



**LIMPOPO**  
PROVINCIAL GOVERNMENT  
REPUBLIC OF SOUTH AFRICA

DEPARTMENT OF  
**EDUCATION**

**SEKHUKHUNE EAST DISTRICT-DISTRICT ON THE RISE**

**NATIONAL SENIOR CERTIFICATE**

**GRADE 12**

**ACCOUNTING**

**MID-TERM TEST 2025**

**16 MAY 2025**

**MARKS: 115**

**TIME: 1,5 hours**

**This question paper consists of 14 pages, including a formula sheet and an answer book of 12 pages.**

**INSTRUCTIONS AND INFORMATION**

Read the following instructions carefully and follow them precisely.

1. Answer ALL the questions.
2. A special ANSWER BOOK is provided in which to answer ALL the questions.
3. 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 appropriate, calculations must be done 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	Bank reconciliation and creditors reconciliation	35	30
2	Cost accounting	40	30
3	Inventory valuation and problem solving	40	30
<b>TOTAL</b>		<b>115</b>	<b>90</b>

**QUESTION 1: BANK RECONCILIATION AND CREDITORS RECONCILIATION**  
**(35 marks; 30 minutes)**

**1.1 BANK RECONCILIATION**

The information provided relates to M&M Traders, owned by Mimi Moodley.

**REQUIRED:**

- 1.1.1 Use the table provided in the ANSWER BOOK to calculate the final totals for the Cash Journals on 31 July 2024. (8)
- 1.1.2 Calculate the correct bank balance on 31 July 2024. (4)
- 1.1.3 Prepare the Bank Reconciliation Statement on 31 July 2024. (7)
- 1.1.4 **Refer to information A (i)**

Explain why the rule of prudence will be used in accounting for fraudulent activities in the books and financial statements. Give ONE point. (2)

Explain how this type of fraudulent activity can be avoided in the future. Give ONE point. (2)

**INFORMATION:**

**A Bank Reconciliation Statement on 30 June 2024:**

Favourable balance as per Bank Statement	59 800
Outstanding deposit (3 June 2024)	45 000
Outstanding deposit (27 June 2024)	18 250
Outstanding EFT 102	5 700
Outstanding EFT 103	17 200
Favourable balance as per Bank account	100 150

**NOTE:**

- (i) The outstanding deposit of R45 000 did not appear on the Bank Statement for July 2024. An investigation revealed that this money was never deposited. The previous bookkeeper cannot be traced and the amount must be written off.
- (ii) EFT 102 appeared on the Bank Statement for July 2024 with the correct amount, R 7500.
- (iii) All other outstanding amounts from the previous month appeared on the Bank Statement for July 2024.

**B Provisional Cash Journal totals on 31 July 2024:**

- Cash Receipt Journal: R410 600
- Cash Payments Journal: R386 350

**C The following items appeared only on the Bank Statement for July 2024:**

- Bank charges, R2 850
- Interest on favourable bank balance, R290
- A direct deposit of R6 250 from a debtor in settlement of an account of R6 500.
- A debit order of R3 700 for the monthly insurance appeared twice on the Bank Statement. The bank will rectify this on the Bank Statement next month.

**D The following entries were in the Cash Journals for July 2024 but not on the Bank Statement:**

- A deposit of R20 000
- EFT No.152, R11 200
- EFT No.153, R2 800

**E The Bank Statement on 31 July 2024 reflected a balance of, R?**

## 1.2 CREDITORS RECONCILIATION

1.2.1 Provide THREE points for good internal control over creditors. (3)

1.2.2 Lykso Traders buys goods on credit from Blueberry Suppliers. The information presented is for July 2024.

### REQUIRED:

Reconcile the Creditors Ledger of Blueberry Suppliers in the books of Lykso Traders with the statement received.

