

SECTION 2

2.1 What is Accounting?

Accounting focuses on measuring performance, and processing and communicating financial information about economic sectors. This discipline ensures that principles such as ethical behaviour, transparency and accountability are adhered to. It deals with the logical, systematic and accurate selection and recording of financial information and transactions, as well as the compilation, analysis, interpretation and communication of financial statements and managerial reports for use by interested parties.

The subject encompasses accounting knowledge, skills and values focusing on **financial accounting**, **managerial accounting** and **auditing** content which covers a broad spectrum of accounting concepts and skills to prepare learners for a variety of career opportunities.

This content has been divided into two broad disciplines:

- **Discipline 1:** Financial reporting and evaluation (focusing on external stakeholders)
- **Discipline 2:** Managerial accounting and internal control (focusing on internal processes).

The table below indicates the two main disciplines and corresponding topics in the Accounting curriculum, together with an indication of content to be allocated across two examination papers.

Weighting of curriculum	Examination papers	Topics
Discipline 1: weighting 50% Recording, Reporting and Evaluation of Financial Information & Corporate Governance	PAPER 1	1. Accounting concepts, GAAP & IFRS
		2. Bookkeeping (including salaries & wages) and trial balances
		3. Accounting equation
		4. Adjustments, final accounts and trial balances
		5. Financial statements (including notes e.g. fixed assets and inventory notes; and Independent Auditors' Report)
		6. Financial indicators for reporting purposes & interpretation
		7. Corporate governance, ethics & professional bodies
Discipline 2: weighting 50% Manufacturing, Forecasting and Internal Auditing & Control	PAPER 2	1. Reconciliations (including debtors' age analysis)
		2. Value-added tax
		3. Inventory valuation
		4. Manufacturing & Cost accounting
		5. Budgeting and Projected Income Statements
		6. Financial indicators for internal control purposes
		7. Internal control & internal auditing (cash, fixed assets, inventories, debtors, creditors, income and expenses including salaries & wages)
		8. Ethics

2.2 The purpose of Accounting

Accounting learners will be able to:

- record, analyse and interpret financial and other relevant data in order to make informed decisions;
- present and/or communicate financial information effectively by using generally accepted accounting practice in line with current developments and legislation;
- develop and demonstrate an understanding of fundamental accounting concepts;
- relate skills, knowledge and values to real-world situations in order to ensure the balance between theory and practice, to enter the world of work and/or to move to higher education, and to encourage self-development
- organise and manage own finances and activities responsibly and effectively;
- apply principles to solve problems in a judicious and systematic manner in familiar and unfamiliar situations, thus developing the ability to identify and solve problems in the context of the various fields of Accounting;
- develop critical, logical, and analytical abilities and thought processes to enable learners to apply skills to current and new situations;
- develop the following characteristics:
 - ethical behaviour
 - sound judgement
 - thoroughness
 - orderliness
 - accuracy
 - neatness;
- deal confidently with the demands of an accounting occupation manually and/or electronically.

2.3 Time allocation for Accounting in the curriculum

The teaching time for Accounting is 4 hours per week, per grade **on the timetable for Grades 10, 11 and 12.**

2.4 Requirements to offer Accounting as a subject

It is the **responsibility of the school** to provide the resources to offer Accounting as a subject.

- (a) Each learner should have:
- a textbook
 - Accounting stationery or workbook
 - a calculator.

(b) The teacher should have:

- a variety of textbooks for reference
- policies, e.g. summary of King Code III
- partnership agreement
- legislation, e.g. Companies Act 71 of 2008
- codes of professional bodies, e.g. SAICA and SAIPA Codes
- SARS brochures
- bank brochures
- access to business reports and published financial statements
- access to a computer and the internet.
- Value Added Tax (VAT)

SECTION 3

3.1 Overview of topics:

GRADE 10	
Term	Topic
1	Indigenous bookkeeping (not examinable) Ethics (introduction) GAAP principles Internal control (introduction) Bookkeeping of sole trader: recording of cash transactions (CRJ, CPJ, PCJ); General Ledger, Trial Balance; Accounting equation Bookkeeping of sole trader: recording of credit transactions (DJ, DAJ, CJ, CAJ, GJ); Ledgers, Debtors' and Creditors' lists, Trial Balance; Accounting equation Bookkeeping of sole trader: recording of cash and credit transactions (combined)
2	VAT Salaries and wages Final Accounts – sole trader: year-end adjustments, General Ledger including Final Accounts Section, Trial Balance
3	Financial statements – sole trader Adjustments, closing transfers, General Ledger, Income Statement (Statement of Comprehensive Income), Balance Sheet (Statement of Financial Position), Notes to financial statement Analysis and interpretation of financial statements and notes
4	Cost accounting: Manufacturing concepts and basic calculations Budgeting
GRADE 11	
Term	Topic
1	Reconciliations Fixed assets Partnerships: adjustments, General Ledger, Accounting equation, final accounts, financial statements
2	Partnerships: analysis and interpretation Cost Accounting: calculations, General Ledger
3	Budgeting: Projected Income Statement, debtors' collection, creditors' payments, Cash Budget Inventory systems Clubs, Concepts, Ledgers and Statement of Receipts and Payments (not examinable)
4	Value Added Tax
Integrate internal control, and ethic with all the topics	

GRADE 12	
Term	Topic
1	<p>Companies: unique transactions</p> <p>Companies – final accounts, financial statements and notes [Income Statement (Statement of Comprehensive Income), Balance Sheet (Statement of Financial Position), Cash Flow Statement]</p> <p>Companies – analysis and interpretation</p> <p>Companies – analysis of published financial statements and audit reports</p>
2	<p>Inventory systems</p> <p>Fixed assets</p> <p>Cost Accounting</p> <p>Production Cost Statement with notes</p> <p>Abridged (short form) Income Statement (Statement of Comprehensive income), unit costs, break-even</p> <p>Reconciliations</p>
3	<p>Value Added Tax (VAT)</p> <p>Budgeting</p>
4	Revision and examination preparation
Integrate internal control, corporate governance and ethic with all the topics	

3.2 Teaching Plan

3.2.1 Summary of Grade 10 Annual Teaching Plan

TERM 1											
	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	
Topic	Indigenous bookkeeping Not examinable	Ethics, GAAP	Internal Control	Bookkeeping of a Sole Trader: Cash transactions, CRJ, CPJ, PCJ, General ledger, Trial balance, Accounting equation			Bookkeeping of a Sole Trader: Credit transactions, DJ, DAJ, CJ, CAJ, GJ, Ledgers (GL, DL and CL), Debtors' list, Creditors' list, Trial balance, Accounting equation				
	Integrate Internal control, and ethics with all the topics										
Assessment	Presentation (Indigenous Bookkeeping)			Informal			Test				
TERM 2											
	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	
Topic	Combined cash and credit transactions		VAT	Salaries and wages		Year –end Adjustments and Post Adjustment Trial Balance		Midyear examination			
	Integrate Internal control and ethics with all the topics										
Assessment	Project (formal bookkeeping)			Informal			Midyear examination				
TERM 3											
	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	
Topic	Final accounts of a Sole Trader and Trial Balance, Financial Statements- Sole trader Adjustments, Closing transfers, General ledger, Income Statement, Balance Sheet, and Notes to the financial Statements						Analysis and Interpretation of Financial statements				
	Integrate Internal control and ethics with all the topics										
Assessment	Case study			Informal			Test				
TERM 4											
	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	
Topic	Cost accounting	Budgeting	Revision and examination Preparation		Final examination						
	Integrate Internal control and ethics with all the topics										
Assessment	Informal				Final examination						

3.2.2 Annual teaching Plan Grade 10

TERM 1			
Week/hour	Topic	Content	Recommended resources
1 Week (Week 1)	1. Informal or indigenous bookkeeping systems (not examinable)	<p>Comparison of the bookkeeping systems of the informal and formal sectors:</p> <ul style="list-style-type: none"> • Concepts: capital, fixed assets, stock, cost price; labour cost; selling price; income; expenses and profit. • Management of resources (capital, fixed assets, stock, etc.) <p>Process of determining selling prices, cost of sales, labour costs, income and expenses</p>	<p>Access to an owner of an informal business</p> <p>Questionnaire</p>
1 Week (Week 2)	2. Ethics	<p>Explanation of the code of ethics applicable to all parties in the financial environment:</p> <ul style="list-style-type: none"> • Code of ethics • Basic principles of ethics (leadership, discipline, transparency, accountability, fairness, sustainability, responsible management) <p><i>Ethics should be integrated with other topics.</i></p>	<p>Worksheet</p> <p>Case studies/ scenarios</p> <p>Newspaper articles</p>
	3. GAAP principles	<p>Definition and explanation of Generally Accepted Accounting Practice (GAAP) principles:</p> <ul style="list-style-type: none"> • historical cost • prudence • materiality • business entity rule • going concern • matching <p><i>Apply to all the relevant topics and link to topic 1 and 2.</i></p>	<p>Worksheet</p> <p>Textbook</p>
1 Week (Week 3)	4. Internal control	<p>Definition and explanation of what is meant by internal control</p> <p>Identification and explanation of basic internal control processes: Control environment; risk assessment; control activity supported by policy and procedures; information system and communication methods and monitoring performance.</p> <p><i>Internal control should be integrated with other topics.</i></p>	<p>Worksheet</p> <p>Case studies/ scenarios</p> <p>Newspaper articles</p>

7 Weeks (Week 4 - 10)	5. Financial Accounting of a sole trader	Definition and explanation of accounting concepts up to financial statements; sole trader; debit; credit; equity; capital; assets; liabilities; ledger; journal; profit; loss; Value Added Tax (VAT); income/revenue; expenses; final accounts; financial statements; discounts; Accounting Cycle; Financial Accounting; Managerial Accounting; perpetual inventory system.	Blank source documents Accounting stationery Textbooks
	6. Bookkeeping of a sole trader	Accounting cycle based on perpetual inventory system: <ul style="list-style-type: none"> • revision of Grade 9 content • source documents • principles of Double Entry System • journals <ul style="list-style-type: none"> - Cash Receipts Journal - Cash Payments Journal (including loans, fixed deposits, interest income and interest expense, dishonoured cheques, discount allowed and discount received) - Debtors' Journal, Creditors' Journal, Debtors Allowances Journal, Creditor' Allowances Journal - Petty Cash Journal - General Journal (including bad debts, cancellations of discount on dishonoured cheques, interest overdue accounts, corrections of errors) • Posting to General, Debtors and Creditors' ledgers • Trial Balance • Preparation of debtors' and creditors' lists to reconcile with the debtors' and creditors' control accounts (including correction of errors and omissions) <p><i>Note: The transactions on the acquisition of fixed assets and the fixed assets register for the purpose of internal control are important.</i></p>	Completed source documents for project Optional: Computers and software
	Accounting equation	Analysis and an indication of the effect of transactions on the accounting equation of a sole trader <i>This topic needs to be integrated with all the appropriate topics throughout the year.</i>	

Term 1: Formal assessment

Forms of assessment	Presentation (Indigenous bookkeeping)	Test
Total marks	50	100

A test should cover the content dealt with during the term.

