



LIMPOPO

PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

DEPARTMENT OF
EDUCATION

**NATIONAL
SENIOR CERTIFICATE**

GRADE 12

**ACCOUNTING P2
SEPTEMBER 2026
QUESTION PAPER**

MARKS: 150

TIME: 2 Hours

**This question paper consists of 15 pages, including a formula sheet
and an answer book of 13 pages.**

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 FORMULA SHEET for financial indicators is attached to this question paper.
4. Show ALL workings to earn part-marks.
5. You may use a non-programmable calculator.
6. You may use dark pencil or black/blue pen 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	Inventory valuations	40	30
2	Cost Accounting	35	30
3	Budgeting	35	30
4	Reconciliations and VAT	40	30
TOTAL		150	120

QUESTION 1: INVENTORY VALUATION**(40 marks; 30 minutes)****1.1 CONCEPTS**

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

1.1.1 When the periodic system is used, carriage on goods bought is debited to the Trading Stock Account.

1.1.2 FIFO gives a bigger gross profit than weighted average method in the first year in which it is used, but not thereafter.

1.1.3 The specific identification method is only used by a business selling expensive items.

(3)**1.2 INVENTORY VALUATION****TEDDY BEAR SHOP**

The information was taken from accounting records of the business for six months. The business sells teddy bears, and it is owned by Karim Bhamjee.

- The business uses the periodic system and a mark-up of 100% on cost.
- The weighted average method of valuing stock is applicable.
- Teddy Bear Shop's supplier is in the same town as they so the business only purchases new stock as the last available few units are sold.

REQUIRED:

1.2.1 Calculate the value of the closing stock for the period ended 30 June 2026, using weighted average method. **(5)**

1.2.2 Calculate the gross profit for the period ended 30 June 2026. **(4)**

1.2.3 Calculate the percentage gross profit achieved on cost of sales. **(2)**

1.2.4 The business did not achieve its planned mark-up % because of theft.

- Calculate how many teddy bears were stolen. **(2)**

- In which month(-s) were the bears stolen and how many? **(4)**

1.2.5 Karim thinks that the staff stole the teddy bears. Apart from installing cameras, provide TWO other points on how this could be prevented from happening in the future. **(2)**

INFORMATION:**A. Inventories:**

Date	Units	Cost Price	Total Amount
1 January 2026	2 000	R61	R122 000
30 June 2026	1 800	?	?

B. Purchases:

Date	Units	Cost Price	Total Amount
1 February 2026	10 000	R64	640 000
12 March 2026	12 000	R69	828 000
1 May 2026	22 500	R74	1 665 000
	44 500		R3 133 000

C. Sales:

Date	Units	Selling Price	Total Amount
January	2 000	R122	R244 000
February	6 800	R128	R870 400
March	3 200	R128	R409 600
	7 800	R138	R1 076 400
	4 000	R138	R552 000
May	11 800	R148	R1 746 400
June	8 500	R148	R1 258 000
	44 100		R6 156 800

1.3 THIRST-AWAY STORES

The business sells bottles of sweetened drinking yoghurt (300 ml). The first-in-first out (FIFO) method of stock valuation is applicable. The owner is Allen Kriel. The financial year ended on 28 February 2026.

REQUIRED:

- 1.3.1 Calculate the value of the closing stock on 28 February 2026, using FIFO method. (7)
- 1.3.2 Calculate how long in days it will take to sell the closing stock. (3)
- 1.3.3 Comment on your findings above. Provide TWO points with figures. Note that the stockholding period for 2025 was 60 days. (2)
- 1.3.4 Identify the value of stock of sweetened yoghurt that has exceeded the shelf life (sell-by date) of 62 days. (2)
- 1.3.5 How can Allen manage the stock of sweetened yoghurt that is about to expire, to avoid losses? Provide TWO points. (4)

INFORMATION

A. Balances:

DATE	NUMBER OF UNITS	TOTAL (R)
1 March 2025	325	
28 February 2026	500	?

B. Purchases and returns during the year:

	NUMBER OF UNITS	UNIT PRICE (R)	TOTAL (R)
Purchases	5 290		172 625
March – November 2025	3 460	30	103 800
December 2025	1 310	35	45 850
January 2026	85	40	3 400
February 2026	435	45	19 575
Returns	26	?	1 170

C. Sales:

5 059 units were sold at R50 per bottle: R253 450

D. Cost of sales: R222 774.

QUESTION 2: COST ACCOUNTING**(35 marks; 30 minutes)****2.1 CONCEPTS:**

Choose the cost item in the list provided that matches the example below. Write only the cost item next to the question numbers (2.1.1 to 2.1.3) in the ANSWER BOOK.

Direct labour cost; Factory overhead cost; Selling and distribution cost; Administration cost

2.1.1 Salaries of the factory supervisor.

2.1.2 Stationery used in office.

2.1.3 Delivery expenses.

(3)

2.2 BLACKOUT CURTAIN MANUFACTURERS

The following information was extracted from the records of Blackout Curtain Manufacturers for the financial year ended 31 March 2026.

