



Northern Cape Department of Education

PROVINCIAL PREPARATORY EXAMINATION

GRADE 12

**ACCOUNTING
PAPER 2
SEPTEMBER 2026**

MARKS: 150

TIME: 2 hours

**This question paper consists of 15 pages,
a formula sheet and a 11-page answer book.**

INSTRUCTIONS AND INFORMATION

Read the following instructions carefully and follow them precisely.

1. Answer ALL the questions.
2. A special ANSWER BOOK is provided in which to answer ALL questions.
3. A Financial Indicator Formula Sheet is attached at the end of this question paper.
4. Show ALL workings to earn part-marks.
5. You may use a non-programmable calculator.
6. You may use a dark pencil or blue/black ink to answer the questions.
7. Where applicable, show ALL calculations to ONE decimal point.
8. Write neatly and legibly.
9. Use the information in the table below as a guide when answering the question paper. Try NOT to deviate from it.

QUESTION	TOPIC	MARKS	MINUTES
1	Reconciliations	35	30
2	Cost Accounting	40	30
3	Stock Valuation	40	30
4	Budgeting	35	30
TOTAL		150	120

QUESTION 1: RECONCILIATIONS**(35 marks; 30 minutes)****1.1 BANK RECONCILIATION**

The information relates to Phillipvale Stores on 31 August 2026. The business is owned by Nadine Madikizela. They use the official Bank Statement, received by email on 31 August 2026, to reconcile their Cash Journals.

REQUIRED:

- 1.1.1 Complete the table provided in the ANSWER BOOK by showing the entries that must be recorded in the Cash Journals on 31 August 2026. (8)
Do not total the Cash Journals.
- 1.1.2 Prepare the Bank Reconciliation Statement on 31 August 2026. (6)

INFORMATION:

- A. Extract from the Bank Reconciliation Statement on 31 July 2026:**

Outstanding Deposits	Ref: PS05 (24 July)	R14 850
	Ref: PS06 (30 July)	30 120
Outstanding EFTs	EFT. 1104	5 650

- B. Items on the Bank Statement that do not agree with 31 August 2026 Cash Journals:**

Aug.	Details	Debit (R)	Credit (R)
02	EFT. 1104	5 650	
05	Cash deposit (Ref: PS05)		24 850
07	Cash withdrawal	10 000	
	Cash withdrawal	10 000	
13	Cash deposit (Ref: PS06)		30 120
15	Immediate payment from A Malgas (A debtor)		9 200
20	ADT Insurance (Monthly Debit order)	11 200	
	ADT Insurance (Debit order not provided for)		11 200
24	King Loan Sharks (Loan)		55 000
31	Internet Bank Payment fees	720	
	Services fees	450	
	Cash deposit fees	1 300	
	Interest	5 180	

NOTE:

- (i) The cash deposit (Ref: PS05) on the bank statement appears to be correct.
- (ii) The bank experienced a technical problem on the 7th of August 2026. The bank erroneously duplicated the transaction.

C. Entries in the Cash Journals for August 2026 that were not reflected on the August 2026 Bank Statement:

- Deposit (PS14), R32 480
- EFT. 1308, R11 520

D. The Bank Statement on 31 August 2026 showed an unfavourable balance of R122 480.



1.2 DEBTORS' RECONCILIATION

You are provided with information from Orion Stores, which is trading as OS. OS is a general second-hand trader dealing in all second-hand goods for cash and on credit.

REQUIRED:

- 1.2.1 Correct the Debtors' Control Account by entering the adjustment/correction in the relevant column (debit or credit) to show the effect. (9)
- 1.2.2 Correct the balance of EACH debtor on the list provided. (6)
Total of each debtor is not required.

INFORMATION:

- A.** The Debtors' Control account balance in the General Ledger before adjustments amounts to R100 800.
- B. Extract from the Debtors' List before adjustments:**

	R
Olwethu Hitlani	18 950
Adia Kapel	34 420
Phumeza Nono	6 130
Phumeza Ngese	12 470

C. When comparing the Debtors' Ledger with the debtors' list, the following errors and omissions were noted:

- (i) No entry was made for the EFT payment and discount allowed of R5 420 made by Adia Kapel.



- (ii) The total of the Debtors' Allowance Journal was incorrectly added as R21 800 instead of R11 800.
- (iii) An error was made in the books of OS whereby the balance of Phumeza Nono was debited instead of credited when calculating the pre-adjustment figures in the General Ledger and Debtors' Ledger.
- (iv) Credit sales to Olwethu Hitlani of R18 350 were incorrectly recorded as R81 350 in the Debtors' Journal and posted as such to the control account but recorded as R10 350 in the Debtors' Ledger.
- (v) The bookkeeper erroneously credited the Debtors' Ledger Account of Phumeza Nono instead of Phumeza Ngese with R6 530.
- (vi) Goods costing R5 200 returned by Adia Kapel to OS were recorded correctly in the relevant Debtors' Ledger. It was, however, recorded in the journal and posted to the General Ledger as credit sales.

