education
MPUMALANGA PROVINCE
REPUBLIC OF SOUTH AFRICA

NATIONAL SENIOR CERTIFICATE

GRADE 12

ACCOUNTING P2

SEPTEMBER 2025

MARKS: 150

TIME: 2 hours

This question paper consists of 15 pages, a formula sheet and a 10-page answer book.

KEEP THIS PAGE BLANK.

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 the 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	35	25
2	Stock Valuation	35	25
3	Cost Accounting	40	35
4	Budget	40	35
TOTAL		**150**	**120**

QUESTION 1: RECONCILIATIONS **(35 marks;25 minutes)**

1.1 State whether the statements below are TRUE or FALSE. WRITE only TRUE or FALSE next to the question number (1.1.1 – 1.1.3) in the ANSWER BOOK.

1.1.1 Bank Reconciliation Statement is prepared by the bank.

1.1.2 Bank column of the CPJ is always transferred to the debit side of the Bank Account in the general ledger.

1.1.3 Bank Reconciliation Statement is prepared to reconcile the Bank balance as shown on the Cash Book and the balance shown on the Bank Statement. (3)

1.2 **BANK RECONCILIATION**

The information relates to Pritt Traders on 31st August 2025.
The business receive the official bank statement on the 27th of each month.

REQUIRED:

1.2.1 Use the table provided in the ANSWER BOOK to calculate the totals of the Cash Journals on the 31st of August 2025. (6)

1.2.2 Prepare the Bank Reconciliation Statement on the 31st of August 2025. (7)

1.2.3 Refer to the outstanding deposit on 15 July 2025:

- State the GAAP principle that applies to this decision. (1)
- Explain TWO procedures, besides division of duties, to be implemented to prevent such a loss in future. (4)

INFORMATION:

A. Extract from the Bank Reconciliation Statement on 31 July 2025.

Outstanding deposits:	
15 July 2025	29 500
30 July 2025	11 605
Outstanding EFT's:	
No. 141	4 200
No. 142	7 500

NOTE:

- The outstanding deposit of R11 605 and EFT, no 141, appeared on the bank statement for August 2025.
- EFT No. 142 appears on the bank statement correctly as R6 100 on the bank statement of August 2025.
- The outstanding deposit of R29 500 on 15 July 2025 was never deposited. It was stolen and must be written off.

B. Provisional totals for Cash Journals on 31 August 2025 are as follows:

Cash Receipts Journal (CRJ)	R369 000
Cash Payment Journal (CPJ)	R286 500

C. A comparison of the August 2025 Bank Statement with the Cash Journals revealed the following:

(i) Service fee, R350.

(ii) A debit order to the City Municipality for R16 500 for water and electricity.

(iii) The direct deposit was received from a debtor DE Witt, R4 600 in settlement of her account of R5 000.

(iv) EFT no 301, R1 300 in favor of Zwane Traders was duplicated in error in the bank Statement. The Bank will rectify it on the following month.

D. The following entries appeared in the August 2025 Cash Journals but did not appear on the Bank Statement for August 2025:

- A deposit of R12 000 from cash sales on the 31st August 2025.
- EFT no. 189 for R7 660
- EFT no. 200 for 3 510

E. The Bank Statement showed a favorable balance of R33 000 on 27 August 2025.

1.3 CREDITORS RECONCILIATION

Pure Traders buys goods on credit from Pros Suppliers.

REQUIRED:

1.3.1 Use the table provided in the ANSWER BOOK to show changes to the Creditors Ledger account of Pros Suppliers in the books of Pure Traders and the statement of account received from Pros Suppliers, to take into account the differences identified.

Indicate with a '+' or '-'next to each amount. (10)

1.3.2 The internal auditor insists that direct payments (EFT) must be used to pay suppliers.

- Provide one reason to support her decision. (2)
- Provide one internal procedure to ensure control over this system. (2)

INFORMATION:

A. Creditors ledger of Pure Traders:

PROS SUPPLIERS

DATE		DETAILS	DEBIT	CREDIT	BALANCE
2025	1	Balance			67 500
Aug	10	Invoice 209		81 000	
		EFT	33 750		
	17	Debit note 674	8 640		
		Invoice 282		40 950	
		Invoice 301		25 000	
	21	Invoice 360		50 250	
	24	Debit note 995		8 100	
	25	Journal voucher 570	5 400		
	31	EFT	77 190		147 820

B. Statement of account from Pros Suppliers

PURE TRADERS
103 Mevas Road

24 February 2025

DATE		DETAILS	DEBIT	CREDIT	BALANCE
2025	1	Balance			67 500
Aug	10	Invoice 209	81 000		
		Receipt 695		33 750	
	17	Credit note 741		6 840	
		Invoice 301	25 000		
	21	Invoice 360	20 250		
	24	Credit note 811		8 100	145 060

C. Differences note:

(i) The incorrect entry for debit note 674 in the creditor's ledger account of Pros Suppliers related to the Credit note 741 on the statement. The statement of account is correct.

