



basic education

Department:
Basic Education
REPUBLIC OF SOUTH AFRICA

NATIONAL SENIOR CERTIFICATE

GRADE 12

ACCOUNTING P2

NOVEMBER 2024

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MARKS: 150

TIME: 2 hours

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



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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	Debtors' Reconciliation, Age Analysis and VAT	40	35
2	Stock Valuation	35	25
3	Budgeting	40	35
4	Cost Accounting	35	25
TOTAL		150	120

QUESTION 1: DEBTORS' RECONCILIATION, AGE ANALYSIS AND VAT**(40 marks; 35 minutes)**

1.1 Indicate whether the following statements are TRUE or FALSE. Write only 'true' or 'false' next to the question numbers (1.1.1 to 1.1.3) in the ANSWER BOOK.

1.1.1 EFT payments by debtors should be recorded in the CRJ, only after receiving proof of payment or an entry on the business' bank statement.

1.1.2 Output VAT is regarded as an asset.

1.1.3 VAT on bad debts will decrease VAT payable to SARS. (3 x 1) (3)

1.2 **MATSAMO TRADERS**

The information relates to Matsamo Traders for August 2024. The business sells goods for cash and on credit.

REQUIRED:

1.2.1 Calculate the correct balance of the Debtors' Control account on 31 August 2024. Provide figures and a plus (+) or minus (–) sign for each correction. If there is no change to the balance, indicate with (0). (5)

1.2.2 Complete the correct Debtors' List on 31 August 2024. The pre-adjustment figures have been entered. (14)

INFORMATION:

A. Balances on 31 August 2024 before taking the errors and omissions below into account:

- (i) Debtors' Control Account balance in the General Ledger, R359 100
- (ii) **List of debtors' balances as per Debtors' Ledger:**

Debtors	Amount (R)
N Naidoo	63 000
S Sibiya	69 000
V Esterhuizen	114 000
J Nyoka	95 700
W du Plessis	11 500
Total	353 200

B. Errors and omissions:

- (i) No entry was made for the credit sale invoice issued to N Naidoo, R4 500.
- (ii) Merchandise sold on credit to S Sibiya for R18 000 was incorrectly posted to the account of V Esterhuizen.
- (iii) The debtors' allowances column in the DAJ was undercast by R11 000.
- (iv) An EFT payment of R5 700 was made by W du Plessis. This was correctly recorded in the relevant journal, but was posted as R7 500 to his account in the Debtors' Ledger.
- (v) Credit sales to V Esterhuizen, R5 200, were incorrectly recorded as R2 500 in the Debtors' Journal and posted as such to the Debtors' Control Account and Esterhuizen's account in the Debtors' Ledger.
- (vi) Goods returned by J Nyoka, R3 450, were posted to the wrong side of his account in the Debtors' Ledger.

1.3 DEBTORS' AGE ANALYSIS

The information relates to Timo Traders. Their credit terms are 60 days and it is expected at least 90% of debtors will adhere to these terms.

REQUIRED:

1.3.1 Provide a calculation or figures to show why Timo Traders should not be satisfied with the figures in the Debtors' Age Analysis. (4)

1.3.2 Explain TWO points of advice that you will offer to the owner. (4)

- NOTE:**
- Maximum discount is granted to debtors who settle their accounts timeously.
 - Interest at the accepted rate is being charged.

INFORMATION:

Debtors' Age Analysis on 31 August 2024:

Total	Current month	30 days	60 days	90 days	90 +
R240 000	R118 000	R36 000	R38 000	R29 200	R18 800

1.4 VALUE-ADDED TAX

The following information relates to the financial records of Zaba Stores for the VAT period ended 31 August 2024. 15% VAT is applicable. Certain items are zero-rated.

REQUIRED:

Analyse the transactions under the headings provided in the ANSWER BOOK. Indicate the effect of EACH answer on the amount payable to SARS. Refer to the example completed in the ANSWER BOOK. (10)

INFORMATION:

Example: The owner took stock for private use, cost price R5 200 (excluding VAT).

- Received discount of R17 250 when settling the account of the supplier.
- Merchandise amounting to R139 200 (VAT exclusive), including zero-rated items for R9 200, were sold on credit.
- Bought merchandise on credit from the supplier. The invoice received totalled R23 000 (VAT inclusive). Trade discount of 10% was incorrectly omitted from the invoice.

QUESTION 2: STOCK VALUATION**(35 marks; 25 minutes)****2.1 SUNGLASS CITY**

Nosisa is the owner of Sunglass City, selling one type of popular branded sunglasses. The financial year ended on 29 February 2024.

NOTE: Where comments or explanations are required, you should:

- Quote calculations, figures and/or trends
- Give a reason or an explanation in EACH case

REQUIRED:

- 2.1.1 Calculate the weighted average cost of ONE pair of sunglasses. (5)
- 2.1.2 Nosisa suspects that some sunglasses were stolen during the year.
- Calculate the number of sunglasses stolen. (4)
 - Calculate the rand value of the sunglasses stolen, using the weighted-average stock valuation method. (2)
- 2.1.3 Calculate the value of closing stock using the first-in-first-out (FIFO) method. (5)
- 2.1.4 A whistle-blower has informed Nosisa that Micha (sales person) and Jack (supplier's delivery driver) have conspired to sell sunglasses at a reduced price. During an investigation it was discovered that the sunglasses sold were invoiced to the business. Nosisa has confirmed that the sunglasses were missing.
- Explain how Nosisa could have proven Jack and Micha guilty of the theft of the stock. Provide ONE point. (2)
 - What action should have been taken against Micha and Jack? Provide ONE point for each person. (4)

INFORMATION**A. Stock records: (one 'unit' refers to one pair of sunglasses)**

	UNITS	TOTAL (R)
Opening stock (1 March 2023)	620	1 719 000
Closing stock (29 February 2024)	840	?