1.3 DEBTORS' AGE ANALYSIS

The information relates to Why-not Traders. Their credit terms are 30 days. The business expects 80% of the debtors will adhere to their terms.

REQUIRED:

- 1.3.1 Provide TWO reasons with percentages to show Why-not Traders why they should not be satisfied with the management of debtors. (4)
- 1.3.2 Provide TWO different points of advice to Why-not Traders to better manage their debtors. (2)

INFORMATION:

Debtors' Age Analysis on 31 August 2026:

Credit limit	Total	Current month	30 days	60 days	90 days	+90 days
135 000	158 500	18 500	23 800	16 200	30 000	70 000

NOTE:

- ❖ Maximum interest is already being charged
- ❖ The business is not in a financial position to give any discount for early payments/settlements

QUESTION 2: COST ACCOUNTING**(40 marks; 30 minutes)****2.1 STEINKOPF MANUFACTURERS**

The business manufactures building bricks. Their financial year ended on 28 February 2026.

REQUIRED:

- 2.1.1 Calculate the raw material cost for the year ended 28 February 2026. (6)
- 2.1.2 Complete the Factory Overhead Cost note. (11)
- 2.1.3 Prepare the Production Cost Statement for the year ended 28 February 2026. (8)

INFORMATION:**A Extract from balances on 28 February:**

	2026	2025
Raw material	R87 950	R175 825
Work-in-progress	?	324 200
Finished goods	320 800	415 500

B Summary of totals for the year ended 28 February 2026:

	R
Sales	3 928 225
Prime cost	1 550 000
Indirect material cost	70 750
Salary of factory foreman	82 725
Water and electricity (Administration Department)	136 200
Insurance (factory)	163 000
Stationery	38 150
Advertising	54 340
Other factory expenses	23 450

C Raw materials:

All raw materials are sourced from Alex Bay Sands Ltd.

Purchases for the year

50 kg Bags of cement	R325 000
Sand	155 000
Lime	138 500
	R618 500



Damaged goods

Due to damage throughout the year upon delivery, the supplier agreed to give 7,5% discount on the bags of cement.

Delivery fees

Alex Bay Sands Ltd charge a flat monthly rate of R1 500 per month for deliveries.

D Additional information and adjustments:

- The business uses a mark-up of 75% on cost.
- 20% of the indirect material remains unused at the end of the financial year.
- The salary of the factory foreman was omitted from the Salaries Journal for February 2026. The factory foreman received a salary increase of 3% in January 2026.
- Insurance (factory) includes an additional 6-month policy for R18 000 for the period ending 30 June 2026.
- The Water and Electricity Account must be divided between the Factory, Administration and Sales and Distribution Departments in the ratio 3 : 2 : 2.

2.2 LANGBERG MANUFACTURERS

Langberg Manufacturers is a business that specialises in the production of aluminium doors and windows. The business is owned by Refilwe Raabe. The financial year ends on 30 June 2026.

REQUIRED:

ALUMINIUM DOORS

- 2.2.1 Calculate the break-even point on 30 June 2026. (4)
- 2.2.2 Comment on whether Refilwe should be satisfied with the number of units produced and sold. Provide ONE point with figures. (2)
- 2.2.3 Refilwe is satisfied with the performance of aluminium doors for the year ended 30 June 2026. Provide ONE point with figures to support her opinion. (3)

ALUMINIUM WINDOWS**2.2.4 Fixed Cost per unit**

Refilwe does not understand why the fixed cost per unit decreased while the total fixed cost has increased. Provide ONE point with figures. (3)

2.2.5 Variable cost per unit

Name ONE variable cost that was well controlled. Provide a calculation to substantiate your answer. (3)

INFORMATION:

	Aluminum Doors		Aluminum Windows	
	30 Jun. 2026	30 Jun. 2025	30 Jun. 2026	30 Jun. 2025
Break-even point	?	322		
Units produced and sold	700		1 500	1 000
Selling Price per unit	R15 500	R12 000		
Profit for the year ended	R4 125 050	R1 755 600		
Total fixed cost			R4 225 500	R3 950 000
Total fixed cost per unit	R4 650	R4 500	R2 817	R3 950
Factory overhead cost	R2 200	R2 100	R1 017	R1 750
Administration cost	R2 450	R2 400	R1 800	R2 200
Total variable cost per unit	R4 950	R4 300	R3 000	R2 550
Direct material cost	R2 250	R1 750	R1 000	R750
Direct labour cost	R1 450	R1 300	R850	R800
Selling and distribution cost	R1 250	R1 250	R1 150	R1 000

NOTE:

The inflation rate for the year ended was 7%.

QUESTION 3: STOCK VALUATION**(40 marks; 30 minutes)****3.1 STOCK CONCEPTS**

Choose the correct concept from those given in brackets. Write only the word(s) next to the question numbers (3.1.1 to 3.1.3) in the ANSWER BOOK.

3.1.1 The (specific identification/weighted-average) method is more suitable for low-cost stock items bought in bulk on special offers in advance.

