



# **NATIONAL SENIOR CERTIFICATE**

**GRADE 12**

**SEPTEMBER 2026**

**ACCOUNTING P2**

**MARKS: 150**

**TIME: 2 hours**

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This question paper consists of 14 pages including a formula sheet and a 10-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 the questions.
3. A Financial Indicator Formula Sheet is attached at the end of this question paper.
4. Show ALL workings to earn part-marks.
5. You may use a non-programmable calculator.
6. You may use a dark pencil or blue/black ink to answer 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            | VAT and Stock Valuation | 45         | 35         |
| 2            | Reconciliations         | 30         | 25         |
| 3            | Cost Accounting         | 40         | 30         |
| 4            | Budgeting               | 35         | 30         |
| <b>TOTAL</b> |                         | <b>150</b> | <b>120</b> |

**QUESTION 1: VAT AND STOCK VALUATION****(45 marks; 35 minutes)****CONTIKI COFFEE**

Van is the owner of Contiki Coffee, a well-known supplier of high-quality roasted and ground coffee beans as well as world class industrial coffee equipment and machines. Contiki Coffee imports all the equipment from Europe.

**1.1 VAT CONCEPTS****REQUIRED:**

Choose the correct word/term from the table below that matches each description. Write only the word/term next to the question numbers (1.1.1 to 1.1.3).

|                       |               |             |             |
|-----------------------|---------------|-------------|-------------|
| payment-based method; | R3 000 000;   | output VAT; | R2 300 000; |
| invoice-based method; | indirect tax; | R1 500 000; | input VAT   |

- 1.1.1 Value-added tax collected on sales and services; a liability to the business is an example of ... (1)
- 1.1.2 The default accounting method where VAT is payable to SARS when an invoice is issued or payment is received, whichever comes first (1)
- 1.1.3 The new compulsory VAT registration threshold, as announced by the minister of finance in his 2026 budget speech (1)
- 1.2 Differentiate between *VAT-exempt* and *zero-rated* items in South Africa. Include ONE example of each. (4)
- 1.3 **VAT**

Contiki Coffee uses the invoice-based method of calculating VAT at a rate of 15%. The business accounts for VAT on a two monthly basis.

**REQUIRED:**

Calculate the final amount payable to / receivable from SARS for the period ending 31 August 2026. Provide figures and a plus (+) or minus (–) sign for each correction. If there is no change to the balance, indicate with (0). Indicate with a “x”, whether the amount is payable to or receivable from SARS.

**Example:** The owner took roasted coffee beans, at cost price, to the value of R760 (VAT exclusive) for personal use.

**INFORMATION:**

Balance payable to SARS R1 260 (before the following information was considered).

- 1.3.1 Sold coffee beans to the value of R9 380 (VAT exclusive) for cash.
- 1.3.2 Settle the account of a local supplier of packaging material by paying R103 500 (VAT inclusive).
- 1.3.3 Contiki Coffee informed a local supplier of coffee beans that trade discount was not considered on the invoice received. The supplier acknowledged the error and adjusted the selling price (VAT exclusive) from R13 500 to R12 900.
- 1.3.4 A debtor who owed R23 690 was written off as irrecoverable. (9)

**1.4 STOCK VALUATION**

Contiki Coffee uses the periodic stock system and the specific identification method to value the coffee machines stock and the first-in-first-out (FIFO) method for coffee beans.

**REQUIRED:****COFFEE MACHINES:**

- 1.4.1 Calculate the value of closing stock of Conti ACE machines on 28 February 2026. (3)
- 1.4.2 Van, the owner, recently visited China to attend a trade show. He was impressed with a much cheaper small business coffee machine.
- What advice would you give him regarding a change in supplier? Provide TWO points. (4)

**COFFEE BEANS:**

- 1.4.3 Calculate the value of the closing stock on 28 February 2026. (5)
- 1.4.4 Calculate:
- The cost of sales of the coffee beans (5)
  - The number of days it will take to sell the closing stock of coffee beans (3)
- 1.4.5 Van is considering a change in the method of valuing coffee beans. Calculate the value of closing stock using the weighted-average method. (9)

**INFORMATION:**

Information for the year ended 28 February 2026.

**A. COFFEE MACHINES****STOCK RECORDS**

| STOCK RECORDS | COFFEE MACHINE MODEL | UNITS PURCHASED | COST PRICE | TOTAL     |
|---------------|----------------------|-----------------|------------|-----------|
| Opening stock | Conti ACE            | 5               | 75 000     | 375 000   |
|               | Conti MC Ultima      | 1               | 195 500    | 195 500   |
| Purchases     | Conti ACE            | 25              | 75 000     | 1 875 000 |
|               | Conti NG-C           | 10              | 86 500     | 865 000   |
|               | Conti MC Ultima      | 7               | 195 500    | 1 368 500 |
| Returns       | Conti ACE            | 2               | 75 000     | 150 000   |

**SALES OF COFFEE MACHINES**

| MODEL           | UNITS SOLD | SELLING PRICE |
|-----------------|------------|---------------|
| Conti ACE       | 24         | 105 000       |
| Conti NG-C      | 8          | 121 100       |
| Conti MC Ultima | 7          | 273 700       |

**B. COFFEE BEANS****STOCK RECORDS**

| DETAILS            | DATE                             | UNITS | PRICE / UNIT (R)        | TOTAL VALUE (R) |
|--------------------|----------------------------------|-------|-------------------------|-----------------|
| Opening stock      | 01 Mar. 2025                     | 600   | 380                     | 228 000         |
| Total purchases    |                                  | 5 500 |                         | 2 190 000       |
| Purchases          | 31 May 2025                      | 800   | 380                     | 304 000         |
|                    | 30 Sep. 2025                     | 500   | 400                     | 200 000         |
|                    | 31 Nov. 2025                     | 4 000 | 400                     | 1 600 000       |
|                    | 10 Dec. 2025                     | 200   | 430                     | 86 000          |
| Returns            | 05 Dec. 2025                     | 230   | Purchased: 30 Nov. 2025 |                 |
|                    | 15 Dec. 2025                     | 120   | Purchased: 10 Dec. 2025 |                 |
|                    | Transport cost is non-refundable |       |                         |                 |
| Closing stock      | 28 Feb. 2026                     | 750   |                         |                 |
| Sales for the year |                                  | 5 000 | R552                    | 2 760 000       |

**C. Transport cost on purchases**

Coffee beans are delivered to the store by TransportGuy at a non-refundable rate of R25 per unit. The transport cost on purchases is included in **Information B**.

**D. Returns**

350 batches of coffee beans were returned to the suppliers.

**QUESTION 2: RECONCILIATIONS****(30 marks; 25 minutes)****LIZZY'S FLOWERS**

Lizzy is the owner of Lizzy's Flowers. She allows corporate clients accounts, payable within 60 days after receipt of the statement of account. Karoo Guest House opened an account on 1 June 2026. The Bank Confirmation Letter of Lizzy's Flowers was attached to the contract.

