education

Department:
Education
North West Provincial Government
REPUBLIC OF SOUTH AFRICA

NATIONAL SENIOR CERTIFICATE

GRADE 12

ACCOUNTING P2

SEPTEMBER 2025

MARKS: 150

TIME: 2 hours

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

INSTRUCTIONS AND INFORMATION

Read the following instructions carefully and follow them precisely.

1. Answer ALL questions.
2. A special ANSWER BOOK is provided in which to answer ALL questions.
3. A Financial Indicator Formula Sheet is attached at the end of this question paper.
4. Show ALL workings to earn part-marks.
5. You may use a non-programmable calculator.
6. You may use a dark pencil or blue/black ink to answer 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	Reconciliation	35	25
2	Cost Accounting	40	35
3	Stock Valuation	35	25
4	Budgeting	40	35
TOTAL		150	120

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

The information provided relates to Jimmy Traders for June 2025. Jimmy receives the official Bank Statement on the 27th of each month. He uses this to do the bank reconciliation.

1.1 Use the table provided in the in the ASWERBOOK to calculate the correct totals for the Cash Receipts Journal and the Cash Payments Journal for June 2025. (9)

1.2 Calculate the correct bank balance in the ledger on 30 June 2025. (4)

1.3 Prepare the Bank Reconciliation Statement on 30 June 2025. (7)

1.4 **Refer to information A (i).**

- Identify the GAAP principle applied by the bookkeeper. (1)
- Provide TWO suggestions on how a similar problem can be prevented in the future. (4)

A. BANK RECONCILIATION STATEMENT ON 31 MAY 2025

	Debit (R)	Credit (R)
• Outstanding deposit (14 May 2025)		50 500
• EFT 562	9 800	
• EFT 577	18 515	
• Balance as per Bank Account	11 500	

NOTE:
(i) June Bank Statement reflected an outstanding deposit on 14 May 2025 as R5 500. An investigation revealed that the cashier at that time has since disappeared. The outstanding amount must be written off.
(ii) June Bank Statement reflected EFT 562 correctly as R8 900.
(iii) All other outstanding amounts from the previous month appeared on the June Bank Statement.

B. The following provisional totals appeared in the Cash Journals for June 2025:

CASH RECEIPTS JOURNAL	CASH PAYMENTS JOURNAL
R115 900	R60 370

C. The Bank Statement for June 2025 reflected the following:

• Bank charges	R1 950
• Interest on credit bank balance	R980
• Monthly Debit order for insurance * Monthly insurance appeared twice on the Bank Statement. The bank will rectify this on the Bank Statement next month.	R800
• Direct deposit from a tenant for rent	R2 500

D. The following items appear in the June 2025 Cash Journals but not on the June Bank Statement:

• Deposit dated 28 June 2025	R27 000
• EFT 525, dated 29 June 2025	R24 500
• EFT 601, dated 30 June 2025	R4 600

NOTE:
- EFT 525 was for packing material bought from Botha traders.
- EFT 601 was for municipality services.

E. Bank Statement on 30 June 2025 reflects a credit balance of R?

1.5 DEBTORS AGE ANALYSIS

The information relates to Danzel Furnishers, the business is owned by Martin Roberts. The financial year-end is 28 February 2025. Cathy Stewart was appointed as the new credit controller on 1 March 2024.

1.5.1 How can the preparation of a Debtors Age Analysis assist Martin and Cathy in controlling debtors? (2)

1.5.2 **Refer to information A.**
Calculate the percentage of debtors who are complying with the credit terms of 30 days. (2)

1.5.3 Explain THREE different problems highlighted by the debtors' age analysis. Provide the name of a debtor with figures in EACH case. (6)

INFORMATION:

A. Debtors age analysis on 28 February 2025

Note:

- Business policy is to set credit limits at R15 000 per account
- The credit terms is 30 days

Name	Total	Current	30 days	60 days	90 days
N Botha	15 000			15 000	
K Kakudi	31 000	12 360	4 000	1 640	13 000
Z Coetzee	9 100			9 100	
B Brown	11 600	-	2 400		9 200
M Mthembu	16 800	7 800	3 500	5 500	
	83 500	**20 160**	**9 900**	**31 240**	**22 200**

35

QUESTION 2: COST ACCOUNTING **(40 marks; 35 minutes)**

2.1 **COST CONCEPTS**

Choose an example from COLUMN B that matches a cost category in COLUMN A. Write only the letter (A–D) next to the question numbers (2.1.1 to 2.1.3) in the ANSWER BOOK, e.g., 2.1.4 E.