Use the table in the answer book to show changes. Indicate a plus (+) or minus (-) sign next to each amount. Calculate the correct balance/total at the end. (9)

### INFORMATION:

Balance of Blueberry Suppliers in Creditors Ledger of Lykso Traders	R35 850
Balance on the statement received from Blueberry Suppliers	R58 800

- A** An invoice for R22 400 received from Blueberry Suppliers was correctly recorded in the Creditors Ledger Account. The amount was incorrectly recorded as R18 200 on the statement.
- B** Lykso Traders entered a discount of R1 750 relating to a payment of R18 000 on 10 July 2024. Blueberry Suppliers did not approve this discount stating that the payment was received late.
- C** The statement of account reflected returns valued at R2 380. The Creditors Ledger Account showed R1 380. It was established that Lykso Traders miscalculated the value of the goods returned.
- D** An invoice for R6 200 received from Blueberry Suppliers was incorrectly recorded as a debit note in the Creditors Ledger.
- E** A direct transfer of R14 000 by Lykso Traders was recorded in the Cash Payment Journal on 27 July 2024. The statement of account from Blueberry Suppliers was dated 25 July 2024.

**QUESTION 2: COST ACCOUNTING**

**(40 marks; 30 minutes)**

2.1 Choose the cost item in the list provided that matches the example below. Write only the cost item next to the question numbers (2.1.1 to 2.1.3) in the ANSWER BOOK.

**direct material; indirect labour; direct labour; administration cost**

- 2.1.1 Salary of the factory workers
- 2.1.2 Stationery used in the office.
- 2.1.3 Transport cost of raw material delivered to the factory. (3)

**2.2 SPORTY MANUFACTURERS**

The business manufactures and sells golf shirts. The financial year ended on 28 February 2025.



**REQUIRED:**

- 2.2.1 Calculate direct material cost. (6)
- 2.2.2 Calculate the factory overhead cost. (12)
- 2.2.3 Prepare the Production Cost Statement for the year ended 28 February 2025. (8)

**INFORMATION:**

**A Stock balances on 28 February:**

	2025	2024
Direct material	221 000	184 000
Work-in-progress	?	312 000
Finished goods	?	510 000

**B Figures provided by the bookkeeper on 28 February 2025**

Direct material	730 000
Indirect material	27 750
Carriage on purchases: Direct material	32 000
Direct labour	616 200
Advertisements	18 600
Salary: Factory foreman	210 000
Rent expense: Factory	109 000
Water and electricity	20 010



**C Additional information and adjustments:**

- The bookkeeper forgot to record an invoice of R125 000 on which 12% trade discount was received on raw material purchased.
- Two thirds (2/3) of the indirect material was used in the factory.
- Eight part-time employees are employed to clean the factory at R80 per hour. They each work 145 hours normal time. Three of these employees worked 30 hours over time at normal time rate plus 60%.
- The bookkeeper allocated 60% of water and electricity to the factory instead of 80%.

**D Production for the year:** 14 000 shirts at a cost of R130 per shirt.

**2.3 GARDEN FURNITURE MANUFACTURERS**

Garden Furniture Manufacturers is owned by Zandile Smith. The business manufactures garden chairs.

2.3.1 Refer to the information below:



- Should the business be satisfied with the number of chairs that were produced and sold during this financial year? Explain. Quote relevant figures in your answer. (3)
- Zandile wants to increase the number of units produced and sold to 30 000 in the next financial year while maintaining costs. Calculate the profit she will make from these units. (4)

2.3.2 Zandile is convinced that the cost of electricity in the factory has decreased in this financial year.

- Provide TWO reasons that led to the decrease in the cost of electricity in the factory in the current financial year. (4)

**INFORMATION**

**Stock records of garden chairs:**

		2025	2024
Number of units produced and sold		25 000	18 000
Break-even point		8 871	9 360
Selling price		R60	R50
COSTS	TOTAL R	UNIT COST 2025 R	UNIT COST 2024 R
Direct material	250 000	10	12
Direct labour cost	375 000	15	11
Prime cost	625 000	25	23
Factory overheads	200 000	8	10
Administration costs	75 000	3	3
Selling & distribution	100 000	4	2



40

**QUESTION 3: INVENTORY VALUATION AND PROBLEM SOLVING**

**(40 marks; 30 minutes)**

**3.1** Choose the stock valuation method in COLUMN B that matches the description from COLUMN A. Write only the letter (A–D) next to the question number (3.1.1 to 3.1.3) in the ANSWER BOOK.

