GAUTENG PROVINCE
EDUCATION
REPUBLIC OF SOUTH AFRICA

JUNE EXAMINATION
GRADE 12

2026

ACCOUNTING

(PAPER 2)

ACCOUNTING P2

C2712E

TIME: 2 hours

MARKS: 150

X05

11 pages + a formula sheet and an 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 questions.
7. Where applicable, show ALL calculations to ONE decimal point.
8. Figures are NOT required in grey shaded areas.
9. Write neatly and legibly.
10. 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	Bank Reconciliation and Debtors' Age Analysis	38	30
2	Creditors' Reconciliation	21	17
3	Cost Accounting	52	42
4	Inventory	39	31
TOTAL		**150**	**120**

QUESTION 1: BANK RECONCILIATION AND DEBTORS' AGE ANALYSIS

(38 marks; 30 minutes)

1.1 BANK RECONCILIATION

Answer the following questions:

1.1.1 Explain to Sunshine Traders why a bank reconciliation is an important internal control that must be done every time the bank statement is received. Give TWO reasons. (4)

1.1.2 The business is experiencing problems with missing cash. They ask your advice regarding:

(i) How to prevent this in the future (2)

(ii) Actions that they should take against the employee, except dismissal or suspension (2)

NOTE: Give ONE piece of advice for each of the above.

1.2 SUNSHINE TRADERS

The bank statement is received on the 25th day of each month.

REQUIRED:

1.2.1 Calculate the bank balance of Sunshine Traders on 30 April 2026. State whether the balance that you have calculated is favourable or unfavourable. Show ALL calculations. (You may use a bank account to help with the calculation.) (11)

1.2.2 Prepare the Bank Reconciliation Statement on 30 April 2026. (9)

INFORMATION:

A. Extract from the Bank Reconciliation Statement on 31 March 2026:

Balance as per bank statement (favourable)	2 850
Outstanding deposit (10 March 2026)	7 000
(31 March 2026)	1 825
Outstanding EFT:	
153	6 000
155	1 925
157	3 800
163	2 050
Balance as per bank account	**?**

B. The following provisional totals were extracted from the Cash Journals on 30 April 2026:

Cash Receipts Journal	R115 340
Cash Payment Journal	R112 380

C. A comparison of the Bank Statement for April 2026 with the Cash Journals for April 2026 and the previous month's Bank Reconciliation Statement revealed the following differences:

- EFTs 153, 155 and 157 appear on the April 2026 Bank Statement.
- EFT 163 issued to the SPCA, appeared correctly on the Bank Statement as R2 500.
- The amount of R7 000 was recorded in the Cash Receipts Journal in March, but the bank confirmed that the money was never deposited. The bookkeeper responsible cannot provide evidence to prove otherwise.
- A deposit of R1 825 appeared on the Bank Statement on 1 April 2026 but not in the journals for April 2026.

D. Bank charges amounting to R645 and interest of R225 on a credit balance appear on the Bank Statement. Included in the bank charges is an amount of R300, which was a card replacement fee of R150 that was duplicated on the Bank Statement in error.

E. In the Cash Receipts Journal, an entry was made on 30 April 2026 in respect of a deposit of R8 730, which did not appear on the Bank Statement.

F. A deposit of R1 450 received from Dube Traders appearing on the Bank Statement, did not relate to the business. The bank was informed about this error.

G. According to the bank statement, a tenant, Mr M Pule, deposited his rent for April 2026 directly into the business's bank account, R12 850.

H. The owner withdrew R1 900 from the ATM on 27 April to pay casual workers. The owner gave the slip to the bookkeeper, who recorded it in the April Cash Journal.

