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# education

Department:
Education
North West Provincial Government
REPUBLIC OF SOUTH AFRICA

PROVINCIAL ASSESSMENT

**GRADE 12** 

**ACCOUNTING P2** 

**JUNE 2025** 

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**MARKS: 150** 

TIME: 2 hours

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





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# INSTRUCTIONS AND INFORMATION

Read the following instructions carefully and follow them precisely.

- 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	Reconciliations and internal controls	50	40
2	Cost Accounting	60	45
3	Inventory Valuation	40	35
TOTAL		150	120

# QUESTION 1: BANK-, CREDITORS'- AND DEBTORS' RECONCILIATION (50 marks; 40 minutes)

#### 1.1 BANK RECONCILIATION THEORY

Indicate whether the following statements are TRUE or FALSE. Write only "true" or "false" next to the question numbers (1.1.1 to 1.1.5) in the ANSWER BOOK.

- 1.1.1 A favourable balance on the Bank statement is indicated as a debit.
- 1.1.2 Credit card sales are recorded in the Debtor's journal.
- 1.1.3 Interest that is debited on the Bank statement, is recorded in the cash receipts journal.
- 1.1.4 Bank charges are automatically indicated on the credit side of the bank statement.
- 1.1.5 Bank reconciliation is part of the internal control system of your business. (5)

#### 1.2 BANK RECONCILIATION

The information relates to Calamata Traders on 30 June 2025. The business sells goods for cash and on credit.

#### REQUIRED:

- 1.2.1 Calculate the correct balance of the Bank account in the General Ledger on 30 June 2025. Indicate whether this balance is favourable or unfavourable. (15)
- 1.2.2 Compile the Bank reconciliation statement on 30 June 2025. (6)
- 1.2.3 Assume that the charge on credit card sales is a 4% charge.Calculate the total credit card sales for the month. (2)

## 1.2.4 Refer to Information F.

Explain TWO internal control measures that the business should implement to ensure that this does not happen in the future. (2)

# INFORMATION:

# A. Extract from the Bank Reconciliation Statement on 30 May 2025.

nni	Debit	Credit
Balance according to Bank Statement	8 520	
Outstanding deposits not yet recorded:		
12 May 2025		24 000
31 May 2025		12 760
Outstanding EFTs:		
No. 71, 28 May 2025	7 880	
No. 73, 15 May 2025	15 400	
Balance according to Bank account	4 960	
	36 760	36 760



- **B.** The provisional totals in the cash journals before being compared with the Bank Statement: CRJ R325 000 and CPJ R290 000.
- **C.** Items included in the June 2025 bank statement, but not in the journals:
  - Outstanding deposit, R12 760.
  - EFT 71 for R7 880.
  - Sales to customers who paid by credit card, R15 300.
  - Service fees, R230.
  - Credit card charges, R1 050.
  - Interest on overdraft, R130.
  - Direct deposit by a tenant for rent, R5 900.
  - Cash withdrawal by debit card, R3 600.
  - Interest on savings account, R430. (not capitalised)
  - A direct payment made by Calamata Traders, R4 140 to a creditor.
  - A direct payment in favour of Calamata Traders from a debtor, R12 000.
  - Debit orders to service providers, R17 200.
- **D.** Items that appeared only in the cash journals:
  - Deposit dated 30 June 2025
     R30 400.
  - EFT 121 dated 29 June 2025 R19 200.
  - EFT 122 dated 30 June 2024 R4 700.
- **E.** The following differences were noted:
  - EFT 73 dated 15 May 2025 for R51 400 appeared on the bank statement, but the CPJ incorrectly reflects this as R15 400.
  - The bank informed Calamata Traders that there had been a transfer of R19 740 to them in error.
- F. The outstanding deposit of R24 000 on 12 May 2025 still does not appear on the June Bank Statement. An investigation revealed that this money was never deposited. The cashier disappeared. This outstanding amount must be written off.
- G. The closing Bank Statement balance on 30 June 2025 was favourable, R 480.

# 1.3 CREDITORS RECONCILIATION

The information relates to Smith Traders for June 2025.

#### REQUIRED:

1.3.1 Give TWO reasons why it is important for the business to prepare the Creditors Reconciliation Statement every month. (2)

1.3.2 Calculate the correct Creditors Control Account balance after taking into account the errors and omissions. (6)

1.3.3 Calculate the correct balances for creditors Hunt Wholesalers and Tiger Wholesalers, taking the errors and omissions into account.

