weeks	11.1.4 Bank reconciliation			✓	✓
	11.3.6 Internal audit			✓	✓
	11.3.5 Ethics			✓	✓
Fixed assets 3 weeks	11.3.3 Depreciation, acquisition and disposal	Term 1 - ①Written report: Asset disposal and internal control over fixed assets		✓	✓
	11.3.6 Internal audit			✓	✓
Partnerships 9 weeks	11.1.1 Concepts	Term 1 - ②Test: Preparation and interpretation of financial statements of partnership		✓	✓
	11.1.2 Book-keeping			Bookkeeping process assessed in Tasks 1 & 2	
	11.1.3 Accounting equation			✓	✓
	11.1.5 Financial statements			✓	✓
	11.3.5 Ethics			✓	✓
Clubs 9 weeks	11.1.1 Concepts	Term 2 - ③Project: Club concepts and recording information in books to trial balance, bank reconciliation and R and P Statements		✓	✓
	11.1.2 Book-keeping			Bookkeeping process assessed in Task 3	
	11.1.3 Accounting equation			✓	✓
	11.1.4 Bank reconciliation			✓	✓
	11.1.5 Financial statements			✓	✓
	11.3.6 Internal audit			✓	✓
Managerial accounting 4 weeks	11.2.2 Manufacturing costs	Term 3 - ⑤Presentation: Calculation of break-even points and preparation of budget		✓	✓
	11.2.3 Prepare budget			✓	✓
Inventory systems 4 weeks	11.3.4 Periodic system	Term 3 - ⑥Test: Comparison of entries and methods of periodic and perpetual systems and assessment of internal control		✓	✓
	11.3.6 Internal audit			✓	✓
	11.1.5 Financial statements			✓	✓
VAT 2 weeks	11.1.7 VAT calculations			✓	✓
	11.3.5 Ethics			✓	✓

①-⑦ Indicates the seven tasks for Grade 11.

3.3.2 Examinations in Grades 10 and 11

Grade 10 learners should write a 2-hour mid-year paper counting 200 marks, while the Grade 10 end-of-year paper and both the mid-year and end-of-year examinations for Grade 11 should include a 3-hour paper each counting 300 marks.

The following is a suggested outline of examination papers for Accounting in Grades 10 and 11:

EXAM	PAPERS	TIME	MARKS	LO1	LO2	LO3
MID-YEAR	1	GRADE 10: 2 hours GRADE 11: 3 hours	GRADE 10: 200 GRADE 11: 300	In proportion to time devoted to each Learning Outcome (dependent on Work Schedule)		
END-OF-YEAR	1	GRADE 10&11: 3 hours	GRADE 10&11: 300	50%-60%	20%-25%	20%-25%

Refer to Appendix 2 for an outline of a Grade 10 mid-year examination and Appendix 3 for an example of an outline for a Grade 10 end-of-year examination and extract of a question that features in this examination.

The following guidelines should be considered when constructing end-of-year examinations:

Assessment Standards

Assessment Standards stipulated specifically for the grade	80%
Assessment Standards stipulated in previous grades which impact on assessment in subsequent grades	20%

Teachers should use the levels in Bloom's taxonomy as guidance when setting the different questions for the papers. See Appendix 4 for the verbs associated with Bloom's taxonomy and an indication of how these relate to the Assessment Standards in Accounting.

Cognitive levels

Each examination must cater for a range of cognitive levels and ability of learners. The following is used as a guideline to compile examinations for using cognitive levels:

Basic thinking skills (e.g. factual recall, low-level application and low-level comprehension)	30%
Moderately high thinking skills (e.g. more advanced application, interpretation and low-level analysis)	40%
Higher-order thinking skills (e.g. advanced analytical skills, synthesis and evaluation)	30%

3.4 Assessment in Grade 12

In Grade 12, assessment consists of two components: a Programme of Assessment which makes up 25% of the total mark for Accounting and an external examination which makes up the remaining 75%. The Programme of Assessment for Accounting consists of seven tasks which are internally assessed. The external examination is externally set and moderated.

A suggested plan for assessment of Accounting in Grade 12 is set out below.

Example of an assessment plan for Grade 12:

	ASSESSMENT TASKS	GRADE 12	MARKS
Programme of Assessment	1 Project	25%	100 (25% of the final mark)
	1 Mid-year examination (one paper)	10%	
	2 Tests (under controlled conditions)	20%	
	2 Other tasks e.g. research, presentation, report, case study	20%	
	1 Trial examination (one paper)	25%	
External assessment	1 End-of-year examination		300 (75% of the final mark)
			400 (100%)

3.4.1 Programme of Assessment for Grade 12

The Programme of Assessment for Accounting in Grade 12 consists of seven tasks which are internally assessed. Of the seven tasks, two are examinations and two are tests. This example of a Programme of Assessment suggests that the remaining three tasks take on the form of a report, a project and a presentation.

