



**NATIONAL
SENIOR CERTIFICATE**

GRADE 11

NOVEMBER 2024

ACCOUNTING P2

MARKS: 150

TIME: 2 hours



This question paper consists of 14 pages including a formula sheet and a 11-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 questions.
3. A Financial Indicator Formula Sheet is attached at the end of this question paper.
4. Show ALL workings to earn part-marks.
5. You may use a non-programmable calculator.
6. You may use a dark pencil or blue/black ink to answer questions.
7. Where applicable, show ALL calculations to ONE decimal point.
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	TIME (minutes)
1	Reconciliations and Internal Control	35	30
2	Periodic stock system and Cost Accounting	50	40
3	Budgeting	35	30
4	VAT, Problem solving and Ethics	30	20
TOTAL		150	120

QUESTION 1: RECONCILIATIONS AND INTERNAL CONTROL**(35 marks; 30 minutes)****1.1 CREDITORS RECONCILIATION**

Muller Stores has received a statement from a creditor, Kouga Traders at the end of October 2024. The balance on the statement does not correspond with the balance in the Creditors' Ledger of Muller Stores.

INFORMATION:**CREDITORS LEDGER OF MULLER STORES
KOUGA TRADERS**

Reference: CL 11

Date	Details	Debit	Credit	Balance
1 Oct	Balance			13 500(cr)
4 Oct	Invoice no. 5270		21 600	35 100
6 Oct	EFT no. 340	6 400		28 700
6 Oct	Discount received	640		28 060
13 Oct	Invoice no. 5575		9 760	37 820
16 Oct	Debit note no. 215	140		37 680
24 Oct	Invoice no. 5601		2 494	40 174
28 Oct	EFT no. 388	10 000		30 174
28 Oct	Discount received	1 000		29 174

KOUGA TRADERS				
DEBTOR'S STATEMENT				
Muller Stores 8 Baken Street Joubertina 6540			Reference: DL 3 Statement date: 25 October 2024	
		DEBIT	CREDIT	BALANCE
1 Oct	Balance			13 500(dr)
4 Oct	Invoice no. 5270	11 600		25 100
8 Oct	Receipt no. 868		6 400	18 700
13 Oct	Invoice no. 5575	9 760		28 460
16 Oct	Credit Note no. 364		1 400	27 060
24 Oct	Invoice no. 5601	2 494		29 554

Additional information:

- (i) Muller Stores made an error in processing Invoice 5270.
- (ii) Kouga Traders should have granted the discount on 6 October 2024.
- (iii) An investigation showed that the amount reflected on 16 October 2024, with regards to the goods returned by Muller Traders, was correctly entered in the books of Kouga Traders.

REQUIRED:

- 1.1.1 Use the table provided in the ANSWER BOOK to show changes/corrections in the Creditors Ledger of Muller Traders on 31 October 2024. Use the Debtor's statement received from Kouga Traders' column to indicate the changes/corrections that need to be made on the statement of Kouga Traders.

Indicate an increase (+) or decrease (–) next to each amount. (11)

- 1.1.2 Name TWO tasks of the creditors' clerk to maintain or improve the internal control of creditors. (2)

- 1.1.3 Before granting credit to new debtors, it is important for Kouga Traders to establish effective control measures. Prior to granting credit, documentation such as identification and proof of address is mandatory. Identify a specific document that Kouga Traders may accept from new debtors as valid proof of residency. (1)

1.2 BANK RECONCILIATION

Time Tech Traders buys and sells smart watches. The business is owned by Elgin Timekeeper. Time Tech Traders buys and sells stock on credit and for cash. The official bank statement for September 2024 was received on 25 September 2024. All cash transactions are controlled by Carro Johnson.

REQUIRED:

- 1.2.1 Analyse each transaction below by completing the columns in the table in the ANSWER BOOK. (15)

- 1.2.2 As the internal auditor, you are not happy with the control of cash in the business.
- Explain TWO problems you have identified from the transactions, which show a lack of control of cash. Quote figures.
 - Give advice on how EACH problem can be avoided in future. (6)

INFORMATION:

TRANSACTIONS for September 2024:

- (i) A stop-order payment of R6 600 for the monthly repayment on the loan from Tempo Bank must still be recorded by the business.
- (ii) EFT 283 for R2 400 issued to a creditor as part-payment of the account of R4 000 appeared in the cash journal only.
- (iii) EFT 288 for R375 appeared on the bank statement. This EFT was issued to Chrono Link Suppliers for stock purchased on 12 September 2024. It was incorrectly entered as R357 in the cash journal.
- (iv) A deposit of R52 000 made on 17 September 2024 was entered in the cash journal but did not appear on the bank statement.

