



Province of the
EASTERN CAPE
EDUCATION

**NATIONAL
SENIOR CERTIFICATE**

GRADE 12

**2024 PRE-TRIAL
EXAMINATION**

ACCOUNTING P2

MARKS: 150

TIME: 2 HOURS



This question paper consists of 14 pages,
a formula sheet and a 10-page answer book.

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 earn part-marks.
4. You may use a non-programmable calculator.
5. You may use a dark pencil or black/blue 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	Reconciliations	35	30
2	Cost Accounting	40	30
3	Inventory Valuation	30	25
4	Budgeting and VAT	45	35
TOTAL		150	120

QUESTION 1: RECONCILIATIONS**(35 marks; 30 minutes)****1.1 CREDITORS' RECONCILIATION**

Spargs Supermarket is owned by Sam Sparg. The business buys goods on credit from Boxer Wholesalers

REQUIRED:

- 1.1.1 Use the table provided in the ANSWER BOOK to show changes to the Creditors' Ledger account of Boxer Traders in the books of Spargs Supermarket and the Statement of Account received from Boxer Wholesalers. Take into account the differences identified.

Indicate a "+" for an increase or a "-" for a decrease next to each amount. (11)

- 1.1.2 Sam feels that the creditor's clerk is not performing his duties efficiently.

- Provide evidence with figures to support Sam's opinion. Provide ONE point. (2)
- Provide ONE point how Sam do can solve this problem. (1)

INFORMATION:

**A. CREDITORS LEDGER OF SPARGS SUPERMARKET
BOXER WHOLESALERS (C4)**

DATE		DETAILS	DEBIT	CREDIT	BALANCE
2024					
Jan	1	Balance			R56 600
	3	Invoice 3381		R 4 800	61 400
	8	Debit note 149		1 640	63 040
	15	Invoice HL117		11 500	74 540
	18	Invoice 3886		10 800	85 340
	24	EFT 425	R22 100		63 240
		Discount received	1 105		62 135
	29	Invoice 4243		6 700	68 835

B. Statement of account received from Boxer Wholesalers:

BOXER WHOLSESALERS					
STATEMENT OF ACCOUNT					
To: Spargs Supermarket		Credit limit: R 45 000	Statement date: 26 January 2024		
DATE	DETAILS		DEBIT	CREDIT	BALANCE
2023					
Dec	28	Balance			R 71 020
	30	Receipt 376		R 15 000	56 020
		Credit note A11		750	55 270
		Penalty – late payment	R 580		55 850
		Penalty – late payment	580		56 430
2024					
Jan	3	Invoice 3381	8 700		65 130
	9	Credit note		1 640	63 490
	18	Invoice 3886	12 420		75 910
	24	Receipt 667		22 100	53 810
	25	Credit note X94		2 580	51 230
TERMS: 30 days. A 5% discount allowed on payments received before/on 20th of each month. A penalty for late payment is applied on overdue balances.					

C. A comparison of the Statement of Account received from Boxer Wholesalers with the Creditors Ledger of Spargs Supermarket, revealed the following:

- i) Spargs Supermarket was granted an allowance of R750 for inferior quality goods received during December 2023. This transaction was not recorded by the bookkeeper of Spargs Supermarket.
- ii) The penalty for late payment on 30 December 2023 was entered twice by mistake on the statement. Boxer Wholesalers will correct this error on the next statement.
- iii) Invoice 3381 on 3 January: The amount in the Creditors Ledger is correct.
- iv) An incorrect posting of a return on 8 January was noted.
- v) Invoice HL117 in the Creditors Ledger was for stock purchased from Boxing Brothers.
- vi) Invoice 3886 on the statement includes VAT of 15%. The creditors' clerk at Spargs Supermarket entered the invoice price before tax, in the books of the business.
- (vii) The creditors' clerk of Spargs Supermarket recorded a 5% discount with the EFT payment on 24 January 2024. Boxer Wholesalers did not approve this discount as payment was late.
- (viii) Credit note X94 on the statement received does not relate to Spargs Supermarket and will be corrected on the next statement.
- (ix) The statement is received on the 26th of each month.

1.2 BANK RECONCILIATION

1.2.1 Indicate whether the following statements are TRUE or FALSE. Write only 'true' or 'false' next to the question number 1.2.1.1 – 1.2.1.3 in the ANSWER BOOK.