(10)

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#### INFORMATION:

# A. Balances and totals on 30 June 2025:

Creditors Control Account in the General Ledger	R32 640
List of Creditors:	
Hunt Wholesalers	R16 580
Tiger Wholesalers	R24 620
Blackwood Manufacturers	0

## B. ERRORS AND OMISSIONS

- (i) The Creditors control column in the Creditors journal was understated by R5 020.
- (ii) A credit invoice for trading inventory on 28 June 2025 for R12 800 purchased from Hunt Wholesalers was not recorded.
- (iii) A payment of R3 150 to Tiger Wholesalers was posted as an invoice in the Creditors ledger. The CPJ was correct.
- (iv) A debit note of R1 280 for goods returned to Hunt Wholesalers was wrongly recorded in the Creditors Journal, and posted accordingly to the General Ledger. Posting from the document to the Creditors ledger was done correctly.
- (v) VAT of R1 720 was omitted on an invoice received from Hunt Wholesalers.
- (vi) Equipment purchased on credit from Blackwood Manufacturers, R4 900, was mistakenly transferred to the account of Tiger Wholesalers.
- (vii) An invoice for R3 575 from Hunt Wholesalers was wrongly transferred as R3 375 to their account in the Creditors ledger.

#### 1.4 DEBTORS- AGE ANALYSIS

Explain in detail the purpose of preparing a debtor's age analysis. State TWO points. (2)

(2)

# QUESTION 2: PRODUCTION COST STATEMENT, GROSS PROFIT AND UNIT COSTS (60 marks, 45 minutes)

Current Ltd builds inverters to sell to households and small businesses throughout Africa. The financial year ends on 30 June 2025.

# REQUIRED:

Calculate the cost of the imported raw materials. (adjustment 5) (3)2.2 Prepare the following: 2.2.1 Production cost statement for the year ending 30 June 2025. 2.2.2 Notes: Direct material costs (10)Factory overhead cost (11)Cost of finished goods sold. (4) 2.3 Calculate the gross profit for the year ending 30 June 2025. (3) 2.4 Calculate the following: 2.4.1 The unit cost of each inverter; rounded to the nearest rand. (3)2.4.2 The selling price of each inverter. (3)2.4.3 Calculate the break-even point and comment on it. (7)2.5 Give TWO reasons why you would advise Current Ltd to support local suppliers. (2)2.6 The owner of Current Ltd. is not satisfied with the profit he is making. Currently there is an enormous demand for inverters in the country which the industry cannot supply. The owner found an alternative supplier of raw materials for the manufacturing of the inverters. This supplier is much cheaper, but they are not approved by the Electricity Board as the safety of the material cannot be guaranteed. The owner calculated that he would be able to cut his direct material costs by around 40% by using the alternative material. Since the demand is so high and people will buy whatever they

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can find, he decided to take this option. Do you agree with him? Explain

the possible implications of his decision on his business.

#### INFORMATION:

		7
Stock on 1 July 2024:	Raw material inventory	R120 000
10000	Work-in-Process inventory	240 000
E E E E E E E E E E E E E E E E E E E	Finished goods inventory	616 080
long	Consumables on hand	15 000
Transactions during the	year:	
Consumables purcha	ased for cash	70 000
Raw materials purch	ased	420 000
Carriage paid on raw	materials	39 000
Raw materials issued	d during the year	492 000
Factory wage	1.00	396 000
Factory manager sal	ary	120 000
Electricity: factory		18 000
Maintenance on fact	ory equipment paid	48 000
Medical fund contribu	utions for factory workers	78 000
Rental expense		120 000
Depreciation on factor	ory equipment	70 200
Administration costs		82 170
Selling and distribution	on costs cs.com	452 640
Sales		3 600 600

#### ADJUSTMENTS:

1. The following stock was on hand on 30 June 2025:

Work-in-process stock
Finished goods inventory
Consumables on hand
Raw materials stock
82 000
120 600
8 000
?