COLUMN A		COLUMN B	
2.1.1	Selling and distribution	**A**	depreciation on factory plant
2.1.2	Factory overhead	**B**	salary of workers in a production
2.1.3	Direct labour	**C**	raw materials used in the factory
		D	advertising expenses

(3 x 1) (3)

2.2 **LEBO MANUFACTURES**

The business is owned by Dan Kgwadi, manufactures formal shoes. The financial year ended 28 February 2025.

REQUIRED:

2.2.1 **Refer to Information C.**

Calculate the factory overhead cost for the year ended 28 February 2025. (10)

2.2.2 Prepare the Production Cost Statement for the year ended 28 February 2025. (14)

INFORMATION:

A. **Stock on hand**

	28 FEBRUARY 2025	**1 MARCH 2024**
Work in process	?	R420 000
Finished goods	?	R500 000

Finished goods stock control

Finished goods	420 shoes	1 600 shoes

NOTE: Stock is valued using FIFO method.

B. Details of the workers in production:

Number of workers	35
Basic (normal) wage rate	R70 per hour
Normal time hours worked by each worker	350 hours
Total overtime worked by all workers	900 hours
Overtime rate	1,5 times the normal rate

NOTE: Employer's contributions is as follows:

- 1% on UIF and 9% pension fund on a normal wage.

Factory overhead costs:

C. The bookkeeper calculated the factory overhead at R1 046 000.

The following transactions were omitted and must be taken into account:

- The defected indirect material, R24 500.
- 70 square metres for factory was rented from Prime Storage at a monthly amount of R200 per square metre as from 1 May 2024. The company increased the space rented by 20 square metres on 1 November 2024. Rent was paid until 30 April 2025.

The following entries must be corrected:

- The entire insurance expense of R350 000 was included in the factory, this expense includes the premium for March and April 2025. Expense should have been shared in the ratio of 3 **:** 2 **:** 1 among the factory, administration and sales respectively.
- Water and electricity was allocated to the office was R105 000. However, the bookkeeper used the incorrect ratio of 5 **:** 2 **:** 1 for factory, office and sales. The correct ratio is 4 **:** 3 **:** 1 respectively.

D. Production:

? Shoes were produced during the year at a unit cost of R500

E. Sales:

9 600 shoes were sold for R7 200 000

2.3 **STRAWBERY CADII FACTORY**

This factory manufactures Cadii school bags. The financial year ends on 28 February 2025. The factory is owned by Grace Mothiba.

2.3.1 Provide a calculation to confirm that the break-even point for the 2025 financial year is correct. (3)

2.3.2 Comment on the level of production achieved and the break-even point for Cadii for 2025. Quote figures. (4)

2.3.3 Grace is concerned that fixed costs increased by R27 000. Explain why she should not be concerned. Quote figures. (3)

2.3.4 Grace is generally satisfied with the management of variable costs but is not pleased with the control over direct labour cost for Cadii.

- Justify her concern by quoting figures. (1)
- Provide TWO suggestions she can implement to address this problem in the future. (2)

INFORMATION:

DETAILS	**February 2025**	**February 2024**
TOTAL VARIABLE COSTS	**R9 922 500**	**R7 897 500**
Variable costs per unit	**R367,50**	**R351,00**
Direct material cost	R192,00	R202,50
Direct labour cost	R120,00	R93,00
Selling and distribution cost	R55,50	R55,50
Total fixed costs	**R2 943 000**	**R2 916 000**
Fixed cost per unit	**R109,00**	**R129.60**
Factory overhead cost	R78,50	R93,60
Administration cost	R30,50	R36,00
Selling price per unit	**R612,75**	**R495,00**
Units produced and sold	27 000 units	22 500 units
Break-even point in units	12 000 units	20 250 units

40

QUESTION 3: STOCK VALUATION **(35 marks; 25 minutes)**

3.1 **STOCK 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 3.1.3) in the ANSWER BOOK.

3.1.1 In the periodic inventory system, the carriage on goods purchased is recorded as an (expense/asset) by the business.

3.1.2 Cost of sales will have to be calculated at a point of sale when using the (perpetual/periodic) inventory system.

3.1.3 Mainly suited for similar valued stock items purchased regularly and in large quantities (specific identification/weighted average method)
(3 x 1) (3)

3.2 **QUALITY LAPTOPS & MONITORS (PTY) LTD**

The information relates to the business owned by John Dei, who trade with laptops and portable monitors, for the year ended 31 August 2025.

