



education

MPUMALANGA PROVINCE  
REPUBLIC OF SOUTH AFRICA



NATIONAL  
SENIOR CERTIFICATE



GRADE 12

ACCOUNTING P2

SEPTEMBER 2022

**MARKS: 150**

**TIME: 2 Hours**

**This question paper consists of 11 pages,  
1 formula sheet and 10-page answer book.**

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## INSTRUCTIONS AND INFORMATION

Read the following instructions carefully and follow them precisely.

1. Answer ALL the questions.
2. A special ANSWER BOOK is provided in which to answer ALL the questions.
3. Show ALL workings to achieve part-marks.
4. You may use a non-programmable calculator.
5. You may use a dark pencil or blue/black ink to answer the questions.
6. Where applicable, show ALL calculations to ONE decimal point.
7. If you choose to do so, you may use the Financial Indicator Formula Sheet attached at the end of this question paper. The use of this formula sheet is NOT compulsory.
8. Write neatly and legibly.
9. Use the information in the table below as a guide when answering the question paper. Try NOT to deviate from it.

QUESTION	TOPIC	MARKS	MINUTES
1	VAT and Bank Reconciliation	35	25
2	Inventory Valuation	30	25
3	Manufacturing	45	35
4	Budgeting	40	35
<b>TOTAL</b>		<b>150</b>	<b>120</b>

## QUESTION 1: VAT AND RECONCILIATION

(35 marks; 25 minutes)

### 1.1 VAT

The following entries relates to Aquella Stores for the VAT period ended 31 July 2022. VAT at 15% applies to all goods.

#### REQUIRED:

- 1.1.1 Explain why the government in SA made certain goods to be zero-rated. (2)
- 1.1.2 Taking into account the error and omission, calculate the VAT amount that is either payable to SARS on 31 July 2022. (8)
- 1.1.3 You are in charge of internal auditing. Peter, the owner of the business, purchased a new laptop in August 2022 for R14 720 as a birthday present for his daughter using a business EFT. The laptop will be used for personal purposes. The laptop, according to Peter, must be recorded as a VAT item in the business's books.

Explain what you would say to Peter. Provide TWO points. (4)

#### INFORMATION:

A. Amount owed to SARS on 1 July 2022, R89 600.

B. Amounts from the Journals on 31 July 2022:

	EXCLUDING VAT	INCLUDING VAT	VAT AMOUNT
Cash sales	560 000	644 000	84 000
Credit purchases of stock	194 000	223 100	29 100
Reversal of discount to a debtor		3 450	?

C. The following error was noted:

VAT on sales was recorded incorrectly. Certain goods with a selling price of R55 000 (excluding VAT) should have been recorded as zero-rated items.

### 1.2 BANK RECONCILIATION AND INTERNAL CONTROL

The following information relates to Marula Traders for July 2022. The Bank statement shows transactions up to the 25<sup>th</sup> of July 2022 and the business prepares a bank reconciliation after receiving the statement.

#### REQUIRED:

- 1.2.1 Show the entries that must be recorded in the Cash Journals by completing the table provided in the ANSWER BOOK. (7)
- 1.2.2 Calculate the Bank Account balance on 31 July 2022. (4)
- 1.2.3 Prepare the Bank Reconciliation Statement on 31 July 2022. (8)
- 1.2.4 **Refer to Information C.**  
Explain whether or not the business made the right decision in alerting the bank about the deposit of R9 800, on 25 July 2022. (2)

**INFORMATION:**

**A. Bank Reconciliation Statement on 30 June 2022:**

Favourable balance as per Bank Statement		R 18 400
Outstanding deposit:	Dated 28 June 2022	12 730
Outstanding EFT's	No. 632	13 200
	No. 633	2 630
Favourable balance as per Bank Account in the Ledger		15 300

**B. On 31 July 2022, the provisional totals in the Cash Journals were:**

- Cash Receipts Journal, R510 600
- Cash Payments Journal, R486 300

**C. Information on the July 2022 Bank Statement which did not appear in the July 2022 Cash Journals:**

DATE		DETAILS	DEBIT	CREDIT
June	29	Deposit		R12 730
	29	EFT - 632	R13 200	
	30	Deposit		R6 250
July	01	EFT - 633	R6 230	
	05	Petty Insurers	R1 850	
	05	Petty Insurers	R1 850	
	15	Debit card withdrawal	R1 000	
	20	Transaction fees	R1 425	
	24	Interest on current account		R290
	25	Voda Administrators		R9 800