- (v) The bank statement showed bank charges of R359 which have not yet been recorded by the business.
- (vi) EFT 293 for R1 250 from the previous month's Reconciliation Statement, issued to Vodamoda, for the monthly telephone account appeared on the September 2024 bank statement.
- (vii) A deposit of R15 000 for rent received from Moses Traders did not appear on the bank statement for September 2024. After an investigation, Carro stated that she was robbed on her way to the bank. The owner authorised the cancellation of this deposit as he was not certain if any of this money will ever be recovered.
- (viii) A payment of R10 000 received from a debtor, was recorded correct on the Bank statement, but was recorded as a payment in the Bank account.



QUESTION 2: PERIODIC STOCK SYSTEM AND COST ACCOUNTING**(50 marks; 40 minutes)****2.1 CARLON'S APPAREL**

Carlton's Apparel is a retail business that deals in soccer gear. Carlton applies a 50% mark-up on cost on all his products.

REQUIRED:

2.1.1 If this business was to use the periodic system, use the information to calculate the following:

- Total Purchases
- Total Sales

(8)

2.1.2 Help Carlton to determine the gross profit, by preparing a Trading Account in the General ledger.

(7)

2.1.3 Carlton is concerned about the high transport costs he has to pay on stock purchases (refer to carriage on purchases). Give Carlton advice on how he can solve this problem.

(2)

INFORMATION:

The information below was extracted from the General Ledger on 31 August 2024, the end of the financial year.

Opening stock	R400 200
Purchases on credit	715 000
Purchases for cash	174 000
Credit sales	900 650
Cash sales	1 140 000
Debtors' allowances	46 200
Customs duty	46 100
Carriage on sales	93 400
Carriage on purchases	170 000

Additional information:

The following have not yet been taken into account:

- (i) A debtor returned stock which she bought for R2 000 (cost price R1 000).
- (ii) A soccer kit was donated to the local club. The cost of the kit is R3 200.
- (iii) Carlton took stock, valued at R900, home. He did this before the stock take had been done.
- (iv) According to a stock take done on 31 July 2024, the value of stock on hand is R265 000 (after taking the information given above into account).

2.2 MANUFACTURING CONCEPTS

Three options are provided for each of the statements below. Choose the answer and write only the correct answer in the ANSWER BOOK.

2.2.1

direct labour cost; administrative cost; factory overheads

The wages paid to a factory cleaner will be classified as ...

(1)

2.2.2

insurance; packing material; stationery

Which ONE of the above will NOT be regarded as an administration cost?

(1)

2.2.3

Advertising; Raw material;
Depreciation on plant and machinery

... is an example of a selling and distribution cost.

(1)

2.3 TIAN LANGA

The business is based in Butterworth and manufactures leather back packs. The owner is Tian Langa. The current financial year ended 30 June 2024.

REQUIRED:

2.3.1 Calculate the following for the year ended 30 June 2024:

- Factory overheads

(14)

2.3.2 Prepare the following account in the General Ledger:

- Work-in-Progress

(8)

INFORMATION:

1.	Balances	30 June 2024	30 June 2023
	Work-in-Progress	20 400	32 440
	Finished Goods Stock	?	37 600
	Factory Indirect Material	7 200	10 870

2. Transactions, and other financial information, for the year ended 30 June 2024.

Total Prime costs	452 680
Direct Labour Costs	228 080
Salaries:	
• Factory Foreman	66 000
• Sales manager	36 000
Factory indirect material purchased	30 400
Water and Electricity	28 700
Rent Expense	66 900
Insurance (factory)	10 600
Depreciation on factory plant and machinery	11 400
Sundry factory expenses	12 420
Advertising	10 980
Sales of finished goods (Goods are sold at a profit mark-up of 50% on cost)	900 000

- Rent is allocated in proportion to floor space occupied by the different departments, which is as follows:

	SALES	FACTORY	OFFICE
Square metres	100	2 800	600

- 20% of the water and electricity is allocated to the office and 10% to the sales department. The balance applies to the factory.
- The insurance is wrongly allocated in the ratio 1 : 1 : 1. The factory uses $66\frac{2}{3}$ % of the electricity.



