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**KWAZULU-NATAL PROVINCE**

**EDUCATION**  
REPUBLIC OF SOUTH AFRICA

**NATIONAL  
SENIOR CERTIFICATE**

**GRADE 12**

**ACCOUNTING P2**

**COMMON TEST**

**JUNE 2024**

**MARKS: 150**

**TIME: 2 Hours**

**This question paper consists of 13 pages including a formula sheet and a 12-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 the questions.
3. Show workings in order to achieve part-marks.
4. You may use a non-programmable calculator.
5. You may use a dark pencil or blue/black ink to answer the questions.
6. Where applicable, show all calculations to ONE decimal point.
7. If you choose to do so, you may use the Financial Indicator Formula Sheet attached at the end of this question paper. The use of this formula sheet is NOT compulsory.
8. Write neatly and legibly.
9. Use the information and table below as a guide when answering the question paper. Try NOT to deviate from it.

QUESTION	TOPIC	MARKS	MINUTES
1	Bank Reconciliation	25	20
2	Cost Accounting	45	35
3	Stock Valuation, Problem solving and Tangible note.	50	40
4	Creditors Reconciliation and Debtors age analysis	30	
<b>TOTAL</b>		<b>150</b>	<b>120</b>

**QUESTION 1: BANK RECONCILIATION****(25 marks: 20 minutes)****1.1 BANK RECONCILIATION****OBUSA STORES****The following information relates to Obusa Stores for May 2024.****REQUIRED:**

- 1.1.1 Calculate the correct totals in the cash journals on 31 May 2024. (10)
- 1.1.2 Calculate the correct balance of the bank account on 31 May 2024. (5)
- 1.1.3 Prepare the Bank Reconciliation Statement on 31 May 2024. (7)
- 1.1.4 Miss Siphokazi Makhoba is the finance clerk at Obusa Stores. She has been responsible for all finance activities by herself since the inception of the store. She made several mistakes and the owner has not taken any action. As the internal auditor of Obusa Stores you are not happy with the control of cash in this business.
- Explain ONE problem to confirm your concern. Quote figures. (2)
  - Give advice on how the problem can be avoided in future. (1)

**INFORMATION:****A** Extract from the Bank Reconciliation Statement on 30 April 2024

Balance as per bank statement	(R36 294)
Outstanding cash deposits:	
Dated 15 April 2024	12 080
Dated 30 April 2024	21 640
Outstanding EFTs:	
431 (dated 29 April 2024)	(13 800)
435 (dated 30 April 2024)	(17 900)
Balance as per bank account	?

**B** Provisional totals in the cash journals on 31 May 2024 before receiving the bank statement:

- Cash Receipts Journal: R60 334
- Cash Payment Journal: R34 865

- C** Entries in the Cash Journals for May 2024 that do not agree with the May Bank Statement.

JOURNAL	DOCUMENT	DATE	DETAILS	AMOUNT
CRJ	Deposit slip 12	29	Sales	R54 370
	Deposit slip 17	30	Debtors' control	26 300

JOURNAL	DOCUMENT	DATE	DETAILS	AMOUNT
CPJ	EFT 21	16	Ivory Ltd	R1 780
	EFT 26	22	Municipality	3 660

- D** Items on the Bank Statement dated May 2024 that do not agree with the May Cash Journals.

Date	Details	Debit	Credit
02	Deposit (30/04)		R21 640
03	Direct transfer to JB Stores	13 800	
04	Direct transfer to Atlas Co.	19 700	
15	Debit order (insurance)	1 670	
15	Debit order (insurance)	1 670	
16	Direct deposit from Ivory Ltd		1 780
17	Deposit (15/04)		10 080
20	Internet banking fee	176	
25	Interest		315
28	Service fees	475	

**NOTE:**

- EFT 435 (Atlas Co.): Bank Statement is correct.
- A debit order for insurance was duplicated in error. The bank will correct this in June.
- Miss Siphokazi Makhoba the finance clerk, cannot account for the missing amount. The owner of Obusa Stores decided to write off the amount, but further investigations will be done.

**QUESTION 2: MANUFACTURING  
minutes)****(45 marks; 35****2.1 SIVUKILE WATCHES**

The following information relates to the financial year ended 29 February 2024.  
The business manufactures one type of watch.