1.2.1.1. Interest on overdraft is included in bank charges.

1.2.1.2 A credit entry for interest on the Bank Statement is recorded in the Cash Receipts Journal.

1.2.1.3 A credit balance on the Bank Statement reflects a favourable bank balance.

(3 x 1) (3)

1.2.2 MATRIC STORES

The information provided relates to Matric Stores. The business is owned by Patty Smiles. Patty receives the Bank Statement on the 26th day of each month.

REQUIRED:

- Calculate the final totals of the Cash Journals on 31 July 2023. (10)
- Prepare the Bank Reconciliation Statement on 31 July 2023 (8)

INFORMATION:

A. Extract from Bank Reconciliation on 30 June 2023:

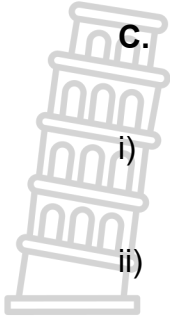
Outstanding Deposit (12 June 2023)	R 21 000
Outstanding Deposit (29 June 2023)	15 500
EFT 396 not reflected	8 900
EFT 397 not reflected	13 200

Note:

- The deposit on 12 June 2023 appeared on the July Bank Statement as R15 000. After an investigation, it was discovered that the cashier never deposited the full amount. The cashier has resigned and the business decided to write off the outstanding amount during July 2023.
- EFT 396 was correctly reflected on the July Bank Statement as R9 800
- All other outstanding amounts appeared on the July Bank Statement.

B. Provisional Cash Journal Totals on 31 July 2023:

CRJ	CPJ
R 121 300	R 142 800



C. Items on the July Bank Statement, but not in the Cash Journals for July 2023:

- i) A credit card payment of R1 900 for repairs to a business vehicle. Patty forgot to submit the paperwork to the bookkeeper.
- ii) Direct deposit received from debtor B Good, R7 400, in settlement of debt of R7 600.
- iii) Direct deposit of R84 000 from UniStores. This is an error and does not apply to Matric Stores. The bank will rectify this error on the August statement.
- iv) Total bank charges, R972.
- v) Debit order to School Insurers for the business insurance, R2 100. This entry appeared twice on the Bank Statement in error. The bank will rectify this error on the August statement.
- vi) Interest earned on the current account, R265.

D. Entries in the Cash Journals, not reflected on the July 2023 Bank Statement:

• Deposit on 30 July 2023	R 24 900
• EFT 642 to Trade Stores, a creditor on 30 July 2023	5 300
• EFT 643 to AB Stationers on 31 July 2023	1 200

E. The Bank Statement reflected a positive balance of R85 300.



QUESTION 2: COST ACCOUNTING**(40 marks; 30 minutes)**

- 2.1 Choose the concept/word in COLUMN B that matches the statement in COLUMN A. Write only the letter (A-E) next to the question numbers (3.1.1 to 3.1.3) in the ANSWER BOOK.

COLUMN A		COLUMN B	
2.1.1	The cost remain the same irrespective of the number of goods produced.	A.	variable
2.1.2	This refer to the point where no profit or loss is made in the process.	B.	indirect
		C.	break-even
2.1.3	The salary of the factory manager is included in this cost.	D.	direct
		E.	fixed

(3 x 1) (3)

2.2 MD MANUFACTURERS:

The factory manufactures one type of chair used at matric dances. You are provided with the records of MD Manufacturers for the year ended 31 August 2023.

REQUIRED:

- 2.2.1 The factory overhead cost has been calculated as R739 705. The bookkeeper forgot to include some additional transactions.

Calculate the correct factory overhead cost amount. Use brackets "()" to indicate if a decrease.

(8)

- 2.2.2 Complete the Production Cost Statement of MD Manufacturers for the year ended 31 August 2023.

(11)

INFORMATION:**A. Stock balances:**

	31 August 2023	31 August 2022
Raw materials	?	R195 700
Work-in-progress	?	165 455
Consumables	R 8 700	13 800

B. Summary of balances and totals to date:

Carriage on sales	R 19 800
Purchase of raw materials	1 868 650
Raw materials issued	1 855 000
Factory wages	650 000
Factory manager salary	237 600
Water and electricity: Factory	450 000
Contribution to factory wages	78 000
Consumables purchased	56 000
Insurance	66 000
Advertising	156 000
Rent: Factory	300 000
Sales	4 000 000

C. Information not yet taken into account:

- i) The full amount for water and electricity of R450 000 was allocated to the factory. This should have been allocated according to the number of operating hours as follows:
 - Factory 4 000 hours
 - Administrative department 2 000 hours
 - Sales department 2 000 hours
- ii) Rent was allocated in the ratio 3:1:1 to the factory, administration and sales department respectively. The correct ratio is 2:1:1.
- iii) A new contract for insurance on factory machinery was taken out at a premium of R24 000 p.a., ending 30 September 2023. No entry has been made to record this new insurance contract.
- iv) The bookkeeper forgot to reverse the stock of consumables balance on 1 September 2022. All other entries relating to consumables have been correctly entered.
- v) The business produced and sold 10 000 chairs during the year at a mark-up of 25% on cost.