Example of a Grade 12 Programme of Assessment

SEVEN TASKS MAKING UP THE PROGRAMME OF ASSESSMENT				
CONTEXT	INTEGRATION	ASSESSMENT TASKS		① TRIAL EXAM
Reconciliations <i>2 weeks</i>	12.1.4 Bank, debtors and creditors	Term 1 - ④Report: Internal control over cash, stock, debtors and creditors		✓
	12.3.6 Internal audit			✓
	12.3.5 Ethics			✓
Fixed assets and stock <i>2 weeks</i>	12.3.3 Report on FA			✓
	12.3.4 Validate inventory			✓
	12.3.5 Ethics			✓
	12.3.6 Internal audit	✓		
Companies <i>9 weeks</i>	12.1.1 Concepts	Term 1 - ②Test: Tax, dividends and concepts	Term 2 - ③Project: Published financial statements of a listed company	✓
	12.1.2 Book-keeping			Bookkeeping process assessed in Tasks 1-6
	12.1.3 Accounting equation			✓
	12.1.5 Financial statements			✓
	12.1.6 Published financial statements of public companies			✓
	12.3.5 Ethics			✓
	12.3.6 Internal audit			✓
Close Corporations <i>4 weeks</i>	12.1.1 Concepts	Term 2 - ④Exam: Financial statements and solution of practical problem by a Close Corporation entrepreneur		✓
	12.1.2 Bookkeeping			Bookkeeping process assessed in Tasks 1-6
	12.1.3 Accounting equation			✓
	12.1.5 Financial statements			✓
	12.3.5 Ethics			✓
	12.3.6 Internal audit			✓
Manufacturing <i>4 weeks</i>	12.2.2 Production cost statement	Term 3 - ⑤Test: Interpret a production cost statement		✓
	12.3.6 Internal audit			✓
Projected IS and budgets <i>4 weeks</i>	12.2.3 Interpret budget	Term 3 - ⑥Presentation: Motivation of loan from bank on basis of budget presented		✓
	12.3.5 Ethics			✓
VAT <i>2 weeks</i>	12.1.7 Apply VAT			✓
	12.3.5 Ethics			✓

①-⑦ Indicates the seven tasks for Grade 12

NOTE: In Grade 12 one of the tasks in Term 2 and/or Term 3 must be an internal examination. In instances where only one of the two internal examinations is written in Grade 12, the other examination should be replaced by a test at the end of the term.

The following guidelines should be considered when constructing mid-year and trial examinations for Grade 12:

Assessment Standards

Assessment Standards stipulated specifically for Grade 12	80%
Assessment Standards stipulated in previous grades	20%

Teachers should use the levels in Bloom’s taxonomy as guidance when setting the different questions for the papers. See Appendix 4 for the verbs associated with Bloom’s taxonomy and an indication of how these relate to the Assessment Standards in Accounting.

Cognitive levels

Basic thinking skills (e.g. factual recall, low-level application and low-level comprehension)	30%
Moderately high thinking skills (e.g. more advanced application, interpretation and low-level analysis)	40%
Higher-order thinking skills (e.g. advanced analytical skills, synthesis and evaluation)	30%

Mid-year and trial examinations in Grade 12 comprise:

EXAM	PAPERS	HOURS	MARKS	LO1	LO2	LO3
MID-YEAR and TRIALS	1	3	300	In proportion to time devoted to each Learning Outcome (dependent on work schedule)		

3.4.2 External Assessment in Grade 12

External assessment in Grade 12 comprises one 3-hour examination paper which is externally set, marked and moderated.

External examinations in Grade 12 comprise:

EXAM	PAPERS	HOURS	MARKS	LO1	LO2	LO3
EXTERNAL	1	3	300	50%-60%	20%-25%	20%-25%

The Grade 12 external examination should cover the same aspects as indicated for the mid-year and trial examinations in Section 3.4.1.

Refer to Appendix 5 for an outline of a Grade 12 external examination

3.5 Promotion

By the end of Grades 10 and 11, it is essential for learners to have acquired the necessary skills, knowledge, values and attitudes to progress to the Grade 12 Learning Outcomes and Assessment Standards.

By the end of Grade 12, it is essential for learners to have acquired:

- skills in presenting, analysing, interpreting and reporting on financial statements, cost statements, budgets and other financial information; in making appropriate business decisions; in identifying internal control measures, and in achieving the Critical and Developmental outcomes such as working effectively with others, communicating effectively and in interfacing with modern technology;
- knowledge of the accounting equation and concepts, Generally Accepted Accounting Practice (GAAP), recording information, preparing financial statements, preparing budgets and cost statements, understanding differences between a variety of accounting systems (indigenous, informal, formal, perpetual, periodic, manual and computerised), internal control principles and the role of professional bodies; and
- values and attitudes encompassing ethical and moral business practice, responsible and well-controlled business procedures, accountability, lifelong learning and entrepreneurship.