COLUMN A		COLUMN B	
3.1.1	Stock valuation method used for similar goods of low value	A	Periodic Inventory System
3.1.2	This method of stock valuation assigns a unique or individual value to each stock item	B	FIFO
3.1.3	This method assumes that stock is sold in the order of date purchased	C	Weighted Average
		D	Specific Identification

(3)

**3.2** You are provided with information relating to Selbon Camp Shop. The business sells one type of camp chairs. Their financial year ends 28 February. The business uses weighted average method to value their stock. Periodic inventory system is in use.

**REQUIRED:**

3.2.1 Calculate the value of closing stock according to the weighted average method on 28 February 2025. (9)

3.2.2 Calculate the “cost of sales” for the year ended 28 February 2025. (3)

3.2.3 Selbon suspects that camp chairs have been stolen. Provide a calculation to support his suspicion. (5)

3.2.4 Calculate stock-holding period (in days) using the closing stock amount. (3)

3.2.5 State ONE problem with keeping too much stock on hand and ONE problem with keeping insufficient stock on hand. (4)

**INFORMATION:**



**A STOCK OF CAMP CHAIRS**

	Units	Unit price	Total
		R	R
Opening balance (1 March 2024)	120	?	45 600
Closing Balance (28 February 2025)	150	?	?

**B PURCHASES, RETURNS AND CARRIAGE ON PURCHASES**

	Units	Unit price	Total
Purchases	1 290		544 200
May 2024	450	380	171 000
September 2024	510	460	234 600
January 2025	330	420	138 600
Returns (From September purchases)	10	?	?
<b>Carriage on purchases:</b> Total transport cost of stock purchased during the year is R25 200. No refund was received for carriage on the returns.			

**C SALES**

Total sales of R741 000 comprised 1 235 camp chairs sold at R600 each.

**3.3 FIXED ASSETS**

The information relates to Titanium Hardware. The financial year ended 31 May 2024.

3.3.1 The business owns three delivery bakkies.

Refer to information A.

Calculate the cost price of bakkie 3. (2)

Explain why delivery vehicle 2 is shown at book value of R1,00 in the financial statements. Give ONE point. (2)

3.3.2 **The business offers a delivery service to clients within a 30 km radius of the store.**



- They charge a fixed amount of R250 per delivery. Clients pay this amount directly to the drivers of the bakkies.
- A total of 3 680 deliveries were made during the year in the 260 days the bakkies operated

As the internal auditor, you are concerned about the problems with the delivery bakkies and the drivers.

**Refer to information B.**

- Identify and explain ONE big problem with each bakkie and its driver. Quote figures in each case and provide a solution.

(9)

**INFORMATION:**

**A Fixed asset register on 31 May 2024**

	<b>Bakkie 1</b>	<b>Bakkie 2</b>	<b>Bakkie 3</b>
Date purchased	1 July 2022	1 March 2015	1 December 2020
Cost price	R315 000	R580 000	?
Accumulated depreciation	R120 750	R579 999	R315 000
Carrying value	R194 250	R1	R135 000

**B Information in respect of delivery bakkies and drivers on 31 May 2024**

	<b>Bakkie 1</b>	<b>Bakkie 2</b>	<b>Bakkie 3</b>
Name of driver	Neo	Thabo	Cleo
Number of days worked	210 days	260 days	260 days
Number of deliveries made	280	2 100	1 300
Cash paid in by drivers	R70 000	R525 000	R275 000
Salaries paid to drivers	R52 000	R52 000	R52 000
Fuel and maintenance costs for the year	R36 000	R430 500	R201 500
Fuel and maintenance costs per kilometer	R1,30	R2,05	R1,55

