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basic education

Department:
Basic Education
REPUBLIC OF SOUTH AFRICA

SENIOR CERTIFICATE EXAMINATIONS/
NATIONAL SENIOR CERTIFICATE EXAMINATIONS

ACCOUNTING P2

MAY/JUNE 2026

MARKS: 150

TIME: 2 hours

**This question paper consists of 16 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 the 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	Reconciliations, Age Analysis and VAT	40	30
2	Cost Accounting	40	30
3	Stock Valuation and Fixed Assets	30	30
4	Budgeting	40	30
TOTAL		**150**	**120**

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QUESTION 1: RECONCILIATION, AGE ANALYSIS AND VAT

(40 marks; 30 minutes)

1.1 BANK RECONCILIATION

The information relates to Primrose Traders on 31 October 2025. The business is owned by Nozi Sithole who employed Bheki Sadler as a bookkeeper.

They use the official Bank Statement, received on the 26th of each month to reconcile their Cash Journals.

REQUIRED:

1.1.1 Show the entries that must be recorded in the Cash Journals on 31 October 2025 by completing the table in the ANSWER BOOK. (10)

1.1.2 Prepare the Bank Reconciliation Statement on 31 October 2025. (7)

1.1.3 **Refer to information D.**

Nozi does not trade with XPS Suppliers. An investigation found no evidence of goods supplied. Despite this, XPS Suppliers issued an invoice upon request. It was also discovered that XPS Suppliers is owned by Bheki's brother.

What action should Nozi take against Bheki (without dismissing him) and XPS Suppliers? State ONE point for each. (4)

INFORMATION:

A. Extract from the Bank Reconciliation Statement on 30 September 2025:

Outstanding deposits:	Dated 29 September 2025	R36 900
	Dated 30 September 2025	9 000
Outstanding EFTs:	EFT 4 124 (Moja Traders)	42 100
	EFT 4 125 (Nel Suppliers)	11 000

NOTE:

(i) The internal auditor discovered that the cash amount of R9 000 on 30 September 2025 was never deposited. The amount is irrecoverable because the cashier had already resigned at that time.

(ii) EFT 4 125 is correct as per the Bank Statement. Nel Suppliers is a creditor.

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B. Provisional totals in the Cash Journals on 31 October 2025 before receiving the Bank Statement:

Cash Receipts Journal	Cash Payments Journal
R334 700	R232 900

C. Entries in the Cash Journals for October 2025 that were not reflected on the October 2025 Bank Statement:

- Deposit (28 October 2025): R33 000
- EFT 4 317 (29 October 2025): R12 200
- EFT 4 318 (30 October 2025): R6 300

D. Information on the October 2025 Bank Statement, which did not appear in the October 2025 Cash Journals:

Date		Details	Debit R	Credit R
2025 Sep.	29	Deposit		36 900
	30	Moja Traders (EFT 4 124)	42 100	
		Nel Suppliers (EFT 4 125)	1 100	
2025 Oct.	15	Auto Connect Insurers	5 900	
		Auto Connect Insurers	5 900	
	20	XPS Suppliers (EFT 4 184)	13 000	
	25	Interest		400
	26	Service fees	1 400	

- A debit order for insurance, in favour of Auto Connect Insurers, was duplicated in error on the Bank Statement. The bank will correct the error in the November 2025 Bank Statement.
- The bookkeeper had deliberately omitted recording EFT 4 184 in the Cash Payments Journal of October 2025.

E. Nozi withdrew R7 500 from an ATM on 30 October 2025 to pay repairs for a business vehicle, but she did not submit the transaction slip to the bookkeeper. The bookkeeper has not recorded this transaction yet.

F. The bookkeeper had incorrectly recorded cash received from a tenant, R8 800, in the Cash Payment Journal.

G. The Bank Statement showed a favourable balance of R116 500 on 26 October 2025.

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1.2 DEBTORS' AGE ANALYSIS

The information relates to Marula Stores. The business adopted a structured credit policy to encourage prompt payments, charging interest on overdue accounts and offering maximum discounts to those who pay on time.

Their credit terms are 60 days and it is expected that 85% of the debtors will adhere to these terms.

REQUIRED:

1.2.1 Calculate the total percentage of all debtors who do not adhere to the credit terms. (2)

1.2.2 Explain TWO other strategies the business can implement to improve collection from debtors. In each case, explain how the strategy will improve the collection from debtors. (4)

1.2.3 How can poor management of debtors negatively affect a business's cash flow? Explain ONE consequence. (2)

INFORMATION:

Debtors' Age Analysis on 31 March 2026:

Total	Current month	30 days	60 days	90 days	90 days +
R288 000	R126 720	R43 200	R46 080	R37 440	R34 560

1.3 VALUE-ADDED TAX (VAT)

The information relates to Elmon Traders for the VAT period ended 30 April 2026. The standard VAT rate is 15%. The business is owned by Elmon Thela.

REQUIRED:

1.3.1 Calculate the VAT amounts in the table given in the ANSWER BOOK. Indicate the effect of EACH item on the amount payable to SARS. Show an increase with a **'+'** and a decrease with a **'-'**.

NOTE: (i) has been completed in the ANSWER BOOK. (9)

1.3.2 Elmon wants to increase the VAT amount on accounts written off from R5 850 to R70 000, claiming that no one will notice and this will allow the business to pay a lesser amount that will be due to SARS.

Give ONE reason why this action is unethical and unacceptable. (2)

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INFORMATION:

A. Amount owed to SARS on 1 April 2026, R267 500.

B. **Transactions for April 2026:**

NO.	DETAILS	EXCLUDING VAT R	INCLUDING VAT R	VAT AMOUNT R
(i)	**Drawings of stock**	**9 000**	**10 350**	**1 350**
(ii)	Trading stock purchased	325 000		**?**
(iii)	Trading stock returned by customers			7 800
(iv)	Total sales (cash and credit)		* 458 850 (see note below)	**?**
(v)	Expenses paid			9 750
(vi)	Bad debt recovered			1 200

NOTE:

*Includes goods with a selling price of R25 530 (VAT inclusive). These goods should have been recorded as zero-rated items.

