



NATIONAL SENIOR CERTIFICATE

GRADE 11

JUNE 2024

ACCOUNTING P2
Stanmorephysics.com

MARKS: 200

TIME: 2hours

This question paper consists of 10 pages,
a formula sheet and an 8-pages 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 blue/black ink to answer the questions.
6. Where applicable, show all calculations to ONE decimal point.
7. Write neatly and legibly.
8. If you choose to do so, you may use the financial indicator formula sheet which is attached at the end of this question paper. Use of this formula sheet is not compulsory.
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 | Bank Reconciliation Statement | 48 | 40 |
| 2 | Creditors Reconciliation Statement | 20 | 15 |
| 3 | Fixed assets and Asset Disposal | 39 | 30 |
| 4 | Manufacturing and Break-even point | 43 | 35 |
| TOTAL | | 150 | 120 |

QUESTION 1: BANK RECONCILIATIONS**(48 marks; 40 minutes)**

1.1 Indicate whether the statements below are TRUE or FALSE. Write only TRUE or FALSE next to the question number (1.1.1–1.1.5) in the ANSWER BOOK.

- 1.1.1 An unfavourable balance on the bank statement appears on the debit side of the Reconciliation statement.
- 1.1.2 EFTs are a safe way of making payments.
- 1.1.3 Interest credited on the bank statement must be recorded in the Cash Payment Journal.

(3)**1.2 SIX GUN STORES**

The following information relates to Six Gun Stores for April 2024. The business uses the bank statement which is received on the 26th of each month.

REQUIRED:

- 1.2.1 Complete the Cash Journals for April 2024. **(28)**
- 1.2.2 Calculate the Bank Account balance in the General Ledger of the business on 30 April 2024. **(4)**
- 1.2.3 Prepare the Bank Reconciliation Statement on 30 April 2024. **(9)**
- 1.2.4 Explain **TWO** strategies that the business can use to address the problem of missing cash. **(4)**

INFORMATION:

A. Extract from the Bank Reconciliation statement on 31 March 2024

| | |
|--|---------|
| Outstanding deposits: 19 March 2024 | R33 200 |
| 24 March 2024 | 10 200 |
| Outstanding EFT: No. 321 | 9 765 |
| No. 322 | 5 678 |
| Favourable balance as per Bank account | 13 912 |

NOTE:

- The outstanding deposit of R33 200 and EFT 322 for R5 678 appeared on the April 2024 bank statement.
- The outstanding deposit of R10 200 on the Bank Reconciliation Statement was in respect of sales. It did not appear on the Bank Statement for April. After investigation by the business it was discovered that the bookkeeper has not deposited the money. He is not

working for the business anymore. It was decided to write-off the deposit as a loss.

- EFT 321 was correctly reflected as R7 965 on the April Bank Statement. This was for the purchasing of trading stock.
- B.** Provisional totals from the Cash Journals on 30 April 2024:
- Cash Receipt Journal, R125 600
 - Cash Payment Journal, R131 300
- C.** The following information on the April 2024 Bank Statement received from Snap Bank did not appear in the April 2024 Cash Journals:
- A deposit from N. Naidoo, R15 400, for his monthly rent.
 - Quick Insurers, R9 800 (R7 300 for the business and the rest for partner personal vehicle.)
 - An EFT payment to BC Traders, R7 900 as partial payment of our account.
 - EFT Fees, R412
 - Cash handling fee, R156
 - Service Fees, R252
 - Interest on fixed deposit, R366.
 - A direct deposit of R4 790 was wrongly reflected on the business Bank Statement. The bank will rectify the error in June.
 - A deposit from P. Patriot for R7 500 for settlement of his account of R7 770.
- E.** The following information in the April 2024 Cash Journals did not appear on the Bank Statement for April 2024:
- Deposit on 29 April, R12 680
 - Deposit on 30 April, R7 200
 - EFT 636 for R9 655
 - EFT 639 for R8 000

QUESTION 2: CREDITORS' RECONCILIATION**(20 marks; 15 minutes)**

Willow Traders buys goods on credit from Mienkie Stores.