- The deposit on the 30<sup>th</sup> was for a rent income from a tenant, S.Ntuli.
- EFT No. 633 on the 1<sup>st</sup> appeared correctly on the Bank Statement.
- A debit order on the 5<sup>th</sup>, R1 850 for the monthly insurance appeared twice on the Bank Statement, but no entry has been made in the Journals. The bank will rectify this on the Bank Statement next month.
- Debit card withdrawal on the 15<sup>th</sup> was a windscreen repair to the business vehicle. The driver did not submit the slip to bookkeeper.
- The deposit on the 25<sup>th</sup> was incorrectly deposited to Marula Traders. The bank was notified.

**D. The following entries were in the Cash Journals for July 2022 only:**

- A deposit of R10 000 (dated 29 July 2022)
- EFT No. 655, R5 650
- EFT No. 656, R1 445

**E. Bank Statement balance 31 July 2022.....?**

## QUESTION 2: INVENTORY VALUATION

(30 marks; 25 minutes)

### 2.1 KRUSH ELECTRONICS

You are provided with information relating to Krush Electronics. The business sells one type of generator. Their financial year ends on 30 June 2022. They use the FIFO method for stock valuation and the periodic inventory system. The business is owned by Mbali Fakude.

#### REQUIRED:

- 2.1.1 Calculate the value of closing stock according to the FIFO method on 30 June 2022. (5)
- 2.1.2 Mbali, the owner, is concerned about the management of stock regarding stock levels and stock control. (4)
- Calculate the average stock-holding period on 30 June 2022. (4)
  - Provide a calculation to support her concern over the security of the stock. (5)
- 2.1.3 Calculate the value of closing stock according to weighted-average method on 30 June 2022. (7)

#### INFORMATION:

##### A. Stock records of generators

	NUMBER OF GENERATORS	COST PRICE PER GENERATOR	TOTAL VALUE
Opening stock (1 July 2021)	85		R480 365
Closing stock (30 June 2022)	197	?	?

##### B. Purchases and returns

	NUMBER OF GENERATORS	COST PRICE PER GENERATOR	TOTAL VALUE
	<b>640</b>		<b>R2 453 500</b>
September 2021	245	R3 500	R857 500
February 2022	210	R3 900	R819 000
May 2022	185	R4 200	R777 000

##### C. Returns:

Eight (8) generators from the May 2022 purchases were faulty and were returned to the suppliers.

##### D. Sales and Cost of sales

- Total sales of R3 334 625 comprised 515 generators sold at R6 475 each.
- Cost of sales for the year using the FIFO method was calculated as R2 078 865.

## 2.2 PROBLEM-SOLVING

Apart from selling generators, Krush Electronics also sells one brand of Gas stoves. They have three branches operating in different Plazas at Acornhoek, Ermelo and Tonga Plaza. These branches are managed by Sizwe, Shaakal and Venessa, respectively.

Although Mbali Fakude allows the branch managers to generally make their own decisions, she has implemented division of duties, cameras and internal auditing as control measures in these branches.

### REQUIRED:

- 2.2.1 The internal auditor in Acornhoek Plaza discovered a shortage of R40 000 from cash deposited from cash sales. Mention ONE additional control measure that Mbali could consider to improve controls in the branches. (2)
- 2.2.2 Identify TWO problems (with figures or calculations) relating to the Ermelo Plaza branch and provide a solution in each case. (4)
- 2.2.3 List THREE decisions taken by Venessa, the manager of Tonga Plaza, which led to much better results than those of the other two branches. Quote figures. (3)

### Information per shop for June 2022:

	ACORNHOEK PLAZA	ERMELO PLAZA	TONGA PLAZA
Manager	Sizwe	Shaakal	Venessa
Opening stock (units)	200	160	300
Purchases (units)	2 500	3 050	5 200
Total number of units sold	(2 300)	(3 000)	(4 550)
Credit sales (units)	800	2 400	1 980
Cash sales (units)	1 500	600	2 570
Online shopping	-	-	750
Closing stock (units)	400	210	950
Selling price per unit	R850	R850	R850
Cash deposited from cash sales	R1 235 000	R510 000	R2 465 000
Advertising	R9 500	R10 000	R16 200
Rent expense	R35 000	R22 000	R45 000
Days worked per week	6	5	7
Shop assistants	4	2	6

**QUESTION 3: MANUFACTURING**

**(45 marks; 35 minutes)**

**3.1 BAKERS BEE MANUFACTURERS.**

This information relates to the financial year ended 28 February 2022.  
The business manufactures cakes.