2.3 THE ROOKIE MANUFACTURERS

You are provided with information extracted from the accounting books of The Rookie Manufacturers, owned by John Nolan. The accounting period end on 31 December each year. The business manufactures leather belts and gloves for the police force

NOTE:

- Production is based on orders received
- Current inflation rate is 5%

REQUIRED:

2.3.1 LEATHER BELTS:

- Comment on the break-even point and level of production for the last two years. (6)
- John recently invested in new machinery in the factory to manufacture the leather belts. He calculated a saving of 10% on fixed costs, yet fixed cost per unit has increased. Explain why this happened. Include figures. (3)

2.3.2 GLOVES:

Identify the variable cost, with relevant figures, that caused the biggest problem. Give a valid solution for the problem identified. (4)

- 2.3.3 John is thinking of focussing on producing only one product in the near future. Which item should he continue producing? Provide TWO reasons with relevant figures (5)

INFORMATION:

The following unit costs relates to the financial year ending 31 December:

	LEATHER BELTS (R)		GLOVES (R)	
	2023	2022	2023	2022
Fixed cost	117,90	97,80	40,90	45,80
Factory overheads	73,10	62,30	21,80	24,00
Administration cost	44,80	35,50	19,10	21,80
Variable cost	282,40	256,20	148,20	138,50
Direct material cost	132,40	123,50	48,00	36,30
Direct labour cost	105,20	97,20	81,10	80,40
Selling and distribution cost	44,80	35,50	19,10	21,80

Units produced and sold	15 000	21 200	27 500	24 000
Break-even point	9 958	12 658	21 713	17 874
Selling price per unit	R460,00	R420,00	R200,00	R200,00

QUESTION 3: INVENTORY VALUATION**(30 marks, 26 minutes)**

3.1 Complete each of the following sentences by filling in the missing word(s). Write only the word(s) next to the question number 3.1.1 to 3.1.2 in the ANSWER BOOK.

3.1.1 The stock system used to record the cost of sales of goods sold, at the point of sales, is called the ... system.

3.1.2 A lower closing stock value will result in a ... gross profit.

(2 x 1) (2)

3.2 THE CYCLE SHOP

You are provided with the accounting information of The Cycle Shop, owned by Garth Spin. He uses the periodic inventory system. The financial year ended on 29 February 2024.

The stock records show the following three products he sells as well as the stock valuation method used to calculate closing stock for each product:

- Bicycles: Specific method
- Helmets: FIFO method
- Water bottles: Weighted Average method

REQUIRED:**BICYCLES (Refer to information A)**

3.2.1 Garth, the owner feels that one model of bicycles must be discontinued. Which one would you suggest? Provide TWO points with figures to justify your response. (5)

HELMETS (Refer to information B)

3.2.2 Calculate the closing stock value of helmets on 29 February 2024. (5)

WATER BOTTLES (Refer to information C)

3.2.3 Calculate the closing stock value of water bottles on 29 February 2024. (8)

3.2.4 Calculate the cost of sales of water bottles on 29 February 2024. (3)

3.2.5 The owner feels he has too much stock on hand.

Calculate the number of days it will take Garth Spin to sell the closing stock of water bottles and comment on your answer. (5)

3.2.6 Comment on the sale of water bottles. Include figures. (2)

INFORMATION:

A. BYCYCLES	MODEL	NUMBER OF UNITS	UNIT PRICE (R)	TOTAL (R)
Opening stock	Ryleigh	30	2 900	87 000
	Pantoon	7	4 200	294 000
Purchases	Ryleigh	30	2 900	87 000
	Pantoon	40	4 200	168 000
Returns	Ryleigh	5	2 900	145 000
Sales	Ryleigh	24	3 770	90 480
	Pantoon	39	5 670	221 130

B. HELMETS	NUMBER OF UNITS	UNIT PRICE (R) INCLUDING CARRIAGE	TOTAL (R)
Opening stock	25		7 625
Purchases	175		58 300
May	60	315	18 900
July	85	340	28 900
November	30	350	10 500
Closing stock	32		?