REQUIRED:

- 2.1 Briefly explain how the preparation of a creditors' reconciliation as an internal control measure can assist the business in managing their creditors effectively. Provide TWO points (2)
- 2.2 Use the table provided to indicate the changes that must be made: show a (+) for an increase and show a (-) for a decrease. (14)
- In the Creditors' Ledger Account in the books of Willow Traders
 - In the Creditors' Reconciliation Statement on 29 February 2024
- 2.3 An investigation into the transaction on 2 February 2024 for Invoice 560 revealed that Sakkie Skelm (purchasing manager) ordered goods for himself. These goods were not taken into stock. (4)
- State TWO points on how the division of duties can be used to prevent similar incidents from happening in future

INFORMATION:**A. Creditors' Ledger of Willow Traders
Mienkie Stores**

| DATE | DETAILS | FOL. | DEBIT | CREDIT | BALANCE |
|---------|-------------------|------|--------|--------|---------|
| 2024 | | | | | |
| Feb. 01 | Balance | b/d | | | 62 200 |
| 02 | Invoice 520 | CJ | | 44 200 | 106 400 |
| 04 | Debit Note 52 | CAJ | 2 700 | | 103 700 |
| 07 | EFT 443 | CPJ | 31 350 | | 72 350 |
| | Discount received | CPJ | 3 300 | | 69 050 |
| 20 | Invoice 238 | CJ | | 21 100 | 90 150 |
| 23 | EFT 575 | CPJ | 13 200 | | 76 950 |
| 24 | Invoice 599 | CJ | | 24 000 | 100 950 |
| 28 | EFT 580 | CPJ | 13 900 | | 87 150 |
| | Discount received | CPJ | 1 280 | | 85 770 |
| 29 | Invoice 592 | CJ | | 44 700 | 130 470 |

B. Statement of account received from Mienkie Stores

| MIENKIE STORES | | | | No. 1543 | |
|---------------------------------|----|------------------|--------|------------------|---------|
| 211 Calla street Parys 9 300 | | | | | |
| Debtor: Willow Traders | | | | 25 February 2024 | |
| DATE | | DETAILS | DEBIT | CREDIT | BALANCE |
| Jan. | 25 | Balance | | | 77 200 |
| | 28 | Receipt 110 | | 15 000 | 62 200 |
| Feb. | 02 | Invoice 520 | 49 200 | | 111 400 |
| | 04 | Credit Note 9 | 2 700 | | 114 100 |
| | 07 | Receipt 122 | | 31 350 | 82 750 |
| | | Discount allowed | | 1 650 | 81 100 |
| | 18 | Invoice 581 | 38 800 | | 119 900 |
| | 23 | Receipt 138 | | 13 200 | 106 700 |
| | 24 | Invoice 599 | 21 600 | | 128 300 |
| | 25 | Delivery charges | 3 600 | | 131 900 |

C. An investigation revealed the following errors and omissions:

- Invoice 238 was for goods that Willow Traders bought from another supplier, Mashiane Suppliers.
- Invoice 520 was recorded correctly on the statement of account.
- Invoice 581 was an error on the statement. This was for goods supplied to another business.
- The discount allowed on 7 February 2024 is correct as per the statement of account.
- Willow Traders omitted to deduct the trade discount allowed on Invoice 599.
- Goods for R2 700 were returned by Willow Traders to Mienkie Stores on 4 February 2024.
- In terms of the contract Mienkie Stores charges a delivery fee to all its customers.
- The statement of account only includes transactions up to 25 February 2024.

QUESTION 3: FIXED ASSETS AND ASSET DISPOSALS**(39 marks; 30 minutes)****3.1 CONCEPTS**

Choose the correct word(s) from those given in brackets. Write only the word(s) next to the question numbers (3.1.1 to 3.1.4) in the ANSWER BOOK.