**REQUIRED:**

**3.1.1 Refer to Information B:**

Calculate the direct labour cost on 28 February 2022 (5)

3.1.2 Prepare the Factory Overhead Cost Note on 28 February 2022 (12)

3.1.3 Complete the Production Cost Statement on 28 February 2022 (10)

**INFORMATION:**

**A. Stock balances**

	<b>28 February 2022</b>	<b>28 February 2021</b>
	<b>R</b>	<b>R</b>
Indirect material	21 400	18 600
Finished goods	210 000	233 000
Work-in-progress	?	195 000

**B. Direct labour**

Number of factory workers	3
Normal time expected per worker per year	1 920 hours
Overtime hours per worker per year	95 hours
Normal time rate	R50 per hour
Overtime is basic wage rate + 60%.	?

**C. Amounts extracted from the records for the year ended 28 February 2022**

	<b>R</b>
Direct material cost	666 700
Rent expense	169 000
Water and electricity	172 000
Insurance (all factory)	105 900
Depreciation on factory equipment	61 200
Indirect material purchased	149 500
Sales	2 500 000
Cost of sales (mark-up on cost: 60%)	?

- Water and electricity for February 2022 is still outstanding, R18 000.  
The factory uses 75% of the water and electricity.
- Rent expense is distributed according to floor space used.  
The factory occupies 10 800m<sup>2</sup> of the total floor space of 13 500m<sup>2</sup>.



### 3.2 ENERGIZER MANUFACTURERS.

Energizer Manufacturers is a manufacturing business that produces energy bars for sports people. The financial year ends on 30 June 2022.

#### REQUIRED:

- 3.2.1 Calculate the following for the year ended 30 June 2022:
- Direct material cost (2)
  - Break-even point (4)
- 3.2.2 Explain why the owner should be concerned about the break-even point. Quote figures. (3)
- 3.2.3. The owner is concerned about the direct material cost.
- Explain why the owner would NOT be satisfied with the direct material cost per unit. Quote figures. (3)
  - Apart from changing the supplier to get a cheaper price, provide an alternative solution to this problem. Mention ONE point. (2)
- 3.2.4 Bongji, the owner, wants to cut the weight of the energy bars from 75 grams to 70 grams while maintaining the R15 selling price. Give TWO reasons why this option is not a good idea. (4)

#### INFORMATION:

	2022		2021	
	Total R	Per unit R	Total R	Per unit R
Direct material cost	?	R7,56	R1 646 400	R5,60
Total fixed costs	R3 102 500	R9,36	R1 911 000	R6,50
Total variable costs	R6 464 250	R19,50	R5 439 000	R17,50
Sales	R9 282 000	R28,00	R7 203 000	R24,50
Number of units produced and sold	331 500 units		294 000 units	
Break-even point	?		273 000	

## QUESTION 4: BUDGETING

(40 marks; 35 minutes)

You are provided with information relating to VIVO Computers owned by Thando Shai.

### REQUIRED:

4.1 Thando compared the budgeted figures to the actual figures for August 2022.

	BUDGETED	ACTUAL
Sales	122 500	147 000
Advertising	12 000	16 500
Payment to creditors	R64 000	0

Thando is not concerned about the overspending in advertisement. Explain why this is so. Quote figures. (3)

4.2 Complete the Creditors' Payment Schedule for November 2022. (8)

4.3 Calculate the missing figures (i) to (vii) in the Cash Budget. (21)

4.4 State ONE consequence that the business might face should they not pay the amount due to creditors in September 2022. (2)

4.5 Thando wants to replace an old equipment in December 2022 but does not have the cash available. The cost of new equipment amounts to R195 000. The new items are expected to last 5 years. Options are:

- Request a friend to become an equal partner through contributing a capital of R195 000.
- Lease the equipment from Rato Computers at R7 250 per month.
- Acquire a new loan of R195 000 at an interest rate of 15% p.a. to be repaid over 24 months.

Briefly explain ONE advantage and ONE disadvantage of EACH option. (6)

### INFORMATION:

#### A. Sales, purchases of stock and cost of sales:

Total sales:

Actual	August	R120 000
	September	R135 000
Projected	October	R150 000
	November	R180 000

- 40% of sales are cash, the rest is on credit.
- The mark-up is 50% on cost.
- Stock is replaced on a monthly basis.
- 25% of purchases are cash; the rest is on credit.

