



# basic education

Department:  
Basic Education  
**REPUBLIC OF SOUTH AFRICA**

## SENIOR CERTIFICATE EXAMINATIONS/ NATIONAL SENIOR CERTIFICATE EXAMINATIONS

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ACCOUNTING P2

MAY/JUNE 2025

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**MARKS: 150**

**TIME: 2 hours**

This question paper consists of 14 pages,  
a formula sheet and a 12-page answer book.



**INSTRUCTIONS AND INFORMATION**

Read the following instructions carefully and follow them precisely.

1. Answer ALL 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      | MINUTES    |
|--------------|-----------------------------------|------------|------------|
| 1            | VAT and Creditors' Reconciliation | 30         | 25         |
| 2            | Cost Accounting                   | 40         | 30         |
| 3            | Stock Valuation                   | 40         | 30         |
| 4            | Budgeting                         | 40         | 35         |
| <b>TOTAL</b> |                                   | <b>150</b> | <b>120</b> |



**QUESTION 1: VAT AND CREDITORS' RECONCILIATION (30 marks, 25 minutes)****1.1 VALUE-ADDED TAX (VAT)****REQUIRED:**

The information relates to Comfort Traders for the VAT period ended 31 January 2025. The VAT rate is 15%. The business is owned by Karen Botha. The sales of the business average R150 000 per month.

**REQUIRED:**

- 1.1.1 Calculate the VAT amounts in the table provided in the ANSWER BOOK. Indicate the effect of EACH item on the amount payable to SARS. Show an increase with a '+' and a decrease with a '-'. An example has been completed. (10)
- 1.1.2 Karen wants to deregister her business as a VAT vendor as she is unable to meet VAT deadlines for submissions. (2)
- What advice would you give to Karen? State ONE point.

**INFORMATION:**

- A. Amount owed to SARS on 1 January 2025, R51 500.
- B. Transactions for January 2025:

| NO.     | DETAILS                          | EXCLUDING VAT (R) | INCLUDING VAT (R) | VAT AMOUNT (R) |
|---------|----------------------------------|-------------------|-------------------|----------------|
| Example | Drawings of stock                | 6 000             | 6 900             | 900            |
| (i)     | Merchandise purchased            |                   | 221 720           | ?              |
| (ii)    | Credit notes issued to customers | 12 000            |                   | ?              |
| (iii)   | Total sales                      |                   | *187 795          | ?              |
| (iv)    | Bad debts written off            |                   |                   | 765            |

\*Certain goods, with a total selling price of R21 275 (including VAT), should have been recorded as zero-rated items.



## 1.2 CREDITORS' RECONCILIATION

Epson Traders received a statement of account from a creditor, Canon Suppliers. The balance on the statement did not agree with that on the account of Canon Suppliers in the Creditors' Ledger of Epson Traders.

### REQUIRED:

#### 1.2.1 Refer to Information A, B and C.

Use the table provided to indicate changes to the:

- Creditors' Ledger Account in the books of Epson Traders
- Statement of account received from Canon Suppliers

Write the amount and indicate increase (+) or decrease (-) with each amount. (14)

#### 1.2.2 Refer to Information D.

It was discovered that the purchasing manager, Senzo, had signed a fictitious invoice received from Prime Suppliers. The banking details of his son appeared on this invoice. The relevant payment was processed by the financial department.

Other than dismissing Senzo, provide:

- ONE action to be taken against him
- ONE suggestion on how to prevent this problem in future (4)

### INFORMATION:

#### A. Creditors' Ledger of Epson Traders:

| CANON SUPPLIERS (CL9) |    |                  |        |        |         |
|-----------------------|----|------------------|--------|--------|---------|
| DATE                  |    | DETAILS          | DEBIT  | CREDIT | BALANCE |
| 2025                  | 1  | Account rendered |        |        | 69 800  |
| March                 | 6  | Invoice 519      |        | 26 300 | 96 100  |
|                       | 8  | Debit Note 104   | 1 600  |        | 94 500  |
|                       | 14 | EFT 310          | 45 500 |        | 49 000  |
|                       |    | Discount         | 7 000  |        | 42 000  |
|                       | 15 | Invoice 202      |        | 13 800 | 55 800  |
|                       | 24 | Invoice 567      |        | 20 000 | 75 800  |
|                       | 25 | Invoice 594      |        | 17 100 | 92 900  |
|                       | 31 | Invoice 610      |        | 9 000  | 101 900 |