- 3.1.1 The contra account in the asset disposal account when an asset is sold on credit is the (debtors/creditors) control.
- 3.1.2 The (asset disposal/trading) account is where the sale of an asset is recorded, and the profit or loss are determined.
- 3.1.3 All fixed assets are recorded in a/an (asset register/liability register).
- 3.1.4 (Depreciation/insurance) is written off from an asset on an annual basis. (4)

3.2 MAVISLINDE STORES

The following information relates to Mavislinde Stores. The financial year ended on 29 February 2024. (Partners M. Mavis and L. Linde)

REQUIRED:

- 3.2.1 Explain why the asset register is an important document for internal control. Provide **TWO** reasons. (4)
- 3.2.2 Prepare the asset disposal account in the General Ledger of the business. (11)
- 3.2.3 L. Linde decided to buy the equipment for R2 000 without informing his partner. Explain the consequences that partner Linde could be facing. (4)
- 3.2.4 Calculate the following amounts:
- The balance of Land and building on 29 February 2024. (3)
 - Total depreciation on vehicles on 29 February 2024. (8)
 - The depreciation on the new equipment on 29 February 2024. (5)

INFORMATION:**A. Extract from Trial Balances on 29 February:**

| | 2024 | 2023 |
|---------------------------------------|-----------|-----------|
| Balance Sheet accounts section | R | R |
| Land and buildings | ? | 4 800 000 |
| Vehicle | 1 596 000 | 876 000 |
| Accumulated depreciation on vehicles | ? | 515 400 |
| Equipment | 510 000 | 480 000 |
| Accumulated depreciation on equipment | ? | 180 000 |

B. Land and buildings:

A new storeroom was built during the year for R750 000.

C. Equipment:

The depreciation rate is 20% p.a. on the diminishing-balance method.

A laptop was sold on 1 December 2023 for R2 000 cash to partner L. Linde.

The fixed asset register reflected the following in respect of the laptop sold:

Fixed asset register:

| | | |
|---------------------------|-----------------------------------|-----------------------|
| Category: | Laptop | |
| Model: | Predator | |
| Date purchased: | 1 March 2021 | |
| Cost price: | R36 000 | |
| Depreciation rate: | 20% on diminishing-balance method | |
| Date | Depreciation | Carrying value |
| 28 February 2022 | R7 200 | R28 800 |
| 28 February 2023 | R5 760 | R23 040 |
| 1 December 2023 | ? | ? |

- New equipment was purchased on 1 February 2024.

D. Vehicles:

Extract from the vehicle register:

| | Car 1 | Car 2 | Car 3 |
|--------------------------------------|--------------|--------------|--------------|
| Purchase date | 1 Jun 2018 | 1 Mar 2021 | 1 Dec 2023 |
| Purchase price | R300 000 | R576 000 | ? |
| Accumulated Depreciation: 1 Mar 2023 | R285 000 | R230 400 | |

- No vehicles were sold during the year.
- A new vehicle was purchased on 1 December 2023.
- Depreciation on vehicles is calculated at 20% p.a. on the cost price method.

QUESTION 4: Manufacturing and Break-even point (43 marks; 35 minutes)

4.1 Masoka Manufacturers manufacture and sell soccer and netball balls. The financial year ended on 30 June 2024.

REQUIRED

- 4.1.1 Calculate the raw material used in the production. (4)
- 4.1.2 Complete the following general ledger accounts (14)
- Factory overheads cost (10)
 - Work-in process stock

INFORMATION :**A. Balances**

| | 30 June 2024 | 1 July 2023 |
|---------------------------|--------------|-------------|
| Raw material stock | 73 600 | 138 800 |
| Work-in process stock | ? | 31 200 |
| Indirect material on hand | 16 800 | 23 600 |

