



# education

Department of  
Education  
FREE STATE PROVINCE

## GRADE 12

### JUNE EXAMINATION

### PAPER 2

## ACCOUNTING

### JUNE 2026

**MARKS: 150**

**TIME: 2 hours**

This question paper consists of 13 pages,  
a formula sheet and a 10-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. Show ALL workings to earn part-marks.
4. You may use a non-programmable calculator.
5. You may use a dark pencil or blue/black ink to answer questions.
6. Where applicable, show ALL calculations to ONE decimal point.
7. If you choose to do so, you may use the Financial Indicator Formula Sheet attached at the end of this question paper. The use of this formula sheet is NOT compulsory.
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	TIME GUIDE
1	Reconciliations	45	35
2	Inventory	45	35
3	Cost Accounting	45	35
4	Fixed assets and calculations	15	15
<b>TOTAL</b>		150	120

**QUESTION 1: CONCEPTS AND RECONCILIATIONS (45 marks; 35 minutes)**

**1.1** Choose the correct answer from the words provided within brackets. Write only the answer, next to each number (1.1.1 – 1.1.3) in the ANSWER BOOK.

1.1.1 A (debit/credit) balance on the bank account indicates an overdraft.

1.1.2 A (debit /credit) note is the source document for goods returned to the creditor.

1.1.3 A (cash discount/trade discount) is offered when accounts are settled within a certain time. (3)

**1.2** You are the bookkeeper of Still Traders. The information was taken from the books on May 2026. Stanmorephysics.com

**REQUIRED:**

1.2.1 Calculate the correct totals in the Cash Receipts Journal (CRJ) and Cash Payments Journal (CPJ) for May 2026. (10)

1.2.2 Calculate the correct balance of the Bank account in the ledger on 31 May 2026. (4)

1.2.3 Prepare the Bank Reconciliation Statement on 31 May 2026. (6)

1.2.4 The owner is concerned about the following transactions and is uncertain what to do about this. TWO problems were identified. Explain what you would advise to the owner about each of these issues:

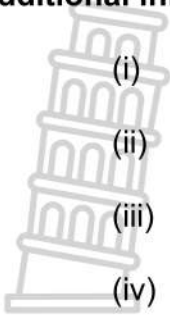
- **False proof of payment – See D (ii):**  
The owner always trusted debtors and used the “**proof of payment**” as proof of the transaction. Provide TWO ways how this can be prevented in future. (4)

- **Outstanding deposits**  
She is concerned about internal control at Still Traders. Identify TWO problems with the outstanding deposits, Also provide TWO control methods that you would put into place to ensure that this does not happen in the future. (8)

**INFORMATION:**

**A. Extract from the Bank reconciliation statement on April 2026.**

<b>Outstanding deposits:</b>	<b>R</b>
15 April 2026	30 000
30 April 2026	12 105
<b>Outstanding EFT's:</b>	
No. 141	4 700
No. 142	8 000

**Additional information:**

- (i) The outstanding deposit of R12 105 and EFT no. 141, appeared on the bank statement for May 2026.
- (ii) EFT No. 142 appeared correctly on the bank statement of May 2026 as R8 800.
- (iii) The outstanding deposit of R30 000 on 15 April 2026 was never deposited. It was stolen and must be written off.
- (iv) The favourable balance in the Bank account in the General ledger was R24 000 on 1 May 2026.

**B. Provisional totals for Cash Journals on 31 May 2026 are as follows:**

Cash Receipts Journal (CRJ)	R389 504
Cash Payments Journal (CPJ)	R287 000

**C.** The following information appears on the May 2026 bank statement from Spring Bank, but not in the May 2026 Cash Journals.

- (i) Service fee of R400
- (ii) A debit order to the city municipality for R 20 000 for water and electricity.
- (iii) A direct deposit received from a debtor N. Thabethe for R5 400, in settlement of her account of R6 000.

**D.** The following items reflected differences between the Bank Statement and the Journals for May 2026 and must also be considered:

- (i) EFT no 301, for R1 800 in favour of Zwide Traders was recorded in the relevant Journal. Spring Bank however, reflected it twice on the bank statement. The bank informed us that they will rectify it on the next bank statement. Stanmorephysics.com
- (ii) On 27 May 2026 Still Traders received proof (via email from debtor) of a direct deposit into the business's bank account, R2 910. The bookkeeper entered this in the CRJ. This has not yet appeared on the Bank Statement. It was discovered that the document received via email was a fake copy.

**E.** The following entries appeared in the May 2026 Cash Journals but did not appear on the Bank Statement for May 2026.