- 2. The factory's wage journal for June 2025 has not yet been posted. Gross wages are R39 600, and the employers' medical aid contributions to the medical aid are R7 200.
- 3. An electricity amount is still outstanding, R9 000. Electricity must be divided between the factory, administration, sales and distribution, in the ratio 4:1:1.
- 4. All rent has been paid for the year but the factory rent of R10 000 per month has been increased by 8% p.m. from 1 January 2025. The bookkeeper forgot to process the increase for January to June.
- A shipment of raw material imported from China was delivered on 30 June 2025. No entry was made. The cost was as follows:

The exchange rate: ¥ 1 = R18,12 Cost of raw materials: ¥ 5 000 Freight charge on purchases: ¥ 800

Import duty: 10% of the raw material cost

6. Total units produced: 780
7. Total units sold: 850
8. The variable cost per unit R1 125

60

QUESTION 3: STOCK VALUATION (40 marks; 35 minutes)

# 3.1 CONCEPTS

Choose ONE term for each of the following descriptions by using the term provided in the list below. Write only the term next to the question numbers (3.1.1 to 3.1.3) in the ANSWER BOOK.

first in first out (FIFO), perpetual inventory system; periodic inventory system, weighted average method; specific identification method

- 3.1.1 This inventory system is more suitable for low value goods that are purchased in bulk.
- 3.1.2 This method of inventory valuation assigns a unique or individual value to each inventory item.
- 3.1.3 This method assumes that inventory is sold in order of purchase date. (3)

#### 3.2 MY VELLIES

The information relates to My Vellies. The business sells one type of ostrich leather vellies. The financial year ends on 28 February 2025. The company uses the weighted-average method for inventory valuation and the periodic inventory system.

#### REQUIRED:

Calculate the following for the year ending 28 February 2025:

- 3.2.1 The value of the closing inventory using the weighted average method. (7)
- 3.2.2 Number of units of missing inventory. (4)
- 3.2.3 The average inventory holding period (in days). (5)
- 3.2.4 The value of the closing inventory using the FIFO method. (5)
- 3.2.5 The owner feels that it is better for the business to use the periodic inventory system rather than the perpetual inventory system. Briefly explain the difference between the two systems. (4)

# INFORMATION:

#### A. Stock:

Date	Pairs of vellies	Total value (including carriage)
1 March 2024	520	R320 770
28 February 2025	325	?

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## B Purchases:

Date	Pairs of vellies	Cost price per pair	Total purchases	Carriage on purchases per pair	Total cost (including carriage)
1000		R	R	R	R
31/05/2024	460	650	299 000	18	307 280
01/08/2024	700	680	476 000	18	488 600
15/10/2024	500	710	355 000	30	370 000
01/02/2025	300	725	217 500	30	226 500
TOTAL	1960		1 347 500	norephysics.	0 1 392 380

#### C. Returns

Thirty pairs of vellies from the purchases on 1 February 2025 were not of high quality. It was returned to the supplier. The business account was credited with R22 650 (including carriage on purchases, according to the agreement).

## D. Sales

2 115 pairs of vellies were sold during the financial year for R2 961 000. The selling price was kept constant at R1 400 per pair.

# 3.3 QUICK FRY

Julia Mthembu invested in the latest "smart" air fryers and has opened three shops in shopping malls over the North West province to sell these air fryers. The three shops are managed by Miyaz Moola, Daleen Coetzee and Themba Ndaba. Julia has obtained the annual figures from the three shops for the financial period ending 28 February 2025.

#### REQUIRED:

Identify ONE problem in relation to each shop and a solution to solve the problem. Quote figures to substantiate your point.

(12)

#### INFORMATION:

	Klerksdorp	Potchefstroom	Vryburg
Air fryers for sale	300 units	500 units	350 units
Sales for the year	175 units	400 units	350 units
Stock 28/02/2025	225 units	75 units	Nil
Cost price per air fryer	R4 500	R4 500	R4 500
Sales price per air fryer	R6 500	R6 500	R6 500
Rent for the year	R520 000	R230 000	R180 000
Advertisements per year	R80 000	R40 000	R100 000
Salary of manager	R20 000 p.m.	R20 000 p.m.	R20 000 p.m.