(ii) Invoice 282 was incorrectly reflected in the account of Pros Suppliers in the creditor's ledger. The goods were purchased from Pres Suppliers.

(iii) Invoice 360 was incorrectly recorded on the Statement from Pros Suppliers. The amount on the creditor's ledger is correct.

(iv) Pros Suppliers also purchased goods on credit from Pure Traders, Pure Traders has transferred a debit balance from the ledger (Journal voucher 570). Pros Suppliers will offset this on the next statement.

(v) The transaction on 24 August 2025 is for merchandise returned to Pros Suppliers.

(vi) The statement reflects transactions up to 24 August 2025.

35

QUESTION 2 : INVENTORY EVALUATON **(35 marks: 25 minutes)**

Apple Squash is the majority shareholder and the CEO of SM Furniture's Ltd. The company supplies guest houses with bedroom suits and kitchen sets.

The periodic inventory system is used. The year ended on 31st July 2025.

REQUIRED:

BEDROOM SETS

Refer to Information A, B, C and D:

2.1 Calculate the value of closing stock for bedroom sets on 31 July 2025 using the First-in-First out method (FIFO). (6)

2.2 In 2025, the company decided to extend the target market and to grant trade discounts to increase sales.

2.2.1 Calculate the % mark-up achieved in 2025. (4)

2.2.2 Provide TWO points (with figures) to prove that this decision achieved its aims. (4)

2.2.3 The CEO feels that this decision also negatively affected the company.

- Provide TWO points (with figures) to support his opinion. (4)
- Give the directors advice to solve this problem. Explain TWO points. (4)

KITCHEN SETS

Refer to Information E:

2.3 During February 2025, while Apple was in hospital, D.S Martin (the chief financial officer) decided to include kitchen sets in their product range. He was able to secure bulk discounts from Bova Store on two kitchen sets, namely Metallic and Wooden.

Calculate the value of the closing stock of Kitchen sets on July 2025 using the Specific Identification Method (SIM). (7)

2.4 An employee of Bova store told Apple that Martin received a 10% 'commission' from Bova for buying excess stock. Apple wants to discuss this at the next board meeting.

Explain THREE different concerns that Apple would have about this problem. (6)

INFORMATION:

A. Stock balances of Bedroom sets:

	UNITS	UNIT PRICE	TOTAL
Opening stock (1 August 2024)	370	R800	R296 000
Closing stock (31 July 2025)	280		?

B. Purchases of Bedroom set:

	UNITS	UNIT PRICE	TOTAL
January	800	R920	R736 000
March	1 200	R990	R1 188 000
May	250	R1 100	R275 000
	2 250		**R2 199 000**

C. Returns:

20 Bedroom that were purchased in May 2025 were returned to the supplier.

D. Information relating to Bedroom sets:

	2025	2024
Sales	R3 480 000	R3 375 000
Cost of sales	R2 170 500	R1 950 000
Units sold	2 320	2 500
Selling price per unit	R1 500	R1 400
%mark-up achieved	?	73%
Customers on record	37	26

E. Stock records of Kitchen sets:

Purchases of Kitchen sets

DATE	MODEL	UNIT	COST PRICE PER UNIT	TOTAL
Purchases:				**R18 240 000**
March 2025	Metallic	800	R6 000	R 4 800 000
	Wooden	950	R7 200	R6 840 000
May 2025	Metallic	500	R6 000	R3 000 000
	Wooden	500	R7 200	R3 600 000

Sales of Kitchen sets:

	MODEL	UNIT	TOTAL
Sales	Metallic	430	R3 612 000
	Wooden	540	R5 443 200

35

QUESTION 3: COST ACCOUNTING (40 marks; 35 minutes)

3.1 PLAN-B MANUFACTURES

You are provided with information from the records of Plan-B Manufacturers for the financial year ended 31 August 2025. The business manufacture coffee tables.