#### B. Statement of account received from Canon Suppliers:

| CANON SUPPLIERS                    |    |                 |                      |        |         |
|------------------------------------|----|-----------------|----------------------|--------|---------|
| Epson Traders<br>95 Barberton Road |    |                 | Dated: 25 March 2025 |        |         |
| DATE                               |    | DETAILS         | DEBIT                | CREDIT | BALANCE |
| 2025                               | 1  | Balance         |                      |        | 69 800  |
| March                              | 4  | Interest        | 400                  |        | 70 200  |
|                                    | 6  | Invoice 519     | 23 600               |        | 93 800  |
|                                    | 8  | Credit Note 164 | 1 600                |        | 95 400  |
|                                    | 14 | Receipt 7710    |                      | 45 500 | 49 900  |
|                                    | 24 | Invoice 567     | 20 000               |        | 69 900  |
|                                    | 25 | Invoice 594     | 19 000               |        | 88 900  |





### C. Differences noted:

- (i) Canon Suppliers correctly levied interest of R400 on the account of Epson Traders on 4 March 2025.
- (ii) Invoice 519 on 6 March 2025 was correct according to the statement received from Canon Suppliers.
- (iii) Canon Suppliers made an error in recording the return of goods on 8 March 2025.
- (iv) Epson Traders qualified for an early settlement discount with the payment on 14 March 2025. Canon Suppliers granted only R5 000 as discount. They promised to show this on their statement next month.
- (v) Invoice 202 for R13 800 was recorded incorrectly in the Creditors' Ledger Account of Canon Suppliers on 15 March 2025. The invoice was received from another creditor, Baron Suppliers.
- (vi) A trade discount of 10% was deducted on invoice 594. Canon Suppliers will correct this error next month.
- (vii) Invoice 610 did not appear on the statement received from Canon Suppliers as this transaction took place after their statement date.

### D. Creditors' Ledger of Epson Traders

| PRIME SUPPLIERS (CL24) |    |             |        |        |         |
|------------------------|----|-------------|--------|--------|---------|
| DATE                   |    | DETAILS     | DEBIT  | CREDIT | BALANCE |
| 2025                   | 23 | Invoice 481 |        | 18 000 | 18 000  |
| March                  | 28 | EFT 336     | 18 000 |        | 0       |



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

2.1 Choose the correct word from those given in brackets. Write only the word next to the question numbers (2.1.1 to 2.1.3) in the ANSWER BOOK.

2.1.1 Consumable items used in the factory are regarded as (direct/indirect) material.

2.1.2 Depreciation on factory machines is classified as a (variable/fixed) cost.

2.1.3 Wages paid to office cleaners is regarded as a/an (selling and distribution/administration) cost. (3 x 1) (3)

**2.2 WOLLIES' WINTER GLOVES**

The business manufactures winter gloves. The financial year ended on 28 February 2025. The business is owned by Jerry Classon.

The business does not carry any work-in-progress stock and all items produced are sold.

**REQUIRED:**

2.2.1 **Refer to Information A.**

Calculate the direct material cost for the year ended 28 February 2025. (4)

2.2.2 **Refer to Information B.**

Calculate the correct factory overhead cost for the year ended 28 February 2025. (9)

2.2.3 Calculate the gross profit earned for the year ended 28 February 2025. (5)

2.2.4 Jerry was satisfied with the performance during the current year and plans to increase production by 30% in the next financial year. He is confident that the demand will increase due to changing weather patterns.

- Comment on the level of production and the break-even points comparing the results for the current financial year with his plan for the next financial year. Provide TWO points, with figures. (4)

- Calculate the **increase** in profits Jerry expects to earn from the year ended 28 February 2025 to the next financial year. (5)

2.2.5 Give TWO possible reasons for the proposed increase in direct labour cost in the next financial year. Quote figures. (4)

2.2.6 Jerry has projected an increase of R304 000 for the total fixed costs.

- Provide TWO possible expense items he may have considered when making his projections. Give a different reason for each item identified. (4)

- Explain why Jerry should not be concerned about this proposed increase in the total fixed costs. Provide ONE point with figures. (2)



**INFORMATION:****A. Direct material cost:**

|  | METRES | COST PER METRE (R) | TOTAL AMOUNT (R) |
|--|--------|--------------------|------------------|
| Opening stock                          | 6 000  | 55                 | 330 000          |
| Purchases during the year              | 24 000 | 60                 | 1 440 000        |
| Total available for use                | 30 000 | ?                  | 1 770 000        |
| Closing stock                          | 4 000  | ?                  | ?                |
| Direct materials issued for production | 26 000 | ?                  | ?                |

- Material is transferred to the factory using the weighted-average method.
- Due to good internal controls there were no missing or stolen material.