40

**TOTAL: 150** 





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GRADE 12 ACCOUNTING FINANCI	AL INDICATOR FORMULA SHEET
Gross profit x 100 Sales 1	Gross profit x 100 Cost of sales 1
Net profit before tax x 100 Sales 1	Net profit after tax x 100 Sales 1
Operating expenses x 100 Sales 1	Operating profit x 100 Sales 1
Total assets : Total liabilities	Current assets : Current liabilities
(Current assets – Inventories) : Current liabilities	Non-current liabilities : Shareholders' equi
(Trade & other receivables + Cash &	cash equivalents) : Current liabilities
Average trading stock x 365  Cost of sales 1	Cost of sales Average trading stock
Average debtors x 365 Credit sales 1	Average creditors x 365 Cost of sales 1
Net income after tax x 100  Average shareholders' equity 1	Net income after tax x 100 Number of issued shares 1 (*See note below)
Net income before tax - Average shareholders' equity + Ave	+ Interest on loans x 100 erage non-current liabilities 1
Shareholders' equity x 100 Number of issued shares 1	Dividends for the year x 100 Number of issued shares 1
Interim dividends x 100 Number of issued shares 1	Final dividends x 100 Number of issued shares 1
Dividends per share x 100 Earnings per share 1	Dividends for the year x 100  Net income after tax 1
<u>Total fixed</u> Selling price per unit – Va	20 10 10 10 10 10 10 10 10 10 10 10 10 10

- 2. Credit purchases may be used instead of cost of sales (figure will be the same if stock is constant).
- 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.

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# **PROVINCIAL ASSESSMENT**

# **ACCOUNTING P2**



# SPECIAL ANSWER BOOK

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Question	Topic	Maximum Marks	Marks Awarded	Moderator	Moderator
1	Reconciliations	50			
2	Cost Accounting	60			
3	Inventory systems	40			
	Total	150			

This answer book consists of 11 pages.

# QUESTION 1: BANK AND CREDITOR RECONCILIATION, DEBTORS- AGE ANALYSIS AND INTERNAL CONTROL.

True or false: 1.1.1 1.1.2 1.1.3 1.1.4 1.1.5 5	11	BANK	RECONCILIATION T	HEORY			
1.1.2 1.1.3 1.1.4 1.1.5  1.2 BANK RECONCILIATION 1.2.1 CRJ Provisional total 325 000 Provisional total 290 000 310morephysics.com	Ī			EOIK!			
1.1.3 1.1.4 1.1.5  1.2 BANK RECONCILIATION  1.2.1 CRJ CPJ Provisional total 325 000 Provisional total 290 000	n	1.1.1					
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1.2.1 CRJ Provisional total 325 000 Provisional total 290 000		1.1.5					
1.2.1 CRJ Provisional total 325 000 Provisional total 290 000			Now the				5
1.2.1 CRJ Provisional total 325 000 Provisional total 290 000	12	BANK	RECONCILIATION				
Provisional total 325 000 Provisional total 290 000	1.2	DANK	RECONCILIATION				
Stanmorephysics.com		1.2.1		700			
			Provisional total	325 000	Provisional total	290 000	ļ
Balance per bank account at the end of June 2025.			Stanmorephysics.c	om			
Balance per bank account at the end of June 2025.							
Balance per bank account at the end of June 2025.					-		
Balance per bank account at the end of June 2025.							
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Balance per bank account at the end of June 2025.							
Balance per bank account at the end of June 2025.					8		
Balance per bank account at the end of June 2025.							
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Balance per bank account at the end of June 2025.							1
			Balance per bank a	ccount at the	end of June 2025.		
			•				
11.45							45

1.2.2 Bank reconciliation statement on 30 June 2025

		Credit	g :
Stanmor	rephysics	com.	5
			8
	7		C)
			80 E
			Ę

1.2.3 Calculate the total credit card sales for the month.

WORKINGS	ANSWER	
Stanmorephysics.com		
	l lr	
		0.000
		2

1.2.4	Refer to Information F. Suggest TWO internal controls to
	ensure this does not happen again in the future.

ensure this de	es not hap	pen again ir	the future	9.	

1.3 **CREDITORS RECONCILIATION** 

Give TWO reasons why it is important for the company to 1.3.1 prepare the Creditors Reconciliation Statement.

Calculate the correct Creditors Control Account balance after 1.3.2 taking into account the relevant errors and omissions.

Dr.	Creditors Control	Cr.	
Stanmorephysics.com			
	'		
	The Control of the Co		6

1.3.3 Calculate the correct balances of creditors taking into account errors and omissions.

CREDITOR	WORKINGS	BALANCE
Hunt Wholesalers	16 580	
Tiger Wholesalers	24 620	
Blackwood	3.63.60111	
Manufacturers		

# 1.4 DEBTORS-AGE ANALYSIS

1.4.1	Explain in detail the purpose of preparing a debtor's age analysis. State TWO points.	
		2
	50	
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# QUESTION 2: PRODUCTION COST STATEMENT, GROSS PROFIT AND UNIT COSTS.