For promotion and certification purposes learners should achieve at least a level 2 rating (Elementary Achievement: 30-39%) in Accounting.

3.6 Moderation of internal assessment

Moderation at the school will be carried out at least once each school term by the head of department responsible for the subject. This moderation needs to take place before cluster, district, regional or provincial moderation. Teachers' portfolios and evidence of learner performance must be moderated to ensure that a variety of assessment tasks have been used to address the Learning Outcomes and Assessment Standards and that assessment covered a range of cognitive levels.

APPENDIX 1: EXAMPLES OF DAILY ASSESSMENT TASKS AND TOOLS

Example 1 Teacher checklist

CLASS: 10C		Term: <u>1</u> of 2006		
Name of learner	25 January	1 February	Etc.	
	Homework: Ex 2.5	Plan of interview		
Allen Freddy	✓	X		
Bokwe Brenda	✓	✓		
Chetty Clive	✓	✓		
Dimba Derek	X	✓		
Etc.				

Example 2 Short test assessed by peers (baseline assessment)

REQUIRED:

By drawing arrows, match the journal with the appropriate document. (5 minutes)

JOURNAL	
1	CRJ
2	CPJ
3	DJ
4	DAJ
5	CJ
6	CAJ
7	GJ
8	PCJ

VOUCHER	
a	Invoice
b	Debit note and credit note
c	Petty Cash voucher
d	Cheque requisition or counterfoil
e	Credit note
f	General journal voucher
g	Receipt and cash slip
h	Invoice

Example 3 Self-assessment checklist

NAME OF LEARNER:	YES	NO	FURTHER ACTION REQUIRED:
I understand what is meant by a pre-adjustment trial balance.			
I am able to work out year-end adjustments (debits and credits).			
I understand the differences between a post-adjustment and a pre-adjustment trial balance.			
I can draw up an income statement that shows operating profit and net profit.			
I can draw up a balance sheet.			
I can draw up the notes to a balance sheet.			

APPENDIX 2: FORMAL ASSESSMENT TASKS - EXAMPLES AND TOOLS

1. PROJECTS

Grade 10

DETAILS OF GRADE 10 PROJECT	
Date	Term 2:
LEARNING OUTCOMES AND ASSESSMENT STANDARDS ADDRESSED	
10.1.2	Identify and complete source documents, record in journals, post to ledgers and draw up trial balance manually and/or using an accounting package.
10.3.4	Discuss perpetual inventory system, record in journals and post to ledger.
10.3.6	Demonstrate knowledge of internal control processes.
SUGGESTED DESIGN OF PROJECT	
<p>Group work, pairs, or individual work</p> <ul style="list-style-type: none"> The teacher presents learners with documents or details of documents, and templates for CRJ, CPJ, DJ, DAJ, CJ, CAJ, PCJ, GJ (could also incorporate SJ and WJ if appropriate). Learners enter the documents in the journals manually or using Excel or an accounting software package, post to GL, DL and CL and prepare the trial balance. Learners are also required to design documents, answer questions on internal control and internal checking or audit. Project may cover one or two months, depending on class circumstances. Assessment tools: marking memorandum for entries and rubrics for document design and internal control or audit questions. Assessment by peers for certain aspects (e.g. entries) and teacher for other aspects (e.g. design, internal control or audit) <p>Refer to www.thutong.org.za for an example of a bookkeeping project.</p>	

Grade 11

DETAILS OF GRADE 11 PROJECT	
Date	Term 2
LEARNING OUTCOMES AND ASSESSMENT STANDARDS ADDRESSED	
11.1.1	Define and explain accounting concepts for non-profit organisations (e.g. constitution, office bearers, membership fees, entrance fees, non-profit, decision-making by committee).
11.1.2	Within the context of a club, record information of a club.
11.1.4	Prepare a bank reconciliation statement in the context of a club.
11.1.5	Prepare and interpret financial statements of a club.
11.3.6	Demonstrate knowledge of internal audit processes.
SUGGESTED DESIGN OF PROJECT	
<p>Group work, Pairs, or Individual work</p> <ul style="list-style-type: none"> Learners do research on an existing club, including its constitution, facilities, membership fees, committee procedures, financial statements, internal checks and balances of the treasurer, audit reports and proceedings for members' meetings. Learners are presented with transactions of a hypothetical club and record these in the books, perform a bank reconciliation, prepare a receipts and payments statement, process year-end entries, and draw up trial balances and financial statements. Learners prepare a speech for the club chairman for the Annual General Meeting (or actually present this speech). Assessment tools: marking memorandum for entries and financial statements; rubrics for club investigation and Annual General Meeting speech. Assessment by peers for all or certain aspects (e.g. entries, financial statements, AGM speech) and overall moderation and control by teacher. 	