REQUIRED:

2.2.1 Calculate the value of the closing stock of raw materials. (2)

2.2.2 Calculate the direct material cost issued for production. (5)

2.2.3 Calculate the direct labour cost. (6)

2.2.4 Complete the Production cost statement for the year ended 31 March 2026. (9)

INFORMATION**A. Raw material (Fabric)**

	Number of metres	Cost per metre	Total Amount (R)
Opening stock	2 400	R160	R384 000
Closing stock (FIFO-method is used)	6 800		R?
• from March purchases	3 600	R165	?
• from October purchases	3 200	R170	?

B. Purchases and returns of raw materials:

	Number of metres	Cost per metre	Total Amount (R)
September 2025 purchases	11 000	R160	R1 760 000
October 2025 purchases	16 000	R170	R2 720 000
March 2026 purchases	4 000	R165	R660 000
	31 000		R5 140 000
March 2026 returns	400		?

C. Labour cost:

- There are ten factory workers, and each worked 1 920 hours per year, at a rate of R30 per hour. Together they worked 550 hours of overtime at twice the normal rate per hour.
- The factory assistant is paid R84 000 for the year. She spends 75% of her time cleaning the factory and 25% of the time sewing labels on the curtains.
- The business contributes 1% to the UIF for all employees.

D. Production:

- 16 160 curtains were produced for the year ended 31 March 2026.

E. Other costs for the financial year (after all the adjustments):

	2026	2025
Total fixed costs per unit	R254	R225
• Factory overhead cost per unit	?	205
• Administrative cost per unit	24	20

F. Stock balances:

	2026	2025
Work in process	R45 100	R72 000
Finished goods stock	?	R520 000

There were 840 completed curtains on hand at the end of the year.

2.3 NSAMI TIMBERS

Nsami Timbers is a manufacturing business that produces ironing boards. The financial year ended on 31 Augustus 2026.

REQUIRED:

- 2.3.1 Calculate the selling price per unit for the financial year. (4)
- 2.3.2 Calculate the units produced and sold during the financial year. (2)
- 2.3.3 Explain why should the owner be concerned about profitability and the production level for the financial year ended 31 August 2026? Provide figures. (4)

INFORMATION

- A. All goods produced, are sold each year.

	31 August 2026	
	Total cost	Unit cost
Direct material cost	607 750	R5,50
Direct labour cost	508 300	R4,60
Selling and distribution cost	182 325	R1,65
Variable cost	1 298 375	R11,75
Factory overhead cost	548 410	
Administration cost	247 500	
Total fixed cost	795 910	
	31 August 2026	31 August 2025
Selling price per unit	?	R15,00
Units produced and sold	?	98 000
Break-even point	112 100	78 000

QUESTION 3: BUDGETING**(35 marks; 30 minutes)****3.1 LILIAN SUPERMARKET**

The information is provided for the budget period ending 31 December 2026. The business is owned by Lilian Mathebula.

REQUIRED:

- 3.1.1 Complete the Debtors' Collection Schedule for December 2026. (3)
- 3.1.2 Calculate the missing figures indicated by (i) to (v) in the Cash Budget. (12)
- 3.1.3 Lilian intends increasing credit limits and to welcome new customers so as to increase credit sales and number of customers. Explain TWO points Lilian must consider before making this decision. (4)

INFORMATION**A. Sales, purchases and cost of sales:**

	OCTOBER	NOVEMBER	DECEMBER
Total sales expected	R500 000	R350 000	R300 000

- 60% of sales are on credit.
- The business uses a mark-up of 100% on cost all times.
- Stock is replaced monthly.
- 20% of all purchases are cash.
- Creditors are paid TWO months after the purchase of stock.

B. Debtors' collection pattern:

- 20% of debtors settle accounts in the month of the sale to receive a 5% discount.
- 30% settle their account in the 1st month following the sales month.
- 40% settle their account in the 2nd month.
- 10% are written off in the 3rd month.



C. Extract from the Cash Budget:

	2026		
	October (R)	November (R)	December (R)
RECEIPTS:			
Cash sales	200 000	(i)	120 000
Receipts from debtors	339 000	321 900	
Loan: Apel Bank (interest rate 12%)	400 000		
PAYMENTS:			
Cash purchases of stock	50 000	35 000	30 000
Payments to creditors	230 000	320 000	(ii)
Repayment of loan		40 000	40 000
Interest on loan		4 000	(iii)
Advertising	(iv)	6 758	6 758
Wages	?	?	(v)

D. Loan and interest on loan:

The interest on loan and monthly loan instalments, are payable at the end of each month. Interest is not capitalised.

E. Advertising:

The advertising budget will be increased by 9% with from 1 November 2026.

F. Wages:

- In October 2026 the business will have five employees, each earning R1 300 per week.
- All employees are paid their weekly wages on Fridays. There are five Fridays in October and four Fridays in November and December 2026.
- On 31 October 2026, one employee will have fully completed the notice period of his resignation and the other employees will be given a 6% increase on that date.
- The business plans to employ two temporary staff members for the month of December at 50% of the weekly wage of the others.