2.15	Cost of shipment of imported raw materials		
$\pi$	Cost price:		
In	Carriage on purchases:		
In	Import duties:		3
=		1 9 3 2	
2.2.1	Production cost statement for the year ending 30 Ju	ne 2025	
	Direct labour (396 000		
	Primary costs		
	Total manufacturing cost		
	Work-in-process at the beginning of the year		
	The state of the s		
	Production cost of finished goods		12
	Stanmorephysics.com		
2.2.2	Direct material costs		
	Takal assaksatal assak		
	Total material cost		10
		<u></u>	
	Factory overheads		
	Consumables (15 000		
	Maintenance	48 000	
		,	
	Factory overhead cost		11

	Cost of finished goods sold	
0	Opening Balance of Finished Goods	
	0001	
1		
6	Closing Balance of Finished Goods	
4	Grand State of America Seeds	
4		4
	Stanmorephysics.com	<del>.</del>
2.3	Calculate the gross profit for the year ending 3	0 June 2025.
	NWW To the second	
		3
2.4	Calculations:	
	2.4.1 Unit cost of producing each inverter. (R rand).	ound off to the nearest
	rand).	1
		3
	2.4.2 Selling price of one inverter: (Round of	f to the nearest rand).
		I

	2.4.3 Calculate the break-even point and comment on it:	•
	Comment:	
		7
2.5	Give TWO reasons why the business should support local suppliers.	_
	Reasons:  Stanmorephysics.com	
		_ 2
2.6	The owner of Current Ltd is not satisfied with the profit he is making. The owner found an alternative supplier of raw materials. Discuss his decision and what the implications of this may be on the business.	7
		2
'		ja ja
	60	

# **QUESTION 3**

3.1⊊	CONCEPTS
- 1	

	the ter	se ONE term for each of the following descriptions by using rm in the list below. Write only the term next to the question er (3.1.1 to 3.1.3) in the ANSWER BOOK.	
#	3.1.1		
_	3.1.2		
	3.1.3		3
3.2	MY VE	LLIES	
	3.2.1	Calculate the value of the closing inventory using the weighted average method.	_
		Stanmorephysics.com	
			7
	3.2.2	The missing units of inventory.	_
			4
	3.2.3	The average inventory holding period (in days).	
			5

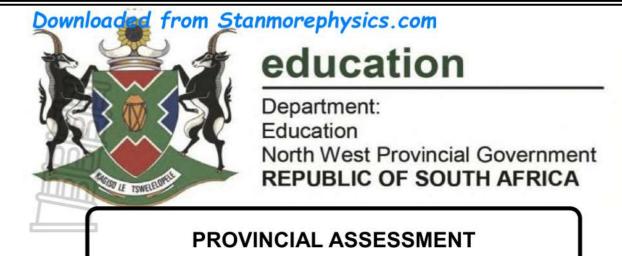
3.2.4	The value of the closing inventory using the FIFO method.	
3.2.5	The owner feels that it is better for the business to use the periodic inventory system rather than to use the perpetual inventory system. Briefly explain the difference between the	5
	two systems.  Stanmorephysics.com  Stanmorephysics	.com

# 3.3 QUICK FRY

Identify ONE problem in relation to each shop, quoting figures to explain the problem. In each case suggest to Julia how she could solve the problem.

problem.	2.2.	
KLERKSDORP	- Miyaz Moola	
Problem	Explanation	Solution to problem
DOTCHEESTRO	DOM - Daleen Coetzee	
Problem	Explanation	Solution to problem
	norephysics.com	Colution to problem
VRYBURG – Th	nemba Ndaba	
Problem	Explanation	Solution to problem