You are the internal auditor of Lizzy's Flowers. The Debtors' Control account and the Debtors' List was prepared by an inexperienced junior bookkeeper. Various errors and omissions were found.

**REQUIRED:**

- 2.1 Why is it necessary to compare the Debtors' Control account and the Debtors' List before sending out accounts? Give TWO reasons. (4)
- 2.2 **Refer to Information B and C.**
- Calculate the correct balances of the Debtors' Control account and the Debtors' List on 31 August 2026. Provide figures and a plus (+) or minus (–) sign for each correction. If there is no change to the balance, indicate with (0). (10)
- 2.3 **Refer to Information D.**
- Complete the Debtors' Age Analysis for the statement to be sent to Karoo Guest House. (8)
- 2.4 **Refer to Information D and E.**
- 2.4.1 As the internal auditor, state TWO bookkeeping entries you should make to rectify the problem. (4)
- 2.4.2 Except for division of duties, describe TWO control measures that should be implemented with immediate effect to improve financial control over debtors. (4)

**INFORMATION:**

- A. All bouquets are delivered in a glass vase. The cost of the vase is charged to the debtors' accounts. When the debtor returns the vase, the cost is entered as debtors' allowance.

**B. Pre-adjustment balances on 31 August 2026****R**

|                                   |        |
|-----------------------------------|--------|
| Debtors' Control account          | 90 200 |
| Debtors' List from Debtors Ledger | 89 200 |

**C. Errors and omissions**

- (i) The total of the Debtors' Allowances Journal was undercast by R2 400.
- (ii) Interest of R140 must be charged on the overdue account of InStylo Interior Designers.
- (iii) No entry was made for an invoice issued to Salon Peters, R1 600.
- (iv) Vases returned by Naidoo Weddings, R700, was posted to the wrong side of their account in the Debtors' Ledger.
- (v) A payment of R4 300 received from Jaer Tea Garden, was recorded as R3 400 in the Cash Receipts Journal and posted accordingly.

**D.**

| <b>LIZZY'S FLOWERS</b><br><a href="http://www.lizzys.flowers.org.za">www.lizzys.flowers.org.za</a><br>071 309 4456 |    |                                                                                                                                                                                                   |                                         |         |         |
|--------------------------------------------------------------------------------------------------------------------|----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|---------|---------|
| 13 Strelitzia Street<br>Kariega                                                                                    |    |                                                                                                                                                                                                   | Statement no: 3<br>Date: 31 August 2026 |         |         |
| <b>KAROO GUEST HOUSE</b>                                                                                           |    |                                                                                                                                                                                                   |                                         |         |         |
| DATE                                                                                                               |    | TRANSACTION                                                                                                                                                                                       | DEBIT                                   | CREDIT  | BALANCE |
| May                                                                                                                | 15 | Invoice 745                                                                                                                                                                                       | 12 000                                  |         | 12 000  |
| June                                                                                                               | 5  | Invoice 988                                                                                                                                                                                       | 4 000                                   |         | 16 000  |
|                                                                                                                    | 7  | C/N 246                                                                                                                                                                                           |                                         | 400     | 15 600  |
|                                                                                                                    | 15 | Invoice 1045                                                                                                                                                                                      | 6 800                                   |         | 22 400  |
|                                                                                                                    | 29 | Receipt 1179: cash payment                                                                                                                                                                        |                                         | 5 000   | 17 400  |
| July                                                                                                               | 18 | Invoice 1675                                                                                                                                                                                      | 500                                     |         | 17 900  |
|                                                                                                                    | 20 | C/N 355                                                                                                                                                                                           |                                         | 50      | 17 850  |
|                                                                                                                    | 31 | Interest                                                                                                                                                                                          | 60                                      |         | 17 910  |
| Aug                                                                                                                | 4  | Invoice 1843                                                                                                                                                                                      | 3 800                                   |         | 21 710  |
|                                                                                                                    | 28 | Invoice 1988                                                                                                                                                                                      | 5 300                                   |         | 27 010  |
|                                                                                                                    | 31 | Interest                                                                                                                                                                                          | 100                                     |         | 27 110  |
| Terms:                                                                                                             |    | <ul style="list-style-type: none"> <li>5% discount allowed for payment within 30 days of statement date.</li> <li>Interest will be charged on 60 days overdue.</li> </ul>                         |                                         |         |         |
| Banking details:                                                                                                   |    | <br><div style="background-color: black; color: white; padding: 2px 5px; display: inline-block;">SCAN ME</div> |                                         |         |         |
| Age Analysis:                                                                                                      |    | 90 days                                                                                                                                                                                           | 60 days                                 | 30 days | Current |
|                                                                                                                    |    | ?                                                                                                                                                                                                 | ?                                       | ?       | ?       |

- E.** Gina, owner of Karoo Guest House, complained about the statement of account received. She submitted proof of payment to confirm regular payments as stipulated in the contract.

An investigation revealed that the banking details on the Bank Confirmation Letter and the details on the QR code differs. The debtor's clerk of Lizzy's Flowers changed the QR code, resulting in payment into the clerk's bank account, totalling R17 400.

**QUESTION 3: COST ACCOUNTING****(40 marks; 30 minutes)**

- 3.1 Choose the cost category from COLUMN B that matches the example in COLUMN A. Write only the letter (A–D) next to the question numbers (3.1.1 to 3.1.3) in the ANSWER BOOK.

| COLUMN A                                   | COLUMN B                   |
|--------------------------------------------|----------------------------|
| 3.1.1 Salary of the factory foreman        | A Administration           |
| 3.1.2 Delivery expenses                    | B Factory overhead         |
| 3.1.3 Cleaning material used in the office | C Indirect material        |
|                                            | D Selling and distribution |

(3)

**3.2 UNIQUE SOCKS**

Miriam Majola is the owner of Unique Socks, a business that manufactures socks, with varying designs, on demand. Therefore, the business does not carry any work-in-progress and deliver stock to the client on the day of completion of the order. The financial year ended on 30 June 2026.

**REQUIRED:****3.2.1 Refer to Information A and B.**

Calculate the direct material cost.

(5)

**3.2.2 Refer to Information C.**

Calculate the direct labour cost.

(6)

**3.2.3 Refer to Information A–D.**

Calculate the factory overhead cost.

(13)

**INFORMATION:****A. Balances extracted from the financial records:**

|                                               | 2026      | 2025      |
|-----------------------------------------------|-----------|-----------|
| Raw materials                                 | 206 300   | 180 500   |
| Indirect materials                            | 13 600    | 15 000    |
| Factory equipment                             | 1 600 000 | 1 600 000 |
| Accumulated depreciation on factory equipment | ?         | 765 000   |

**B. Direct and indirect material**

- (i) Raw material to the value of R970 000 were purchased during the year.
- (ii) Transport of goods is outsourced to IBM Couriers as follow:
- Delivery of raw material to the factory, R29 100
  - Delivery of finished goods to the customer, R14 550
- (iii) Indirect material purchased during the year amounted to R21 300.