B. Purchases and returns during the financial year:

	UNITS	UNIT PRICE (R)	TOTAL (R)
May 2023	855	3 200	2 736 000
August 2023	800	3 750	3 000 000
November 2023	745	4 200	3 129 000
December 2023	(20)	4 200	(84 000)
TOTALS	2 380		8 781 000

C. Sales:

2 050 pairs of sunglasses were sold during the year at R5 600 per pair.

2.2 PROBLEM-SOLVING

The information is related to Slim-Line Boutique, owned by Mike Ndlela, for the year ended 29 February 2024. The business sold trousers and casual shirts throughout the year and introduced and sold formal shirts only from 1 November 2023.

REQUIRED:

2.2.1 Trousers:

- Calculate the mark-up percentage achieved for trousers. (3)
- Comment on whether the mark-up percentage would benefit the business or not. (2)

2.2.2 Casual shirts:

Comment on how the return of 120 casual shirts would affect the business negatively. Provide ONE point. (2)

2.2.3 Formal shirts:

- Calculate how long (in days) it will take Mike to sell the closing stock of the formal shirts. (4)
- Comment on ONE other point that might concern Mike about the formal shirts. (2)

INFORMATION:

	Trousers (units)	Shirts (units)	
		Casual	Formal
Opening stock in units	140	200	0
Purchases during the year	720	1 300	980
Closing stock	285	100	125
Returns	15	120	0
Total units sold:	560	1 280	855
On-site	344	560	855
Online	216	720	0
Stock holding period	186 days	29 days	?
Mark-up percentage per item	?	55%	25%
Cost price per item	R500	R400	R680
Cost of sales	R280 000	R512 000	R581 400
Selling price per item	R920	R620	R850
Total cash sales banked	R515 200	R793 600	R726 750

QUESTION 3: BUDGETING**(40 marks; 35 minutes)**

- 3.1 Show the amounts for the transactions below in the appropriate columns for the Cash Budget and the Projected Statement of Comprehensive Income for December 2024 in the ANSWER BOOK.

Example: Monthly insurance premium for December 2024, R5 000, will be paid.

- 3.1.1 Expected cash sales for December 2024, R132 000. Cost of sales, R101 000.
- 3.1.2 Drawings by the owner budgeted for December 2024, R40 000. This includes R34 000 cash and the remainder for merchandise.
- 3.1.3 A fixed deposit of R245 000 will mature on 31 December 2024. A direct deposit of R264 600 (inclusive of interest) will be made into the current banking account of the business on this date. Interest is not capitalised. (6)

3.2 **JESARY SUPERSPARES**

The information relates to the budget period ending 31 December 2024. The business is owned by Bluey Summers.

REQUIRED:

3.2.1 **Creditors' Payment:**

- Calculate the credit purchases for November 2024. (4)
- Complete the Creditors' Payment Schedule for December 2024. (5)

3.2.2 **Calculate the following amounts:**

- (i) Rent expense for December 2024 (2)
- (ii) Interest on loan for December 2024 (4)
- (iii) Deposit to be paid on 30 November 2024 for the new computers installed (3)
- (iv) Insurance for December 2024 (3)
- (v) Salaries for November 2024 (3)

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

Bluey effected changes to the sales policy from October 2024.

- Explain the change in the sales policy effected by Bluey in compiling his budget for October 2024. Provide ONE point with figures. (2)
- The actual credit sales were higher than the budgeted credit sales for October 2024. Explain why Bluey should not be concerned. Provide TWO points with figures. (4)
- Comment on the control over delivery expenses and packing materials for October 2024. Quote figures. (4)

INFORMATION:**A. Sales and Debtors' Collection:**

- 60% of total sales is cash sales.

B. Purchases of stock and payment to creditors:

- Goods are sold at a mark-up of 25% on cost.
- Trading stock on hand is maintained through monthly purchases.
- The business buys merchandise only on credit.
- Creditors are paid as follows:
 - 75% in the month after date of purchase to qualify for 3% discount.
 - The balance is paid in the month thereafter.

C. Rent expense:

- The business rents premises in a shopping centre.
- Rent will increase by 6% during December 2024.

D. Loan:

- Part of the loan from Diamond Bank will be paid on 1 December 2024.
- Interest at 14% p.a. is paid at the end of each month. Interest is not capitalised.

E. Office computers:

- New computers will be installed and will be operational from 30 November 2024.
- 20% cash deposit must be paid on 30 November 2024.
- The balance will be repaid in 36 equal monthly instalments from 31 December 2024.

F. Insurance:

- The current monthly insurance premium on the existing computers is R4 500. This monthly premium will increase by 28% from 1 December 2024 to get additional insurance cover on the new computers installed.
- The renewal period of other items insured will only come into effect next year.

G. Salaries:

- The business has 9 employees who earn the same monthly salary.
- 5 of the employees will receive a bonus of 70% of the normal monthly salary during December 2024.

