GAUTENG PROVINCE
EDUCATION
REPUBLIC OF SOUTH AFRICA

GRADE 12

ACCOUNTING

SCHOOL BASED ASSESSMENT

TERM 3 - 2025

CASE STUDY

QUESTION	TOPIC	MARKS	TIME ALLOCATION
1	Bank Reconciliation	27	30 minutes
2	Creditors Reconciliation	13	15 minutes
3	Budgets	40	45 minutes
	TOTAL	**80**	**90 minutes**
	Conversion: 80 ÷ 1,6 = 50		

NOTE

- The case study must be administered in class under the supervision of the educator.
- Learners must not refer to the notes during administration process.

This question paper consists of 6 pages.

QUESTION 1: BANK RECONCILIATION (27 marks; 30 minutes)

LORENZO TRADERS

The bookkeeper of Lorenzo Traders, Mark Eazy is on leave, you have been assigned to assist with the books of the business until he comes back. The owner is concerned that the business records do not match the bank statement.

REQUIRED:

The owner has requested you to correct errors ,record any missing transactions and respond to the following:

1.1 Calculate the correct totals for the Cash Journals on 31 July 2025. Use the table provided in the ANSWER BOOK. (9)

1.2 Prepare the Bank Reconciliation Statement on 31 July 2025. (6)

1.3 Explain challenges that might be faced by a business if bank reconciliation statements are not prepared regularly. Provide TWO points. (4)

1.4 The business is struggling to manage its cash effectively. Provide a reason why you agree and quote figure(s) to support this statement. (2)

1.5 The internal auditor emphasised to Lorenzo that cash is one of the most valuable and vulnerable assets in a business. Without proper control measures, it can easily be misused or lost. For this reason, it is essential for businesses to implement strong internal controls to manage and protect their cash effectively.

Explain in TWO points how the strong internal controls over cash contribute to the success of a business? (4)

1.6 In most small companies and organisations, the bookkeeper's responsibility is to deposit money daily. He is the only person who has access to the money received and deposits. Give TWO possible consequences to the bookkeeper should he be found guilty of theft/fraud.**(NOTE:** this question is not related to Lorenzo Traders) (2)

INFORMATION:

A. Extract from the Bank Reconciliation Statement on 30 June 2025

Unfavourable Balance as per bank statement		**R** 13 520
Outstanding deposit:	(dated 10 July 2025)	13 900
	(dated 25 July 2025)	21 000
Outstanding EFTs:	No.54	12 200
	No.55	3 100
Favourable Balance as per bank account		6 080

NOTE:

- The outstanding deposit of R21 000 appeared on the July 2025 bank statement.
- The outstanding deposit of R13 900 did not appear on the July bank statement. During the process of investigating the missing amount, it was discovered that the bookkeeper disappeared. A decision was taken by the owner to write off this amount.
- EFT no.54 appeared on the July bank statement.
- EFT no.55 appeared on the bank statement for July 2025, reflecting the correct amount of R1 300.

B. Provisional totals from the Cash Journals on 31 July 2025

Cash Receipts Journal	Cash Payments Journal
R49 500	R35 820

C. Extract of the Bank Statement from Pricy Bank on 31 July 2025.

Details	R
Debit order: City council for rates and taxes	1 045
Direct deposit: Debtor – O Olay July 2025	4 500
Service fees	121
Interest on overdraft	79

NOTE: The bank statement on 31 July 2025 reflected an unfavourable balance of R…?

D. The following information in the July 2025 Cash Journals did not appear on the bank statement for July 2025:

- Outstanding deposit, R17 240.
- EFT no.98,R10 765, for the purchase of a laptop for the office.
- EFT no.101, R3 000, for the purchase of merchandise.

E. Credit card sales appeared correctly on the bank statement as R11 800, but in the CRJ as R15 500.

F. The bank account balance on 31 July 2025 is a favourable balance of R1 135.

27

QUESTION 2: CREDITORS RECONCILIATION (13 marks; 15 minutes)

INCREDIBLE CAMPERS

Incredible Campers buys and sell camping equipment. A statement received on 28 July 2025 from their creditor, Wonder Wholesalers reflected an amount outstanding, R35 430. According to Incredible Campers the amount outstanding is only R15 890.The bookkeeper of the business has recently retired to ill-health.