40

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QUESTION 2: COST ACCOUNTING (40 marks; 30 minutes)

2.1 CONCEPTS

Give ONE cost account for each of the following descriptions by choosing a cost account from the list below. Write only the cost account next to the question numbers (2.1.1 to 2.1.3) in the ANSWER BOOK.

direct material cost; direct labour cost; factory overhead cost; administration cost; selling and distribution cost

2.1.1 Irrecoverable accounts of customers written off

2.1.2 Carriage on purchases of raw materials

2.1.3 Depreciation on office equipment (3 x 1) (3)

2.2 STAY-FIT MANUFACTURERS

The business, owned by Florence Summers, manufactures tracksuits and other types of clothing. The information provided only relates to the production of tracksuits. The financial year ended on 28 February 2026.

NOTE: There are no work-in-progress balances as production takes place according to orders received.

REQUIRED:

2.2.1 **Refer to information B.**

Calculate the direct labour cost. (6)

2.2.2 **Refer to information C.**

Calculate the correct factory overhead cost for the year by completing the table in the ANSWER BOOK. (6)

2.2.3 Calculate the unit cost of production for the financial year ended 28 February 2026. (5)

2.2.4 Stay-Fit Manufacturers exports their tracksuits to a number of countries. One of their biggest export market countries will increase their export duties by 30% with effect from 1 April 2026.

- Explain how this will affect the business. State ONE point. (2)
- State ONE strategy the business can implement to maintain current exports to this country. (2)

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INFORMATION:

A. Raw materials:

Raw materials issued for production, R3 200 000.

B. Direct labour:

- 80 workers were employed in production.
- Each worker worked 1 960 hours normal time during the year at a rate of R45 per hour.
- The overtime register reflected a combined total of 2 000 hours worked at a rate of 1,6 times the rate of normal time.
- All workers are registered with the Unemployment Insurance Fund (UIF). The deduction amounts to 1% of the gross wages. The employer contributes 1% of the gross wage on behalf of the employees to the UIF.

C. Factory overhead costs:

The bookkeeper calculated the factory overheads as R1 068 200. However, he made the following errors which must be corrected:

(i) He recorded R5 320 as the closing stock of factory indirect materials instead of R6 320.

(ii) The entire amount of the telephone expense, R37 600, was included in the factory overhead cost, instead of only 25% of this expense.

(iii) An amount of R54 000 of factory insurance was allocated using the ratio 3 : 2 : 2 for the factory, sales and office respectively. This expense should have been split in the ratio 2 : 1 : 1 respectively.

D. Production:

Number of tracksuits manufactured: 64 000 units.

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2.3 BAGS GALORE MANUFACTURERS

Bags Galore Manufacturers is owned by Cyril Khan. They produce school bags and laptop bags. The financial year ended on 28 February 2026.

REQUIRED:

SCHOOL BAGS:

2.3.1 Calculate the selling price per unit for the year ended 28 February 2026. (4)

2.3.2 Identify the variable cost that caused the biggest problem. Quote figures. Give a valid solution for the problem identified. (3)

LAPTOP BAGS:

2.3.3 Comment on the break-even point and the profit made for the year ended 28 February 2026. Quote figures. Give a different reason for the improvement in each case. (6)

2.3.4 Cyril made deliberate decisions to export laptop bags. This has led to an increase in all the variable costs per unit. Give a different reason for the increase in each case. (3)

INFORMATION:

	SCHOOL BAGS		LAPTOP BAGS	
	2026	**2025**	**2026**	**2025**
Break-even point	8 280	11 520	5 763	6 476
Number of units produced and sold	24 150	37 500	11 625	9 750
	R	**R**	**R**	**R**
Selling price per unit	**?**		2 460	1 890
Variable costs per unit	**358**	**366**	**1 547**	**1 077**
Direct material cost	138	174	684	495
Direct labour cost	197	150	572	540
Selling and distribution cost	23	42	291	42
Total fixed cost	794 880			

40

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QUESTION 3: STOCK VALUATION AND FIXED ASSETS (30 marks; 30 minutes)

3.1 INVENTORIES:

Galaxy Traders, owned by Julian Tshabalala, sells one brand of microwave ovens. The business uses the first-in-first-out (FIFO) method to value the microwave oven stock. The periodic inventory system is used. The financial year ended on 28 February 2026.

REQUIRED:

3.1.1 Calculate the value of the closing stock on 28 February 2026, using the FIFO stock valuation method. (5)

3.1.2 Calculate the stockholding period (in days) on 28 February 2026. Use the closing stock figure. (3)

3.1.3 Comment on your calculation in QUESTION 3.1.2. State TWO points. The stockholding period on 28 February 2025 was 72 days. (4)

INFORMATION:

A. Stock records of microwave ovens:

	Number of microwave ovens
1 March 2025	1 850
28 February 2026	2 270

B. Purchases and returns:

DATE	UNITS	PRICE PER UNIT R	TOTAL R
May 2025	2 800	1 440	4 032 000
August 2025	3 500	1 450	5 075 000
November 2025	1 700	1 580	2 686 000
December 2025	(90)	?	(142 200)
TOTALS	7 910		11 650 800

C. Carriage on purchases:

- Flash Carriers charged the business R95 per microwave oven delivered to the store. It was increased to R110 per unit from November 2025.
- No refund is received on microwave ovens returned. The supplier collects the returns directly from the business.