Total: 150



**GRADE 12** 

# ACCOUNTING/P2 JUNE 2025 FINAL MARKING GUIDELINES

**MARKS: 150** 

#### MARKING PRINCIPLES:

- 1. Unless otherwise stated in the marking guideline, penalties for foreign items are applied only if the candidate is not losing marks elsewhere in the question for that item (no penalty for misplaced item). No double penalty applied.
- 2. Penalties for placement or poor presentation (e.g. details) are applied only if the candidate is earning marks on the figures for that item.
- 3. Unless otherwise stated, full marks for correct answer. If answer is 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 the marking guidelines 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 and at least one part must be correct before awarding the mark.
- 10. Operation means 'check operation'. 'One part correct' means operation and one part correct. Note: check operation must be +, -, x, ÷, or per memo.
- 11. In calculations, do not award marks for workings if numerator & denominator are swapped- this also applies to ratios.
- 12. In awarding method marks, ensure that candidates do not get full marks for any item that is incorrect at least in part. Indicate with a ⊠.
- 13. Be aware of candidates who provide valid alternatives beyond the marking guideline. Note that one comment could contain different aspects.
- 14. Codes: f = foreign item; p = placement/presentation.
- 15. This memorandum is not for public distribution, as certain items might incorrect treatment. The adjustments made are due to nuances in certain questions.

These marking guidelines consist of 11 pages.

# QUESTION 1: BANK AND CREDITOR'S RECONCILIATION, DEBTORS' AGE ANALYSIS AND INTERNAL CONTROL.

# 1.1 BANK RECONCILIATION

Innat

1.1.1	False 🗸
1.1.2	False 🗸
1.1.3	False 🗸
1.1.4	False 🗸
1.1.5	True <b>✓</b>

5

# 1.2 BANK RECONCILIATION

1.2.1	CRJ		CPJ	
	Provisional total	325 000	Provisional total	290 000
	Credit card sales	15 300✓	Bank charges arrow (230 + 1 050)	1 280
	Direct deposit rent	5 900✓	Interest overdraft	130✓
	Interest on savings acc	s.com 430 ✓	Cash withdrawal	3 600✓
	Electronic transfers	12 000√	Electronic payments	4 140
			Debit orders	17 200✓
			Correct error EFT 73 (51 400 – 15 400) arrow + both	SIC5.COM 36 000√
			Deposit cancelled	24 000✓
		358 630		376 350

Balance per bank a	count at the end of Ju	ne 2025.	<b>Operation</b>
4 960 ✓+ 358 630 ☑	See 1.2.1 – 376 350 ☑	See 1.2.1	(12 760) 🗹
			Must indicate or

Must indicate cr bal with ( ) or unfavourable

# 1.2.2 Bank Reconciliation Statement on 30 June 2025

	Debit	Credit
Cr. balance as per bank statement		480✓
Cr outstanding deposit		30 400✓
Dr outstanding EFT's No 121 No 122	19 200 <b>√</b> 4 700 <b>√</b>	
Dr correction of error	19 740✓	
Cr balance as per bank account	See 1.2.1	12 760☑
If balance is favourable in 1.2.1 it must be debit in BRS. If a figure appear on both sides, no mark = guessing	43 640	43 640

6

15

1.2.3 Calculate the total credit card sales for the month.

401	WORKINGS	ANSWER	
1 050 x 100/	4	26 250✓✓	2

- 1.2.4 Refer to Information F. Suggest TWO internal control measures that the business should implement to ensure that this will not happen again in the future. ✓ ✓ Any two
  - Create a policy for depositing cash on a daily basis.
  - This matter should have been followed up in May do monthly reconciliations.
  - Division of duties. one person serves as a check on another.
  - Request notification from bank for transactions (sms/email).
  - Ask debtors to pay via EFT.
  - Outsource the banking of cash to a transit company.

2

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## 1.3 CREDITORS RECONCILIATION

- 1.3.1 Provide TWO reasons why it is important for the business to prepare the Creditors' Reconciliation Statement.
  - It helps to identify differences between the balance in the statement (external document) and the balance in the business' records (internal document)
  - It helps to detect fraud, errors and omissions.
  - It is an internal control measure.

2

1.3.2 Calculate the correct Creditors' Control Account balance after taking into account the relevant errors and omissions.

Dr.		s' Control	Cr
Debit note (1 280 Bala	49 620 52 180	Balance b/d Sundry purchases Hunt Wholesalers VAT	32 640 5 020 12 800 1 720 52 180
Stanmon	ephysics.com	Balance	49 620

6

1.3.3 Calculate the correct balances of creditors Hunt Wholesalers and Tiger Wholesalers, taking into account errors and omissions.