B. TRANSACTIONS FOR THE YEAR ENDED 30 JUNE 2024

| | |
|---|---------|
| Raw materials purchased for cash | 382 000 |
| Carriage on purchases of raw materials (cash) | 11 600 |
| Raw materials issued for production | ? |
| Indirect materials purchased for cash | 69 200 |
| Direct wages | 368 000 |
| Wages of a cleaner – Admin | 7 600 |
| Salaries – sales staff | 74 400 |
| Advertising | 26 400 |
| Rent expense | 46 400 |
| Factory maintenance | 26 000 |
| Water and electricity | 50 000 |
| Depreciation on factory machinery | 26 400 |
| Commission on sales (3% of sales) | 41 400 |
| | |

C. ADDITIONAL INFORMATION:

- Rent must be allocated in proportion to the floor space occupied. The factory area use 600 square meters and the office area uses 400 square meters.
- The cleaner spends 20% of his time cleaning the Administration Block and the rest in the factory. Cost must be allocated according to the time spent in each department.
- The factory uses 75% of the water and electricity.
- 14 300 units were produced at the cost of R70 per unit.

4.2 BREAK EVEN POINT

Zizi Luca started his own business. He produces and sell shoes. The financial year ends on 28 February 2024

- 4.2.1 Calculate the Break-even point achieved by Zizi. (5)
 4.2.2 Should Zizi be satisfied with the level of production and break-even point for 2024? Quote figures to explain your answer. (4)
 4.2.3 Identify TWO variable costs Zizi should be concerned about. (6)
 Provide figures. In each case, give a valid solution for each problem identified.

INFORMATION:

| DETAILS | 2024 | 2023 |
|-------------------------------|---------|---------|
| Fixed cost per unit | R94.20 | R97.90 |
| Factory overhead cost | R45.80 | R48.50 |
| Administration cost | R48.40 | R49.40 |
| Variable cost per unit | R246.60 | R201.90 |
| Direct material cost | R67.90 | R50.00 |
| Direct labour cost | R136.70 | R110.00 |
| Selling distribution cost | R42.00 | R41.90 |
| Selling price per unit | R360 | R340 |
| Units produced and sold | 22 000 | 20 000 |
| Break-even point | ? | 14178 |

| 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 | | | |
| $\frac{\text{Average debtors}}{\text{Credit sales}} \times \frac{365}{1}$ | $\frac{\text{Average creditors}}{\text{Credit purchases}} \times \frac{365}{1}$ | | |
| $\frac{\text{Average inventories}}{\text{Cost of sales}} \times \frac{365}{1} \text{ or } \frac{12}{1}$ | $\frac{\text{Cost of sales}}{\text{Average inventories}}$ | | |
| Non-current liabilities: Owners' equity | Total assets: Total liabilities | | |



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Name:

School:

**NATIONAL
SENIOR CERTIFICATE**

GRADE 11

JUNE 2024

ACCOUNTING ANSWER BOOK

| QUESTION | MARKS | INITIAL | MODERATOR |
|--------------|------------|---------|-----------|
| 1 | | | |
| 2 | | | |
| 3 | | | |
| 4 | | | |
| | | | |
| TOTAL | 150 | | |

This answer book consists of 9 pages.

QUESTION 1

1.1

Indicate whether the following statements are TRUE or FALSE.

| | |
|-------|--|
| 1.1.1 | |
| 1.1.2 | |
| 1.1.3 | |
| 1.1.4 | |
| 1.1.5 | |

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1.2.1

CASH RECEIPTS JOURNAL – APRIL 2024

CRJ 4

[illegible]

13

CASH PAYMENTS JOURNAL – April 2024

CPJ 3

[illegible]

15

1.2.2

Calculate the Bank Account balance in the General Ledger of the business on 30 April 2024.

4

1.2.3 Prepare a Bank Reconciliation Statement for April 2024:

[illegible]

9

1.2.4 Explain TWO strategies that the business can use to address the problem of missing cash.

4

TOTAL MARKS

48

QUESTION 2**2.1**

Briefly explain how the preparation of a creditors' reconciliation as an internal control measure can assist the business in managing their creditors effectively. Provide TWO points.