3.1.2 The (periodic/perpetual) stock system is a more accurate, expensive, and complex system.

3.1.3 The (first-in-first-out/specific identification) stock valuation method is best suited to product lines closely linked to technological innovations.

(3)**3.2 LOUISVALE CITRUS & DATES LTD**

Louisvale Citrus & Dates Ltd is a company that is located in the Upington region and produces citrus and dates. The financial year ends on 31 August 2026.

REQUIRED:**CITRUS**

3.2.1 Calculate the value of the closing stock on 31 August 2026 using the FIFO method.

(7)

3.2.2 Calculate the cost of sales for the year ended 31 August 2026.

(6)

3.2.3 • Calculate the %mark-up achieved.

(4)

- Advise the owner on when the best season (autumn, spring, summer or winter) is to source citrus in bulk in South Africa. Provide ONE point with a relevant figure.

(4)**DATES**

Dates usually last six months if kept sealed in the fridge.

3.2.4 Calculate the value of the closing stock on 31 August 2026 using the weighted-average method.

(9)

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

(3)

- 3.2.6 The Chief Financial Officer (CFO) of Louisvale Citrus & Dates Ltd is satisfied with the stockholding period. Proof that the CFO is correct by commenting on the stockholding period. Provide TWO points.

NOTE: The stockholding period for the financial year ended 31 August 2025 was 100 days.

(4)

INFORMATION:

A. Balances on 31 August:

	2026		2025		
	Units	Unit Price	Units	Unit Price	Total
Citrus	1 350 crates		1 800 crates	R400	R720 900*
Dates	?		11 150 boxes	R45	R501 750*

*Includes carriage on purchase

B. Purchases for the year from suppliers:

	CITRUS			DATES		
	Units (Crates)	Unit price (R)	Total (R)	Units (Boxes)	Unit price (R)	Total (R)
Oct. 2025	1 200	450	540 000	12 000	49	588 000
Feb. 2026				15 000	40	600 000
Apr. 2026				18 000	42	756 000
May 2026	1 500	300	450 000	10 500	50	525 000
Jul. 2026	1 200	380	456 000			
	3 900		1 446 000	55 500		2 469 000

C. Citrus purchase returned for this year

Number of crates:	Unit Price
150	R300
130	R380



D. Carriage on purchase

Carriage on purchases amounts to R136 800 for the year. The account must be divided 13 : 7 between Citrus and Dates. Carriage on purchases is non-refundable in the event of purchase returns.

E. Extract from the financial statements on 31 August 2026

	Citrus	Dates	
		Units	Selling price per unit
Sales	R2 868 495	54 650	R70
Cost of sales	?		
Gross profit	?		

QUESTION 4: BUDGETING**(35 marks; 30 minutes)****4.1 BUDGET CONCEPTS**

Choose a definition from COLUMN B that matches the concept in COLUMN A. Write only the letter (A–D) next to the question numbers (4.1.1 to 4.1.2) in the ANSWER BOOK.

COLUMN A		COLUMN B	
4.1.1	Projected Statement of Comprehensive Income	A	Estimation of expected receipts and payments for a specific period of time in the future
4.1.2	Cash Budget	B	This indicates to shareholders how profitable their investment is and whether they have made the right investment decision
		C	The objective is to determine the expected profit/loss

(2)**4.2 SUTHERLAND LTD**

The information relates to Sutherland Ltd for the two months ended November 2026. The business is owned by Sanet Suther.

REQUIRED:

4.2.1 Complete the Creditors' Payment Schedule for October 2026. **(5)**

4.2.2 Calculate the following amounts as they would appear in the Projected Statement of Comprehensive Income for November 2026:

- | | | |
|-------|------------------------------|------------|
| (i) | Sales | (2) |
| (ii) | Gross profit | (4) |
| (iii) | Rent income | (2) |
| (iv) | Profit/Loss on sale of asset | (4) |
| (v) | Depreciation | (5) |
| (vi) | Interest expense | (3) |

INFORMATION:

- A. Extract from the Cash Budget for the two months ended on November 2026.**

	October 2026	November 2026
RECEIPTS		
Cash sales	150 000	220 000
Rent income	11 500	?
Loan: Natural Bank	380 000	0
Fixed asset sold	0	60 000
PAYMENTS		
Cash purchases	88 424	65 625
Payment to creditors	?	
Deposit on vehicle	0	90 000
Vehicle monthly payment	0	3 500

- B. Purchases and payments to creditors:**

Total purchases:

August	September	October
R275 500	R315 800	R234 375

- Stock will be replaced in the month of sales. A fixed-base stock level will be maintained.
- Credit purchases will amount to 72% of all purchases.

Creditors will be paid according to the following trend:

- 30% in the month of purchases, subject to an 8% discount
- 50% in the following month
- 20% two months after the month of purchases

- C. Additional information:**

- Cash sales will be 40% of total sales.
- The business uses a mark-up of 60% on cost throughout the financial year.
- The loan will be received from Natural Bank, and the interest rate per annum will be 15%, payable every three months.
- The rental agreement will be renewed every year on the 1st of November. The lessor and lessee agreed to a reduction in the rent for the new year by 10% due to infrastructural defects.