Daily assessment is important to monitor teaching and learning

The project should be given to learners **towards the end of the first term and learners need to submit it during the second term**. The project content is covered during term 1.

TERM 2

Week/hour	Topic	Content	Recommended resources
2 Weeks (Week 1 - 2)	1. Combined cash and credit transactions	Preparation of debtors' and creditors' lists to reconcile with the debtors' and creditors' control accounts (including correction of errors and omissions)	
1 Week (Week 3)	2. Value Added Tax (VAT)	Explanation of the basic concepts of VAT and basic calculations: <ul style="list-style-type: none"> • need for VAT • purpose of VAT • principles of VAT • zero-rated items • VAT-exempted items • VAT-able items • Current VAT rate 	Textbook
2 Weeks (Week 4 - 5)	3. Salaries and Wages Journals	Explanation, calculation and recording of salary and/or wage scales and payments in the journals and post to the ledger; this can be done manually or on a computerised spreadsheet. <ul style="list-style-type: none"> • Normal time • Overtime • Deductions <ul style="list-style-type: none"> - PAYE - Pension Fund - Unemployment Insurance Fund - Medical Aid - Union Membership • Employer contributions <ul style="list-style-type: none"> - Pension Fund - Unemployment Insurance Fund - Medical Aid - Skills development Levy <p>Accounting equation</p> <p>Ethical conduct related to salaries and wages, e.g. contracts, payment in line with responsibilities, role of unions</p>	Textbook Accounting stationery Newspaper articles (current and relevant ethical issues) Optional: Computers and software (spreadsheet)
3 Weeks (Week 6 - 8)	4. Financial Accounting of a sole trader	Preparation of final accounts of a sole trader taking into account year-end-adjustments Related concepts Application of GAAP principles Accounting equation Pre-adjustment Trial Balance <i>Year-end-adjustments:</i> <ul style="list-style-type: none"> • Trading stock deficit/surplus • Consumable stores on hand • Depreciation (on cost price/straight line, on diminishing balance methods) • Bad debts • Bad debts recovered (including receipts from solvent estates) 	Textbook Accounting stationery

		<ul style="list-style-type: none"> • Correction of errors/omissions • Accrued income (receivable) • Income received in advance (deferred) • Expenses prepaid • Accrued expenses (payable) • Interest on mortgage bond (capitalised) <p>Post-adjustment Trial Balance</p> <p>Closing transfers</p> <p><i>Final accounts:</i></p> <ul style="list-style-type: none"> • Trading Account • Profit and Loss Account <p>Post-closing Trial Balance</p> <p>Reversal of certain year-end adjustments at beginning of next financial period, i.e. accruals, income received in advance and prepayments.</p>	
	Revision exercises	Revision of all topics covered during the first two terms	Textbook exercises
2 Weeks (Week 9 - 10)	Midyear examination		
Term 2: Formal assessment			
Forms of assessment	Project (bookkeeping)		Midyear examination
Marks	50		200
<i>The content dealt with during term 1 and 2 should be revised for the midyear examination.</i>			

TERM 3

Week/hour	Topic	Content	Recommended resources
6 Weeks (Week 1 – 6)	1. Financial Accounting of a sole trader - Preparation of financial statements	Preparation of financial statements of a sole trader taking into account year-end adjustments Related concepts Application of GAAP principles Accounting equation <i>Year-end adjustments:</i> <ul style="list-style-type: none"> • Trading stock deficit/surplus • Consumable stores on hand • Depreciation (on cost price/straight line, on diminishing balance methods) • Bad debts • Bad debts recovered (including receipts from solvent estates) • Correction of errors/omissions • Accrued income (receivable) • Income received in advance (deferred) • Expenses prepaid • Accrued expenses (payable) 	Textbook Accounting stationery
4 Weeks (Week 7 – 10)	2. Financial Accounting of a sole trader - Preparation of financial statements - Analysis and interpretation of financial statements	Financial Statements: <ul style="list-style-type: none"> • Income Statement (Statement of Comprehensive Income) • Balance Sheet (Statement of Financial Position) Analysis and interpretation of financial statements and notes: <ul style="list-style-type: none"> • Gross profit on sales • Gross profit on cost of sales • Net profit on sales • Operating expenses on sales • Operating profit on sales • Current ratio • Acid test ratio • Solvency ratio • Return on equity 	Textbook Accounting stationery
	Revision exercises	Revise topics covered during the term.	Textbook exercises
Term 3: Formal assessment			
Forms of assessment		Case study	Test
Total marks		50	100
A test should cover the content dealt with during the term.			
Daily assessment is important to monitor teaching and learning.			

TERM 4

Week/hour	Topic	Content	Recommended resources
1 Week (Week 1)	1. Cost Accounting	Definition and explanation of basic cost concepts and basic calculations : <ul style="list-style-type: none"> • Direct labour • Indirect labour • Direct material (raw materials) • Indirect materials • Factory overhead costs • Prime cost • Variable costs • Fixed costs • Work-in-process <i>Application of principles of internal control</i> <i>Ethical behaviour related to a manufacturing business</i>	Textbook Accounting stationery
1 Week (Week 2)	2. Budgeting	Define and explain basic budgeting concepts and basic calculations : <ul style="list-style-type: none"> • Cash budget • Zero based budget • Capital budget • Long-term budget • Medium-term budget. 	Textbook Accounting stationery
2 Weeks (Weeks 3 -4)	Revision exercises	Revise all topics in preparation for final examinations.	Textbook exercises Accounting stationery
5 weeks		Final examination	
Term 4			
Year-mark		Final examination	
100		Paper 1 = 150 Paper 2 = 15	
		Total	
		400	

3.2.3 Summary of Grade 11 Annual Teaching Plan

TERM 1											
	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	
Topic	Reconciliations			Fixed Assets			Partnerships : Adjustments, ledger, accounting equation, final accounts				
	Integrate Internal control and ethics with all the topics										
Assessment	<i>Written report</i>				<i>Informal</i>			<i>Test</i>			

TERM 2											
	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	
Topic	Partnerships: Financial statements			Partnerships: Analysis and interpretation of statements		Cost Accounting (Manufacturing) Ledger			Midyear examination		
	Integrate Internal control and ethics with all the topics										
Assessment	<i>Project</i>				<i>Informal</i>			<i>Midyear examination</i>			

TERM 3											
	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10	
Topic	Budgeting: Projected income statement, debtors' collection and creditors' payments, cash budgets				Inventory system			Clubs: Concepts, Ledger, Statement of receipts and payments		Revision	
	Integrate Internal control and ethics with all the topics										
Assessment	<i>Presentation (Clubs)</i>				<i>Informal</i>			<i>Test</i>			

TERM 4										
	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10
Topic	Value Added Tax (VAT)		Revision and examination preparation			Final examination				
	Integrate Internal control and ethics with all the topics									
Assessment	<i>Informal</i>					<i>Final examination</i>				

3.2.4 Annual teaching Plan Grade 11

TERM 1			
Week/hour	Topic	Content	Recommended resources
Continuously throughout the year	1. Ethics	<p>Identification and analysis of ethical behaviour applicable to financial environments with reference to accountability, transparency and sustainability</p> <p><i>This topic should be integrated with other topics using appropriate scenarios</i></p>	<p>Case studies</p> <p>Newspaper articles</p> <p>Textbook</p>
Continuously throughout the year	2. Internal control	<p>Demonstration of the knowledge of internal audit processes:</p> <ul style="list-style-type: none"> • Definition and explanation of what is meant by an internal audit • Knowledge of the difference between internal control and internal audit, the role of the internal auditor, division of duties, documentation and physical controls. • Identification of internal audit procedures relating to: <ul style="list-style-type: none"> - Handling of cash - Buying and selling on credit - Stock - Debtors - Creditors. <p><i>This topic should be integrated with other topics.</i></p>	<p>Access to an owner of an informal business</p> <p>Questionnaire</p>
3 Weeks (Week 1 -3)	3. Reconciliations	<p>Reconciliation of bank statements with cash journals in order to prepare bank reconciliation statements:</p> <ul style="list-style-type: none"> • Outstanding deposits • Cheques not yet presented for payment • Stop/debit orders • Direct transfers • Bank charges • Interest received or charged • Correction of errors or omissions • Cheques R/D or cancelled • Post-date cheques received/issued. <p>Reconciliation of statements received from creditors with accounts in Creditors' Ledger of a business in order to prepare creditor's reconciliation statements:</p> <ul style="list-style-type: none"> • Outstanding invoices or credit notes • Outstanding payments • Discounts not recorded • Correction of errors or omissions. <p><i>Integration of issues of internal control</i> <i>Integration of ethical issues</i></p>	<p>Textbooks</p> <p>Bank statements</p> <p>Bank brochures</p>