**B. Creditors' payment:**

It is expected that creditors will be paid as follows:

- 75% are paid in the month of purchases to receive a 5% discount.
- 15% are paid in the month after purchases.
- 10% are paid in the second month after purchases.

**C. Delivery expenses:**

Thando pays Speedo Deliveries to deliver goods to customers free of charge. He budgets a fixed percentage of monthly sales for this expense.

**D. Salaries and wages:**

Employees receive an increase of 7,5% from 1 November 2022.

**E. Loan:**

Part of the loan will be repaid on 1 November 2022. Interest of 15% p.a. is paid monthly and is not capitalised.

**F. Extract from Cash Budget for October and November 2022:**

RECEIPTS	OCTOBER	NOVEMBER
Cash sales	(i)	72 000
Collections from debtors	78 300	89 550
Rent income	7 500	7 750
Additional capital to be contributed		
Commission income		
<b>PAYMENTS</b>		
Cash purchase of stock		(ii)
Payments to creditors	74 200	
Delivery expenses of goods to customers	9 000	(iii)
Salaries and wages	(iv)	38 700
Stationery		
Telephone	1 000	1 000
Training of staff	2 500	2 500
Advertising	1 500	1 800
Repayment of loan		(v)
Interest on expense	2 100	1 500
Sundry expenses	3 300	3 400
Drawings		

**G. After finalising the budget, the following was identified:**

	OCTOBER	NOVEMBER
Cash surplus or deficit for the month	(24 350)	(vii)
Cash at beginning of month		53 250
Cash at end of month	(vi)	(10 950)

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	Non-current liabilities : Shareholders' equity
(Trade & other receivables + Cash & cash equivalents) : Current liabilities	
$\frac{\text{Average trading stock}}{\text{Cost of sales}} \times \frac{365}{1}$	$\frac{\text{Cost of sales}}{\text{Average trading stock}}$
$\frac{\text{Average debtors}}{\text{Credit sales}} \times \frac{365}{1}$	$\frac{\text{Average creditors}}{\text{Cost of sales}} \times \frac{365}{1}$
$\frac{\text{Net income after tax}}{\text{Average shareholders' equity}} \times \frac{100}{1}$	$\frac{\text{Net income after tax}}{\text{Number of issued shares}} \times \frac{100}{1}$ (*See note below)
$\frac{\text{Net income before tax} + \text{Interest on loans}}{\text{Average shareholders' equity} + \text{Average non-current liabilities}} \times \frac{100}{1}$	
$\frac{\text{Shareholders' equity}}{\text{Number of issued shares}} \times \frac{100}{1}$	$\frac{\text{Dividends for the year}}{\text{Number of issued shares}} \times \frac{100}{1}$
$\frac{\text{Interim dividends}}{\text{Number of issued shares}} \times \frac{100}{1}$	$\frac{\text{Final dividends}}{\text{Number of issued shares}} \times \frac{100}{1}$
$\frac{\text{Dividends per share}}{\text{Earnings per share}} \times \frac{100}{1}$	$\frac{\text{Dividends for the year}}{\text{Net income after tax}} \times \frac{100}{1}$
$\frac{\text{Total fixed costs}}{\text{Selling price per unit} - \text{Variable costs per unit}}$	
<b>NOTE:</b> * In this case, if there is a change in the number of issued shares during a financial year, the weighted-average number of shares is used in practice.	



NAME OF SCHOOL

NAME OF CANDIDATE

CLASS NO.

**NATIONAL SENIOR CERTIFICATE**

**ACCOUNTING P2**

**GRADE 12**

**SEPTEMBER 2022**

***SPECIAL ANSWER BOOK***

QUESTION	MARKS	INITIAL	MOD.
1			
2			
3			
4			
TOTAL			

**This answer book consists of 10 pages**

**QUESTION 1****1.1 VAT****1.1.1 Explain why the government in SA made certain goods to be zero-rated.**

--

2

**1.1.2 Taking into account the error and omission, calculate the VAT amount that is either payable or receivable from SARS.**

	Answer

8

**1.1.3 Explain what you would say to Peter. Provide TWO points.**

--

4

**1.2 BANK RECONCILIATION AND INTERNAL CONTROL****1.2.1 Show the entries that must be recorded in the Cash Journals.**

CASH RECEIPTS JOURNAL		CASH PAYMENT JOURNAL	
Details	Amount	Details	Amount
Provisional total	R510 600	Provisional total	R486 300

8

1.2.2 Calculate the Bank Account balance on 31 July 2022.

Answer	

4

1.2.3 BANK RECONCILIATION STATEMENT ON 31 JULY 2022

	DEBIT	CREDIT
Balance per Bank Statement		
Debit outstanding cheques:		
Balance as per Bank Account		

7

1.2.4 Explain whether or not the business made the right decision in alerting the bank about the deposit of R9 800, on 25 July 2022.

