Western Cape Government

METRO NORTH EDUCATION DISTRICT

SCHOOL-BASED ASSESSMENT

SEPTEMBER EXAMINATION

MARKING GUIDELINE

ACCOUNTING P2

TASK No.: 6

25 SEPTEMBER 2025

MARKS: 150
TIME: 2 Hours

This marking guideline consists of 13 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 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 memo 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 that 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. This memorandum is 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 operation, 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 memo.
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 guideline. 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

Bank Account balance on 31 August 2024:
- 4 140 ✓– 333 ✓ - 432✓ + 15 570 ✓– 3 150✓ = 7 515 ☑ One part correct Be alert to alternative presentations (e.g. T-account)

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1.1.2 **Bank Reconciliation Statement on 31 August 2024:**

	Debit	**Credit**
Balancing figure. One part correct, if totals balance. **Can be on CR side**		
Balance as per Bank statement	1 773☑	
Outstanding deposit		11 106✓
Outstanding EFT no 827	2 250✓	
Incorrect debit by bank		432✓✓
Balance as per Bank account	7 515☑ See 1.1.1	
	11 538	**11 538**

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1.2.1 **CREDITORS' RECONCILIATION**

	Creditors Control	**Creditors List**
Incorrect balance	**37 050**	**52 800**
i	- 1 260 + 1 350 one mark one mark + 90 ✓✓	
ii		- 450✓
iii		- 7 110 – 7 110 one mark one mark - 14 220✓✓
iv	+ 713✓	+ 713✓
v	+ 990✓✓	
vi	- 1 620✓	- 1 620✓
	37 223 ☑	**37 223**

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1.2.2

Give TWO advantages in support of this suggestion.
TWO valid advantages ✓✓ ✓✓

part mark for incomplete/unclear response

- It will be much safer, having proof of payments available immediately.
- Keeping track of payments can be done more accurately.
- Very convenient, since bank statements can be accessed from the business and any time of the day.
- Using the banking app / payments history can easily be recalled.

4

Name ONE procedure the business will have to put into place.

Name ONE procedure the business will have to put into place.
ONE valid suggestion ✓✓ part mark for incomplete/unclear response

- The business needs to put internal control measures in place, e.g. name someone to authorise all EFT payments.
- Name someone to take charge of receiving the OTPs to authorise EFT payments.
- Ensure all creditors are listed as recipients on the banking app/double-check the banking details of a creditor before making a payment via EFT.

2

TOTAL MARKS
30

2.1 **STOCK VALUATION**

2.1.1	B ✓	Weighted Average (W/A)
2.1.2	D ✓	Specific Identification (SI)
2.1.3	E ✓	Perpetual system
2.1.4	C ✓	First – in – first out (FIFO)

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2.2.1

WORKINGS	ANSWER
371 970 four marks 63 936✓ + 294 165✓ + 18 864 ✓- 4 995✓ x 324 (432 + 1 800 - 27) ✓☑ one part correct **2 205 two marks** Mark numerator and denominator as such.	54 656 **or** 54 657 ☑ one part correct Must be x 324
Number of units missing	
WORKINGS	**ANSWER**
2 205 ☑ - 1 845✓ - 324✓ See units in above calculation	36 units ☑ One part correct

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4

2.2.2

Explain TWO strategies that Nwabisa use to address the problem of customers stealing items.

- Physical security at the exit points.
- Install cameras (CCTV security system).
- Provide lockers for customers to keep other items before entering the shop.
- Tracking devices on products.

2

2.2.3

The average stockholding period is 71, 5 days. Explain whether Nwabisa should be concerned about this. Provide ONE point.
Any ONE internal control measures ✓✓ be alert to valid responses for and against

Options for not being concerned:
Does not take lot of storage space / durable product / has a long shelf life /can be easily sold in future/always in demand to certain customers.

Options for being concerned :
The items can become less-fashionable in future / money is tied up in stock \ slow sales results in slow inflow of cash / takes up valuable space that can be used for other stock items.