D. Sales and cost of sales:

- 7 490 units were sold.
- Cost of sales was R14 524 000 after all adjustments were considered.

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3.2 **FIXED ASSETS:**

The information relates to the fixed/tangible assets of Roxy Traders. The financial year ended on 28 February 2026.

REQUIRED:

3.2.1 State TWO points for good internal control over movable fixed assets. (2)

3.2.2 Calculate the following:

- Cost price of land and buildings on 28 February 2026 (2)
- Loss on the old fridge that was sold on 30 September 2025 (5)
- Total of the depreciation on the new cash register bought on 1 December 2025 and the remaining old equipment for the year ended 28 February 2026 (5)

3.2.3 **Refer to information E.**

Calculate the amounts indicated by **(i)** to **(iii)**. (4)

INFORMATION:

A. The following balances, among others, appeared in the General Ledger of Roxy Traders on 1 March 2025:

	R
Land and buildings at cost	5 600 000
Equipment at cost	745 000
Vehicles at cost	2 520 000
Accumulated depreciation on equipment	233 000
Accumulated depreciation on vehicles	850 000

B. Received an invoice from Décor Renovators for the following on 1 August 2025:

	R
New storeroom built	400 000
Electrical, plumbing and painting done for the new storeroom	38 000

C. Sold an old fridge (equipment) to a customer for R17 500 cash on 30 September 2025. According to the Fixed Assets Register the carrying value of this fridge was R23 400 on 1 March 2025.

D. Bought a new cash register (equipment) from Computing Solutions on 1 December 2025. An EFT payment was made for R65 000.

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E. Extract from the Fixed Assets Register of vehicles:

Description	Delivery vehicle
Rate of depreciation	25% p.a. on cost
Cost price	R450 000

DATE	DEPRECIATION	ACCUMULATED DEPRECIATION	CARRYING VALUE
28 Feb. 2025	112 500	375 000	75 000
28 Feb. 2026	**(i)**	**(ii)**	**(iii)**

F. It is the policy to provide for depreciation as follows:

- Equipment at 20% p.a. on the diminishing-balance method
- Vehicles at 25% p.a. on cost

30

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QUESTION 4: BUDGETING **(40 marks; 30 minutes)**

Dazzling Outfitters sells expensive ladies' dresses. They also alter dresses for customers. The business is owned by Grace Mthembu. The information relates to the budget period ending 31 July 2026.

NOTE:
- Customers are allowed to buy dresses for cash or on credit.
- Customers must pay cash for ALL alterations.

REQUIRED:

4.1 **Debtors:**

4.1.1 Complete the Debtors' Collection Schedule. (6)

4.1.2 Calculate the following:

- Discount allowed in July 2026 (2)
- Bad debts to be written off in July 2026 (2)

4.2 Calculate the missing amounts indicated by **(i)** to **(iv)** in the Cash Budget. (16)

4.3 **Refer to information H.**

4.3.1 **Advertising:**

- Calculate the percentage change between the budgeted and actual amounts in May 2026. (2)
- State ONE point why Grace decided to spend more than the budgeted amount for advertising. (1)
- Grace is of the opinion that spending more on advertising was a wise decision.
  - State ONE point (with figures) why you will agree with her.
  - State ONE point (with figures) why you will disagree with her. (4)

4.3.2 Competitors have complained of cash flow challenges that they are experiencing due to tough economic times. Explain how Dazzling Outfitters has been affected negatively by the average amounts spent by customers on buying dresses. State ONE point (with figures). (3)

4.3.3 **Consumable stores and wages (for alteration staff):**

Grace feels that the consumable stores and wages (for alterations) have been well controlled. Give relevant calculations/figures to support her opinion for each item. (4)

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INFORMATION:

A. Sales:

- 65% of sales take place on credit.
- Budgeted credit sales:

	R
April 2026	204 750
May 2026	364 000
June 2026	409 500
July 2026	?

B. Expected debtors' collection:

- 40% collected in the month of sale, less 6% discount for early payment.
- 50% collected in the month following the month of sale.
- 8% collected two months after the month of sale.
- 2% is regarded as irrecoverable in the third month after the month of sale.

C. Purchase of stock:

- Stock is sold at a mark-up of 75% on cost.
- 60% of all purchases of stock are on credit.
- A fixed stock level is maintained. Trading stock is replaced in the month of sale.
- Creditors are paid in full in the month after purchasing stock.

D. Rent expense:

The rent expense will increase by 11% p.a. commencing on 1 July 2026.

E. Loan:

- The business has a loan taken from Petro Bank at an interest rate of 9% p.a. Interest is not capitalised.
- As the business is still experiencing cash flow problems, Grace will take an additional loan from Petro Bank on 1 June 2026 at the same interest rate.

F. Salaries of sales assistants:

- The business employed two sales assistants in May 2026. They both earn the same monthly salary.
- They were promised a 5% increase in salaries with effect from 1 June 2026.
- The business plans to employ an additional sales assistant with effect from 1 July 2026. This assistant will earn a monthly salary that will be 20% lower than the monthly rate earned by each sales assistant during May 2026.