2

TOTAL
35

**QUESTION 2.****2.1 KRUSH ELECTRONICS**

- 2.1.1** Calculate the value of closing stock according to the FIFO method on 31 July 2022.

5

- 2.1.2** Calculate the average stock-holding period on 30 June 2022.

4

Provide a calculation to support her concern over the security of the stock.

5

- 2.1.3** Calculate the value of closing stock according to weighted-average method.

7

**2.2 PROBLEMSOLVING**

- 2.2.1** Mention ONE additional control measure that Mbali could consider to improve controls in the branches.

2

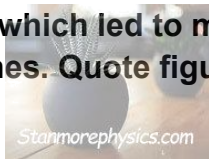


- 2.2.2 Identify TWO problems (with figures or calculations) relating to the Ermelo Plaza branch and provide a solution in each case.**

Problem with a figure	Solution

4

- 2.2.3 List THREE decisions taken by Venessa, the manager of Tonga Plaza, which led to much better results than those of the other two branches. Quote figures.**



3

<b>TOTAL</b>
<b>30</b>

**QUESTION 3****3.1 BAKERS BEE MANUFACTURES****3.1.1 Calculate the direct labour cost on 28 February 2022****Answer**

5

**3.1.2 Factory overhead cost note on 28 February 2022**

12

**3.1.3 Production Cost Statement on 28 February 2022**

<b>Direct material cost</b>	<b>R666 700</b>
<b>Prime cost</b>	
<b>Total manufacturing cost</b>	
<b>Work-in-progress on 1 March 2021</b>	<b>R195 000</b>

10

**3.2 ENERGIZER MANUFACTURES****3.2.1 Calculate the following for the year ended 30 June 2022:**

<b>Direct material cost</b>	<b>Answer</b>

2

**Break-even point**

4

**3.2.2 Explain why the owner should be concerned about the break-even point. Quote figures.**

3

**3.2.3 Explain why the owner would NOT be satisfied with the direct material cost per unit. Quote figures.**

3

**Apart from changing the supplier to get a cheaper price, provide an alternative solution to this problem. Mention ONE point.**

2

**3.2.4 Give TWO reasons why this option is not a good idea.**

4

**TOTAL**

**45**

**QUESTION 4**

- 4.1** Thando is not concerned about the overspending in advertisement. Explain why this is so. Quote figures.

3

- 4.2** **CREDITORS' PAYMENT SCHEDULE**

MONTH	CREDIT PURCHASES	OCTOBER	NOVEMBER
August	R60 000	6 000	
September	R67 500	10 125	
October		53 438	
November	R90 000		
		69 653	

8

4.3

	CALCULATION	AMOUNT
(i)	Cash sales	
(ii)	Cash purchases of stock	
(iii)	Delivery expenses	
(iv)	Salaries and wages	
(v)	Repayment of loan	
(vi)	Cash at end of month	
(vii)	Cash surplus or deficit for the month	
		21

4.4

State ONE consequence that the business might face should they not pay the amount due to creditors in September 2022.



2

4.5

Briefly explain ONE advantage and ONE disadvantage of each option.

OPTION	ADVANTAGE	DISADVANTAGE
Request a friend to become equal partner		
Lease the equipment from Rato Computers		
Acquire a new loan		