**C. Labour**

|                   |                                                                                                                         |
|-------------------|-------------------------------------------------------------------------------------------------------------------------|
| Factory workers:  | 5 workers                                                                                                               |
|                   | Gross salary per month: R10 500/worker.                                                                                 |
|                   | UIF and Skills Development Levy (SDL) was contributed by the employer at 1% each per month.                             |
|                   | 3 workers agreed to an optional pension contribution. The employee and the employer contribute each 6% of gross salary. |
| Factory cleaners: | 2 cleaners                                                                                                              |
|                   | Gross annual wage: R60 000/cleaner.                                                                                     |
| Factory manager:  | Gross salary per month, R80 000.                                                                                        |
|                   | Entitled to 13 <sup>th</sup> payment in June each year.                                                                 |
|                   | Monthly deductions: Medical Aid R5 000; PAYE 26%.                                                                       |
|                   | Company contribution to medical aid is 0,5 : 1 per month.                                                               |

**D. General expenses**

|                       |                                                                                                                                                                           |
|-----------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Rent expense          | The property is situated on land of 1 500 m <sup>2</sup> of which 1 000 m <sup>2</sup> is allocated to the factory. The total yearly rent amounts to R450 000.            |
| Insurance             | The insurance premium is paid on a yearly basis and amount to R174 000. The insurance is allocated as follows : Factory : Administration : Sales in a ratio of 3 : 1 : 2. |
| Water and electricity | The factory uses 95% of the water and electricity, stated as R75 000, in the year-end trial balance.                                                                      |
| Depreciation          | Depreciation is calculated at 10% per year on the diminishing balance method.                                                                                             |

### 3.3 LILA'S CATERING

Lila Kombani owns a small business that produces pies and fat cakes which she supplies to local school tuck shops.

**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:**

- 3.3.1 Determine the 2026 level of safety (units above break-even point) for fat cakes. (2)
- 3.3.2 Lila is convinced that she can produce and sell more fat cakes. Calculate the number of extra fat cakes that she must produce to gain an additional R10 450 profit. Assume all other factors remain unchanged. (3)
- 3.3.3 Lila is concerned about the financial performance of her business and the fact that a new competitor entered the market.
- By comparing the profit made, identify which product has been negatively impacted by the new competitor. No figures required. (1)
  - Explain what the term *economies of scale* means and quote figures from the table below to motivate your understanding. (3)
- 3.3.4 Considering that the inflation rate was 5% in 2026, identify ONE individual unit cost for each of the products that are concerning. (4)

| INFORMATION:                  | PIES          |               | FAT CAKES     |               |
|-------------------------------|---------------|---------------|---------------|---------------|
|                               | 2026          | 2025          | 2026          | 2025          |
| Total units produced and sold | 55 875        | 50 500        | 20 000        | 16 000        |
| Break-even units              | 59 600        | 29 400        | 12 000        | 14 000        |
| Lila's selling price          | R18,00        | R15,00        | R25,00        | R22,00        |
| Competitor's selling price    | R12,00        | -             | R30,00        | -             |
| <b>VARIABLE COST / UNIT</b>   | <b>R12,00</b> | <b>R10,00</b> | <b>R15,50</b> | <b>R14,00</b> |
| Direct material cost          | 6,00          | 5,80          | 9,00          | 8,60          |
| Direct labour cost            | 3,50          | 1,80          | 4,00          | 3,80          |
| Selling and distribution cost | 2,50          | 2,40          | 2,50          | 1,60          |
| <b>FIXED COST / UNIT</b>      | <b>6,40</b>   | <b>5,00</b>   | <b>5,70</b>   | <b>7,00</b>   |
| Factory overhead cost         | 4,50          | 3,20          | 3,70          | 5,10          |
| Administration cost           | 1,90          | 1,80          | 2,00          | 1,90          |

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**QUESTION 4: BUDGETING****(35 marks; 30 minutes)**

4.1 Answer the following questions by writing the answer(s) next to the question numbers (4.1.1 to 4.1.3) in the ANSWER BOOK.

4.1.1 What is the main purpose of a Cash Budget? (2)

4.1.2 Name TWO items from a Projected Statement of Comprehensive Income, that will not appear in the Cash Budget. (2)

4.1.3 Which expense of a public company does not appear in the Projected Statement of Comprehensive Income? (2)

**4.2 BILTONG STOP (PTY) LTD**

Biltong Stop (Pty) Ltd is a company that supplies Eastern Cape Retailers with high quality biltong. The last day of the financial year is 31 August 2026.

**REQUIRED:**

Where comments or explanations are required, you should quote trends with figures.

**4.2.1 Refer to Information A.**

Complete the Creditor's Payment Schedule for the period September to November 2026. (8)

**4.2.2 Refer to Information B and C.**

Show the amounts for the transactions in the appropriate columns for the Cash Budget (September–November 2026) and/or the Projected Statement of Comprehensive Income (three months ending 30 November 2026) in the ANSWER BOOK. Provide figures and a plus (+) or minus (–) sign for each entry. (15)

**4.2.3 Refer to Information C.**

Explain what the Managing Director (MD) of the company would say to the Chief Financial Officer (CFO) regarding the control of EACH of the following item during August 2026:

- Packaging material
  - Delivery fees and vehicle repairs
  - Audit fees
- (6)

**INFORMATION:****A. Stock and purchases**

Stock is replaced monthly. All purchases are on credit.

An increase of 12% in purchases is forecast for November 2026.

It is expected that creditors will be paid as follows:

- 10% are paid in the month of purchases to receive a 4% discount
- 80% are paid in the month after purchases
- 10% are paid in the second month after purchases

**B. Projected Statement of Comprehensive Income and Cash Budget**

- 15% of total sales is cash sales. Goods are sold at a mark-up of 50% on cost price.
- Provisional income tax payments of R380 000 have been made in June 2026. The statement of account received from SARS indicate income tax payable for the financial year as R410 500. Payment will be made on 15 September 2026.
- Prepare to issue 40 000 additional shares to existing shareholders at R15,70 each during October 2026. Dividends of R45 600 will be declared and paid on 30 November 2026.
- A new delivery vehicle will be bought at the end of October. A deposit of R30 000 will be made, and the remaining debt of R792 000, will be paid over a 36-month period. Depreciation is calculated at a rate of 20% on cost price.

**C. Management of expenses**

|                                | BUDGET    | ACTUAL    | BUDGET    |           |           |
|--------------------------------|-----------|-----------|-----------|-----------|-----------|
|                                | AUGUST    |           | SEPT.     | OCT.      | NOV.      |
| Total Sales                    | 7 500 000 | 8 145 000 | 7 470 000 | 7 800 000 | ?         |
| Cost of sales                  | 5 000 000 | 5 430 000 | 4 980 000 | 5 200 000 | 5 824 000 |
| Packaging                      | 400 000   | 434 400   | 398 400   | 416 000   | 465 920   |
| Deliveries and vehicle repairs | 750 000   | 977 400   | 747 000   | 780 000   | 349 440   |
| Audit fees                     | 280 000   | 280 000   | 70 000    | 0         | 0         |
| Depreciation                   | 23 650    | 23 650    | 23 650    | 23 650    | ??        |

- Packaging is budgeted at 8% of cost price.
- The auditors quoted their fees as R280 000, for the financial year ending 31 August 2026. After receiving their invoice, a payment was made in August. The remainder of the invoice will be paid in September.