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G. Extract from the Cash Budget:

	MAY 2026	JUNE 2026	JULY 2026
RECEIPTS	**R**	**R**	**R**
Cash sales			269 500
Collection from debtors			**?**
Fee income (for alterations)	16 000	16 000	16 000
Additional loan from Petro Bank		**(ii)**	
PAYMENTS			
Rent expense		**(i)**	39 960
Payments to creditors			**(iii)**
Interest on loans	1 365	2 625	2 625
Salaries of sales assistants	22 400		**(iv)**
Advertising	10 000	12 000	30 000
Consumable stores (for alterations only)	4 480		
Wages of alteration staff	9 600	9 600	9 600

H. Comparison of budgeted figures to actual figures for May 2026:

	MAY 2026	
	BUDGETED	**ACTUAL**
Total number of customers	**200**	**273**
Number of customers who bought dresses	80	105
Number of customers for alterations	120	168
	R	**R**
Cash and credit sales of dresses	560 000	504 000
Fee income (for alterations only)	16 000	21 000
Advertising	10 000	15 000
Consumable stores (for alterations only)	4 480	5 040
Wages (for alteration staff only)	9 600	9 600

40

TOTAL: 150

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GRADE 12 ACCOUNTING FINANCIAL INDICATOR FORMULA SHEET	
$\frac{\text{Gross profit}}{\text{Sales}} \times \frac{100}{1}$	$\frac{\text{Gross profit}}{\text{Cost of sales}} \times \frac{100}{1}$
$\frac{\text{Net profit before tax}}{\text{Sales}} \times \frac{100}{1}$	$\frac{\text{Net profit after tax}}{\text{Sales}} \times \frac{100}{1}$
$\frac{\text{Operating expenses}}{\text{Sales}} \times \frac{100}{1}$	$\frac{\text{Operating profit}}{\text{Sales}} \times \frac{100}{1}$
Total assets : Total liabilities	Current assets : Current liabilities
(Current assets – Inventories) : Current liabilities	Non-current liabilities : Shareholders' equity
(Trade & other receivables + Cash & cash equivalents) : Current liabilities	
$\frac{\text{Average trading stock}}{\text{Cost of sales}} \times \frac{365}{1}$ (See Note 1 below)	$\frac{\text{Cost of sales}}{\text{Average trading stock}}$
$\frac{\text{Average debtors}}{\text{Credit sales}} \times \frac{365}{1}$	$\frac{\text{Average creditors}}{\text{Cost of sales}} \times \frac{365}{1}$ (See Note 2 below)
$\frac{\text{Net income after tax}}{\text{Average shareholders' equity}} \times \frac{100}{1}$	$\frac{\text{Net income after tax}}{\text{Number of issued shares}} \times \frac{100}{1}$ (See Note 3 below)
$\frac{\text{Net income before tax + Interest on loans}}{\text{Average shareholders' equity + Average non-current liabilities}} \times \frac{100}{1}$	
$\frac{\text{Shareholders' equity}}{\text{Number of issued shares}} \times \frac{100}{1}$	$\frac{\text{Dividends for the year}}{\text{Number of issued shares}} \times \frac{100}{1}$
$\frac{\text{Interim dividends}}{\text{Number of issued shares}} \times \frac{100}{1}$	$\frac{\text{Final dividends}}{\text{Number of issued shares}} \times \frac{100}{1}$
$\frac{\text{Dividends per share}}{\text{Earnings per share}} \times \frac{100}{1}$	$\frac{\text{Dividends for the year}}{\text{Net income after tax}} \times \frac{100}{1}$
$\frac{\text{Total fixed costs}}{\text{Selling price per unit – Variable costs per unit}}$	

NOTE:
1. Trading stock at the end of a financial year may be used if required in a question. 365 days is applicable only if relevant to the whole year
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.

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STICKER

CENTRE NUMBER

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SENIOR CERTIFICATE EXAMINATIONS/ NATIONAL SENIOR CERTIFICATE EXAMINATIONS

ACCOUNTING P2

GRADE 12

MAY/JUNE 2026

SPECIAL ANSWER BOOK

QUESTION	MARKS	INITIAL	MOD.
1			
2			
3			
4			
TOTAL			

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QUESTION 1

1.1 BANK RECONCILIATION

1.1.1 Entries that must be recorded in the Cash Journals on 31 October 2025.

CASH RECEIPTS JOURNAL	CASH PAYMENTS JOURNAL
R334 700	R232 900

10

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1.1.2 CHOOSE ONLY ONE TEMPLATE BELOW TO ANSWER THIS QUESTION.

TWO-COLUMN METHOD:
BANK RECONCILIATION STATEMENT ON 31 OCTOBER 2025

	Debit	Credit

7

OR

ONE-COLUMN METHOD:
BANK RECONCILIATION STATEMENT ON 31 OCTOBER 2025

7

1.1.3

What action should Nozi take against Bheki (without dismissing him) and XPS Suppliers? State ONE point for each.	
Bheki Sadler (bookkeeper)	**XPS Suppliers (supplier)**

4

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1.2 DEBTORS' AGE ANALYSIS

1.2.1 **Calculate the total percentage of all debtors who do not adhere to the credit terms.**

WORKINGS	ANSWER

2

1.2.2 **Explain TWO other strategies the business can implement to improve collection from debtors. In each case, explain how the strategy will improve the collection from debtors.**

	STRATEGY	REASON
1		
2		

4

1.2.3 **How can poor management of debtors negatively affect a business's cash flow? Explain ONE consequence.**

2

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1.3 VALUE-ADDED TAX (VAT)

1.3.1

NO.	WORKINGS	EFFECT
	Opening balance	**267 500**
(i)	**(10 350 – 9 000)**	**+ 1 350**
(ii)	**325 000**	
(iii)		
(iv)	**458 850**	
(v)		
(vi)		
	VAT PAYABLE	

9

1.3.2 **Give ONE reason why this action is unethical and unacceptable.**

2

TOTAL MARKS
40

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QUESTION 2

2.1

2.1.1		
2.1.2		
2.1.3		3

2.2 STAY-FIT MANUFACTURERS

2.2.1 Calculate the direct labour cost.

WORKINGS	ANSWER	
		6

2.2.2 Calculate the correct factory overhead cost for the year.

Incorrect total	1 068 200	
		6

2.2.3 Calculate the unit cost of production for the financial year ended 28 February 2026.

WORKINGS	ANSWER	
		5

2.2.4 Explain how this will affect the business. State ONE point.

	2

State ONE strategy the business can implement to maintain current exports to this country.