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	
$\frac{\text{Average trading stock}}{\text{Cost of sales}} \times \frac{365}{1}$	$\frac{\text{Cost of sales}}{\text{Average trading stock}}$
$\frac{\text{Average debtors}}{\text{Credit sales}} \times \frac{365}{1}$	$\frac{\text{Average creditors}}{\text{Cost of sales}} \times \frac{365}{1}$
$\frac{\text{Net income after tax}}{\text{Average shareholders' equity}} \times \frac{100}{1}$	$\frac{\text{Net income after tax}}{\text{Number of issued shares}} \times \frac{100}{1}$ (*See note below)
$\frac{\text{Net income before tax} + \text{Interest on loans}}{\text{Average shareholders' equity} + \text{Average non-current liabilities}} \times \frac{100}{1}$	
$\frac{\text{Shareholders' equity}}{\text{Number of issued shares}} \times \frac{100}{1}$	$\frac{\text{Dividends for the year}}{\text{Number of issued shares}} \times \frac{100}{1}$
$\frac{\text{Interim dividends}}{\text{Number of issued shares}} \times \frac{100}{1}$	$\frac{\text{Final dividends}}{\text{Number of issued shares}} \times \frac{100}{1}$
$\frac{\text{Dividends per share}}{\text{Earnings per share}} \times \frac{100}{1}$	$\frac{\text{Dividends for the year}}{\text{Net income after tax}} \times \frac{100}{1}$
$\frac{\text{Total fixed costs}}{\text{Selling price per unit} - \text{Variable costs per unit}}$	
<b>NOTE:</b>	
* In this case, 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.	



**LIMPOPO**  
PROVINCIAL GOVERNMENT  
REPUBLIC OF SOUTH AFRICA

DEPARTMENT OF  
**EDUCATION**

**SEKHUKHUNE EAST DISTRICT-DISTRICT ON THE RISE**

LEARNER'S NAME: \_\_\_\_\_

SCHOOL NAME: \_\_\_\_\_

**ACCOUNTING**

**GRADE 12**

**MID-TERM TEST 2025**

Stanmorephysics.com

**SPECIAL ANSWER BOOK**

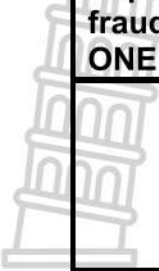
QUESTION	MARKS	INITIALS	MODERATOR
1			
2			
3			
<b>TOTAL</b>			

**This answer book consists of 9 pages.**



1.1.4

Explain why the rule of prudence will be used in accounting for fraudulent activities in the books and financial statements. Give ONE point.



2

Explain how this type of fraudulent activity can be avoided in the future. Give ONE point.

--

2

1.2.1

Provide THREE points for good internal control over creditors.



--

3

1.2.2 CREDITORS RECONCILIATION

No.	Creditors' Ledger of Lykso Traders	Statement of account received from Blueberry Suppliers
Balance	R35 850	R58 800
A.		
B.		
C.		
D.		
E.		
<b>TOTAL</b>		

9

<b>TOTAL MARKS</b>
35

**QUESTION 2**

2.1

2.1.1	
2.1.2	
2.1.3	


3

2.2.1

<b>Calculate direct material cost.</b>	
184 000	

6

2.2.2

<b>Calculate the factory overhead cost.</b>	
Rent expense	109 000
	

12

2.2.3

**Production Cost Statement for the year ended 28 February 2025**

Direct labour cost	616 200
Prime cost	
Production cost during the year	
Work-in-progress end of the year	
<b>Total cost of production of Finished goods</b>	

8

2.3

Should the business be satisfied with the number of chairs that were produced and sold during this financial year? Explain. Quote relevant figures in your answer.

--	--

3

Zandile wants to increase the number of units produced and sold to 30 000 in the next financial year while maintaining costs. Calculate the profit she will make from these units.

WORKINGS	ANSWER

4

Zandile is convinced that the cost of electricity in the factory has decreased in this financial year. Provide TWO reasons that led to the decrease in the cost of electricity in the factory in the current financial year.