- EFT no. 189 for R7 000 dated 31 May 2026.
- A deposit of proceeds from cash sales of R16 000 on 31 May 2026

**F.** The bank statement showed a favourable balance of R? on 31 May 2026

1.3 The credit controller of Amahle Traders has a problem. The balance in the Creditors Ledger and the Statement received does not correspond. Amahle Traders buys goods on credit from Anna Suppliers.



**REQUIRED:**

1.3.1 Use the table provided to indicate changes to the: (10)

- Creditors' Ledger Account in the books of Amahle Traders
- Creditors' Reconciliation Statement on 30 August 2025.

**INFORMATION:**

**A. Creditors ledger of Amahle Traders:**

**ANNA SUPPLIERS**

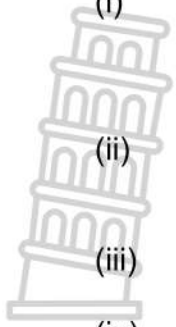
CL2

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	
	27	Journal voucher 570	5 400		
	31	EFT	77 190		147 820

**B. Statement of account from Anna Suppliers**

DATE		DETAILS	DEBIT	CREDIT	BALANCE
2025		<b>AMAHLE TRADERS</b>			24 August 2025
		103 Mevas Road			
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 noted:**

- 
- (i) The incorrect entry for debit note 674 in the creditors ledger account of Anna Suppliers related to the credit note 741 on the statement. The statement is correct.
  - (ii) Invoice 282 was incorrectly reflected in the account of Anna Suppliers in the creditor's ledger. The goods were purchased from Anandi Suppliers
  - (iii) Invoice 360 was incorrectly recorded on the statement from Anna Suppliers.
  - (iv) Anna Suppliers also purchased goods on credit from Amahle Traders, Amahle Traders has transferred a debit balance from the debtor's ledger account (Journal voucher 570). Anna Suppliers will rectify this on the next statement.
  - (v) The transaction on 24 August 2025 is for merchandise returned to Anna Suppliers. Stanmorephysics.com
  - (vi) The statement reflects transactions up to 24 August 2025.



**QUESTION 2: INVENTORY SYSTEMS AND PROBLEM SOLVING**

**(45 marks; 35 minutes)**

2.1 Choose a method in COLUMN B that matches the description in COLUMN A. Write only the letters (A–D) next to the question numbers (2.1.1 to 2.1.4) in the ANSWER BOOK.

COLUMN A		COLUMN B	
2.1.1	Oldest stock is sold first.	A	cost price method
2.1.2	Each inventory item is recorded and valued individually at its specific cost.	B	first-in-first-out method
2.1.3	The same amount of depreciation is calculated each year over the asset's useful life.	C	diminished balance method
2.1.4	Depreciation is calculated each year on the reduced carrying value of the asset.	D	specific identification method

(4)

2.2 Enhle Traders is a retailer that buys and sells handmade soap to hotels and chain stores in Kwa-Zulu Natal.

**REQUIRED:**

2.2.1 Calculate the following on 30 April 2026, using the FIFO-method.

- Value of the closing stock (7)
- Cost of sales (7)
- Gross profit (3)

2.2.2 The owner thinks that some of the stock went missing. Proof this statement with a calculation. (5)

**INFORMATION:**

**A** Stock records of handmade soap:

INFORMATION	NUMBER OF SOAPS	COST PRICE	TOTAL PURCHASES	NUMBER SOLD
Opening stock - 1 May 2025	400	R12,00	4 800	560
Purchases	<b>330</b>		<b>3 932</b>	
8 May 2025	190	R12,00	2 280	
21 May 2025	140	R11,80	1 652	
<ul style="list-style-type: none"> <li><b>Note:</b> 19 handmade soaps were returned due to being the wrong order from the stock purchases on 8 May 2025.</li> <li>On 31 May 2025 there was 149 units on hand.</li> </ul>				

**B** Soaps are sold at a fixed selling price of R20 each.

2.3 JHC Stores is a business that buys and resells children’s toys and operates in Woodstock, Western Cape. The business most popular items are Hallo Kitty dolls, Ben 10 figures and Dinosaur Fossils. JHC stores financial year ends on 30 June every year.

**REQUIRED:**

2.3.1 Calculate the value of the closing stock by using the weighted average method. (6)

2.3.2 Give TWO points of advice to improve the internal control over stock. (4)

**INFORMATION:**

Stock records of toys:

	UNITS	AMOUNT (R)
Opening stock-Carriage included	60	2 984
Purchases- Carriage included	275	15 340
Returns	15	831
Closing stock	42	?
Number of toys sold	275	?
Total carriage on purchases of toys		R10 per unit

**2.4 SOCK-IT OUTDOOR SALES**

Sock-It is a business in Cape Town that sells three different kinds of hiking tekkies – Nipe, Walket and Pace-to-Pace.