I. The following EFTs did not reflect in the Bank Statement but appeared in the Cash Journals on 30 April:

- EFT 313 for R1 630 for stationery purchased
- EFT 314 for R2 540 for maintenance of the vehicles

J. Bank Statement balance on 30 April 2026: **R?**

1.3 **DEBTOR'S AGE ANALYSIS**

BRILLIANT TRADERS

Brilliant Traders sells catering equipment for cash and on credit. Their credit terms are 30 days. Brilliant Traders budgets that 80% of debtors will pay according to the credit terms.

REQUIRED:

Study Information 1 and 2 below and answer the following questions.

- Calculate the percentage of debtors not paying according to credit terms. (4)
- Brilliant Traders realises that it does not have effective control over its debtors. Discuss TWO problems, using figures to confirm its concerns, and advise on how the business can prevent it in future. (6)

INFORMATION:

1. Debtors' age analysis schedule for April 2026:

DEBTOR	TOTAL	CURRENT	30 DAYS	60 DAYS	90 DAYS
M Beleng	36 500	30 000	6 500		
R Maope	28 800	4 040	8 000	16 760	
L Mmesi	27 000	3 000	5 400	18 600	
S Nkuna	66 200	1 300			64 900
W Tau	8 600	4 600	4 000		
	R167 100				

2.

DEBTOR	CREDIT LIMITS	TOTAL DUE
M Beleng	30 000	36 500
R Maope	35 000	28 800
L Mmesi	24 000	27 000
S Nkuna	40 000	66 200
W Tau	10 000	8 600
		167 100

QUESTION 2: CREDITORS' RECONCILIATIONS (21 marks; 17 minutes)

The information relates to Olivedale Traders for March 2026, which purchases its stock on credit from various suppliers.

REQUIRED:

2.1 Briefly explain the similarity and the difference between the information recorded in the Creditors' Control Account and in the Creditors' Ledger. (4)

2.2 Taking into account the errors and omissions, calculate the correct balance of the Creditors' Control Account in the General Ledger and the Creditors' List on 31 March 2026. Indicate changes with a "+" for an increase and a "-"/( ) for a decrease. (17)

INFORMATION:

Pre-adjustment figures on 31 March 2026 (before correcting the errors and omissions).

Creditors' Control Account balance		R531 790
Creditors' List total from the Creditors' Ledger		R521 340
Bell Air Wholesalers	R154 251	
Kingfisher Dealers	R180 360	
Malibongwe Stores	R138 600	
Sharonlea Suppliers	R48 129	

The following errors and omissions were discovered:

A. Interest of R1 855 must be brought into account on the overdue account of Kingfisher Dealers.

B. Credit purchases of R25 625 from Sharonlea Suppliers were posted to the wrong side of their account. Rectify the error.

C. A payment of R40 800 to Malibongwe Stores was correctly recorded in the CPJ, but the bookkeeper neglected to post this payment to the Creditor's account.

D. Credit purchases of merchandise to the value of R165 565 from Kingfisher Dealers were wrongly entered as R195 565 in the CJ and posted as such.

E. A credit balance of R24 922 from Malibongwe Stores' account in the Debtors' Ledger must be transferred to their account in the Creditors' Ledger.

F. An EFT payment for R65 500 issued to Bell Air Wholesalers was correctly recorded in the CPJ, but incorrectly posted to the account of Kingfisher Dealers. Rectify the error.

QUESTION 3: COST ACCOUNTING (52 marks; 42 minutes)

3.1 CONCEPTS

Choose an explanation from COLUMN B that matches an item in COLUMN A. Write only the letter (A – D) next to the question numbers (3.1.1 to 3.1.3) in the ANSWER BOOK e.g. 3.1.4 F.

COLUMN A		COLUMN B	
3.1.1	Work-in-progress	A	Costs that form part of the final product
3.1.2	Break-even point	B	The difference between total sales revenue and total cost equals zero.
3.1.3	Indirect material cost	C	Incomplete goods still in the factory at year-end
		D	Cannot be directly traced to a specific unit of output

(3 x 1) (3)

3.2 IBIZA MANUFACTURERS

The business manufactures matric jackets for several schools across Gauteng. Their financial year ended on 30 April 2026.