--	--

4

<b>TOTAL MARKS</b>
40

**QUESTION 3**

3.1

3.1.1	
3.1.2	
3.1.3	

**3**

3.2

3.2.1

<b>Calculate the value of closing stock according to the weighted average method on 28 February 2025.</b>

**9**

3.2.2

<b>Calculate the "cost of sales" for the year ended 28 February 2025.</b>

**3**

3.2.3

<b>Selbon suspects that camp chairs have been stolen. Provide a calculation to support his suspicion.</b>

**5**



3.2.4

Calculate stock-holding period (in days) using the closing stock amount.

--	--

3

3.2.5

State ONE problem with keeping too much stock on hand and ONE problem with keeping insufficient stock on hand.

Keeping too much stock



Keeping insufficient stock

--	--

4

3.3

3.3.1

Calculate the cost price of bakkie 3 on 31 May 2024.

--	--

2

Explain why delivery vehicle 2 is shown at book value of R1,00 in the financial statements. Give ONE point.

--	--

2

3.3.2

Identify and explain ONE big problem with each bakkie and its driver. Quote figures in each case and provide a solution.

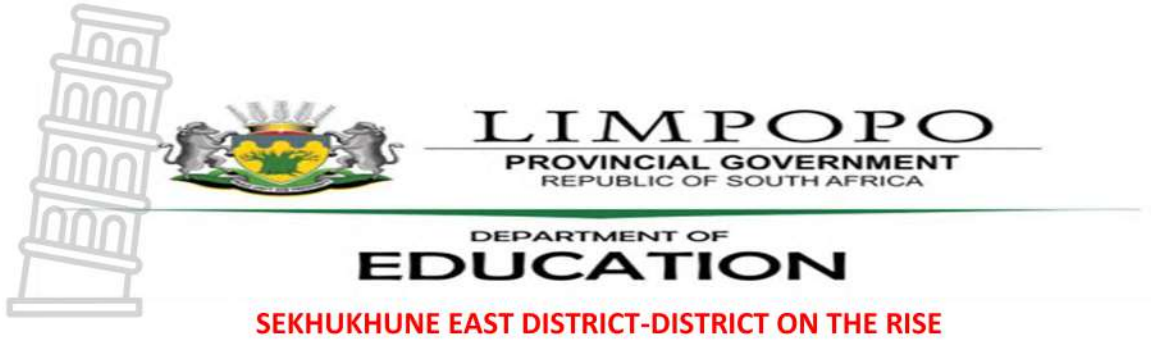
	PROBLEM AND FIGURES	SOLUTION
Bakkie 1 (Neo)		
Bakkie 2 (Thabo)		
Bakkie 3 (Cleo)		



9

TOTAL MARKS
40

TOTAL: 115



**NATIONAL SENIOR CERTIFICATE**

**GRADE 12**

**ACCOUNTING**  
**MARKING GUIDELINES**  
**MID-TERM TEST 2025**

**MARKS: 115**

**These marking guidelines consist of 9 pages.**

**MARKING PRINCIPLES:**

1. Unless otherwise stated in the marking guidelines, penalties for foreign items are applied only if the candidate is not losing marks elsewhere in the question for that item (no penalty for misplaced item). No double penalty applied.
2. Penalties for placement or poor presentation (e.g. details) are applied only if the candidate is earning marks on the figures for that item.
3. Unless otherwise stated, give full marks for correct answer. If answer is incorrect, mark workings.
4. If a pre-adjustment figure is shown as a final figure, allocate the part-mark for the working for that figure (not the method mark for the answer). Note: if figures are stipulated in memo for components of workings, these do not carry the method mark for final answer as well.
5. Unless otherwise indicated, the positive or negative effect of any figure must be considered to award the mark. If no + or – sign or bracket is provided, assume that the figure is positive.
6. Where indicated, part-marks may be awarded to differentiate between differing qualities of answers from candidates.
7. If candidates provide more than the required number of responses, inspect all responses to give benefit to the candidate. Penalties may be applied for foreign entries if candidates earn full marks on a question (max -2 per Q).
8. This memorandum 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, ÷, 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 guideline. Note that one comment could contain different aspects.
15. Codes: f = foreign item; p = placement/presentation.

