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KWAZULU-NATAL PROVINCE

EDUCATION
REPUBLIC OF SOUTH AFRICA

NATIONAL SENIOR CERTIFICATE

GRADE 12

ACCOUNTING P2

MARKING GUIDELINES

COMMON TEST

JUNE 2024

MARKS: 150

MARKING PRINCIPLES:

1. Penalties for foreign items are applied only if the candidate is not losing marks elsewhere in the question for that 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. Full marks for correct answer. If answer incorrect, mark the workings provided.
4. If a pre-adjustment figure is shown as the final figure, award one mark. Not the method mark for the answer.
Note: if figures are stipulated in memo for components of workings, these do not carry the method for final answer.
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. This memorandum is not for public distribution, as certain items might imply incorrect treatment. The adjustments made are due to nuances in a certain question.
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, the marker must inspect the reasonableness of the answer before awarding the mark.
10. 'Operation' means 'Check operation'. 'One part correct' means 'Operation & one part correct'. Note: check operation must be +, -, x, ÷, or per candidates operation.
11. In awarding method marks, ensure that candidates do not get full marks for any item that is incorrect, indicate with a ☒. Note: do not award marks for workings if numerator and denominator are swapped-this also applies to ratios.
12. Be aware of candidates who provide valid alternatives beyond the marking guideline.
13. Codes: f=foreign item; p=placement.

This memorandum consists of 12 page

QUESTION 1

BANK RECONCILIATION

1.1.1

Cash Receipts Journal		Cash Payments Journal	
60 334		34 865	
(1 780 + 1 780)	3 560 ✓✓	(19 700 – 17 900)	1 800 ✓✓
	315 ✓		1 670 ✓
		(12 080 – 10 080)	2 000 ✓✓
			651 ✓✓
		(176 one mark + 475 one mark)	
	64 209		40 986

10

1.1.2

Calculate the correct balance of the Bank account in the ledger on 31 May 2024.

$$-34\,274 \checkmark\checkmark + 64\,209 \checkmark - 40\,986 \checkmark = -11\,051 \checkmark \text{ one part correct}$$

See CRJ See CPJ

Accept ledger account
Check the net effect

5

1.1.3

Prepare the Bank Reconciliation Statement on 31 May 2024.

	Alternative Method	Debit	Credit
Balance as per bank statement Balancing figure	(R89 731)	R89 731 ✓ Could be DR/CR Do not accept R36 294	
Outstanding deposit	54 370		54 370 ✓
Outstanding deposit	26 300		26 300 ✓
Outstanding EFT	(3 660)	3 660 ✓	
Correction of error by the bank	1 670		1 670 ✓
Balance as per bank account See 1.1.2	11 051		11 051 ✓ Do not accept R34 274
Totals must be the same to award a part mark		93 391 ✓*	93 391

7

1.1.4 Explain ONE problem to confirm the auditors concern and give an advice on how the problem can be avoided. Quote figures.

Problem ✓	Figure(s) ✓	Advice ✓ (advice should be in line with a problem)
<ul style="list-style-type: none"> • Shortfall in cash deposit, R2 000/R12 080 received and documented but only R10 080 was deposited • Delay in cash deposit (15 April – 17 May 2024) • EFT incorrectly recorded as payment of R1 780. 		<ul style="list-style-type: none"> • Use security company to collect deposits on daily or regular basis • Divide duties: person receiving the money must not be the one depositing it / count in, count – out cash procedure (count cash at the beginning and end of shifts). • Senior personnel should check (monitor) internet banking transactions regularly (daily) /deposit slips that reflects daily deposits. • Encourage debtors to make direct deposit/EFTs. <p>Do not accept “install cameras”</p>

3

TOTAL MARKS
25



QUESTION 2**2.1.1 FACTORY OVERHEAD COST NOTE**

Factory salary	102 400	
Sundry expenses	47 040	
Consumable stores (29 800 – 3 900)	25 900	✓✓
Water and electricity (54 400 + 5 600) x 75%	45 000	✓✓
Rent expense (12 200 x 6/2)	36 600	✓✓
Insurance (33 500 – 3 800) x ⁴ / ₅	23 760	✓✓
one part correct	280 700	✓
		9