Note:

- Carriage of R5 per unit is included in unit price.
- Returns 8 units of the November purchases were damaged and returned to the supplier. The supplier does not pay for the carriage when goods are returned
- 150 helmets were sold during the year.

C. WATER BOTTLES	NUMBER OF UNITS	UNIT PRICE (R)	TOTAL (R)
Opening stock	40		1 600
Purchases	201		8 826
March	50	42	2 100
August	110	44	4 840
December	41	46	1 886
Returns	1	46	46
Closing stock	100		?
Sales 2022	95	112,50	10 640
Sales 2023	140	86,50	12 110

QUESTION 4: BUDGETS and VAT**(45 marks, 35 minutes)****4.1 SOPHIE'S DELIVERY SERVICES**

The information relates to Sophie's Delivery Services for the budget period July to September 2024.

REQUIRED:

- 4.1.1 Complete the Debtors' Collection schedule for August and September 2024. (7)
- 4.1.2 Calculate the missing amounts on the Cash Budget denoted by (i) to (vii) (22)
- 4.1.3 Comment on the level of control over fuel. (4)

INFORMATION:**A. Fee Income:**

- Delivery services (fee income) are offered to cash and credit customers.
- Fee income from cash customers' accounts for 30% of the budgeted total fee income

Although credit terms are 30 days, Sophie expects to receive fee income as follows:

- 45% of outstanding accounts to be settled in the month of services rendered. From 1 September, Sophie will allow a 2% discount on early settlement of debts.
- 55% to be received in the month following the month of services being rendered.

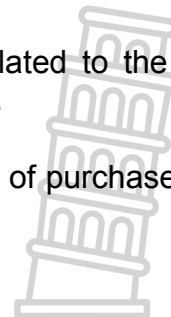
B. Fixed Deposit:

The fixed deposit will mature on 31 July 2024. This earns interest at 8,5% p.a. (not capitalised).

C. Packing material and creditors:

Packing material and other consumable stores are related to the provision of services and is budgeted at 25% of the total fee income.

- 60% of these supplies are purchased on credit.
- Creditors are paid in the month following the month of purchases, to receive the 5% early-payment discount.



D. Salaries and wages:

Sophie's pays the following:

- Driver R16 000 per month
- Maintenance and general handyman R6 000 per month
- Receptionist R1 225 per week (5 days per week; 4 weeks per month; 7 hours per day).

Note:

The receptionist requested a reduction in working hours. As from 1 September, she will work for only 4 hours per day (instead of the 7 hours) and her pay will be adjusted accordingly.

E. Loan:

A loan from Bonus Bank for R240 000 was received on 1 July and deposited into the business bank account. The terms of the loan are as follows:

- R6 000 to be paid at the end of each month, commencing on 31 July 2024
- Interest at 14% p.a. is payable on the last day of each month (not capitalised).

F. Extract from the Cash Budget for the Budget period:

RECEIPTS	JULY	AUGUST	SEPTEMBER
Fee income - cash	(i)	108 000	114 000
Cash from debtors	(ii)	240 450	?
Fixed deposit	(iii)	-	-
Interest on fixed deposit	850	-	-
Loan: Bonus Bank	240 000		
PAYMENTS			
Cash purchases: packing material & consumables	33 000	36 000	(iv)
Payment to creditors	-	47 025	(v)
Salaries and wages	26 900	26 900	(vi)
Instalment on loan	6 000	6 000	6 000
Interest on loan	2 800	2 730	(vii)

G. Debtors' Collection Schedule:

MONTH	FEE INCOME (on credit)	AUGUST	SEPTEMBER
July	231 000	127 050	
August	?	?	?
September	266 000		?

H. PROJECTED figures against ACTUAL figures for July 2024:

	PROJECTED	ACTUAL
Fee income	330 000	280 500
Fuel	66 000	89 200

4.2 **MOVIE TRADERS**

REQUIRED:

4.2.1 The owner, Tim Chalamet is not sure how to calculate the VAT owed to SARS.

Calculate the amount of VAT that is payable to SARS. (8)

4.2.2 How can Tim ensure that he will have enough cash available to pay SARS the VAT amount owed? Provide TWO suggestions. (4)

INFORMATION:

- A. Purchases: R156 400 inclusive of VAT
- B. Sales R340 000 exclusive of VAT
- C. Discount allowed R2 300
- D. VAT on returns to suppliers R90
- E. VAT on bad debts R720