**QUESTION 1:**

**1.1 BANK RECONCILIATION**

**1.1.1**

CASH RECEIPTS JOURNAL			CASH PAYMENTS JOURNAL	
	Amount			Amount
<b>Total</b>	<b>410 600</b>		<b>Total</b>	<b>386 350</b>
	290 ✓			45 000 ✓
	6 250 ✓			1 800 ✓✓
				2 850 ✓
				3 700 ✓
	417 140	<input checked="" type="checkbox"/> both totals must include provisional totals		439 700

8

**1.1.2**

Calculate the correct bank balance on 31 July 2024.						
WORKINGS		ANSWER				
$100\ 150 \checkmark + 417\ 140 \checkmark - 439\ 700 \checkmark$ <b>OR</b>		77 590 <input checked="" type="checkbox"/>				
		one part correct				
	<table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td>100 150</td> <td>439 700</td> </tr> <tr> <td>417 140</td> <td>c/d 77 590</td> </tr> </table>	100 150	439 700	417 140	c/d 77 590	
100 150	439 700					
417 140	c/d 77 590					

4

**1.1.3**

	Debit	Credit
Balance per Bank Statement		67 890 <input checked="" type="checkbox"/> balancing figure could be DR
Outstanding deposit		20 000 ✓
Outstanding EFT No. 152	11 200 ✓	
No. 153	2 800 ✓	
Correction of error		3 700 ✓✓
Balance per Bank Account	77 590 <input checked="" type="checkbox"/> could be CR. see 1.1.2	
	91 590	91 590

**OR**

Balance as per Bank Statement	67 890 <input checked="" type="checkbox"/> balancing figure
Outstanding deposit	20 000 ✓
Outstanding EFT No. 152	(11 200) ✓
No. 153	(2 800) ✓
Correction of error	3 700 ✓✓
Balance per Bank Account	77 590 <input checked="" type="checkbox"/> see 1.1.2

7

1.1.4

**Explain why the rule of prudence will be used in accounting for fraudulent activities in the books and financial statements. Give ONE point.**

Any valid answer ✓✓ part-mark for unclear/incomplete answer

- The business cannot guarantee that the amount will be recovered and must regard this transaction in a pessimistic light and take the conservative approach.
- The rule of prudence dictates a conservative approach in reporting financial information.

2

**Explain how this type of fraudulent activity can be avoided in the future. Give ONE point.**

Any valid answer ✓✓ part-mark for unclear/incomplete answer

- Division of duties where one person will not perform multiple tasks.
- All transactions must be authorised.
- Set up a bank notification service for all transactions.

Responses for 1 mark

- Supervision.
- Division of duties.

2

1.2.1

**Provide THREE points for good internal control over creditors.**

Any THREE valid answers ✓✓✓

- Assess the efficiency of the creditors clerk in order to prevent errors from occurring.
- Ensure that creditors are paid on time to make use of discounts.
- Make full use of credit terms to assist cash flow.
- Division of duties amongst members of the accounting department so that one person serves as a check on another.
- Reconcile the balance on the creditors control account with the total of creditors' list to ensure accuracy on a monthly basis.
- The statement of account of individual creditors must be reconciled (agreed) with their accounts in the creditors' ledger.
- Conduct internal audits to minimise the possibility of fraud or error/Check documents (e.g. invoices and credit notes) to ensure accuracy of calculations and entries.
- Ensure that items ordered from creditors are correctly received (i.e. quantities, condition, price).
- Ensure that all purchases are correctly authorized (i.e. procurement policy).