2.1.2 Production Cost Statement for the year ended 29 February 2024.

Direct material cost	PC - DLC	792 740	✓
Direct labour cost 525 000✓ + 44 900✓ + 15 500✓✓ + 1 860(✓)		587 260	✓
Prime cost		1 380 000	
Factory overhead cost	see 2.1.1	280 700	✓
Total manufacturing cost	(PC + FOH)	1 660 700	✓
Work in progress in the beginning		35 100	
		1 695 800	
Work in progress at the end of the year	Balancing figure	(145 800)	✓
The total cost of production (2 500 x 620)		1 550 000	✓✓
			12

Gross calculation : 11 315 x 73/100

- Pension fund R1 705
- UIF R155

FRYER MANUFACTURERS

2.2.1

<ul style="list-style-type: none"> Calculate the break-even point for Shesha Air Fryer for 2024. 	
WORKINGS	ANSWER
$\frac{450\,000 \checkmark}{400 \checkmark - 304 \checkmark}$ <p style="text-align: center;">96 two marks</p>	<p style="text-align: center;">= 4 688 ✓/</p> <p style="text-align: center;">4 687,50 unites</p> <p style="text-align: center;">one part correct</p>
<ul style="list-style-type: none"> Comment on whether John should be satisfied with the break-even points and levels of production for the past two years. Quote figures to support your opinions. <p>Compulsory response: Compare BEP to level of production for 2024 ✓✓ Figures ✓✓</p> <p>The BEP is 4 688 units, and production is 4 500 units. The business produced 188 units less than BEP/making a loss on 188 units.</p> <p>Optional response: Max two marks in total (mark one optional response only) Compare BEP 2020 to 2021 OR Production 2020 to 2021</p> <p>Break-even increased from 3341 to 4 688 units. Production remained constant at 4 500 units per year.</p>	

4

4

2.2.2

Identify ONE variable cost for each item, that would be of concern to John. Quote figures. Provide ONE possible reason for the problem, in each case.	
ONE VARIABLE COST WITH FIGURES Variable cost ✓✓✓ Figures ✓✓	REASONS Any two different reasons ✓✓
Shesha Air Fryer Direct material cost increased from R120 per unit to R150 per unit/ R30 or 25%	Greater demand for material/wastage in the production process/poor quality material caused mistakes/poor supervision/Pay more for better quality If imported – exchange rate, carriages expensive.
Easy Quick Air Fryer Direct labour cost increased from R102 to R160/R58 or 56,8%	Poor supervision of normal time/excessive overtime/disruptions in working hours/power cuts/high increases negotiated.

6



2.2.3

John was concerned about the increase in the fixed cost per unit of Easy Quick Air Fryer. What would you say to him? Provide ONE point and quote figures to support your answer.

Valid comment explaining economies of scale/Economy of scale ✓✓

Production decreased by 800 units (40%), but fixed costs are not influenced by the level of production, would remain almost constant, divided by a smaller number of units, will be much higher per unit.

2

2.2.4

John feels that he can improve the sales of Easy Quick Air Fryer. Provide TWO suggestions on how this can be achieved.

TWO valid suggestions ✓✓ ✓✓

- he could decrease the mark-up % (or selling price)
- he can set targets for completion during normal time and try to reduce overtime pay
- he can spend more money on advertising and sales promotion and explore new target markets

4

2.2.5

Assume that costs and workers' efficiency will remain unchanged in 2025. If production and sales of Easy Quick Air Fryer increased by 500 units, calculate how much additional profit she can expect.