H. Extract from the Cash Budget for the period ending 31 December 2024.

	Nov. 2024	Dec. 2024
RECEIPTS	(R)	(R)
Cash sales	103 200	112 200
Collection from debtors		
PAYMENTS		
Payment to creditors	207 012	?
Rent expense	29 000	(i)
Salaries	(v)	143 750
Drawings	50 000	50 000
Loan repayment		60 000
Interest on loan (14% p.a.)	3 500	(ii)
Deposit and instalments for new computers	(iii)	9 800
Insurance	17 500	(iv)

I. Figures for September 2024 (budgeted) and October 2024 (budgeted and actual):

	SEPTEMBER 2024	OCTOBER 2024	
	BUDGETED	BUDGETED	ACTUAL
Number of customers	520	540	729
Sales	R145 000	R160 000	R221 000
Cash sales	58 000	96 000	76 000
Credit sales	87 000	64 000	145 000
Gross profit	54 375	60 000	82 875
Delivery expenses	21 750	24 000	33 150
Packing materials	13 050	14 400	26 520



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QUESTION 4: COST ACCOUNTING**(35 marks; 25 minutes)****4.1 FLOWERPOTS MANUFACTURERS**

The business manufactures large concrete flowerpots. Their financial year ended on 29 February 2024.

REQUIRED:**4.1.1 Refer to Information A.**

Calculate the direct/raw material cost.

(4)**4.1.2 Refer to Information B.**

Calculate the direct labour cost.

(7)**4.1.3 Refer to Information C.**

Complete the Factory Overhead Cost Note.

(8)**INFORMATION:****A. Direct/Raw materials cost:**

The business uses a high quality concrete mix to make the pots.

Production requirements:

- 4 800 units were produced and sold during the financial year.
- Each complete pot requires 1,4 packets of direct materials (concrete mix).
- The business allows for wastage of 10% of direct materials (concrete mix).
- The cost price of concrete mix was maintained at R125 per packet for the financial year.

B. Direct labour cost:

- Direct labour budgeted for the year amounted to R1 117 200.
- The business has 7 direct workers. Each worker is required to work 1 680 hours per year and is paid the same hourly rate.

The following items have not yet been recorded:

- One worker resigned on 31 October 2023. This worker did not work overtime.
- Three of the direct workers were required to work overtime of 60 hours each during the year. Overtime rate is 1,6 times the normal hourly rate.

C. Extract of pre-adjustment amounts on 29 February 2024:

The bookkeeper calculated the factory overhead cost as R1 132 700.

Other pre-adjustment amounts on 29 February 2024:

	R
Office salaries	247 800
Advertising	27 450
Rental of sales department property	25 200
Bad debts	18 700

Adjustments to factory overheads:

- The clerk was paid a salary of R9 200 per month, which was recorded as an administration cost. 20% must be allocated to the office and the rest to production.
- Rent of R126 000 was shared and recorded according to the following floor area by the bookkeeper:

TOTAL	FACTORY	OFFICE	SALES
600 m ²	400 m ²	80 m ²	120 m ²

- However, since the beginning of the financial year, the annual rent has increased to R157 500 as the size of the factory has increased. The bookkeeper did not consider the increased rent of R157 500 and the following adjusted floor areas:

TOTAL	FACTORY	OFFICE	SALES
800 m ²	600 m ²	80 m ²	120 m ²

4.2 TIMEPIECE MANUFACTURERS

The business manufactures watches and is owned by Jabu Tallies. The financial year ended on 31 August 2024.

NOTE: Where comments or explanations are required, you should:

- Quote calculations, figures and/or trends
- Give an explanation or a reason in each case

REQUIRED:

- 4.2.1 Comment on the level of production and break-even point on 31 August 2024. (4)
- 4.2.2 Comment on the gross profit earned by the business and the price charged for the watches. In your opinion, explain if Jabu's customers found the 2024 price reasonable. Provide figures. (4)
- 4.2.3 Identify the TWO main costs that would have a positive effect on the selling price. In each case, provide a strategy that Jabu would have implemented. (4)
- 4.2.4 Jabu wishes to increase his profit by R300 000 during the next financial year, while maintaining the costs. Calculate the price that he would have to charge his customers in order to produce 400 extra units. (4)

INFORMATION:

	31 August 2024 R	31 August 2023 R
Total sales	3 712 800	2 880 900
Gross profit	1 237 600	960 300
Total variable cost	2 748 200	2 217 420
Total fixed cost	1 820 000	1 820 000
	Cost per unit R	Cost per unit R
Variable costs per unit	755	762
Direct material cost	450	520
Direct labour cost	185	132
Selling and distribution cost	120	110
	Units	Units
Number of units produced and sold	3 640	2 910
Break-even point	6 868	7 983
Selling price per unit	R1 020	R990

GRADE 12 ACCOUNTING FINANCIAL INDICATOR FORMULA SHEET

$\frac{\text{Gross profit} \times 100}{\text{Sales} \quad 1}$	$\frac{\text{Gross profit} \times 100}{\text{Cost of sales} \quad 1}$
$\frac{\text{Net profit before tax}}{\text{Sales}} \times \frac{100}{1}$	$\frac{\text{Net profit after tax}}{\text{Sales}} \times \frac{100}{1}$
$\frac{\text{Operating expenses} \times 100}{\text{Sales} \quad 1}$	$\frac{\text{Operating profit}}{\text{Sales}} \times \frac{100}{1}$
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)
$\frac{\text{Net income before tax} + \text{Interest on loans}}{\text{Average shareholders' equity} + \text{Average non-current liabilities}} \times \frac{100}{1}$	
$\frac{\text{Shareholders' equity}}{\text{Number of issued shares}} \times \frac{100}{1}$	$\frac{\text{Dividends for the year}}{\text{Number of issued shares}} \times \frac{100}{1}$
$\frac{\text{Interim dividends}}{\text{Number of issued shares}} \times \frac{100}{1}$	$\frac{\text{Final dividends}}{\text{Number of issued shares}} \times \frac{100}{1}$
$\frac{\text{Dividends per share}}{\text{Earnings per share}} \times \frac{100}{1}$	$\frac{\text{Dividends for the year}}{\text{Net income after tax}} \times \frac{100}{1}$
$\frac{\text{Total fixed costs}}{\text{Selling price per unit} - \text{Variable costs per unit}}$	
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.	