2.4 BT RUGBY BALLS

REQUIRED:

Study the information provided and answer the following questions:

- 2.4.1 Calculate the break-even point for the year ended 29 February 2024. (4)
- 2.4.2 Should Bevan be satisfied with the level of production of rugby balls in the 2024 financial year? Explain briefly by quoting appropriate figures. (2)
- 2.4.3 Briefly explain what is meant by “economies of scale” with specific reference to fixed costs. (2)

INFORMATION:

- (i) The business, owned by Bevan, produced and sold 4 700 soccer balls during the year ended 29 February 2024. The selling price is R260 per ball.

During the previous year 4 200 balls were produced and sold. The selling price in 2023 was R285, but this had to be reduced due to increased competition from other manufacturers.

- (ii) Calculations from the accounting records:

	Type of cost	2024	2023
		Per unit based on 4 700 units	Per unit based on 4 200 units
Selling price		R260,00	R285,00
Administration and Factory overhead cost	Fixed	R76,60	R89,82
Direct labour cost	Variable	R66,00	R53,50
Selling and distribution cost	Variable	R35,00	R18,40
Direct material cost	Variable	R77,50	R80,00

QUESTION 3: BUDGETING**(35 marks; 30 minutes)****3.1 MOSES TRADERS**

The following information has been taken from the books of Moses Traders, a sole proprietor.

REQUIRED:

- 3.1.1 Name any TWO items that would not appear in the Cash Budget. (2)
- 3.1.2 Calculate the percentage of goods sold on credit during September 2024. (3)
- 3.1.3 Calculate the amount that the business expects to receive from debtors during October 2024. (6)
- 3.1.4 Refer to **INFORMATION A** and complete the Cash budget in the ANSWER BOOK. (18)
- 3.1.5 Refer to **INFORMATION B:**

Compare the actual figures of September 2024 against the budgeted amounts.

Advise the owner on possible reasons for the differences and what he could do to improve the situation during October 2024. No figures required. (6)

INFORMATION A:

1. Sales figures for 2024:

MONTHS	ACTUAL		BUDGETED	
	CASH	CREDIT	CASH	CREDIT
AUGUST	22 800	90 200		
SEPTEMBER	16 600	60 400		
OCTOBER			12 600	10% less than credit sales of September

2. **Credit sales are generally collected as follows:**
- 50% in the month of sales (these debtors receive a 5% discount)
 - 30% after 30 days (in the month after sales)
 - 15% after 60 days (two months after sales)
 - 5% is written off as bad debts
3. **With regard to trading stock, the following must be noted:**
- The business maintains a mark-up percentage of 40% on cost for sales and a fixed base stock level (stock sold in a month is replaced in that month).
 - All purchases of stock are made on credit.
 - Creditors are paid in the month after the purchase of the stock.

4. Interest on fixed deposit amounts to R14 100 per year. This is received in three equal instalments on 1 February, 1 June and 1 October each year.
5. R3 000 per month is allocated for maintenance of buildings.
6. The total rent income for the previous financial year was R48 000. The rent is expected to decrease by 10% on 1 October 2024.
7. The owner agreed that his drawings per month should not exceed R9 000. This comprise R7 000 cash and R2 000 worth of trading stock.
8. Moses decided that he will increase his capital contribution during October 2024 by R50 000 cash and by R25 000 worth of equipment.
9. The municipality gets paid the month after they sent out the water and electricity bills. They sent the bill for August 2024, R2 400, late, so it couldn't be paid in September. The bill for September 2024, which is 10% higher than the last one, came on time and will be paid along with the overdue August 2024 bill.
10. The bank balance reflected an overdraft of R24 800 on 30 September 2024.

INFORMATION B:

SEPTEMBER 2024	ACTUAL	BUDGETED
Rent income	R3 000	R4 000
Drawings	R10 500	R9 000
Maintenance of buildings	R3 000	R4 500



QUESTION 4: VAT, PROBLEM SOLVING AND ETHICS**(30 marks; 20 minutes)****4.1 VAT**

You are provided with information relating to Mia's Fresh Picks for the month October 2024. The business uses the perpetual inventory system and buys and sells all its goods for cash. The standard VAT rate is 15%.