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2.2**CREDITORS' RECONCILIATION**

| | CREDITORS' LEDGER | CREDITORS' RECONCILIATION STATEMENT |
|---------|-------------------|-------------------------------------|
| Balance | 130 470 | 131 900 |
| (a) | | |
| (b) | | |
| (c) | | |
| (d) | | |
| (e) | | |
| (f) | | |
| (g) | | |
| (h) | | |
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2.3

State TWO points on how the division of duties can be use to prevent similar incidents from happening in future

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| TOTAL MARKS |
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QUESTION 3:

3.1

Give the correct concept in each of the cases:

| | |
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| 3.1.1 | |
| 3.1.2 | |
| 3.1.3 | |
| 3.1.4 | |

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3.2.1

Explain why the asset register is an important document for internal control. Provide TWO reasons.

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3.2.2

| ASSET DISPOSAL | | | | | | | | | | | |
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3.2.3

L Linde decided to buy the equipment for R2 000 without informing his partner. Explain the consequences that partner Linde will be facing.

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3.2.4

| Calculate the following amounts | |
|--|--------|
| CALCULATION | ANSWER |
| The balance of Land and building on 29 February 2024. | |
| Total depreciation on vehicles on 29 February 2024: Car 1 Car 2 Car 3 | |
| The depreciation on the NEW equipment on 29 February 2023. | |

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3.2.5

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| Mention THREE procedures that the business can apply to improve their internal control over the vehicles. |
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| TOTAL MARKS |
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| 39 |

Question 4: Manufacturing and Break-even point

(35 marks :20 minutes)

4.1

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| 4.1.1 | Calculate the raw materials used for production. |
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|------------------------|--|--|--|--|----|
| 4.1.2 | General Ledger of Masoka Manufacturers | | | | |
| Factory overheads cost | | | | | |
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4.2 Break-even point

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| 4.2.1 | Calculate the Break-even point achieved by Zizi. |
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| 4.2.2 | Should Zizi be satisfied with the level of production and break-even point for 2024? Quote figures to explain your answer. |
| | |

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|-------|---|--|
| 4.2.3 | Identify TWO variable costs Zizi should be concerned about. Provide figures. In each case, give a valid solution for each problem identified. | |
| | Cost(with figures) | Solution |
| | |  |
| | | |

TOTAL MARKS

6

43



ACCOUNTING

GRADE 11

JUNE 2024

MARKING GUIDELINE

TOTAL: 150 MARKS

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 correct answer. If answer is incorrect, mark workings.
4. If a pre-adjustment figure is shown as a final figure, allocate the part-mark for the working for that figure (not the method mark for the answer). Note: if figures are stipulated in memo for components of workings, these do not carry the method mark for final answer as well.
5. Unless otherwise indicated, the positive or negative effect of any figure must be considered to award the mark. If no + or – sign or bracket is provided, assume that the figure is positive.
6. Where indicated, part-marks may be awarded to differentiate between differing qualities of answers from candidates.
7. 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.
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, marker must inspect reasonableness of answer.
10. Operation means 'check operation'. 'One part correct' means operation and one part correct. Note: check operation must be +, -, x, ÷, or per memo.
11. In calculations, do not award marks for workings if numerator & denominator are swapped – this also applies to ratios.
12. In awarding method marks, ensure that candidates do not get full marks for any item that is incorrect at least in part. Indicate with a ☒.
13. Be aware of candidates who provide valid alternatives beyond the marking guideline. Note that one comment could contain different aspects.
14. Codes: f = foreign item; p = placement/presentation.