Week/hour	Topic	Content	Recommended resources
3 Weeks (Week 4 – 6)	4. Tangible/fixed assets	<p>Understanding the concept of a tangible/fixed asset register</p> <p>Recording the acquisition of tangible/fixed assets</p> <p>Calculation and recording of depreciation</p> <ul style="list-style-type: none"> • On cost price (straight-line method) • Diminishing balance method. <p>Understanding how tangible/fixed assets are recorded when they are fully depreciated</p> <p>Recording the disposal of tangible/fixed assets (cash, credit, trade-in):</p> <ul style="list-style-type: none"> • On cost price (straight-line method) • Diminishing balance method. <p>Understanding how tangible/fixed assets are recorded when they are fully depreciated</p> <p>Recording the disposal of tangible/fixed assets (cash, credit, trade-in):</p> <ul style="list-style-type: none"> • At the beginning of a financial year • During a financial year • At the end of a financial year. <p><i>Integration of issues of internal control – control measures over fixed assets</i></p> <p><i>Integration of ethical issues relating to fixed assets – responsible use of fixed assets</i></p>	Textbooks Newspaper adverts and articles
4 Weeks (Week 7 - 10)	5. Financial Accounting of partnerships - preparation	<p>Definition and explanation of accounting concepts unique to partnerships:</p> <ul style="list-style-type: none"> • Partnership • Capital accounts • Current accounts • Interest on capital • Salaries to partners • Bonus to partners • Division of profits/losses 	Textbooks Examples of partnership agreements Accounting stationery
	6. GAAP principles	<p>Definition and explanation of Generally Accepted Accounting Practice (GAAP) principles:</p> <ul style="list-style-type: none"> • Historical cost • Prudence • Materiality • Business entity rule • Going concern • Matching 	

Week/hour	Topic	Content	Recommended resources
	7. Bookkeeping of a partnership	Accounting cycle of partnerships: <ul style="list-style-type: none"> • Documents and journals • Post to the Ledger • Trial Balance 	
		Preparation of final accounts and financial statements of a partnership taking into account year-end adjustments Accounting equation <i>Year-end adjustments:</i> <ul style="list-style-type: none"> • Trading stock deficit/surplus • Consumable stores on hand • Depreciation (on cost price/straight line, on diminishing balance methods) • Bad debts • Bad debts recovered (including receipts from solvent estates) • Correction of errors/omissions • Accrued income (receivable) • Income received in advance (deferred) • Expenses prepaid • Accrued expenses (payable) • Provision for bad debts • Bonus to partners • Interest on capital • Interest on loan (capitalised) • Appropriation of profit/loss. <i>Final accounts:</i> <ul style="list-style-type: none"> • Trading account • Profit and Loss account • Appropriation account 	
Term 1: Formal assessment			
Forms of assessment	Written report	Test	
Total marks	50	100	
<p>Note:</p> <p>A test should cover the content dealt with during the term.</p> <p>Daily assessment is important to monitor teaching and learning</p> <p>Teachers should give the project to learners towards the end of term 1 and instruct learners to submit it in term 2. This will give learners ample time to complete the project. Part of the project content is covered in term 1 and another part in term 2.</p>			

TERM 2

Week/hour	Topic	Content	Recommended resources
3 Weeks (Week 1 - 3)	Partnership: 1. Financial statements	<p><i>Reversal of certain year-end adjustments at beginning of next financial period, i.e. accruals, income received in advance and prepayments</i></p> <p><i>Financial statements and notes:</i></p> <ul style="list-style-type: none"> • Income statements (Statement of Comprehensive Income) • Balance Sheet (Statement of Financial Position) 	
2 Weeks (Week 4 - 5)	2. Financial accounting partnerships analysis and interpretation	<p>Analysis and interpretation of financial statements and notes</p> <p>Revision of the following:</p> <ul style="list-style-type: none"> • Gross profit on sales • Gross profit on cost of sales • Net profit on sales • Operating expenses on sales • Operating profit on sales • Current ratio • Acid test ratio • Solvency ratio <p>Introduction to and covering of the following:</p> <ul style="list-style-type: none"> • Stock turnover rate • Stock holding period • Average debtors' collection period • Average creditors' payment period • Debt-equity ratio (gearing) • Partners' earnings • Return on partners' equity 	Textbook
3 Weeks (Week 6 - 8)	3. Cost Accounting	<p>Calculation of the following costs in a manufacturing environment</p> <ul style="list-style-type: none"> • variable and fixed costs • the cost a product using variable and fixed costs • unit cost • contribution per unit • breakeven point <ul style="list-style-type: none"> • raw material stock • work-in-progress stock • finished goods stock • consumable stores stock (indirect materials) <ul style="list-style-type: none"> • sales • cost of sales • raw materials issued • factory wages • factory electricity • factory rent • depreciation on factory equipment 	Textbook Accounting stationery

		<ul style="list-style-type: none"> • direct (raw) materials cost • direct labour cost • factory overhead cost • administration cost • selling and distribution cost <p>Integration of ethical issues relating to a manufacturing environment</p> <p>Integration of internal audit and internal control issues related to a manufacturing environment</p>	
2 weeks (Week 9 – 11)		Midyear examination	
Term 2: Formal assessment			
Forms of assessment	Project	Midyear examination	
Marks	50	Paper 1 = 150 Paper 2 = 150	
<p><i>Daily assessment is important to monitor teaching and learning</i></p> <p><i>The content dealt with during term 1 and 2 should be revised for the midyear examination.</i></p>			

TERM 3

Week/hour	Topic	Content	Recommended resources
4 Weeks (Week 1 – 4)	1. Budgeting	<p>Preparation and presentation of a cash budget for sole traders:</p> <ul style="list-style-type: none"> • Projected receipts and payments • Projected debtors 'collection • Projected creditors' payments • Cash budget <p>Preparation and presentation of Projected Income Statement (Statement of Comprehensive Income)</p> <ul style="list-style-type: none"> • Projected revenue and expenditure <p><i>Integration of ethical issues</i> <i>Integration of internal audit and internal control issues.</i></p>	Textbook Accounting stationery
3 Weeks (Week 5 - 7)	2. Inventory systems	<p>Definition and explanation of the following stock systems:</p> <ul style="list-style-type: none"> • Perpetual stock system • Periodic stock system <p>Knowledge of the advantages and disadvantages of the periodic and perpetual stock system</p> <p>Recording of transactions using the periodic stock system in the journals and ledgers, comparing it with the perpetual stock system:</p> <ul style="list-style-type: none"> • Purchases account as opposed to Trading Stock account • Opening Stock and Closing Stock accounts • Trading account • Carriage on purchases • Custom and import duties 	Textbook Accounting stationery
2 Weeks (Week 8 - 9)	3. Clubs	<p>Definition and explanation of accounting concepts unique to non-profit organisations (clubs):</p> <ul style="list-style-type: none"> • Non-profit organisations • Constitution • Accumulated funds • Membership fees • Entrance fees • Affiliation fees • Honorarium • Surplus • Deficit <p>Posting to the Ledger (particularly accounts unique to non-profit organisations, viz. Accumulated Fund, membership fees, entrance fees, stock accounts, e.g. refreshments, ties, rugby jerseys)</p> <p>Preparation of Statement of Receipts and Payments</p> <p>Understanding of difference between receipts & income and; payments & expenses</p>	Textbook Constitutions of clubs Accounting stationery
1 Week (Week 10)	Revision exercises	Revision of term's work	Textbook exercises

Term 3: Formal assessment

Forms of assessment	Presentation (Clubs)	Test
Total marks	50	100

A test should cover the content dealt with during the term.

Daily assessment is important to monitor teaching and learning.

TERM 4

Week/hour	Topic	Content	Recommended resources
2 Weeks (Week 1 - 2)	1. Value Added Tax (VAT)	Perform VAT calculations: <ul style="list-style-type: none"> • Use current rate • Add VAT to cost price plus mark-up amount • Calculate VAT from VAT-inclusive amount • Invoice or receipt base <i>Understand the effect of bad debts, discounts and goods returned on VAT</i> <i>Integrate ethics relating to VAT: VAT fraud, etc.</i> <i>Integrate internal audit and internal control processes over collection of VAT from customers and payment of VAT to SARS.</i>	Textbook Accounting stationery Newspaper articles
3 Weeks (Week 3 - 5)	Revision exercises	Revision of all topics in preparation for final examination.	Textbook exercises
		Final examination	
Term 4			
Year-mark	Final examination	Total	
100	Paper 1 = 150 Paper 2 = 150	400	

3.2.5 Summary of Grade 12 Annual Teaching Plan

TERM 1										
	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10
Topic	Companies unique transactions <i>Close Corporations</i>		Companies: final accounts, financial statements [Income Statement (Statement of Comprehensive Income), Balance Sheet (Statement of Financial position), Cash Flow Statement] and Audit report				Companies: analysis and interpretation of public financial statements			
	Integrate Internal control, corporate governance and ethics with all the topics									
Assessment	<i>Written report</i>			<i>Informal</i>			<i>Test</i>			

TERM 2										
	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10
Topic	Inventory Valuations		Fixed assets	Cost Accounting: PCS with notes Abridged Income Statement, unit cost, break-even			Reconciliations		Midyear examination	
	Integrate Internal control, corporate governance and ethics with all the topics									
Assessment	<i>Project (published financial statements)</i>			<i>Informal</i>			<i>Midyear examination</i>			

TERM 3										
	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	Week 10
Topic	Value Added Tax		Budgeting			Revision		Trial examination		
	Integrate Internal control, corporate governance and ethics with all the topics									
Assessment	<i>Case study</i>			<i>Informal</i>				<i>Trial examination</i>		

TERM 4										
	Week 1	Week 2	Week 3	Week 4	Week 5	Week 6	Week 7	Week 8	Week 9	
Topic	Revision and examination preparation				Final examination					Planning for next year
Assessment	<i>Informal</i>				<i>Final examination</i>					

3.2.6 Annual Teaching Plan Grade 12

TERM 1			
Week/hour	Topic	Content	Recommended resources
2 Weeks (Week 1 -2)	1. Financial accounting of companies – concepts and unique ledger accounts	<p>Definition and explanation of accounting concepts unique to close corporations: (Not examinable)</p> <ul style="list-style-type: none"> • Close corporation • Founding statement • Members • Loans to members • Loans from members • Distribution to members <p>Identify differences in the financial statements of companies and close corporations, particularly with regard to terminology.</p> <p>Definition and explanation of accounting concepts unique to companies:</p> <ul style="list-style-type: none"> • Companies – public and private • Companies Act • Registrar of companies – Registration certificate • Memorandum of Incorporation • Income tax/provisional income tax • Dividends • Shares • Earnings • Shareholders • Directors • Auditors • Limited liability • Separation of ownership from control • Retained income • Authorised share capital • Issued share capital • Johannesburg Securities Exchange (JSE) 	Textbook Accounting stationery
	2. GAAP principles	<p>Definition and explanation of International Financial Reporting Standards (IFRS) and Generally Accepted Accounting Practice (GAAP)</p> <p>Definition and explanation of the following specific GAAP principles:</p> <ul style="list-style-type: none"> • Historical cost • Prudence • Materiality • Business entity rule • Going concern • Matching 	
	3. Bookkeeping of companies	<p>Accounting cycle for a company:</p> <ul style="list-style-type: none"> • Journals • Ledger accounts • Trial Balance <p>Transactions include:</p> <ul style="list-style-type: none"> • Issuing of shares at issue price (note that par value and share premium no longer exist in terms of the companies Act) • Buying back of shares • Loans and interest (note: interest on a mortgage loan is capitalised) • Income tax • Dividends • Directors' fees • Audit fees. 	