45

TOTAL: 150



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	
$\frac{\text{Average trading stock}}{\text{Cost of sales}} \times \frac{365}{1}$	$\frac{\text{Cost of sales}}{\text{Average trading stock}}$
$\frac{\text{Average debtors}}{\text{Credit sales}} \times \frac{365}{1}$	$\frac{\text{Average creditors}}{\text{Cost of sales / Credit Purchases}} \times \frac{365}{1}$
$\frac{\text{Net income after tax}}{\text{Average shareholders' equity}} \times \frac{100}{1}$	$\frac{\text{Net income after tax}}{\text{Number of issued shares}} \times \frac{100}{1}$ (*See note below)
$\frac{\text{Net income before tax} + \text{Interest on loans}}{\text{Average shareholders' equity} + \text{Average non-current liabilities}} \times \frac{100}{1}$	
$\frac{\text{Shareholders' equity}}{\text{Number of issued shares}} \times \frac{100}{1}$	$\frac{\text{Dividends for the year}}{\text{Number of issued shares}} \times \frac{100}{1}$
$\frac{\text{Interim dividends}}{\text{Number of issued shares}} \times \frac{100}{1}$	$\frac{\text{Final dividends}}{\text{Number of issued shares}} \times \frac{100}{1}$
$\frac{\text{Dividends per share}}{\text{Earnings per share}} \times \frac{100}{1}$	$\frac{\text{Dividends for the year}}{\text{Net income after tax}} \times \frac{100}{1}$
$\frac{\text{Total fixed costs}}{\text{Selling price per unit} - \text{Variable costs per unit}}$	
NOTE:	
* 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:

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GRADE 12

**2024 PRE-TRIAL
EXAMINATION**

**ACCOUNTING P2
ANSWER BOOK**

QUESTION	MAXIMUM MARKS	MARKS OBTAINED	MODERATED MARK
1	35		
2	40		
3	30		
4	45		
TOTAL	150		

This answer book consists of 10 pages.

QUESTION 1

1.1.1

	CREDITORS LEDGER: Boxer Traders C5	STATEMENT OF ACCOUNT from Boxer Traders
Balance/Totals	68 835	51 230
(i)		
(ii)		
(iii)		
(iv)		
(v)		
(vi)		
(vii)		
(viii)		
(ix)		
TOTAL		

11

1.1.2 Sam feels that the creditors' clerk is not performing his duties efficiently.

Provide evidence with figures to support Sam's opinion. Provide ONE point.



2

Provide ONE point how Sam do can solve this problem.

1

1.2.1.1	
1.2.1.2	
1.2.1.3	

3

1.2.2 MATRIC STORES

Cash Receipts Journal

Total	b/f	121 300

Cash Payments Journal

Total	b/f	142 800

10

BANK RECONCILIATION STATEMENT ON 31 JULY 2023

	DEBIT	CREDIT

8

TOTAL MARKS	35	
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QUESTION 2

2.1.1	
2.1.2	
2.1.3	

3

2.2.1 FACTORY OVERHEAD NOTE

Incorrect amount	739 705

8

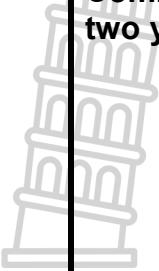
2.2.2 PRODUCTION COST STATEMENT

Prime Cost	
Factory overhead cost	
Total cost of production	
Cost of production of finished goods	

11

2.3.1 LEATHER BELTS

Comment on the Break-Even point and level of production for the last two years.




6

John recently invested in new machinery in the factory to manufacture the leather belts. He calculated a saving of 10% on fixed costs, yet fixed cost per unit has increased. Explain how this happened. Include figures.

3

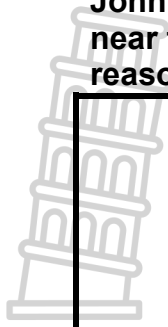
2.3.2 GLOVES:

Identify the variable cost, with figures, that caused the biggest problem.
Give a valid solution for the problem identified.

PROBLEM	SOLUTION
	

4

John is thinking of focusing on producing only one product in the near future. Which item should he continue producing? Provide TWO reasons with relevant figures.



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5

TOTAL MARKS	40	
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QUESTION 3

3.1.1

--

2

3.1.2

--

3.2.1 Garth, the owner feels that one model of bicycles must be discontinued. Which one would you suggest? Provide TWO points with figures to justify your response.