CREDITOR	WORKINGS	BALANCE	
Hunt Wholesalers	<b>16 580</b> + 12 800✓ +1 720✓ + 200 ✓	31 300*☑	
Tiger Wholesalers	(-3 150 One mark - 3 150 One mark) 24 620 - 6 300 ✓ - 4 900 ✓	13 420*☑	
Blackwood Manufacturers	<b>0</b> + 4 900	4 900 🗸	
	Эсанногерну	49 620*☑	

10

\*Operation One part correct

# 1.4 DEBTOR'S AGE ANALYSIS

- 1.4.1 TWO points to describe the purpose of drawing up a debtors' age analysis.

  Use full descriptive sentences. 

  Any two
  - To determine whether debtors are paying their accounts in the stipulated period according to their credit terms (usually 30 days credit terms).
  - Internal control tool to indicate overdue accounts and charge interest on overdue accounts of debtors.
  - To check that debtors do not exceed their credit limit and to review Debtors credit limits.
  - Serves as a reminder to send sms's to remind debtor's.
  - Identify debtors who should not be allowed additional credit sales until account is up to date.

TOTAL MARKS
50
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2

# QUESTION 2: PRODUCTION COST STATEMENT, GROSS PROFIT AND UNIT COSTS.

2.1	Cost of consignment imported raw materials			
	Cost price: 5 000 x 18,12		90 600✓	
	Carriage: 800 x 18,12		14 496✓	
	Import duties: 90 600 x 10%		9 060✓	3
	AND THE PROPERTY OF THE PROPER	-		
2.2.1	Production cost statement for the year ended 30	June 2025		
	Direct material	See 2,2.2	492 000☑	
	Direct labour (396 000 + 39 600 ✓ + 7 200 ✓ + 78 00	00✓)	520 800₫	
	Prime cost	Operation	1 012 800☑	
	Factory overhead costs	See FOC note	464 000☑	
	Total manufacturing	Operation	1 476 800☑	
	Work-in-process at the beginning of the year	La Taranta di Amerika	240 000✓	
		Operation enhance	1 716 800☑	
	Work-in-process at the end of the year	этогерга	(82 000)✓	
	Cost of production of finished goods	Operation	1 634 800☑	12
	Stanmorephysics.com			=
2.2.2	Notes to the Production cost statement:			
	Direct materials cost			
	Opening stock		120 000✓	
	Purchases (420 000 <b>✓</b> + 90 600 <b>☑</b> )	See 2.1	510 600☑	
	Carriage on purchases (39 000 ✓+ 14 496☑)	See 2.1	53 496☑	
	Import duties	See 2.1	9 060☑	
			693 156	
	Closing stock Balancing figure	, must be in brackets	(201 156)☑	
	Cost of raw material		492 000✓	10
	Factory overheads costs	3		
	Consumables (15 000 - 8 000 ✓ + 70 000 ✓) (Must have	ve - 8 000 or +70 000)	77 000☑	
		one part correct)	24 000☑	
	Maintenance		48 000✓	
		s one part correct)	124 800☑	
	Rent expense (120 000 + [6(10 000 x 8%)✓]			
	Depreciation		70 200✓	
	Factory manager salary		120 000✓	
		One part correct	464 000☑	11
	Cost of finished goods sold			
	Opening balance of finished goods		616 080✓	
	Cost of finished goods manufactured	See 2.2.1	1 634 800☑	
			2 250 880	-
	The state of the s		(120 600)✓	
	Final balance of finished goods		(120 000)	

3

3

#### 2.3 Calculate the gross profit for the year ended 30 June 2025.

Sales	2	3 600 600✓	
Cost of sales	See cost of finished goods	(2 130 280)☑	
Gross profit	Operation and one part correct	1 470 320☑	3

# CALCULATIONS:

2.4.1	Unit cost to manufacture each inverter. (Round off to the nearest Rand).	
	1 634 800 ☑ See 2.2.1	
	780✓	
	= 2 095,90	
	= R2 096☑ One part correct	
2.4.2	Selling price of one inverter:	

3 600 600	1
850 🗸	Stanmorephysics.com
= R4 236	/

#### 2.4.3 Calculate the break-even point and comment on it:

```
See 2.2.2 FOC
464 000 ☑ + 82 170 ✓
                                   (546170)
 4 236 ☑ – 1 125 ✓
                                    (3111)
See 2.4.2 Selling price
=175,56 or 176 units ✓ One part correct
```

# Comment:

- The business produced 780 units; this is 604 above BEP 176 units.
- The business sold 850 units; this is 674 above the BEP 176 units.
- The business will make a profit on 674 units. ✓✓

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# 2.5 Give TWO reasons why the business should support local suppliers.