	2

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2.3 BAGS GALORE MANUFACTURERS

SCHOOL BAGS:

2.3.1 Calculate the selling price per unit for the year ended 28 February 2026.

WORKINGS	ANSWER

4

2.3.2 Identify the variable cost that caused the biggest problem. Quote figures. Give a valid solution for the problem identified.

VARIABLE COST	SOLUTION

3

LAPTOP BAGS:

2.3.3 Comment on the break-even point and the profit made for the year ended 28 February 2026. Quote figures. Give a different reason for the improvement in each case.

	COMMENT (with figures)	REASON
Break-even point		
Profit		

6

2.3.4 Cyril made deliberate decisions to export laptop bags. This has led to an increase in all the variable costs per unit. Give a different reason for the increase in each case.

COST	REASON
Direct material cost	
Direct labour cost	
Selling and distribution cost	

3

TOTAL MARKS
40

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QUESTION 3

3.1 INVENTORIES:

3.1.1 Calculate the value of the closing stock on 28 February 2026, using the FIFO stock valuation method.

WORKINGS	ANSWER

5

3.1.2 Calculate the stockholding period (in days) on 28 February 2026. Use the closing stock figure.

WORKINGS	ANSWER

3

3.1.3 Comment on your calculation in QUESTION 3.1.2. State TWO points. The stockholding period on 28 February 2025 was 72 days.

4

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3.2 FIXED ASSETS:

3.2.1 **State TWO points for good internal control over movable fixed assets.**

2

3.2.2 CALCULATE:

Cost price of land and buildings on 28 February 2026	
WORKINGS	**ANSWER**

2

Loss on the old fridge that was sold on 30 September 2025	
WORKINGS	**ANSWER**

5

Total of the depreciation on the new cash register bought on 1 December 2025 and the remaining old equipment for the year ended 28 February 2026	
WORKINGS	**ANSWER**
New: **Old:**	

5

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3.2.3

(i)	Depreciation for year ended 28 February 2026	
	WORKINGS	**ANSWER**
(ii)	**Accumulated depreciation on 28 February 2026**	
	WORKINGS	**ANSWER**
(iii)	**Carrying value on 28 February 2026**	
	WORKINGS	**ANSWER**

4

TOTAL MARKS
30

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QUESTION 4

4.1.1

DEBTORS' COLLECTION SCHEDULE			
	Credit sales	July 2026	
April 2026	204 750		
May 2026	364 000		
June 2026	409 500		
July 2026			
			6

4.1.2

Calculate: Discount allowed in July 2026		
WORKINGS	ANSWER	
		2

Calculate: Bad debts to be written off in July 2026		
WORKINGS	ANSWER	
		2

4.2

(i)	Rent expense for June 2026		
	WORKINGS	ANSWER	
			2

(ii)	Additional loan taken on 1 June 2026		
	WORKINGS	ANSWER	
			4

(iii)	Payments to creditors in July 2026		
	WORKINGS	ANSWER	
			5

(iv)	Salaries of sales assistants in July 2026		
	WORKINGS	ANSWER	
			5

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4.3.1 **Calculate the percentage change between the budgeted and actual amounts in May 2026.**

WORKINGS	ANSWER

2

State ONE point why Grace decided to spend more than the budgeted amount for advertising.

1

Grace is of the opinion that spending more on advertising was a wise decision.

- **State ONE point (with figures) why you will agree with her.**
- **State ONE point (with figures) why you will disagree with her.**

	Reason (with figures)
Agree	
Disagree	

4

4.3.2 **Competitors have complained of cash flow challenges that they experience due to tough economic times. Explain how Dazzling Outfitters has been affected negatively by the average amounts spent by customers on buying dresses. State ONE point (with figures).**

3

4.3.3 **Grace feels that the consumable stores and wages (for alterations) have been well controlled. Give relevant calculations/figures to support her opinion for each item.**

Consumable stores	
Wages of alteration staff	

4

TOTAL MARKS
40

TOTAL: 150

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basic education

Department:
Basic Education
REPUBLIC OF SOUTH AFRICA

SENIOR CERTIFICATE EXAMINATIONS/ NATIONAL SENIOR CERTIFICATE EXAMINATIONS

ACCOUNTING P2

MAY/JUNE 2026

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. 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 the answer.
11. Operation means 'check operation'. 'One part correct' means operation and one part correct. **NOTE**: check operation must be +, -, x, ÷ as per candidate's calculation (if valid) or per memo.
12. In calculations, do not award marks for workings if numerator & denominator are swapped – this also applies to ratios.
13. In awarding method marks, ensure that candidates do not get full marks for any item that is incorrect at least in part. Indicate with a ☒.
14. Be aware of candidates who provide valid alternatives beyond the marking guideline. Note that one comment could contain different aspects.
15. Codes: f = foreign item; p = placement/presentation.

These marking guidelines consist of 14 pages.

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QUESTION 1

1.1 BANK RECONCILIATION

1.1.1 Entries that must be recorded in the Cash Journals on 31 October 2025.

CASH RECEIPTS JOURNAL	
R 334 700	
11 000 one mark – 1 100 one mark 9 900	✓✓
400	✓
8 800 one mark + 8 800 one mark 17 600	✓✓

CASH PAYMENTS JOURNAL	
R 232 900	
9 000	✓
5 900	✓
7 500	✓
13 000	✓
1 400	✓

10

-1 foreign (max -2) (only if marks are scored elsewhere for the same figure)
-1 superfluous items (max -1); ensure that the candidate do not get full marks for including any incorrect figure/s.
E.g. R36 900; R42 100

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1.1.2 CHOOSE ONLY ONE TEMPLATE BELOW TO ANSWER THIS QUESTION.