STICKER

CENTRE NUMBER

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EXAMINATION NUMBER

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ACCOUNTING P2

GRADE 12

NOVEMBER 2024

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SPECIAL ANSWER BOOK

QUESTION	MARKS	INITIAL	MOD.
1			
2			
3			
4			
TOTAL			

This answer book consists of 12 pages.

QUESTION 1

1.1

1.1.1	
1.1.2	
1.1.3	

3

1.2.1

Calculate the correct balance of the Debtors' Control on 31 August 2024.

Balance before errors and omissions	R359 100
(i)	
(ii)	
(iii)	
(iv)	
(v)	
(vi)	
Correct balance of Debtors' Control Account	

5

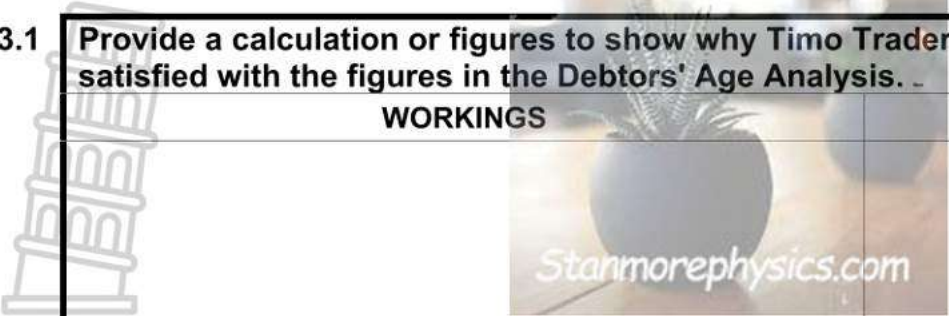
1.2.2

Complete the correct Debtors' List on 31 August 2024.

N Naidoo	63 000	
S Sibiya	69 000	
V Esterhuizen	114 000	
J Nyoka	95 700	
W du Plessis	11 500	
Correct total of Debtors' List		

14

- 1.3.1 Provide a calculation or figures to show why Timo Traders should not be satisfied with the figures in the Debtors' Age Analysis.

WORKINGS	ANSWER
	

4

- 1.3.2 Explain TWO points of advice that you will offer to the owner.

--

4

- 1.4 Analyse the transactions under the headings below. Indicate the effect of EACH answer on the amount payable to SARS.

NO.	CALCULATIONS	VAT AMOUNT	EFFECT ON VAT PAYABLE TO SARS (INCREASE/DECREASE)
E.g.	$5\,200 \times 15/100$	R780	Increase
A.			
B.			
C.			

10

TOTAL MARKS

40

QUESTION 2

Calculate:

2.1.1 The weighted average cost of ONE pair of sunglasses

WORKINGS	ANSWER
	

5

2.1.2 The number of sunglasses stolen

WORKINGS	ANSWER

4

The rand value of the sunglasses stolen, using the weighted-average stock valuation method

WORKINGS	ANSWER

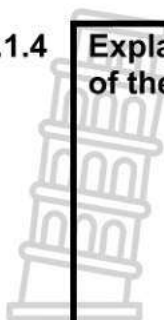
2

2.1.3 The value of closing stock using the first-in-first-out (FIFO) method

WORKINGS	ANSWER

5

2.1.4 Explain how Nosisa could have proven Jack and Micha guilty of the theft of the stock. Provide ONE point.



2

What action should have been taken against Micha and Jack? Provide ONE point for each person.

Micha (salesperson)	Jack (supplier's driver)

4

2.2.1 TROUSERS

Calculate the mark-up percentage achieved for trousers.

WORKINGS	ANSWER

3

Comment on whether the mark-up percentage would benefit the business or not.

--

2

2.2.2 CASUAL SHIRTS

Comment on how the return of 120 casual shirts would affect the business negatively. Provide ONE point.

2

2.2.3 FORMAL SHIRTS

Calculate how long (in days) it will take Mike to sell the closing stock of the formal shirts.

WORKINGS	ANSWER
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4

Comment on ONE other point that might concern Mike about the formal shirts.

2

TOTAL MARKS

35

QUESTION 3

3.1

	CASH BUDGET		PROJECTED STATEMENT OF COMPREHENSIVE INCOME	
	RECEIPT	PAYMENT	INCOME	EXPENSE
E.g.		5 000		5 000
3.1.1				
3.1.2				
3.1.3				

6

3.2 JESARY SUPERSPARES

3.2.1

Calculate the credit purchases for November 2024.	
WORKINGS	ANSWER

4

CREDITORS' PAYMENT SCHEDULE FOR DECEMBER 2024			
MONTH	CREDIT PURCHASES	NOVEMBER	DECEMBER
September	147 200	36 800	
October	132 800	96 612	
November			
		133 412	

5

Calculate:

3.2.2

(i) Rent expense for December 2024	
WORKINGS	ANSWER

2

(ii) Interest on loan for December 2024	
WORKINGS	ANSWER

4

(iii) Deposit to be paid on 30 November 2024 for the new computers installed	
WORKINGS	ANSWER

3

(iv) Insurance for December 2024	
WORKINGS	ANSWER

3

(v) Salaries for November 2024	
WORKINGS	ANSWER

3

3.2.3 Explain the change in the sales policy effected by Bluey in compiling his budget for October 2024. Provide ONE point with figures.