3.2 NWAMITWA BRANCH

Lilian also has a branch in Nwamitwa. A new competitor began operating in the same area during September 2026, and Lilian did not take any action as she was not aware of the threat. She did implement some changes in her October budget.

REQUIRED:

- 3.2.1 Identify the change Lilian implemented regarding sales, when she compiled the budget for October 2026. Provide ONE point with figures. (2)
- 3.2.2 Explain whether Lilian would be satisfied with the number of units sold in October 2026 because of the change she made with the sales policy. Provide TWO points with figures. (4)
- 3.2.3 The actual credit sales were higher than the budgeted credit sales for October 2026. Explain why Lilian should not be concerned. Provide TWO points with figures. (4)
- 3.2.4 Give ONE reason why the salespersons should be satisfied with the decision taken by Lilian in October 2026 regarding their earnings. Quote figures. (2)
- 3.2.5 Comment on the control over advertising and packing materials for October 2026. Quote figures. (4)

INFORMATION

Budgeted and actual figures for September and October 2026:

	SEPTEMBER 2026	OCTOBER 2026	
	BUDGETED	BUDGETED	ACTUAL
Number of customers	620	640	860
Units to sell/sold	300	320	345
Total sales	R1 760 000	R1 936 000	R2 119 125
Cash sales	968 000	871 200	509 355
Credit sales	792 000	1 064 800	1 609 770
Collection from debtors	660 924	734 380	734 380
Salary: Manager	32 400	40 500	34 020
Commission on sales	264 000	290 400	363 825
Advertising	52 800	58 080	54 575
Packing materials	19 360	21 290	33 900

QUESTION 4: RECONCILIATIONS AND VAT**(40 marks; 40 minutes)****4.1 CONCEPTS**

Indicate whether the following statements are TRUE or FALSE. Write only the answer next to the question numbers (4.1.1 to 4.1.3) in the ANSWER BOOK.

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

4.1.2 Output VAT is regarded as an asset.

4.1.3 VAT on bad debts will decrease VAT payable to SARS. (3)

4.2 BANK RECONCILIATION

The information relates to Nguni Stores for July 2026. The business uses the official Bank Statement which is available on the 25th of each month to complete the monthly reconciliation process.

REQUIRED:

4.2.1 Use the table provided in the ANSWER BOOK to show the entries that must be recorded in the Cash Journals on 31 July 2026. (10)

4.2.2 Calculate the Bank balance in the General Ledger on 31 July 2026. (4)

4.2.3 Prepare the Bank Reconciliation Statement on 31 July 2026. (8)

4.2.4 Explain TWO problems relating to deposits. Quote evidence. (4)

4.2.5 Explain TWO strategies to prevent this in future. (4)

INFORMATION:

A. The following information appears on the Bank Reconciliation Statement on 30 June 2026:

Unfavourable balance on Bank Statement		R71 200
Outstanding deposits:	18 June 2026	88 000
	29 June 2026	12 400
Outstanding EFTs:	No. 121	2 100
	No. 122	6 700
Unfavourable balance on Bank Account		20 400

An investigation revealed that the deposit of R12 400 dated 29 June 2026 was never deposited in the bank. The bookkeeper has since resigned. This money must be written off.

B. Cash Journal totals on 31 July 2026 before receiving the Bank Statement:

Cash Receipts Journal	Cash Payments Journal
R108 000	R36 800

C. Information on the July 2026 Bank Statement, which did not appear in the July 2026 Cash Journals:

Details	Debit	Credit
Deposit (29 June 2026)		88 000
EFT 121	1 200	
EFT 122	6 700	
Debit order (Honest Insurers)	1 800	
Debit order (Honest Insurers)	1 800	
Direct deposit (Koos Malan)		11 000
Deposit: Siweya Transporters		4 000
Interest	650	
Transaction fees	450	

- (i) EFT 121 is correct on the Bank Statement.
- (ii) The deposit from Siweya Transporters did not relate to the business. The bank was informed of this error.
- (iii) The debit order for the business insurance from Honest Insurers was deducted twice by the bank since there were not enough funds available in June 2026. The payments for June and July are now up to date.
- (iv) The direct deposit by Koos Malan was for monthly rent.

D. Entries in the Cash Journals for July 2026 that do not agree with the July Bank Statements:

- Deposit on 28 July 2026: R27 900
- EFT 205: R5 100
- EFT 206: R7 200

E. A debtor made an EFT payment of R7 000 on 30 July 2026 in settlement of his account of R7 700. No entry was made in the books.

F. Bank Statement balance on 31 July 2026 ?



4.3 VAT

The owner of Bolubedu Stores provided you with the following information for the VAT period ended 30 June 2026. The VAT rate is 15%.

REQUIRED:

4.3.1 Calculate the amount owing to SARS in respect of VAT at the end of June 2026 after taking transactions (i) to (v) into account.