Business laptops:

In the past, the business bought and sold only one type of laptops (i.e., Lenovo), but has now introduced two other models. John does not want to keep stock of laptops for more than one month of expected sales.

3.2.1 Calculate the value of the closing stock on 31 August 2025. Use the specific identification method. (7)

3.2.2 Identify which model of laptops is not selling as well as John has expected. Quote figures or calculations to support your answer. Provide TWO suggestions to solve this problem. (5)

Portable monitors:

3.2.3 Calculate the value of the closing stock on 31 August 2025. Use the weighted-average method. (7)

3.2.4 Calculate how long in days it will take John to sell the closing stock of portable monitors. (4)

Explain if John should be satisfied with this period or not. (2)

3.2.5 John suspects that portable monitors are being stolen from the shop despite the business being secured by cameras.

Provide:

- a calculation to verify his suspicion (5)
- the TWO internal control measures besides division of duties and installing cameras that John Dei can use to improve the control of stock (2)

INFORMATION:

A. Laptops:

No laptops were damaged, stolen or returned to suppliers.

Stock on 1 September 2024:

MODEL	UNITS	COST PRICE PER UNIT (R)	TOTAL (R)
Lenovo	40	26 200	1 048 000

Total purchases for the year ended 31 August 2025:

MODEL	UNITS	COST PRICE PER UNIT (R)	TOTAL (R)
Lenovo	120	26 200	3 144 000
Dell	190	29 300	5 567 000
HP	200	33 100	6 620 000
	510		**15 331 000**

Sales for the year ended 31 August 2025:

MODEL	UNITS SOLD IN 3 MONTHS	SELLING PRICE (R)	TOTAL (R)
Lenovo	130	41 920	5 449 600
Dell	150	46 880	7 032 000
HP	110	52 960	5 825 600
	390		**18 307 200**

B. Portable monitors:

Stock balances according to physical count:

	UNITS	COST PRICE PER UNIT (R)	TOTAL (R)
1 September 2024	510		**313 220**
31 August 2025	400		**?**

Purchases for the year ended 31 August 2025:

DATE	UNITS PURCHASED	COST PRICE PER UNIT (R)	TOTAL (R)
14 November 2024	460	668	307 280
23 May 2025	1 200	715.5	858 600
10 August 2025	300	?	226 500
	1960		**1 392 380**

Returns:

- From August 2025 purchases, 20 defective Portable Monitors were returned to suppliers. A full refund was received for this return.

Sales:

- 2 032 portable monitors were sold at R1 000 each.

35

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

The information relates to Reneilwe Furnishers for the budget period ending July 2024.

REQUIRED:

4.1 **Refer to Information C.**

Identify:

- TWO items in the Cash Budget that would NOT appear in a Projected Statement of Comprehensive Income. (2)

- TWO items that were incorrectly recorded in the Cash Budget. (2)

4.2 Complete the Creditors' Payment Schedule for July 2025. (7)

4.3 Calculate missing figures (i) to (vi) on the Cash Budget provided. (17)

4.4 **Refer to Information G.**

- Comment on the new approach regarding cash and credit sales. (2)
- Explain TWO disadvantages of the approach adopted. (4)
- Comment on the actual and budgeted figures for advertising and packing material. Quote figures. (6)

INFORMATION:

A. Sales, cost of sales and debtors' collection:

	MAY	**JUNE**	**JULY**
Total sales	R876 150	R965 250	**?**
Cost of sales	R531 000	**?**	R393 000

- Cash sales comprise 30% of total sales.
- Debtors settle their accounts in the month following the month of sales.

B. Purchases of stock and payment to creditors:

- A base stock is maintained. Stock sold is replaced in the same month.
- Cash purchases comprise 15% of total purchases.
- Creditors are paid according to the following trend:
    - 80% are paid in the month of purchases to receive a 5% discount.
    - 20% are paid in the month after purchases.

C. Extract from the Cash Budget:

RECEIPTS	**JUNE 2025 (R)**	**JULY 2025 (R)**
Cash sales	289 575	**(i)**
Collections from debtors	613 305	**(ii)**
Rent income	**(iii)**	42 000
Loan: Omolemo Bank	**(iv)**	
PAYMENTS		
Cash purchase of stock	**(v)**	58 950
Payments to creditors	468 180	?
Directors' fees	**(vi)**	142 800
Salaries of workers including assistants	52 000	49 600
Advertising	39 480	37 900
Delivery expenses	65 800	66 500
Packing material	78 960	79 800
Interest on loan	-	7 800
Trading stock deficit	2 500	
Loss on sales of fixed assets	1 200	
Sundry expenses		

D. Rent income is expected to increase by 12% from 1 July 2025.

E. The business plans to take a loan on 30 June 2025. The interest has been negotiated with the bank at 13% p.a., payable at the end of each month and commencing on 31 July 2025.