500✓ x R203✓✓ = R101 500✓ one part correct

4

TOTAL MARKS
45

QUESTION 3

3.1.1 Calculate the value of the closing stock of the Aphones 11 on 29 February 2024.

$$\begin{array}{r} (135-85) \\ 50 \checkmark \times (7\,000 + 110) \checkmark \checkmark = 355\,500 \checkmark \\ \underline{85} \times (6\,600 + 110) = 570\,350 \checkmark \\ 135 \qquad \qquad \qquad 925\,850 \checkmark \text{ one part correct} \end{array}$$

6

3.1.2 Calculate the Cost of sales for the year ended 29 February 2024.

$$570\,750 \checkmark + 2\,373\,850 \checkmark - 21\,330 \checkmark - 925\,850 \checkmark = R1\,997\,420 \checkmark$$

see 3.2.1
one part correct

5

3.1.3 Calculate how long (in days) it will take to sell the closing stock of 135 Aphones 11. Comment on your findings and give advice to Mooi in this regard.

$$\frac{135 \checkmark}{260 \checkmark} \times 365 \checkmark = 189,5 \text{ or } 190 \text{ days } \checkmark \text{ one part correct}$$

Alternative

$$\frac{925\,850}{1\,997\,420} \times 365 = 169 \text{ days}$$

Comment ✓	Advice ✓
It will take 6 months to sell the closing stock.	Mooi should consider dropping the price of the Aphone 11 to get rid of stock faster (Since new models will be introduced next year).
Stock turnover is too slow/too much stock on hand and the stock may go out of demand since a new model will be introduced next year.	Consider having a sale on the Aphone 11 model.

6

3.1.4 Provide a calculation to prove that the information given by the sales assistant about Aphones 11 is true. Give ONE point of advice.

332 two marks

$$75\checkmark + 335\checkmark - 3\checkmark - 260\checkmark = 147 - 135\checkmark = 12\checkmark \text{ one part correct}$$

Any ONE valid point ✓

- Do regular stock counts.
- Division of duties/Rotation of duties.
- Reduce stock to acceptable levels.

7

3.2 Identify ONE problem in relation to each branch, quoting figures/amounts to support the problem. In each case, offer the owner advice on how to solve the problem.

Branch	Comment and figures ✓✓ ✓✓ ✓✓	Advice ✓ ✓ ✓
HLATHI (SIFISO)	Theft occurring. There are 40 cameras missing (380 – 340) Value of shortage of R320 000 (8 000 x 40)	Improve internal control Do regular physical stock takings and stock checks
THOLENI (NOLWAZI)	Too much stock on hand. Only 300 out of 1 600 have been sold. Stock will become obsolete / out of date, 1 280 left over	Restrict amount of stock on hand as this could lead to theft or out of date stock. Instead of paying Nolwazi a set monthly income he should pay her on commission based on sales.
MAQANDA (XOLANI)	R640 000 cash was stolen	Improve internal control Division of duties

9

3.3

NO.	CALCULATION	ANSWER
(a)	$4\,522\,800 - 3\,452\,000$	1 070 800 ✓
(b)		102 800 ✓
(c)	$116\,800 - 102\,800 = 14\,000$ ✓ Vehicle (3) Depreciation $15\,000 - 1 = 14\,999$ ✓✓ vehicle (1) Depreciation $352\,000 \times 20/100 = 70\,400$ ✓✓ vehicle (2) Depreciation	$99\,399$ ✓ Operation one part correct
(d)	$413\,400$ ✓ – $102\,800$ ✓ – $99\,399$ ✓ Check above	$211\,201$ ✓ Operation one part correct
(e)	$116\,000 \times 15/100 \times 7/12 = 10\,150$ ✓✓ new equipment depreciation $83\,200 \times 15/100 = 12\,480$ ✓✓ old equipment depreciation	$22\,630$ ✓ Operation one part correct

17

QUESTION 4

4.1.1 Provide THREE points for good internal control over creditors

Any three valid and separate points ✓✓ ✓✓ ✓✓

Beware of alternative wording which reflects the same point.

Beware that two separate points could be in the same sentence.