TWO COLUMN METHOD:
BANK RECONCILIATION STATEMENT ON 31 OCTOBER 2025

	Debit	Credit
Balance as per bank statement		116 500 ✓
Outstanding deposit		33 000 ✓
Outstanding EFT's No 4 317	12 200 ✓	
No 4 318	6 300 ✓	
Incorrect debit order		5 900 ✓
ATM withdrawal on 30 October 2025	7 500 ✓	
Balance as per bank account	129 400 ☑ Could be Cr	Dr and Cr totals must be the same
	155 400	155 400

7

-1 presentation (max -1) (inappropriate/no details
-1 for foreign items (max -2) if marks awarded elsewhere.
For the 2-Column method, candidates must place figures in the correct column to earn marks.
In awarding the method mark for the balancing bank account figure, ensure that the candidates do not get full marks for including any incorrect figure/s. Indicate with a ☒.
If candidates duplicate amounts on both sides -1 per line.

OR

ONE COLUMN METHOD:
BANK RECONCILIATION STATEMENT ON 31 OCTOBER 2025

Balance as per Bank Statement	R 116 500 ✓
Outstanding deposit	33 000 ✓
Outstanding EFT's No. 4 317	(12 200) ✓
No. 4 318	(6 300) ✓
Incorrect debit order	5 900 ✓
ATM withdrawal on 30 October 2025	(7 500) ✓
Balance as per bank account	129 400 ☑

7

-1 presentation (max -1) (inappropriate/no details)
-1 for foreign items (max -2); if marks awarded elsewhere
For the 1-Column method, candidates must present the appropriate sign i.e. positive or negative.
*Be alert to candidates who start with the bank account balance or vice versa.

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1.1.3 **What action should Nozi take against Bheki (without dismissing him) and XPS Suppliers? State ONE point for each.**

Bheki Sadler (bookkeeper) ✓✓	**XPS Suppliers (supplier)** ✓✓ part marks for incomplete answers
• Disciplinary hearing on him for potential fraud • Suspend him temporarily while an investigation into the misconduct is conducted. • Hand Bheki over to the police for prosecution for theft or fraud • Issue a final written warning. • Demand that he pays back the money obtained through the fraudulent transaction. • Demote or remove him from processing supplier payments. • Transfer him to duties with limited financial responsibilities. • Place his work under increased supervision. • Conduct regular audits of his captured transactions.	• Report the supplier to police to investigate potential fraud or theft. • Consider civil action against the supplier / Institute legal action against them for attempted fraud. • Request a written explanation for issuing an invoice when no goods were supplied. • Blacklist XPS Suppliers to ensure they are never considered as a supplier of Primrose Traders in the future. • Recover any losses or costs incurred for the fraudulent invoice resulted in a payment.

4

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1.2 DEBTORS' AGE ANALYSIS

1.2.1 **Calculate the total percentage of all debtors who do not adhere to the credit terms.**

WORKINGS	ANSWER
$\frac{72\,000}{288\,000} \times \frac{100}{1}$ OR 13% + 12%	25% ✓✓

2

1.2.2 **Explain TWO other strategies the business can implement to improve collection from debtors. In each case, explain how the strategy will improve the collection from debtors.**

	STRATEGY ✓ ✓	REASON ✓ ✓
1	Implement stricter credit control measures / Conduct credit checks before granting credit.	Ensures only reliable customers with good credit histories are given credit.
2	Reduce credit limits or shorten terms for repeated late-payers / Set clear credit limits for each debtor.	This reduces the risk of accounts becoming overdue / Prevents customers from owing more than they can realistically repay, reducing bad debts.
3	Send reminders (email or sms or statement) before due dates to encourage early payments.	Keeps debtors informed of amounts owed and due dates, encouraging timely payment.
4	Customer must sign debit order authorisation forms	Reduce risk of late or missed payments
5	Stop or suspend further credit sales to overdue customers	Prevents debtors from increasing their debt, forcing them to settle existing balances.

4

4

1.2.3 **How can poor management of debtors negatively affect a businesses' cash flow? Explain ONE consequence.**

Any ONE valid point ✓✓ part marks for incomplete answers

- Business will need to borrow money (increasing interest expense)
- Business will not have enough money to pay its own expenses and other commitments.
- Some debts may never be recovered causing financial losses.

2

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1.3 VALUE ADDED TAX (VAT)

1.3.1

NO.	WORKINGS	EFFECT	
	Opening balance	**267 500**	
(i)	**(10 350 – 9 000)**	**+ 1 350**	
(ii)	**325 000** x 15/100	- 48 750	✓✓
(iii)		- 7 800	✓
(iv)	**(458 850** – 25 530 ✓) x 15/115 ✓ 433 320 one mark	+ 56 520	☑#
(v)		- 9 750	✓
(vi)		+ 1 200	✓
	VAT PAYABLE	260 270	☑*

9

*one part correct; must include opening balance + (i)
Accept brackets for -sign; if no sign assume +ve
If negative, award marks for the workings.