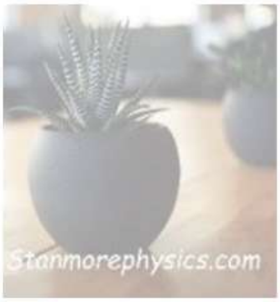
F. The business employs two Directors earning the same salary every month. The two Directors will each receive an increase of 2,5% p.a., effective from 1 July 2025. The third Director joined the company on 1 July 2025 with a salary of R42 000.

G. Budgeted and actual figures for May 2025:

BUDGET ITEMS	BUDGETED R	ACTUAL R
Cash sales	292 125	262 845
Credit sales	681 625	613 305
Total sales	**973 750**	**876 150**
Advertising	38 250	32 000
Packing material	68 500	45 000

35

TOTAL: 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.

NAME OF A LEARNER	
SCHOOL NAME:	

NATIONAL SENIOR CERTIFICATE

ACCOUNTING P2

GRADE 12

SEPTEMBER 2025

SPECIAL ANSWER BOOK

QUESTION	MARKS	MARKS AWARDED	INTERNAL MODERATOR	EXTERNAL MODERATOR
1	35			
2	40			
3	35			
4	40			
TOTAL	150			

This answer book consists of 12 pages.

QUESTION 1

1.1

TOTAL RECEIPTS	TOTAL PAYMENTS
115 900	60 370

9

1.2

Bank balance in the General Ledger on 30 June 2025	
WORKINGS	**ANSWER**

4

1.3

BANK RECONCILIATION STATEMENT ON 30 JUNE 2025		
	DEBIT	**CREDIT**

7

1.4

Identify the GAAP principle applied by the bookkeeper.
Provide TWO suggestions on how a similar problem can be prevented in the future.

5

1.5 DEBTORS AGE ANALYSIS

1.5.1

How can the preparation of a Debtors Age Analysis assist Martin and Cathy in controlling debtors?

2

1.5.2

Calculate the percentage of debtors who are complying with the credit terms of 30 days.

2

1.5.3 **Explain THREE different problems highlighted by the debtors' age analysis. Provide the name of a debtor with figure in EACH case.**

PROBLEM	NAME OF DEBTOR WITH FIGURE

6

TOTAL MARKS
35

QUESTION 2

2.1

COST CONCEPTS:	
2.1.1	
2.1.2	
2.1.3	

3

2.2 LEBO MANUFACTURES

2.2.1

Calculate factory overhead costs for the year ended 28 February 2025.	
Incorrect total	**1 046 000**
Correct total for factory overhead costs	

10

2.2.2

PRODUCTION COST STATEMENT FOR YEAR ENDED 28 FEBRUARY 2025	
Prime cost	**3 215 000**
Total cost of production	
Work-in progress (beginning)	**420 000**
Cost of production of finished goods	

14

2.3 STRAWBERY CADII FACTORY

2.3.1

Provide a calculation to confirm that the break-even point for the 2025 financial year is correct.

3

2.3.2

Comment on the level of production achieved and the break-even point for Cadii for 2025. Quote figures.

4

2.3.3

Grace is concerned that fixed costs increased by R27 000. Explain why she should not be concerned. Quote figures.

3

2.3.4 **Grace is generally satisfied with the management of variable costs, but is not pleased with the control over direct labour cost for Cadii. Justify her concern by quoting figures.**

1

Provide TWO suggestions she can implement to address this problem in the future.

2

TOTAL MARKS
40

QUESTION 3

3.1

STOCK CONCEPTS:

3.1.1	
3.1.2	
3.1.3	

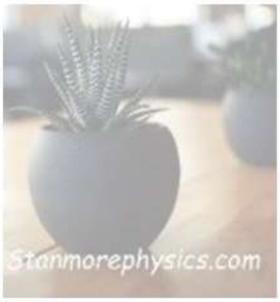
3

3.2 QUALITY LAPTOPS & MONITORS (PTY) LTD

Business laptops:

3.2.1

Calculate the value of the closing stock on 31 August 2025. Use the specific identification method.