- On the 1st of November 2026, the business will receive a new delivery vehicle. A deposit will be paid, and the vehicle will be paid off in equal monthly installments starting in November for the next five years. The new vehicle has a lifespan of 10 years and depreciation must be calculated accordingly.
- On 30 November 2026, the owner, Sanet, will sell the old Hassen company vehicle for R60 000 cash.

D. An extract from the fixed Asset Register of the Hassen vehicle on 30 November 2026:

Cost price	R280 000
Accumulated depreciation to date	240 000
NOTE:	
* Depreciation for this vehicle was calculated at R5 000 per month for the lifespan of the vehicle.	

4.3 KURUMAN IQ CALL CENTRE

Kuruman IQ Call Centre is an outbound call centre managed by Calvin Masogo. The financial year ended 31 July 2026. The business has multiple streams of income. The business also employs three full-time consultants.

REQUIRED:

4.3.1 Explain why it is important for every business to compare its targets set (budgeted) with the achieved (actual). (2)

4.3.2 Loss of Sales

The sales have dropped tremendously. Give a reason with figures for this decrease. (2)

4.3.3 Commission Income

Explain the rapid increase in the commission income. Provide ONE point. (2)

4.3.4 Performance Agreement

Ndike is not satisfied with the stipulations in the performance agreement. Explain why. Provide ONE point. (2)

INFORMATION:

- A. Extract from the financial records of Kuruman IQ Call centre for the year ended on 31 July 2026:**

	Budgeted	Actual	Variance
Sales	R7 500 000	R1 875 000	-R5 625 000
Commission Income	R2 100 000	R3 650 000	+R1 550 000
Advertising	R150 000	R75 000	-R75 000

*Advertising is a fixed percentage of sales

- B. Employee package:**

Name of Consultant	Avian	Wena	Ndike
Contracts target for the year	8	5	1
Contracts signed	6	3	2
Remuneration			
Basic salary	R150 000	R150 000	R150 000
Commission income	R18 750	R18 750	R18 750
Performance bonus	R42 000	R21 000	R7 000

- C. Performance agreement stipulations:**

- Consultants would receive a once-off bonus of R7 000 for every contract secured.
- The maximum bonus a consultant may receive is capped at his/her target.

- D. Commission fees:**

All workers receive a flat rate of 10% of sales for all commission income earned by the business.

GRADE 12 ACCOUNTING FINANCIAL INDICATOR FORMULA SHEET

 $\frac{\text{Gross profit}}{\text{Sales}} \times \frac{100}{1}$	$\frac{\text{Gross profit}}{\text{Cost of sales}} \times \frac{100}{1}$
$\frac{\text{Net profit before tax}}{\text{Sales}} \times \frac{100}{1}$	$\frac{\text{Net profit after tax}}{\text{Sales}} \times \frac{100}{1}$
$\frac{\text{Operating expenses}}{\text{Sales}} \times \frac{100}{1}$	$\frac{\text{Operating profit}}{\text{Sales}} \times \frac{100}{1}$
Total assets : Total liabilities	Current assets : Current liabilities
(Current assets – Inventories) : Current liabilities	Non-current liabilities : Shareholders' equity
(Trade 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.)
$\frac{\text{Net income after tax}}{\text{Average shareholders' equity}} \times \frac{100}{1}$	$\frac{\text{Net income after tax}}{\text{Number of issued shares}} \times \frac{100}{1}$ (See Note 3 below.)
$\frac{\text{Net income before tax} + \text{Interest on loans}}{\text{Average shareholders' equity} + \text{Average non-current liabilities}} \times \frac{100}{1}$	
$\frac{\text{Shareholders' equity}}{\text{Number of issued shares}} \times \frac{100}{1}$	$\frac{\text{Dividends for the year}}{\text{Number of issued shares}} \times \frac{100}{1}$
$\frac{\text{Interim dividends}}{\text{Number of issued shares}} \times \frac{100}{1}$	$\frac{\text{Final dividends}}{\text{Number of issued shares}} \times \frac{100}{1}$
$\frac{\text{Dividends per share}}{\text{Earnings per share}} \times \frac{100}{1}$	$\frac{\text{Dividends for the year}}{\text{Net income after tax}} \times \frac{100}{1}$
$\frac{\text{Total fixed costs}}{\text{Selling price per unit} - \text{Variable costs per unit}}$	
NOTE: 1. Trading stock at the end of a financial year may be used if required in a question. 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 the financial year, the weighted-average number of shares is used in practice.	



Curriculum Provincial Examination
September 2026
Answer Book

SCHOOL										 Learner's Class
CENTRE NUMBER								GRADE	12	
LEARNER'S NAME					LEARNER'S SURNAME					
DATE					BOOK NUMBER			OF		BOOKS
SUBJECT CODE		A	C	C	N	PAPER NUMBER			2	
SUBJECT NAME		ACCOUNTING								

[illegible]

READ THE INSTRUCTIONS ON THE NEXT PAGE.

This answer book consists of 11 pages.