You are a newly appointed trainee accountant who has been requested to reconcile the books of the business.

REQUIRED:

2.1 Provide TWO internal control measures that must be applied to maintain control over creditors. (4)

2.2 **Use the format provided in the answer book to indicate the changes to:**
- Creditors' Ledger Account in the books of Incredible Campers
- Creditors Statement from the books of Wonder Wholesalers

Write amounts in the appropriate column and use a plus (+) or minus (-) to indicate an increase or decrease in the balance. Calculate the correct balance at the end. (9)

INFORMATION:

A. An EFT was made to Wonder Wholesalers during July 2025 for R5 400 ,Incredible Campers assumed that 10% discount will be allowed by the creditor. Wonder Wholesalers did not allow the discount as the payment was received too late. Incredible Campers must correct the error.

B. An invoice received from Wonder Wholesalers for R6 280 was correctly recorded in the books of Incredible Campers, however in the statement received from Wonder Wholesalers was recorded as R6 820.

C. An EFT payment of R10 540 by Incredible Campers has not yet been recorded in the statement received from Wonder Wholesalers.

D. Returns recorded as R1 780 in the creditors ledger of Incredible Campers were recorded as R1 920 in the statement received from Wonder Wholesalers. Incredible Campers had miscalculated the cost of goods returned.

E. An invoice for R4 000 received from Wonder Wholesalers was incorrectly recorded as a debit note entry in the Creditors Ledger of Incredible Campers.

13

QUESTION 3: BUDGETING **(40 marks; 45 minutes)**

KING KONG STORES

Mr King, the owner of King Kong Stores, has requested you to provide bookkeeping services. His vision for the business is better planning for all the cash inflow and outflow and to make sound financial decisions to keep the business afloat.

REQUIRED:

Mr King has requested you to use the information presented to respond to questions provided below:

3.1 **Refer to Information H.**

- Identify TWO items recorded incorrectly in the Cash Budget. (2)
- Identify TWO items in the Cash Budget that would not appear in the Projected Statement of Comprehensive Income (excluding drawings). Give a reason for EACH item. (4)

3.2 Explain why it is important to calculate the estimated cash collections from debtors when preparing a cash budget? Provide TWO points. (4)

3.3 Complete the Debtors' Collection Schedule for April 2025. (7)

3.4 Calculate the missing amounts indicated by **(i)** to **(iv)** in the Cash Budget for March and April 2025. (13)

3.5 **Refer to Information H.**

Calculate the percentage increase in rent from 1 April 2025. (2)

3.6 Bad debts for April 2025 amount to R21 000, Provide a calculation to confirm that this amount is correct. (2)

3.7 **Refer to Information I.**

Explain why each of the items over the budget can still benefit the business. Provide ONE point for EACH item. (6)

INFORMATION:

A. Total sales:

January	February	March	April
R1 200 000	R1 600 000	R1 480 000	R1 500 000

NOTE:
- Credit sales are 35% of total sales.
- Mark-up % is 60% on cost.

B. Debtors pay according to the following pattern:

- 20% in the month of sales less 6% discount.
- 45% in the month following the month of sales.
- 30% two months after the month of sales.
- 5% to be written off in the third month after the month of sales.

C. Purchase of stock:

30% of trading stock is bought for cash.

D. Creditors are paid as follows:

- Half of the amount owed is paid two months after the purchase.
- The rest on the third month after the purchase.

E. The tenant renewed her rental agreement on 1 April 2025, and it was agreed that rent will increase on 1 April 2025.

F. Commission income is a fixed percentage of total sales.

G. Part of the loan will be repaid on 1 April 2025. Interest on loan at 11% p.a. is payable on the last day of each month. Interest on loan is not capitalised.