1.3.2 **Give ONE reason why this action is unethical and unacceptable.**

Any ONE valid point ✓✓ part marks for incomplete answers

- This is fraud and can get the business into serious trouble / Inflating VAT amount is a form of financial fraud.
- Overstating it is illegal and can result in penalties or criminal charges.
- VAT claims must be based on the actual VAT portion of the debt that has been written off.
- Deliberately trying to pay less VAT than it legally owes to SARS is unethical (Tax evasion).
- It damages the business's reputation / If discovered, stakeholders may lose trust in the business.
- Financial records must be prepared with honesty and integrity

2

TOTAL MARKS
40

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QUESTION 2

2.1

2.1.1	Selling and distribution cost	SDC	✓	
2.1.2	Direct materials cost	DMC	✓	
2.1.3	Administration cost	AC	✓	**3**

2.2 STAY-FIT MANUFACTURERS

2.2.1 **Calculate: Direct labour cost**

WORKINGS	ANSWER
(80 x 1 960 x 45) [90 000 + 54 000] (GW x 1%) 7 056 000 ✓☑ + 144 000 ✓✓ + 72 000 ☑	7 272 000 ☑ one part correct

6

2.2.2 **Calculate the correct factory overhead cost for the year.**

Incorrect total	**1 068 200**
Factory: Indirect materials	- 1 000 ✓
Telephone	- 28 200 ✓✓
Insurance	+ 9 000 ✓✓
Inspect must include incorrect total amount	1 048 000 ☑*

6

*one part correct
Accept brackets for -sign; if no sign assume +ve

2.2.3 **Calculate the unit cost of production for the financial year ended 28 February 2026.**

WORKINGS	ANSWER
DMC DLC (see 2.2.1) FOHC (see 2.2.2) 3 200 000 ✓ + 7 272 000 ☑ + 1 048 000 ☑ 64 000 ✓	R180 ☑ one part correct must divide by 64 000

5

2.2.4 **Explain how this will affect the business. State ONE point.**

Any ONE valid point ✓✓

- Price increases may lead to a decrease in demand or loss of customers.
- Decrease in profits earned due to the decrease in demand.
- Workers may have to be retrenched due to decrease in production.

2

State ONE strategy the business can implement to maintain current exports to this country.

Any ONE valid point ✓✓ part marks for incomplete answers

- Reduce mark-up % to keep price increases as low as possible.
- Improve efficiency and cut unnecessary expenses to keep selling prices competitive.
- Establish a distribution point in another country to avoid higher export costs.

2

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2.3 BAGS GALORE MANUFATURERS

SCHOOL BAGS

2.3.1 **Calculate the selling price per unit for the year ended 28 February 2026.**

WORKINGS			ANSWER
[R794 880/8 280] R96 ✓✓ + 358 ✓	**OR**	one mark one mark 794 880 + 2 964 240 8 280 one mark	R454☑ one part correct

4

2.3.2 **Identify the variable cost that caused the biggest problem. Quote figures. Give a valid solution for the problem identified.**

VARIABLE COST	SOLUTION
Direct labour cost ✓ Increased (from R150) to R197/by R47/by 31,3% ✓	Any ONE valid solution ✓ • Reduce overtime to prevent unnecessary wage expense. • Improve supervision to ensure better productivity. • Set targets for workers to achieve during normal time. • Service equipment to avoid breakdowns. • Train workers to increase efficiency.

3

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LAPTOP BAGS

2.3.3 **Comment on the break-even point and profit made for the year ended 28 February 2026. Quote figures. Give a different reason for the improvement in each case.**

	COMMENT ✓ ✓ **FIGURES** ✓ ✓	**REASON** Any ONE valid reason ✓ ✓
Break-even point	The BEP has decreased (from 6 476) to 5 763 by 11% / by 713 units	More efficient production methods implemented
Profit	The business made a profit on 5 862 units (2 588 or 79% more compared to previous year) / Units sold 11 625 is greater than BEP of 5 763	Selling price has increased / profit made on higher number of units

6

2.3.4 **Cyril made deliberate decisions to export laptop bags. This has led to an increase in all the variable costs per unit. Give a different reason for the increase in each case.**

COST	**REASON** Any ONE valid reason ✓ ✓ ✓
Direct material cost	Increased wastage of material / An improvement in the quality of raw materials used / Sourcing material from different or new suppliers / Increase in transport cost
Direct labour cost	Increase in overtime hours worked / Higher skilled workers employed / remuneration packages increased
Selling and distribution cost	Increase in export charges incurred / Additional delivery costs incurred / increase in advertising costs.

3

TOTAL MARKS
40

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QUESTION 3

3.1 INVENTORIES:

3.1.1 Calculate the value of the closing stock on 28 February 2026, using the FIFO stock valuation method.

WORKINGS		ANSWER
1 610 ☑ x 1 690 ✓ (1 700 – 90)	2 720 900 one m mark one mark (2 543 800 + 177 100)	3 740 600 ☑ one part correct both amounts added
660 ☑ x 1 545 ✓ (2 270 – 1 610)	1 019 700 one m mark one mark (957 000 + 62 700)	

5

3.1.2 Calculate the stockholding period (in days) on 28 February 2026. Use the closing stock figure.

WORKINGS	ANSWER
See 3.1.1 $\frac{3\ 740\ 600\ ☑}{14\ 524\ 000\ ✓} \times \frac{365}{1}$ **OR** $\frac{2\ 270 \text{ one mark}}{7\ 490 \text{ one mark}} \times \frac{365}{1}$	94 days ☑ **OR** 110,6 days one part correct must be x 365

3

x '365' does not constitute 'one part correct'.
Numerator and denominator must be marked as such.
Do not award marks for any operations done to stand-alone figures

3.1.3 Comment on your calculation in QUESTION 3.1.2. State TWO points. The stockholding period on 28 February 2025 was 72 days.

Any TWO relevant points ✓✓ ✓✓ part marks for incomplete answers

- The SHP has increased (from 72 days) to 94 or 110,6 days (see 3.1.2) / by 22 or 38,6 days. (Note: SHP may decrease; see 3.1.2)
- Stock can become outdated or obsolete and therefore irrelevant to customers as SHP increased.
- Poor purchasing strategies as the total value of November 2025 purchases has not been sold / negative impact on the cash flow.
- Cost of storage / lack of storage space / More stock may raise security expenses.