This marking guideline consists of 7 pages

QUESTION 1

1.1

Indicate whether the following statements are TRUE or FALSE.

| | | |
|-------|-------|---|
| 1.1.1 | True | ✓ |
| 1.1.2 | True | ✓ |
| 1.1.3 | False | ✓ |

3

1.2.1

CASH RECEIPTS JOURNAL – APRIL 2024

CRJ 4

| Doc | Day | Details | Bank | Amount | Details |
|-----|-----|--------------|----------------|----------------|-----------------------------|
| | 31 | Total | 125 600 | 125 600 | |
| 321 | | Bank | 1 800✓ | 1 800✓ | Trading stock✓ |
| B/S | | N. Naidoo | 15 400✓ | 15 400✓ | Rent income ✓ |
| B/S | | Snap Bank | 366✓ | 366✓ | Interest on fixed deposit ✓ |
| B/S | | P. Patriot | 7 500✓ | 7 500✓ | Debtors Control✓ |
| | | | | | |
| | | | 150 666*✓ | 150 666 | |

13

CASH PAYMENTS JOURNAL – April 2024

CPJ 3

| Doc | Day | Details | Bank | Amount | Details |
|-----|-----|----------------|----------------|----------------|---------------------------|
| | 31 | Total | 131 300 | 131 300 | |
| B/S | | Sales | 10 200✓ | 10 200✓ | Loss due to fraud/theft ✓ |
| B/S | | Quick Insurers | 9 800✓ | 7 300✓ | Insurance✓ |
| | | | | 2 500✓ | Drawings✓ |
| B/S | | BC Traders | 7 900✓ | 7 900✓ | Creditors Control ✓ |
| B/S | | Snap Bank | 820✓ | 820✓ | Bank charges✓ |
| | | | 160 020*✓ | 160 020 | |

*✓ one part correct and include opening total

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1.2.2

Calculate the Bank Account balance in the General Ledger of the business on 30 April 2024.

$$+ 13\,912✓ + 150\,666✓ - 160\,020✓ = 4\,558✓ \text{ one part correct}$$

See CRJ See CPJ

4

1.2.3 Prepare a Bank Reconciliation Statement for April 2024:

| | Debit | Credit |
|---|----------------------|-----------------------------|
| Dr Balance according to bank statement | | Balancing figure 7 123 ✓ |
| Cr. Outstanding deposit | | 12 680 ✓ |
| | | 7 200 ✓ |
| Dr amount wrongly credited | 4 790 ✓✓ | |
| Dr Outstanding EFT636 | 9 655 ✓ | |
| EFT 639 | 8 000 ✓ | |
| Dr. Balance according to the bank account | 4 558 See 1.2.2 ✓ | |
| | 27 003 ✓ | 27 003 |
| | For both totals | |

9

1.2.4 Explain TWO strategies that the business can use to address the problem of missing cash.

Any TWO strategies ✓✓ ✓✓

award part marks for incomplete / partial answers

Be alert to other valid alternative responses. Do not accept 'instal cameras'.

- Receiving and banking of cash should be done by different people / divide or delegate or rotate duties to prevent mismanagement of cash that can lead to missing money or theft. Division of duties is an incomplete answer (one mark).
- Request SMS notifications from the bank / check bank statements (mini statements on App) regularly – ensure correct amounts deposited.
- Outsource the transportation of cash to security companies (large amounts).
- Accompany the person in charge of depositing cash / escorted by security guard.
- Encourage customers to pay online (EFTs) / strive towards cashless or minimal cash handling.
- Do deposits regularly, at different times, using different routes for security purposes / train employees on security or emergency responses.
- Alarm systems or GPS tracking on vehicles used to transport cash.
- Background checks on staff involved with cash – reliable, trustworthy.

4

| TOTAL MARKS |
|-------------|
| 50 |

QUESTION 2

2.1

Briefly explain how the preparation of a creditors' reconciliation as an internal control measure can assist the business in managing their creditors effectively. Provide TWO points.

Any TWO relevant control measures ✓ ✓

- Errors and omissions can be detected and corrected.
- Fraud can be detected and minimised.
- The correct payment can be made to creditors.