**B. Factory overhead cost:**

The bookkeeper calculated the factory overheads as R966 360. However, he made the following errors which must be corrected:

- The entire telephone expense of R36 000 was used instead of 25% being allocated to the factory.
- The closing stock of factory indirect material was understated by R2 800.
- The bookkeeper correctly allocated the portion of the cleaner's wages to factory overheads. However, he neglected to take into account the increase of 6% p.a. effective from 1 January 2025 on the cleaner's wages. The cleaner earns R48 000 p.a. and spends half his time in the factory.
- Water and electricity of R25 600 was allocated to the factory using the ratio 4 : 3 : 2 for factory, sales and office respectively. This should have been shared in the ratio 5 : 3 : 2.



**C. Actual and projected costs:**

|                                | 28 FEBRUARY 2025 |                        | PLAN FOR NEXT FINANCIAL YEAR |                        |
|--------------------------------|------------------|------------------------|------------------------------|------------------------|
|                                | TOTAL AMOUNT (R) | UNIT COST PER PAIR (R) | TOTAL AMOUNT (R)             | UNIT COST PER PAIR (R) |
| Direct material cost           | ?                | ?                      | 1 560 000                    | 30,00                  |
| Direct labour cost             | 876 000          | 21,90                  | 1 300 000                    | 25,00                  |
| Selling and distribution costs |                  |                        | 650 000                      | 12,50                  |
| Total variable costs           |                  | 75,00                  |                              | 67,50                  |
| Total fixed costs              |                  | 38,00                  |                              | 35,10                  |

**D. Other information:**

|                         | 28 FEBRUARY 2025 | PLAN FOR NEXT FINANCIAL YEAR |
|-------------------------|------------------|------------------------------|
| Units produced and sold | 40 000 pairs     | 52 000 pairs                 |
| Break-even point        | 38 000 pairs     | 38 400 pairs                 |
| Selling price per pair  | R115,00          | R115,00                      |
| Sales                   | R4 600 000       | R5 980 000                   |

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**QUESTION 3: STOCK VALUATION**

**(40 marks; 30 minutes)**

**HELEN'S ELECTRONICS**

Helen Woods owns an electronics shop that sells a variety of electronic products. The financial year ended on 28 February 2025. Records for headphones, television sets, vacuum cleaners and pressure cleaners are provided.

**HEADPHONES**

The first-in first-out (FIFO) stock valuation method is applicable.

**REQUIRED:**

- 3.1 Calculate the value of the closing stock on 28 February 2025, using the FIFO method. (5)
- 3.2 Helen decided to change suppliers in September 2024 after receiving advice from her sister, the store manager. (4)
- Provide TWO points that show her customers are unhappy with the quality of the headphones purchased from the new suppliers. Quote figures. (4)
  - What advice would you give to Helen about changing the supplier in the future? Provide ONE point. (2)

**INFORMATION:**

**A. Stock balances of headphones:**

|                  | UNITS | UNIT PRICE<br>(including<br>carriage)<br>(R) | TOTAL<br>(R) |
|------------------|-------|--|--------------|
| 1 March 2024     | 170   | 145  | 24 650       |
| 28 February 2025 | 350   | ?  | ?            |

**B. Purchases of headphones during the financial year:**

|                        | UNITS        | UNIT PRICE<br>(R) | TOTAL<br>(R)   |
|------------------------|--------------|-------------------|----------------|
| April 2024             | 250          | 165               | 41 250         |
| June 2024              | 300          | 180               | 54 000         |
| September 2024         | 380          | 135               | 51 300         |
| December 2024          | 320          | 140               | 44 800         |
| <b>Total purchases</b> | <b>1 250</b> |                   | <b>191 350</b> |



**C. Carriage on purchases:**

Headphones are delivered to the store by Jiffy Transport at a non-refundable rate of R20 per unit. The carriage on purchases is not included in **Information B**.