REQUIRED:

3.2.1 Complete the Direct Labour Cost Note for the year ended 30 April 2026. (6)

3.2.2 Complete the Factory Overhead Cost Note for the year ended 30 April 2026. (10)

3.2.3 Prepare the Production Cost Statement for the year ended 30 April 2026. (13)

3.2.4 Prepare the Abridged Income Statement for the year ended 30 April 2026. (11)

3.2.5 Ibiza Manufacturers has insurance for both the factory and the office. List ONE item that can be insured in the factory and ONE different item that can be insured in the office. Make sure the item you choose for the factory is not the same as the one you choose for the office. (2)

3.2.6 Calculate the ratio used to allocate insurance to the three departments. (3)

INFORMATION:

A. The following balances appear in the books of Ibiza manufacturers:

	30 April 2026	30 April 2025
	R	R
Work-in-progress stock	?	18 000
Finished goods stock	378 500	39 000
Indirect material cost	21 520	11 800

B. Direct labour cost:

- Two factory workers are employed by the factory to sew the jackets. Both are paid the same salary.
- Each factory worker earns a basic salary of R7 500 per month.
  NOTE: A bonus may be paid at the discretion of the employer.
- All factory workers belong to Gula Medical Aid. The employer's contributions amount to R27 000 per person per annum.
- UIF is deducted at 1% of the gross salary and a further 1% is contributed by the business for each factory worker.

C. Additional costs:

- The sales manager earns a basic salary of R12 500 per month and he is not entitled to any annual bonus or contributions.
- The factory supervisor receives a net salary of R136 000 p.a. All employee deductions together amount to 15% of the gross salary. In addition, Ibiza Manufacturers contributes 5% of the gross salary as the company's portion towards the supervisor's benefits.
- Indirect materials, costing R18 900, were bought during the year. Indirect materials used during the year were in the ratio of 2 : 1 between the factory and sales.
- R22 000 of the depreciation was correctly allocated to the sales department. Depreciation is allocated as follows: 70% to the factory, 20% to sales and 10% to administration.
- The total rent expense for the year is R128 800. The factory occupies 720 m² out of a total 1 200 m². The remaining space is shared equally between the administration and sales departments.

- The insurance expense for the year is allocated as follows: R15 000 to the factory, R6 000 to the administration department and R9 000 to the sales department.

D. Other Information:

	30 APRIL 2026
Prime cost per unit	R98
Sales	R703 050
Cost of sales	**?**
Mark-up (%)	200%
Units produced	4 000
Units sold	2 300

3.3 **INGWE TRADERS**

The following information relates to Ingwe Traders for the year ended 28 February 2026.

REQUIRED:

Comment on the break-even point and units produced for the year ended 28 February 2026. (4)

INFORMATION:

	28 FEBRUARY 2026	28 FEBRUARY 2025
Variable cost/unit	R922	
Fixed cost	R780 000	
Units produced and sold	9 600	11 500
Break-even point	10 000	10 200
Sales price per unit	R1 000	R920

52

QUESTION 4: INVENTORY SYSTEMS (39 marks; 31 minutes)

GOOFY GOLFING LTD

Gregory Ferdinand is the majority shareholder and CEO of Goofy Golfing Ltd. The company supplies golf shirts, golf caps and golf clubs.

The periodic inventory system is used. The financial year ends on 28 February 2026.

REQUIRED:

GOLF SHIRTS

4.1 Calculate the value of the closing stock for golf shirts on 28 February 2026 using the first-in first-out (FIFO) method. (6)

4.2 Calculate the stockholding period for golf shirts using the closing stock. (3)

GOLF CAPS

4.3 Calculate the value of the closing stock for golf caps on 28 February 2026 using the weighted-average method. (5)

4.4 Gregory is concerned about the control of golf caps. An investigation revealed that one of the managers was ordering extra golf caps through the business and selling them privately to supplement his salary.