--

5

3.2.2 Calculate the closing stock value of helmets on 29 February 2024.

WORKINGS	ANSWER

5

3.2.3 Calculate the closing stock value of water bottles on 29 February 2024.

WORKINGS	ANSWER

8

3.2.4 Calculate the cost of sales of water bottles on 29 February 2024.

WORKINGS	ANSWER

3


3.2.5 The owner feels he has too much stock on hand.

Calculate the number of days it will take Garth Spin to sell the closing stock of water bottles and comment on your answer.

WORKINGS	ANSWER
<p>Comment:</p>	

5

3.2.6 Comment on the sale of water bottles. Include figures.



2

TOTAL MARKS	30	
-------------	----	--

QUESTION 4

4.1.1 Debtors collection schedule:

MONTH	FEE INCOME (ON CREDIT)	AUGUST	SEPTEMBER
July	231 000	127 050	
August			
September	266 000		
TOTAL			

7

4.1.2 Calculate the missing figures on the Cash Budget denoted by A to G

WORKINGS	ANSWER
(i).	
(ii).	
(iii).	
iv).	
(v).	
(vi).	
(vii).	

22

4.1.3 Comment on the level of control over fuel.



--	--


4

4.2.1 Calculate the amount of VAT that is payable to SARS.

WORKINGS	ANSWER

8

4.2.2 How can Tim ensure that he will have enough cash available to pay SARS the VAT amount owed? Provide TWO suggestions.



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4

TOTAL MARKS	45	
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TOTAL: 150



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GRADE 12

2024 PRE-TRIAL EXAMINATION

ACCOUNTING P2 MARKING GUIDELINE

MARKS: 150

MARKING PRINCIPLES:

1. Unless otherwise stated in the marking guidelines, 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. Unless otherwise stated, give full marks for a correct answer. If answer is incorrect, mark workings.
4. If a pre-adjustment figure is shown as a final figure, allocate the part-mark as a working mark for that figure (not the method mark for the answer). Note: figures stipulated in the marking guidelines as components of workings are marked together; these do not carry the method mark for parts thereof.
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. If candidates provide more than the required number of responses, inspect all responses to give benefit to the candidate. Penalties may be applied for foreign entries if candidates earn full marks on a question (max -2 per Q).
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, markers must inspect reasonableness of the answer.
10. 'Operation' means check operation. 'One part correct' means operation and one part correct. Note: check operation must be +, -, x, ÷ as per candidate's calculation (if valid) or per marking guidelines.
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 guidelines. Note that one comment could contain different aspects.
14. Codes: f = foreign item; p = placement/presentation.

This marking guideline consists of 10 pages.

QUESTION 1

1.1.1

	CREDITORS LEDGER: Boxer Traders C5	STATEMENT OF ACCOUNT from Boxer Traders
Balance/Totals	68 835	51 230
(i)	- 750 ✓	
(ii)		- 580 ✓
(iii)		- 3 900 ✓
(iv)	- 3 280 ✓✓	
(v)	- 11 500 ✓	
(vi)	+ 1 620 ✓	
(vii)	+ 1 105 ✓	
(viii)		+ 2 580 ✓
(ix)		+ 6 700 ✓
TOTAL	56 030	56 030

11

Both totals, don't have to be the same

1.1.2 **Sam feels that the creditors' clerk is not performing his duties efficiently.**

Provide evidence with figures to support Sam's opinion. Provide ONE point.

One valid evidence ✓ figures ✓

- Late payment penalty/over credit terms R580
- Exceed credit limit of R45 000 (Balances of R71 020 & 51 230)
- Poor recording of transactions e.g.:
 - Allowance not captured R750
 - Debit note R1 640
 - Wrong account R11 500
- Not taking advantage of discount offered for early payment of 5%

2

Provide ONE point how Sam do can solve this problem.

One valid solution ✓

- Division of duties – explained
- Better supervision
- Training e.g. accounting package on computer

1

1.2.1.1	False
1.2.1.2	True
1.2.1.3	True

3

1.2.2 MATRIC STORES

Cash Receipts Journal

Total	b/f	121 300
		7 400 ✓
		265 ✓
		128 965

Cash Payments Journal

Total	b/f	142 800
		6 000 ✓✓
		900 ✓✓
		1 900 ✓
		972 ✓
		2 100 ✓
		154 672

Both totals,

10

BANK RECONCILIATION STATEMENT ON 31 JULY 2023

	DEBIT	CREDIT
Credit balance per Bank Statement		85 300 ✓
Credit outstanding deposit		24 900 ✓
Debit outstanding EFT's: No. 642	5 300 ✓	
No. 643	1 200 ✓	
Debit incorrect credit	84 000 ✓	
Credit incorrect debit order		2 100 ✓
Debit balance as per Bank account Balancing figure	21 800 <input checked="" type="checkbox"/>	
	12 300	112 300