FOLLOW THESE INSTRUCTIONS CAREFULLY

1. Clearly write your name, surname and class in the space provided.
2. Answer ALL the questions in the spaces provided in the ANSWER BOOK ONLY.
3. If you require additional space for your answers:
 - 3.1 Use the additional space provided at the end of the ANSWER BOOK.
 - 3.2 When answering a question in the additional space, indicate clearly the question number in the column on the left-hand side.
4. No pages may be torn from this ANSWER BOOK.
5. Read the instructions in the question paper carefully.
6. Candidates may not retain the ANSWER BOOK or remove it from the examination room.
7. Answers must be written in a dark pencil or black/blue ink as distinctly as possible.

QUESTION 1**1.1 BANK RECONCILIATION**

1.1.1 Complete the table provided by showing entries that must be recorded in the Cash Journals on 31 August 2026.

CASH RECEIPTS JOURNAL (CRJ)	CASH PAYMENT JOURNAL (CPJ)
Stanmorephysics.com	

8

1.1.2 Prepare the Bank Reconciliation Statement on 31 August 2026.

	DEBIT	CREDIT

6

1.2.1 Correct the Debtors' Control Account by entering the adjustment/correction in the relevant column (debit or credit) to show the effect.

	DEBIT	CREDIT
(i)		
(ii)		
(iii)		
(iv)		
(v)		
(vi)		

9

1.2.2 Correct the balance of EACH debtor on the list provided.

Name of Debtor	Workings
Olwethu Hitlani	18 950
Adia Kapel	34 420
Phumeza Nono	6 130
Phumeza Ngese	12 470

6

1.3 DEBTORS AGE ANALYSIS**1.3.1 Provide TWO reasons with percentages to show Why-not Traders why they should not be satisfied with the management of debtors.**

	REASON
POINT 1	
POINT 2	

4

1.3.2 Provide TWO different points of advice to Why-not Traders to better manage their debtors.

POINT 1	
POINT 2	

2

TOTAL MARKS

35

QUESTION 2

2.1 STEINKOPF MANUFACTURERS

2.1.1 Calculate the raw material cost for the year ended 28 February 2026.

WORKINGS	ANSWER

6

2.1.2 Complete the Factory Overhead Cost Note

Other factory expenses	

11

2.1.3 PRODUCTION COST STATEMENT FOR THE YEAR ENDED 28 FEBRUARY 2026

Direct labour cost	
Prime cost	1 550 000
Total production cost	
Work-in-progress on 28 February 2025	324 200
Work-in-progress on 28 February 2026	

8

2.2 LANGBERG MANUFACTURERS

ALUMINIUM DOORS

2.2.1 Calculate the break-even point on 30 June 2026.

WORKINGS	ANSWER

4

2.2.2 Comment on whether Refilwe should be satisfied with the number of units produced and sold. Provide ONE point with figures.

2

2.2.3 Refilwe is satisfied with the performance of aluminium doors for the year ended 30 June 2026. Provide ONE point with figures to support her opinion.

3

ALUMINIUM WINDOWS

2.2.4 Fixed Cost per unit

Refilwe does not understand why the fixed cost per unit decreased while the total fixed cost has increased. Provide ONE point with figures.

3

2.2.5 Variable Cost per unit

Name ONE variable cost that was well controlled. Provide a calculation to substantiate your answer.

VARIABLE COST	WORKINGS

3

TOTAL MARKS

40

QUESTION 3

3.1 STOCK CONCEPTS

3.1.1	
3.1.2	
3.1.3	

3

3.2 LOUISVALE CITRUS & DATES LTD

CITRUS

3.2.1 Calculate the value of the closing stock on 31 August 2026 using the FIFO method.

WORKINGS	ANSWER

7

3.2.2 Calculate the cost of sales for the year ended 31 August 2026.

WORKINGS	ANSWER

6

3.2.3 Calculate the %mark-up achieved.

WORKINGS	ANSWER

4

Advise the owner on when the best season is (autumn; spring; summer or winter) to source citrus in bulk in South Africa. Provide ONE point with figures.

SEASON: POINT:

4

DATES

- 3.2.4 Calculate the value of the closing stock on 31 August 2026 using the weighted average method.

WORKINGS	ANSWER

9

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

--	--

3

- 3.2.6 Comment on the stockholding period. Provide TWO points.

--

4

TOTAL MARKS
40

QUESTION 4**4.1 BUDGETING CONCEPTS**

4.1.1	
4.1.2	

2

4.2 SUTHERLAND LTD**4.2.1 Complete the Creditors' Payment Schedule for October 2026.**

	CREDIT PURCHASES	OCTOBER
AUGUST	198 360	
SEPTEMBER	227 376	
OCTOBER		

5

4.2.2 Calculate (i) to (vi) in the Projected Statement of Comprehensive Income for November 2026.**(i) Sales**

WORKINGS	ANSWER

2

(ii) Gross profit

WORKINGS	ANSWER

4

(iii) Rent Income

WORKINGS	ANSWER

2

(iv) Profit/Loss on asset disposal

WORKINGS	ANSWER

4

(v) Depreciation

WORKINGS	ANSWER

5

(vi) Interest expense

WORKINGS	ANSWER

3

4.3 KURUMAN IQ CALLCENTRE

4.3.1 Explain why it is important for every business to compare their targets set (budgeted) with the achieved (actual).

--

2

4.3.2 Loss of Sales

The sales have dropped tremendously. Give a reason with figures for this decrease.