**REQUIRED:**

- 2.1.1 Calculate the note for factory overhead cost for the financial year end.  
Use the table provided in the Answer Book. (9)
- 2.1.2 Complete the Production Cost Statement on 29 February 2024. (12)

**INFORMATION:****A. Stock balances:**

	29 Feb 2024	28 Feb 2023
Work in progress stock	?	R 35 100
Factory consumable stores	R 3 900	0

**B. Extract of transactions for year ended 29 February 2024  
(before adjustments in Information C)**

Raw material issued to the factory for production	R?
Consumable stores purchased for the factory	29 800
Production wages	525 000
Employer's contributions for workers in production	44 900
Rent expense for the office section	12 200
Water and electricity	54 400
Salaries: Factory foreman (including benefits)	102 400
Salaries: Sales staff (including benefits)	60 300
Insurance	33 500
Sundry expenses: Factory	47 040
Sales department	10 200

**C. Additional information and adjustments:**

- The following production wages was omitted from the Wages Journal for the last week of February 2024:

Net wage due to employee	R11 315
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Total deductions for this employee amounts to 27% of his gross wages.  
The employer pays 11% of the gross wages to the Pension Fund and 1% to the UIF.



- Rent is shared between the factory, sales, and administration in the ratio 6:3:2. Only the administration portion was recorded.
  - The February 2024 water and electricity account of R5 600 must still be paid. Note that 75% of this expense relates to the factory.
  - Insurance includes an additional premium of R5 700 paid for the period 1 January 2024 to 30 June 2024. This expense is allocated between the factory and sales department in the ratio 4: 1.
- D.** Prime cost for the year after adjustments amounted to R1 380 000.
- E.** The business produced 2 500 bags at a cost of R620 each.

## 2.2 FRYER MANUFACTURERS

Fryer Manufacturers is owned by John Stones. The information relates to **Shesha Air Fryer** and **Easy Quick Air Fryer** for the year ended 30 April 2024 with comparison figures for 2023.

### REQUIRED:

- 2.2.1 • Calculate the break-even point for **Shesha Air Fryer** for 2024. (4)
- 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. (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. (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. (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. Quote figures. (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. (4)



**INFORMATION ON AIRFRYERS FOR THE FINANCIAL YEAR END:**

	SHESHA AIR FRYER		EASY QUICK AIR FRYER	
	2024	2023	2024	2023
	UNIT COST R	UNIT COST R	UNIT COST R	UNIT COST R
Direct Material Cost	150,00	120,00	142,00	140,00
Direct Labour Cost	102,00	98,00	160,00	102,00
Selling and Distribution Cost	52,00	50,00	35,00	35,00
<b>VARIABLE COST PER UNIT</b>	<b>304,00</b>	<b>268,00</b>	<b>337,00</b>	<b>277,00</b>
Factory Overhead Cost	70,00	68,00	125,00	75,00
Administration Cost	30,00	30,00	50,00	45,00
<b>FIXED COST PER UNIT</b>	<b>100,00</b>	<b>98,00</b>	<b>175,00</b>	<b>120,00</b>
<b>Selling price per unit</b>	R 400,00	R 400,00	R 540,00	R 450,00
Number of units produced and sold	4 500 units	4 500 units	1 200 units	2 000 units
Break-even point	?	3 341 units	1 035 units	1 388 units

45

**QUESTION 3****(50 marks; 40 minutes)****INVENTORY VALUATION, INTERNAL CONTROL AND TANGIBLE ASSETS****3.1 INVENTORY VALUATION**

Nongoma Electronics uses the periodic stock system and the FIFO method to value stock of Aphones 11. The business is owned by Harding Bulwer. He employs Mooi Adams to run the shop for him. The financial year-end is 29 February 2024. The new model will issued next year.

**REQUIRED:**

- 3.1.1 Calculate the value of the closing stock of the Aphones 11 on 29 February 2024. (6)
- 3.1.2 Calculate the cost of sales for the year ended 29 February 2024. (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 Mooi advice in this regard. (6)
- 3.1.4 **Refer to Information D.**
- Provide a calculation to prove that the information given by the sales assistant about the Aphones 11 is true. Give ONE point of advice. (7)

**INFORMATION:****A Stock balances of the aphones 11:**

DATE	NUMBER OF UNITS	UNIT PRICE (INCLUDING CARRIAGE)	TOTAL
1 March 2023	75	R7 610	R570 750
28 February 2024	135	?	?