<p>5 Weeks (Week 3 – 7)</p>	<p>4. Financial accounting of companies- preparation of final accounts and financial statements [Income Statement (Statement of Comprehensive Income), Balance Sheet (Statement of Financial position), Cash Flow Statement] and Audit report</p>	<p>Preparation of final accounts and detailed financial statements of a company taking into account year-end adjustments.</p> <p><i>Year-end adjustments:</i></p> <ul style="list-style-type: none"> • Trading stock deficit/surplus • Consumable stores on hand • Depreciation (on cost price/straight line, on diminishing balance methods) • Bad debts • Bad debts recovered (including receipts from solvent estates) • Correction of errors/omissions • Accrued income (receivable) • Income received in advance (deferred) • Expenses prepaid • Accrued expenses (payable) • Provision for bad debts • Adjustments related to income tax • Adjustments related to the payment and declaration of dividends <p><i>Final accounts:</i></p> <ul style="list-style-type: none"> • Trading account • Profit and Loss account • Appropriation account <p><i>Reversal of certain adjustments, i.e. accruals, income received in advance and prepayments</i></p> <p><i>Financial statements and notes:</i></p> <ul style="list-style-type: none"> • Income Statement (Statement of Comprehensive Income) • Balance Sheet (Statement of Financial Position) • Cash Flow Statement <p><i>Analysis and indication of the effect of transactions on the accounting equation of a company; all transactions affecting a company up to financial statements</i></p> <p><i>Integration of reporting and control of fixed assets</i></p> <p><i>Integration of ethical considerations relating to companies – roles of shareholders and directors, manipulation of share prices, corporate governance, etc.</i></p> <p><i>Integration of internal audit and control processes relating to companies</i></p> <p><i>Application of GAAP principles and IFRS</i></p>	<p>Textbooks</p> <p>Accounting stationery</p> <p>Published annual report (or extracts) of a public company</p>
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3 Weeks (Week 8 – 10)	5. Financial accounting of companies: analysis and interpretation of public financial statements	<p>Analysis and interpretation of Income statement (Statement of Comprehensive Income), Balance sheet (Statement of Financial position) and Notes</p> <p>Revision of the following financial indicators:</p> <ul style="list-style-type: none"> • Gross profit on sales • Gross profit on cost of sales • Net profit on sales • Operating expenses on sales • Operating profit on sales • Current ratio • Acid test ratio • Stock turnover rate • Stock holding period • Average debtors' collection period • Average creditors' payment period • Solvency ratio <p>Introduction to and covering of the following financial indicators:</p> <ul style="list-style-type: none"> • Debt-equity ratio (gearing) • Return on shareholders' equity • Return on total capital employed • Net asset value per share • Dividends per share • Earnings per share 	Textbook Accounting stationery
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Term 1: Formal assessment

Forms of assessment	Written report	Test
Total marks	50	100

A project that will allow learners to analyse and interpret financial information or to answer problem-solving questions using critical and creative thinking is recommended. This task must be given to learners towards the end of term 1 and be submitted in term 2. Aspects of the task may be covered during class activities.

Daily assessment is important to monitor teaching and learning

TERM 2

Week/hour	Topic	Content	Recommended resources
2 Weeks (Week 1-2)	1. Inventory systems	<p>Validation, valuation and calculation of inventories of businesses using the perpetual and periodic inventory systems:</p> <ul style="list-style-type: none"> • Specific identification (of cost price per unit) • First in, first out (FIFO) • Weighted average <p><i>Integration of GAAP principles relating to inventories</i></p> <p><i>Integration of ethical issues relating to inventories</i></p> <p><i>Integration of internal audit and control processes relating to inventories.</i></p>	Textbook Accounting stationery
1 Week (Week 3)	2. Tangible/Fixed assets	<p>Interpretation and reporting of the movements of fixed assets:</p> <ul style="list-style-type: none"> • Age of assets • Replacement rate • Life span of assets <p>Integration of GAAP principles relating to fixed assets</p> <p>Integration of ethical issues relating to fixed assets</p> <p>Integration of internal audit and control processes relating to fixed assets</p>	Textbook Accounting Stationery Newspaper adverts and articles
3 Weeks (Week 4 – 6)	3. Cost Accounting	<p>Definition and explanation of accounting concepts unique to a manufacturing business.</p> <p>Preparation, presentation , analysis, interpretation and reporting on cost information for manufacturing enterprises:</p> <ul style="list-style-type: none"> • Preparation of a production cost statement with notes for Manufacturing costs • Preparation of a short-form Income Statement with notes for administration cost and selling & distribution cost • Calculation of gross profit on finished goods sold • Calculation of variable and fixed costs • Calculation of the cost of a product using variable and fixed costs • Calculation of cost per unit • Calculation of breakeven point • Calculation of total cost of production. <p><i>Integrating of ethical issues relating to manufacturing: product quality, product age, raw materials, support for local products, price fixing, theft, fraud, etc.</i></p> <p><i>Integration of internal audit and control processes relating to Manufacturing</i></p>	Textbook Accounting stationery

2 Weeks (Week 7 - 8)	4. Reconciliations	<p>Analysis and interpretation of bank, debtors', and creditors' reconciliations:</p> <ul style="list-style-type: none"> • Reconcile creditors' statements with their personal accounts • Reconcile debtors lists and creditors lists with control accounts • Analyse and interpret debtors' age analysis • Analyse and interpret bank statements and bank reconciliation statements. <p><i>Integration of ethical issues relating to cash, debtors and creditors: payment periods, interest, credit rating, fraud, etc.</i></p> <p><i>Integrate internal audit and internal control issues relating to cash, debtors and creditors.</i></p>	<p>Textbook</p> <p>Accounting Stationery</p> <p>Newspaper articles</p> <p>Examples of bank statements and debtors' & creditors' statements</p>
3 Weeks (Week 9 -10)		Midyear examination	
Term 2: Formal assessment			
Forms of assessment		Project (Published financial statements)	Midyear examination
Marks		50	Paper 1 = 150 Paper 2 = 150
<p><i>Note: Term 2 formal task was given in term 1. Learner should complete the task for term 2 and submit it.</i></p> <p><i>The content dealt with for term 1 and term 2 should be revised for the midyear examination.</i></p> <p><i>At the end of the 2nd term, learners must be able to analyse and interpret financial information and answer any problem-solving questions using critical and creative thinking. These include solving real-life problems within the context of the Accounting curriculum.</i></p> <p><i>Daily assessment is important for monitoring teaching and learning.</i></p>			

TERM 3

Week/hour	Topic	Content	Recommended resources
2 Weeks (Week 1 - 2)	1. Value Added Tax (VAT)	<p>Calculate the amount payable to or receivable from the South African Revenue Services (SARS)</p> <p>Completion of the VAT control ledger account from given information</p> <p>Integration of ethical issues relating to VAT</p> <p>Integration of internal audit and control processes</p>	<p>Textbook</p> <p>Accounting Stationery</p> <p>SARS brochures & VAT return forms</p> <p>Newspaper articles</p>
3 Weeks (Week 3 - 5)	2. Budgeting	<p>Analysis, interpretation and comparison of Projected Income Statements for sole traders or companies.</p> <p><i>Projected income statement (Statement of Comprehensive Income)</i></p> <ul style="list-style-type: none"> • Sales • Cost of sales • Expenses • Income • profits <p>Analysis, interpretation and comparison of cash budgets for sole traders or companies.</p> <p><i>Cash budget</i></p> <ul style="list-style-type: none"> • receipts • payments • debtors' collection • creditors' payment • cash balances <p><i>Integration of ethical issues relating to budgeting and projections</i></p> <p><i>Integration of internal audit and control processes relating to budget and projections by comparing budget to actual figures.</i></p>	<p>Textbook</p> <p>Accounting Stationery</p>
2 Weeks (Week 6-7)	Revision	Revision activities	Textbook exercises
3 Weeks (Week 7-10)		Trial examination	
Term 3: Formal assessment			
Forms of assessment		Case study	Trial examination
Total marks		50	Paper 1 = 150 Paper 2 = 150
<p><i>A trial examination should cover the entire curriculum and the structure of the question paper should resemble the final examination question paper.</i></p> <p>Daily assessment is important to monitor teaching and learning.</p>			

TERM 4			
Week/hour	Topic	Content	Recommended resources
4 Weeks (Week 1 - 4)	Revision Exercises	Revision of all topics in preparation for final examinations.	Previous question papers Textbook exercises Exemplar papers Examination Guidelines
4 Weeks (Week 5 - 8)		Final examination	
TERM 4			
Year-mark	Final examination		Total
100	Paper 1 = 150 Paper 2 = 150		400

SECTION 4

4.1 What is assessment?

Assessment is a continuous, planned process of identifying, gathering and interpreting information about the performance of learners, using various forms of assessment. It involves four steps: generating and collecting evidence of achievement; evaluating this evidence; recording the findings and using this information to understand and thereby assist the learner's development in order to improve the process of learning and teaching.

Assessment should be both informal (Assessment for Learning) and formal (Assessment of Learning). In both cases regular feedback should be provided to learners to enhance the learning experience.

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.

4.2 Informal or daily assessment

Assessment for learning has the purpose of continuously collecting information on a learner's achievement that can be used to improve their learning.