--

2

4.3.3 Commission Income

Explain the rapid increase in the commission income. Provide ONE point.

--

2

4.3.4 Performance Agreement

Ndike is not satisfied with the stipulations in the performance agreement. Explain why. Provide ONE point.

--

2

TOTAL MARKS
35

TOTAL: 150



Northern Cape Department of Education

PROVINCIAL PREPARATORY EXAMINATION

GRADE 12

ACCOUNTING

PAPER 2

SEPTEMBER 2026

MARKING GUIDELINES

MARKS: 150

These marking guidelines consist of 12 pages.

MARKING PRINCIPLES:

1. Unless otherwise stated in the marking guidelines, penalties for foreign items are applied only if the candidate is not losing marks elsewhere in the question for that item (no penalty for misplaced item). No double penalty applied.
2. Penalties for placement or poor presentation (e.g. details) are applied only if the candidate is earning marks on the figures for that item.
3. Unless otherwise stated, give full marks for 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 as a working mark for that figure (not the method mark for the answer). **NOTE:** if figures are stipulated in the 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 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 an operation, the marker must inspect reasonableness of the answer.
11. 'Operation' means check operation. 'One part correct' means operation and one part correct. **NOTE:** check operation must be +, -, x, ÷ as per candidate's calculation (if valid) or per 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.

QUESTION 1**1.1 BANK RECONCILIATION**

- 1.1.1 Complete the table provided by showing entries that must be recorded in the Cash Journals on 31 August 2026.**

CASH RECEIPTS JOURNAL (CRJ)	CASH PAYMENT JOURNAL (CPJ)
10 000 ✓	5 180 ✓
55 000 ✓	2 470 ✓ [720 + 450 + 1 300] one mark
9 200 ✓	11 200 ✓
11 200 ✓	10 000 ✓

-1 per foreign item (max -2) (only if marks are scored elsewhere for the same figure)
-1 superfluous items (max -2); ensure that the candidate do not get full marks for including any incorrect figure(s)

8

- 1.1.2 Prepare the Bank Reconciliation Statement on 31 August 2026.**

	DEBIT	CREDIT
Dr balance according to Bank Statement	122 480 ✓	
Cr Outstanding Deposit		32 480 ✓
Dr Outstanding EFT	11 520 ✓	
Cr amount incorrectly Dr		10 000 ✓
Cr balance according to Bank Account		91 520 ✓✓ Dr and Cr must be the same to earn m.m
	134 000	134 000

-1 presentation (max -1) (inappropriate / no details)
-1 for foreign items (max -2) if marks awarded elsewhere

6

- 1.2.1 Correct the Debtors' Control account by entering the adjustment/correction in the relevant column (debit or credit) to show the effect.**

	DEBIT	CREDIT
(i)	-	5 420 ✓
(ii)	10 000 ✓✓	-
(iii)	-	12 260 ✓✓ (6 130 + 6 130) one mark one mark
(iv)	-	63 000 ✓✓
(v)	-	-
(vi)	-	10 400 ✓✓ 5 200 one mark + 5 200 one mark

-1 for foreign/superfluous entry per line (max 6)

9

1.2.2 Correct the balance of EACH debtor on the list provided.

Name of Debtor	Workings
Olwethu Hitlani	18 950 + 8 000 ✓✓
Adia Kapel	34 420 – 5 420 ✓
Phumeza Nono	6 130 – 12 260 ☒ * + 6 530 ✓ -6130 -6130 one method mark for both figures
Phumeza Ngese	12 470 – 6 530 ✓

6

*See 1.2.1 (iii) figure for m.m

1.3.1 Provide TWO reasons with percentages to show Why-not Traders why they should not be satisfied with the management of debtors.

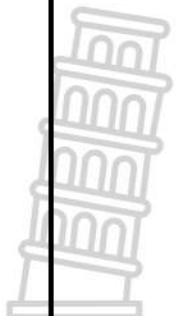
	REASON	CALCULATION
	One point (with figure) ✓✓ ✓✓	
POINT 1	73,3% of Debtors are not adhering to credit terms, or only 26,7% of Debtors adhere to credit terms.	
POINT 2	The credit limit is exceeded by 17,4%	

4

1.3.2 Provide TWO different points of advice to Why-not Traders to better manage their debtors.

POINT 1	One mark per point ✓ ✓ Any TWO of the following reasons; Improve internal controls/tighten credit control procedures - Perform credit checks before granting credit/Set realistic credit limits based on the debtors' payment history - Identify overdue accounts early/send monthly statements and payment reminders/follow-up with telephone calls or written reminders - Separation of duties/ensure sales staff cannot override credit limits without management approval
POINT 2	Apply penalties (non-interest) - Charge collection fees for overdue accounts - Withdraw trade privileges (special prices, bulk deals, promotions)