Grade 12

DETAILS OF GRADE 12 PROJECT	
Date	Term 2
LEARNING OUTCOMES AND ASSESSMENT STANDARDS ADDRESSED	
12.1.6	Analyse published financial statements and audit report of a listed public company.
12.1.1	Define accounting concepts for a listed company (e.g. share capital, premium, debentures, dividends, earnings, headline earnings per share).
12.3.5	Discuss disciplinary and punitive measures to be applied for non-compliance to the code of ethics and the role of professional bodies (i.e. SAICA).
12.3.6	Apply internal control and audit processes in a business environment.
SUGGESTED DESIGN OF PROJECT	
Group work, Pairs or Individual work <ul style="list-style-type: none"> • Learners are presented with actual financial statements of an existing company listed on the SE. • Learners track the share price of the company over a six-week period and offer comments on the performance of the shares on the SE. • Learners present or report on aspects of financial statements such as chairperson's report, audit report, composition of board of directors, code of ethics, remuneration policy, headline earnings, prospects for the future, share price, returns, dividends, operating efficiency, solvency, liquidity, cash flow and application of GAAP of the financial statements. • Learners report on the roles played by external and internal auditors and the consequences for their lack of compliance with accepted auditing standards. • Assessment tools: marking memorandum for calculation of financial indicators and rubrics for comments and other aspects. • Assessment by peers or teacher and overall moderation and control by teacher. 	

2. TESTS

Grade 10

Term 1: Test - Bookkeeping process

BOOKKEEPING PROCESS

(200 marks; 90 minutes)

DETAILS OF THE TEST	
Date	Term 1 after the module on cash journals, ledgers and trial balances
LEARNING OUTCOMES AND ASSESSMENT STANDARDS ADDRESSED	
10.1.1	Explain accounting concepts.
10.1.2	Identify and complete source documents, record in journals, post to ledgers and draw up trial balance manually and/or using an accounting package.
10.1.3	Analyse effect on accounting equation.
10.3.4	The perpetual inventory system, record in journals and post to ledger.
SUGGESTED DESIGN OF THE TEST	
Individual work <ul style="list-style-type: none"> • Present learners with question paper and answer book. • Test includes a series of questions on accounting concepts, documents, accounting equation, recording in CRJ and CPJ and preparation and interpretation of trial balance. • Assessment tools: marking memorandum and/or rubrics • Assessment by teacher (although learners can mark certain aspects). <i>Refer to www.thutong.org.za for an example of a test on the bookkeeping process.</i>	

Grade 10

Term 3: Data response test

SALARIES AND WAGES

(80 marks; 50 minutes)

DETAILS OF THE TEST	
Date	Term 3 (after the module on salaries and wages)
LEARNING OUTCOMES AND ASSESSMENT STANDARDS ADDRESSED	
10.3.2	Explain salaries and wage scales and contributions and record in books.
10.3.5	Apply code of ethics.
10.3.6	Demonstrate knowledge of internal control processes.
SUGGESTED DESIGN OF THE TEST	
Individual work <ul style="list-style-type: none"> • Present learners with question paper and answer booklet. • Test covers two employees: one earning a salary, the other earning a wage. • Learners are presented with annual tax tables, a pay slip for the wage earner, totals from the WJ and opening balances. • Learners are required to answer questions on the information provided, complete selected ledger accounts and consider an internal control and ethical scenario. • Assessment tools: marking memorandum and/or rubrics. • Assessment by teacher (although learners can mark certain aspects). <i>Refer to www.thutong.org.za for an example of a data response test on salaries and wages.</i>	
EXTENDED ACTIVITY	
<ul style="list-style-type: none"> • Present learners with a newspaper article on the topic of differentials in remuneration. • Ask questions and ask for opinions on this article. 	