REQUIRED:

- 4.1.1 What does the abbreviation VAT stand for? (1)
- 4.1.2 Why does government classify certain items as zero-rated for VAT? Name TWO zero-rated items. (4)
- 4.1.3 Briefly explain to Mia what is meant by Output VAT and Input VAT. (2)
- 4.1.4 Refer to **INFORMATION A:**
- Calculate the VAT paid on the new shop equipment bought. (3)
- 4.1.5 Refer to **INFORMATION B:**
- Consider the information in regards to the goods purchased from suppliers during October 2024.
- Calculate:
- VAT on these goods
 - The cost of all goods purchased, excluding VAT (7)

INFORMATION A:

Mia bought shop equipment for cash on 1 October 2024 for R8 500, excluding VAT.

INFORMATION B:

Mia bought goods on credit from suppliers for R62 974, including 15% VAT. She also bought goods for R12 800 that were zero-rated VAT items.

4.2 PROBLEM SOLVING AND ETHICS

Kyle's Bikes sells one brand of bikes. The owner, Kyle Rob, has three branches operating in Qonce, Camdeboo and Humansdorp. The three branches are managed by Sassa, Jaco and Bevan, respectively. Kyle Rob has obtained the annual figures from the three branches for the financial period ending 31 October 2024.

REQUIRED:

4.2.1 Refer to **INFORMATION A:**

Identify ONE problem in relation to each branch, quoting figures to support the problem. In each case, offer Kyle Rob advice on how to solve the problem. (9)

4.2.2 Refer to **INFORMATION B:**

What is a whistle-blower? (2)

4.2.3 In your opinion, what are the ethical characteristics of a whistle-blower? Name TWO characteristics. (2)

INFORMATION A:

BRANCH	QONCE	CAMDEBOO	HUMANSDORP
MANAGER	Sassa	Jaco	Bevan
Selling price per bike	R2 500	R2 500	R2 500
Number of bikes sold	400	200	380
Sales revenue	R900 000	R500 000	R950 000
Salaries of managers	R18 000 p.m.	R22 000 p.m.	R18 000 p.m.
Leave taken by managers	22 days	21 days	34 days
Number of bikes returned by customers	15	14	32

INFORMATION B:

Matt is the HR manager of Kyle's Bikes. A worker named Carter approached Matt and explained that he needs to tell him about the misuse of the business' assets, but he is concerned about his job.

Matt reminded him that he is ethically and legally obligated to report these issues to Kyle Rob. He told Carter that he has protection under the whistle-blower laws.

GRADE 11 ACCOUNTING FINANCIAL INDICATOR FORMULA SHEET		
$\frac{\text{Gross profit}}{\text{Sales}} \times \frac{100}{1}$	$\frac{\text{Gross profit}}{\text{Cost of sales}} \times \frac{100}{1}$	$\frac{\text{Net profit}}{\text{Sales}} \times \frac{100}{1}$
$\frac{\text{Operating expenses}}{\text{Sales}} \times \frac{100}{1}$	$\frac{\text{Operating profit}}{\text{Sales}} \times \frac{100}{1}$	
$\frac{\text{Total earnings by partner}}{\text{Partner's Average equity}} \times \frac{100}{1}$	$\frac{\text{Net profit}}{\text{Average owners equity}} \times \frac{100}{1}$	
Current assets : Current liabilities	(Current assets – Inventories) : Current liabilities	
(Trade and other receivables + Cash and cash equivalents) : Current liabilities		
$\frac{\text{Average debtors}}{\text{Credit sales}} \times \frac{365}{1}$	$\frac{\text{Average creditors}}{\text{Credit purchases}} \times \frac{365}{1}$	
$\frac{\text{Average inventories}}{\text{Cost of sales}} \times \frac{365 \text{ or } 12}{1}$	$\frac{\text{Cost of sales}}{\text{Average inventories}}$	
Non-current liabilities: Owners' equity	Total assets: Total liabilities	
$\frac{\text{Total fixed costs}}{\text{Selling Price per unit-Variable Costs per unit}}$		





Name:

**NATIONAL
SENIOR CERTIFICATE**

GRADE 11

NOVEMBER 2024

**ACCOUNTING P2
ANSWER BOOK**

QUESTION	MAX MARKS	MARKS OBTAINED	MODERATED MARKS
1	35		
2	50		
3	35		
4	30		
TOTAL	150		



* I A C A B E 2 *

This answer book consists of 11 pages.