**D. Returns:**

80 headphones that were purchased in December 2024 were returned to the suppliers, R11 200.

**E. Sales:**

|                                      | UNITS      | SELLING PRICE PER UNIT (R) | TOTAL (R)      |
|--------------------------------------|------------|----------------------------|----------------|
| 1 March 2024 to 31 August 2024       | 680        | 220                        | 149 600        |
| 1 September 2024 to 28 February 2025 | 310        | 220                        | 68 200         |
|                                      | <u>990</u> |                            | <u>217 800</u> |

**TELEVISION SETS**

The stock of television sets is valued using the specific identification stock valuation method. The business sold two models (Quantum and Crystal) from 1 March 2024, the beginning of the financial year. A new TV model, Limpid, was introduced on 1 December 2024 to replace the Quantum TV model.

**REQUIRED:**

- 3.3 Calculate the closing stock of the television sets on 28 February 2025. (9)
- 3.4 Helen was not satisfied that she was selling an average of 19 Crystal TVs per month. However, she is happy that the new Limpid TVs, despite its higher selling price per unit, is selling at a quicker rate than Crystal TVs.
- Calculate the cost of sales of the Limpid TVs. (3)
  - Calculate how long (in days) it will take Helen to sell the closing stock of the Limpid TVs. (4)
  - Helen feels that she has made a wise decision by replacing the Quantum TVs with the Limpid TVs. Give ONE possible reason (with figures) to substantiate her opinion. (2)
- 3.5 **Refer to information D.**
- Explain how this will have a positive effect on her business. Provide ONE point. (2)

**INFORMATION:****A. Opening stock:**

| DATE         | TV MODEL | UNITS | COST PRICE PER UNIT (R) | TOTAL (R) |
|--------------|----------|-------|-------------------------|-----------|
| 1 March 2024 | Quantum  | 123   | R4 800                  | 590 400   |
|              | Crystal  | 72    | R6 500                  | 468 000   |



**B. Purchases:**

| DATE        | TV MODEL | UNITS | COST PRICE<br>PER UNIT<br>(R) | TOTAL<br>(R) |
|-------------|----------|-------|-------------------------------|--------------|
| 1 July 2024 | Crystal  | 186   | R6 500                        | 1 209 000    |
| 1 Dec. 2024 | Limpid   | 115   | R7 200                        | 828 000      |

**C. Sales for the financial year ended 28 February 2025:**

| TV MODEL           | UNITS      | SELLING PRICE<br>PER UNIT<br>(R) | TOTAL<br>(R)     |
|--------------------|------------|----------------------------------|------------------|
| Quantum            | 105        | 5 950                            | 624 750          |
| Crystal            | 225        | 9 750                            | 2 193 750        |
| Limpid             | 94         | 10 500                           | 987 000          |
| <b>Total sales</b> | <b>424</b> |                                  | <b>3 805 500</b> |

**D. Donation of television sets to local schools:**

Helen donated the unsold Quantum TVs to local high schools.

**VACUUM AND PRESSURE CLEANERS****REQUIRED:****3.6 Vacuum cleaners:**

- Identify ONE problem with vacuum cleaners. Quote figures.
- What advice would you give? State ONE point.

(3)

**3.7 Pressure cleaners:**

- Explain TWO good decisions that Helen took in respect of pressure cleaners. Quote figures.
- Explain how each decision improved the results on 28 February 2025. Provide ONE different point for EACH decision.

(6)

**INFORMATION:**

|                                     | VACUUM CLEANERS |              | PRESSURE CLEANERS |              |
|-------------------------------------|-----------------|--------------|-------------------|--------------|
|                                     | 28 FEB. 2025    | 29 FEB. 2024 | 28 FEB. 2025      | 29 FEB. 2024 |
| Gross units sold                    | 532             | 565          | 704               | 584          |
| Number of units sold for cash       | 280             | 360          | 398               | 302          |
| Trade discount on cash sales        | 5%              | 5%           | 10%               | 5%           |
| Number of units sold on credit      | 230             | 190          | 270               | 240          |
| Payment policy on credit sales      | 90 days         | 90 days      | 120 days          | 150 days     |
| Interest rate on credit sales       | 18%             | 18%          | 15%               | 18%          |
| Returns by customers (faulty units) | 22              | 15           | 36                | 42           |
| Mark-up %                           | 50%             | 60%          | 40%               | 60%          |

40



**QUESTION 4: BUDGETING**

**(40 marks; 35 minutes)**

Daisy MacDonald owns Canary Stores that sells school bags. The information relates to the budget period ending 31 July 2025.