35

**TOTAL: 150**

| GRADE 12 ACCOUNTING FINANCIAL INDICATOR FORMULA SHEET                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                     |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|
| $\frac{\text{Gross profit}}{\text{Sales}} \times \frac{100}{1}$                                                                                                                                                                                                                                                                                                                                                              | $\frac{\text{Gross profit}}{\text{Cost of sales}} \times \frac{100}{1}$                                             |
| $\frac{\text{Net profit before tax}}{\text{Sales}} \times \frac{100}{1}$                                                                                                                                                                                                                                                                                                                                                     | $\frac{\text{Net profit after tax}}{\text{Sales}} \times \frac{100}{1}$                                             |
| $\frac{\text{Operating expenses}}{\text{Sales}} \times \frac{100}{1}$                                                                                                                                                                                                                                                                                                                                                        | $\frac{\text{Operating profit}}{\text{Cost of sales}} \times \frac{100}{1}$                                         |
| Total assets : Total liabilities                                                                                                                                                                                                                                                                                                                                                                                             | Current assets : Current liabilities                                                                                |
| (Current assets – Inventories) : Current liabilities                                                                                                                                                                                                                                                                                                                                                                         | Non-current liabilities : Shareholders' equity                                                                      |
| (Trade and other receivables + Cash and cash equivalents) : Current liabilities                                                                                                                                                                                                                                                                                                                                              |                                                                                                                     |
| $\frac{\text{Average trading stock}}{\text{Cost of sales}} \times \frac{365}{1}$<br>(See note 1 below)                                                                                                                                                                                                                                                                                                                       | $\frac{\text{Cost of sales}}{\text{Average trading stock}}$                                                         |
| $\frac{\text{Average debtors}}{\text{Credit sales}} \times \frac{365}{1}$                                                                                                                                                                                                                                                                                                                                                    | $\frac{\text{Average creditors}}{\text{Cost of sales/Credit purchases}} \times \frac{365}{1}$<br>(See note 2 below) |
| $\frac{\text{Net income after tax}}{\text{Average shareholders' equity}} \times \frac{100}{1}$                                                                                                                                                                                                                                                                                                                               | $\frac{\text{Net profit after tax}}{\text{Number of issued shares}} \times \frac{100}{1}$<br>(See note 3 below)     |
| $\frac{\text{Net income before tax + Interest on loans}}{\text{Average shareholders' equity + Average non-current liabilities}} \times \frac{100}{1}$                                                                                                                                                                                                                                                                        |                                                                                                                     |
| $\frac{\text{Shareholders' equity}}{\text{Number of issued shares}} \times \frac{100}{1}$                                                                                                                                                                                                                                                                                                                                    | $\frac{\text{Dividends}}{\text{Number of issued shares}} \times \frac{100}{1}$                                      |
| $\frac{\text{Interim dividends}}{\text{Number of issued shares}} \times \frac{100}{1}$                                                                                                                                                                                                                                                                                                                                       | $\frac{\text{Final dividends}}{\text{Number of issued shares}} \times \frac{100}{1}$                                |
| $\frac{\text{Dividends per share}}{\text{Earnings per share}} \times \frac{100}{1}$                                                                                                                                                                                                                                                                                                                                          | $\frac{\text{Dividends for the year}}{\text{Net profit after tax}} \times \frac{100}{1}$                            |
| $\frac{\text{Total fixed costs}}{\text{Selling price per unit – Variable costs per unit}}$                                                                                                                                                                                                                                                                                                                                   |                                                                                                                     |
| <b>NOTE:</b><br>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.<br>2. Credit purchases may be used instead of cost of sales (figures will be the same if stock is constant).<br>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. |                                                                                                                     |



**NAME:**

**NATIONAL  
SENIOR CERTIFICATE**

**GRADE 12**

**SEPTEMBER 2026**

**ACCOUNTING P2  
ANSWER BOOK**

| QUESTION | MAXIMUM MARKS | MARKS OBTAINED | MODERATED MARKS |
|----------|---------------|----------------|-----------------|
| 1        | 45            |                |                 |
| 2        | 30            |                |                 |
| 3        | 40            |                |                 |
| 4        | 35            |                |                 |
|          | 150           |                |                 |

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This answer book consists of 10 pages.

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## QUESTION 1

|     |       |  |   |
|-----|-------|--|---|
| 1.1 | 1.1.1 |  |   |
|     | 1.1.2 |  |   |
|     | 1.1.3 |  |   |
|     |       |  | 3 |

|     |                                                                                                                   |  |                         |   |
|-----|-------------------------------------------------------------------------------------------------------------------|--|-------------------------|---|
| 1.2 | Differentiate between <i>VAT-exempt</i> and <i>zero-rated</i> items in South Africa. Include ONE example of each. |  |                         |   |
|     | <b>VAT-exempt items</b>                                                                                           |  | <b>Zero-rated items</b> |   |
|     |                                                                                                                   |  |                         |   |
|     |                                                                                                                   |  |                         | 4 |

## 1.3 VAT

|             |           |       |
|-------------|-----------|-------|
| For example | 760 x 15% | + 114 |
|-------------|-----------|-------|

|                         |  |         |            |         |
|-------------------------|--|---------|------------|---------|
| Balance payable to SARS |  |         |            | + 1 260 |
| 1.3.1                   |  |         |            |         |
| 1.3.2                   |  |         |            |         |
| 1.3.3                   |  |         |            |         |
| 1.3.4                   |  |         |            |         |
|                         |  | Payable | Receivable |         |
|                         |  |         |            | 9       |

## 1.4 CONTIKI COFFEE

## COFFEE MACHINES

**1.4.1 Calculate the value of closing stock on of Conti ACE machines 28 February 2026, using the specific identification method.**

| WORKINGS | ANSWER |
|----------|--------|
|          |        |

3

**1.4.2 The owner is impressed with the cheaper Chinese small business coffee machine. What advice would you give him regarding a change in supplier? Provide TWO points.**

| Case | Problem | Analysis | Solution |
|------|---------|----------|----------|
| 1    | ...     | ...      | ...      |
| 2    | ...     | ...      | ...      |
| 3    | ...     | ...      | ...      |
| 4    | ...     | ...      | ...      |
| 5    | ...     | ...      | ...      |
| 6    | ...     | ...      | ...      |
| 7    | ...     | ...      | ...      |
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| 98   | ...     | ...      | ...      |
| 99   | ...     | ...      | ...      |
| 100  | ...     | ...      | ...      |