2

The actual credit sales were higher than the budgeted credit sales for October 2024. Explain why Bluey should not be concerned. Provide TWO points with figures.

4

Comment on the control over delivery expenses and packing materials for October 2024. Quote figures.

Delivery expenses	
Packing material	

4

TOTAL MARKS

40

QUESTION 4

FLOW

1.1

Calcu

2. Calculate the direct labour budgeted for Resigned worker

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2. Calculate the direct labour budgeted for Resigned worker

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4

2. Calculate the direct labour budgeted for Resigned worker

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7

2. Calculate the direct labour budgeted for Resigned worker

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8

4.2 TIMEPIECE MANUFACTURERS

4.2.1 Comment on the level of production and break-even point on 31 August 2024.

4

4.2.2 Comment on the gross profit earned by the business and the price charged for the watches. In your opinion, explain if Jabu's customers found the 2024 price reasonable. Provide figures.

4

4.2.3 Identify the TWO main costs that would have a positive effect on the selling price. In each case, provide a strategy that Jabu would have implemented.

COST ITEM	STRATEGY

4

4.2.4

Jabu wishes to increase his profit by R300 000 during the next financial year, while maintaining the costs. Calculate the price that he would have to charge his customers in order to produce 400 extra units.

WORKINGS	ANSWER

4

TOTAL MARKS
35

TOTAL: 150



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Department:
Basic Education
REPUBLIC OF SOUTH AFRICA

NATIONAL SENIOR CERTIFICATE

GRADE 12

ACCOUNTING P2

NOVEMBER 2024

MARKING GUIDELINES

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 as a working mark 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. Where penalties are applied, the marks for that section of the question cannot be a final negative.
9. Where method marks are awarded for operation, marker must inspect reasonableness of the answer.
10. 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.
11. In calculations, do not award marks for workings if numerator & denominator are swapped – this also applies to ratios.
12. In awarding method marks, ensure that candidates do not get full marks for any item that is incorrect at least in part. Indicate with a ☒.
13. Be aware of candidates who provide valid alternatives beyond the marking guideline. Note that one comment could contain different aspects.
14. Codes: f = foreign item; p = placement/presentation; s = superfluous item.
15. This memorandum is not for public distribution; as certain items might imply incorrect treatment. The adjustments made are due to nuances in certain questions.

These marking guidelines consist of 12 pages.

QUESTION 1

1.1

1.1.1	True ✓
1.1.2	False ✓
1.1.3	True ✓

3

1.2.1

Calculate the correct balance of the Debtors' Control on 31 August 2024.

Balance before errors and omissions	R359 100
(i)	+ 4 500 ✓
(ii)	0
(iii)	- 11 000 ✓
(iv)	0
(v)	+ 2 700 ✓✓ [+5 200 – 2 500] two marks for Both figures; R2 700 must be +ve.
(vi)	0
Correct balance of Debtors' Control Account Should include R359 100	355 300 ✓ one part correct

Superfluous entry; lose method on total

5

1.2.2

Complete the correct Debtors' List on 31 August 2024.

N. Naidoo	63 000 + 4 500	67 500 ✓✓
S. Sibiya	69 000 + 18 000	87 000 ✓✓
V. Esterhuizen	114 000 – 18 000 ✓ + 2 700 ✓ See 1.2.1(v)	98 700 ✓*
J. Nyoka	95 700 – 3 450 ✓ – 3 450 ✓ – 6 900 two marks	88 800 ✓*
W. du Plessis	11 500 + 7 500 ✓ – 5 700 ✓ 1 800 two marks	13 300 ✓*
Correct total of Debtors' List		355 300 ✓*

*one part correct

14

1.3.1 Provide a calculation or figures to show why Timo Traders should not be satisfied with the figures in the Debtors' Age Analysis.

WORKINGS	ANSWER
$\frac{[240\ 000 - 48\ 000]}{[118\ 000 + 36\ 000 + 38\ 000]} \times \frac{100}{1} \text{ OR } 49,2\% + 15\% + 15,8\%$ $\frac{192\ 000}{240\ 000} \times \frac{100}{1}$ OR $\frac{[29\ 200 + 18\ 800]}{48\ 000} \times \frac{100}{1} \text{ OR } 12,2\% + 7,8\%$ two marks one mark	80% ☒* one part correct Accept 10% below target Do not accept 'R' OR 20% one part correct Do not accept 'R'

* 'x 100' does not count as one part correct

4

1.3.2 Explain TWO points of advice that you will offer to the owner.

Any TWO valid point ✓✓ ✓✓

Part marks for partial or unclear responses.

- Encourage customers to pay using debit order to avoid delayed payments.
- Implement automated reminder system (SMS, email and phone calls) to notify customers of upcoming due dates, overdue accounts and payment confirmation.
- Proper screening of debtors or background check to assess debtors' financial status before credit is offered.
- Decrease credit limit of customers who are not adhering to credit terms / Assess creditworthiness (credit score / credit history) regularly and adjust credit limits accordingly.
- Offer various payment options available / payment plans to debtors not adhering to credit terms.
- Suspend / block / freeze the accounts of debtors who fail to pay on time.
- Utilise debt collection service / hand over debtors to debt collectors / legal action.