6

TOTAL MARKS
40

TOTAL: 150



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**GRADE 12**

**ACCOUNTING P2  
SEPTEMBER 2022  
MARKING GUIDELINES**

**MARKS: 150**

**MARKING PRINCIPLES:**

1. Unless otherwise stated in the marking guideline, penalties for foreign items are applied only if the candidate is not losing marks elsewhere in the question for that item (no penalty for misplaced item). No double penalty applied.
2. Penalties for placement or poor presentation (e.g. details) are applied only if the candidate is earning marks on the figures for that item.
3. Full marks for correct answer. If answer incorrect, mark the workings provided.
4. If a pre-adjustment figure is shown as a final figure, allocate the part-mark for the working for that figure (not the method mark for the answer). Note: if figures are stipulated in memo for components of workings, these do not carry the method mark for final answer as well.
5. Unless otherwise indicated, the positive or negative effect of any figure must be considered to award the mark. If no + or – sign or bracket is provided, assume that the figure is positive.
6. Where indicated, part-marks may be awarded to differentiate between differing qualities of answers from candidates.
7. This memorandum is not for public distribution, as certain items might imply incorrect treatment. The adjustments made are due to nuances in certain questions.
8. Where penalties are applied, the marks for that section of the question cannot be a final negative.
9. Where method marks are awarded for operation, the marker must inspect the reasonableness of the answer and at least one part must be correct before awarding the mark.
10. Operation means 'check operation'. 'One part correct' means operation and one part correct. Note: check operation must be +, -, x, ÷, or per memo.
11. In calculations, do not award marks for workings if numerator & denominator are swapped – this also applies to ratios.
12. In awarding method marks, ensure that candidates do not get full marks for any item that is incorrect at least in part. Indicate with a ☒.
13. Be aware of candidates who provide valid alternatives beyond the marking guideline.
14. Codes: f = foreign item; p = placement/presentation.

**This marking guideline consists of 10 pages**

**QUESTION 1****1.1 VAT****1.1.1 Explain why the government in SA made certain goods to be zero-rated.**

Any ONE valid point ✓✓

To make basic goods to be affordable to needy people.

2

**1.1.2 Taking into account the error and omission, calculate the VAT amount that is either payable or receivable from SARS.**

	Answer
R89 600✓ + 84 000✓ – 29 100✓ + 450✓✓ – 8 250✓✓ Signs can be reversed Accept alternative calculations, e.g., Ledger account	R136 700✓ one part correct

8

**1.1.3 Explain what you would say to Peter. Provide TWO points.**

Any valid explanation ✓✓ ✓✓ (must mention legal issue)

Peter must keep accurate records of VAT and make correct submissions to SARS for the following reasons:

- It is illegal business practice (fraud)/not prudent practice.
- The business is an agent of SARS – correct money collected on behalf of SARS must be paid.
- The business will be liable for penalties and fines.

4

**1.2 BANK RECONCILIATION AND INTERNAL CONTROL****1.2.1 Show the entries that must be recorded in the Cash Journals.**

CASH RECEIPTS JOURNAL		CASH PAYMENT JOURNAL	
Details	Amount	Details	Amount
Provisional totals	R510 600	Provisional totals	R486 300
P. Papane- Rent	6 250 ✓	EFT-633	3 600 ✓✓
Interest	290 ✓	Petty Insurers	1 850 ✓
		Debit card	1 000 ✓
		Repairs	
		Transaction fees	1 425 ✓
	R517 140	✓ Both totals	R494 175

8



## 1.2.2 Calculate the Bank Account balance on 31 July 2022.

	Answer
R15 300✓ + 517 140☑ – 494 175☑	R38 265☑ one part correct

4

## 1.2.3 BANK RECONCILIATION STATEMENT ON 31 JULY 2022

	ONE COLUMN METHOD	DEBIT	CREDIT
Balance per Bank Statement	R43 310	Balancing figure	R43 310 ☑
Credit outstanding deposit	R10 000		R10 000 ✓
Debit outstanding EFT:			
EFT No.655	(R5 650)	R5 650 ✓	
EFT No.656	(R1 445)	R1 445 ✓	
Debit incorrect amount	(R9 800)	R9 800 ✓	
Credit incorrect amount	R1 850		R1 850 ✓
Balance as per Bank Account	(R38 265)	R38 265 ☑	
		R55 160	R55 160

7

## 1.2.4 Explain whether or not the business made the right decision in alerting the bank about the deposit of R9 800, on 25 July 2022.

Any ONE valid explanation ✓✓

- Yes, he did make a good decision to alert the bank because he would not have been able to prove that the money was his/No documents
- Eventually the intended recipient would have complained about not receiving the money, which would have led to a disagreement or the possibility of a police investigation.
- The business must maintain its reputation as an ethical organisation.