Both totals to be the same

8

TOTAL MARKS	35	
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QUESTION 2

2.1.1	fixed ✓
2.1.2	break-even ✓
2.1.3	Indirect ✓

3

2.2.1 FACTORY OVERHEAD NOTE

Incorrect amount	739 705
Water & electricity 450 000 x 4/8 ✓	(225 000) ✓
Rent 300 000 – 250 000 ✓	(50 000) ✓
Insurance 2 000 x 11	22 000 ✓✓
Consumables	13 800 ✓
operation	500 505 ✓

8

2.2.2 PRODUCTION COST STATEMENT

Direct material cost	1 855 000 ✓
Direct labour cost 650 000 ✓ + 78 000 ✓	728 000 one part correct ✓
Prime Cost DMC + DLC	2 583 000 ✓
Factory overhead cost see 2.2.1	500 505 ✓
Total cost of production	3 083 505 No mark
Work in progress 1/9/2022	165 455 ✓
TOP + WIP	3 248 960 ✓
Work in progress 31/8/2023 balancing figure	(48 960) ✓
Cost of production of finished goods 4 000 000 x 100 ÷ 125	3 200 000 ✓✓

11

2.3.1 LEATHER BELTS

Comment on the Break-Even point and level of production for the last two years.

Link BEP to production both years ✓✓, Indicate profit/loss both years and figures ✓✓

- 2022: BEP of 12 658 units was smaller than production of 21 200 units generating a profit of 8 542 units
- 2023: BEP of 9 958 was smaller than production of 15 000 units generating a profit of 5 042 units

Comment ✓✓

- BEP decreased from 12 658 to 9 958 units
- Production decreased from 21 200 to 15 000 units

6

John recently invested in new machinery in the factory to manufacture the leather belts. He calculated a saving of 10% on fixed costs, yet fixed cost per unit has increased. Explain how this happened. Include figures.

Explanation ✓✓ Figures ✓

Due to economies of scale, Factory overheads per units increased as his units produced decreased from 21 200 to 15 000 units – 29% decrease in production.

3

2.3.2 GLOVES:

**Identify the variable cost, with figures, that caused the biggest problem.
Give a valid solution for the problem identified.**

PROBLEM with figures linking to production ✓✓✓

DMC increased from R36,30 to R48 per unit which his is a 32,2% increase and greater than inflation of 5%, while production only increased by 14,6%

SOLUTION ✓

- find cheaper supplier
- supplier that is closer to prevent transport cost
- train workers for less wastage

4

John is thinking of focusing on producing only one product in the near future. Which item should he continue producing? Provide TWO reasons with relevant figures.

Product ✓

Leather belts

Reasons ✓ ✓ figures ✓ ✓

- Turnover R6 900 000 vs R5 500 000 of gloves
- BEP decreased from 12 658 to 9 958 while that of gloves increased from 17 874 to 21 713

5

TOTAL MARKS

40



QUESTION 3

3.1.1 perpetual ✓

3.1.2 lower ✓

2

3.2.1 Garth, the owner feels that one model of bicycles must be discontinued. Which one would you suggest? Provide TWO points with figures to justify your response.

Model ✓ Ryleigh Reasons: ✓ ✓ figures ✓ ✓ <ul style="list-style-type: none"> • 5 returns while Pantoon has zero returns • Sales generated only R90 480 while Pantoon sales generated R221 130 • 30% mark-up while Pantoon realises a 35% mark-up resulting in a smaller gross profit. 	<table border="1"> <tr><td> </td></tr> <tr><td>5</td></tr> </table>		5
5			

3.2.2 Calculate the closing stock value of helmets on 29 February 2024.

WORKINGS	ANSWER
$22 \checkmark \times 350 = 7\,700 \checkmark$ one part correct $(32 - 22)$ $10 \checkmark^* \times 340 = 3\,400 \checkmark$ one part correct	$11\,200 \checkmark$ one part correct