**NOTE:** Where comments or explanations are required, you should:

- Quote trends with figures

**REQUIRED:**

- 4.1 Explain how the preparation of a Cash Budget serves as a management tool in assisting the business to manage its cash resources. State ONE point. (2)
- 4.2 Identify TWO items in the payment section of this Cash Budget which will not appear in the Projected Statement of Comprehensive Income. (2)
- 4.3 Complete the Creditors' Payment Schedule. (9)
- 4.4 Calculate the missing figures (i) to (iv) in the Cash Budget. (14)
- 4.5 **Refer to Information F.**  
 Calculate the reduction in the floor space (in m<sup>2</sup>) being rented during July 2025. (5)
- 4.6 **Refer to Information H.**  
 A new competitor moved into the area during April 2025. Daisy was not aware of the competitor and did not take any action during April 2025.
- 4.6.1 Explain the effect of the new competitor on any TWO items in the budgeted and actual information for April 2025. Quote figures. (4)
- 4.6.2 Identify TWO changes Daisy implemented in May 2025 in response to the new competitor. Quote figures. (4)

**INFORMATION:**

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

• **Total sales:**

|            |          |
|------------|----------|
| April 2025 | R180 000 |
| May 2025   | R202 500 |
| June 2025  | ?        |
| July 2025  | R270 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.
- 20% 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. Salaries of sales assistants:**

The sales assistants all earn the same monthly salary. They will get a 5% increase from 1 July 2025. The business had two assistants in June and will hire an additional assistant from 1 July at the same monthly salary as the other two assistants after the increase.

**D. Loan:**

Part of the loan will be repaid on 1 July 2025. Interest of 15% p.a. is paid at the end of each month and is not capitalised.

**E. Vehicle and delivery expenses:**

- Canary Stores have been outsourcing delivery services for the past two years at a percentage of sales.
- The owner plans to purchase a delivery vehicle on 31 July 2025. The business will pay a deposit of 10% on this date, and the balance will be paid over a period of 36 months at R6 875 per month starting 31 August 2025.

**F. Rent expense:**

The business rents 180 m<sup>2</sup> of the premises at a fixed rate per m<sup>2</sup>. The rental agency informed the business of a planned increase in rent per m<sup>2</sup> as from 1 August 2025. In order to save on rent, the owner decided to reduce the m<sup>2</sup> that is being rented with effect from 1 July 2025.

**G. Extract from Cash Budget for June and July 2025:**

| RECEIPTS                  | JUNE 2025<br>(R) | JULY 2025<br>(R) |
|---------------------------|------------------|------------------|
| Cash sales                |                  | (i)              |
| Collections from debtors  | 117 450          | 134 325          |
| Interest on fixed deposit | 250              | 250              |
| Fixed deposit maturing    |                  | 30 000           |
| <b>PAYMENTS</b>           |                  |                  |
| Cash purchase of stock    |                  | 36 000           |
| Payments to creditors     | 111 300          |                  |
| Salaries and wages        | (ii)             | 35 280           |
| Loan repayment            |                  | (iii)            |
| Interest on loan          | 3 150            | 2 250            |
| Delivery expenses         |                  | 13 500           |
| Rent expense              | 59 940           | 47 952           |
| Deposit for vehicle       |                  | (iv)             |
| Advertising               |                  | 24 300           |
| Sundry expenses           | 4 950            | 5 100            |



H. Budgeted and actual information for April and May 2025:

|                        | APRIL 2025 |          | MAY 2025 |          |
|------------------------|------------|----------|----------|----------|
|                        | BUDGETED   | ACTUAL   | BUDGETED | ACTUAL   |
| Units to sell/sold     | 720        | 540      | 900      | 765      |
| Selling price per unit | R250       | R250     | R225     | R225     |
| Total sales            | R180 000   | R135 000 | R202 500 | R172 125 |
| Total purchases        | R120 000   | R90 000  | R135 000 | R114 750 |
| Gross profit           | R60 000    | R45 000  | R67 500  | R57 375  |
| Advertising            | R9 000     | R4 500   | R18 225  | R15 400  |
| Commission             | 0          | 0        | R4 050   | R3 443   |
| Delivery expenses      | R7 200     | R6 750   | R10 125  | R8 600   |