3

1.2.2 CREDITORS RECONCILIATION

No.	Creditors' Ledger of Lykso Traders	Statement of account received from Blueberry Suppliers
Balance	R35 850	R58 800
A.		+ 4 200 ✓✓
B.	+ 1 750 ✓	
C.	- 1 000 ✓	
D.	(6 200 + 6 200) + 12 400 ✓✓	
E.		-14 000 ✓
<b>TOTAL</b>	49 000 * <input checked="" type="checkbox"/> operation one part correct	49 000 * <input checked="" type="checkbox"/> operation one part correct

9

\* Totals do not have to agree but the opening balances must be included.  
 If no sign accept it as positive and brackets as negative.  
 Superfluous entries -1 each line (only if mark/s are earned for that line)

<b>TOTAL MARKS</b>
35 <i>anmorephysics.com</i>

**QUESTION 2**

2.1

2.1.1	Direct labour ✓
2.1.2	Administration cost ✓
2.1.3	Direct material ✓

3

2.2.1

<b>Calculate direct material cost.</b>	
184 000 + 730 000 ✓ + 32 000 ✓ + 110 000 ✓✓ – 221 000 ✓	835 000 ✓ one part correct

6

2.2.2

<b>Factory overhead cost</b>	
<b>Rent expense</b>	<b>109 000</b>
Indirect material 27 750 ✓ x 2/3 ✓	18 500 ✓*
Indirect labour (8 x 80 x 145) one part correct (3 x 30 x 128) one part correct 210 000 + 92 800 ✓✓ + 11 520 ✓✓	314 320 ✓*
Water and electricity 20 010 + 6 670 ✓✓	26 680 ✓*
one part correct	468 500 ✓
*one part correct	

12

2.2.3

**Production Cost Statement for the year ended 28 February 2025**

Direct material cost	see 2.2.1	835 000 ✓
<b>Direct labour cost</b>		<b>616 200</b>
<b>Prime cost</b>	operation	1 451 200 ✓
Factory overhead cost		468 500 ✓
<b>Production cost during the year</b>	Prime cost + FOC	1 919 700 ✓
Work-in-progress beginning of the year		312 000 ✓
		2 231 700
<b>Work-in-progress end of the year</b>	balancing figure	(411 700) ✓
<b>Total cost of production of Finished</b> (14 000 x 130 ) 2 marks or nothing		1 820 000 ✓✓

8

2.3

**Should the business be satisfied with the number of tables that were produced and sold during this financial year? Explain. Quote relevant figures in your answer.**

Yes ✓ Explanation comparing units produced to BEP ✓✓

The business produced and sold 25 000 units. This is 16 129 units more than the break-even point of 8 871 units.

3

**Zandile wants to increase the number of units produced and sold to 30 000 in the next financial year while maintaining costs. Calculate the profit she will make from these units.**

WORKINGS	ANSWER
(60 – 29) one part correct 5 000 ✓ x 31 ✓✓	155 000 ✓ one part correct

4

**Zandile is convinced that the cost of electricity in the factory has decreased in this financial year. Provide TWO reasons that led to the decrease in the cost of electricity in the factory in the current financial year.**

Any TWO valid answers ✓✓ ✓✓ part-marks for unclear/incomplete answers

- Reduced power supply due to load shedding.
- Proper control over electric appliances (switched off if not used).
- Supervision of workers to avoid unnecessary overtime.
- Use of solar system/generator as a back-up during load shedding.

**Response for 1 mark**

- Supervision.

4

<b>TOTAL MARKS</b>
40

**QUESTION 3**

3.1

3.1.1	C✓
3.1.2	D✓
3.1.3	B✓

3
---

3.2

3.2.1

<b>Calculate the value of closing stock according to the weighted average method on 28 February 2025.</b>	
$\frac{45\ 600\checkmark + 544\ 200\checkmark - 4\ 600\checkmark + 25\ 200\checkmark}{120\checkmark + 1\ 290\checkmark - 10\checkmark}$ $\frac{610\ 400\text{ four marks}}{1\ 400\text{ three marks}}$ $= 436 \times 150\checkmark$	65 400 ✓ operation one part correct