3. EXAMS

Grade 10

Term 2: Mid-year exam

DETAILS OF GRADE 10 MID-YEAR EXAM	
Date	Term 2:
LEARNING OUTCOMES AND ASSESSMENT STANDARDS ADDRESSED	
10.1.1	Explain accounting concepts.
10.1.2	Record information.
10.1.3	Analyse effect on accounting equation.
10.2.1	Distinguish between financial and managerial accounting.
10.2.2	Identify cost concepts.
10.2.3	Explain budget concepts.
10.3.1	Indigenous systems: Compare informal and formal bookkeeping systems.
10.3.4	Discuss perpetual inventory system, record in journals and post to ledger.
10.3.5	Apply code of ethics.
10.3.6	Demonstrate knowledge of internal control processes.
SUGGESTED DESIGN OF THE EXAMINATION	
QUESTION 1: 50 marks; 30 minutes	
The topic of the question is:	The Learning Outcomes covered are:
Documents, recording, accounting equation and concepts	LO1 Financial accounting <ul style="list-style-type: none"> • AS 1.1 Explain accounting concepts. • AS 1.2 Record information in books. • AS 1.3 Analyse effect on accounting equation. LO3 Managing resources <ul style="list-style-type: none"> • AS 3.6 Apply internal control processes.
QUESTION 2: 50 marks; 30 minutes	
The topic of the question is:	The Learning Outcomes covered are:
Questions on debtors and stock accounts: identifying figures and explaining entries	LO1 Financial accounting <ul style="list-style-type: none"> • AS 1.2 Record information in books. LO3 Managing resources <ul style="list-style-type: none"> • AS 3.4 Perpetual inventory system. • AS 3.6 Apply internal control processes.
QUESTION 3: 50 marks; 30 minutes	
The topic of the question is:	The Learning Outcomes covered are:
Correction of a trial balance and questions on accounting concepts	LO1 Financial accounting <ul style="list-style-type: none"> • AS 1.1 Explain accounting concepts. • AS 1.2 Record information in books. LO3 Managing resources <ul style="list-style-type: none"> • AS 3.5 Apply code of ethics.
QUESTION 4: 30 marks; 14 minutes	
The topic of the question is:	The Learning Outcomes covered are:
Different accounting systems: responses to statements on financial or managerial accounting, formal or indigenous systems	LO3 Managing resources <ul style="list-style-type: none"> • AS 3.1 Indigenous systems LO2 Managerial accounting <ul style="list-style-type: none"> • AS 2.1 Distinguish between financial and managerial accounting.
QUESTION 5: 20 marks; 14 minutes	
The topic of the question is:	The Learning Outcomes covered are:
Budget and cost concepts: responses to questions on a budget of a small retailer	LO2 Managerial accounting <ul style="list-style-type: none"> • AS 2.2 Identify cost concepts. • AS 2.3 Explain budget concepts.
Refer to website for an example of a mid-year examination.	

4. CASE STUDY

Grade 10

Term 3: Case study

FINANCIAL STATEMENTS OF A SOLE TRADER

(120 marks)

DETAILS OF THE CASE STUDY	
Date	Term 3 (after completion of the module on preparing financial statements)
LEARNING OUTCOMES AND ASSESSMENT STANDARDS ADDRESSED	
10.1.1	Explain accounting concepts.
10.1.5	Examine financial statements of sole traders.
10.3.5	Discuss ethical considerations.
SUGGESTED DESIGN OF THE CASE STUDY	
<ul style="list-style-type: none">• Present learners with question paper and answer booklet.• Provide learners with the following information: pre-adjustment trial balance, list of adjustments, comparative figures for the previous financial year and the owner's concerns about his business.• Part A: Individual work under test conditions: List year-end adjustments to be entered in the books and list balance sheet adjustments.• Part B: Individual work at own pace: Prepare income statement, balance sheet and notes (manually or using a computerised spreadsheet package if available).• Part C: Work in pairs or groups: Consider the financial statements with comparative figures and present responses to six concerns that the owner has about his business (this can be done in written, verbal or visual form or using PowerPoint if available).• Assessment tools: Part A: marking memorandum; Part B and Part C: rubrics.• Assessment by peers (Part A and C) and teacher (Parts B and C).	
Refer to www.thutong.org.za for the complete task.	

EXTRACT FROM THE TASK (shortened for illustrative purposes)	
<p>You are an accountant in public practice. You are approached by Fatima Falla who owns a retail business that buys and sells ladies' clothing. She has increased her mark-up to 75% on cost to try to improve her profit. She is worried that she is not earning a good return on her investment and is seeking advice on how to improve her results. As this is her only source of income, she feels that if she cannot make a profit of more than R150 000 per year, she would prefer to sell the business or close it down. As Fatima did not study Accounting at school, she asks you to assist her in the year-end procedures, in preparing the financial statements and in answering her query.</p>	
REQUIRED:	
Part A: Individual work	(45 marks; 40 minutes)
Use the templates provided to show Account debited, Account credited and Amount in respect of:	
<ul style="list-style-type: none">• the year-end adjustments that you would make in the books of Fatima's Fashions for the year-ended 28 February 2006 and• the adjustments that you would make on the balance sheet but not in the books.	
Part B: Individual work	(30 marks; 40 minutes)
<ul style="list-style-type: none">• Prepare the financial statements for the year ended 28 February 2006. Use the template provided for this purpose – this template reflects the comparative figures for the previous year.	

Part C: Work in groups/pairs**(45 marks; 120 minutes)**

Prepare a presentation for Fatima to answer the following concerns and queries on 28 February 2006. Your presentation may be in written form or, if available, you may use a computer software package. You must support your opinions by specifically quoting evidence from the financial statements and your opinions must be as convincing and as conclusive as possible.