7

3.2.2

Identify which model of laptops is not selling as well as John has expected. Quote figures or calculations to support your answer. Provide two suggestions to solve this problem.

Provide TWO suggestions to solve this problem.

5

Portable monitors:

3.2.3	**Calculate the value of the closing stock on 31 August 2025. Use the weighted-average method.**	7

3.2.4	**Calculate how long in days it will take John to sell the closing stock of portable monitors.**	4
	Explain if John should be satisfied with this period or not.	2

3.2.5

John suspects that portable monitors are being stolen from the shop despite the business being secured by cameras.
Provide a calculation to verify his suspicion.

5

Provide TWO internal control measures besides division of duties and installing cameras that John Dei can use to improve the control of stock.

2

TOTAL MARKS
35

QUESTION 4

4.1 **Identify TWO items in the Cash Budget that would NOT appear in a Projected Statement of Comprehensive Income.**

2

Identify TWO items that were incorrectly recorded in the Cash Budget.

2

4.2 **Complete the Creditors' Payment Schedule for July 2025.**

	CREDIT PURCHASES	JUNE	JULY
MAY	451 350	90 270	
JUNE	497 250	377 910	
JULY			
		468 180	

7

4.3 **Calculate missing figures (i) to (vi) on the Cash Budget provided.**

NO.	WORKINGS	ANSWER
(i)	Cash sales: JULY 2025	
(ii)	Collection from debtors: JULY 2025	
(iii)	Rent income: JUNE 2025	
(iv)	Loan: Omolemo Bank: JUNE 2025	

NO.	WORKINGS	ANSWER
(v)	**Cash purchase of stock: JUNE 2025**	
(vi)	**Directors' fees: JUNE 2025**	

17

4.4.

Comment on the new approach regarding cash and credit sales.

2

Explain TWO disadvantages of the approach adopted.

4

Comment on actual and budgeted figures for the following items:	
ADVERTISING **Quote figures**	
PACKING MATERIAL	

6

TOTAL MARKS
40

TOTAL: 150

education

Department:
Education
North West Provincial Government
REPUBLIC OF SOUTH AFRICA

NATIONAL SENIOR CERTIFICATE

GRADE 12

ACCOUNTING P2

SEPTEMBER 2025

FINAL MARKING GUIDELINES

MARKING PRINCIPLES: **MARKS: 150**

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, give full marks for correct answer. If answer incorrect, mark the workings.
4. If a pre-adjustment figure is shown as a final figure, allocate the part-mark as a 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 earning full marks not related to Q (max -2 per Q).
8. This marking guideline is not for public distribution; as certain items might imply incorrect treatment. The adjustments made are due to nuances in certain questions.
9. Where penalties are applied, the marks for that section of the question cannot be a final negative.
10. Where method marks are awarded for operation, marker must inspect reasonableness of answer.
11. Operation means 'check operation'. 'One part correct' means operation and one part correct.: Note: check operation must be +, -, x, ÷ as per candidate 's calculation (if valid) or per memo.
12. In calculations, do not award marks for workings if numerator **&** denominator are swapped – this also applies to ratios.
13. 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 ☒..
14. Be aware of candidates who provide valid alternatives beyond the marking guidelines. Note that one comment could contain different aspects.
15. Codes: f = foreign item; p = placement/presentation.

These marking guidelines consist of 12 pages.

QUESTION 1

1.1

TOTAL RECEIPTS		TOTAL PAYMENTS
115 900		**60 370**
(9 800 – 8 900) 900 ✓✓		(50 500 – 5 500) 45 000 ✓✓
2 500 ✓		1 950 ✓
980 ✓		800 ✓
120 280	☑ both totals must include provisional totals	108 120

9

1.2

Bank balance in the General Ledger on 30 June 2025	
WORKINGS	**ANSWER**
11 500 ✓ + 120 280 ☑ – 108 120 ☑ see CRJ see CPJ 11 500 | 108 120 120 280 | c/d 23 660	23 660 ☑ one part correct

4

1.3

BANK RECONCILIATION STATEMENT ON 30 JUNE 2025		
	DEBIT	**CREDIT**
Cr balance as per Bank statement		24 960 ☑
Cr Outstanding deposit		27 000 ✓
Dr Outstanding EFT's		
525	24 500 ✓	
601	4 600 ✓	
Cr amount wrongly debited		800 ✓✓
Dr Balance as per Bank account	23 660 ☑	See 1.2
	52 760	52 760

7

1.4

Identify the GAAP principle applied by the bookkeeper.

- Rule of prudence ✓

Provide TWO suggestions on how a similar problem can be prevented in the future.