Clearly state whether the amount would be added or added or subtracted by using a + or –.

(7)

Transactions and information:

- (i) The balance owed to SARS on 1 June 2026, R8 120.
- (ii) The owner took sports equipment for personal use. The VAT on this transaction amounted to R912.
- (iii) Returned defective goods to the supplier. The debit note reflected an amount of R1 680 (VAT exclusive).
- (iv) Sold goods amounting to R46 400 (VAT exclusive). These goods included zero-rated items to the value of R4 600.
- (v) Bought merchandise on credit from the supplier. The invoice received totaled R5 750 (VAT inclusive). Trade discount of 10% was incorrectly omitted from this invoice.

40

TOTAL: 150



GRADE 12 ACCOUNTING: FINANCIAL INDICATOR FORMULA SHEET

$\frac{\text{Gross profit}}{\text{Sales}} \times \frac{100}{1}$	$\frac{\text{Gross profit}}{\text{Cost of sales}} \times \frac{100}{1}$
$\frac{\text{Net profit before tax}}{\text{Sales}} \times \frac{100}{1}$	$\frac{\text{Net profit after tax}}{\text{Sales}} \times \frac{100}{1}$
$\frac{\text{Operating expenses}}{\text{Sales}} \times \frac{100}{1}$	$\frac{\text{Operating profit}}{\text{Sales}} \times \frac{100}{1}$
Total assets : Total liabilities	Current assets : Current liabilities
(Current assets – Inventories) : Current liabilities	Non-current liabilities : Shareholder's equity
(Trade and other receivables + Cash and 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)
$\frac{\text{Net income after tax}}{\text{Average shareholder's equity}} \times \frac{100}{1}$	$\frac{\text{Net income after tax}}{\text{Number of shares issued}} \times \frac{100}{1}$ (See Note 3 below)
$\frac{\text{Net income before tax} + \text{Interest on loans}}{\text{Average shareholder's equity} + \text{Average non-current liabilities}} \times \frac{100}{1}$	
$\frac{\text{Shareholder's equity}}{\text{Number of issued shares}} \times \frac{100}{1}$	$\frac{\text{Dividends for the year}}{\text{Number of issued shares}} \times \frac{100}{1}$
$\frac{\text{Interim Dividends}}{\text{Number of issued shares}} \times \frac{100}{1}$	$\frac{\text{Final Dividends}}{\text{Number of issued shares}} \times \frac{100}{1}$
$\frac{\text{Dividends per share}}{\text{Earnings per share}} \times \frac{100}{1}$	$\frac{\text{Dividends for the year}}{\text{Net income after tax}} \times \frac{100}{1}$

$\frac{\text{Total fixed costs}}{\text{Selling price per unit} - \text{Variable cost per unit}}$
--

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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GRADE 12

PAPER 2

SEPTEMBER 2026

NAME OF CANDIDATE

GRADE AND CLASS NO.

SPECIAL ANSWER BOOK

QUESTION	MARKS	INITIAL	MOD.
1			
2			
3			
4			
TOTAL			

This answer book consists of 13 pages.

QUESTION 1

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

1.1.1	
1.1.2	
1.1.3	

1.2.1

Calculate the value of the closing stock for the period ended 30 June 2026, using weighted average method.	
WORKINGS	ANSWER

1.2.2

Calculate the gross profit for the period ended 30 June 2026.	
WORKINGS	ANSWER

1.2.3

Calculate the percentage gross profit achieved on cost of sales.	
WORKINGS	ANSWER



1.2.4

Calculate how many teddy bears were stolen.	
WORKINGS	ANSWER

In which month(-s) were the bears stolen and how many?	
WORKINGS	ANSWER

1.2.5

Karim thinks that the staff stole the teddy bears. Apart from installing cameras, provide TWO other points on how this could be prevented from happening in future.

1.3 THIRST-AWAY STORES

1.3.1

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

WORKINGS	ANSWER

1.3.2

Calculate how long in days it will take to sell the closing stock.

WORKINGS	ANSWER

1.3.3

Comment on your findings above. Provide ONE point with figures. Note that the stockholding for 2025 was 60 days.

--

1.3.4

Identify the value of sweetened yoghurt that has exceeded the shelf life (sell-by date) of 62 days.

WORKINGS	ANSWER

1.3.5

How can Allen manage the stock of sweetened yoghurt that is about to expire, to avoid losses? Provide TWO points.