REQUIRED

3.1.1 **Refer to information A and B.**

Calculate the direct material cost for the year ended 31 August 2025. (6)

3.1.2 **Refer to information C.**

Calculate the correct factory overhead cost for the year ended 31 August 2025. (11)

3.1.3 Prepare the Production Cost Statement for the year ended 31 August 2025. (9)

INFORMATION:

A. Stock on hand:

	31 August 2025	1 September 2024
Raw material	R75 200	R84 800
Work-in-progress stock	73 600	55 200

B
- Raw material purchased during the financial year, R1 492 500.
- Carriage paid on raw material purchased, R77 000.
- Raw material returned to suppliers, R1 500.

C. Factory overheads:

Foreman's salary	R396 000
Depreciation on factory equipment	173 120
Rent expense	214 480
Water and electricity	237 040
Insurance	69 690
Indirect material	45 200

- Rent expense must be shared between the factory, sales department and office in the ratio 5 : 1 : 1.
- The factory is responsible for 75% of the water and electricity expenses.
- ⅔ of the insurance expenses must be allocated to the factory.
- Indirect material was used as follows: 10% by the offices, 25% by the sales department and the rest by the factory.

D. The business produced 396 tables at a cost price of R8 100 each.

E. Direct labour cost is the balancing amount.

3.2 UNIT COST AND BREAK-EVEN

Efemini Ltd produces rechargeable battery units for use during load reduction. The financial year ends on the 31 August 2025

REQUIRED:

3.2.1 Calculate the break-even point for the year ended 31 August 2025. (4)

3.2.2 Compare and comment on the break-even point and the level of production for 2024 and 2025. Quote figures. (4)

3.2.3 Provide TWO possible reasons for the increase in direct material cost per unit for the current financial year and suggest ONE ways in which this can be controlled. (6)

INFORMATION:

A. Costs for the year ended 31 August 2025:

	2025		2024
	TOTAL AMOUNT	**UNIT COST**	**UNIT COST**
Direct material cost	R345 600	R360	R312
Direct labour cost	489 600	510	484
Selling and distribution cost	297 600	310	304
Total variable cost	**1 132 800**	**1 180**	**1 100**
Factory overhead cost	307 200	320	312
Administration cost	240 000	250	258
Total fixed cost	**547 200**	**570**	**570**

B. Additional information for the financial year ended 31 August 2025

	2025	2024
Total sales	R651 200	R1 836 000
Selling price per unit	R1 720	R1 700
Number of units produced and sold	960 units	1 080 units
Break-even point	?	1 016 units

40

QUESTION 4: BUDGET **(40 marks; 35 minutes)**

4.1 Explain the main purpose of a Cash Budget and a Projected Income Statement. (4)

4.2 Identify TWO items that should be recorded in the Projected Income Statement but not recorded in the Cash Budget. (2)

4.3 **GAS STOVE SUPPLIERS**

The information relates to the budget period ending 30 November 2025.
The business is owned by Praise Lewy.

REQUIRED:

4.3.1 **Creditors' Payment:**

- Calculate the credit purchases for October 2025. (4)
- Complete the Creditors' Payment Schedule for November 2025. (5)

4.3.2 **Calculate the following amounts:**

(i) Rent expense for November 2025 (2)

(ii) Salaries for October 2025 (3)

(iii) Insurance for November 2025 (3)

(iv) Interest on loan for November 2025 (4)

(v) Deposit to be paid on 31 October 2025 for the new computers installed (3)

4.3.3 **Sales policy: Refer to Information I.**

Praise effected changes to the sales policy when compiling his budget for September 2025.

- Explain the change in the sales policy that has been effected by Praise. (2)
  Provide ONE point with figures.

- The actual credit sales for September 2025 were higher than the budgeted credit sales. Explain why Praise should not be concerned. (4)

  Provide TWO points with figures.

- Praise is satisfied with the control over delivery expenses, however, concerned about the control over packing materials for September 2025.

  Comment and provide figures or calculations to justify his concern. (4)

INFORMATION:

A. Sales and Debtors' Collection:

- 60% of total sales is cash sales.
- Goods are sold at a mark-up of 25% on cost.

B. Purchases of stock and payment to creditors:

Purchases

- Trading stock on hand is maintained through monthly purchases
- The business buys merchandise only on credit.

Creditors payment

The business pays creditors as follows:

- 55% are paid in the month after purchases to qualify for 5% discount.
- The balance is paid in the month thereafter.

C. Rent expense:

- The business rents premises in a shopping centre.
- Rent will increase by 7% during November 2025.

D. Loan:

- Part of the loan from Diamond Bank will be paid on 1 November 2025.
- Interest at 14% p.a. is paid at the end of each month. Interest is not capitalised.