Any TWO valid suggestions ✓✓ ✓✓ Part marks for partial/incomplete answers

- Encourage EFT payments by customers/debtors
- All cash received must be deposited daily (deposit slips must tally with receipts issued)
- Daily checks to see that deposits are made.
- Request notification (sms) from bank for all transactions.
- Division of duties, (One mark) one clerk must serve as a check on the other. (Two marks)
- Make use of transit companies.

5

1.5 DEBTORS AGE ANALYSIS

1.5.1

How can the preparation of a Debtors Age Analysis assist Martin and Cathy in controlling debtors?

Any valid explanations ✓✓ Part marks for partial/incomplete answers

- Effective method of credit control.
- Identify debtors who exceed the credit terms.
- Action can be taken against debtors who do not comply by charging interest/legal action.
- Bad debts can be minimized.
- Make decisions based on age analysis of the debtor/s.
- Identify debtors who exceed the credit limits.

2

1.5.2

Calculate the percentage of debtors who are complying with the credit terms of 30 days.

$$\frac{20\,160 + 9\,900}{83\,500} \times \frac{100}{1}$$

$$\frac{30\,060}{83\,500} \times \frac{100}{1} = 36\%$$ ✓☑

one part correct

or 100% - 64% = 36%

2

1.5.3 **Explain THREE different problems highlighted by the debtors' age analysis. Provide the name of a debtor with figure in EACH case.**

PROBLEM ✓ ✓ ✓	**NAME OF DEBTOR WITH FIGURE** ✓ ✓ ✓ Accept "other debtors" if figures are provided Accept name of debtor / figures if included with the problem
Not adhering to credit terms /slow payers	• N Botha; R15 000 > 60 days • K Kakudi; R14 640 > 60 days • Z Coetzee; R9 100 > 60 days • B Brown; R9 200 > 90 days • M Mthembu; R5 500 > 30 days 100% – 36% = 64% of debtors do not comply with terms (53 440 / 83 500)
Exceeding credit limits	• K Kakudi: Exceeds credit limit by R16 000 (limit R15 000; balance R31 000) • M Mthembu: Exceeds credit limit by R1 800 (limit R15 000; balance R16 800)
Poor/ineffective internal controls over debtors (Allowing defaulting debtors to continue buy on credit)	• K Kakudi: current purchase of R12 360 whilst R1 640 of balance > 60 days and R13 000 > 90 days • M Mthembu: current purchase of R7 800 whilst R5 500 of balance > 60 days

6

TOTAL MARKS
35

QUESTION 2

2.1

COST CONCEPTS:		
2.1.1	D ✓	Advertising
2.1.2	A ✓	Depreciation
2.1.3	B ✓	Salary of factory workers

3

2.2 **LEBO MANUFACTURES**

2.2.1

Calculate factory overhead costs for the year ended 28 February 2025.	
Incorrect total	**1 046 000**
Indirect material must be in brackets	(24 500) ✓
Rent expenses (960 x 200) – (180 x 200) 192 000 ✓ – 36 000 ✓ **or** (780 x 200) **or** (420 x 200) + (360 x 200) 84 000 (One mark)+ 72 000 (One mark) **Or** (70 x 200 x 6) + (90 x 200 x 6) = 84 000 + 108 000 = 192 000 – 36 000	156 000 ☑ one part correct
Insurance (-350 000 + 150 000) Or (-350 000 + 175 000 – 25 000)	(200 000) ✓☑ one part correct
Water and electricity (420 000 x 5/8) = 262 500 420 000 x 4/8) = 210 000 (– 262 500 ✓ + 210 000 ✓) **or** (262 500 x 1/5)	(52 500) ☑ one part correct
Correct total for factory overhead costs (must include top total of 1 046 000)	925 000 ☑

10

2.2.2

PRODUCTION COST STATEMENT FOR YEAR ENDED 28 FEBRUARY 2025	
Direct material cost balancing figure	2 177 250 ☑
Direct labour costs (35 x 70 x 350) = 857 500 ✓✓ Overtime (900 x 105) = 94 500 ✓ Contribution (8 575(One mark)+77 175 (One mark) = 85 750 ✓✓	1 037 750 ☑ one part correct
Prime cost	**3 215 000**
Factory overhead cost see 2.2.1	925 000 ☑
Total cost of production	4 140 000 ☑
Work-in progress (beginning)	**420 000**
	4 560 000
Work-in progress (end of year) (Balancing fig)	(350 000) ☑
Cost of production of finished goods ✓✓ ✓ (8 420 x 500) **or** (210 000 + 4 500 000 – 500 000) 8 420 x 500	4 210 000 ☑ one part correct

14

2.3 **STRAWBERY CADII FACTORY**

2.3.1

Provide a calculation to confirm that the break-even point for the 2025 financial year is correct.

$$\frac{2\,943\,000 ✓}{612,75 ✓ - 367,50 ✓} = 12\,000 \text{ units}$$

245,25 two marks

3

2.3.2

Comment on the level of production achieved and the break-even point for Cadii for 2025. Quote figures.