QUESTION 1

1.1.1 **CREDITORS**

	CREDITOR'S LEDGER OF MULLER TRADERS	STATEMENT OF KOUGA TRADERS
Provisional balances		
Balance after changes		

11

1.1.2 **Name TWO tasks of the creditors' clerk to maintain or improve the internal control of creditors.**

2

1.1.3 **Prior to granting credit, documentation such as identification and proof of address is mandatory. Identify a specific document that Kouga Traders may accept from new debtors as valid proof of residency.**

--

1

1.2.1 **BANK RECONCILIATION**

No.	Details of contra account	Bank Account		Bank Reconciliation Statement		No entry (show with x)
		Dr	Cr	Dr	Cr	
(i)						
(ii)						
(iii)						
(iv)						
(v)						
(vi)						
(vii)						
(viii)						

15

1.2.2 Explain TWO problems you have identified from the transactions, which show a lack of control of cash. Quote figures. Give advice on how EACH problem can be avoided in future.


TWO PROBLEMS WITH FIGURES	ADVICE

6

QUESTION 1: TOTAL MARKS	35	
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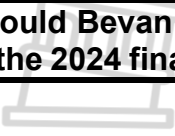
2.4 **BT RUGBY BALLS**

2.4.1 **Calculate the break-even point for the year ended 29 February 2024.**

CALCULATION	ANSWER
	

4

2.4.2 **Should Bevan be satisfied with the level of production of rugby balls in the 2024 financial year? Explain briefly quoting appropriate figures.**



2

2.4.3 **Briefly explain what is meant by “economies of scale” with specific reference to fixed costs.**

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2

QUESTION 2: TOTAL MARKS	50	
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3.1.5

Compare the actual figures of September 2024 against the budgeted amounts. Advise the owner on possible reasons for the differences and what he could do to improve the situation during October 2024. No figures required.

	REASONS	ADVICE
Rent income		
Drawings		
Maintenance of buildings		

6

QUESTION 3: TOTAL MARKS	35	
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QUESTION 4

4.1 VAT

4.1.1 **What does the abbreviation VAT stand for?**

--	--

1

4.1.2 **Why does government classify certain items as zero-rated for VAT? Name TWO zero-rated items.**

REASON:	
ITEM 1	
ITEM 2	

4

4.1.3 **Briefly explain to Mia what is meant by Output VAT and Input VAT.**

OUTPUT VAT	
INPUT VAT	

2

4.1.4 **Calculate the VAT paid on the new shop equipment bought.**

CALCULATION	ANSWER

3

4.1.5 **Consider the goods purchased from suppliers during October 2024.**

CALCULATIONS	ANSWERS
VAT on these goods:	
The cost of all goods purchased, excluding VAT.	

7

4.2 Problem solving and Ethics

4.2.1 Identify ONE problem in relation to each branch, quoting figures to support the problem. In each case, offer Kyle Rob advice on how to solve the problem.

	PROBLEM AND FIGURES	ADVICE
QONCE		
CAMDEBOO		
HUMANSDORP		

9

4.2.2 What is a whistle-blower?

--

2

4.2.3 In your opinion, what are the ethical characteristics of a whistle-blower? Name TWO characteristics.

2

QUESTION 4: TOTAL MARKS	30	
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TOTAL: 150

NATIONAL SENIOR CERTIFICATE

GRADE 11

NOVEMBER 2024

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. 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 marking guideline 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. 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, the marker must inspect the 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 the marking guideline.
11. In calculations, do not award marks for workings if numerator and 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. Note that one comment could contain different aspects.
14. Codes: f = foreign item; p = placement/presentation.

This marking guideline consists of 11 pages.