E. Office computers:

- New computers will be installed and will be operational from 31 October 2025.
- 20% cash deposit must be paid on 31 October 2025.
- The balance will be repaid in 36 equal monthly instalments from 30 November 2025.

F. Insurance:

The current monthly insurance premium on the existing computers is R4 500. This monthly premium will increase by 28% from 1 November 2025 to get additional insurance cover on the new computers installed.

- The renewal of other items insured will only come into effect next year.

G. Salaries:

- The business has 9 employees who earn the same monthly salary.
- 5 of the employees will receive a bonus of 70% of the normal monthly salary during November 2025.

H. Extract from the Cash Budget for the period ending 30 November 2025.

	Oct. 2025 (R)	Nov. 2025 (R)
RECEIPTS		
Cash sales	102 600	111 600
Collection from debtors		
PAYMENTS		
Payment to creditors	135 576	?
Rent expense	28 400	**(i)**
Salaries	**(ii)**	143 150
Drawings	49 400	49 400
Insurance	16 900	**(iii)**
Loan repayment		59 400
Interest on loan (14% p.a.)	2 800	**(iv)**
Deposit and instalments for new computers	**(v)**	9 200

I. Figures for August 2025 (budgeted) and September 2025 (budgeted and actual):

	AUGUST 2025	SEPTEMBER 2025	
	BUDGETED	**BUDGETED**	**ACTUAL**
Number of customers	460	480	669
Sales	R143 800	R158 800	R219 800
Cash sales	57 400	95 400	75 400
Credit sales	86 400	63 400	144 400
Gross profit	53 775	59 400	82 275
Delivery expenses	21 150	23 400	32 550
Packing materials	12 450	13 800	25 920

40

Total marks 150

GRADE 12 ACCOUNTING FINANCIAL INDICATOR FORMULA SHEET	
$\frac{\text{Gross profit}}{\text{Sales}} \times \frac{100}{1}$	$\frac{\text{Gross profit}}{\text{Cost of sales}} \times \frac{100}{1}$
$\frac{\text{Net profit before tax}}{\text{Sales}} \times \frac{100}{1}$	$\frac{\text{Net profit after tax}}{\text{Sales}} \times \frac{100}{1}$
$\frac{\text{Operating expenses}}{\text{Sales}} \times \frac{100}{1}$	$\frac{\text{Operating profit}}{\text{Sales}} \times \frac{100}{1}$
Total assets : Total liabilities	Current assets : Current liabilities
(Current assets – Inventories) : Current liabilities	Non-current liabilities : Shareholders' equity
(Trade & other receivables + Cash & cash equivalents) : Current liabilities	
$\frac{\text{Average trading stock}}{\text{Cost of sales}} \times \frac{365}{1}$ (See Note 1 below)	$\frac{\text{Cost of sales}}{\text{Average trading stock}}$
$\frac{\text{Average debtors}}{\text{Credit sales}} \times \frac{365}{1}$	$\frac{\text{Average creditors}}{\text{Cost of sales}} \times \frac{365}{1}$ (See Note 2 below)
$\frac{\text{Net income after tax}}{\text{Average shareholders' equity}} \times \frac{100}{1}$	$\frac{\text{Net income after tax}}{\text{Number of issued shares}} \times \frac{100}{1}$ (See Note 3 below)
$\frac{\text{Net income before tax + Interest on loans}}{\text{Average shareholders' equity + Average non-current liabilities}} \times \frac{100}{1}$	
$\frac{\text{Shareholders' equity}}{\text{Number of issued shares}} \times \frac{100}{1}$	$\frac{\text{Dividends for the year}}{\text{Number of issued shares}} \times \frac{100}{1}$
$\frac{\text{Interim dividends}}{\text{Number of issued shares}} \times \frac{100}{1}$	$\frac{\text{Final dividends}}{\text{Number of issued shares}} \times \frac{100}{1}$
$\frac{\text{Dividends per share}}{\text{Earnings per share}} \times \frac{100}{1}$	$\frac{\text{Dividends for the year}}{\text{Net income after tax}} \times \frac{100}{1}$
$\frac{\text{Total fixed costs}}{\text{Selling price per unit – Variable costs per unit}}$	

NOTE:
1. Trading stock at the end of a financial year may be used if required in a question.
2. Credit purchases may be used instead of cost of sales (figures 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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CLASS NO.

NATIONAL SENIOR CERTIFICATE

ACCOUNTING P2

GRADE 12

SEPTEMBER 2025

SPECIAL ANSWER BOOK

QUESTION	MARKS	INITIAL	MOD.
1			
2			
3			
4			
TOTAL			

This answer book consists of 10 pages.