9
---

3.2.2

<b>Calculate the “cost of sales” for the year ended 28 February 2025.</b>	
see 3.2.1 610 400 ✓ - 65 400 ✓	545 000 ✓ operation one part correct

3
---

3.2.3

<b>Selbon suspects that camp chairs have been stolen. Provide a calculation to support his suspicion.</b>	
one part correct $[(120 + 1\ 290 - 10)\checkmark - 150]\checkmark - 1\ 235\checkmark$	15 ✓ operation one part correct

5
---



3.2.4

**Calculate stock-holding period (in days) using the closing stock amount.**

<p>See 3.2.1  <math>\frac{65\,400}{545\,000} \times \frac{365}{1}</math>                  See 3.2.2</p> <p><b>OR</b> If units used</p> <p><math>\frac{150}{1\,235} \times \frac{365}{1}</math></p> <p>Numerator and denominator cannot be swapped</p>	<p>43,8 days                  one part correct if x 365                  accept 44 days</p> <p><b>OR</b></p> <p>44,3 days                  Accept 44 days</p>
---	---

3

3.2.5

**State ONE problem with keeping too much stock on hand and ONE problem with keeping insufficient stock on hand.**

**Keeping too much stock**  
 Any valid point ✓✓ part-marks for unclear/incomplete answers

- Can cause cash flow problems with cash tied up in stock.
- Cost of storage/ lack of storage space.
- Stock can be damaged when kept for long periods.

**Keeping insufficient stock**  
 Any valid point ✓✓ part-marks for unclear/incomplete answers

- The business will not meet the needs of customers/ business will lose customers to competitors.
- Loss of income from sales.

4

3.3

3.3.1

**Calculate the cost price of bakkie 3 on 31 May 2024.**

$315\,000 + 135\,000$	$450\,000$ ✓✓ 2 marks or nothing
-----------------------	-------------------------------------

2

**Explain why delivery vehicle 2 is shown at book value of R1,00 in the financial statements. Give ONE point.**

Any valid answer ✓✓ part-marks for unclear/incomplete answers

- The vehicle is old and has reached the end of its lifespan.
- Since depreciation is written off on the cost price method, the vehicle is already fully depreciated.
- However, the vehicle is still in use and therefore must be shown at a value in the statements

2

3.3.2

Identify and explain ONE big problem with each bakkie and its driver. Quote figures in each case and provide a solution.		
	PROBLEM ✓ ✓ ✓ FIGURES ✓ ✓ ✓ Mark problem and figures independently	SOLUTION ✓ ✓ ✓
<b>Bakkie 1 (Neo)</b>	<ul style="list-style-type: none"> <li>Neo made only 280 deliveries.</li> <li>Neo was absent too much – 50 days of work.</li> <li>Neo is paid the same salary despite the fact that he is making only 7, 6% of deliveries.</li> <li>Vehicle is underutilized because it has the lowest operating costs (R1, 30) but makes only 7, 6% of total deliveries.</li> <li>Poor internal control that allows the vehicle to be operated at a loss. (Income: R70 000 Cost: R88 000)</li> </ul>	Pay drivers per delivery – this will encourage them to work harder. Give this vehicle to the best/ most reliable driver.
<b>Bakkie 2 (Thabo)</b>	<ul style="list-style-type: none"> <li>Thabo worked too hard with this vehicle – he did (2,100/260 days = 8 deliveries a day).</li> <li>This vehicle is old and has the highest operating costs (R2.05) but it does 2,100/3,680 = 57% of all deliveries.</li> </ul>	Limit the use of this vehicle if it cannot be replaced. Give this vehicle to the weakest/most idle driver.
<b>Bakkie 3 (Cleo)</b>	<ul style="list-style-type: none"> <li>Cleo is dishonest and he stole R50 000 of the fees collected (R325 000 – R275 000).</li> </ul>	Conduct a full audit of fees collected. Fees must be paid electronically in advance. No cash should be handled by drivers. Institute disciplinary action against Cleo.

9
---

<b>TOTAL MARKS</b>
<b>40</b>

**TOTAL: 115**