4

## COFFEE BEANS

**1.4.3 Calculate the value of the closing stock on 28 February 2026, using the FIFO method.**

| WORKINGS |  | ANSWER |
|----------|--|--------|
|          |  |        |

5

**1.4.4 • Calculate the cost of sales of coffee beans.**

| WORKINGS | ANSWER |
|----------|--------|
|          |        |

5

- Calculate the number of days it will take to sell the closing stock of coffee beans.

| WORKINGS                                 | ANSWER |
|------------------------------------------|--------|
| <br><br><br><br><br><br><br><br><br><br> |        |

|   |
|---|
| 3 |
|---|

1.4.5

The owner is considering a change in the method of valuing coffee beans. Calculate the value of closing stock using the weighted-average method.

| WORKINGS                                 | ANSWER |
|------------------------------------------|--------|
| <br><br><br><br><br><br><br><br><br><br> |        |

|   |
|---|
| 9 |
|---|

|             |
|-------------|
| TOTAL MARKS |
|             |
| 45          |

## QUESTION 2

### LIZZY'S FLOWERS

- 2.1 Why is it necessary to compare the Debtors' Control account and the Debtors' List before sending out accounts? Give TWO reasons.

|  |
|--|
|  |
|--|

4

|                 | DEBTORS' CONTROL | DEBTORS' LIST |
|-----------------|------------------|---------------|
| <b>BALANCES</b> | <b>90 200</b>    | <b>89 200</b> |
| (i)             |                  |               |
| (ii)            |                  |               |
| (iii)           |                  |               |
| (iv)            |                  |               |
| (v)             |                  |               |
| <b>BALANCES</b> |                  |               |

10

- 2.3 Karoo Guest House: Age Analysis

|                 | 90 DAYS | 60 DAYS | 30 DAYS | CURRENT |
|-----------------|---------|---------|---------|---------|
| <b>WORKINGS</b> |         |         |         |         |
| <b>ANSWERS</b>  |         |         |         |         |

8

**As the internal auditor, state TWO bookkeeping entries you should make to rectify the problem.**

[illegible]

|  |   |
|--|---|
|  |   |
|  | 4 |

**Except for division of duties, describe TWO control measures that should be implemented with immediate effect to improve financial control over debtors.**



|  |   |
|--|---|
|  |   |
|  | 4 |

|                    |
|--------------------|
| <b>TOTAL MARKS</b> |
|                    |
| <b>30</b>          |

**QUESTION 3**

3.1

|       |  |
|-------|--|
| 3.1.1 |  |
| 3.1.2 |  |
| 3.1.3 |  |

3

**3.2 UNIQUE SOCKS**

3.2.1

| Calculate direct material cost. |        |
|---------------------------------|--------|
| WORKINGS                        | ANSWER |
|                                 |        |

5

3.2.2

| Calculate direct labour cost. |        |
|-------------------------------|--------|
| WORKINGS                      | ANSWER |
|                               |        |

6

3.2.3

| Factory overhead cost |  |
|-----------------------|--|
|                       |  |
|                       |  |
|                       |  |
|                       |  |
|                       |  |
|                       |  |
|                       |  |
|                       |  |

13

**3.3 LILA'S CATERING**

**3.3.1 Determine the 2026 level of safety (units above break-even point) for fat cakes.**

|   |
|---|
|   |
| 2 |

**3.3.2 Calculate the number of extra fat cakes that she must produce to gain an additional R10 450 profit.**

| WORKINGS | ANSWER |
|----------|--------|
|          |        |

|   |
|---|
|   |
| 3 |

**3.3.3 By comparing the profit made, identify which product has been negatively impacted by the new competitor. No figures required.**

**Explain what the term *economies of scale* mean and quote figures from the table to motivate your understanding.**

|   |
|---|
|   |
| 4 |

**3.3.4 Considering that the inflation rate was 5% in 2026, identify ONE individual unit cost for each of the products that are concerning.**

| PIES | FAT CAKES |
|------|-----------|
|      |           |

|   |
|---|
|   |
| 4 |

|             |
|-------------|
| TOTAL MARKS |
|             |
| 40          |

## QUESTION 4

4.1

|       |  |
|-------|--|
| 4.1.1 |  |
| 4.1.2 |  |
| 4.1.3 |  |

6

## 4.2 BILTONG STOP (PTY) LTD

## 4.2.1 Creditors' Payment Schedule

| MONTH     | CREDIT PURCHASES | SEPT.     | OCT.      | NOV. |
|-----------|------------------|-----------|-----------|------|
| July      | 5 600 000        | 560 000   |           |      |
| August    | 5 430 000        | 4 170 240 | 543 000   |      |
| September | 4 980 000        | 498 000   | 3 824 640 |      |
| October   | 5 200 000        |           | 520 000   |      |
| November  |                  |           |           |      |
|           |                  | 5 228 240 | 4 887 640 |      |

8

## 4.2.2

| ITEM                  | STATEMENT OF COMPREHENSIVE INCOME    | CASH BUDGET |           |           |
|-----------------------|--------------------------------------|-------------|-----------|-----------|
|                       | Three months ending 30 November 2026 | SEPT. 2026  | OCT. 2026 | NOV. 2026 |
| Sales                 |                                      |             |           |           |
| Cost of sales         | 16 004 000                           |             |           |           |
| Payments to creditors |                                      |             |           |           |
| Income Tax            |                                      |             |           |           |
| Shares issued         |                                      |             |           |           |
| Dividends             |                                      |             |           |           |
| Vehicle               |                                      |             |           |           |
| Depreciation          |                                      |             |           |           |

15

4.2.3

Explain what the Managing Director (MD) would say to the Chief Financial Officer (CFO) regarding the control of EACH of the following items during August 2026:

|                                   |  |
|-----------------------------------|--|
| Packaging                         |  |
| Delivery fees and vehicle repairs |  |
| Audit fees                        |  |

|   |
|---|
|   |
| 6 |

|             |
|-------------|
| TOTAL MARKS |
|             |
| 35          |

TOTAL: 150



Iphondo leMpuma Kapa: Isebe leMfundo  
Provinsie van die Oos Kaap: Departement van Onderwys  
Porofensie Ya Kapa Botjhabela: Lefapha la Thuto

## NATIONAL SENIOR CERTIFICATE

GRADE 12

### ACCOUNTING P2 SEPTEMBER 2026 MARKING GUIDELINE (Revised)

#### 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 items). 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 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 brackets 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 pr 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.