Do not accept:

Offer discounts / charge interest

4

1.4 Analyse the transactions under the headings below. Indicate the effect of EACH answer on the amount payable to SARS.

NO.	CALCULATIONS	VAT AMOUNT	EFFECT ON VAT PAYABLE TO SARS (Increase/Decrease)
E.g.	5 200 x 15/100	R780	Increase
A.	17 250 x 15/115	2 250 ✓	Increase / + ✓
B.	$\frac{[139\ 200 \times 15/100]}{20\ 880 \checkmark} - \frac{[9\ 200 \times 15/100]}{1\ 380 \checkmark}$ OR $\frac{[139\ 200 - 9\ 200]}{130\ 000} \times \frac{15}{100}$ two marks OR 149 500 one mark – 130 000 one mark	19 500 ☒* *one part correct If x 15/100	Increase / + ✓
C.	23 000 ✓ x $[\frac{90}{100} \times \frac{15}{115}] \checkmark$ one mark one mark OR 20 000 x $[\frac{90}{100} \times \frac{15}{100}]$ one mark one mark OR 20 700 – 18 000	2 700 ☒* *one part correct	Decrease / – ✓

Allow the use of +/- sign for effects; + (increase) / - (decrease)

TOTAL MARKS

40

10

QUESTION 2

Calculate:

Workings in square brackets constitute one part, cannot be separated.

2.1.1	The weighted average cost of ONE pair of sunglasses	
	WORKINGS	ANSWER
	$\begin{array}{r} [1\,719\,000 + 8\,781\,000] \\ 10\,500\,000 \checkmark\checkmark \\ \hline 3\,000 \checkmark\checkmark \\ [620 + 2\,380] \end{array}$ Numerator and denominator must be marked as such / all amounts are stand-alone. Do not award marks for any operation done on 10 500 000 and 3 000.	R3 500 ☒ one part correct
		5

2.1.2	The number of sunglasses stolen	
	WORKINGS	ANSWER
	$\begin{array}{r} [620 + 2\,380] \\ 3\,000 \checkmark - 2\,050 \checkmark - 840 \checkmark \end{array}$	110 ☒ one part correct
		4

	The rand value of the sunglasses stolen, using the weighted-average stock valuation method	
	WORKINGS	ANSWER
	$\begin{array}{r} \text{R3 500} \times 110 \\ \text{see 2.1.1} \quad \text{see 2.1.2 above} \end{array}$	R385 000 ☒☒ two m. marks or nothing. If amount calculated in (2.1.1 x 2.1.2) above.
		2

2.1.3	The value of the closing stock using the first-in-first-out (FIFO) method	
	WORKINGS	ANSWER
	$\begin{array}{r} [745 - 20] \quad (840 - 725) \\ *725 \checkmark \times 4\,200 \checkmark \quad + \quad *115 \checkmark \times 3\,750 \checkmark \\ 3\,045\,000 \quad \quad \quad 431\,250 \\ \text{two marks} \quad \quad \quad \text{one m. mark} \quad \text{one mark} \end{array}$ *For method mark; both figures must add up to 840.	R3 476 250 ☒ one part correct Both figures must be added
		5

2.1.4 Explain how Nosisa could have proven Jack and Micha guilty of the theft of the stock. Provide ONE point.

Any valid comment ✓✓

Part marks for partial or unclear responses.

- Use whistle-blower's statement as evidence and confirm the findings.
- Compare the supplier's invoice with order forms / delivery notes to check for discrepancies.
- Verify stock records through physical stock count upon delivery.
- Request tracking evidence of route and compare with delivery dates.
- Check CCTV footage for unusual activities when stock is delivered.

2

What action should have been taken against Micha and Jack? Provide ONE point for each person.

Micha (salesperson) ✓✓	Jack (supplier's driver) ✓✓
• Conduct a fair disciplinary hearing / Suspend Micha pending the outcome of hearing. • Audit / Investigate supplier's past transactions for other possible misconduct / fraud. • File criminal complaint against him. • Deducting the money from his salary / demand repayments from Micha to recover losses. • Demote the salesperson / restrict him from working in similar roles within the business.	• Inform the owner of his involvement and request action be taken against him. • Jack should not be assigned to deal with the business anymore / Prohibit Jack from entering the business property. • File criminal charges against him. • Pursue compensation from him if evidence confirms his involvement. • Update contracts with the supplier to include penalties for future unethical behaviour.

4

2.2.1 TROUSERS

Workings in square brackets constitute one part, cannot be separated.

Calculate the mark-up percentage achieved for trousers.

WORKINGS	ANSWER
$\frac{[920 - 500]}{500} \checkmark \times \frac{100}{1} \quad \text{OR} \quad \frac{[515\ 200 - 280\ 000]}{280\ 000} \times \frac{100}{1}$ one mark one mark	84% ✓ one part correct 'x 100' does not count as one part correct.
Numerator and denominator must be marked as such / all amounts are stand-alone. Do not mix rands with units.	

3

Comment on whether the mark-up percentage would benefit the business or not.

Any valid explanation ✓✓

Part marks for partial or unclear responses.