Informal assessment is a daily monitoring of learners' progress. This is done through observations, discussions, practical demonstrations, learner-teacher conferences, informal classroom interactions, etc. Informal assessment may be as simple as stopping during the lesson to observe learners or to discuss with learners how learning is progressing. Informal assessment should be used to provide feedback to the learners and to inform planning for teaching, but need not be recorded. It should not be seen as separate from learning activities taking place in the classroom. Learners or teachers can mark these assessment tasks.

Self-assessment and peer assessment actively involve 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. The results of daily assessment tasks are not taken into account for promotion and certification purposes.

4.3 Formal assessment

All assessment tasks that make up a formal programme of assessment for the year are regarded as Formal Assessment. Formal assessment tasks are marked and formally recorded by the teacher for progression and certification purposes. All Formal Assessment tasks are subject to moderation for the purpose of quality assurance and to ensure that appropriate standards are maintained.

Formal assessment provides teachers with a systematic way of evaluating how well learners are progressing in a grade and in a particular subject. Examples of formal assessments include tests, examinations, practical tasks, projects, oral presentations, demonstrations, performances, etc. Formal assessment tasks form part of a year-long formal Programme of Assessment in each grade and subject.

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%.

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.

Formal assessment tasks form part of a yearlong formal Programme of Assessment in each grade and subject, are school-based and are weighted as follows for the different grades:

Grades	Tasks undertaken during the year	End of year examination
R-3	100%	N/A
4-6	75%	25%
7-9	40%	60%
10-11	25%	75%
12	25%	External examination: 75%

The forms of assessment used should be age and developmental level appropriate. The design of these tasks should cover the content of the subject and include a variety of tasks designed to achieve the objectives of the subject.

Formal assessments must cater for a range of cognitive levels and abilities of learners, as shown below:

Cognitive levels	Activity	Percentage of task
Knowledge and comprehension Levels 1 and 2	Basic thinking skills (e.g. factual recall, low level comprehension and low-level application)	30%
Application and analysis Levels 3 and 4	Moderately high thinking skills (e.g. more advanced application, interpretation and low-level analysis)	40%
Synthesis and evaluation Levels 5 and 6	Higher order thinking skills (e.g. advanced analytical skills, evaluation and creative problem-solving)	30%

4.4 Programme of Assessment Grades 10-12

The Programme of Assessment is designed to spread formal assessment tasks in all subjects in a school throughout a term. The requirements (number and nature of tasks) for Accounting are indicated below:

Grade 10 Programme of Assessment – to be implemented in 2018

Assessment	Term 1		Term 2		Term 3		Term 4		Total
	Presentation	Test	Project	Midyear examination	Case study	Test	Year-mark	Final examination	
Marks *	50	100	50	One paper 2-hours 200	50	100		Two papers 2-hours each 2 x 150 = 300	
Convert to mark out of:	10 (50 ÷ 5)	20 (100 ÷ 5)	20 (50 ÷ 2,5)	20 (200 ÷ 10)	10 (50 ÷ 5)	20 (100 ÷ 5)	100	300	400
Term weighting	25	75	25	75	25	75			

Grade 11 Programme of Assessment – to be implemented in 2019

Assessment	Term 1		Term 2		Term 3		Term 4		Total
	Written report	Test	Project	Midyear examination	Presentation	Test	Year-mark	Final examination	
Marks *	50	100	50	Two papers 2-hours each 2 x 150 = 300	50	100		Two papers 2-hours each 2 x 150 = 300	
Convert to mark out of:	10 (50 ÷ 5)	20 (100 ÷ 5)	20 (50 ÷ 2,5)	20 (300 ÷ 15)	10 (50 ÷ 5)	20 (100 ÷ 5)	100	300	400
Term weighting	25	75	25	75	25	75			

Grade 12 Programme of Assessment – Two paper examinations to be implemented in 2020

Assessment	Term 1		Term 2		Term 3		Term 4		Total
	Written report	Test	Project	Midyear examination	Case Study	Trial examination	Year-mark	Final examination	
Marks *	50	100	50	Two papers 2-hours each 2 x 150 = 300	50	Two papers 2-hours each 2 x 150 = 300		Two papers 2-hours each 2 x 150 = 300	
Convert to mark out of:	10 (50 ÷ 5)	10 (100 ÷ 10)	20 (50 ÷ 2,5)	25 (300 ÷ 12)	10 (50 ÷ 5)	25 (300 ÷ 12)	100	300	400
Term weighting	25	75	25	75	25	75			

* Marks indicate the minimum mark per formal assessment task except examinations

* No formal test in third term implemented from 2019 in grade 12

4.4.1 Other forms of assessment

Various types of tasks are explained below. For those which involve independent work by learners in their own time, teachers are advised to ensure that certain aspects are completed in class. Teacher supervision of these aspects will tend to ensure that learners work independently and that their progress is monitored

Project

A project in each of the grades in the FET band is mandatory. Only one project per annum is recommended per grade. When preparing a project, consider the following minimum requirements:

- Learners should be given the necessary guidance prior to commencement of the project and their progress must be monitored.
- All criteria used to assess the project must be discussed with the learners.
- Generally, projects are given a longer period of time to complete as they involve some form of research, consolidating and choosing relevant information and preparing a written document as evidence.
- Often projects can pertain to some form of problem; and
- Research may form part of the project - the project is the evidence of the research conducted.
- Accounting skills may be developed through a project by incorporating use of accounting software programmes.

A suggestion is that projects are dealt with towards the end of a particular term (e.g. first term) for submission during the **next** term.

Presentation

Presentations can be written or oral, but there must be evidence of the presentation. All criteria used to assess the presentation must be discussed with the learners prior to the commencement of the presentation. **Where resources are available, the use of electronic presentations should be encouraged.**

Case Study

Learners are presented with a real-life situation, a problem or an incident related to the topic. They are expected to assume a particular role in articulating the position. They would draw on their own experience, the experience of peers or prior learning to interpret, analyse and solve a problem or problems.

Newspaper articles, magazine articles, and TV or radio presentations form excellent case studies. Learners have to read and/or listen, digest the information and then make informed decisions. Questions can range from lower order, **e.g. direct quotes from the article,** to higher order when they are asked to analyse **comments or make suggestions.**

Case studies are a very good way of keeping the subject up to date and relevant.

Report

A report is generally the written evidence of a survey, analysis or investigation. Generally, this will be shorter than a project and it is specific to the topic, e.g. a business has come to you for advice on whether the business is experiencing liquidity problems. Often it implies consulting with an expert for advice on some problem - therefore it links very well with problem-solving.

Tests

Two tests, written under **controlled** conditions, are prescribed for Grades 10 -11 and a test for Grade 12. These tests should adhere to the following:

- they must be completed by all classes in the same grade on the same day;
- all learners write the same test, which is completed under examination conditions;
- questions must comply with yearend examination standards;
- where there is more than one teacher, agreement must be reached on the scope, as well as the date and time of the test;
- duration of each of these tests should be at least one and half hours for 100 marks;
- tests should cover the different cognitive levels as in examinations. See table on cognitive levels below.

4.4.2 Examinations

The following guidelines should be considered when constructing examinations:

- *Content*

Refer to Section 4.7 for the following annexures:

- Annexure 1: Composite summary of content per grade and per paper
- Annexure 2: Formula sheet
- Annexure 3: Formats of financial statements

Content stipulated specifically for the grade	80%
Content stipulated in previous grades which impacts on assessment in subsequent grades	20%

- *Cognitive levels: Refer to Bloom's revised taxonomy: Remembering, Understanding, Applying, Analysing, Evaluating and Creating*

Basic thinking skills (e.g. factual recall, low level comprehension and low-level application)	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, evaluation and creative problem-solving)	30%

- **Degrees of difficulty**

Questions addressing identical cognitive levels may reflect different degrees of challenge to learners. For example, reconciling a debtors' control account with a list of individual debtors would be regarded as advanced Application. However, depending on the nature of the individual adjustments in this process, the question may be regarded as easy, moderate or difficult. The appropriate weighting is Easy 30 : Moderate 40 : Difficult 30.

At each cognitive level, different degrees of difficulty can apply. This applies to all three grades in the phase. Although assessing challenge is a very subjective process, it is necessary to analyse each aspect of an examination paper to ensure that a fair challenge is presented to learners. This analysis must be done independently by an examiner and a moderator so that differences of opinion can be identified in deciding whether refinements should be made to the paper.

Cognitive levels	Degrees of difficulty		
Basic thinking skills	EASY	MODERATE	DIFFICULT
Moderately high thinking skills	EASY	MODERATE	DIFFICULT
Higher-order thinking skills	EASY	MODERATE	DIFFICULT
Overall difficulty weighting:	30%	40%	30%

- **Problem-solving**

Approximately 10% to 15% of all examinations should address problem-solving questions using critical and creative thinking. These include the solving of real-life problems within the context of the Accounting curriculum.

These problem-solving questions must also cover a range of cognitive skills (lower, middle and higher order) to cater for all learners but within the context of the learners. For example, 'surface' problem-solving questions might involve recall or comprehension skills on familiar information while 'deep' problem-solving questions will generally involve creative solutions in new and unfamiliar scenarios falling within the ambit of the Accounting curriculum.

While analysis involving financial indicators can form very interesting problem-solving questions, the topic of problem solving goes a lot further and should be integrated into all aspects of the curriculum so that the learners develop the skills to apply the knowledge acquired.

Guidelines for 'deep' problem-solving questions are:

- Learners identify problems from Accounting information provided.
- Learners quote the relevant information to support their opinions on the problems.
- Learners provide valid and appropriate solutions.

Midyear examinations

Below is an outline of the structure of the midyear examinations in each of the grades.

*In proportion to time devoted to each topic

Implementation date		Paper	Time	Marks	Topics*
Grade 10	2018	One paper	2 hours	200	As indicated in the ATP
Grade 11	2019	Paper 1	2 hours	150	Discipline 1
		Paper 2	2 hours	150	Discipline 2
Grade 12	2020	Paper 1	2 hours	150	Discipline 1
		Paper 2	2 hours	150	Discipline 2

Trial examination (Grade 12 only)

The trial examination is one of the six tasks of the Programme of Assessment for Grade 12. Ideally, the trial examination should cover the full scope of the Grade 12 curriculum and should model the final Grade 12 examination. Below is an outline of the structure of the trial examination:

Implementation date		Paper	Time	Marks	Topics
Grade 12	2020	Paper 1	2 hours	150	Discipline 1
		Paper 2	2 hours	150	Discipline 2

Final examination

Grades 10 - 12 should write two papers each of 2-hours and 150 marks as a final examination.