- **Concern #1:** Why has the net profit not improved, despite the increase in the mark-up %? From the income statement, identify positive and negative trends and trends that could have been expected.
- **Concern #2:** Is the business earning an acceptable return for Fatima, bearing in mind that she has invested a significant amount of her personal money in the business and this is her only source of income?
- **Concern #3:** Can the business settle all its debts comfortably on 28 February 2006, without having to rely on more funds being provided by Fatima?
- **Concern #4:** Can the business comfortably settle its immediate debts, in other words those that have to be settled in a short period of time?
- **Concern #5:** Should Fatima sell her business, close it down or continue?
- **Concern #6:** Assuming she continues, provide five points of advice you would offer her.

RUBRIC: PART C: PRESENTATION ON FINANCIAL STATEMENTS							
	10	8	6	4	2	0	Marks
Concern #1: <i>Trends in Income Statement:</i> MU and GP Positive trends Negative trends Expected trends	Convincing explanation of MU and GP, positive, negative and expected trends in relation to sales – quote of % changes	Good explanation of MU and GP, positive, negative and expected trends in relation to Sales – quote of % changes	Satisfactory explanation of some aspects – quote of annual changes	Partial explanation of some aspects – quote of some annual changes	Poor explanation of some aspects – little evidence quoted	No idea of any aspect	
Concern #2: <i>Acceptable return</i> Assessment of extent of absolute amount Comparison to amount invested 10% Comparison to alternative returns	Convincing opinion considering all aspects – quote evidence from financial statements or financial indicators of 10%	Good explanation considering all aspects – quote evidence from financial statements or financial indicators of 10%	Satisfactory explanation of some aspects – quote of some valid evidence	Partial explanation of some aspects – quote of some valid evidence	Poor explanation of some aspects – little evidence quoted	No idea of any aspect	
Concern #3: <i>Solvency:</i> Compare TA to TL Express correct opinion that solvency is no problem	Convincing explanation with correct TA:TL relationship used as evidence	Good explanation with correct TA:TL relationship used as evidence	Satisfactory explanation with some comment on TA and TL	Partial explanation with some comment on assets or liabilities	Poor explanation with some opinion	No idea of any aspect	
Concern #4: <i>Liquidity:</i> Compare CA to CL Express correct opinion that liquidity is no problem	Convincing explanation with correct CA:CL relationship used as evidence	Good explanation with correct CA:CL relationship used as evidence	Satisfactory explanation with some comment on CA and CL	Partial explanation with some comment on assets or liabilities	Poor explanation with some opinion	No idea of any aspect	
Concern #5: <i>Going concern:</i> Express opinion with valid reasons such as prospects, sale price, equity, alternative earnings	Opinion with valid reasons expressed convincingly	Opinion with valid reasons expressed well	Opinion with at least one valid reason expressed reasonably well	Opinion with at least one valid reason expressed adequately	Poor explanation with some opinion	No idea of any aspect	
Concern #6: <i>five points of advice</i>	Five main points convincingly explained with valid implications for profit	Five main points well explained with valid implications for profit	Four main points explained with valid implications for profit	Three main points explained with valid implications for profit	One or two main points explained with valid implications for profit	No idea of any aspect	
TOTAL							/45

APPENDIX 3: SUGGESTED OUTLINE FOR THE GRADE 10 END-OF-YEAR EXAMINATION PAPER

DETAILS OF GRADE 10 NOVEMBER EXAMINATION	
Date	Term 4: November
LEARNING OUTCOMES & ASSESSMENT STANDARDS ADDRESSED	
10.1.1	Explain accounting concepts
10.1.2	Use of source documents & ledger (optional question)
10.1.5	Financial statements of a sole trader
10.2.2	Identify cost concepts
10.2.3	Explain budget concepts
10.3.2	Explain salaries & wage scales and contributions
10.3.4	Discuss perpetual inventory system, record in journals and post to ledger
10.3.5	Apply code of ethics
10.3.6	Demonstrate knowledge of internal control processes
SUGGESTED DESIGN OF THE EXAMINATION	
<p>Note: The Grade 10 curriculum statement does not mention interpretation of financial statements. To provide flexibility for teachers in addressing this, an optional question has been suggested (refer to Questions 5 & 6 below). Questions 1-4 are compulsory. Refer to the website for the full exemplar paper.</p>	
QUESTION 1: 40 marks; 30 minutes	
The topic of the question is:	The learning outcomes covered are:
Recording information & internal control	LO1 Financial information - AS2 Use of source documents & ledger LO3 Managing resources - AS4 Ledger for perpetual inventory system - AS6 Knowledge of internal control
QUESTION 2: 30 marks; 25 minutes	
The topic of the question is:	The learning outcomes covered are:
Cost concepts	LO2 Managerial accounting - AS2 Identify basic cost concepts
QUESTION 3: 100 marks; 55 minutes	
The topic of the question is:	The learning outcomes covered are:
Financial statements & concepts	LO1 Financial information - AS1 Explain accounting concepts - AS5 Prepare financial statements of sole traders
QUESTION 4: 65 marks; 40 minutes	
The topic of the question is:	The learning outcomes covered are:
Budget concepts	LO2 Managerial accounting - AS3 Explain basic budget concepts LO3 Managing resources - AS2 Salaries & wage scales - AS5 Code of ethics
CHOOSE EITHER QUESTION 5 OR QUESTION 6	
QUESTION 5: 65 marks; 30 minutes	
The topic of the question is:	The learning outcomes covered are:
Interpreting financial statements	LO1 Financial information - AS5 Financial statements of sole traders
QUESTION 6: 65 marks; 30 minutes	
The topic of the question is:	The learning outcomes covered are:
Informal and formal accounting systems	LO1 Financial information - AS2 Use of source documents & ledger - AS5 Financial statements of sole traders