- Assess the efficiency of the creditors clerk in order to prevent errors from occurring
- Ensure that creditors are paid on time to make use of discounts
- Make full use of credit terms to assist cash flow
- Division of duties amongst members of the accounting department so that one person serves as a check on another
- Reconcile the balance on the creditors control account with the total of creditors' list to ensure accuracy on a monthly basis
- The statement of account of individual creditors must be reconciled (agreed) with their accounts in the creditors ledger
- Conduct internal audits to minimise the possibility of fraud or error / Check documents (e.g. invoices and credit notes) to ensure accuracy of calculations and entries
- Ensure that items ordered from creditors are correctly received (i.e. quantities, condition, price)
- Ensure that all purchases are correctly authorized (i.e. procurement policy)

6

4.1.2

	CREDITORS LEDGER OF MATHEBULA TRADERS	STATEMENT FROM NGUBANE SUPPLIERS
	17 925	29 400
A.		+ 2 100 ✓
B.	+ 875 ✓	
C.	(1 190 – 690) - 500 ✓✓	
D.	(3 100 +3 100) +6 200 ✓✓	
E.		- 7 000 ✓
	24 500	✓ <input checked="" type="checkbox"/> 24 500

One figure must be correct
Both total should be same for method

-1 per line if the figures appear on both sides only if the transaction required so.

9



4.2.1 How can the preparation of a debtor's collection schedule and Debtor's age analysis assist Njabulo in controlling of debtors.**Debtor's collection schedule:**

Any valid explanation ✓ ✓

Good explanation = 2 marks; satisfactory = 1 mark; incorrect answer = 0 marks

- Project anticipated receipts from debtors.
- Ensure that debtors keep to terms of their accounts.
- Act if the debtors do not comply with credit terms
- Compare anticipated budget with actual budgets.

debtor's age analysis assist:

Any valid explanation ✓ ✓

Good explanation = 2 marks; satisfactory = 1 mark; incorrect answer = 0 marks

- Effective method of credit control.
- Action can be taken against debtors who do not comply by charging interest/ legal action.
- Bad debts can be minimized.
- Make decision based on age analysis of the debtor(s).

4

4.2.2 Mngqobi Traders have the pay slip of all their debtors. What other information should they obtain before allowing customers to open accounts? State TWO points with a reason in each case.

Do not accept pay slip of debtor

Can award two marks if information & reason is in same sentence

Information to be obtained ✓ ✓	Reason ✓ ✓
Telephone numbers	Prompt communication of statement of account.
Proof of residence / Address	To be able to trace debtors not adhering to credit terms and conditions To avoid fictitious debtors To be able to do a proper background check on each new debtor Constant reminders of amount owed To ensure that statements are sent to correct addresses
Contact details of family / friend	To track the debtor if other information is incorrect / changes
Bank statement / balance	To check how the debtor is managing his finances
Identity document	Ensure that correct personal details of customers are on record
Credit references / Credit history	To check that they will not sell to bad debtors To check credit worthiness
Email address	Prompt communication of statements of account

4

4.2.3 Calculate the percentage of debtors complying with the credit terms.

60 040 one mark

$$\frac{36\ 024 + 24\ 016}{300\ 200}$$

$$= 20\% \quad \checkmark \text{ One part correct}$$

OR

$$\frac{240\ 160}{300\ 200} = 80\%$$

$$100\% - 80\% = 20\%$$

$$\text{OR } 12\% + 8\% = 20\%$$

3

4.2.4 Explain TWO measures to improve collection from debtors

Any TWO relevant measures ✓✓ ✓✓ Part-marks for unclear / incomplete answers

Possible responses for two marks: Accept alternative valid responses

- Monthly statements must be sent out/ emailed on time
- Offer higher discount for early payments.
- Add interest on overdue account.
- Do not sell to debtors exceeding the credit limit/ not up to date with payments.
- Send SMS reminders to debtors.
- Employ service of an attorney or debt collector / sue the debtor.
- Encourage debtors to pay by debit order.

4

TOTAL MARKS

30

TOTAL MARKS: 150