**B Purchases and returns of the Aphones 11 during the year:****Purchases:**

DATE	NUMBER OF UNITS	UNIT PRICE	TOTAL CARRIAGE	TOTAL (INCLUDING CARRIAGE)
1 June 2023	130	R7 200	R14 300	R950 300
21 Aug. 2023	120	R7 000	R13 200	R853 200
15 Dec. 2023	85	R6 600	R9 350	R570 350
<b>TOTAL</b>	<b>335</b>		<b>R36 850</b>	<b>R2 373 850</b>

**Returns includes carriage:**

DATE	NUMBER OF UNITS	UNIT PRICE	TOTAL CARRIAGE	TOTAL (INCLUDING CARRIAGE)
10 Sep. 2023	3	R7 000	R330	?
These returns are from the purchases of August 2023.				



**C Sales for the year:**

260 units for R2 392 000

**D Possible theft of smartphones:**

Harding has been informed by a sales assistant that he suspects Mooi of giving away Aphones 11 to her family members and friends.

**3.2 INTERNAL CONTROL****BONA TRADERS**

Bona Traders sells one type of camera. The owner Sthembiso. has three branches situated in Hlathi, Tholanin and Kwamanqanda. The three branches are managed by Sfiso, Nolwazi and Xolani respectively.

Sthembiso has obtained the annual figures/amounts from the three branches for the financial period ending 29 February 2024.

**REQUIRED:**

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.

(9)

Note: All cameras are sold for cash.

<b>INFORMATION</b>			
<b>CAMERAS</b>	<b>HLATHI (SFISO)</b>	<b>THOLENI (NOLWAZI)</b>	<b>KWAMAQANDA (XOLANI)</b>
Cameras available for sale	1 960	1 600	1 160
Cameras sold during the year	1 560	300	1 000
Cameras returned during the year	20	20	0
Stock on 29 February 2024	340	1 280	160
Total cash sales	R18 720 000	R3 600 000	R11 360 000
Cost price per camera	R8 000	R8 000	R8 000
Selling price per camera	R12 000	R12 000	R12 000
Advertising costs per year	R40 000	R40 000	R40 000
Salary of manager per month	R25 000	R25 000	R25 000

**3.3 FIXED/TANGIBLE ASSETS****REQUIRED:**

**3.3.1** Complete the Tangible Asset Note for the year ended 29 February 2024. (17)

	<b>Buildings</b>	<b>Vehicles</b>	<b>Equipment</b>
<b>Carrying value - 1 March 2023</b>	3 452 000	413 400	83 200
Cost	3 452 000	872 000	340 000
Accumulated depreciation	0	(458 600)	(256 800)
<b>Movement</b>			
Additions at cost	(a)	0	116 000
Disposals at carrying value	0	(b)	0
Depreciation	0	(c)	(e)
<b>Carrying value – 29 February 2024</b>	4 522 800	(d)	
Cost	4 522 800		
Accumulated depreciation	0		

**Additional information in respect of fixed assets:**

- An extension to the office block was undertaken during the year.
- The business had three vehicles at the beginning of the year. The following details appeared in the Fixed Asset Register on 1 March 2023:

	<b>Vehicle 1</b>	<b>Vehicle 2</b>	<b>Vehicle 3</b>
Cost	240 000	352 000	280 000
Accumulated depreciation	(225 000)	(70 400)	(163 200)
Carrying value	15 000	281 600	116 800

**NOTE:** Vehicle 1 is old and is reaching the end of its useful life.  
Vehicle 3 was sold at its carrying value of R102 800 during the year.

- Equipment of R116 000 was purchased on 1 August 2023. No equipment was sold.
- Depreciation policy: Vehicles: 20% on cost  
Equipment: 15% on carrying value

**QUESTION 4****(30 marks; 25 minutes)****CREDITORS' RECONCILIATION AND DEBTORS AGE ANALYSIS****4.1 CREDITORS' RECONCILIATION**

Mathebula Traders received a statement of account from a creditor, Ngubane Suppliers. The balance on the statement did not agree with that on the account of Ngubane Suppliers in the Creditors Ledger of Mathebula Traders.