--

TOTAL MARKS
40

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QUESTION 2

2.1 CONCEPTS:

2.1.1	
2.1.2	
2.1.3	

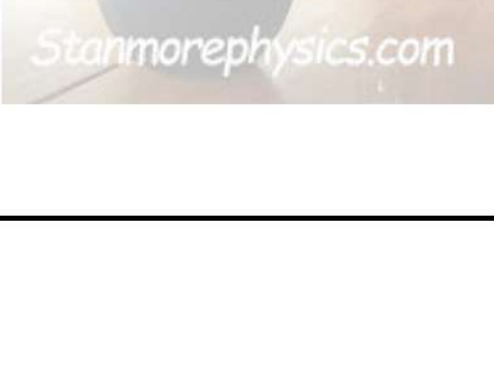


2.2 BLACKOUT CURTAIN MANUFACTURERES

2.2.1

Calculate the value of the closing stock of raw materials.	
WORKINGS	ANSWER
	

2.2.2

Calculate the direct material cost issued for production.	
WORKINGS	ANSWER
	

2.2.3

Calculate the direct labour cost.	
WORKINGS	ANSWER

2.2.4 Production cost statement for the year ended 31 March 2026.

Prime cost	
Factory overhead costs	

2.3 NSAMI TIMBERS:

2.3.1

Calculate the selling price per unit for the financial year.	
WORKINGS	ANSWER

2.3.2

Calculate the units produced and sold during the financial year.

WORKINGS	ANSWER

2.3.3

Explain why should the owner be concerned about profitability and the production level for the financial year ended 31 August 2026? Provide figures.

--

**TOTAL
MARKS**

35

QUESTION 3

3.1.1 Debtors' Collection Schedule for December 2026.

Months	2026			
	Credit sales (R)	October (R)	November (R)	December (R)
October	300 000	57 000	90 000	
November	210 000		39 900	63 000
December	180 000			

3.1.2 Calculate the missing figures (i) to (v) in the cash budget.

NO.	WORKINGS	ANSWER
(i)	Cash sales: November 2026	
(ii)	Payments to creditors: December 2026	
(iii)	Interest on loan: December 2026	
(iv)	Advertising: October 2026	
(iii)	Wages: December 2026	

3.1.3

Lilian intends to increase credit limits and to welcome new customers so as to increase credit sales and number of customers. Explain TWO points Lilian must consider before making this decision.

--

3.2 NWAMITWA BRANCH:

3.2.1 Identify the change Lilian implemented regarding sales, when she compiled the budget for October 2026. Provide ONE point with figures.

3.2.2 Explain whether Lilian would be satisfied with the number of units sold in October 2026 because of the change she made with the sales policy. Provide TWO points with figures.

3.2.3 The actual credit sales were higher than the budgeted credit sales for October 2026. Explain why Lilian should not be concerned. Provide TWO points with figures.



3.2.4

Give ONE reason why the salespersons should be satisfied with the decision taken by Lilian in October 2026 regarding their earnings. Quote figures.

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3.2.5

Comment on the control over advertising and packing materials for October 2026. Quote figures.

Advertising:

Packing materials:

TOTAL
MARKS

35



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QUESTION 4

4.1 CONCEPTS

4.1.1	
4.1.2	
4.1.3	

4.2 BANK RECONCILIATION

4.2.1 Use the table provided to show the entries that must be recorded in the Cash Journals on 31 July 2026.

CASH RECEIPTS JOURNAL	CASH PAYMENTS JOURNAL
108 000	36 800

4.2.2 Calculate the Bank Balance in the General Ledger on 31 July 2026.

WORKINGS	ANSWER

4.2.3

Bank Reconciliation Statement on 31 July 2026			
	ONE COLUMN	DEBIT	CREDIT

4.2.4

Explain TWO problems relating to deposits. Quote evidence.

4.2.5

Explain TWO strategies to prevent this in future.

4.3 VAT

4.3.1 Calculate the amount payable to SARS in respect of VAT at the end of June 2026:

NO.	WORKINGS	VAT AMOUNT
(i)	Opening balance	R8 120

(ii)		
(iii)		
(iv)		
(v)		
VAT PAYABLE		

TOTAL MARKS
40

7

TOTAL: 150



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GRADE 12

PAPER 2

SEPTEMBER 2026

MARKING GUIDELINES

MARKS: 150

MARKING PRINCIPLES:

1. Unless otherwise stated in the marking guideline, 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 a correct answer. If answer is incorrect, mark workings.
4. If a pre-adjustment figure is shown as a final figure, allocate the part-mark for the working for that figure (not the method mark for the answer). Note: if figures are stipulated in marking guidelines 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 the benefit to the candidate. Penalties may be applied for foreign entries if candidates earn full marks on a question (max -2 per Q).
8. These marking guidelines are 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, the marker must inspect the 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 marking guidelines.
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 guidelines. Note that one comment could contain different aspects.
15. Codes: f = foreign item; p = placement/presentation.

These Marking guidelines consist of 13 pages.

QUESTION 1

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

Accept T or F

1.1.1	False ✓
1.1.2	True ✓
1.1.3	False ✓

3

- 1.2.1 Calculate the value of the closing stock for the period ended 30 June 2026, using weighted average method.

WORKINGS	ANSWER
$\frac{3\,255\,000 \text{ two marks} + 3\,133\,000 \checkmark}{2000 + 44\,500} \times 1\,800$ $\frac{122\,000 \checkmark + 46\,500 \checkmark \checkmark}{2000 + 44\,500} \times 1\,800$ OR: R70 four marks $\times 1\,800$	126 000 ✓ one part correct; must x 1 800

5

- 1.2.2 Calculate the gross profit for the period ended 30 June 2026.