H. Extract from the Cash Budget

	March 2025	**April 2025**
CASH RECEIPTS		
Cash sales	962 000	975 000
Cash from debtors	475 384	**?**
Rent income	10 800	11 610
Commission income	148 000	**(i)**
Discount received	6 360	7 480
CASH PAYMENTS		
Cash purchases of trading stock	**(ii)**	**?**
Payment to creditors	481 250	**(iii)**
Loan repayments	0	**(iv)**
Interest on loan	1 815	1 155
Insurance	5 080	5 080
Training and development cost	3 000	3 000
Drawings of stock	2 300	1 840
Bad debts		21 000

I. Mr King is not concerned about the following items which exceeded the budget for February 2025:

	BUDGETED R	**ACTUAL R**	**VARIANCE**
Advertising	3 700	4 810	+1 110
Training and development cost	1 200	3 000	+1 800
Stock purchases	1 000 000	1 120 000	+120 000

40

TOTAL MARKS: 80

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GRADE 12

ACCOUNTING

TERM 3 – 2025

CASE STUDY

ANSWER BOOK

NAME OF LEARNER	
SCHOOL	
DATE	

QUESTION	TOPIC	MARKS	LEARNERS' MARKS	MODERATED MARKS
1	Bank Reconciliation	27		
2	Creditors Reconciliation	13		
3	Budgets	40		
	TOTAL	**80**		
	Learners' mark ÷1,6	**50**		

This answer book consists of 7 pages.

QUESTION 1:BANK RECONCILIATION

1.1 Calculate the correct totals for the Cash Journals on 31 July 2025.

TOTAL RECEIPTS	TOTAL PAYMENTS
49 500	35 820

9

1.2 Choose only ONE template below to answer this question.
TWO-COLUMN METHOD

BANK RECONCILIATION STATEMENT ON 31 JULY 2025		
	DEBIT	CREDIT

6

OR

ONE-COLUMN METHOD

BANK RECONCILIATION STATEMENT ON 31 JULY 2025	

6

1.3 Explain challenges that might be faced by a business if bank reconciliation statements are not prepared regularly. Provide TWO points.

4

1.4 **The business is struggling to manage its cash effectively. Provide a reason why you agree and quote figure(s) to support this statement.**

2

1.5 **The internal auditor emphasised to Lorenzo that cash is one of the most valuable and vulnerable assets in a business. Without proper control measures, it can easily be misused or lost. For this reason, it is essential for businesses to implement strong internal controls to manage and protect their cash effectively.**

Explain in TWO points how the strong internal controls over cash contribute to the success of a business?

4

1.6 **In most small companies and organisations, the bookkeeper's responsibility to deposit money daily. He is the only person who has access to the money received and deposits. Give TWO possible consequences to the bookkeeper should he be found guilty of theft/fraud.(NOTE: this question is not related to Lorenzo Traders)**

2

TOTAL MARKS
27

QUESTION 2:CREDITORS RECONCILIATION

2.1 **Provide TWO internal control measures that must be applied to maintain control over creditors.**

4

1.2 CREDITORS' RECONCILIATION

NO.	CREDITORS LEDGER	STATEMENT OF ACCOUNT
Provisional balances	15 890	35 430
(a)		
(b)		
(c)		
(d)		
(e)		

9

TOTAL MARKS
13

QUESTION 3:BUDGETS

3.1 **Identify TWO items recorded incorrectly in the cash Budget.**

2

Identify TWO items in the Cash Budget that would not appear in the Projected Statement of Comprehensive Income (excluding drawings). Give a reason for EACH item.

ITEM	REASON

4

3.2 **Explain why it is important to calculate the estimated cash collections from debtors when preparing a cash budget? Provide TWO points.**

4

3.3 DEBTORS' COLLECTION SCHEDULE

MONTHS	CREDIT SALES	MARCH	APRIL
JANUARY	420 000	126 000	
FEBRUARY	560 000	252 000	
MARCH	518 000	97 384	
APRIL	525 000		
CASH COLLECTION FROM DEBTORS		475 384	

7

3.4 Calculate:

(i) Commission income in April 2025

WORKINGS	ANSWER

3

(ii) Cash purchases of trading stock in March 2025

WORKINGS	ANSWER

2

(iii) Payments to creditors in April 2025

WORKINGS	ANSWER

4

(iv) Loan repayments in April 2025

WORKINGS	ANSWER

4

3.5 Calculate: percentage increase in rent from 1 April 2025.

WORKINGS	ANSWER

2

3.6 **Bad debts for April 2025 amount to R21 000, Provide a calculation to confirm that this amount is correct.**