**This marking guideline consists of 11 pages.**

## QUESTION 1

1.1

|       |                 |
|-------|-----------------|
| 1.1.1 | Output VAT ✓    |
| 1.1.2 | invoice based ✓ |
| 1.1.3 | R2 300 000 ✓    |

3

1.2

| Differentiate between VAT-exempt and zero-rated items in South Africa? Include ONE example of each.                                                                                                                 |                                                                                                                                                                                                                                                                                                                          |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| VAT-exempt items                                                                                                                                                                                                    | Zero-rated items                                                                                                                                                                                                                                                                                                         |
| Any ONE valid point ✓<br><br>No VAT is charged at all / VAT-exempt item carry no VAT as stipulated by an Act of Parliament / Seller cannot claim input VAT.                                                         | Any ONE valid point ✓<br><br>VAT is charged at 0% / Zero-rated items carry a 0% VAT rate<br>This can be changed at any time by the Minister of finance.                                                                                                                                                                  |
| Any ONE valid example ✓<br><br>residential accommodation;<br>non fee financial services(interest);<br>public transport(bus/taxi/train);<br>approved educational services (school fees) childcare services (crèches) | Any ONE valid example ✓<br><br>Basic food items: brown bread, maize meal, rice, samp, lentils, dried beans, pilchards/sardines in tins, milk (not flavoured), eggs, fruit and vegetables,vegetable oil,milk powder<br><br>paraffin, petrol and diesel<br>international transport of goods and passengers export of goods |

4

1.3 VAT

|             |           |      |
|-------------|-----------|------|
| For example | 760 x 15% | +114 |
|-------------|-----------|------|

| Balance payable to SARS |                                                                       | +1 260                  |
|-------------------------|-----------------------------------------------------------------------|-------------------------|
| 1.3.1                   | 9 380 x 15/100                                                        | +1 407 ✓✓               |
| 1.3.2                   | No entry                                                              | 0 ✓                     |
| 1.3.3                   | [13 500 – 12 900] ✓ x 15% or [2 025 – 1 935] one mark<br>600 one mark | +90 ✓*                  |
| 1.3.4                   | 23 690 x [15/115]                                                     | -3 090 ✓✓*              |
| Payable                 |                                                                       | Receivable X✓# -333 ✓** |

9

\*if multiplied by 15% or 15/100

Accept brackets for negative amounts

\*\* One part correct; must include the opening balance

# if answer is positive award mark for payable

## 1.4 CONTIKI COFFEE

### COFFEE MACHINES

| 1.4.1                                                              | Calculate the value of closing stock on 28 February 2026 of Conti ACE machines, using the specific identification method.                                                                                                                                  |          |        |                                                                    |                                                                 |
|--------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|--------|--------------------------------------------------------------------|-----------------------------------------------------------------|
|                                                                    | <table> <tr> <th>WORKINGS</th><th>ANSWER</th></tr> <tr> <td> <math display="block">\frac{[5 + 25 - 2 - 24]}{4} \checkmark \times 75\,000 \checkmark</math> </td><td> 300 000 <input checked="" type="checkbox"/><br/> One part correct </td></tr> </table> | WORKINGS | ANSWER | $\frac{[5 + 25 - 2 - 24]}{4} \checkmark \times 75\,000 \checkmark$ | 300 000 <input checked="" type="checkbox"/><br>One part correct |
| WORKINGS                                                           | ANSWER                                                                                                                                                                                                                                                     |          |        |                                                                    |                                                                 |
| $\frac{[5 + 25 - 2 - 24]}{4} \checkmark \times 75\,000 \checkmark$ | 300 000 <input checked="" type="checkbox"/><br>One part correct                                                                                                                                                                                            |          |        |                                                                    |                                                                 |

3

|       |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|-------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.4.2 | <p>The owner is impressed with the cheaper Chinese small business coffee machine. What advice would you give him regarding a change in supplier? Provide TWO points.</p> <p>Any TWO valid forms of advice <math>\checkmark\checkmark</math> <math>\checkmark\checkmark</math></p> <ul style="list-style-type: none"> <li>• Compare the quality to maintain a good image.</li> <li>• Confirm availability and delivery time.</li> <li>• Compare shipping fees and volume of shipment.</li> <li>• Consider his target market – preferences / status / income.</li> <li>• Compare after sales services /availability of parts /return policy</li> <li>• Compare import tax</li> <li>• Trade laws and trade agreements</li> <li>• Difference in exchange rates</li> </ul> |
|-------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

4

### COFFEE BEANS

| 1.4.3                                                                                                                                                                                                                                                                              | Calculate the value of the closing stock on 28 February 2026, using the FIFO method.                                                                                                                                                                                                                                                                                                                                                                                                                                      |          |        |                                                                                                                                                                                                                                                                                    |                                                                                              |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|--------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------|
|                                                                                                                                                                                                                                                                                    | <table> <tr> <th>WORKINGS</th><th>ANSWER</th></tr> <tr> <td> <math display="block">\begin{array}{l} [200 - 120] \\ (80 \checkmark^* \times 430 \checkmark) + (670 \checkmark \times 400 \checkmark) \\ 34\,400 \qquad \qquad \qquad 268\,000 \end{array}</math> <br/> OR <math>(32\,400 + 2\,000) + (251\,250 + 16\,750)</math><br/> one mark      one mark      one m. mark      one mark </td><td> 302 400 <input checked="" type="checkbox"/><br/> One part correct<br/> two batches must be added </td></tr> </table> | WORKINGS | ANSWER | $\begin{array}{l} [200 - 120] \\ (80 \checkmark^* \times 430 \checkmark) + (670 \checkmark \times 400 \checkmark) \\ 34\,400 \qquad \qquad \qquad 268\,000 \end{array}$<br>OR $(32\,400 + 2\,000) + (251\,250 + 16\,750)$<br>one mark      one mark      one m. mark      one mark | 302 400 <input checked="" type="checkbox"/><br>One part correct<br>two batches must be added |
| WORKINGS                                                                                                                                                                                                                                                                           | ANSWER                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |          |        |                                                                                                                                                                                                                                                                                    |                                                                                              |
| $\begin{array}{l} [200 - 120] \\ (80 \checkmark^* \times 430 \checkmark) + (670 \checkmark \times 400 \checkmark) \\ 34\,400 \qquad \qquad \qquad 268\,000 \end{array}$<br>OR $(32\,400 + 2\,000) + (251\,250 + 16\,750)$<br>one mark      one mark      one m. mark      one mark | 302 400 <input checked="" type="checkbox"/><br>One part correct<br>two batches must be added                                                                                                                                                                                                                                                                                                                                                                                                                              |          |        |                                                                                                                                                                                                                                                                                    |                                                                                              |