WORKINGS	ANSWER
$6\,156\,800 \checkmark - \frac{3\,255\,000 \text{ see 1.2.1}}{3\,129\,000} - \frac{126\,000 \text{ see 1.2.1}}{\checkmark}$	3 027 800 ✓ one part correct

4

- 1.2.3 Calculate the percentage gross profit achieved on cost of sales.

WORKINGS	ANSWER
$\frac{3\,027\,800 \text{ see 1.2.2}}{3\,129\,000 \text{ see CoS in 1.2.2}} \times 100$	96,8 ✓✓ Accept 97% one part correct; must be x 100

2

1.2.4

Calculate how many teddy bears were stolen.

WORKINGS	ANSWER
$2\,000 + 44\,500 - 1\,800 - 44\,100$	600 ✓✓ two or nothing

2

In which month(-s) were the bears stolen and how many?

WORKINGS	ANSWER
Jan: $2\,000 \text{ units} - 2\,000 \text{ units sold} = 0$ Feb: $10\,000 - 6\,800 - 3\,200 = 0$ Mar: $12\,000 - 7\,800 - 4\,000$ May/Jun: $22\,500 - 11\,800 - 8\,500 - 1\,800$	Accept if in brackets 200 units ✓ stolen in <u>March</u> ✓ 400 units ✓ stolen in <u>May</u> <u>and/or June</u> ✓

4

1.2.5

Karim thinks that the staff stole the teddy bears. Apart from installing cameras, provide TWO other points on how this could be prevented from happening in future.

Any TWO valid points ✓ ✓

- Teddy bears should have a magnetic tag that if scanned at the doors, it will sound an alarm.
- Put the security guards at the doors.
- Body search conducted each time staff leaves the premises/shop.
- Search their bags as they enter or leave the premises/shop.

2

1.3 THIRST-AWAY STORES

1.3.1

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

WORKINGS	ANSWER
$ \begin{array}{l} [435 - 26] \quad [500 - \text{first batch}] \quad [500 - \text{first and second batch}] \\ (*409 \checkmark \times 45 \checkmark) + (85 \checkmark \times 40 \checkmark) + (6 \checkmark \times 35 \checkmark) \\ \begin{array}{ccc} 18\,405 & 3\,400 & 210 \\ \text{two marks} & & \end{array} \end{array} $	R22 015 ✓ one part correct three batches added

7

1.3.2

Calculate how long in days it will take to sell the closing stock.

WORKINGS	ANSWER
see 1.3.1 $22\,015 \checkmark \times 365$ $222\,774 \checkmark$ OR UNITS: $500 \text{ one mark} \times 365$ $5\,059 \text{ one mark}$	36,1 days ☒ one part correct if x 365

3

1.3.3

Comment on your findings above. Provide ONE point with figures. Note that the stockholding for 2025 was 60 days.

Any ONE valid point ✓✓ Trend and figure for two marks

- Teddy bears stay on the shelves for only 36 days (see 1.3.2) compared to 60 days in 2025.
- Faster sales / higher demand / sales improved by 24 days.

2

1.3.4

Identify the value of sweetened yoghurt that has exceeded the shelf life (sell-by date) of 62 days.

WORKINGS	ANSWER
6×35 OR $3\,610 - 3\,400$ See 1.3.1 (third bracket)	R210 ☒ ☒ one part correct

2

1.3.5

How can Allen manage the stock of sweetened yoghurt that is about to expire, to avoid losses? Provide TWO points.

Any TWO valid points ✓✓ ✓✓

- Train employees on proper stock rotation.
- Offer stock close expiry date to customers at a reduced price.
- Purchase stock more frequently instead of buying in bulk.

4

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

QUESTION 2

2.1 CONCEPTS:

2.1.1	Factory overhead cost ✓
2.1.2	Administration cost ✓
2.1.3	Selling and distribution cost ✓

3



2.2

2.2.1

Calculate the value of the closing stock of raw materials.

WORKINGS	ANSWER
594 000 + 544 000	1 138 000 ✓✓ TWO or nothing

2

2.2.2

Calculate the direct material cost issued for production.

WORKINGS	ANSWER
$[5\ 140\ 000 - 66\ 000]$ $384\ 000 \checkmark + 5\ 074\ 000 \checkmark\checkmark - 1\ 138\ 000 \checkmark \text{ see 2.2.1}$ OR: $384\ 000 + 1\ 760\ 000 + 2\ 176\ 000$ $(2\ 720\ 000 + 660\ 000 - 66\ 000 - 1\ 138\ 000)$	$4\ 320\ 000 \checkmark$ one part correct

5

2.2.3

Calculate the direct labour cost.