QUESTION 1

1.1.1 CREDITORS

	CREDITOR'S LEDGER OF MULLER TRADERS	STATEMENT OF KOUGA TRADERS
Provisional balances	29 174 ✓	29 554 ✓
	- 10 000 ✓✓	- 640 ✓
	- 1 260 ✓✓	- 10 000 ✓
		- 1 000 ✓
Balances after changes	17 914	✓ <input checked="" type="checkbox"/> *
		17 914

11

* One part correct, must include opening balances & totals the same amounts

1.1.2 **Name TWO tasks of the creditors' clerk to maintain or improve the internal control of creditors.**

Any TWO possible answers: ✓ ✓

- Make sure creditors are paid on time to prevent interest on overdue accounts.
- Returns of purchases should be properly authorised and negotiated with the creditors/suppliers.
- Payment should be supported by the correct/reconciled monthly statements.
- Invoices should be compared with the goods delivered to ensure all items were received in good condition.
- Goods received should be compared with the orders placed to ensure the goods received are according to order.

2

1.1.3 **Prior to granting credit, documentation such as identification and proof of address is mandatory. Identify a specific document that Kouga Traders may accept from new debtors as valid proof of residency.**

Any ONE possible answer: ✓

- Utility bill (electricity or municipality)
- Bank or credit card statement
- Rental agreement or lease
- Document issued by municipality / ward councilor

1

1.2.1 **BANK RECONCILIATION**

No.	Details of contra account	Bank Account		Bank Reconciliation Statement		No entry (show with x)
		Dr	Cr	Dr	Cr	
(i)	Loan: Tempo Bank ✓		6 600 ✓			
(ii)				2 400 ✓		
(iii)	Trading Stock ✓		18 ✓✓			
(iv)					52 000 ✓	
(v)	Bank Charges ✓		359 ✓			
(vi)						X ✓
(vii)	Rent income/ Loss of cash ✓		15 000 ✓			
(viii)	Creditors Control ✓	20 000 ✓✓ OR (10 000 one mark + 10 000 one mark)				

15

1.2.2

Explain TWO problems you have identified from the transactions, which show a lack of control of cash. Quote figures. Give advice on how EACH problem can be avoided in future.	
PROBLEMS ✓ ✓ FIGURES ✓ ✓	ADVICE ✓ ✓
Large outstanding deposit (R52 000) was received on 17 September 2024 and not yet shown on the bank statement as deposited (13 days) Possible rolling of cash Bank error (deposit credited to another bank customer)	<ul style="list-style-type: none"> • Ensure that deposits are done on a regular basis to avoid mismanagement • Arrange with the bank to send a notification (via SMS or email) to the owner to confirm deposits are made • Encourage customers to make direct /internet/online deposits (EFTs)
R15 000 were stolen on the way to the bank to make the deposit Poor internal control measures Deposits being done by only one person No protection for person going to the bank / Lack of security	<ul style="list-style-type: none"> • Rotate duties and times of banking to avoid creating a pattern • Provide security to the person going to the bank – at least two people should go • Use a cash transit business to transport cash to the bank • Carro could be guilty of theft – especially because she did not inform the owner(s) at the time of the theft. • Encourage the tenant to make EFTs/ internet payments

6

QUESTION 1: TOTAL MARKS	35	
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QUESTION 2**2.1.1 Calculate:**

(i) Total Purchases	
CALCULATIONS	ANSWER
715 000 ✓ + 174 000 ✓ – 3 200 ✓ – 900 ✓	884 900 (total counts no mark)
(ii) Total Sales	
CALCULATIONS	ANSWER
900 650 ✓ + 1 140 000 ✓ – 46 200 ✓ – 2 000 ✓	1 992 450 (total counts no mark)

8

2.1.2

TRADING ACCOUNT			
Dr			Cr
DETAILS	AMOUNT	DETAILS	AMOUNT
Opening Stock	400 200 ✓	Sales	1 992 450 ✓ (see 2.1.1)
Purchases	884 900 ✓ (see 2.1.1)	Closing stock	265 000 ✓
Custom duties	46 100 ✓		
Carriage on purchases	170 000 ✓		
Profit and Loss	756 250 ✓		
	2 257 450		2 257 450

7

Foreign items – 1 max 1 e.g. Carriage on sales

2.1.3

Carlton is concerned about the high transport costs he has to pay on stock purchases (refer to carriage on purchases). Give Carlton advice on how he can solve this problem.