EXTRACT FROM AN EXAMPLE OF A GRADE 10 EXAM**QUESTION 4****BUDGET CONCEPTS****65 marks – 40 minutes**

VV Garden Services is owned by Victor Venter. He employs 2 managers to run the business for him, and employs 10 gardeners to perform the gardening work. He expects the business to have a very good year in 2006. He expects fee income from garden services to increase by 40%. As he relies heavily on the two managers to supervise the 10 gardeners and drive the vehicles for him, he feels it is only fair to give them a 40% increase in their salaries for 2006. He has budgeted for this.

You are provided with the Cash Budget for the business for the year ending 31 December 2006, together with the corresponding figures for 2005.

VV GARDEN SERVICES: CASH BUDGET FOR YEAR ENDING 31 DECEMBER 2006

	COMPARISON	BUDGET PERIOD
	2005	2006
RECEIPTS		
Fee income from garden services	600 000	840 000
Sale of premises		120 000
Loan from FNB	100 000	
	700 000	960 000
PAYMENTS * <i>Includes employee benefits</i>		
Salary of bookkeeper / receptionist *	45 000	45 000
Salaries to managers *	150 000	210 000
Wages to gardeners *	180 000	189 000
Advertising	10 000	10 000
Rent of office	42 000	42 000
Office telephone & electricity	12 000	13 000
Motor vehicle expenses	50 000	70 000
Insurance	7 000	7 000
Equipment purchased	63 000	20 000
Bank charges	4 000	4 000
Drawings by V Venter	90 000	250 000
Loan repayments		20 000
Interest on loan	16 000	12 800
Consumable stores	30 000	60 500
	699 000	896 300
Cash surplus (deficit) for the year	1 000	6 700
Cash at bank at beginning of year	61 000	62 000
Cash at bank at end of year	62 000	68 700

QUESTIONS:

- 4.1 One of the managers cannot understand how Victor has compiled the budget for 2006. Some of the expenses have gone up significantly but others have remained approximately the same. Victor has tried to explain to him that certain costs are regarded as variable and others fixed. Write a brief explanation for the manager to help him understand. Provide two examples of fixed costs and two examples of variable costs from the budget provided in order to illustrate your answer. (10)
- 4.2 Victor cannot understand why the gardeners are so unhappy. They are threatening to go on strike. You feel that the proposed budget for 2006 could be one of the major reasons for this unhappiness. Write a brief report for Victor. Your report should refer to budget items, and should offer him two practical suggestions to solve the problem. (15)
- 4.3 Apart from salaries and wages, identify three items in the cash budget that, in your opinion, could have been miscalculated. Briefly explain your concern on each item identified. (10)
- 4.4 Consider the bank balances at the end of 2005 and 2006. In your opinion, is it wise for Victor to keep these amounts in the bank? Provide reasons for your opinion as well as two options for the treatment of the cash. (10)
- 4.5 One of the managers, Peter Perkins, has complained that he is being underpaid. He says he earns a salary of R6 000 per month, but he is receiving only R3 790. He feels an error has been made. His pay slip for last month is:

<i>Employee: P Perkins</i>	Date: Dec 2005
Gross salary	R 6 000,00
PAYE	- R 1 020,00
UIF (total monthly amount R120)	- R 60,00
Medical aid (total premium R1 500)	-R 500,00
Pension fund (total monthly amount R1 080)	- R450,00
Net salary	R 3 970,00

- Write a brief explanation to Peter Perkins, to help him understand that no error has been made. (10)
 - Peter is actually earning more than R6 000 per month. How much extra is he actually earning, and why does he benefit in this way? (4)
- 4.6 Peter Perkins (see above) is unhappy about the large amount of tax he has to pay on his salary. He wants Victor to pay him R6 000 in cash every month and not transfer the amount directly into his bank account. He tells Victor that he will be a lot happier and will work a lot harder. If you were Victor, what would your response be to this employee? Explain briefly. (6)