WORKINGS	ANSWER
$10 \times 1\,920 \times R60$ $576\,000$ ✓ ☒ $+ 550 \times R60$ $+ 33\,000$ ✓ $+ 84\,000 \times .25\%$ $+ 21\,000$ ✓ $+ \text{(All three)}$ $\text{Gross wages} \times 1\%$ $+ 6\,300$ ☒ $630\,000$ four marks	$636\,300$ ☒ one part correct

6

2.2.4 Production cost statement for the year ended 31 March 2026.

Direct material cost	see 2.2.2	4 320 000	✓
Direct labour	see 2.2.3	636 300	✓
Prime cost	operation	4 956 300	✓
Factory overhead costs (230 ✓ x 16 160 ✓)		3 716 800	✓
Total manufacturing costs		8 673 100	
Work in process at the beginning		72 000	✓
		8 745 100	
Work in process at the end		(45 100)	✓
Total cost of production of finished goods	operation	8 700 000	✓

9

2.3 NSAMI TIMBERS:**2.3.1****Calculate the selling price per unit for the financial year.**

WORKINGS	ANSWER
$\begin{array}{r} [795\,910 / 112\,100] \\ 795\,910 \checkmark\checkmark + 11,75 \checkmark \end{array}$	R18,85 ☒ one part correct

4

2.3.2**Calculate the units produced and sold during the financial year.**

WORKINGS	ANSWER
$\begin{array}{r} 1\,298\,375 \\ 11,75 \end{array}$	110 500 units ☒ ☒ one part correct do not accept R

2

2.3.3

Explain why should the owner be concerned about profitability and the production level for the financial year ended 31 August 2026? Provide figures.

Explanation ☒☒ (must include comparison between production and BEP) comparative figures ☒☒

In 2025 the business made a profit ☒ on 20 000 units ☒. In 2026 the business made a loss ☒ see 2.3.2 on 1 600 units ☒ (answer of 2.3.2 – 112 100 units).

Max 2 marks: if only BEP compared to BEP with figures, and/or production compared to production with figures.

Zero marks: if BEP is compared to BEP without figures, and/or production compared to production without figures.

4

TOTAL MARKS**35**

QUESTION 3

3.1.1 Debtors' Collection Schedule for December 2026.

Months	2026			
	Credit sales (R)	October (R)	November (R)	December (R)
October	300 000	57 000	90 000	120 000 ✓
November	210 000		39 900	63 000
December	180 000			34 200 ✓✓

3

3.1.2 Calculate the missing figures (i) to (v) in the cash budget.

NO.	WORKINGS	ANSWER
(i)	Cash sales: November 2026 350 000 x 40%	1 140 000 ✓
(ii)	Payments to creditors: December 2026 [R500 000 x 100/200] 250 000 x 80%	2 200 000 ✓✓ one part correct
(iii)	Interest on loan: December 2026 360 000 x 12% x 1/12 OR 43 200/12	2 3 600 ✓✓
(iv)	Advertising: October 2026 6 758 x 100/109	2 6 200 ✓✓
(v)	Wages: December 2026 [4 x 4] x [1 300 x 106/100] = 22 048 ✓✓ [2 x 4] x 1 378 x 50% = 5 512 ✓✓	5 27 560 ✓ temporary workers must be added

12

3.1.3

Lilian intends to increase credit limits and to welcome new customers so as to increase credit sales and number of customers. Explain TWO points Lilian must consider before making this decision.

Any TWO explanations ✓✓ ✓✓ Part marks for incomplete explanation

- More credit sales will worsen cash flow / cause liquidity problems
- Screen debtors properly to establish their affordability status.
- Only increase credit limits of customers who settle their debts promptly.
- Improve the rate of collection from debtors by charging interest.

4

3.2 NWAMITWA BRANCH:

3.2.1 Identify the change Lilian implemented regarding sales, when she compiled the budget for October 2026. Provide ONE point with figures.

Change in cash sales / credit sales with figures ✓✓

Cash sales changed from R968 000 to R871 200 / from 55% to 45%

OR:

Credit sales changed from R792 000 to R1 064 800 / from 45% to 55%

2

3.2.2 Explain whether Lilian would be satisfied with the number of units sold in October 2026 because of the change she made with the sales policy. Provide TWO points with figures.

Any TWO valid points with figures ✓✓ ✓✓

Do not accept comparison to September figures.

- Actual number of units sold is 25 more than budgeted (from 320 to 345 / by 7,8%).
- Budgeted total sales of R1 936 000 is less than the actual total sales of R2 119 125 / less by R183 125 / less by 9,5%.
- Actual credit sales of 76% of total sales is more than the budgeted credit sales of 55% of total sales.
- Actual cash sales of 24% of total sales is more than the budgeted cash sales of 45% of total sales.

4

3.2.3 The actual credit sales were higher than the budgeted credit sales for October 2026. Explain why Lilian should not be concerned. Provide TWO points with figures.

Any TWO valid points with figures ✓✓ ✓✓

Do not accept comparison to September figures

- The actual number of customers of 860 is more than the budgeted number of customers of 640 / more by 189 / more by 34,4%.
- The actual total sales of R2 119 125 is more than the budgeted total sales of R1 936 000 / more by R183 125 / more by 9,5%.