2

TOTAL MARKS

35

**QUESTION 2.****2.1 KRUSH ELECTRONICS****2.1.1 Calculate the value of closing stock according to the FIFO method on 31 July 2022.**

20	x R3 900	= R78 000	✓ <input checked="" type="checkbox"/>	one part correct
177	x R 4 200	=R743 400	✓ <input checked="" type="checkbox"/>	one part correct
197		=R821 400	✓ <input checked="" type="checkbox"/>	operation

5

**2.1.2 Calculate the average stock-holding period on 30 June 2022.**

650 883 Two marks

$$\frac{1}{2} (R821\,400 + 480\,365) \times 365 \text{ days} = 114 \text{ days}$$

accept 130 days

if  $\frac{1}{2}$  and one part correct

OR

$$197/515 \text{ units} \times 365 \text{ days} = 139,6 \text{ days}$$

**Provide a calculation to support her concern over the security of the stock.**

$$(85 + 640) - 8 - 515 - 197 = 5 \text{ missing}$$

one part correct

5

**2.1.3 Calculate the value of closing stock according to weighted-average method.**

2 900 265 Three marks

$$\frac{480\,365 + 2\,453\,500 - 33\,600}{85 + 640 - 8} \times 197 = 796\,865$$

one part correct

717 Three marks

7

**2.2.1 Mention ONE additional control measure that Mbali could consider to improve controls in the branches.**

Any ONE valid point ✓✓

Encourage customers to use EFT/ credit cards

Introduce online shopping facilities

Create a policy of regular banking to avoid rolling of cash

2

**2.2.2 Identify TWO problems (with figures or calculations) relating to the Ermelo Plaza branch and provide a solution in each case.**

<b>Problem with a figure</b> ✓ ✓	<b>Solution</b> ✓ ✓
80% are credit sales/ cash sales are 20% of total sales	Discount on cash sales Charge interest on credit sales
They only work 5 days per week	The competitor work 6/7 days
There are only 2 shop assistants.	The business should consider to increase the number of shop assistants.

4

**2.2.3 List THREE decisions taken by Venessa, the manager of Tonga Plaza, which led to much better results than those of the other two branches. Quote figures.**

Any ONE valid explanation ✓ ✓ ✓

The business is operating for 7 days per week  
Advertising, R16 200 increased sales  
The business is offering online facility, 750 units sold  
Employed 6 shop assistants

3

<b>TOTAL MARKS</b>	<b>30</b>
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**QUESTION 3****3.1.1 Calculate the direct labour cost on 28 February 2022****Answer**Normal time  $3 \times 1\,920 \times R50 = R288\,000$  ✓✓Overtime  $3 \times 95 \times R80 = R22\,800$  ✓✓

R310 800 ✓

5

one part correct

**3.1.2 Prepare the Factory Overhead Cost Note on 28 February 2022**Indirect material  $(18\,600 + 149\,500 - 21\,400)$  ✓

\*146 700 ✓

Rent expense  $(169\,000 \div 10\,800 \text{ m}^2 / 13500 \text{ m}^2)$  ✓

\*135 200 ✓

Water and electricity  $(172\,000 + 18\,000) \times 75\%$ 

\*142 500 ✓✓

Insurance

105 900 ✓

Depreciation on factory equipment

61 200 ✓

591 500 ✓

12

\*one part correct

**3.1.3 Complete the Production Cost Statement on 28 February 2022****Direct material cost****R666 700**

Direct labour cost

see.3.1.1

R310 800 ✓

**Prime cost**

DMC + DLC

R977 500 ✓

Factory overhead cost

see 3.1.2

R591 500 ✓

**Total manufacturing cost**

PC + FOHC

R1 569 000 ✓

**Work-in-progress on 1 March 2021****R195 000**

R1 764 000

Work-in-progress at end **Balancing figure (accept +ve difference)**

(R224 500) ✓

Cost of production of finished goods

 $(210\,000 + 1\,562\,500 - 233\,000)$  ✓✓

R1 539 500 ✓

10

One part correct

**3.2.1 Calculate the following for the year ended 30 June 2022:****Direct material cost****Answer** $331\,500 \times R7,56$ 

R2 506 140 ✓✓

2

**Break-even point**

$$\frac{R3\ 102\ 500}{R28 - 19,50} = 365\ 000 \text{ units}$$

one part correct

4

**3.2.2 Explain why the owner should be concerned about the break-even point. Quote figures.**

Explanation ✓✓ Figure ✓

BEP increased from 273 000 units to 365 000 units (by 92 000, which make it more difficult to achieve a profit)

OR

Business will make a loss on 33 500 units

3

**3.2.3 Explain why the owner would NOT be satisfied with the direct material cost per unit. Quote figures.**

Explanation ✓✓ with figure ✓

DMC increased from R5,60 to R7,56 (by R1,96 or 35%)

**Apart from changing the supplier to get a cheaper price, provide an alternative solution to this problem. Mention ONE point.**

Any ONE valid answer ✓✓

Train work to minimise wastage/ to improve skills  
Use quality material.