5

| 1.4.4                                                                                                                                                                                                                                                                                                                               | Calculate the cost of sales of coffee beans.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |          |        |                                                                                                                                                                                                                                                                                                                                     |                                                                   |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|--------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------|
|                                                                                                                                                                                                                                                                                                                                     | <table> <tr> <th>WORKINGS</th><th>ANSWER</th></tr> <tr> <td> <math display="block">\begin{array}{l} [228\,000 + 2\,190\,000] \quad [230 \times 375] \quad [120 \times 405] \\ 2\,418\,000 \checkmark - 86\,250 \checkmark - 48\,600 \checkmark - 302\,400 \checkmark \end{array}</math> <br/> 228 000 + [304 000 + 200 000] + (3 100 x 4000) + 8 750<br/> one mark      504 000 one mark      1 366 400 one m.mark      one mark </td><td> 1 980 750 <input checked="" type="checkbox"/><br/> one part correct </td></tr> </table> | WORKINGS | ANSWER | $\begin{array}{l} [228\,000 + 2\,190\,000] \quad [230 \times 375] \quad [120 \times 405] \\ 2\,418\,000 \checkmark - 86\,250 \checkmark - 48\,600 \checkmark - 302\,400 \checkmark \end{array}$<br>228 000 + [304 000 + 200 000] + (3 100 x 4000) + 8 750<br>one mark      504 000 one mark      1 366 400 one m.mark      one mark | 1 980 750 <input checked="" type="checkbox"/><br>one part correct |
| WORKINGS                                                                                                                                                                                                                                                                                                                            | ANSWER                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |          |        |                                                                                                                                                                                                                                                                                                                                     |                                                                   |
| $\begin{array}{l} [228\,000 + 2\,190\,000] \quad [230 \times 375] \quad [120 \times 405] \\ 2\,418\,000 \checkmark - 86\,250 \checkmark - 48\,600 \checkmark - 302\,400 \checkmark \end{array}$<br>228 000 + [304 000 + 200 000] + (3 100 x 4000) + 8 750<br>one mark      504 000 one mark      1 366 400 one m.mark      one mark | 1 980 750 <input checked="" type="checkbox"/><br>one part correct                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |          |        |                                                                                                                                                                                                                                                                                                                                     |                                                                   |

5

| Calculate the number of days it will take to sell the closing stock of coffee beans.                                          |                                                                                                                           |
|-------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------|
| WORKINGS                                                                                                                      | ANSWER                                                                                                                    |
| See 1.4.3<br>$\frac{302\,400 \checkmark}{1\,980\,750 \checkmark} \times 365$ See 1.4.4(a)<br>Or 750 one mark / 5 000 one mark | 55,7 days <input checked="" type="checkbox"/><br>54,8 days <input checked="" type="checkbox"/><br>One part correct; x 365 |

3

1.4.5 The owner is considering a change in the method of valuing coffee beans. Calculate the value of closing stock using the weighted-average method.

| WORKINGS                                                                                                                                                                                   | ANSWER                                                                          |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------|
| see 1.4.4(a)<br>$\frac{228\,000 \checkmark + 2\,190\,000 \checkmark - 48\,600 \checkmark - 86\,250 \checkmark}{600 \checkmark + 5\,500 \checkmark - 350 \checkmark} \times 750 \checkmark$ | 297 802,17 <input checked="" type="checkbox"/><br>297 802,2<br>One part correct |

9

TOTAL MARK

45

## QUESTION 2

### LIZZY'S FLOWERS

2.1 **Why is it necessary to check the Debtors' Control account against the Debtors' List before sending out accounts? Give TWO reasons.**

Any TWO valid reasons ✓✓ ✓✓

- Internal control measures to reconcile Debtors' Control with List. / Ensure accuracy of individual balances / detect errors and omissions
- Prevent disputes by debtors.
- Protect the image of the business, by sending out correct statements.
- Clients may seek alternative suppliers if they deem LF as dishonest.
- Matching totals confirm correct application of double entry system.

4

2.2

|                 | DEBTORS' CONTROL | DEBTORS' LIST                       |
|-----------------|------------------|-------------------------------------|
| <b>BALANCES</b> | <b>90 200</b>    | <b>89 200</b>                       |
| (i)             | -2 400 ✓*        |                                     |
| (ii)            | +140 ✓           | +140 ✓                              |
| (iii)           | +1 600 ✓         | +1 600 ✓                            |
| (iv)            |                  | One mark (-700) One mark (-700) ✓✓* |
| (v)             | -900 ✓           | -900 ✓                              |
| <b>BALANCES</b> | 88 640 ☑         | 88 640                              |

10

Balances may be different; must include the opening balances.

\*-1 for foreign items per line, provided a mark is scored on that line (max -3)

2.3

| <b>Karoo Guest House: Age Analysis</b> |                |                                 |               |                     |
|----------------------------------------|----------------|---------------------------------|---------------|---------------------|
|                                        | 90 Days        | 60 Days                         | 30 Days       | Current             |
| <b>WORKINGS</b>                        | 12 000 – 5 000 | 4 000 – 400 + 6 800             | 500 – 50 + 60 | 3 800 + 5 300 + 100 |
| <b>Option 2</b>                        |                | [4 000 – 400 + 6 800]✓ – 5 000✓ |               |                     |
| <b>ANSWERS</b>                         | # 7 000 ✓☑*    | 10 400 ✓☑*<br># 5 400 ✓☑*       | 510 ✓☑*       | 9 200 ✓☑*           |

8

\*One part correct

# mark one option

**2.4.1 As the internal auditor, state TWO bookkeeping entries you should make to rectify the problem.**

- TWO entries ✓✓ ✓✓ **Figures not required**
- Subtract payment received from debtor's /  
Dr: Theft; Cr: Debtors' Control and Debtors' Ledger (R17 400)
  - Remove interest from debtor's account /  
Dr: Interest received; Cr: Debtors' Control and Debtors' Ledger (R160)

4

**2.4.2 Except for division of duties, describe TWO control measures that should be implemented with immediate effect to improve financial control over debtors.**

- Any TWO control measures ✓✓ ✓✓
- Send e-mail to all debtors confirming no change in bank details.
  - Follow up on all outstanding debtors' account to confirm arrears.
  - Banking details and QR codes must be verified and approved by management before being issued to customers.
  - Limit access to amend invoices, statements and QR codes using passwords and user permissions.
  - Frequent checks on debtor accounts, receipts and banking details to detect irregularities early.
  - A senior person must review debtor statements before they are sent out.
  - Apply strict adherence to credit limits and due dates.
  - Decrease credit limit / charge higher interest on overdue account.
  - Do a credit check on overdue debtors.
  - Replace the debtors clerk

4

**TOTAL MARKS**

**30**

### QUESTION 3

3.1

|       |   |   |
|-------|---|---|
| 3.1.1 | B | ✓ |
| 3.1.2 | D | ✓ |
| 3.1.3 | A | ✓ |

3

3.2 **UNIQUE SOCKS**

3.2.1

| Calculate direct material cost.              |                               |
|----------------------------------------------|-------------------------------|
| WORKINGS                                     | ANSWER                        |
| 180 500 ✓ – 206 300 ✓ + 970 000 ✓ + 29 100 ✓ | 973 300 ✓<br>one part correct |

5

3.2.2

| Calculate direct labour cost.                                                                                                                                                                                                                                     |                               |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------|
| WORKINGS                                                                                                                                                                                                                                                          | ANSWER                        |
| $  \begin{array}{l}  \text{[5 x 12 x 10 500]} \quad \text{See gross wages} \quad \text{[630 000 x 2\%]} \quad \text{[3 x 12 x 10 500 x 6\%]} \\  630\,000 \text{ ✓} \quad \text{+} \quad 12\,600 \text{ ✓} \quad \text{+} \quad 22\,680 \text{ ✓}  \end{array}  $ | 665 280 ✓<br>one part correct |