2

2.2

CREDITORS' RECONCILIATION

| | CREDITORS' LEDGER | CREDITORS' RECONCILIATION STATEMENT |
|----------------------|-------------------|-------------------------------------|
| Balance | 130 470 | 131 900 |
| (a) | -21 100 ✓ | |
| (b) | + 5 000 ✓ | |
| (c) | | - 38 800 ✓ |
| (d) | + 1 650 ✓✓ | |
| (e) | - 2 400 ✓✓ | |
| (f) | | - 5 400 ✓✓ |
| (g) | + 3 600 ✓ | |
| (h) | | - 13 900 ✓ |
| | | - 1 280 ✓ |
| | | + 44 700 ✓ |
| (both totals) | 117 220 ☑ | 117 220 |

14

2.3

State TWO points on how the division of duties can be use to prevent similar incidents from happening in future.

Any TWO relevant point. ✓✓ ✓✓

- Have special order forms to be signed by two people(one should be senior)
- Some else must check documents and order forms regularly against deliveries.
- One placing orders must not be the one recording goods(receive orders)

4

TOTAL MARKS

20

QUESTION 3:**3.1 Give the correct concept in each of the cases:**

| | | |
|-------|----------------|---|
| 3.1.1 | debtors | ✓ |
| 3.1.2 | asset disposal | ✓ |
| 3.1.3 | asset register | ✓ |
| 3.1.4 | Depreciation | ✓ |

4

3.2.1 Explain why the asset register is an important document for internal control. Provide TWO reasons.

Any TWO reasons ✓✓ ✓✓

- It is a list of all fixed assets purchased.
- Check assets by physical asset count (inspection) and compare it against the asset register.
- Check the date of purchased/ price/ purchased from whom/ depreciation method and rate etc.

4

3.2.2 ASSET DISPOSAL

| | | | | | | | |
|-------------|---|-----------------|-------------|--------------|---|--|-------------|
| 2023 Dec | 1 | Equip- ment✓ | 36 000 ✓ | 2022 Sept | 1 | Accumulated depreciation on equipment 7 200✓ + 5 760✓ +3 456✓✓ | 16 416 ✓ |
| | | | | | | Bank ✓ | 2 000 ✓ |
| | | | | | | Loss on sale of asset ✓ | 17 584✓ |
| | | | 36 000 | | | | 36 000 |

Can be a profit. Work according to learner calculation.

11

3.2.3 L Linde decided to buy the equipment for R2 000 without informing his partner. Explain the consequences that partner Linde could be facing.

Any TWO reasons ✓✓ ✓✓

- Unethical to do this without permission from his partner, his partner may take legal action against him.
- Pay the difference back to the business/the loss can be set off against his Current Account
- Must hold him accountable for the losses suffered by the partnership.
- Open a criminal case against him. / Suspend him.

4

3.2.4

| Calculate the following amounts | |
|--|--|
| CALCULATION | ANSWER |
| <p>The balance of Land and building on 29 February 2024.</p> <p>4 800 000✓ + 750 000✓</p> <p style="text-align: right;">3</p> | <p>5 550 000✓ one part correct</p> |
| <p>Total depreciation on vehicles on 29 February 2024:</p> <p>Car 1</p> <p>300 000 – 285 000 = 15 000✓ -1✓ 300 000 x 20/100 = 60 000 BUT = R14 999✓ One part correct</p> <p>Car 2</p> <p>576 000 x 20/100 = R115 200 ✓✓</p> <p>Car 3</p> <p>1 596 000 – 876 000 720 000 x 20/100 x 3/12 = R36 000 ✓✓ one part correct</p> <p style="text-align: right;">8</p> | <p>166 199✓ one part correct</p> |
| <p>The depreciation on the NEW equipment on 29 February 2024.</p> <p>New equipment</p> <p>510 000 – 444 000 66 000✓✓ x 20/100✓ x 1/12✓</p> <p style="text-align: right;">5</p> | <p>1 100✓ one part correct</p> |