*In proportion to time devoted to each topic

Implementation date		Paper	Time	Marks	Topics*
Grade 10	2018	Paper 1	2 hours	150	Discipline 1
		Paper 2	2 hours	150	Discipline 2
Grade 11	2019	Paper 1	2 hours	150	Discipline 1
		Paper 2	2 hours	150	Discipline 2
Grade 12	2020	Paper 1	2 hours	150	Discipline 1
		Paper 2	2 hours	150	Discipline 2

Formula sheet for financial indicators

A formula sheet will be provided to learners. However, the titles will not be provided for each formula. Interpretation of the indicators is of paramount importance. Teachers are advised to deter learners from adopting a rote-learning approach to the indicators, and rather to encourage them to understand the purpose and rationale of each financial indicator. This approach will enable learners to provide well-informed comments on the indicators in interpreting the financial information.

4.5 Recording and reporting

Recording is a process in which the teacher documents the level of a learner's performance in a specific assessment task. It indicates learner progress towards the achievement of the knowledge as prescribed in the Curriculum and Assessment Policy Statements. Records of learner performance should provide evidence of the learner's conceptual progression within a grade and her/his readiness to progress or promote to the next grade. Records of learner performance should also be used to verify the progress made by teachers and learners in the teaching and learning process.

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. Teachers in all grades report in percentages against the subject. Seven levels of competence have been described for each subject listed for Grades R - 12. The various achievement levels and their corresponding percentage bands are as shown in the table below.

Codes and Percentages for Recording and Reporting

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

Note: The seven-point scale should have clear descriptors that give detailed information for each level.

Teachers will record actual marks against the task by using a record sheet; and report percentages against the subject on the learners' report cards.

4.6 Moderation of assessment

Moderation refers to the process that ensures that the assessment tasks are fair, valid and reliable. Moderation should be implemented at school, district, provincial and national levels. Comprehensive and appropriate moderation practices must be in place for the quality assurance of all subject assessments.

Formal assessment (SBA)

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 various topics and that assessment covered a range of cognitive levels.

4.7 Annexures:

4.7.1 Composite summary of content per grade and per paper

SUMMARY OF ACCOUNTING CONTENT ACROSS TWO PAPERS GRADES 10-12					
Grade 12 Implementation date: 2020		Grade 11 Implementation date: 2019		Grade 10 Implementation date: 2018	
GRADE 12: PAPER 1		GRADE 11: PAPER 1		GRADE 10: PAPER 1	
<i>Recording, Reporting and Evaluation of Financial Information & Corporate Governance</i>		<i>Recording, Reporting and Evaluation of Financial Information & Corporate Governance</i>		<i>Recording, Reporting and Evaluation of Financial Information & Corporate Governance</i>	
12.1.1	Concepts relating to companies	11.1.1	Concepts relating to partnerships	10.1.1	Concepts relating to sole traders
12.1.2	Concepts relating to GAAP & IFRS	11.1.2	Concepts relating to GAAP	10.1.2	Concepts relating to GAAP
12.1.3	Unique ledger accounts of companies & interpretation thereof	11.1.3	Ledger accounts of partnerships; & interpretation thereof	10.1.3	Bookkeeping: documents & journals of sole traders
		11.1.4	Financial accounting of non-profit organisations (clubs) (not examinable)	10.1.4	Ledgers and trial balances of sole traders
12.1.4	Accounting equation of companies	11.1.5	Accounting equation of partnerships	10.1.5	Accounting equation of sole traders
12.1.5	Adjustments & final accounts of companies; Trial balances	11.1.6	Adjustments & final accounts of partnerships; Trial balances	10.1.6	Adjustments & final accounts of sole traders; Trial balances
12.1.6	Income Statement (Statement of Comprehensive Income) of companies	11.1.7	Income Statement (Statement of Comprehensive Income) of partnerships	10.1.7	Income Statement (Statement of Comprehensive Income) of sole traders
12.1.7	Balance Sheet (Statement of Financial Position) & Notes of companies	11.1.8	Balance Sheet (Statement of Financial Position) & Notes of partnerships	10.1.8	Balance Sheet (Statement of Financial Position) & Notes of sole traders
12.1.8	Cash Flow Statement of companies				
12.1.9	Analysis and interpretation of financial statements of companies *	11.1.9	Analysis and interpretation of financial statements of partnerships *	10.1.9	Analysis and interpretation of financial statements of sole traders *
12.1.10	Analysis and interpretation of published financial statements & audit report of companies			10.1.10	Salaries & wages - recording & interpretation
12.1.11	Valuation of fixed assets for reporting purposes including additions, depreciation & disposal	11.1.10	Valuation of fixed assets including additions, depreciation & disposal	10.1.11	Calculation & reporting of additions to fixed assets and depreciation
12.1.12	Inventory valuation for reporting purposes (FIFO, WA & Specific Identification)	11.1.11	Periodic & perpetual stock systems - concepts & reporting		
12.1.13	Professional bodies & Code of conduct				
12.1.14	Ethical behaviour and corporate governance in financial environments	11.1.12	Ethical behaviour in financial environments	10.1.12	Ethical behaviour in financial environments
12.1.15	Legislation governing companies (overview only)				
12.1.16	Close corporations (not examinable)				

GRADE 12: PAPER 2		GRADE 11: PAPER 2		GRADE 10: PAPER 2	
<i>Manufacturing, Forecasting & Internal Auditing and Control</i>		<i>Manufacturing, Forecasting & Internal Auditing and Control</i>		<i>Manufacturing, Forecasting & Internal Auditing and Control</i>	
12.2.1	Analysis & interpretation of reconciliations: bank, debtors, creditors, age-analysis	11.2.1	Preparation of bank and creditors' reconciliations	10.2.1	Preparation of debtors' & creditors' lists to agree to Control accounts
12.2.2	Value Added Tax - Input, Output & calculations	11.2.2	Value Added Tax calculations	10.2.2	Value Added Tax concepts and basic calculations
12.2.3	Manufacturing concepts	11.2.3	Manufacturing concepts	10.2.3	Manufacturing concepts and basic calculations
12.2.4	Manufacturing: Production Cost Statement & Notes; Abridged (short-form) Income Statement & Notes	11.2.4	Cost Accounting - Ledger accounts	10.2.4	Indigenous bookkeeping (not examinable)
12.2.5	Analysis & interpretation of cost information, unit costs & break-even point	11.2.5	Calculation of unit costs and break-even point		
12.2.6	Analysis & interpretation of Cash Budget for sole traders and companies	11.2.6	Preparation of Cash Budget for sole traders	10.2.5	Budgeting concepts and basic calculations
12.2.7	Analysis & interpretation of Projected Income Statement for sole traders and companies	11.2.7	Preparation of Projected Income Statement for sole traders		
12.2.8	Application of internal control & audit processes: cash, fixed assets, inventories, debtors, creditors, income & expenses (including salaries/wages) & including financial indicators #	11.2.8	Application of internal control & audit processes: cash, fixed assets, inventories, debtors, creditors, income & expenses (including salaries/wages) & including financial indicators #	10.2.6	Application of internal control & audit processes: cash, fixed assets, inventories, debtors, creditors, income & expenses (including salaries/wages) & including financial indicators #
12.2.9	Recording & control of fixed assets including depreciation & asset disposal	11.2.9	Valuation of fixed assets including depreciation & asset disposal	10.2.7	Calculation and recording of fixed assets & depreciation
12.2.10	Perpetual and periodic stock systems; valuation and control of inventories	11.2.10	Periodic & perpetual inventory systems - concepts, recording & control	10.2.8	Perpetual inventory system; recording & control of inventories
12.2.11	Ethical behaviour in financial environments	11.2.11	Ethical behaviour in financial environments	10.2.9	Code of ethics in businesses, principles and values
*	Financial Indicators for Financial Reporting (Grade 12 Paper 1)	*	Financial Indicators for Financial Reporting (Grade 11 Paper 1)	*	Financial Indicators for Financial Reporting (Grade 10 Paper 1)
Gross profit on sales; Gross profit on cost of sales; Net profit on sales; Operating expenses on sales; Operating profit on sales; Current ratio; Acid test ratio; Stock turnover rate; Stock holding period; Average debtors' collection period; Average creditors' payment period; Solvency ratio; Debt equity ratio (gearing); Return on shareholders' equity; Return on total capital employed; Net asset value per share; Dividends per share; Earnings per share; Dividend pay-out rate		Gross profit on sales; Gross profit on cost of sales; Net profit on sales; Operating expenses on sales; Operating profit on sales; Current ratio; Acid test ratio; Stock turnover rate; Stock holding period; Average debtors' collection period; Average creditors' payment period; Solvency ratio; Return on partners' equity		Gross profit on sales; Gross profit on cost of sales; Net profit on sales; Operating expenses on sales; Operating profit on sales; Current ratio; Acid test ratio; Solvency ratio; Return on owner's equity	
#	Financial Indicators for Internal Control (Grade 12 Paper 2)	#	Financial Indicators for Internal Control (Grade 11 Paper 2)	#	Financial Indicators for Internal Control (Grade 10 Paper 2)
Gross profit on cost of sales; Net profit on sales; Operating expenses on sales; Operating profit on sales; Stock turnover rate; Stock holding period; Average debtors' collection period; Average creditors' payment period		Gross profit on cost of sales; Net profit on sales; Operating expenses on sales; Operating profit on sales; Stock turnover rate; Stock holding period; Average debtors' collection period; Average creditors' payment period		Gross profit on cost of sales; Net profit on sales; Operating expenses on sales; Operating profit on sales	