- Customers will not buy / pay higher price for the product.
- Price sensitive customers may choose competitors offering similar trousers for less, leading to lower sales.
- Regular customer may be discouraged from making repeated purchases.
- A decrease in sales volume could negatively affect cash flow.
- SHP of 186 days / 6,2 months indicates lower demand which resulted in high stock levels / slow sales can lead to stock being out of fashion.

2

2.2.2 CASUAL SHIRTS

Comment on how the return of 120 casual shirts would affect the business negatively. Provide ONE point.

Any valid explanation ✓✓

- High returns will make the business lose revenue / High return rate may lead to decreased future sales (customers).
- Lead to lower sales revenue / decrease in demand / lower gross profit.
- This can negatively affect the business reputation (image).
- Preparing returned shirts for reselling at original selling price can lead to additional cost.

2

2.2.3 FORMAL SHIRTS

Workings in square brackets constitute one part, cannot be separated.

Calculate how long (in days) it will take Mike to sell the closing stock of the formal shirts.

WORKINGS	ANSWER
$\frac{125}{855} \checkmark \times 120 \text{ days } \checkmark \checkmark \text{ OR } 121 \text{ days}$ OR $\frac{[R680 \times 125]}{85\,000 \text{ one-mark} \times 120 \text{ days two mark} \text{ OR } 121 \text{ days}}$ 581 400 Numerator and denominator must be marked as such / all amounts are stand-alone. Do not mix rands with units.	17,5 / 17,7 days ✓ one part correct accept 18 days

4

Comment on ONE other point that might concern Mike about the formal shirts.

Any valid comment ✓✓

- No online sales for formal shirts / formal shirts are not currently available for online sales.
- He is charging low mark-up % which may need to increase, risking the loss of customer.
- They can suffer losses in profits, if suppliers increase their prices and the business still maintains low mark-up%.
- There will be stock shortage in future as the closing stock could be sold out quicker.

2

TOTAL MARKS

35

QUESTION 3

3.1

	CASH BUDGET		PROJECTED STATEMENT OF COMPREHENSIVE INCOME	
	RECEIPT	PAYMENT	INCOME	EXPENSE
<i>E.g.</i>		5 000		5 000
3.1.1	132 000 ✓		132 000 ✓ OR 31 000 two marks (net effect)	101 000 ✓
3.1.2		34 000 ✓		
3.1.3	264 600 ✓		19 600 ✓	

6

-1 per line for superfluous entry (max -2); only if a mark is earned on that line.

3.2

JESARY SUPERSPARES

Workings in square brackets constitute one part, cannot be separated.

3.2.1

Calculate the credit purchases for November 2024.	
WORKINGS	ANSWER
172 000 two marks $103\,200 \times 100/60 \times 100/125$ ✓ OR [103 200 x 100/125] 82 560 x 100/60 two marks one mark	137 600 ✓ one part correct

4

CREDITORS' PAYMENT SCHEDULE FOR DECEMBER 2024			
MONTH	CREDIT PURCHASES	NOVEMBER	DECEMBER
September	147 200	36 800	Superfluous entry; lose method on total
October	132 800	96 612	33 200 ✓
November	137 600 ✓		100 104 ✓✓
	See 3.2.1		must be x [75% x 97%] three marks if credit purchase not shown.
		133 412	133 304 ✓*

*one part correct

5

Calculate:

Workings in square brackets constitute one part, cannot be separated.

3.2.2

(i)	Rent expense for December 2024	
	WORKINGS	ANSWER
	$29\,000 \times \frac{1,06}{100}$	30 740 ✓✓ two marks or nothing
OR	$29\,000 + (29\,000 \times 6\%)$	

2

(ii)	Interest on loan for December 2024	
	WORKINGS	ANSWER
	$3\,500 - 700$	2 800 ✓ one part correct
OR	$[300\,000 - 60\,000] \times [14/100 \times 1/12]$	

4

(iii)	Deposit to be paid on 30 November 2024 for the new computers installed	
	WORKINGS	ANSWER
	$352\,800 \times 20/80$	88 200 ✓ one part correct
OR	$441\,000 - 352\,800$	
OR	$441\,000 \times 20/100$	

3

(iv)	Insurance for December 2024	
	WORKINGS	ANSWER
	$17\,500 + 1\,260$	18 760 ✓ one part correct
OR	$5\,760 + 13\,000$	

3

(v)	Salaries for November 2024	
	WORKINGS	ANSWER
	$\frac{143\,750}{1} \times \frac{9}{12,5}$	103 500 ✓ one part correct
OR	$143\,750 - 40\,250$	

3

3.2.3 Explain the change in the sales policy effected by Bluey in compiling his budget for October 2024. Provide ONE point with figures.

Change in cash sale / change in credit sales ✓✓

Cash sales changed (from 40%) to 60% / (from R58 000) to R96 000 / by R38 000 / by 65,5% / by 20 % points.

OR

Credit sales changed (from 60%) to 40% / (from R87 000) to R64 000 / by R23 000 / by 26,4% / by 20 % points.

2

The actual credit sales were higher than the budgeted credit sales for October 2024. Explain why Bluey should not be concerned. Provide TWO points with figures.

Any valid explanation ✓ ✓

Figures ✓ ✓

- The number of customers grew (from 540) to 729 / by 189 / by 35%.
- Gross profit has improved (from R60 000) to R82 875/ by R22 875 / by 38,1%.
- Total sales has improved (from R160 000) to R221 000 / by R61 000 / by 38%.

Do not accept comparison to September figures.

4

Comment on the control over delivery expenses and packing materials for October 2024. Quote figures.