**REQUIRED:**

2.4.1 Identify ONE different problem in respect of the way each product is managed. Quote figures to support your answer. In each case offer practical advice.

(9)

ITEMS OF STOCK	Nipe	Walket	Pace-to-Pace
Opening stock	1 395	320	305
Purchases	3 230	4 500	1 870
Sales	3 900	2 100	1 950
Closing stock	623	2 720	225
Selling price per unit	R1 240	R2 190	R560
Period of stock on hand	25 days	50 days	15 days
Cash deposited	R4 836 000	R4 599 000	R985 500
Returns	102	0	5



**QUESTION 3: COST ACCOUNTING**

**(45 marks; 35 minutes)**

**3.1 JUMBO WHOLESALERS**

The information relates to the financial year ended 28 February 2026. The business produces one style of shirt. The owner is Jabulani Jumbo.

**REQUIRED:**

Complete the following for the year ended 28 February 2026:

- 3.1.1 Production Cost Statement (11)
- 3.1.2 Calculate the correct factory overheads. (9)
- 3.1.3 Abridged Statement of Comprehensive Income (Income Statement) (14)

**INFORMATION:**

**A. Stock balances and totals:**

	28 February 2026	1 March 2025
Direct material	15 000	13 000
Finished goods	13 000	10 000
Work in progress	7 000	9 000
Indirect material	4 000	3 000

**B. Raw material:**

Purchased during the year, R60 000.  
Purchases returned to creditors, R5 000.  
Carraige on purchases paid cash, R1 000.

**C. Production wages:**

Information extracted from the production wages records:

GROSS WAGES OF PRODUCTION WORKERS	TOTAL DEDUCTIONS	NET WAGES PAID TO PRODUCTION WORKERS
?	34% of gross wages	R36 300

**D. Factory overheads:**

Rent	R10 500
Water and electricity	9 000
Indirect labour	28 000
Insurance	22 000
Depreciation	5 000
Indirect materials issued to the factory	5 000



**It was discovered that she did not take the following into account:**

- The salary of an admin clerk of R24 000 was posted in error to the factory overhead cost. Rectify the error.
- The insurance expense of R44 000 was divided equally between the factory overhead cost and the sales department in error. 65% of this expense relates to the factory, and the balance applies to the sales department.
- Rent expense was divided 50-50 between the factory and administration. It was supposed to be 2:1.

**E. Sales:**

Total sales for the year amounted to R350 000. Debtors' allowances amounted to R5 000.

**F. Administration fees:**

Accounting fees	R16 000
Bank charges	4 500
Rent expense	?
Salaries	?

**G. Sales and distribution costs**

Cost price of delivery vehicles	R150 000
Accumulated depreciation on vehicles	100 000
Extra delivery costs	3 000
Insurance	?

- Depreciation on the delivery vehicle is calculated at 10% on the diminished balance method.

### 3.2 PETER PENS

Peter Ngwenja is the owner of Peter Pens, a manufacturing business that produces one type of pen. The financial year ended on 28 February 2026.

Production is based on orders received, therefore there are no work-in-progress balances.

#### REQUIRED:

- 3.2.1 Comment on the fixed cost per unit. (2)
- 3.2.2 The level of production is satisfactory. Quote and explain figures to support your opinion. (3)
- 3.2.3 Peter is concerned about the management of the variable costs. (6)
- Identify ONE problem regarding the variable costs. Quote appropriate figures to support your opinion.
  - Provide TWO solutions on how he can address the problem identified.

#### INFORMATION:

Financial information extracted from the records of Peter Pens :

	28 FEBRUARY 2026		1 MARCH 2025	
	TOTAL (R)	UNIT COST (R)	TOTAL (R)	UNIT COST (R)
Fixed costs	550 400	3,20	544 000	3,40
Variable costs:	2 261 800	13,15	1 440 000	9,00
Direct material cost	860 000	5,00	640 000	4,00
Direct labour cost	935 000	5,50	544 000	3,40
Selling and distribution Cost	450 500	2,65	256 000	1,60
Selling price per unit		R16,74		R13,39
Number of units produced and sold		172 000		160 000
Break-even point (units)		153 315		123 636

**QUESTION 4: FIXED ASSETS AND CALCULATIONS**

**(15 marks; 15 minutes)**

You are provided with information from the records of Cheetah Limited for the financial year ended 30 April 2026.