Part marks for incomplete / unclear responses Satisfied / not satisfied is implied in the response

Four-marks option must compare production with BEP;

- The business made a profit on 15 000 units (Produced 27 000 BEP 12 000)/ produced 15 000 units above the break-even point (see above 2.3.1). (4 marks)
- The business has improved the profit from 2 250 units in 2024 to a profit of 15 000 units in 2025 by 12 750 units. (4 marks)

Max 2-mark option

- The business has produced 4 500 units more than last year (27 000 – 22 500) /**or**
  BEP decreased from 20 250 to 12 000 units (by 8 250 units)
  A comparison of production only or BEP only is a max of 2 marks

4

2.3.3

Grace is concerned that fixed costs increased by R27 000. Explain why she should not be concerned. Quote figures.

Valid explanation ✓✓	Figure/s ✓

Enjoying Economies of scale (Two marks) Two marks without figures

- Production increased from 22 500 units to 27 000 units / by 4 500 units /by 20% causing fixed cost per unit to decrease from R129,60 to R109/by R20,60 / by 15,9%/fixed costs not influenced by the level of production. (Whole line imply economies of scale) (Two mark)

3

2.3.4 **Grace is generally satisfied with the management of variable costs, but she is not pleased with the control over direct labour cost for Cadii.**
Justify her concern by quoting figures.

Comparative figure ✓
- Direct labour cost increased from R93 to R120/by R27/29%

1

Provide TWO suggestions she can implement to address this problem in the future.

Any TWO suggestions: ✓ ✓
Possible answers:

- Better supervision of normal-time target/more control over overtime/ use casual, cheaper labour after hours
- Install solar to curb loadshedding/electricity failures so that they don't work overtime.
- Train (factory) workers to be more efficient
- Set targets for normal time hours (time and motion studies)
- Incentives / bonuses if targets met

2

TOTAL MARKS
40

QUESTION 3

3.1 **STOCK CONCEPTS:**

3.1.1	Expense ✓
3.1.2	Perpetual ✓
3.1.3	Weighted average method ✓

3

3.2 **QUALITY LAPTOPS & MONITORS (PTY) LTD**

Business laptops:

3.2.1 **Calculate the value of the closing stock on 31 August 2025. Use the specific identification method.**

40 + 120 – 130 / 190 – 150 / 200 – 110

(30 x 26 200) + (40 x 29 300) + (90 x 33 100)

786 000 ✓☑* + 1 172 000 ✓☑* + 2 979 000 ✓☑*

= 4 937 000 ☑ one part correct

OR Cannot mix options

OS	+ P	– COS	= CS
one mark	one mark	four marks	one method mark
1 048 000	+ 15 331 000	– 11 442 000	= 4 937 000

(3 406 000 One mark + 4 395 000 One mark + 3 641 000 One mark)

7

3.2.2 **Identify which model of laptops is not selling as well as John has expected. Quote figures or calculations to support your answer. Provide two suggestions to solve this problem.**

Model ✓ Figures ✓✓ Suggestions ✓✓

- The HP (One mark) model is selling more slowly.
- They sold 110 of 200 (55%) in 12 months = average of 9 per month

OR

- But there are 90 on hand – these will take 9 months to sell.

Provide two suggestions to solve this problem.

- Reduce the mark-up%
- Order fewer quantities
- Advertise more/cash discount/promotions.
- Discontinue the selling of HP laptops

5

Portable monitors:

3.2.3 **Calculate the value of the closing stock on 31 August 2025. Use the weighted-average method.**

1 690 500 four marks
1 705 600 two marks

313 220 ✓ + 1 392 380 ✓ – 15 100 ✓✓ (20 x 755) two marks

(510 + 1960 – 20) ✓☑

2 450 two marks

six marks

= R690 x 400 = R276 000 ☑ one part correct; must x400

7

3.2.4 **Calculate how long in days it will take John to sell the closing stock of portable monitors.**

$$\frac{276\,000 ✓}{1\,690\,500 – 276\,000 ✓☑} \times 365 \text{ days} = 71,2 \text{ days} ☑$$

Do not accept 71 days.
Accept 72 days

1414500

$$\frac{400}{2\,032} \times 365 \text{ days} = 71.9 \text{ days}$$ accept 72 days

4

Explain if John should be satisfied with this period or not. ✓✓

Any ONE valid points

No, cash is tied up in stock he might experience cash flow problems

OR

Yes. Portable Monitors are durable products they can last longer.