5

3.2.3 Calculate the closing stock value of water bottles on 29 February 2024.

WORKINGS	ANSWER
$\frac{\begin{array}{r} 10\,380 \text{ three marks} \\ 1\,600 \checkmark + 8\,826 \checkmark - 46 \checkmark \\ \hline 40 \checkmark + 201 \checkmark - 1 \checkmark \\ 240 \text{ three marks} \end{array}}{\quad} \times 100 \checkmark$	$4\,325 \checkmark$ one part correct

8

3.2.4 Calculate the cost of sales of water bottles on 29 February 2024.

WORKINGS	ANSWER
see 3.2.3 see 3.2.3 10 380 <input checked="" type="checkbox"/> – 4 325 <input checked="" type="checkbox"/>	6 055 <input checked="" type="checkbox"/> one part correct

3

3.2.5 The owner feels he has too much stock on hand.

Calculate the number of days it will take Garth Spin to sell the closing stock of water bottles and comment on your answer.

WORKINGS	ANSWER
see 3.2.4 $\frac{6\ 055 \text{ }{4\ 325 \text{ }} \times 365$ see 3.2.3	511 <input checked="" type="checkbox"/> one part correct must x 365

Comment: ✓✓

- Keeping too much stock as it will last almost 1 ½ years
- Will take too long to sell and can become outdated

5

3.2.6 Comment on the sale of water bottles. Include figures.

<p>Comment 2022 including figures ✓ Comment 2023 including figures ✓</p> <ul style="list-style-type: none"> • 2022: sold 95 units at R112,50 each resulting in a total Sales figure of R10 640 • 2023: sold 140 units at a reduced price of R86,50 resulting in an increased sales figure of R12 110.
--

2

TOTAL MARKS	30	
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QUESTION 4

4.1.1 Debtors collection schedule:

MONTH	FEE INCOME (ON CREDIT)	AUGUST	SEPTEMBER
July	231 000	127 050	
August	252 000 ✓ ✓ 108 000x70+30	113 400 ✓ 252 000x45%	138 600 ✓ 252 000x55% OR 252 000-113 400
September	266 000		117 306 ✓ ✓
TOTAL	operation both totals one mark	240 450	255 906 ✓

7

4.1.2 Calculate the missing figures on the Cash Budget denoted by A to G

WORKINGS	ANSWER
(i). $231\ 000 \times \frac{30}{70}$	99 000 ✓ ✓ one part correct
(ii). $231\ 000 \times 45\%$	103 950 ✓ ✓ one part correct
(iii). $850 \checkmark \times \frac{100}{8,5} \checkmark \times 12 \checkmark$	120 000 ✓ one part correct
iv). $\frac{114\ 000 + 266\ 000}{380\ 000 \checkmark \times 25\% \checkmark \times 40\% \checkmark}$	38 000 ✓ one part correct
(v). $\frac{36\ 000 \times 60 + 40}{54\ 000 \checkmark \times 95\% \checkmark}$	51 300 ✓ one part correct
(vi). one mark $\frac{16\ 000 + 6\ 000}{22\ 000 \checkmark} + \frac{(35 \times 4 \times 5 \times 4)}{2\ 800 \checkmark \checkmark}$	24 800 ✓ one part correct
(vii). (240 000-12000) one mark $\frac{228\ 000 \checkmark}{x (14\% \div 12) \checkmark}$	2 660 ✓ one part correct

22

4.1.3 Comment on the level of control over fuel.

Comment linking fuel to fee income ✓ ✓
 Figures as percentage comparison ✓ ✓

- Actual R89 200 is higher than budgeted of R66 000 which is 35% overspent, yet Fee income was R280 550 compared to budgeted, R330 000 which is 15% lower than budget. Therefore, fuel should have decreased proportionally.
- Fuel was budgeted at 20% of Fee income but ended up being 31,8% of Fee income.

4

4.2.1 Calculate the amount of VAT that is payable to SARS.

WORKINGS	ANSWER
Mark one option only. Inspect option that benefits the candidate Be aware of alternative presentation for calculations	
-20 400 ✓✓ +51 000 ✓ -300 ✓✓ +90 ✓ -720 ✓	
OR	29 670 <input checked="" type="checkbox"/>
20 400 -51 000 +300 -90 +720	one part correct

8

4.2.2 How can Tim ensure that he will have enough cash available to pay SARS the VAT amount owed? Provide TWO suggestions.

Two valid suggestions. ✓✓ ✓✓

- Keep VAT collected separately so that you don't spend it.
- Budget better.
- Increase cash sales/ collect faster from debtors/ pay creditors later to generate more cash

4

TOTAL MARKS	45	
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TOTAL: 150