**REQUIRED:**

- 4.1 Use the given information to calculate the accumulated depreciation on the vehicle that was traded in on 31 August 2025. (6)
- 4.2 Give two reasons for the disposal of assets. (4)
- 4.3 Prepare the Asset disposal account. Stanmorephysics.com (5)

**INFORMATION:**

The following extract was taken from the asset register of Cheetah limited. The financial year ends annually on the last day of February.

<b>Cheetah Limited</b>		Page 1	
<b>General ledger account:</b>		Vehicles	
<b>Item:</b> Isuzu 2.8 Diesel		<b>Date purchased:</b> 30 Nov 2022	
<b>From whom purchased:</b>		Britz Motors	
<b>Cost price</b>		R500 000	
<b>Depreciation:</b>	20% on the diminishing method		
<b>Date sold:</b> 31 August 2025		<b>To whom sold:</b> Mark Motors (Trade in)	
<b>Selling price</b> R290 000		<b>Profit or loss on sale:</b> .....	
Date	Cost price	Accumulated depreciation	Carrying value
30/11/2022 – 28/02/2023	500 000	25 000	...
01/03/2023 – 28/02/2024	500 000	....	...
01/03/2024 – 28/02/2025	500 000	....	...
01/03/2025 – 31/08/2025	500 000	...	...

**TOTAL: 150 marks**

GRADE 12 ACCOUNTING FINANCIAL INDICATOR FORMULA SHEET	
$\frac{\text{Gross profit} \times 100}{\text{Sales}} \div 1$	$\frac{\text{Gross profit} \times 100}{\text{Cost of sales}} \div 1$
$\frac{\text{Net profit before tax}}{\text{Sales}} \times \frac{100}{1}$	$\frac{\text{Net profit after tax}}{\text{Sales}} \times \frac{100}{1}$
$\frac{\text{Operating expenses} \times 100}{\text{Sales}} \div 1$	$\frac{\text{Operating profit} \times 100}{\text{Sales}} \div 1$
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	
$\frac{\text{Average trading stock} \times 365}{\text{Cost of sales}} \div 1$	$\frac{\text{Cost of sales}}{\text{Average trading stock}}$
$\frac{\text{Average debtors} \times 365}{\text{Credit sales}} \div 1$	$\frac{\text{Average creditors} \times 365}{\text{Cost of sales}} \div 1$
$\frac{\text{Net income after tax}}{\text{Average shareholders' equity}} \times \frac{100}{1}$	$\frac{\text{Net income after tax}}{\text{Number of issued shares}} \times \frac{100}{1}$ (*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.	



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## ACCOUNTING PAPER 2

GRADE 12

2026

SURNAME: \_\_\_\_\_

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

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

### **SPECIAL ANSWER BOOK**

QUESTION	MARKS	INITIAL	MOD.
1			
2			
3			
4			
TOTAL			

This answer book consists of 10 pages.



1.2.4 The owner is concerned about the following transactions and is uncertain what to do about this.

False proof of payment – See D (ii):  
Suggestion 1:

Suggestion 2:

4

TWO problems with outstanding deposits  
Problem 1:

Problem 2:



4

TWO control measures:  
Control measure 1:

Control measure 2:

4

**1.3 CREDITORS RECONCILIATION**

	<b>CREDITORS LEDGER</b>	<b>STATEMENT</b>
<b>Balances:</b>	<b>147 820</b>	<b>145 060</b>
(i)		
(ii)		
(iii)		
(iv)		
(v)		
(vi)		

<b>10</b>

<b>TOTAL MARKS</b>
<b>45</b>

**QUESTION 2**

2.1

2.1.1	
2.1.2	
2.1.3	
2.1.4	

4

2.2 **ENHLE TRADERS**

2.2.1

<b>Calculate: Value of the closing stock</b>	
<b>Workings</b>	<b>Answer</b>

7

<b>Calculate: Cost of sales</b>	
<b>Workings</b>	<b>Answer</b>

7

<b>Calculate: Gross profit</b>	
<b>Workings</b>	<b>Answer</b>

3

2.2.2

The owner thinks that some of the stock went missing. Proof this statement with a calculation.