4

3.2.4 Give ONE reason why the salespersons should be satisfied with the decision taken by Lilian in October 2026 regarding their earnings. Quote figures.

Any ONE valid reason with figures ✓✓ Do not accept comparison to September figures.

- Commission is budgeted at 15% of sales, they received 17,2%
- Budgeted commission of R907,50 per unit is less than actual of R1 054,56 per unit.
- They budgeted R40 500 for the salary of the manager but he actually received R34 020 / actual salary is less by 16%.

2

3.2.5 Comment on the control over advertising and packing materials for October 2026. Quote figures.

Any valid comment with figures (for both items) ✓✓ ✓✓
Must be compared to sales in percentages.

Do not accept comparison to September figures.

Advertising:

- Effective control, budgeted of 3% of sales is more than the actual of 2,6% of sales (units sold is more by 7,8% from budgeted).
- Underspent by 6% while total sales is more by 9,5%.

Packing materials:

- Poor control, budgeted of 1,1% of sales is less than the actual of 1,6% of sales
- Overspent by 59,2% while total sales is more than the budgeted by 9,5% (units sold is only 7,8% more than budgeted).

4

TOTAL MARKS

35



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QUESTION 4

4.1 CONCEPTS

4.1.1	True ✓	Accept T or F
4.1.2	False ✓	
4.1.3	True ✓	

3

4.2 BANK RECONCILIATION

4.2.1 Use the table provided to show the entries that must be recorded in the Cash Journals on 31 July 2026.

CASH RECEIPTS JOURNAL	CASH PAYMENTS JOURNAL
108 000	36 800
900 ✓✓	12 400 ✓
11 000 ✓	3 600 ✓✓
7 000 ✓	650 ✓
	450 ✓
126 900	☒ both totals 53 900
	one part correct, must include provisional totals

-1(max -1) foreign /superfluous items (only if mark/s are earned elsewhere for the same figure).

In awarding the method mark for both totals, ensure that the candidate do not get full marks for including any incorrect figure/s. Indicate ☒. (principle 13)

10

4.2.2

Calculate the Bank Balance in the General Ledger on 31 July 2026.

WORKINGS	ANSWER
$(20\ 400) \checkmark + 126\ 900 \checkmark - 53\ 900 \checkmark$ see CRJ see CPJ	52 600 ☒ one part correct
Accept alternative presentation for calculations e.g. Ledger a/c Signs cannot be reversed	

4

4.2.3

Bank Reconciliation Statement on 31 July 2026

	ONE COLUMN	DEBIT	CREDIT
Balance per Bank Statement Dr and Cr totals are the same, could be Cr balance	34 000	Balancing figure	34 000 * ☒
Outstanding deposit	27 000		27 900 ✓
Outstanding EFTs: 205	(5 100)	5 100 ✓	
206	(7 200)	7 200 ✓	
Error on statement	(4 000)	4 000 ✓✓	
EFT payment by a debtor	7 000		7 000 ✓
Balance as per Bank Account Do not accept (20400) or 20400 Cr	(52 600)	52 600 ☒ #	could be Cr see 4.2.2
		68 900	68 900

*balancing figure # check 4.2.2 to assess if candidate has calculated a favourable or overdraft balance

-1 Presentation(inappropriate / no details provided)

-1 Foreign items / superfluous items, (only if mark/s are earned in 4.2.1 for the same figure) max -1

If candidate presents one-column & two-column reconciliation, mark version that benefits candidate.

For the 2-column method, candidates must place figures in the correct column to earn marks.

For 1-column method, candidates must present the appropriate sign i.e positive or negative

8

4.2.4

Explain TWO problems relating to deposits. Quote evidence.

Valid explanation ✓✓ Evidence ✓✓

- Missing or theft of cash, R12 400.
- Late deposit / deposit not done promptly, R88 000 / 18 June / approximately 13 days was outstanding at month end.

4

4.2.5

Explain TWO strategies to prevent this in future.

Any TWO strategies ✓✓ ✓✓

- Implement a depositing routine / policy on regular depositing.
- Different persons to be responsible for deposits.
- Engage the services of a cash in transit company (security services)
- Encourage more customers to pay by EFTs.
- Set up bank notification service for all transactions (SMS)

4

4.3 VAT

4.3.1 Calculate the amount payable to SARS in respect of VAT at the end of June 2026:

NO.	WORKINGS	VAT AMOUNT
(i)	Opening balance	R8 120
(ii)		+ 912 ✓
(iii)		+ 252 ✓
(iv)	$\frac{41\,800}{(46\,400 - 4\,600)} \times \frac{15}{100}$	+ 6 270 ✓✓
(v)	$5\,750 \times \frac{90}{100} \times \frac{15}{115}$	- 675 ✓✓
	VAT PAYABLE	14 879 ✓*

7

*One part correct, should include the opening balance
 (iv) and (v) are two marks or nothing each; signs for all transactions must be correct.

TOTAL MARKS 40

TOTAL: 150