4.7.2 Formula sheets

GRADE 12 ACCOUNTING FINANCIAL INDICATOR FORMULA SHEET		
$\frac{\text{Gross profit}}{\text{Sales}} \times \frac{100}{1}$	$\frac{\text{Gross profit}}{\text{Cost of sales}} \times \frac{100}{1}$	$\frac{\text{Net profit before tax}}{\text{Sales}} \times \frac{100}{1}$
$\frac{\text{Net profit after tax}}{\text{Sales}} \times \frac{100}{1}$	$\frac{\text{Operating expenses}}{\text{Sales}} \times \frac{100}{1}$	$\frac{\text{Operating profit}}{\text{Sales}} \times \frac{100}{1}$
Total assets : Total liabilities	Current assets : Current liabilities	(Current assets – Inventories) : Current liabilities
(Trade and other receivables + Cash and cash equivalents) : Current liabilities		$\frac{\text{Average trading stock}}{\text{Cost of sales}} \times \frac{365}{1}$
$\frac{\text{Average debtors}}{\text{Credit sales}} \times \frac{365}{1}$	$\frac{\text{Cost of sales}}{\text{Average trading stock}}$	
$\frac{\text{Trading stock}}{\text{Cost of sales}} \times \frac{365}{1}$	$\frac{\text{Average creditors}}{\text{Credit purchases}} \times \frac{365}{1}$	$\frac{\text{Average creditors}}{\text{Cost of sales}} \times \frac{365}{1}$
Long-term liabilities : Shareholders' equity	$\frac{\text{Net income after tax}}{\text{Average shareholders' equity}} \times \frac{100}{1}$	$\frac{\text{Net profit after tax}}{\text{Number of issued shares}} \times \frac{100}{1}$
$\frac{\text{Net income before tax} + \text{Interest on loans}}{\text{Average Shareholders' equity} + \text{Average Long-term liabilities}} \times \frac{100}{1}$	$\frac{\text{Net income after tax} + \text{Interest on loans}}{\text{Average Shareholders' equity} + \text{Average Long-term liabilities}} \times \frac{100}{1}$	
$\frac{\text{Shareholders' equity}}{\text{Number of issued shares}} \times \frac{100}{1}$	$\frac{\text{Dividends for the year}}{\text{Number of issued shares}} \times \frac{100}{1}$	$\frac{\text{Dividends per share}}{\text{Earnings per share}} \times \frac{100}{1}$

GRADE 11 ACCOUNTING FINANCIAL INDICATOR FORMULA SHEET

$\frac{\text{Gross profit}}{\text{Sales}} \times \frac{100}{1}$	$\frac{\text{Gross profit}}{\text{Cost of sales}} \times \frac{100}{1}$	$\frac{\text{Net profit before tax}}{\text{Sales}} \times \frac{100}{1}$
$\frac{\text{Operating expenses}}{\text{Sales}} \times \frac{100}{1}$	$\frac{\text{Operating profit}}{\text{Sales}} \times \frac{100}{1}$	
$\frac{\text{Total earnings by partner}}{\text{Partner's average equity}} \times \frac{100}{1}$	$\frac{\text{Net profit}}{\text{Average owners' equity}} \times \frac{100}{1}$	
Current assets : Current liabilities	(Current assets – Inventories) : Current liabilities	
(Trade and other receivables + Cash and cash equivalents) : Current liabilities		
$\frac{\text{Average debtors}}{\text{Credit sales}} \times \frac{365}{1}$	$\frac{\text{Average creditors}}{\text{Credit purchases}} \times \frac{365}{1}$	
$\frac{\text{Average inventories}}{\text{Cost of sales}} \times \frac{365 \text{ or } 12}{1}$	$\frac{\text{Cost of sales}}{\text{Average inventories}} \times \frac{365}{1}$	
Non-current liabilities : Owners' equity	Total assets: Total liabilities	

GRADE 10 ACCOUNTING FINANCIAL INDICATOR FORMULA SHEET

$\frac{\text{Gross profit}}{\text{Sales}} \times \frac{100}{1}$	$\frac{\text{Gross profit}}{\text{Cost of sales}} \times \frac{100}{1}$	$\frac{\text{Net profit before tax}}{\text{Sales}} \times \frac{100}{1}$
$\frac{\text{Operating expenses}}{\text{Sales}} \times \frac{100}{1}$	$\frac{\text{Operating profit}}{\text{Sales}} \times \frac{100}{1}$	
Current assets : Current liabilities	(Current assets – Inventories) : Current liabilities	
(Trade and other receivables + Cash and cash equivalents) : Current liabilities		
$\frac{\text{Net profit}}{\text{Owners' equity}} \times \frac{100}{1}$	Total assets : Total liabilities	

4.7.3 Format of financial statements

**SOLE PROPRIETOR
STATEMENT OF COMPREHENSIVE INCOME / INCOME STATEMENT - SERVICE BUSINESS**

Name of sole proprietor

Name of business

STATEMENT OF COMPREHENSIVE INCOME / INCOME STATEMENT FOR THE YEAR ENDED

	Note	R
Income from services rendered		
Other operating income		
Discount received		
Rent Income		
Commission income		
etc.		
Gross Operating income		
Operating expenses		
Salaries and wages		
Advertising		
Depreciation		
Bad debts		
Sundry expenses		
etc.		
Operating profit (loss)		
Interest income	1	
Profit (loss) before interest expense		
Interest expense	2	
Net profit (loss) for the year		

SOLE TRADER**STATEMENT OF COMPREHENSIVE INCOME / INCOME STATEMENT - TRADING BUSINESS**

Name of sole proprietor

Name of business

STATEMENT OF COMPREHENSIVE INCOME / INCOME STATEMENT FOR THE YEAR ENDED

	Note	R
Sales		
Cost of sales		
Gross Profit		
Other operating income		
Discount received		
Rent Income		
Profit on sale of assets		
Bad debts recovered		
etc.		
Gross Operating income		
Operating expenses		
Salaries and wages		
Advertising		
Depreciation		
Bad debts		
Sundry expenses		
etc.		
Operating profit (loss)		
Interest income	1	
Profit (loss) before interest expense		
Interest expense	2	
Net profit (loss) for the year		

SOLE TRADER**STATEMENT OF FINANCIAL POSITION / BALANCE SHEET - TRADING BUSINESS**

Name of sole proprietor

Name of business

STATEMENT OF FINANCIAL POSITION / BALANCE SHEET AT

	Note	R
ASSETS		
NON-CURRENT ASSETS		
Fixed / Tangible assets	3	
Financial assets		
CURRENT ASSETS		
Inventories	4	
Trade & other receivables	5	
Cash & cash equivalents	6	
TOTAL ASSETS		
EQUITY & LIABILITIES		
OWNERS' EQUITY		
Capital	7	
NON-CURRENT LIABILITIES		
Loan from		
Loan from		
CURRENT LIABILITIES		
Trade & other payables	8	
Bank overdraft		
Current portion of loan <i>(NB: could be placed in Note 8)</i>		
TOTAL EQUITY & LIABILITIES		

SOLE TRADER
NOTES TO FINANCIAL STATEMENTS - TRADING BUSINESS

Name of sole trader

Name of business

NOTES TO THE FINANCIAL STATEMENTS AT

1 INTEREST INCOME

On fixed deposit	
On savings account	
On current bank account	
On overdue debtors	

2 INTEREST EXPENSE

On loan from	
On overdraft	

3 FIXED ASSETS

	Land & buildings	Vehicles	Equipment	Total
Carrying value at beginning of year				
Cost				
Accumulated depreciation				
Movements				
Additions				
Disposals at carrying value				
Depreciation				
Carrying value at end of year				
Cost				
Accumulated depreciation				

4 INVENTORIES

Trading stock	
Consumable stores on hand	

PARTNERSHIP

STATEMENT OF COMPREHENSIVE INCOME / INCOME STATEMENT - TRADING BUSINESS

Name of partners

Name of business

STATEMENT OF COMPREHENSIVE INCOME / INCOME STATEMENT FOR THE YEAR ENDED

	Note	R
Sales		
Cost of sales		
Gross Profit		
Other operating income		
Discount received		
Rent Income		
Profit on sale of assets		
Bad debts recovered		
etc.		
Gross Operating income		
Operating expenses		
Salaries and wages		
Advertising		
Depreciation		
Bad debts		
Sundry expenses		
etc.		
Operating profit (loss)		
Interest income	1	
Profit (loss) before interest expense		
Interest expense	2	
Net profit (loss) for the year		

PARTNERSHIP

STATEMENT OF FINANCIAL POSITION / BALANCE SHEET - TRADING BUSINESS

Name of partners

Name of business

STATEMENT OF FINANCIAL POSITION / BALANCE SHEET AT

	Note	R
ASSETS		
NON-CURRENT ASSETS		
Fixed / Tangible assets	3	
Financial assets		
CURRENT ASSETS		
Inventories	4	
Trade & other receivables	5	
Cash & cash equivalents	6	
TOTAL ASSETS		
EQUITY & LIABILITIES		
OWNERS' EQUITY		
Capital	7	
Current accounts	8	
NON-CURRENT LIABILITIES		
Loan from		
Loan from		
CURRENT LIABILITIES		
Trade & other payables	9	
Bank overdraft		
Current portion of loan (NB could be placed in Note 9)		
TOTAL EQUITY & LIABILITIES		

PARTNERSHIP
NOTES TO FINANCIAL STATEMENTS - TRADING BUSINESS

Name of partners

Name of business

NOTES TO THE FINANCIAL STATEMENTS AT

1 INTEREST INCOME

On fixed deposit	
On savings account	
On current bank account	
On overdue debtors	

2 INTEREST EXPENSE

On loan from	
On overdraft	

3

FIXED ASSETS	Land & buildings	Vehicles	Equipment	Total
Carrying value at beginning of year				
Cost				
Accumulated depreciation				
Movements				
Additions				
Disposals at carrying value				
Depreciation				
Carrying value at end of year				
Cost				
Accumulated depreciation				

4 INVENTORIES

Trading stock	
Consumable stores on hand	

5 TRADE & OTHER RECEIVABLES

Trade debtors	
Provision for bad debts	
Net trade debtors	
Expenses prepaid	
Income accrued (receivable)	
Deposit for water and electricity	

6 CASH & CASH EQUIVALENTS

Fixed deposit (maturing within 12 months)	
Savings account	
Bank	
Cash float	
Petty cash	

7 CAPITAL

	Partner A	Partner B	Total
Balance at the beginning of year			
Net profit (loss) for the year			
Additional capital contributed			
Decreasing of capital			
Balance at the end of year			

8 CURRENT ACCOUNTS

	Partner A	Partner B	Total
Net profit as per Income statement			
Partners' salaries			
Interest on capital			
Partners' bonuses			
Primary distribution of profit			
Final distribution of profit			
Drawings for the year			
Undrawn profits (retained income) for the year			
Balance at the beginning of year <i>(may be used as the starting figure at the top of this note)</i>			
Balance at the end of year			

CLUBS
STATEMENT OF RECEIPTS AND PAYMENTS

Name of club

STATEMENT OF RECEIPTS AND PAYMENTS FOR THE YEAR ENDED.....