5

**2.3 JHC STORES**

**2.3.1 Calculate the value of the closing stock using the weighted average method.**

Workings	Answer

<b>6</b>

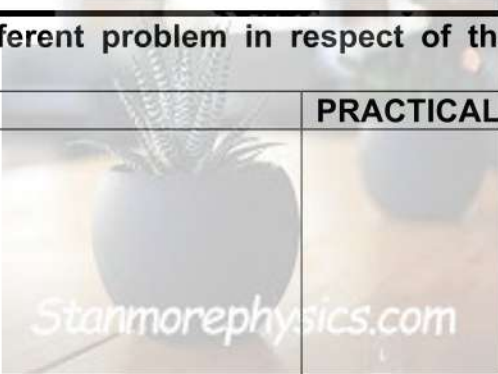
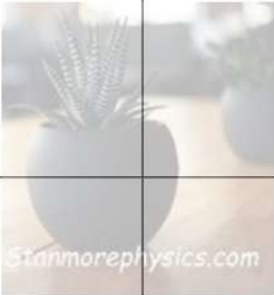
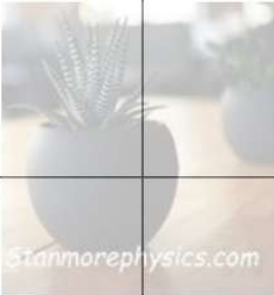
**2.3.2 Give TWO points of advice to improve the internal control over stock.**

--

<b>4</b>

**2.4 SOCK-IT OUTDOOR SALES**

**2.4.1 Identify ONE different problem in respect of the way each product is managed.**

PROBLEM	PRACTICAL ADVICE
<p><b>Nipe:</b></p> 	
<p><b>Walket:</b></p> 	
<p><b>Pace-to-Pace:</b></p> 	

9
---

<b>TOTAL MARKS</b>
45

**QUESTION 3**

**3.1 JUMBO WHOLESALERS**

**3.1.1 Production Cost Statement for the year ended 28 February 2026.**

Direct labour cost	
Prime cost	
Total manufacturing costs	
Work-in-progress at beginning of year	9 000
Work-in-progress at end of year	(7 000)
Cost of production of finished goods	

11

**3.1.2 Calculate the correct factory overheads on 28 February 2026.**

Workings	Answer

9

**3.1.3 ABRIDGED STATEMENT OF COMPREHENSIVE INCOME (INCOME STATEMENT) FOR THE YEAR ENDED 28 FEBRUARY 2026**

Sales	
Cost of sales	
Gross profit	
Other expenses	
Selling and distribution costs	
Administration cost	
Net profit for the year	

14

**3.2 PETER PENS**

**3.2.1 Comment on the fixed cost per unit.**

--

2

**3.2.2 The level of production is satisfactory. Quote and use figures to support your opinion.**

--

3

**3.2.3 Peter is concerned about the management of the variable costs. Identify One problem, with figures.**

--

2

**Give TWO solutions to this problem.**

4

<b>TOTAL MARKS</b>
45

**QUESTION 4**

**CHEETAH LIMITED**

4.1 Use the given information to calculate the accumulated depreciation on the vehicle that was traded in on 31 August 2025.

Workings	Answer:

6

4.2 Give two reasons for the disposal of assets.

4

4.3 **GENERAL LEDGER CHEETAH LIMITED  
 ASSET DISPOSAL ACCOUNT**


5

<b>TOTAL MARKS</b>
15



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## GRADE 12 - EXAMINATION

## ACCOUNTING - JUNE 2026

### PAPER 2

**MARKS: 150**

#### **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.

This marking guideline consists of 10 pages

**QUESTION 1**

1.1

1.1.1	Credit	✓
1.1.2	Debit	✓
1.1.3	Cash discount	✓

3

1.2.1

CASH RECEIPTS JOURNAL		CASH PAYMENTS JOURNAL	
<b>R389 504</b>		<b>R287 000</b>	
5 400	✓	(8 800 – 8 000) 800	✓✓
		30 000	✓
		400	✓
		20 000	✓
		2 910	✓✓
<b>394 904</b>	<input checked="" type="checkbox"/>	<b>341 110</b>	<input checked="" type="checkbox"/>

10

1.2.2

**Calculate the correct balance of the Bank account in the ledger on 31 May 2026.**

24 000 ✓ + 394 904  – 341 110  = 77 794   
 See 1.2.1

4

1.2.3

**Bank Reconciliation Statement on 31 May 2026**

Credit balance according to bank statement	<b>Balancing figure</b>	66 994 <input checked="" type="checkbox"/>
Credit deposit outstanding		16 000 ✓
Debit outstanding EFT 189	7 000 ✓	
Correct incorrect EFT 301		1 800 ✓
Debit balance according to bank account <b>see 1.2.2</b>	77 794 <input checked="" type="checkbox"/>	
<b>For both totals</b> <input checked="" type="checkbox"/>	84 794	84 794

6

1.2.4 The owner is concerned about the following transactions and is uncertain what to do about this.

False proof of payment – See D (ii):

TWO suggestions – 2 marks per suggestion ✓✓ ✓✓

Suggested answers:

- Do not rely on emailed proof of payment alone, verify on bank statement
- Only record receipts once it appears on the bank statement
- Use bank notifications / SMS alerts from the bank as an immediate confirmation of real deposits.
- Perform reconciliations to match deposits with debtor accounts regularly

4

TWO problems with outstanding deposits

Any TWO problems identified – 2 marks per suggestion ✓✓ ✓✓

Suggested answers:

- Deposit of R30 000 was never deposited (stolen)
- Delay in banking money (e.g. deposits from 15 April still outstanding); Cash is kept too long before being deposited that is a high risk of theft.
- Poor internal control over cash handling, no proper monitoring or accountability.
- Rolling of cash

4

TWO control measures:

Any TWO control measures – 2 marks per control measure ✓✓ ✓✓

Suggested answers:

- Deposit cash daily or as soon as possible to reduce the risk of theft.
- Segregation of duties: Different people must receive cash, record transactions, deposit money
- Use pre-numbered receipts and keep records to help track all cash received.
- Regular supervision and internal checks, owner/manager must review deposits frequently.
- Install security measures (e.g., cameras or safes) to protect physical cash.

4

1.3 CREDITORS RECONCILIATION

	CREDITORS LEDGER	STATEMENT
<b>Balances:</b>	<b>147 820</b>	<b>145 060</b>
(i)	+ 1 800 ✓✓	
(ii)	- 40 950 ✓	
(iii)		+30 000 ✓
(iv)		- 5 400 ✓
(v)	(-8 100✓ -8 100✓) -16 200 ✓✓	
(vi)		-77 190 ✓
	92 470 <input checked="" type="checkbox"/> <small>One part correct</small>	92 470 <input checked="" type="checkbox"/> <small>One part correct</small>

<b>10</b>
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<b>TOTAL MARKS</b>
<b>45</b>

**QUESTION 2**

2.1

2.1.1	B (First-in-first-out method)	✓
2.1.2	D (Specific identification method)	✓
2.1.3	A (Cost price method)	✓
2.1.4	C (Diminished balance method)	✓

4

**2.2 ENHLE TRADERS**

2.2.1

Calculate: Value of the closing stock	
Workings	Answer
$140 \checkmark \times R11,80 \checkmark = R1\ 652 \checkmark$ $9 \checkmark \times R12,00 \checkmark = R108 \checkmark$	$R1\ 760 \checkmark$ One part correct

7

Calculate: Cost of sales	
Workings	Answer
$R228 \checkmark \checkmark$ $4\ 800 \checkmark + 3\ 932 \checkmark - (19 \checkmark \times R12,00 \checkmark) - R1\ 760 \checkmark =$ See previous answer	$R6\ 744 \checkmark \checkmark$ One part correct

7

Calculate: Gross profit	
Workings	Answer
$(560 \times R20) = 11\ 200 \checkmark - 6\ 744 \checkmark =$ See previous answer	$R4\ 456 \checkmark$ One part correct

3

2.2.2

<p>The owner thinks that some of the stock went missing. Proof this statement with a calculation.</p> $730 \checkmark$ $(400 + 330) \checkmark - 19 \checkmark - 560 \checkmark - 149 \checkmark = 2 \text{ missing } \checkmark$ One part correct
--

5

**2.3 JHC STORES**

**2.3.1 Calculate the value of the closing stock using the weighted average method.**

Workings	Answer
$[2\ 984 + 15\ 340 - 831] \checkmark \checkmark$ $[60 + 275 - 15] \checkmark \checkmark$ $= R54,67 \times 42 \checkmark$	= R2 295,96 OR R2 296 <input checked="" type="checkbox"/>  <span style="background-color: yellow;">One part correct</span>

6

**2.3.2 Give TWO points of advice to improve the internal control over stock.**

**2 marks per advice, part marks can be awarded for vague / unclear answers**

**Suggested answers:**  $\checkmark \checkmark \checkmark \checkmark$

- Different employees should be responsible for ordering, receiving, and recording stock.
- Conduct frequent physical stock counts and compare with inventory records and investigate immediately.
- Proper record-keeping systems by maintaining accurate inventory records (e.g., stock cards or computerised systems), / Ensures stock levels are updated and monitored continuously.
- Secure storage of stock by keeping stock in a locked storeroom with limited access.
- Use pre-numbered invoices, delivery notes, and goods received notes to ensure that all stock movements are recorded.
- All stock purchases and issues must be authorised by a responsible person / Prevents unauthorised transactions.
- Monitoring stock levels / Set minimum and maximum stock levels / Helps prevent overstocking or stock shortages.
- Independent checks / internal audit / Regular independent reviews of stock records and procedures / Improves accountability and control.