QUESTION 1

1.1.1	
1.1.2	
1.1.3	

3

1.2.1 **Show the entries that must be recorded in the Cash Journals.**

CASH RECEIPTS JOURNAL	CASH PAYMENT JOURNAL
Amount	**Amount**
R369 000	**R286 500**

6

1.2.2 **BANK RECONCILIATION STATEMENT ON 31 August 2025**

	DEBIT	CREDIT

7

1.2.3 **State the GAAP principle that applies to this decision.**

1

TWO procedures to be implemented to prevent such a loss in future.

4

1.3 CREDITORS RECONCILIATION

1.3.1 Use the table provided to indicate the changes that must be made in the Creditors' Control ledger and Creditors' reconciliation statement

	Creditors' Control	Creditors' List
Provisional balance/total	R 147 820	R145 060
(i)		
(ii)		
(iii)		
(iv)		
(v)		
(vi)		

10

1.3.2 The internal auditor insists that direct payments (EFT) must be used to pay suppliers explain.
One reason to support her decision.

2

One internal procedure to ensure control over this system.

2

TOTAL MARKS
35

QUESTION 2

BEDROOM SETS

2.1

Calculate the value of closing stock using FIFO.	
Workings	**Answer**

6

2.2.1

Calculate the % mark-up achieved in 2025.	
Workings	**Answer**

4

2.2.2

Provide TWO points (with figures) to prove that this decision achieved its aims.

4

2.2.3

The CEO feels that this decision also negatively affected the company. Provide TWO points (with figures) to support his opinion.

4

Give the directors advice to solve this problem. Explain TWO points.

4

KITCHEN SETS

2.3 **Calculate the value of the closing stock of Kitchen sets on 31 July 2025 using Specific Identification Method.**

Working	Answer

7

2.4 **Explain THREE different concerns that Apple would have about this problem.**

6

TOTAL MARKS
35

QUESTION 3

3.1 PLAN-B MANUFACTURES

3.1.1

Calculate the direct material cost for the year ended 31st August 2025.	
Workings	**Answer**

6

3.1.2

Calculate the correct factory overhead cost for the year ended 31 August 2025.	

11

3.1.3

Production Cost Statement for the year ended 31 August 2025.	
Direct material cost	
Prime cost	
Total manufacturing cost	
Work-in-progress (1 Sept 2024)	

9

EFEMINI LTD

3.2.1

Calculate the break-even point for the year ended 31 August 2025	
Workings	**Answer**

4

3.2.2

Compare and comment on the break-even point and the level of production for 2024 and 2025. Quote figures.

4

3.2.3

Provide TWO possible reasons for the increase in direct material cost per unit for the current financial year and suggest ONE ways in which this can be controlled.	
TWO REASONS:	**ONE SUGGESTION:**

6

TOTAL MARKS
40

QUESTION 4

4.1	Explain the main purpose of a Cash Budget and a Projected Income Statement.	
	Cash Budget	**Projected Income Statement**

4

4.2	Identify TWO items that should be recorded in the Projected Income Statement but not recorded in the Cash Budget.

2

4.3 GAS STOVE SUPPLIERS

4.3.1	Calculate the credit purchases for October 2025.	
	WORKINGS	**ANSWER**

4

CREDITORS' PAYMENT SCHEDULE FOR NOVEMBER 2025

MONTH	CREDIT PURCHASES	OCTOBER	NOVEMBER
August	147 200	66 240	
September	132 800	69 388	
October			
		135 576	

5

4.3.2 **(i) Rent expense for November 2025**

WORKINGS	ANSWER

2

(ii) Salaries for October 2025

WORKINGS	ANSWER

3

(iii) Insurance for November 2025

WORKINGS	ANSWER

3

(iv) Interest on loan for November 2025

WORKINGS	ANSWER

4

(v) Deposit to be paid on 31 October 2025 for the new computers installed.

WORKINGS	ANSWER

3

4.3.3	Explain the change in the sales policy that has been effected by Praise. Provide ONE point with figures.

2

The actual credit sales for September 2025 were higher than the budgeted credit sales. Explain why Praise should not be concerned. Provide TWO points with figures.

4

Praise is satisfied with the control over delivery expenses, however, concerned about the control over packing materials for September 2025. Comment and provide figures or calculations to justify his concern.	
Delivery expenses	
Packing material	

4

TOTAL MARKS
40

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GRADE 12

ACCOUNTING P2

SEPTEMBER 2025
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. Full marks for correct answer. If answer incorrect, mark the workings provided.
4. If a pre-adjustment figure is shown as a final figure, allocate the part-mark for the working for that figure (not the method mark for the answer). Note: if figures are stipulated in 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. This memorandum is not for public distribution, as certain items might imply incorrect treatment. The adjustments made are due to nuances in certain questions.
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.
14. Codes: f = foreign item; p = placement/presentation.