Delivery expenses	Any valid comment (with figures) ✓✓ ✓✓ Must be compared to sales. Do not accept comparison to September figures. • Effective control budgeted at 15% of sales; actual is 15% of sales. (100% utilised). • Overspent by R9 150 / (from R24 000) to R33 150 / by 38,1%, while total sales also increased by 38,1% only / actual sales of R221 000 exceeds the budgeted sales (R160 000).
Packing material	• Not well controlled; actual exceeded budgeted by 33,3% / budgeted for 9% on sales and 12% has been spent. • Overspent by R12 120 (from R14 400) to R26 520 / by 84,2%, while total sales increased by 38,1% only.

4

TOTAL MARKS

40

QUESTION 4**4.1 FLOWERPOTS MANUFACTURERS**

Workings in square brackets constitute one part, cannot be separated.

4.1.1**Calculate the direct/raw material cost.**

WORKINGS	ANSWER
$\begin{array}{l} [4\ 800 \times 1,4] \\ 6\ 720 \checkmark\checkmark \times 1,1 \checkmark \times R125 \\ 7\ 392 \text{ three marks} \\ \text{OR } (6\ 720 \text{ two marks} + 672 \text{ one mark}) \times R125 \\ \text{OR } 4\ 800 \text{ one mark} \times 1,54 \text{ two marks} \times R125 \end{array}$	$924\ 000 \checkmark$ if x 125

4

4.1.2**Calculate the direct labour cost.**

Direct labour budgeted for the year	1 117 200
Resigned worker $1\ 117\ 200 \times 4/84$ OR $159\ 600 \times 4/12$ OR $[1\ 117\ 200 / 7] \quad [159\ 600 \times 8 / 12]$ $159\ 600 - 106\ 400$ OR $[1\ 680 \times 4/12] \quad [(1\ 117\ 200 \div 1\ 680 / 7)]$ 560×95	$(53\ 200) \checkmark\checkmark^*$ ignore bracket
Overtime $(3 \times 60) \quad 152 \text{ one mark} \quad \text{one m. mark}$ $180 \checkmark \times 95 \checkmark \times 1,6 \checkmark$ see above OR $(3 \times 60 \times 1,6) \times 95$ 288 two marks one m. mark	$27\ 360 \checkmark^*$
Check operation; resigned worker (subtracted) and overtime (added); must include R1 117 200	$1\ 091\ 360 \checkmark^*$

7

*one part correct

4.1.3**Complete the Factory Overhead Cost Note**

Incorrect factory overheads	1 132 700
Factory indirect labour	88 320 $\checkmark\checkmark$
$[157\ 500 \times 600/800] \quad [126\ 000 \times 400/600]$ Factory rental $118\ 125 \checkmark\checkmark - 84\ 000 \checkmark\checkmark$	$34\ 125 \checkmark$
Should include R1 132 700	$1\ 255\ 145 \checkmark^*$

8

*one part correct

4.2 TIMEPIECE MANUFACTURERS

4.2.1 Comment on the level of production and break-even point on 31 August 2024.

Any valid point ✓✓ figures ✓✓

For FOUR marks:

- Produced and sold 3 640 units below the BEP 6 868 / made a loss on 3 228 units.
- Loss on 3 228 (1 845) units has improved compared to 2023 loss on 5 073 units.

For TWO marks (max):

- BEP decreased by 1 115 units / (from 7 983) to 6 868 / by 14%.
- Units produced increased by 730 units / (from 2 910) to 3 640 / by 25%.

4

4.2.2 Comment on the gross profit earned by the business and the price charged for the watches. In your opinion, explain if Jabu's customers found the 2024 price reasonable. Provide figures.

Comparison of GP ✓ figures ✓ comparison of SP ✓ figures ✓

- Gross profit has increased (from R960 300) to R1 237 600 / by R277 300 / by 28,9%.
- Number of units sold increased (from 2 910) to 3 640 / by 730 units / by 25% / Total sales increased (from R2 880 900) to R3 712 800 / by R831 900 / by 28,9%.
- Selling price increased (from R990) to R1 020 / by R30 / by 3% which is reasonable for the customers and is within the inflation rate.

For FOUR marks: Be aware of comments being combined.

- Price increased with 3%, 25% more units sold, and GP increased with 28,9%.

4

4.2.3 Identify the TWO main costs that would have a positive effect on the selling price. In each case, provide a strategy that Jabu would have implemented.

Main costs ✓ ✓	Strategies ✓ ✓
Direct material cost	• Change to a cheaper supplier / local suppliers / bulk purchase at lower price. • Less wastage due to improved supervision / better trained workers / technology used.
Total fixed cost	• Economies of scale, total fixed cost remained the same (R1 820 000) even though more units were produced.
Selling and distribution cost	• Offer more reliable distribution systems to increase customer satisfaction. • additional advertising / free delivery contributed to increased sales

4

4.2.4

Jabu wishes to increase his profit by R300 000 during the next financial year while maintaining the costs. Calculate the price that he would have to charge his customers in order to produce 400 extra units.

WORKINGS	ANSWER
$\begin{array}{l} [300\,000 / 400] \\ 750 \checkmark\checkmark + 755 \checkmark \\ \\ \text{OR} \\ [400 \times 755] \\ \underline{R300\,000 \text{ one mark} + R302\,000 \text{ one mark}} \\ 400 \text{ one mark} \end{array}$	R1 505 ☒ one part correct

4

TOTAL MARKS
35

TOTAL: 150