WORKINGS	ANSWER

2

3.7 **Explain why each of the items over the budget can still benefit the business. Provide ONE point for EACH item.**

ITEM	EXPLANATION
Advertising	
Training and development cost	
Stock purchases	

6

TOTAL MARKS
40

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TERM 3 - 2025

CASE STUDY

MARKING GUIDELIINE

QUESTION	TOPIC	MARKS
1	Bank Reconciliation	27
2	Creditors Reconciliation	13
3	Budgets	40
	TOTAL	**80**
	Learners' mark ÷1,6	**50**

This marking guideline consists of 7 pages.

QUESTION 1:BANK RECONCILIATION

1.1 Calculate the correct totals for the Cash Journals on 31 July 2025.

TOTAL RECEIPTS	TOTAL PAYMENTS
49 500	**35 820**
1 800 ✓✓	13 900 ✓
4 500 ✓	1 045 ✓
	121 ✓
	79 ✓
	3 700 ✓✓

9

1.2 If the learner responded in two templates mark where he earns more marks.

TWO-COLUMN METHOD

BANK RECONCILIATION STATEMENT ON 31 JULY 2025		
	DEBIT	**CREDIT**
Debit balance as per bank statement	2 340 ✓	
Credit outstanding deposit		17 240 ✓
Debit outstanding EFTs: no.98	10 765 ✓	
no.101	3 000 ✓	
Debit balance as per bank account	1 135 ✓	
method mark for both totals ☑*	17 240*	17 240*

6

OR

ONE-COLUMN METHOD

BANK RECONCILIATION STATEMENT ON 31 JULY 2025	
Debit balance as per bank statement	(2 340) ✓
Credit outstanding deposit	17 240 ✓
Debit outstanding EFTs: no.98	(10 765) ✓
no.101	(3 000) ✓
Credit balance as per bank account	(1 135) ✓
method mark for total	17 240 ☑

6

1.3 Explain challenges that might be faced by a business if bank reconciliation statements are not prepared regularly. Provide TWO points.

Any TWO valid points ✓✓ ✓✓ part marks for incomplete or unclear answer

- Errors and omission may go unnoticed leading to inaccurate financial records.
- Fraudulent cash activities may not be identified resulting in missed payments.
- Business may overestimate/underestimate available cash.
- Possible inaccurate financial records will be presented, they will discredit business reputation.

4

1.4	**The business is struggling to manage its cash effectively. Provide a reason why you agree and quote figure(s) to support this statement.** **Reason ✓ figure ✓** • Missing/stolen amount of R 13 900.	2
1.5	**The internal auditor emphasised to Lorenzo that cash is one of the most valuable and vulnerable assets in a business. Without proper control measures, it can easily be misused or lost. For this reason, it is essential for businesses to implement strong internal controls to manage and protect their cash effectively.** **Explain in TWO points how the strong internal controls over cash contribute to the success of a business?** **Any TWO valid points** ✓✓ ✓✓ • It prevents cash from being misused or stolen. • It ensures accurate record keeping. • The business will be able to track and use cash efficiently. • Employees will be accountable and responsible in their day-to-day activities allocated to them..	4
1.6	**In most small companies and organisations, the bookkeeper's responsibility to deposit money daily. He is the only person who has access to the money received and deposits. Give TWO possible consequences to the bookkeeper should he be found guilty of theft/fraud.(NOTE: this question is not related to Lorenzo Traders)** Any TWO valid ✓ ✓ • He can face criminal charges. • Civil charges to pay back the money/instructed by the court of law to repay the money • Demotion or transfer to another department. • Dismissal should it be discovered that it's not the first offence..	2

27

QUESTION 2:CREDITORS RECONCILIATION

2.1 **Provide TWO internal control measures that must be applied to maintain control over creditors.**

Any TWO valid ✓✓ ✓✓ part marks for incomplete or unclear answer

- The procurement policy must be designed and adhered to.
- Proper authorisation of purchases by senior management.
- Division of duties amongst employees so that one can check another person's work.
- Ensure that goods received are supported by order form and a valid invoice.
- Conduct internal audits to minimise possibility of fraud and errors.

