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To: Deputy Directors-General, Chief Directors, Directors (Head Office and district offices), Deputy Directors, Chief Education Specialists, Heads: Curriculum Support, Subject Advisers, Circuit Managers, Heads: Management and Governance, Deputy Chief Education Specialists and Heads of institutions which prepare learners for the National Senior Certificate examinations

Short summary: *The splitting of the Accounting and Business Studies examination question papers from one paper into two papers for Grades 10–12.*

Subject: Splitting of Accounting and Business Studies examination question papers from one paper into two papers for Grades 10–12

1. The Curriculum and Assessment Policy Statement (CAPS) for Accounting and Business Studies specifies that the examinations of these subjects should consist of ONE 3-hour paper of 300 marks.
2. The Council of Education Ministers has approved the splitting of the current Accounting and Business Studies papers into TWO 2-hour papers of 150 marks each.
3. The CAPS for Accounting stipulates that Managing Resources must be integrated in the teaching and assessment of the other two main topics. This principle will be maintained. Learners will also be provided with a formulae sheet.
4. The new paper structure and formulae sheets for Accounting are attached as **Annexure A**.
5. The new paper structure and format of each paper for Business Studies are attached as **Annexure B**.

6. The implementation dates are as follows:
 - (a) 2018: Grade 10;
 - (b) 2019: Grade 11; and
 - (c) 2020: Grade 12.

7. Principals are kindly requested to bring the content of this circular to the attention of all the teachers concerned.

SIGNED: BK SCHREUDER
HEAD: EDUCATION
DATE: 2018-01-23



ACCOUNTING

1. QUESTION PAPER STRUCTURE

WEIGHTING OF CURRICULUM	EXAMINATION PAPERS	TOPICS	
<p>Discipline 1: Weighting 50%</p> <p>Recording, Reporting and Evaluation of Financial Information and Corporate Governance</p>	<p>PAPER 1</p>	1.	Accounting concepts, GAAP and IFRS
		2.	Bookkeeping (including salaries and 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 and interpretation
		7.	Corporate governance, ethics and professional bodies
<p>Discipline 2: Weighting 50%</p> <p>Manufacturing, Forecasting and Internal Auditing and Control</p>	<p>PAPER 2</p>	1.	Reconciliations (including debtors' age analysis)
		2.	Value-added tax
		3.	Inventory valuation
		4.	Manufacturing and Cost accounting
		5.	Budgeting and Projected Income Statements
		6.	Financial indicators for internal control purposes
		7.	Internal control and internal auditing (cash, fixed assets, inventories, debtors, creditors, income and expenses including salaries and wages)
		8.	Ethics

2. FORMULA SHEETS

2.1 GRADE 10

$\frac{\text{Gross Profit}}{\text{Sales}} \times \frac{100}{1}$	$\frac{\text{Gross Profit}}{\text{Cost of Sales}} \times \frac{100}{1}$	$\frac{\text{Net Profit}}{\text{Sales}} \times \frac{100}{1}$
$\frac{\text{Operating Expenses}}{\text{Sales}} \times \frac{100}{1}$	$\frac{\text{Operating Profit}}{\text{Sales}} \times \frac{100}{1}$	
Current Assets: Current Liabilities	(Current Assets – Inventories) : Current Liabilities	
$\frac{\text{Net Profit}}{\text{Owners' Equity}} \times \frac{100}{1}$	Total Assets : Total Liabilities	

2.2 GRADE 11

$\frac{\text{Gross Profit}}{\text{Sales}} \times \frac{100}{1}$	$\frac{\text{Gross Profit}}{\text{Cost of Sales}} \times \frac{100}{1}$	$\frac{\text{Net Profit}}{\text{Sales}} \times \frac{100}{1}$
$\frac{\text{Operating Expenses}}{\text{Sales}} \times \frac{100}{1}$	$\frac{\text{Operating Profit}}{\text{Sales}} \times \frac{100}{1}$	
$\frac{\text{Total earning by partner}}{\text{Partners' average equity}} \times \frac{100}{1}$	$\frac{\text{Net Profit}}{\text{Average Owners' Equity}} \times \frac{100}{1}$	
Current Assets : Current Liabilities	(Current Assets – Inventories) : Current Liabilities	
$\frac{\text{Average Debtors}}{\text{Credit Sales}} \times \frac{365 \text{ or } 12}{1}$	$\frac{\text{Average Creditors}}{\text{Credit Purchases}} \times \frac{365 \text{ or } 12}{1}$	
$\frac{\text{Average Inventories}}{\text{Cost of Sales}} \times \frac{365 \text{ or } 12}{1}$	$\frac{\text{Cost of Sales}}{\text{Average Inventories}} \times \frac{365 \text{ or } 12}{1}$	
Non-current Liabilities : Owners' Equity	Total Assets : Total Liabilities	