2

	3. Legal measures • Issue final demand letters/require debtors to sign acknowledgement of debt • Hand over overdue accounts to debt collection agencies or legal practitioners 4. Change payment terms • Shorten credit period/request debit order arrangements 5. Review customer portfolio • Review and adjust credit limits regularly/Stop further credit immediately when credit terms are exceeded/Require cash on delivery (COD) for non-compliant debtors • Identify high-risk debtors and reconsider trading with them/terminate relationships with persistently non-compliant customers
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TOTAL MARKS
35

QUESTION 2**2.1 STEINKOPF MANUFACTURERS****2.1.1 Calculate the raw material cost for the year ended 28 February 2026.**

WORKINGS	ANSWER
175 825 ✓ + 618 500 ✓ - 24 375 ✓ + 18 000 ✓ - 87 950 ✓	700 000 ✓* one part correct

6

2.1.2 Complete the factory overhead cost note

Indirect Material Cost	56 600 ✓✓
Indirect Labour Cost (82 725 ✓ + 7 725 ✓)	90 450 ✓* one part correct
Insurance (163 000 – 12 000)	151 000 ✓✓* one part correct
Water & Electricity (136 200 x 3/2)	204 300 ✓✓* one part correct
Other factory expenses	23 450 ✓
	525 800 ✓* one part correct

11

2.1.3 PRODUCTION COST STATEMENT FOR THE YEAR ENDED 28 FEBRUARY 2026

Direct Material Cost	See 2.1.1	700 000 ✓
Direct Labour Cost	Prime - DM Bal. fig.	850 000 ✓
Prime Cost		1 550 000
Factory Overhead Cost	see 2.1.2	525 800 ✓
Total Production Cost	pc + f.o.c	2 075 800 ✓
Work-in-progress on 28 February 2025		324 200
		2 400 000
Work-in-progress on 28 February 2026		(250 000) ✓ Bal. fig.
Cost of Production of Finished goods (2 244 700 ✓ + [320 800 – 415 500] ✓)		2 150 000 ✓* m.m for one part correct

8

2.2 LANGBERG MANUFACTURERS**ALUMINUM DOORS****2.2.1 Calculate the break-even point on 30 June 2026**

WORKINGS	ANSWER
$\frac{3\,255\,000^* \text{ one mark}}{[700 \times R4\,650] \checkmark}$ $\frac{(15\,500 \checkmark - 4\,950 \checkmark)}{10\,500^* \text{ two marks}}$	$309 \checkmark$ one part correct

4

2.2.2 Comment on whether Refilwe should be satisfied with the number of units produced and sold. Provide ONE point with figures.

Compare BEP with number of units produced and sold ✓✓

Profit made on 391 units / Units produced of 700 is above the BEP of 309 units

2

2.2.3 Refilwe is satisfied with the performance of aluminium doors for the year ended 30 June 2026.**Provide ONE point with figures to support her statement**

Profit ✓ trend ✓ figure ✓

Profit for the year increased to R4 125 050 / by R2 369 450

3

ALUMINUM WINDOWS**2.2.4 Fixed Cost per unit****Refilwe does not understand why the fixed cost per unit decreased while the total fixed cost has increased.****Provide ONE point with figures**

Point ✓✓ figure ✓

Economies of scale

The number of units produced and sold increased to 1 500 units

3

2.2.5 Variable Cost per unit**Name ONE variable cost that was well controlled. Provide a calculation to substantiate your answer**

VARIABLE COST	CALCULATION
Direct Labour Cost ✓	$\frac{50}{800} \times 100$ $= 6,25\% \checkmark \text{ increased below inflation rate of } 7\% \checkmark$

3

TOTAL MARKS

40

QUESTION 3

3.1 STOCK CONCEPTS

3.1.1	Weighted-average ✓
3.1.2	Perpetual ✓
3.1.3	First-in-first-out ✓

3

3.2 LOUISVALE CITRUS & DATES LTD

CITRUS

3.2.1 Calculate the value of stock on hand on 31 August 2026 using the FIFO-method.

WORKINGS	ANSWER
*for m.m both figures must add up to 1350 1 070 $[(1\,200 - 130) \checkmark \times R380 \checkmark] + [280 \boxed{\checkmark}^* \times R300 \checkmark]$ 406 600 two marks 84 000 two marks $+ [(136\,800 \times 65\%) \checkmark \times 1350 / 3900 \checkmark]$ 30 780 two marks	521 380 ☒ one part correct two batches must be added

7

3.2.2 Calculate the cost of sales for the year ended 31 August 2026.

WORKINGS	ANSWER
94 400 one mark 720 900 ✓ + 1 446 000 ✓ – [(150 x 300) + (130 x 380)] ✓ + (136 800 x 65%) ✓ – 521 380 ✓* *see 3.2.1 88 920 one mark	1 639 440 ✓ one part correct

6

3.2.3 Calculate the %mark-up achieved.

Calculate the %mark up achieved.