4

2.2 **CREDITORS' RECONCILIATION**

NO.	CREDITORS LEDGER	STATEMENT OF ACCOUNT
Provisional balances	**15 890**	**35 430**
(a)	+ 600 ✓✓	
(b)		- 540 ✓✓
(c)		- 10 540 ✓
(d)	- 140 ✓✓	
(e)	+ 8 000 ✓✓	
	24 350	24 350

9

13

QUESTION 3:BUDGETS

3.1 Identify TWO items recorded incorrectly in the cash Budget.

Any TWO valid items ✓ ✓

- Discount received
- Drawings of stock
- Bad debts

2

Identify TWO items in the Cash Budget that would not appear in the Projected Statement of Comprehensive Income. Give a reason for EACH item.

ITEM ✓ ✓	REASON ✓ ✓
Cash received from debtors	The amount is already included in the sales.
Cash purchases of trading stock	The cost of sales account is created when goods are sold not purchased.
Payments to creditors	Actual purchases are recorded when they are incurred as expense not when creditors are paid.
Loan repayments	This is not a business expense or income but a repayment of a liability (financing activity).

4

3.2 Explain why it is important to calculate the estimated cash collections from debtors when preparing a cash budget? Provide TWO points.

Any TWO valid ✓✓ ✓✓ part marks for incomplete or unclear answer

- To precisely estimate how much cash will be received from debtors.
- Identifying anticipated cash shortages early to allow better planning.
- It helps to evaluate the efficiency of credit policies.
- It helps to project the payments from reliable customers.

4

3.3 DEBTORS' COLLECTION SCHEDULE

MONTHS	CREDIT SALES	MARCH	APRIL
JANUARY	**420 000**	**126 000**	
FEBRUARY	**560 000**	**252 000**	168 000 ✓✓
MARCH	**518 000**	**97 384**	233 100 ✓✓
APRIL	**525 000**	525 000 x 20% x 94%	98 700 ✓✓
CASH COLLECTION FROM DEBTORS		**475 384**	499 800 ☑ one part correct

7

3.4 Calculate:

(i) Commission income in April 2025	
WORKINGS	**ANSWER**
[1 480 000 / 148 000] 1 500 000 ✓ x 10/100 ✓	150 000 ☑ one part correct

3

(ii) Cash purchases of trading stock in March 2025	
WORKINGS	**ANSWER**
[100/160 x 30/100] 1 480 000 x 30/160	277 500 ✓☑ one part correct

2

(iii) Payments to creditors in April 2025	
WORKINGS	**ANSWER**
525 000 x 50% 262 500 ✓☑ 700 000 x 50% 350 000 ✓☑	612 500 Award *FOUR* marks If answer incorrect check workings

4

(iv) Loan repayment in April 2025	
WORKINGS	**ANSWER**
[12/0,11] 660 ✓✓ x $\frac{12 \times 100}{11}$ ✓	72 000 ☑ one part correct

4

3.5

Calculate: percentage increase in rent from 1 April 2025.	
WORKINGS	**ANSWER**
[11 610 – 10 800] $\frac{810}{10\ 800} \times \frac{100}{1}$	7,5% ✓☑ one part correct

2

3.6 Bad debts for April 2025 amount to R21 000, Provide a calculation to confirm that this amount is correct.

WORKINGS	ANSWER
420 000 ✓ x 5/100 ✓	21 000

2

3.7 Explain why each of the items over the budget can still benefit the business. Provide ONE point for EACH item.

ITEM	EXPLANATION ✓✓ ✓✓ ✓✓
Advertising	• Business will have better customer reach / It attracts potential customers. • This can improve business visibility / It supports long term business growth.
Training and development cost	• Trained/capacitated employees will be efficient. • Improves employee's confidence, they will produce better results. • Boost employee's morale and retention. • Trained employees can easily adapt to changes and developments introduced within the organisation.
Stock purchases	• It will avoid stockouts and ensures stock availability. • The business will take advantage of bulk discounts. • They will be able to handle increased customer demands

6

40

TOTAL: 80