2

**3.2.4 Give TWO reasons why this option is not a good idea.**

Any TWO valid answers ✓✓ ✓✓ part marks for incomplete / unclear answer

- He should not give false information to customer (unethical business practice)
- Will incur additional costs in producing new packaging / advertising
- The customers will not be happy and sales would drop even more / lose customers to competitors
- Negative impact on image of the business, when discovered

4

**TOTAL MARKS****45**

**QUESTION 4****4.1**

**Thando is not concerned about the overspending in advertisement. Explain why this is so. Quote figures.**

Candidate must indicate the positive effect of advertising on sales ✓✓

Provide appropriate figures ✓ one mark.

Expected response for 3 marks:

Advertising increased by R4 500 but Sales increased by R24 500.

**OR**

Advertising increased by 37,5% while Sales increased by 20% on bigger base.

3
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**4.2****CREDITORS' PAYMENT SCHEDULE**

MONTH	CREDIT PURCHASES	OCTOBER	NOVEMBER
August	R60 000	6 000	
September	R67 500	10 125	R6 750 ✓✓
October	75 000✓	53 438	R11 250 15% of credit purchases ✓✓
November	R90 000		R64 125 ✓✓
		69 563	R82 125 ✓*

\*one part correct; ignore foreign entries

8
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4.3

	CALCULATION	AMOUNT
(i)	<b>Cash sales</b>  $R150\,000 \times 40\%$ <b>2</b>  If correct workings are shown without answer, award 1 mark only	R60 000 ✓✓
(ii)	<b>Cash purchases of stock</b>  R120 000 two marks $R180\,000 \checkmark \times 100/150 \checkmark \times 25\% \checkmark$ <b>4</b>	R30 000 <input checked="" type="checkbox"/> one part correct
(iii)	<b>Delivery expenses</b>  6% two marks $9\,000 \checkmark / 150\,000 \checkmark \times 180\,000 \checkmark$ <b>4</b>	10 800 <input checked="" type="checkbox"/> one part correct
(iv)	<b>Salaries and wages</b>  $38\,700 \checkmark \times 100 / 107,5 \checkmark \checkmark$ <b>4</b>	36 000 <input checked="" type="checkbox"/> one part correct
(v)	<b>Repayment of loan</b> two marks one mark $168\,000 - 120\,000$ OR $600 \checkmark \times 100/15 \checkmark \times 12 \checkmark$ <b>4</b> OR two marks one mark $7\,200 \times 100/15$	48 000 <input checked="" type="checkbox"/> one part correct
(vi)	<b>Cash at end of month</b> <b>1</b>	53 250 ✓
(vii)	<b>Cash surplus or deficit for the month</b>  $10\,950 + 53\,250$ <b>2</b> If correct workings are shown without answer, award 1 mark only	(64 200) ✓✓ ignore brackets

21

4.4

**State ONE consequence that the business might face should they not pay the amount due to creditors in September 2022.**

Any ONE possible response ✓✓ One mark for incomplete / unclear answer

- Legal action can be taken by the creditors.
- Business will be charged interest for slow payment.
- The credit ratings of the business will decrease/ could be blacklisted
- Credit to the business will be stopped by the creditors.

2

4.5

**Briefly explain ONE advantage and ONE disadvantage of each option.****Note that figures are not required; Alternative valid answers possible**

OPTION	ADVANTAGE ✓ ✓ ✓	DISADVANTAGE ✓ ✓ ✓
<b>Request a friend to become equal partner</b>	She will have the necessary funds to purchase the assets (which will then belong to the business) / share workload and skills / partner will share losses.	She will have to share half his profits with her new partner.
<b>Lease the equipment from Rato Computers</b>	She does not have to raise a loan / does not have to pay interest on the loan / will not have to pay repair costs.	The lease charges are expensive / lease is over five years / never owns the assets but continues to pay.
<b>Acquire a new loan</b>	She will own the assets / they could last longer than five years if she takes good care of them.	She has to pay interest / pay a monthly instalment (which must include interest).

6

**TOTAL MARKS****40****TOTAL: 150**