4

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3.2 FIXED ASSETS:

3.2.1 State TWO points for good internal control over movable fixed assets.

Any two relevant points ✓ ✓

- Terms and conditions must be agreed on with the person to whom item is assigned to on signed documents.
- Assign asset codes for identification.
- Use locks or instal tracking system as security.
- Conduct regular physical asset counts.
- Perform regular maintenance to preserve asset value.
- Restrict access to authorised personnel only.
- Maintain a fixed asset register and regular audit.
- Instal camera to monitor usage and possible fraud.
- All movable fixed assets must be insured.
- Separate duties for asset purchasing, recording and controlling.

2

3.2.2 CALCULATE:

Cost price of land and buildings on 28 February 2026

WORKINGS	ANSWER
5 600 000 + 438 000	6 038 000 ✓✓

2

Loss on the old fridge that was sold on 30 September 2025.

WORKINGS	ANSWER
23 400 x [20% x 7/12] 23 400 ✓ – 2 730 ✓☑ – 17 500 ✓ Be alert of alternative calculations, such as 20 670 – 17 500 **OR** – 23 400 + 2 730 + 17 500	3 170 ☑ one part correct if R17 500 is offset against CV

5

Accept the use of ledger account

Total of the depreciation on the new cash register bought on 1 December 2025 and the remaining old equipment for the year ended 28 February 2026.

WORKINGS	ANSWER
New: 65 000 x [20/100 x 3/12] 3 250 ✓☑ [512 000 – 23 400] **Old:** 488 600 x 20% 97 720 ✓☑ **OR** 102 400 – 4 680	100 970 ☑ one part correct both amounts added

5

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3.2.3

(i)	**Depreciation for year ended 28 February 2026**	
	WORKINGS	**ANSWER**
	75 000 – 1	74 999 ✓✓
(ii)	**Accumulated depreciation on 28 February 2026**	
	WORKINGS	**ANSWER**
	see (i) 375 000 + 74 999 **OR** 450 000 – 1	449 999 ☑ one part correct
(iii)	**Carrying value on 28 February 2026**	
	WORKINGS	**ANSWER**
	see (ii) 450 000 – 449 999 **OR** 75 000 – 74 999	1 ☑ one part correct

4

TOTAL MARKS
30

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QUESTION 4

4.1.1

DEBTORS' COLLECTION SCHEDULE			
	Credit sales	**July 2026**	
April 2026	**204 750**		
May 2026	**364 000**	29 120	✓
June 2026	**409 500**	204 750	✓
July 2026	500 500 ✓✓	188 188 *If x 40% x 94%	☑☑*$
			6

$ If the credit sales of R1 522 500 is not shown but the R438 480 is correct, award three marks

4.1.2

Calculate: Discount allowed in July 2026		
WORKINGS		**ANSWER**
see 4.1.1 188 188 x 6/94 **OR** [500 500 x 40/100] 200 200 x 6/100 **OR** 200 200 – 188 188		12 012 ✓☑ 2

Calculate: Bad debts to be written off in July 2026	
WORKINGS	**ANSWER**
204 750 x 2% **OR** 204 750 – 200 655	4 095 ✓✓ 2

4.2

(i)	Rent expense for June 2026	
	WORKINGS	**ANSWER**
	39 960 / 111% **OR** 39 960 – 3 960	36 000 ✓✓ 2
(ii)	**Additional loan taken on 1 June 2026**	
	WORKINGS	**ANSWER**
	[2 625 – 1 365] 1 260 ✓✓ x [100/9 x 12/1] ✓ **OR** 350 000 – 182 000 (two marks / one mark)	168 000 ☑ one part correct 4
(iii)	**Payment to creditors in July 2026**	
	WORKINGS	**ANSWER**
	[409 500 x 100/65] 630 000 ✓✓ x 100/175 ✓ x 60/100 ✓ **OR** 630 000/1,75 x 0,6 (360 000 three marks; 378 000 three marks)	216 000 ☑ one part correct 5
(iv)	**Salaries of sales assistants in July 2026**	
	WORKINGS	**ANSWER**
	[22 400 x 105%] 23 520 ✓✓ + [11 200 x 80%] 8 960 ✓✓	32 480 ☑ one part correct both amounts added 5

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4.3.1 **Calculate the percentage change between the budgeted and actual amounts in May 2026.**

WORKINGS	ANSWER
$\frac{5\,000}{10\,000} \times \frac{100}{1}$	50% ✓✓

2

State ONE point why Grace decided to spend more than the budgeted amount for advertising.

Any ONE valid point ✓

To increase number of customers / to increase the sales / to respond to strong competition / to promote new products.

1

Grace is of the opinion that spending more on advertising was a wise decision.

- **State ONE point (with figures) why you will agree with her.**
- **State ONE point (with figures) why you will disagree with her.**

	Reason (with figures) ✓✓ ✓✓
Agree	Actual number of customers is more than the budgeted customers by 73 / 36,5%
Disagree	Sales of dresses are less than budgeted by R56 000 / by 10%

4

4.3.2 **Competitors have complained of cash flow challenges that they are experiencing due to tough economic times. Explain how Dazzling Outfitters has been negatively affected by the average amounts spend by customers on buying dresses. State ONE point (with figures).**

Any ONE valid reason ✓ comparative figures ✓✓

The actual average purchases per customer was under the budgeted amount by R2 200 per customer (budgeted R7 000; actual R4 800).

3

4.3.3 **Grace feels that the consumable stores and wages (for alteration) have been well controlled. Give relevant calculations/figures to support her opinion for each item.**

Consumable stores Comment ✓ Comparative Figure/s ✓	Budgeted was 28% of fee income but actual is 24% of fee income. Consumable stores was overspent by 12,6% while fee income was 31,3% more than budgeted.
Wages of alteration staff Comment ✓ Comparative Figure/s ✓	Wages of R9 600 remains the same but the fee income has increased by R5 000. Wages were budgeted at 60% of fee income; actual wages was 45,7%.

4

TOTAL MARKS
40

TOTAL: 150

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