2.3 GRADE 12

$\frac{\text{Gross Profit}}{\text{Sales}} \times \frac{100}{1}$	$\frac{\text{Gross Profit}}{\text{Cost of Sales}} \times \frac{100}{1}$	$\frac{\text{Net Profit}}{\text{Sales}} \times \frac{100}{1}$
$\frac{\text{Operating Expenses}}{\text{Sales}} \times \frac{100}{1}$	$\frac{\text{Operating Profit}}{\text{Sales}} \times \frac{100}{1}$	
$\frac{\text{Net Profit after Tax}}{\text{Average Shareholders' Equity}} \times \frac{100}{1}$	$\frac{\text{Net Profit before Tax} + \text{Interest expense}}{\text{Average capital employed}} \times \frac{100}{1}$	
Current Assets: Current Liabilities	(Current Assets – Inventories) : Current Liabilities	
$\frac{\text{Average Debtors}}{\text{Credit Sales}} \times \frac{365 \text{ or } 12}{1}$	$\frac{\text{Average Creditors}}{\text{Credit Purchases}} \times \frac{365 \text{ or } 12}{1}$	$\frac{\text{Cost of Sales}}{\text{Average Inventories}}$
$\frac{\text{Average Inventories}}{\text{Cost of Sales}} \times \frac{365 \text{ or } 12}{1}$	$\frac{\text{Closing Inventories}}{\text{Cost of Sales}} \times \frac{365 \text{ or } 12}{1}$	Current Assets – Current Liabilities
Non-current Liabilities : Shareholders' Equity	Total Assets : Total Liabilities	$\frac{\text{Dividends per share}}{\text{Earnings per share}}$
$\frac{\text{Profit after Tax}}{\text{No. shares in issue}}$	$\frac{\text{Ordinary share dividends}}{\text{No. shares in issue}}$	
$\frac{\text{Fixed Costs}}{\text{Selling price per unit} - \text{Variable cost per unit}}$	$\frac{\text{Total ordinary Shareholders' Equity}}{\text{No. shares in issue}}$	



BUSINESS STUDIES

1. QUESTION PAPER STRUCTURE

PAPER	CONTENT	DURATION	TOTAL MARKS
Paper 1	Business Environments and Business Operations	2 hours	150
Paper 2	Business Ventures and Business Roles	2 hours	150

2. FORMAT OF EACH QUESTION PAPER

SECTION	PAPER 1	PAPER 2	MARKS PER PAPER	TIME PER PAPER	COGNITIVE LEVELS
A	Compulsory (Covers BOTH topics) (15 x 2) Different types of short questions using various assessment styles and covering the two topics in each paper, e.g. multiple choice, match columns, choose the correct word, complete statements, etc.		30	20 min	Mostly Level 1 (Remembering/Recall) and Level 2 (Understanding)
B	Choose any TWO questions (40 x 2) THREE questions will be set. One question per main topic. The third question will cover both main topics equally. Applicable action verbs in this section are for example, explain, discuss, motivate, compare, evaluate, distinguish, critically evaluate, justify, suggest, recommend, etc. Case studies (scenarios) or source-based questions should be included. Answers should be in point form, full sentences or paragraph style as per requirement of each question.		80	70 min	Levels 1-6 (Remembering/recall, understanding, applying, analysing, evaluating and creating)
C	Choose ONE question (40 x 1) TWO questions will be set, one per main topic. Longer, essay type question of lower, middle and higher cognitive and difficulty levels to assess insight and interpretation of theoretical knowledge in addition to content.		40	30 min	Mostly Levels 3-9 (Applying, analysing, evaluating and creating)