Reasons: (Any TWO relevant reasons.) ✓ ✓

- No import charges will be paid.
- Prices more stable as price not influenced by fluctuations in exchange rates.
- Creates more employment opportunities to people from the country.
- GDP enhances and it helps small developing businesses
- It improves standard of living.
- No transport delays in case of emergency orders.
- Recommendation King Code.
- Enhance triple P effect (people, planet and profit).
- Money stays in the country and improves exchange rate.
- · Less crime if employment increases.
- Goodwill of the community (Ubuntu) / Good image of business.

2.6 The owner of Current Ltd is not satisfied with the profit he is making. The owner has found an alternative supplier of raw materials. Discuss his decision and what the implications of this could be.

(Any TWO relevant reasons)

- It is vital that the goods must be the same quality.
- The company may lose its license as the new supplier is not approved by the Electricity board.
- Expect returns if the quality is not good.
- Will the after sales service be efficient?
- The new supplier must be reliable and deliver on time.

TOTAL MARKS

60

# **QUESTION 3**

3.1	CONCEPT:	Give ONE	term for	each of t	he following	descriptions.
-----	----------	----------	----------	-----------	--------------	---------------

3.1.1	Periodic inventory system ✓	
3.1.2	Specific identification method ✓	
3.1.3	First in first out (FIFO) ✓	3

# 3.2 MY VELLIES

# 3.2.1 Calculate the value of closing stock using the weighted-average method.

```
( 1 690 500)

320 770 ✓ + 1 392 380 ✓ - 22 650 ✓

(520 ✓ + 1 960) ✓ - 30 ✓

1 690 500 3 marks

2 450 3 marks

= 690 x 325 = R224 250 ✓ one part correct and multiply with 325 closing stock
```

# 3.2.2 The missing units of stock.

# 3.2.3 The average stock-holding period (in days).

# 3.2.4 The value of the closing stock by using the FIFO method.

```
(300 – 30) (725 + 30) Include carriage of R30

270 ✓ x R755 = R203 850 ☑

325 – 270 (710 + 30) Include carriage of R30

55 ☑ x R740 = R40 700 ☑

Total: R244 550 ☑ If carriage was not included, forfeit the final method mark
```

# 3.2.5 Perpetual/Periodic Inventory System.

- The perpetual inventory system the cost of sales is recorded with every sales transaction ✓ and the balance of trading stock is adjusted on a continuous basis ✓ during the year.
- With the periodic inventory system, the <u>cost of sales is only calculated at</u>
  <u>the end of the year</u> ✓according to the <u>physical stock take</u>. ✓

3.3

Grade 12 - Marking Guidelines

QUICK FRY: Solution must match the problem Be vigilant for explanation in problem column KLERKSDORP - Miyaz Moola Problem + figure two marks Explanation One mark Solution to problem One mark Inadequate sales Units sold is much Sales personnel need to go 6 500 x 175 = 1 137 500 for training in selling skills. less in comparison or with Potch and Change Miyaz's contract that Only 175 units sold his salary is directly linked to Vryburg. the number of units sold. 300 units in stock only Almost half the Buy less stock. 175 sold. stock is unsold Too much money locked up in stock that can be used more effectively. and negatively affect liquidity. Advertising cost Advertising expenses Advertising campaign must be R80 000. is too high, seems improved, change the ineffective as total advertising medium to increase tanmorep sales are very low. sales. Rent too high R520 000. Too high compared to Move to more affordable other branches premises. Surplus stock 225 units Closing stock shows Better management and and excess, which internal control. means that bookkeeping is wrong. **POTCHEFSTROOM -Daleen Coetzee** Problem **Explanation** Solution to problem Trading stock 500 25 units missing. Internal control over stock sales 400 should be improved with closing stock should regular stock taking and be 100 units. better security like cameras. beepers and security guards. Daleen must be held responsible for stock losses. VRYBURG - Themba Ndaba Problem **Explanation** Solution to problem Inadequate stock 350 Keep higher stock levels not Losing customers units available 350 units to disappoint customers due to lack of stock. sold. No units left, customers will go to

TOTAL	MARKS
4	10

competitors.

Total: 150