16

3.2.5

| |
|--|
| <p>Mention THREE procedures that the business can apply to improve their internal control over the vehicles.</p> <p>Any THREE internal control measures ✓✓ ✓✓ ✓✓</p> <ul style="list-style-type: none"> • Install tracking device/GPS in all the vehicles. • Keeping of logbooks to record kilometres travelled. • Keeping of key-registers, in which keys must be signed in and out by drivers. • Proper lockable garages and alarm systems to limit theft of vehicles. • Adequate insurance. |
|--|

6

TOTAL MARKS

45

Question 4: Cost Accounting and Break-even point (35 marks :20 minutes)

4.1

| | |
|--------------|--|
| 4.1.1 | Calculate the raw materials used for production. |
| | $138\,800 + 382\,000\checkmark + 11\,600\checkmark - 73\,600\checkmark = 458\,800\checkmark$ |

4

| 4.1.2 | | General ledger of Masoka manufacturers | | | |
|------------------------|--|--|--|------------------------|----------|
| FACTORY OVERHEADS COST | | | | | |
| 2023 | Factory maintenance | 26 000✓ | | Work in process stock✓ | 224 140☑ |
| | Indirect material (23 600✓+69 200✓- 16 800✓) | 76 000☑ | | | |
| | Wages(cleaner) | 30 400✓✓ | | | |
| | Rent expense | 27 840✓✓ | | | |
| | Water and electricity | 37 500✓✓ | | | |
| | Depreciation | 26 400✓ | | | |
| | | 224 140 | | | 224 140 |
| | | | | | |

14

| | | | | | |
|------------------------------|-------------------------|-----------|----------------|-----------------------|------------|
| WORK IN PROCESS STOCK | | | | | |
| 2023 Jul 1 | Balance | 31 200✓ | 2024 Jun 30 | Finished goods stock✓ | 1 001 000✓ |
| 2024 Jun 30 | Direct material cost✓ | 458 800✓ | | balance | 81 140✓ |
| | Direct labour cost✓ | 368 000✓ | | | |
| | Factory overheads cost✓ | 224 140✓ | | | |
| | | 1 082 140 | | | 1 082 140 |
| 2024 Jul 1 | Balance | 81 140 | | | |

10

4.2 Break-even point

| | |
|-------|--|
| 4.2.1 | Calculate the Break-even point achieved by Zizi. |
| | <p>R2 072 400 ✓✓</p> <p><u>22 000XR94.20</u></p> <p>R360 ✓ - R246.60 ✓</p> <p>18 275 UNITS ✓</p> |

| | |
|-------|---|
| 4.2.2 | Should Zizi be satisfied with the level of production and break-even point for 2024? Quote figures to explain your answer. |
| | <p>Yes ✓✓ ✓✓ 2 marks for each valid point</p> <p>Production increased from 20 000 units to 22 000 units by 2000 units/ by 10%</p> <p>Produced above the break-even point of 18 275 units by 3 725 units/ making profit from 3 725 units</p> |

| | | |
|-------|--|---|
| 4.2.3 | Identify TWO variable costs Zizi should be concerned about. Provide figures. In each case, give a valid solution for each problem identified. | |
| | Cost(with figures) Cost ✓ figures ✓ | Solution Solution ✓ |
| | <p>Direct labour(DLC)</p> <p>Increased from R110 to 136.70 by R26.70/buy 24.3 %</p> | <ul style="list-style-type: none"> • Train(factory) workers to be more efficient • Improve supervision • Reduce/control overtime/use casual, cheaper labour after hours • Set targets for normal time hours • Incentives/ bonuses if targets are met. |
| | <p>Direct material(DMC)</p> <p>Increased from R50 to R67.90 By R17.90/ by 40%</p> | <ul style="list-style-type: none"> • Source cheaper suppliers(without compromising quality) • Local supplier/reduce transport and storage costs • Buy in bulk to take advantage of bulk discounts • Use off cuts(by-products)/minimise wastage • Train/supervise factory workers |

| TOTAL MARKS |
|-------------|
| |
| 35 |