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PREPARATORY EXAMINATION

2023

<p>10712</p> <p>ACCOUNTING PAPER 2</p> <p>ANSWER BOOK</p>

12 pages

NAME OF LEARNER: _____

NAME OF SCHOOL: _____

QUESTION	TOPIC	MARKS	LEARNER'S MARKS
1	VAT and Bank Reconciliation	35	
2	Cost Accounting	40	
3	Cash Budget	40	
4	Inventory Valuation and Internal Control	35	
TOTAL		150	

QUESTION 1

1.1 VAT

1.1.1

	WORKINGS	ANSWER
(a)		
(b)		
(c)		

8

1.1.2

Advise Dan what he should do? Provide ONE point.

2

1.2 BANK RECONCILIATION AND INTERNAL CONTROL

1.2.1

CASH RECEIPTS JOURNAL	CASH PAYMENTS JOURNAL
Amount	Amount
Provisional total R610 400	Provisional total R568 300

11

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1.2.2 Calculate the Bank Account balance on 30 June 2023.

WORKINGS	ANSWER

4

1.2.3 BANK RECONCILIATION STATEMENT ON 30 June 2023

	DEBIT	CREDIT

8

1.2.4 The auditor identified problems relating to deposits. Explain and quote ONE piece of evidence.

--

2

MARKS
35

QUESTION 2

2.1 CONCEPTS

2.1.1	
2.1.2	
2.1.3	

3

2.2 JC ELECTRONICS

2.2.1 Calculate: Direct labour cost

Incorrect total before corrections	1 132 030

4

Calculate: Factory overhead cost	
Factory overhead balance	356 310

12

**2.2.2 PRODUCTION COST STATEMENT FOR THE YEAR ENDED
28 FEBRUARY 2023**

Direct (raw) material cost	
Direct labour cost	
Prime cost	
Factory overhead cost	
Total manufacturing cost	3 971 120

4

2.3 BESWANA MANUFACTURERS

2.3.1 Identify the production cost that caused the biggest problem in making the handbags. Explain and quote figures to support your answer.

Give TWO possible, practical solutions to Beswana Manufacturers.

6

**2.3.2 Refer to the accountant's calculations of variable costs per unit for cellphone bags.
Give TWO reasons for the decrease in the direct material cost.**

4

2.3.3 Perform a calculation to prove that the 2023 break-even point of 51 021 units for cellphone bags, is in fact correct.

3

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2.3.4 Comment on the production levels for cellphone bags. Should Beswana Manufacturers be satisfied with the production level achieved in 2023 when compared to 2022? Quote figures to support your answer.

4

MARKS
40

QUESTION 3**3.1 CONCEPTS**

3.1.1	
3.1.2	
3.1.3	

3

3.2 OSBORNE INDUSTRIES

3.2.1 Complete the Debtors' Collection Schedule for the period 1 May 2023 to 30 June 2023.

	Credit sales	May	June
March	5 175 000	414 000	
April	5 625 000		
May	5 887 500		
June			3 456 000
Receipts from Debtors			

8

3.2.2 Calculate the missing amounts indicated by (i) to (v) in the Cash Budget for the period May 2023 and June 2023.

	Workings	Answer
(i)		
(ii)		
(iii)		
(iv)		
(v)		

15

- 3.2.3 Marie has convinced Donny to buy a delivery vehicle on 1 May 2023. Donny agreed, but he prefers to use the services of Mangray Couriers since they offer unlimited kilometres on a fixed-term contract.

State TWO points in favour of using Mangray Couriers.

2

- 3.2.4 Two of the sales assistants are close relatives of Donny and Marie. The sales manager is concerned that they are always absent from work and the other assistants are complaining.

Provide a calculation to justify his concern.

WORKINGS	ANSWER

Provide ONE point.

4

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- 3.2.5** The sales assistants were dissatisfied with their increases in June. Provide ONE reason for their dissatisfaction. Quote figures to justify their dissatisfaction.

--

4

- 3.2.6** A bid committee member from the local public hospital has offered to recommend Osborne Industries to supply detergents and cleaning material to the value of R1 250 000 during the tender process. However, he will only do this if Donny pays him R35 000 to convince the other committee members.
- Give Donny and Marie advice in this regard. State TWO points.

--

4

MARKS
40

QUESTION 4

4.1 JONAS SOCK COMPANY

4.1.1 Calculate: Value of closing stock (Use FIFO)

WORKINGS	ANSWER

6

Calculate: Stockholding period in days (Use closing stock)

WORKINGS	ANSWER

3

4.1.2 Jonas Nkuna suspects that socks are being stolen from the shop despite security cameras being installed and the implementation of proper division of duties.

Provide a calculation to justify his concern.

WORKINGS	ANSWER

6

What can Jonas do to improve the internal control of stock? State TWO points.

--

4

- 4.1.3 In February, while his buyer was on leave, Jonas decided to buy stock. Jonas saw cheaper socks and bought them. Explain, with evidence, why it was not a good idea to buy cheaper socks.

3

- 4.1.4 An investigation revealed that Jonas's brother (the driver at the store) bought 180 pair of socks at staff price and sold them to his marathon team members at a higher price. This is against the company's policy of employees selling their products.

What should Jonas say to his brother when dealing with this matter? Provide TWO points.

4

4.2 INTERNAL CONTROL

You are provided with information relating to Dos Electronics. The shop has three branches, and they sell one type of laptop. The owner is concerned that the figures provided reflect poor internal control and decision-making.

Identify ONE problem for each branch. Quote figures. In EACH case give advice on how to solve the problem.

Branches	Problem Figure/s	Advice
KZ-N		
WC		
GP		

9

MARKS

35

TOTAL: 150