4

**2.4 SOCK-IT OUTDOOR SALES**

<b>2.4.1</b>	<b>Identify ONE different problem in respect to the manner in which each product is managed.</b>	
	<b>PROBLEM</b>	<b>PRACTICAL ADVICE</b>
	One mark for problem identified ✓ One mark for figures ✓	One mark for advice ✓
	<b>Nipe:</b> <ul style="list-style-type: none"> <li>• Returns of 102 units high compared to others</li> <li>• Purchases (3 230 units) are close to sales (3 900 units), but stock still high</li> </ul>	<ul style="list-style-type: none"> <li>• Source a supplier with better quality</li> <li>• Reduce order quantities</li> <li>• Improve stock planning / demand forecasting</li> </ul>
<b>Walket:</b> <ul style="list-style-type: none"> <li>• Stock is moving too slowly / overstocking / inefficient stock management; Period on hand: 50 days (highest)/2 720 units on hand</li> <li>• Sales: 2 100 units vs Purchases: 4 500 units; Buying far more than selling</li> </ul>	<ul style="list-style-type: none"> <li>• Reduce purchases</li> <li>• Improve marketing to increase sales</li> <li>• Monitor stock turnover regularly</li> </ul>	
<b>Pace-to-Pace:</b> <ul style="list-style-type: none"> <li>• Cash deposited is far too low compared to expected sales (Sales: 1 950 units × R560 = R1 092 000 (expected) vs Cash stolen : R106 500</li> </ul>	<ul style="list-style-type: none"> <li>• Investigate immediately for theft or errors</li> <li>• Strengthen internal control over cash receipts</li> <li>• Ensure daily reconciliation of sales and deposits</li> <li>• Advise costumers to pay per card or EFT</li> </ul>	

<b>9</b>
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<b>TOTAL MARKS</b>
<b>45</b>

QUESTION 3

3.1 JUMBO WHOLESALERS

3.1.1 Production Cost Statement for the year ended 28 February 2026.

Direct material costs [13 000 ✓ + (60 000 – 5 000) ✓ + 1 000 ✓ – 15 000 ✓]	54 000	<input checked="" type="checkbox"/>
<b>Direct labour cost</b> ( $36\,300 \times \frac{100}{66}$ )	55 000	<input checked="" type="checkbox"/>
<b>Prime cost</b>	109 000	<input checked="" type="checkbox"/>
Factory overheads <span style="float: right;">see 3.1.2</span>	65 600	<input checked="" type="checkbox"/>
<b>Total manufacturing costs</b>	174 600	<input checked="" type="checkbox"/>
<b>Work-in-progress at beginning of year</b>	9 000	
	183 600	
<b>Work-in-progress at end of year</b>	(7 000)	
<b>Cost of production of finished goods</b>	176 600	<input checked="" type="checkbox"/>

11

3.1.2 Calculate the correct factory overheads on 28 February 2026.

Workings			Answer
Indirect Material	5 000	✓	65 600 No mark awarded – mark is awarded in PCS
Rent (10 500 + 3 500)	14 000	✓ <input checked="" type="checkbox"/>	
Water and electricity	9 000	✓	
Indirect labour (28 000 – 24 000)	4 000	✓ <input checked="" type="checkbox"/>	
Insurance (22 000 + 6 600)	28 600	✓ <input checked="" type="checkbox"/>	
Depreciation	5 000	✓	
<b>Accept alternative presentations</b>			

9

3.1.3 ABRIDGED STATEMENT OF COMPREHENSIVE INCOME (INCOME STATEMENT) FOR THE YEAR ENDED 28 FEBRUARY 2026

<b>Sales</b> (350 000 – 5 000)	✓ 345 000
<b>Cost of sales</b> (10 000 ✓ + 176 600 <input checked="" type="checkbox"/> see 3.1.1 – 13 000 ✓)	<input checked="" type="checkbox"/> 173 600
<b>Gross profit</b>	171 400
<b>Other expenses</b>	(74 900)
<b>Selling and distribution costs</b> (15 400 ✓ + 3 000 ✓ + 5 000 <input checked="" type="checkbox"/> )	<input checked="" type="checkbox"/> 23 400
<b>Administration cost</b> [24 000 ✓ + (16 000 + 4 500) ✓ + 7 000 ✓]	<input checked="" type="checkbox"/> 51 500
<b>Net profit for the year</b>	<input checked="" type="checkbox"/> 96 500