Any ONE possible answer: ✓✓

- Sourcing stock from local suppliers to reduce transportation distances and costs.
- Negotiate with transport companies or logistics providers for bulk shipping discounts.
- Explore alternative modes of transport, such as rail or sea freight.
- Consolidate multiple stock purchases into fewer shipments whenever possible.
- Better inventory management – plan deliveries more efficient and avoid last-minute, costly deliveries.
- Negotiate better rates with transporters.

2

2.2 Manufacturing Concepts

2.2.1	Factory overheads ✓
2.2.2	Packing material ✓
2.2.3	Advertising ✓

3

2.3.1

FACTORY OVERHEADS	WORKINGS	AMOUNT
Indirect material	10 870 ✓ + 30 400 ✓ - 7 200 ✓	34 070 ✓✓*
Indirect labour		66 000 ✓
Water and Electricity	28 700 x 70%	20 090 ✓✓*
Rent expense	66 900 x $\frac{2\ 800}{3\ 500}$ OR $\frac{4}{5}$	53 520 ✓✓*
Insurance	10 600 x 2	21 200 ✓✓*
Depreciation		11 400 ✓
Sundry expenses		12 420 ✓
TOTAL		218 700 ✓✓*

14

*One part correct

2.3.2

Dr		Work-in-Progress		Cr	
DETAILS	AMOUNT	DETAILS	AMOUNT		
Balance	b/d	32 440 ✓	Finished goods	683 420 ✓✓	
				Balancing figure	
Direct labour		228 080 ✓	Balance	c/o	20 400 ✓
Direct material		224 600 ✓✓			
Factory overheads		218 700 ✓ (see 2.3.1)			
		703 820			703 820
Balance	b/d	20 400			

8



2.4 BT RUGBY BALLS

2.4.1

Calculate the break-even point for the year ended 29 February 2024.	
CALCULATION	ANSWER
$ \begin{array}{r} [76,60 \times 4\,700] \\ 360\,020 \checkmark \\ 260 \checkmark - 178,50 \checkmark \\ 81,50 \text{ (2 marks)} \end{array} $	4 417 <input checked="" type="checkbox"/> units Accept 4 418 (one part correct)

4

2.4.2

Should Bevan be satisfied with the level of production of rugby balls in the 2024 financial year? Explain briefly quoting appropriate figures.	
Explanation <input checked="" type="checkbox"/>	Figure <input checked="" type="checkbox"/>
Yes – produce and sold 283/282 units more than break-even point <ul style="list-style-type: none"> Made profit on 283/282 units 	
No – production is ONLY 283 units above break-even point – small profit	

2

2.4.3

Briefly explain what is meant by “economies of scale” with specific reference to fixed costs.	
As more units are produced, the fixed cost per unit will decrease. <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	

2

QUESTION 2: TOTAL MARKS	50	
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3.1.5

Compare the actual figures of September 2024 against the budgeted amounts. Advise the owner on possible reasons for the differences and what he could do to improve the situation during October 2024. No figures required.

	REASONS ✓ ✓ ✓ (no figures required)	ADVICE ✓ ✓ ✓
RENT INCOME	<ul style="list-style-type: none"> poor collection policy over budgeted; 	<ul style="list-style-type: none"> investigate reasons. adjust budget or implement rules for the tenant
DRAWINGS	<ul style="list-style-type: none"> taking advantage of being the owner 	<ul style="list-style-type: none"> need to stick to budget arrangement to exercise good cash management
MAINTENANCE OF BUILDINGS	<ul style="list-style-type: none"> under budgeted possibly the extra money spent in February will reduce the expense in the future 	<ul style="list-style-type: none"> investigate and budget appropriately in the future

6

QUESTION 3: TOTAL MARKS	35	
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QUESTION 4

4.1 VAT

4.1.1	What does the abbreviation VAT stand for?	
	Value Added Tax ✓	1

4.1.2	Why does government classify certain items as zero-rated for VAT? Name TWO zero-rated items.			
	<table border="1" style="width: 100%;"> <tr> <td style="width: 20%;">REASON: ✓✓</td> <td>To alleviate the tax burden on essential goods and services that are considered necessary for basic living standards, particularly for low-income households.</td> </tr> </table>	REASON: ✓✓	To alleviate the tax burden on essential goods and services that are considered necessary for basic living standards, particularly for low-income households.	
REASON: ✓✓	To alleviate the tax burden on essential goods and services that are considered necessary for basic living standards, particularly for low-income households.			
	Any TWO zero rated items: ✓ ✓ • Brown bread. • Maize meal. • Samp. • Mealie rice. • Dried mealies. • Dried beans. • Lentils. • Pilchards/sardines in tins. • Milk powder. • Dairy powder blends • Rice. • Vegetables. • Fruit. • Vegetable oil. • Milk. • Cultured milk. • Brown wheat-meal. • Eggs. • Edible legumes and pulses of leguminous plants • Illuminating paraffin	4		