40

TOTAL: 150



| GRADE 12 ACCOUNTING FINANCIAL INDICATOR FORMULA SHEET  |   |
|--|---|
| $\frac{\text{Gross profit} \times 100}{\text{Sales}} \div 1$   | $\frac{\text{Gross profit} \times 100}{\text{Cost of sales}} \div 1$  |
| $\frac{\text{Net profit before tax}}{\text{Sales}} \times \frac{100}{1}$   | $\frac{\text{Net profit after tax}}{\text{Sales}} \times \frac{100}{1}$   |
| $\frac{\text{Operating expenses} \times 100}{\text{Sales}} \div 1$   | $\frac{\text{Operating profit} \times 100}{\text{Sales}} \div 1$  |
| 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  |   |
| $\frac{\text{Average trading stock} \times 365}{\text{Cost of sales}} \div 1$<br>(See Note 1 below)  | $\frac{\text{Cost of sales}}{\text{Average trading stock}}$   |
| $\frac{\text{Average debtors} \times 365}{\text{Credit sales}} \div 1$   | $\frac{\text{Average creditors} \times 365}{\text{Cost of sales}} \div 1$<br>(See Note 2 below)                 |
| $\frac{\text{Net income after tax}}{\text{Average shareholders' equity}} \times \frac{100}{1}$   | $\frac{\text{Net income after tax}}{\text{Number of issued shares}} \times \frac{100}{1}$<br>(See Note 3 below) |
| $\frac{\text{Net income before tax} + \text{Interest on loans}}{\text{Average shareholders' equity} + \text{Average non-current liabilities}} \times \frac{100}{1}$  |   |
| $\frac{\text{Shareholders' equity}}{\text{Number of issued shares}} \times \frac{100}{1}$  | $\frac{\text{Dividends for the year}}{\text{Number of issued shares}} \times \frac{100}{1}$                     |
| $\frac{\text{Interim dividends}}{\text{Number of issued shares}} \times \frac{100}{1}$   | $\frac{\text{Final dividends}}{\text{Number of issued shares}} \times \frac{100}{1}$                            |
| $\frac{\text{Dividends per share}}{\text{Earnings per share}} \times \frac{100}{1}$  | $\frac{\text{Dividends for the year}}{\text{Net income after tax}} \times \frac{100}{1}$                        |
| $\frac{\text{Total fixed costs}}{\text{Selling price per unit} - \text{Variable costs per unit}}$  |   |
| <p><b>NOTE:</b></p> <ol style="list-style-type: none"> <li>1. Trading stock at the end of a financial year may be used if required in a question. 365 days is applicable only if relevant to the whole year.</li> <li>2. Credit purchases may be used instead of cost of sales (figures will be the same if stock is constant).</li> <li>3. 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.</li> </ol> |   |





STICKER

CENTRE NUMBER

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EXAMINATION NUMBER

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**SENIOR CERTIFICATE EXAMINATIONS/  
NATIONAL SENIOR CERTIFICATE EXAMINATIONS**

**ACCOUNTING P2**

**GRADE 12**

**MAY/JUNE 2025**

**SPECIAL ANSWER BOOK**  
Stanmorephysics.com

| QUESTION     | MARKS | INITIAL | MOD. |
|--------------|-------|---------|------|
| 1            |       |         |      |
| 2            |       |         |      |
| 3            |       |         |      |
| 4            |       |         |      |
| <b>TOTAL</b> |       |         |      |

This answer book consists of 12 pages.



\* A C A B E 2 \*



**QUESTION 1****1.1 VAT****1.1.1**

| <b>NO.</b>     | <b>WORKINGS</b>        | <b>EFFECT</b> |
|----------------|------------------------|---------------|
|                | <b>Opening balance</b> | <b>51 500</b> |
| <b>Example</b> | <b>6 900 – 6 000</b>   | <b>+ 900</b>  |
| <b>(i)</b>     | <b>221 720</b>         |               |
| <b>(ii)</b>    | <b>12 000</b>          |               |
| <b>(iii)</b>   |                        |               |
| <b>(iv)</b>    |                        |               |
|                | <b>VAT PAYABLE</b>     |               |