APPENDIX 4: VERBS ASSOCIATED WITH BLOOM'S TAXONOMY AND HOW THESE RELATE TO THE ASSESSMENT STANDARDS IN ACCOUNTING

1. Verbs associated with the 6 levels of questioning in Bloom's taxonomy

LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 4	LEVEL 5	LEVEL 6
Knowledge	Comprehension	Application	Analysis	Synthesis	Evaluation
arrange define describe duplicate identify label list locate memorise name order recognise relate select recall repeat reproduce state	classify describe discuss distinguish explain express identify indicate infer locate match paraphrase recognise report restate review select translate	apply adapt choose compute complete demonstrate discover dramatise draw employ gather graph illustrate interpret modify operate practise prepare revise schedule sketch show solve survey use write	analyse appraise calculate categorise classify compare contrast criticise decipher deduce differentiate discriminate distinguish examine explain experiment generalise infer predict relate solve question test	arrange assemble combine compose collect create construct create design depict develop formulate incorporate integrate invent manage organise plan prepare predict propose produce set up structure write	appraise argue assess attach choose compare critique defend decide estimate judge justify predict rate recommend core select support value evaluate

2. Verbs which appear in the Assessment Standards of Accounting and how they relate to Bloom's taxonomy

VERBS USED IN ACCOUNTING ASSESSMENT STANDARDS	SKILLS	KNOWLEDGE	VALUES	ATTITUDES	LEVEL OF BLOOM'S TAXONOMY
Analyse	X	X	X	X	4
Apply	X	X			3
Compare	X	X	X	X	6
Complete	X	X			3
Calculate	X	X			3
Define	X	X			2
Demonstrate	X	X	X	X	3
Develop	X	X	X	X	5
Distinguish	X	X	X	X	6
Discuss	X	X	X	X	2-6
Evaluate	X	X	X	X	6
Explain	X	X	X	X	1-6
Identify	X	X	X	X	1-4
Interpret	X	X	X	X	2-6
Interview	X	X	X	X	3-6
Perform	X	X			3
Present	X	X	X	X	3
Post	X	X			1
Prepare	X	X			3
Record	X	X			1
Report	X	X	X	X	2-6
Research	X	X	X	X	4-6
Select	X	X			1-4
Show	X	X			3
Validate	X	X			3-6

APPENDIX 5: SUGGESTED OUTLINE FOR THE GRADE 12 EXTERNAL EXAMINATION

DETAILS OF GRADE 12 END-OF-YEAR EXAMINATION	
Date	Term 4
LEARNING OUTCOMES AND ASSESSMENT STANDARDS ADDRESSED	
12.1.1	Define accounting concepts.
12.1.2	Prepare and interpret financial statements of a close corporation and company.
12.1.4	Analyse and interpret reconciliations.
12.2.2	Prepare and analyse cost information.
12.2.3	Explain budget concepts.
12.3.2	Explain salaries and wage scales and contributions.
12.3.4	Discuss perpetual inventory system, record in journals and post to ledger.
12.3.5	Apply code of ethics.
12.3.6	Apply internal control processes.
SUGGESTED DESIGN OF THE EXAMINATION	
QUESTION 1: 30 marks; 15 minutes	
The topic of the question is:	The Learning Outcomes covered are:
Reconciliations and internal control: answer questions on bank, debtors' and creditors' reconciliations and internal control aspects of each	LO1 Financial accounting <ul style="list-style-type: none"> • AS4 Analyse and interpret reconciliations. LO3 Managing resources <ul style="list-style-type: none"> • AS6 Apply internal control processes.
QUESTION 2: 50 marks; 30 minutes	
The topic of the question is:	The learning outcomes covered are:
Close corporation: double entries in context of CC; prepare selected note to the financial statements; define CC concepts and consider CC scenarios	LO1 Financial accounting <ul style="list-style-type: none"> • AS1 Define accounting concepts. • AS3 Analyse transactions • AS5 Prepare financial statements.
QUESTION 3: 65 marks; 30 minutes	
The topic of the question is:	The learning outcomes covered are:
Manufacturing: prepare production cost statement and answer questions on cost information	LO2 Managerial accounting <ul style="list-style-type: none"> • AS2 Prepare and analyse cost information.
QUESTION 4: 105 marks; 55 minutes	
The topic of the question is:	The learning outcomes covered are:
Financial statements of a company: prepare cash flow statement; calculate and interpret financial indicators and consider ethical scenario in the context of a company	LO1 Financial accounting <ul style="list-style-type: none"> • AS5 Prepare and interpret financial statements. LO3 Managing resources <ul style="list-style-type: none"> • AS5 Apply code of ethics.
QUESTION 5: 50 marks; 50 minutes	
The topic of the question is:	The learning outcomes covered are:
Corporate ethics: consider and respond to a media report on corporate accountability	LO3 Managing resources <ul style="list-style-type: none"> • AS5 Apply code of ethics.
Refer to website for an example of an end-of-year examination.	