6

3.2.3

| Factory overhead cost                                                                                                                                                       |              |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------|
| Indirect material 15 000 – 13 600 + 21 300                                                                                                                                  | 22 700 ✓     |
| Indirect labour 60 000 x 2                                                                                                                                                  | 120 000 ✓    |
| $  \begin{array}{l}  \text{[80 000 x 12] one mark+ 80 000 one mark} \quad \text{[5 000 x 0,5 x 12]} \\  \text{Factory manager (1 040 000 ✓ ✓ + 30 000 ✓ ✓)}  \end{array}  $ | 1 070 000 ✓* |
| Rent expense (450 000 x 1 000/1 500)                                                                                                                                        | 300 000 ✓    |
| Insurance (174 000 x 3/6)                                                                                                                                                   | 87 000 ✓     |
| Water and electricity (75 000 x 95%)                                                                                                                                        | 71 250 ✓     |
| Depreciation (1 600 000 – 765 000) x 10%                                                                                                                                    | 83 500 ✓✓*   |
|                                                                                                                                                                             | 1 634 450 ✓* |

13

\*one part correct

### 3.3 LILA'S CATERING

3.3.1 **Determine the level of safety (units above break-even point) for fat cakes.**

| WORKINGS        | ANSWER   |
|-----------------|----------|
| 20 000 – 12 000 | 8 000 ✓✓ |

2

3.3.2 **Calculate the number of extra fat cakes that she must produce to gain an additional R10 450 profit.**

| WORKINGS                                                                    | ANSWER         |
|-----------------------------------------------------------------------------|----------------|
| $\frac{10\,450}{9,50}$ <div>✓</div> <div>✓</div> <div>[25,00 – 15,50]</div> | 1 100 units ✓* |

3

3.3.3 **By comparing the profit made, identify which product has been negatively impacted by the new competitor. No figures required.**

|                                                                                                                                                                                                                                                                            |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Pies ✓                                                                                                                                                                                                                                                                     |
| <b>Explain what the term <i>economies of scale</i> mean and quote figures from the table to motivate your understanding.</b>                                                                                                                                               |
| Explanation ✓✓      Trend and figures: ✓<br><ul style="list-style-type: none"> <li>Economies of scale is a situation where unit cost of production is decreasing as output increases.</li> <li>Fixed cost per unit for fat cakes decreased from R7,00 to R5,70.</li> </ul> |

4

3.3.4 **Considering that the inflation rate was 5% in 2026, identify ONE individual unit cost for each of the products that are concerning.**

| PIES                                | FAT CAKES                   |
|-------------------------------------|-----------------------------|
| Direct labour /Factory overheads ✓✓ | Selling and distribution ✓✓ |

4

**TOTAL MARKS**

**40**

## QUESTION 4

|     |       |                                                                                                                               |
|-----|-------|-------------------------------------------------------------------------------------------------------------------------------|
| 4.1 | 4.1.1 | <b>What is the main purpose of a Cash Budget?</b>                                                                             |
|     |       | Any ONE purpose ✓✓<br>Predict the future bank balance / to control cash / to predict cash flows / plan receipts and payments  |
|     | 4.1.2 | <b>Name TWO items from a Projected Statement of Comprehensive Income, that will not appear in the Cash Budget.</b>            |
|     |       | Any TWO items ✓ ✓<br>bad debt / depreciation / discount received or allowed / profit or loss on sale of assets /cost of sales |
|     | 4.1.3 | <b>Which expense of a public company does not appear in the Projected Statement of Comprehensive Income?</b>                  |
|     |       | ONE expense ✓✓<br>Dividends on ordinary shares                                                                                |

6

## 4.2 BILTONG STOP (PTY) LTD

|       |                                    |                         |              |             |                                                              |
|-------|------------------------------------|-------------------------|--------------|-------------|--------------------------------------------------------------|
| 4.2.1 | <b>Creditors' Payment Schedule</b> |                         |              |             |                                                              |
|       | <b>MONTH</b>                       | <b>CREDIT PURCHASES</b> | <b>SEPT.</b> | <b>OCT.</b> | <b>NOV.</b>                                                  |
|       | July                               | 5 600 000               | 560 000      |             | Superfluous entry;<br>Lose method on total                   |
|       | August                             | 5 430 000               | 4 170 240    | 543 000     |                                                              |
|       | September                          | 4 980 000               | 478 080      | 3 824 640   | 498 000✓✓                                                    |
|       | October                            | 5 200 000               |              | 499 200     | 4 160 000✓✓                                                  |
|       | November                           | 5 824 000✓✓             |              |             | 559 104 ✓<br>Credit purchase x<br>10% x 96% OR only x<br>10% |
|       |                                    |                         | 5 228 240    | 4 887 640   | 5 217 104*✓                                                  |

8

\*one part correct

4.2.2

| ITEM                     | PROJECTED<br>STATEMENT OF<br>COMPREHENSIVE<br>INCOME | CASH BUDGET |                                  |             |
|--------------------------|------------------------------------------------------|-------------|----------------------------------|-------------|
| MONTH                    | Three months ending<br>30 November 2026              | SEPT 26     | OCT 26                           | NOV 26      |
| Sales                    | 24 006 000 ✓✓                                        |             | 1 170 000 ✓✓*<br>7 800 000 x 15% |             |
| Cost of sales            | 16 004 000                                           |             |                                  |             |
| Payments to<br>creditors |                                                      |             | (4 887 640) ✓                    |             |
| Income tax               |                                                      | (30 500) ✓✓ |                                  |             |
| Shares<br>issued         |                                                      |             | 628 000 ✓✓                       |             |
| Dividends                |                                                      |             |                                  | (45 600) ✓  |
| Vehicle                  |                                                      |             | (30 000) ✓                       | (22 000) ✓✓ |
| Depreciation             | (84 650) ✓✓*<br>(70 950 + 13 700)                    |             |                                  |             |

15

\*One part correct

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

4.2.3

**Explain what the MD would say to the CFO regarding the control of each of the following items during August 2026:**

|                                          |                                                                                                                                                                                                                                                                                                                                                                               |
|------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Packaging</b>                         | Any valid comment ✓ comparative figures ✓<br>Do not accept comparison to Sept/Oct/Nov figures<br><br>Packaging material is well managed/controlled.<br><br>Budgeted as 8% of cost price, actual is 8% of cost price.                                                                                                                                                          |
| <b>Delivery fees and vehicle repairs</b> | Any valid comment ✓ comparative figures ✓<br>Do not accept comparison to Sept/Oct/Nov figures<br><br>Delivery and vehicle repairs were more than budgeted / not well controlled / unplanned breakage of vehicle / a new delivery vehicle will be a valuable asset, since delivery and vehicle fees were more than budgeted<br><br>Budgeted 10% of sales, actual 12% of sales. |
| <b>Audit fees</b>                        | Any valid comment ✓ comparative figures ✓<br><br>Although a quote was received before the live audit, the quote was exceeded / Indication of the possibility of a qualified report that required further investigation by the audit team.<br><br>Budgeted/Quote was R280 000, but actual invoice R350 000.                                                                    |

6

**TOTAL MARK**

**35**

**TOTAL: 150**