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$(2\,868\,495 \checkmark - 1\,639\,440 \checkmark^*) / 1\,639\,140 \checkmark \times 100 = 74,9\% \checkmark$ or 75%

See 3.2.2 one part correct

Advice the owner when is the best season (Autumn; Spring; Summer or Winter) to source Citrus in bulk in South Africa. Provide ONE point with figures.

Correct season ✓ Explanation ✓✓ figure ✓

Autumn / Winter season; during the month of May the unit price of R300 is at it's lowest or
Spring season; during the month of October the quality was best, no returns R450

4

DATES

- 3.2.4 Calculate the value of the closing stock on 31 August 2026 using the weighted-average method

WORKINGS	ANSWER
3 018 630 three marks 47 880 one mark $501\,750 \checkmark + 2\,469\,000 \checkmark + (136\,800 \times 35\%) \checkmark$ $11\,150 \checkmark + 55\,500 \checkmark$ 66 650 two marks $45,29 \times (11\,150 \checkmark + 55\,500 \checkmark - 54\,650 \checkmark)$ five marks 12 000 three marks	543 480 ☒ one part correct

9

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

$\frac{12\,000 \checkmark}{54\,650 \checkmark} \times \frac{365}{1} = 80 \text{ days } \checkmark^*$ one part correct; must x 365 or $\frac{543\,480 \text{ one mark}}{(501\,750 + 2\,469\,000 + 47\,880 - 543\,480) \text{ one mark}} \times \frac{365}{1} = 80 \text{ days}$ one method mark* one part correct; must x 365	3
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- 3.2.6 Comment on the stockholding period. Provide TWO points

Comparison (trend) of stockholding periods ✓✓ lifespan of stock allows bulk purchases ✓✓ The stockholding period <u>decreased</u> to <u>80 days</u> . The life-span of stock is 6 months, the business can purchase more stock.	4
--	---

TOTAL MARKS

40

QUESTION 4**4.1 BUDGET CONCEPTS**

4.1.1	C ✓
4.1.2	A ✓

2

4.2 SUTHERLAND LTD**4.2.1 Complete the Creditors' Payment Schedule for October 2026**

	CREDIT PURCHASES	OCTOBER
AUGUST	198 360	39 672 ✓
SEPTEMBER	227 376	113 688 ✓
OCTOBER	168 750 ✓	46 575 ☒ *# *if x 30% x 92%
		199 935 ☒ one part correct

5

if the credit sales of R168 750 is not shown but the R46 575 is correct award two marks

4.2.2 Calculate the following amounts as it would appear in the Projected Statement of Comprehensive Income for November 2026**(i) Sales**

WORKINGS	ANSWER
220 000 x 100/40	550 000 ☒ * one part correct

2

(ii) Gross profit

WORKINGS	ANSWER
550 000 ☒ x 60 ✓/160 ✓ Or 343 750 two marks {550 000 – [550 000 x 100/160]} * Sales – COS must be deducted mark one option consistently	206 250 ☒ * one part correct

4

(iii) **Rent Income**

WORKINGS	ANSWER
11 500 x 90%	10 350 ✓✓

2

(iv) **Profit/Loss on Asset disposal**

WORKINGS	ANSWER
(280 000 one mark - 240 000 one mark) 40 000* ✓✓ – 60 000 ✓	20 000 ✓

4

(v) **Depreciation**

WORKINGS	ANSWER
SELL: 5 000 ✓	
+	
NEW: [90 000 + (3 500 x 60)] ✓ x 10% ✓ x 1/12 ✓ 2 500 three marks	7 500 ☑ one part correct; must add two deprec.

5

(vi) **Interest expense**

WORKINGS	ANSWER
[380 000 x 15%] ✓ x 1/12 ✓ 57 000 one mark	4 750 ☑ one part correct

3

4.3 KURUMAN IQ CALL CENTRE

4.3.1 Explain why it is important for every business to compare their targets set (budgeted) with the achieved (actual).

Any valid point ✓✓

- To see if budget is realistic/to see if the business achieved its targets (goals)
- To adjust spending in time/monitor expenses and prevent overspending

2

4.3.2 Loss of Sales

The sales have dropped tremendously. Give a reason with figures for this decrease.

Comparison between advertising and sales with figures ✓✓

Amount spend on advertising decrease by 50% the result thereof was that sales decreased by 75%

2

4.3.3 Commission Income

Explain the rapid increase in the commission income. Provide ONE point

One point ✓✓

- Higher earning potential
- Commission motivates the consultants to work harder
- Commission allows workers to earn more than a fixed salary, the more they perform, the more money they earn

2

4.3.4 Performance Agreement

Ndike is not satisfied with the stipulations in the performance agreement. Explain why. Provide ONE point.

Any valid point ✓✓

- The stipulation that says the performance bonus is capped at target prevents Ndike to earn more.
- He was the most productive as he was the only worker to reach his target/unfair labour practice as this benefits other workers unfairly.

2

TOTAL MARKS

35

TOTAL: 150