These marking guidelines consist of 10 pages.

QUESTION 1

1.1.1	False	✓	
1.1.2	False	✓	
1.1.3	True	✓	3

1.2.1 Show the entries that must be recorded in the Cash Journals.

CASH RECEIPTS JOURNAL		CASH PAYMENT JOURNAL	
Amount		**Amount**	
R369 000		**R286 500**	
1 400	✓	29 500	✓
4 600	✓✓	350	✓
		16 500	✓

6

1.2.2

BANK RECONCILIATION STATEMENT ON 31 AUGUST 2025	ONE COLUMN METHOD	**DEBIT**	**CREDIT**
Balance per Bank Statement	R33 000		R33 000 ✓
Credit outstanding deposit	R12 000		R12 000 ✓
Debit outstanding EFT:			
No 189	(7 660)	7 660 ✓	
No 200	(3 510)	3 510 ✓	
Credit incorrect amount	1 300		R1 300 ✓
Balance as per Bank Account	35 130	R35 130 ☑	Balancing figure
		R46 300 ☑	R46 300

Both totals

7

1.2.3 State the GAAP principle that applies to this decision.

Principle of prudence ✓

1

Any two valid point ✓✓ ✓✓

- Consider using cash in transit services.
- Regular and timely supervision / monitor cash.
- Cash must be deposited daily
- Encourage EFT payment by customers
- Request the bank to send confirmation of all transactions

4

1.3 CREDITORS RECONCILIATION

1.3.1 Use the table provided to indicate the changes that must be made in the Creditors' Control ledger and Creditors' reconciliation statement

	Creditors' Control	Creditors' List
Provisional balance/total	**R 147 820**	**R145 060**
(i)	+ 1 800 ✓✓	
(ii)	- 40 950 ✓	
(iii)		+ 30 000 ✓✓
(iv)		- 5 400 ✓
(v)	- 8 100 - 8 100 1 mark 1 mark ✓✓ -16 200	
(vi)		- 77 190 ✓
	92 470 ☑	92 470

Both totals

10

1.3.2 The internal auditor insists that direct payments (EFT) must be used to pay suppliers explain.

One reason to support her decision. ✓✓
It is quick and easy / easier to monitor / efficient / convenient / safer / less bank charges.

2

One internal procedure to ensure control over this system. ✓✓

- Senior personnel authorised to make internet payment.
- Two people to authorise an FET transaction
- Security codes for users
- Notification from bank when payment is effected

2

TOTAL MARKS	35

QUESTION 2

BEDROOM SETS

2.1

Calculate the value of closing stock using FIFO.	
Workings	**Answer**
If 280 – units in first part (230 x 1 100) (50 x 990) 253 000 ✓✓ + 49 500✓☑	one part correct R302 500 ☑✓

6

2.2.1

Calculate the % mark-up achieved in 2025.	
Workings	**Answer**
3 480 000 – 2 170 500 $\frac{1\,309\,500 ✓✓}{2\,170\,500 ✓}$ x 100	one part correct 60,3% ☑

4

2.2.2

Provide TWO points (with figures) to prove that this decision achieved its aims.
TWO different& valid points✓ ✓Figures ✓ ✓ • Sales increased to R3 480 000 (from R3 375 000) / by R105 000 /by 3,1% • Number of customers increased to 37 (from 26) / by 11 / by 42%

4

2.2.3

The CEO feels that this decision also negatively affected the company. Provide TWO points (with figures) to support his opinion. Do not accept Mark-up %
TWO different & valid points✓ ✓Figures✓ ✓ • Gross profit decreased to R1 309 500 (from R1 425 000) / by R115 500 / by 8,1% • Cost of sales increased to R2 170 500 (from 1 950 000) / by R220 500 / by 11,3% • Average units per customer dropped to 63 (from 96) (2 500/26) (2 320/37) / by 33 / by 34% • Units sold dropped by from 2 500 to 2 320 / by 180 / by 7,2%

4

Give the directors advice to solve this problem. Explain TWO points.
TWO different & valid points✓✓ ✓✓ • Restrict (be selective with) trade discounts to good customers only • Find a cheaper supplier (to compensate for keeping selling prices low) • Increase marketing / advertising in areas outside the current areas targeted • Provide other incentives such as after-sales services, maintenance or free deliveries.