2

3.2.5

John suspects that portable monitors are being stolen from the shop despite the business being secured by cameras.
Provide a calculation to verify his suspicion.

(510 +1960 – 20)
2450 ✓☑ – 2 032 ✓ – 400 ✓ = 18 missing ☑ One part correct
One part correct

5

Provide TWO internal control measures besides division of duties and installing cameras that John Dei can use to improve the control of stock.

Any TWO valid points of advice ✓ ✓

Expected responses:

- Do regular physical stock counts.
- Place security coded tags on the packaging.
- Provide secure display cabinets for the stock.
- Improve security at the doors/inspect items and compare with sales slips (CRTs).
- Buy in smaller quantities/more regularly.

2

TOTAL MARKS
35

QUESTION 4

4.1 **Identify TWO items in the Cash Budget that would NOT appear in a Projected Statement of Comprehensive Income.**

Any TWO valid items ✓ ✓

- Collection from debtors
- Payment to creditors
- Loan: Omolemo Bank
- Cash purchases of stock

2

Identify TWO items that were incorrectly recorded in the Cash Budget.

Any TWO valid items ✓ ✓

- Trading stock deficit
- Loss on sales of fixed assets

2

4.2 **Complete the Creditors' Payment Schedule for July 2025.**

	CREDIT PURCHASES	JUNE	JULY
MAY	**451 350**	**90 270**	
JUNE	**497 250**	**377 910**	99 450 ✓✓
JULY	334 050 ✓✓	must include 95/100	253 878 ✓☑
		468 180 -1 Superfluous entries	353 328 ☑ one part correct

7

4.3 **Calculate missing figures (i) to (vi) on the Cash Budget provided.**

NO.	WORKINGS	ANSWER
(i)	**Cash sales: JULY 2025** 393 000 x 1,65 = 648 450 ✓☑ x 0,30	194 535 ☑ one part correct
(ii)	**Collection from debtors: JULY 2025** 965 250 x 70/100	675 675 ✓✓
(iii)	**Rent income: JUNE 2025** 42 000 x 100/112	37 500 ✓✓
(iv)	**Loan: Omolemo Bank: JUNE 2025** 7 800 x 100/13 ✓ x 12/1 ✓	720 000 ☑ one part correct

NO.	WORKINGS	ANSWER
(v)	**Cash purchase of stock: JUNE 2025** 965 250 x 100/165 = 585 000 ✓☑ Work with mark-up of learner (i) x 15/100	87 750 ☑ one part correct
(vi)	**Directors' fees: JUNE 2025** 142 800 – 42 000 = 100 800 ✓✓ x 100/105 ✓ 100 800 / 2 = 50 400 x 100/ 102.5% = 49 170,73 x 2 = 98 341, 46 100 800 x 100/102.5%	96 000 ☑ one part correct

17

4.4.

Comment on the new approach regarding cash and credit sales.

- Due to drop in sales, decided to sell more on credit ✓✓

2

Explain TWO disadvantages of the approach adopted.

TWO disadvantages of credit sales ✓✓ ✓✓

- Could lead to cash flow problems – debtors pay later
- Controlling debtors – additional administrative duties – sending statements etc.
- Possibility of bad debts/debt collectors/legal action

4

Comment on actual and budgeted figures for the following items:

ADVERTISING **Quote figures** Comment ✓✓ Figure (related to sales) ✓	Budgeted for 3,9% of sales; actual is 3,6% of sales /Sales is less than budgeted by 10% but advertising only 16,3% less than budgeted. Advertising was not effective – did not achieve the desired sales. It must be %
PACKING MATERIAL Comment ✓✓ Figure (related to sales) ✓	Budgeted for 7% of sales; actual is 5,1% of sales /Sales is less than budgeted by 10% but packing material is 34,3% less than budgeted. Packing material is well controlled – effective use is made. No wastage or mismanagement noted. It must be %

Boyfriend and girlfriend

6

TOTAL MARKS
40

TOTAL: 150