	Notes	R
RECEIPTS		
Membership fees		
Entrance fees		
Donation		
Sale of refreshments		
Fixed deposit matured		
Interest on fixed deposit		
Interest on savings account		
etc.		
PAYMENTS		
Salaries and wages		
Purchase of refreshments		
Investment in fixed deposit		
Repairs		
Equipment		
Honorarium		
Bank charges		
Creditors		
etc.		
Surplus (Deficit) for the year		
Opening balances		
Bank		
Savings account		
Closing balances		
Bank		
Savings account		

INVESTMENT IN FIXED DEPOSIT		
Balance at beginning of year		
Changes during the year		
Interest capitalised		
Balance at end of year		

COMPANY
STATEMENT OF COMPREHENSIVE INCOME / INCOME STATEMENT

STATEMENT OF COMPREHENSIVE INCOME / INCOME STATEMENT FOR THE YEAR ENDED

	Note	R
Sales		
Cost of sales		
Gross profit		
Other operating income		
Fee income (from services rendered)		
Rent income		
etc.		
Operating expenses		
Salaries and wages		
Directors' fees		
Audit fees		
Depreciation		
etc.		
Operating profit (loss)		
Interest income	1	
Interest expense	2	
Profit (loss) before tax		
Income tax		
Net profit (loss) after tax	8	

COMPANY
STATEMENT OF FINANCIAL POSITION / BALANCE SHEET

..... LIMITED

STATEMENT OF FINANCIAL POSITION / BALANCE SHEET AT

	Note	R
ASSETS		
NON-CURRENT ASSETS		
Fixed / Tangible assets	3	
Financial assets		
CURRENT ASSETS		
Inventories	4	
Trade & other receivables	5	
Cash & cash equivalents	6	
TOTAL ASSETS		
EQUITY & LIABILITIES		
SHAREHOLDERS' EQUITY		
Ordinary share capital	7	
Retained income	8	
NON-CURRENT LIABILITIES		
Loan from		
Loan from		
CURRENT LIABILITIES		
Trade & other payables	9	
Bank overdraft		
Current portion of loan <i>(NB could be placed in Note 9)</i>		
TOTAL EQUITY & LIABILITIES		

**COMPANY
NOTES TO THE FINANCIAL STATEMENTS**

..... LIMITED
NOTES TO THE FINANCIAL STATEMENTS AT

1 INTEREST INCOME

On fixed deposit	
On savings account	
On current bank account	
On overdue debtors	

2 INTEREST EXPENSE

On loan from	
On overdraft	

3 FIXED ASSETS	Land & buildings	Vehicles	Equipment	Total
Carrying value at beginning of year				
Cost				
Accumulated depreciation				
Movements				
Additions				
Disposals at carrying value				
Depreciation				
Carrying value at end of year				
Cost				
Accumulated depreciation				

4 INVENTORIES

Trading stock	
Consumable stores on hand	

5 TRADE & OTHER RECEIVABLES

Trade debtors	
Provision for bad debts	
Net trade debtors	
SARS (Income tax)	
Expenses prepaid	
Income accrued (receivable)	

6 CASH & CASH EQUIVALENTS

Fixed deposit (maturing within 12 months)	
Savings account	
Bank	
Cash float	
Petty cash	

7 ORDINARY SHARE CAPITAL

AUTHORISED

Number of authorised ordinary shares: _____ shares
--

ISSUED

_____ ordinary shares in issue at beginning of year	
_____ additional shares issued during the financial year at R ____ each	
_____ ordinary shares repurchased during the financial year (average price of R ____ each)	
_____ ordinary shares in issue at end of the year	

8 RETAINED INCOME

Balance at beginning of year	
Net profit (loss) after tax for the year	
Shares repurchased	
Dividends on ordinary shares	
Paid	
Recommended	
Balance at end of year	

9 TRADE & OTHER PAYABLES

Trade creditors	
Expenses accrued (payable)	
Income received in advance (deferred)	
Shareholders for dividends	
SA Revenue Services (Income tax)	
Creditors for salaries	
Unemployment Insurance Fund	
Pension Fund	
Medical Aid Fund	

COMPANY
CASH FLOW STATEMENT

..... **LIMITED**

CASH FLOW STATEMENT FOR THE YEAR ENDED

	Note	R
Cash effects of operating activities		
Cash generated (utilised) from operations	1	
Interest paid		
Dividends paid	3	
Income tax paid	4	
Cash effects of investing activities		
Purchase of fixed assets	5	
Proceeds from sale of fixed assets		
Investments matured / placed		
Cash effects of financing activities		
Proceeds of shares issued		
Shares repurchased		
Long-term loans received / repaid		
Net change in cash & cash equivalents	2	
Cash & cash equivalents at beginning of year	2	
Cash & cash equivalents at end of year	2	

NOTES TO THE CASH FLOW STATEMENT FOR THE YEAR ENDED

**1 RECONCILIATION BETWEEN NET PROFIT BEFORE TAX AND CASH
GENERATED FROM OPERATIONS**

Net profit before taxation	
Adjustments in respect of:	
Depreciation	
Interest expense	
Operating profit before changes in working capital	
Cash effects of changes in working capital	
Change in inventory	
Change in receivables	
Change in payables	
Cash generated from operations	

2 CASH & CASH EQUIVALENTS	Net change	Year 2	Year 1
Bank			
Cash float			
Petty cash			

3 DIVIDENDS PAID	
Dividends for year as reflected in financial statements	
Balance at beginning of year	
Balance at end of year	
Dividends paid	

4 INCOME TAX PAID	
Income tax for year as reflected in financial statements	
Balance at beginning of year	
Balance at end of year	
Income tax paid	

5 FIXED ASSETS PURCHASED	
Land & buildings	
Vehicles	
Equipment	

WORKINGS	<i>FA at Net Book Value</i>
Start	
Add: Buy	
Less: Sell	
Less: Depreciation	
= End	

**MANUFACTURING BUSINESS
PRODUCTION COST STATEMENT**

Name of manufacturer

PRODUCTION COST STATEMENT FOR THE YEAR ENDED

	Note	R
Direct materials cost	1	
Direct labour cost	2	
Prime cost		
Factory overheads cost	3	
Total cost of production		
Add: Work-in-progress at beginning of year		
Less: Work-in-progress at end of year		
Cost of production of finished goods		

**MANUFACTURING BUSINESS
STATEMENT OF COMPREHENSIVE INCOME / INCOME STATEMENT**

Name of manufacturer

STATEMENT OF COMPREHENSIVE INCOME / INCOME STATEMENT FOR THE YEAR ENDED

	Note	R
Sales		
Less: Cost of sales		
Gross profit		
Selling & distribution cost	4	
Administration cost	5	
Net profit		

This is the short-form Income Statement (with notes for cost accounts) advised for Manufacturing businesses.

NOTES TO THE PRODUCTION COST STATEMENT & INCOME STATEMENT FOR THE YEAR ENDED ...

1	DIRECT (RAW) MATERIALS COST	R
	Balance at beginning of year	
	Purchases	
	Carriage inwards	
	Less: Balance at end of year	
2	DIRECT LABOUR COST	R
	Direct wages	
	Pension, medical & UIF benefits	
3	FACTORY OVERHEADS COST	R
	Factory indirect wages	
	Pension, medical & UIF benefits	
	Factory rent	
	Depreciation on factory equipment	
4	SELLING & DISTRIBUTION COST	R
	Commission on sales	
	Advertising	
	Bad debts	

TRADING BUSINESS
CASH BUDGET

Name of business

CASH BUDGET FOR THE PERIOD TO

*** Actual & variance columns optional*

*** Could also be shown monthly*

	Month 1	Month 2	Month 3	Total budget	** Actual	** Variance
RECEIPTS						
Cash sales						
Collection from debtors						
TOTAL RECEIPTS						
PAYMENTS						
Cash purchases of stock						
Payments to creditors						
TOTAL PAYMENTS						
CASH SURPLUS / DEFICIT						
BALANCE AT BEGINNING OF MONTH						
CASH ON HAND AT END OF MONTH						

TRADING BUSINESS
DEBTORS' COLLECTION SCHEDULE

DEBTORS' COLLECTIONS SCHEDULE FOR THE PERIOD TO

	Credit sales	Month 1	Month 2	Month 3
Month – 2				
Month – 1				
Month 1				
Month 2				
Month 3				

TRADING BUSINESS
CREDITORS' PAYMENT SCHEDULE

Note: **The** format of the Creditors' Payment schedule may change depending on nature of information given

CREDITORS' PAYMENT SCHEDULE FOR THE PERIOD TO

	Month 1	Month 2	Month 3
Cost of sales			
Add: Closing stock			
Less: Opening stock			
= Purchases			
Less: Cash purchases			
Credit purchases			

	Credit purchases	Month 1	Month 2	Month 3
Month – 2				
Month – 1				
Month 1				
Month 2				
Month 3				

TRADING BUSINESS
PROJECTED INCOME STATEMENT

Name of business

PROJECTED INCOME STATEMENT FOR THE PERIOD TO

*** Actual & variance columns optional*

*** Could also be shown monthly*

	Month 1	Month 2	Month 3	Total budget	** Actual	** Variance
Sales						
Less: Cost of sales						
Gross profit						
Add: Other income						
Rent income						
Commission income						
Less: Operating expenses						
Salaries & wages						
Depreciation						
etc.						
Operating profit						
Add: Interest income						
Less: Interest expense						
Net profit						