4.1.3	Briefly explain to Mia what is meant by Output VAT and Input VAT.					
	<table border="1" style="width: 100%;"> <tr> <td style="width: 20%;">Output VAT</td> <td>Is collected from customers on goods sold and services rendered. Pay collected VAT to SARS ✓</td> </tr> <tr> <td>Input VAT</td> <td>Is paid to suppliers on goods bought. Claim paid VAT back from SARS. ✓</td> </tr> </table>	Output VAT	Is collected from customers on goods sold and services rendered. Pay collected VAT to SARS ✓	Input VAT	Is paid to suppliers on goods bought. Claim paid VAT back from SARS. ✓	2
Output VAT	Is collected from customers on goods sold and services rendered. Pay collected VAT to SARS ✓					
Input VAT	Is paid to suppliers on goods bought. Claim paid VAT back from SARS. ✓					

4.1.4	Calculate the VAT paid on the new shop equipment bought.		
	CALCULATION	ANSWER	
	R8 500 ✓ x 15% ✓	1 275 ✓	3

4.1.5	Consider the goods purchased from suppliers during October 2024.		
	CALCULATION	ANSWER	
	VAT on these goods: $62\,974 \times \frac{15}{115}$ ✓ ✓	8 214 ✓*	
	The cost of all goods purchased, excluding VAT. $(62\,974 - 8\,214 \text{ VAT}) + 12\,800$ ✓ 54 760 (2 marks)	67 560 ✓*	7

*One part correct

4.2 Problem Solving and Ethics

4.2.1

Identify ONE problem in relation to each branch, quoting figures to support the problem. In each case, offer Kyle Rob advice on how to solve the problem.		
	PROBLEM ✓ ✓ ✓ FIGURES ✓ ✓ ✓	ADVICE ✓ ✓ ✓
QONCE	<ul style="list-style-type: none"> • Sales revenue (R1 000 000 vs R900 000) • R100 000 less than expected sales revenue • Possibility of theft / roll-over of cash 	<ul style="list-style-type: none"> • Thorough investigation to determine reason for shortfall • Possibility of theft – open criminal case
CAMDEBOO	<ul style="list-style-type: none"> • Number of bikes sold only 200/ 50% of what Qonce sold / 200 less than Qonce/ 52,6% of what Humansdorp sold /180 less than Humansdorp • Manager’s salary the highest (R22 000) but lowest sales 	<ul style="list-style-type: none"> • Better advertising • Change manager’s salary from a fixed salary to commission based.
HUMANSDORP	<ul style="list-style-type: none"> • Leave taken by manager – 34 days • Comparing to other managers too many days of leave • 32 bikes returned by customers / 8,4% of bikes sold were returned 	<ul style="list-style-type: none"> • Better control over leave • Review Leave Policies • Unpaid leave if more than the days allowed • Conduct a thorough assessment of the bikes returned by customers to identify any recurring issues or quality concerns. • Gather feedback from customers to understand the reasons for returning the bikes. • Provide additional training to staff members responsible for bike inspections and customer service to prevent further returns.

4.2.2 **What is a whistle-blower?**

Any correct explanation ✓✓

A whistleblower is someone who reports workplace conditions that he or she believes to be unsafe or illegal. / often an employee, revealing information about an activity within an organisation that is deemed illegal, immoral, illicit, unsafe or fraudulent.

2

4.2.3 **In your opinion, what are the ethical characteristics of a whistle-blower? Name TWO characteristics.**

Name any two acceptable characteristics ✓ ✓

- Integrity
- Honesty
- Objectivity
- Accountability
- Courage
- Altruism
- Empathy

2

QUESTION 4: TOTAL MARKS	30	
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TOTAL: 150