**REQUIRED:**

4.1.1 Provide THREE points for good internal control over creditors (6)

4.1.2 Complete the table in the ANSWER BOOK to show how the differences must be treated to reconcile the Creditors Ledger Account balance with the statement balance.

Write the amounts in the appropriate columns and indicate the increase or decrease with a (+) or (-) with each amount.

Total the columns to show the correct balance at the end of February 2024. (9)

**INFORMATION:**

Balance in the Creditors Ledger of Mathebula Traders	R17 925
Balance in the statement received from Ngubane Suppliers	R29 400

A comparison between the Creditors Ledger Account of Ngubane Suppliers and the statement of account showed the following differences:

- A. An invoice for R11 200 received from Ngubane Suppliers was correctly recorded in the Creditors Ledger Account. The amount was incorrectly recorded as R9 100 on the statement.
- B. Mathebula Traders entered a discount of R875 relating to a payment of R9 000 on the 10 February 2024. Ngubane Suppliers did not approve this discount stating that the payment was received late.
- C. The statement of account reflected returns valued at R1 190. The Creditors Ledger Account showed R690. It was established that Mathebula Traders miscalculated the value of the goods returned.
- D. An invoice for R3 100 received from Ngubane was incorrectly recorded as a debit note in the Creditors Ledger.
- E. A direct transfer of R7 000 by Mathebula Traders was recorded in the Cash Payment Journal on 27 February 2024. The statement of account from Ngubane Suppliers was dated 25 February 2024.

**4.2 DEBTORS AGE ANALYSIS**

Mnqobi Traders sell goods for cash and on credit. The business is owned by Njabulo Khumalo.

**REQUIRED:**

- 4.2.1 How can the preparation of a debtor's collection schedule and debtor's age analysis assist Njabulo in controlling debtors? (4)
- 4.2.2 Mnqobi 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. (4)
- 4.2.3 Calculate the percentage of debtors complying with the credit terms. (3)
- 4.2.4 Explain TWO measures to improve collection from debtors. (4)

**INFORMATION:**

Debtors' age analysis on 29 February 2024:

TOTAL	CURRENT	30-60 DAYS	61-90 DAYS	MORE THAN 90 DAYS
300 200	36 024	24 016	156 104	84 056

The credit period is 60 days.

30
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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	
$\frac{\text{Average trading stock}}{\text{Cost of sales}} \times \frac{365}{1}$	$\frac{\text{Cost of sales}}{\text{Average trading stock}}$
$\frac{\text{Average debtors}}{\text{Credit sales}} \times \frac{365}{1}$	$\frac{\text{Average creditors}}{\text{Cost of sales}} \times \frac{365}{1}$
$\frac{\text{Net income after tax}}{\text{Average shareholders' equity}} \times \frac{100}{1}$	$\frac{\text{Net profit after tax}}{\text{Number of issued shares}} \times \frac{100}{1}$ (*See note below)
$\frac{\text{Net income after tax} + \text{Interest on loans}}{\text{Average Shareholders' equity} + \text{Average non-current liabilities}} \times \frac{100}{1}$	
$\frac{\text{Shareholders' equity}}{\text{Number of issued shares}} \times \frac{100}{1}$	$\frac{\text{Dividends for the year}}{\text{Number of issued shares}} \times \frac{100}{1}$
$\frac{\text{Interim dividends}}{\text{Number of issued shares}} \times \frac{100}{1}$	$\frac{\text{Final dividends}}{\text{Number of issued shares}} \times \frac{100}{1}$
$\frac{\text{Dividends per share}}{\text{Earnings per share}} \times \frac{100}{1}$	$\frac{\text{Dividends for the year}}{\text{Net income after tax}} \times \frac{100}{1}$
$\frac{\text{Total fixed costs}}{\text{Selling price per unit} - \text{Variable costs per unit}}$	
<b>NOTE</b>	
<ul style="list-style-type: none"> <li>In this case, 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.</li> </ul>	