10

**1.1.2**

**Karen wants to deregister her business as a VAT vendor as she is unable to meet VAT deadlines for submissions.**

**What advice would you give to Karen? State ONE point.**

2



**1.2 CREDITORS' RECONCILIATION**

| 1.2.1           | CREDITORS' LEDGER<br>ACCOUNT OF<br>EPSON TRADERS | STATEMENT OF ACCOUNT<br>FROM CANON SUPPLIERS |           |
|-----------------|--|--|-----------|
| <b>BALANCES</b> | <b>101 900</b>                                   | <b>88 900</b>                                |           |
| (i)             |  |  |           |
| (ii)            |  |  |           |
| (iii)           |  |  |           |
| (iv)            |  |  |           |
| (v)             |  |  |           |
| (vi)            |  |  |           |
| (vii)           |  |  |           |
| <b>BALANCES</b> |  |  | <b>14</b> |

**1.2.2** It was discovered that the purchasing manager, Senzo, had signed a fictitious invoice received from Prime Suppliers. The banking details of his son appeared on this invoice. The relevant payment was processed by the financial department.

**Other than dismissing Senzo, provide:**

|  |  |          |
|--|--|----------|
| <b>ONE</b> action to be taken against him                      |  |          |
| <b>ONE</b> suggestion on how to prevent this problem in future |  | <b>4</b> |

|                    |
|--------------------|
| <b>TOTAL MARKS</b> |
| <b>30</b>          |



**QUESTION 2**

|            |              |  |
|------------|--------------|--|
| <b>2.1</b> | <b>2.1.1</b> |  |
|            | <b>2.1.2</b> |  |
|            | <b>2.1.3</b> |  |

|          |
|----------|
|          |
| <b>3</b> |

**2.2 WOLLIES' WINTER GLOVES**

**2.2.1 Calculate the direct material cost for the year ended 28 February 2025.**

| <b>WORKINGS</b>   | <b>ANSWER</b> |
|---|---------------|
|  |               |

|          |
|----------|
|          |
| <b>4</b> |

**2.2.2 Calculate the correct factory overhead cost for the year ended 28 February 2025.**

|                        |                |
|------------------------|----------------|
| <b>Incorrect total</b> | <b>966 360</b> |
|                        |                |
|                        |                |
|                        |                |
|                        |                |
|                        |                |

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|----------|
|          |
| <b>9</b> |

**2.2.3 Calculate the gross profit earned for the year ended 28 February 2025.**

| <b>WORKINGS</b> | <b>ANSWER</b> |
|-----------------|---------------|
|                 |               |

|          |
|----------|
|          |
| <b>5</b> |



2.2.4 Jerry was satisfied with the performance during the current year and plans to increase production by 30% in the next financial year. He is confident that the demand will increase due to changing weather patterns.

Comment on the level of production and the break-even points comparing the results for the current financial year with his plan for the next financial year. Provide TWO points, with figures.

|   |
|---|
|   |
| 4 |

Calculate the increase in profits Jerry expects to earn from the year ended 28 February 2025 to the next financial year.

| WORKINGS  | ANSWER |
|---|--------|
| <div style="text-align: center; background-color: #e0e0e0; padding: 5px;">           Stanmorephysics.com         </div> |        |

|   |
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|   |
| 5 |

2.2.5 Give TWO possible reasons for the proposed increase in direct labour cost in the next financial year. Quote figures.

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2.2.6 Jerry has projected an increase of R304 000 for the total fixed costs.

Provide TWO possible expense items he may have considered when making his projections. Give a different reason for each item identified.

|        | EXPENSE ITEM | REASON |
|--------|--------------|--------|
| ITEM 1 |              |        |
| ITEM 2 |              |        |

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| 4 |

Explain why Jerry should not be concerned about this proposed increase in the total fixed costs. Provide ONE point with figures.

|   |
|---|
|   |
| 2 |

|             |
|-------------|
| TOTAL MARKS |
|             |
| 40          |



**QUESTION 3****HEADPHONES**

3.1 Calculate the value of the closing stock on 28 February 2025, using the FIFO method.

| WORKINGS | ANSWER |
|----------|--------|
|          |        |

|   |
|---|
|   |
| 5 |

3.2 Helen decided to change suppliers in September 2024 after receiving advice from her sister, the store manager.

Provide TWO points that show her customers are unhappy with the quality of the headphones purchased from the new suppliers. Quote figures.

|   |
|---|
|   |
| 4 |

What advice would you give to Helen about changing the supplier in the future? Provide ONE point.