4

KITCHEN SETS

2.3

Calculate the value of the closing stock of Kitchen sets on July 2025 using Specific Identification Method (SIM).		
	Working	**Answer**
Metallic	7 800 000 ✓ – 2 580 000 ✓✓ = R5 220 000 (4 800 000 + 3 000 000) (430 x 6 000) three marks [(800 + 500) x 6 000] OR 870 two marks x R6 000 one mark (1 300 – 430)	one part correct R11 772 000 ☑
Wooden:	10 440 000 ✓ – 3 888 000 ✓✓ = R6 552 000 (6 840 000 + 3 600 000) (540 x 7 200) three marks (1 450 x R7 200) OR 910 two marks x R7 200 one mark (1 450 – 540)	

7

2.4

Explain THREE different concerns that Apple would have about this problem.

THREE different & valid concerns ✓✓ ✓✓ ✓✓ part marks for partial or incomplete answers

- Directors engaging in fraud and corruption / bribes / conflict of interests
- Unethical behaviour of CFO placing the company at risk
- Image of the company negatively affected / will affect the share price and further investments from potential investors
- High stock value is tied up in stock / Obsolete / Affects liquidity
- Shareholders may want to sell their shares
- It will negatively affect the audit report
- Business will lose goodwill as it is unethical

6

TOTAL MARKS	**35**

QUESTION 3: COST ACCOUNTING

3.1 PLAN-B MANUFACTURES

3.1.1

Calculate the direct material cost for the year ended 31 August 2025.	
Workings	**Answer**
84 800✓ + 1 492 500✓ + 77 000✓ – 1 500✓ – 75 200✓	R1 577 600☑* *one part correct

6

3.1.2

Calculate the correct factory overhead cost for the year ended 31 August 2025.	
Foreman's salary	396 000 ✓
Depreciation on factory equipment	173 120 ✓
Rent expense	153 200 ✓✓
Water and electricity	177 780 ✓✓
Insurance	46 460 ✓✓
Indirect material	29 380 ✓✓
	975 940 ☑* *one part correct

11

3.1.3

Production Cost Statement for the year ended 31 August 2025.		
Direct material cost	see 3.1.1	1 577 600 ☑
Direct labour cost	Balancing amount: PC – DMC	672 460 ☑
Prime cost		2 250 060 ☑
Factory overhead cost	see 3.1.2	975 940 ☑
Total manufacturing cost		3 226 000 ☑
Work-in-progress (1 Sept 2024)		55 200 ✓
		3 281 200
Work-in-progress (31 Aug 2025)		(73 600) ✓
Cost of production of finished goods		3 207 600 ✓✓

9

*Check operation; -1 foreign item, max. 2

EFEMINI LTD

Working in square brackets constitute one part, cannot be separated

3.2.1 Calculate the break-even point for the year ended 31 August 2025.

Workings	Answer
$\frac{547\ 200\ ✓}{1\ 720\ ✓\ -\ 1\ 180\ ✓}$ 540 two marks	1 013 units ☑ *one part correct

4

3.2.2 Compare and comment on the break-even point and the level of production for 2024 and 2025. Quote figures.

Compare BEP with level of production for 2025 (with figures) ✓✓
Compare figures for 2024 and 2025 (with figures) ✓✓

- Efemini Ltd did not break even in 2025. The break-even was 1 013 (See 3.2.1) and only 960 units were produced and sold / loss made on 53 units.
- In 2024 the break-even was 1 016 and units produced and sold were 1 080/ profit made on 64 units / break-even decreased by only 3 units, but units produced and sold decreased by 120 units in 2025

4

3.2.3 Provide TWO possible reasons for the increase in direct material cost per unit for the current financial year and suggest ONE ways in which this can be controlled.

TWO REASONS: Any TWO reason ✓✓ ✓✓	**ONE SUGGESTION:** Any suggestion ✓✓
• Theft of material due to poor internal control • Better quality raw material was used • Increase in transport cost/fuel prices • Increase in wastage / untrained workers • New suppliers charge higher prices	• Improve internal control to prevent theft / Monitor production • Look for cheaper suppliers / buy local to save on transport cost / buy in bulk to qualify for discounts • Train workers to minimise wastage • Control stock to identify shortages • Use cutting patterns / cutting machines • Maintaining of machines • Use material of better quality / change supplier • Pay bonuses for minimising wastage • Use offcuts for related products