(i) Calculate the number of missing golf caps. (5)

(ii) Provide TWO suggestions to prevent this problem in the future (4)

GOLF CLUBS

4.5 During March 2025, Gregory participated in an international tournament. Brad Scrooge, the Chief Financial Officer, decided to include golf clubs in their product range. He was able to secure bulk discounts from Ridgeway on the Titleist clubs.

Calculate the value of the closing stock of golf clubs on 28 February 2026 using the specific identification method. (7)

4.6 Calculate the mark-up percentage achieved on the golf clubs in 2026. (3)

4.7 An employee of Ridgeway told Gregory that Brad Scrooge received a 10% "commission" from Ridgeway for buying excess stock. Gregory wants to discuss this at the next board meeting.

Explain THREE concerns that Gregory would have about this issue. (6)

INFORMATION:

A. Stock records of golf shirts and golf caps:

	GOLF SHIRTS			GOLF CAPS	
	UNITS	**UNIT PRICE**	**TOTAL**	**UNITS**	**TOTAL**
Stock balances					
1 March	270	R 470	R126 900	350	R91 000
28 Feb	180		**?**	165	**?**
Purchases					
May	300	R 600	R180 000	750	R225 000
August	1 150	R 700	R805 000	1 400	R441 250
November	150	R 900	R135 000	650	R266 500
Total	**1 600**		**R1 120 000**	**2 800**	**R932 750**
Returns	15	R 900			
Sales	1 675			2 865	
Cost of sales					R930 375

B. Information relating to golf shirts:

- No golf shirts had gone missing during the financial year.

C. Stock records of golf clubs:

	MODELS	UNITS	UNIT PRICE	TOTAL
Purchases				
April 2025	Srixon ZX15	7	R22 000	R154 000
	Titleist T250	5	R30 000	R150 000
	T-series	10	R14 000	R140 000
July 2025	Srixon ZX15	5	R22 000	R110 000
	Titleist T250	3	R30 000	R 90 000
	T-series	8	R14 000	R112 000
TOTAL		**38**		**R756 000**
Sales	Srixon ZX15	8	R29 700	R237 600
	Titleist T250	4	R40 500	R162 000
	T-series	16	R18 900	R302 400

39

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 : Shareholders' equity
(Trade & other receivables + Cash & cash equivalents) : Current liabilities	
$\frac{\text{Average trading stock}}{\text{Cost of sales}} \times \frac{365}{1}$	$\frac{\text{Cost of sales}}{\text{Average trading stock}}$
$\frac{\text{Average debtors}}{\text{Credit sales}} \times \frac{365}{1}$	$\frac{\text{Average creditors}}{\text{Cost of sales}} \times \frac{365}{1}$
$\frac{\text{Net income after tax}}{\text{Average shareholders' equity}} \times \frac{100}{1}$	$\frac{\text{Net income after tax}}{\text{Number of issued shares}} \times \frac{100}{1}$ (*See note below)
$\frac{\text{Net income before tax + Interest on loans}}{\text{Average shareholders' equity + Average non-current liabilities}} \times \frac{100}{1}$	
$\frac{\text{Shareholders' equity}}{\text{Number of issued shares}} \times \frac{100}{1}$	$\frac{\text{Dividends for the year}}{\text{Number of issued shares}} \times \frac{100}{1}$
$\frac{\text{Interim dividends}}{\text{Number of issued shares}} \times \frac{100}{1}$	$\frac{\text{Final dividends}}{\text{Number of issued shares}} \times \frac{100}{1}$
$\frac{\text{Dividends per share}}{\text{Earnings per share}} \times \frac{100}{1}$	$\frac{\text{Dividends for the year}}{\text{Net income after tax}} \times \frac{100}{1}$
$\frac{\text{Total fixed costs}}{\text{Selling price per unit – Variable costs per unit}}$	

NOTE:

* 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.