|   |
|---|
|   |
| 2 |



**TELEVISION SETS**

**3.3 Calculate the closing stock of the television sets on 28 February 2025.**

| TV MODEL     | WORKINGS | ANSWER |
|--------------|----------|--------|
| Quantum      |          |        |
| Crystal      |          |        |
| Limpid       |          |        |
| <b>TOTAL</b> |          |        |

|   |
|---|
| 9 |
|---|

**3.4 Calculate the cost of sales of the Limpid TVs.**

| WORKINGS | ANSWER |
|----------|--------|
|          |        |

|   |
|---|
| 3 |
|---|

**Calculate how long (in days) it will take Helen to sell the closing stock of the Limpid TVs.**

| WORKINGS | ANSWER |
|----------|--------|
|          |        |

|   |
|---|
| 4 |
|---|

**Helen feels that she has made a wise decision by replacing the Quantum TVs with the Limpid TVs. Give ONE possible reason (with figures) to substantiate her opinion.**

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| 2 |
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**3.5 Explain how this will have a positive effect on her business. Provide ONE point.**

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|--|
|  |
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|   |
|---|
| 2 |
|---|



**VACUUM AND PRESSURE CLEANERS****3.6 VACUUM CLEANERS**

Identify ONE problem with vacuum cleaners. Quote figures. What advice would you give? State ONE point.

| PROBLEM (with figures) | ADVICE |
|------------------------|--------|
|                        |        |

|          |
|----------|
|          |
| <b>3</b> |

**3.7 PRESSURE CLEANERS**

Explain TWO good decisions that Helen took in respect of pressure cleaners. Quote figures. Explain how each decision improved the results on 28 February 2025. Provide ONE different point for EACH decision.

|                   | DECISION (with figures) | IMPROVEMENT IN RESULTS |
|-------------------|-------------------------|------------------------|
| <b>Decision 1</b> |                         |                        |
| <b>Decision 2</b> |                         |                        |

|          |
|----------|
|          |
| <b>6</b> |

|                    |
|--------------------|
| <b>TOTAL MARKS</b> |
| <b>40</b>          |



**QUESTION 4**

4.1

Explain how the preparation of the Cash Budget serves as a management tool in assisting the business to manage its cash resources. State ONE point.

2

4.2

Identify TWO items in the payment section of this Cash Budget which will not appear in the Projected Statement of Comprehensive Income.

2

**4.3 CREDITORS' PAYMENT SCHEDULE:**

| MONTH | CREDIT PURCHASES | JUNE    | JULY |
|-------|------------------|---------|------|
| APRIL | 96 000           | 9 600   |      |
| MAY   | 108 000          | 16 200  |      |
| JUNE  |                  | 85 500  |      |
| JULY  | 144 000          |         |      |
|       |                  | 111 300 |      |

9



## 4.4 CALCULATE:

|       |                                     |               |
|-------|-------------------------------------|---------------|
| (i)   | Cash sales for July 2025            |               |
|       | <b>WORKINGS</b>                     | <b>ANSWER</b> |
|       |                                     |               |
| (ii)  | Salaries and wages for June 2025    |               |
|       | <b>WORKINGS</b>                     | <b>ANSWER</b> |
|       |                                     |               |
| (iii) | Repayment of loan on 1 July 2025    |               |
|       | <b>WORKINGS</b>                     | <b>ANSWER</b> |
|       |                                     |               |
| (iv)  | Deposit for vehicle on 31 July 2025 |               |
|       | <b>WORKINGS</b>                     | <b>ANSWER</b> |
|       |                                     |               |
|       |                                     | 14            |

4.5 Calculate the reduction in the floor space (in m<sup>2</sup>) being rented during July 2025.

|  |                 |               |
|--|-----------------|---------------|
|  | <b>WORKINGS</b> | <b>ANSWER</b> |
|  |                 |               |
|  |                 | 5             |



4.6 Refer to Information H.

4.6.1 Explain the effect of the new competitor on any TWO items in the budgeted and actual information for April 2025. Quote figures.

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4.6.2 Identify TWO changes Daisy implemented in May 2025 in response to the new competitor. Quote figures.

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|   |
| 4 |

|                    |
|--------------------|
| <b>TOTAL MARKS</b> |
|                    |
| <b>40</b>          |

**TOTAL: 150**