6

TOTAL MARKS	40

QUESTION 4

4.1 Explain the main purpose of a Cash Budget and a Projected Income Statement.

Any valid explanation ✓ ✓ ✓ ✓

Cash Budget	**Projected Income Statement**
To predict the cash balance at the end of a period.	To predict the profit that will be earned for a period

4

4.2 Identify TWO items that should be recorded in the Projected Income Statement but not recorded in the Cash Budget.

Any two valid items ✓ ✓

Depreciation, bad debts, discount allowed , discount received

2

4.3 GAS STOVE SUPPLIERS

4.3.1 Calculate the credit purchases for October 2025.

WORKINGS	ANSWER
171 000 two marks 102 600✓ x 100/60✓ x 100/125 ✓ **OR** [102 600 x 100/125] 82 080 x 100/60 two marks one mark	136 800 ☑ one part correct

4

CREDITORS' PAYMENT SCHEDULE FOR NOVEMBER 2025

MONTH	CREDIT PURCHASES	OCTOBER	NOVEMBER
August	147 200	66 240	Superfluous entry; lose method on total
September	132 800	69 388	59 760 ✓
October	136 800 ☑		71 478 ☑ ☑
	See 4.3.1		must be x [55% x 95%] three marks if credit purchase not shown.
		135 576	131 238 ☑

5

4.3.2

(i) Rent expense for November 2025

WORKINGS	ANSWER	
28 400 x $\frac{107}{100}$	30 388 ✓✓ two marks or nothing	2

(ii) Salaries for October 2025

WORKINGS	ANSWER	
143 150 ✓ x $\frac{9}{12,5}$ ✓ **OR** 143 150 x [400/1 250/4x9] (one mark) (one mark)	103 536☑ one part correct	3

(iii) Insurance for November 2025

WORKINGS	ANSWER	
16 900 ✓ + 1 260 ✓ [4 500 x 28/100] **OR** 5 760 [4 500 x 128/100] (one mark) + 12 400 [16 900 – 4 500] (one mark)	18 160 ☑ one part correct	3

(iv) Interest on loan for November 2025

WORKINGS	ANSWER	
2 800✓ – 693 ✓ ☑ [59 400 x [14/100 x 1/12]] **OR** 2 800 x 100/14 x 12/1 [240 000 – 59 400] 180 600 (one mark one m. mark) x [14/100 x 1/12] (one mark)	2 107 ☑ one part correct	4

(v) Deposit to be paid on 31 October 2025 for the new computers installed.

WORKINGS	ANSWER	
331 200✓ [9 200 x 36] x 20/80 ✓ [100/80 x 20/100] OR 414 000 [331 200 x 100/80] (one mark) – 331 200 [9 800 x 36] (one mark) OR 414 000 (one mark) x 20/100 (one mark)	82 800 ☑ one part correct	3

4.3.3 Explain the change in the sales policy that has been effected by Praise. Provide ONE point with figures.

Change in cash sale / change in credit sales ✓✓

- Cash sales changed (from 40%) to 59% / (from R57 400) to R95 400 / by R38 000 / by 65,5% / by 20 % points.

OR

- Credit sales changed (from 60%) to 40% / (from R86 400) to R63 400 / by R23 000 / by 26,4% / by 20 % points.

2

The actual credit sales for September 2025 were higher than the budgeted credit sales. Explain why Praise should not be concerned.

Provide TWO points with figures.

Any valid explanation ✓ ✓ Figures ✓ ✓

- The number of customers grew (from 480) to 669 / by 189 / by 39,3%.
- Gross profit has improved (from R59 400) to R82 275/ by R22 875 / by 38,5%.
- Total sales has improved (from R158 800) to R219 800 / by R61 000 / by 38,4%.

Do not accept comparison to August figures.

4

Praise is satisfied with the control over delivery expenses, however, concerned about the control over packing materials for September 2025.

Comment and provide figures or calculations to justify his concern.

Delivery expenses	Any valid comment (with figures) ✓ ✓ ✓ ✓ Must be compared to sales. Do not accept comparison to August figures. • Effective control budgeted at 15% of sales; actual is 15% of sales. (100% utilised). • Overspent by R9 150 / (from R23 400) to R32 550 / by 39,1%, while total sales also increased by 38,4% only / actual sales of R219 800 exceeds the budgeted sales (R158 800).
Packing material	• Not well controlled; actual exceeded budgeted by 33,3% / budgeted for 9% on sales and 12% has been spent. • Overspent by R12 120 (from R13 800) to R25 920 / by 87,8%, while total sales increased by 38,4% only.

4

TOTAL MARKS	40

TOTAL 150