14

**3.2 PETER PENS**

<b>3.2.1</b>	<p><b>Comment on the fixed cost per unit.</b></p> <p><b>Trend (increase/decrease) ✓ ; Valid explanation ✓</b></p> <p><b>Suggested answers</b>                  Fixed cost per unit decreased from R3,40 to R3,20                  This indicates better utilisation of capacity / spreading fixed costs over more units/ economies of scale.</p>	<table border="1" style="width: 40px; height: 40px; margin: auto;"> <tr><td> </td></tr> <tr><td style="text-align: center;"><b>2</b></td></tr> </table>		<b>2</b>		
<b>2</b>						
<b>3.2.2</b>	<p><b>The level of production is satisfactory. Quote and explain figures to support your opinion.</b></p> <p><b>Quoted figure ✓; Comparison with BEP ✓; Interpretation ✓</b></p> <p><b>Expected answer:</b></p> <ul style="list-style-type: none"> <li>• Production increased from 160 000 to 172 000 units</li> <li>• Production is above break-even point (172 000 &gt; 153 315)</li> <li>• Therefore, the business is making a profit / operating efficiently</li> </ul> <p><b>Alternative valid points:</b></p> <ul style="list-style-type: none"> <li>• Margin of safety exists: 172 000 – 153 315 = 18 685 units</li> <li>• Indicates lower risk / sustainable operations</li> </ul>	<table border="1" style="width: 40px; height: 40px; margin: auto;"> <tr><td> </td></tr> <tr><td style="text-align: center;"><b>3</b></td></tr> </table>		<b>3</b>		
<b>3</b>						
<b>3.2.3</b>	<p><b>Peter is concerned about the management of the variable costs. One Problem with figures.</b></p> <p><b>Any ONE with figures ✓ + interpretation earns full marks ✓</b></p> <p><b>Expected answer (any ONE):</b></p> <ul style="list-style-type: none"> <li>• Variable cost per unit increased significantly from R9,00 to R13,15</li> <li>• This is a large increase of R4,15 per unit</li> <li>• Indicates poor cost control / inefficiency / rising input costs</li> </ul> <p><b>OR component-specific answers:</b></p> <ul style="list-style-type: none"> <li>• Direct material: increase from R4,00 to R5,00</li> <li>• Direct labour: increase from R3,40 to R5,50</li> <li>• Selling &amp; distribution: increase from R1,60 to R2,65</li> </ul> <p><b>Give TWO solutions to this problem.</b></p> <p><b>Expected answer (Suggestions must be linked to the problem identified)</b>                  ✓✓ ✓✓</p> <ul style="list-style-type: none"> <li>• Negotiate better prices with suppliers / bulk buying</li> <li>• Improve labour efficiency / training / supervision</li> <li>• Reduce wastage of materials</li> <li>• Control selling &amp; distribution costs (e.g. transport planning)</li> <li>• Implement strict budgeting and monitoring of variable costs</li> <li>• Suggestion must be linked to the problem identified</li> </ul>	<table border="1" style="width: 40px; height: 40px; margin: auto;"> <tr><td> </td></tr> <tr><td style="text-align: center;"><b>2</b></td></tr> </table>  <table border="1" style="width: 40px; height: 40px; margin: auto;"> <tr><td> </td></tr> <tr><td style="text-align: center;"><b>4</b></td></tr> </table>		<b>2</b>		<b>4</b>
<b>2</b>						
<b>4</b>						

<b>TOTAL MARKS</b>
<b>45</b>

**QUESTION 4**

**CHEETAH LIMITED**

4.1 Use the given information to calculate the accumulated depreciation on the vehicle that was traded in

Workings	Answer:
25 000 ✓ + 95 000 ✓ + 76 000 ✓ + 30 400 ✓✓ =	226 400 ✓ <span style="font-size: small; color: yellow;">One part correct</span>

6
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4.2 Give two reasons for the disposal of assets.

- The asset reached the end of its lifespan/ No longer useful in the company
- Not economical to repair.
- Too costly to maintain
- Acquiring a new model

Any valid answer ✓✓ ✓✓

4
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**4.3 GENERAL LEDGER CHEETAH LIMITED  
ASSET DISPOSAL ACCOUNT**

2025 Aug	31	Vehicles	GJ	500 000 ✓	2025 Aug	31	Accumulated Depreciation On Vehicles <span style="font-size: small; color: yellow;">See 4.1</span>	GJ	226 400 ✓
		Profit on sale of asset	GJ	*16 400 ✓✓			Creditors control		290 000 ✓
				516 400					516 400

\*500 000 – 290 000 = 210 000  
226 400 – 210 000 = 16 400

5
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<b>TOTAL MARKS</b>
<b>15</b>