2

2.2.4

Calculate the COST OF SALES on sport bags

WORKINGS	ANSWER
COST OF SALES (101 ✓ x 612✓) + (198 ✓x 828✓) 61 812 + 163 944 two marks If the learner decided to find value of closing stock Mabhala 180 – 101= 79 x 612 = R48 348 R110 160 – 48 348 = R61 812 Cekiso 270-198 = 72 x 828 = R59 616 R223 560 – 59 616 =R163 944 If a learner calculate the mark-up percentage: Mabhala: R108 171 – R61 812= R46 359 / 61 812= 100/175 x 108 171 = R61 812 Cekiso: R245 916 – 163 944 = R81 972 / 163 944= 100/150 x 245 916 = 163 944	**225 756** ☑ one part correct

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2.2.5

Nwabisa was confused as to why Cekiso bags sales are better than Mabhala.Provide TWO possible reasons.

Any TWO valid reasons ✓✓ ✓✓Part marks for incomplete / unclear responses

- Cekiso is more versatile (more space / pockets) and therefore a more popular choice.
- It is possible that Cekiso is more attractive / value for money.
- The product appeals to a select clientele/ more popular/ status symbol

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2.3.1 **VAT**

Calculate the VAT amount payable to SARS on 30 April 2025. NOTE: The given errors and omissions must be taken into account.	
WORKINGS	**ANSWER**
Mark one line consistently 22 950 ✓ + 114 210 ✓ - 39 420 ✓ + 1 161 ☑✓ - 6 750 ✓☑ - 3 456✓☑ **or** - 22 950 – 114 210 + 39 420 – 1 161 + 6 750 + 3 456 **or** (22 950 + 114 210 +1 161) – (39 420+6 750 + 3 456)	**88 695** ☑ one part correct

10

2.3.2

Offer ONE point of advice to Chiya and an explanation or reason to support the advice. The reason must relate to the advice offered	
ADVICE ✓	**REASON ✓**
• Should not use VAT money as a business resource. • She must keep separate records for VAT and pay this on time. • Must budget for business expenses and manage the liquidity with funds earned by the business.	• Money does not belong to the business. • VAT is collected on behalf of SARS / a VAT vendor is an "agent" of SARS. • The image of the business will compromised / Could lose customers. • Could run into liquidity problems • Defaulting with VAT is a crime the business can be sued.

2

TOTAL MARKS
40

3.1 **QUESTION 3**
CONCEPTS

Choose the correct answer from the words provided within brackets. Write only the answer next to each number.

3.1.1	Packing material	✓
3.1.2	Indirect material	✓
3.1.3	Decrease	✓

3

3.2.1

Calculate the cost of the raw materials issued to the factory during the financial year.

218 125 ✓ + 1 735 375 ✓+ 53 000 ✓+ 10 500 ✓- 164 500 ✓☑
= **1 852 500**

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3.2.2

Calculate the Direct Labour Cost

1 058 500 ✓+ 31 500*☑ + 10 585☑ ✓+ 315 ✓ = **1 100 900**☑
one part correct
*(24 035 +7 150+ 315) or 315x100

6

Calculate the Factory Overhead Cost

Factory Consumbles stores	57 075 ✓
Salary-Factory foreman	385 500 ✓
Water and Electricity (330 900 + 8 100) x 6/8 one part correct	254 250 ✓☑
Factory sundry expenses	**224 775**
	921 600 ☑

- 1 (max 2) for foreign items **one part correct**

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3.2.3 **PRODUCTION COST STATEMENT ON 28 FEBRUARY 2025**

Direct Materials Costs see 3.2.1	**1 852 500** ☑
Direct Labour Costs see 3.2.2	1 100 900 ☑
PRIME COSTS DMC+ DLC one part correct	**2 953 400** ☑
Factory overhead costs see 3.2.2	921 600 ☑
TOTAL MANUFACTURING COST	**3 875 000** ☑ ☑
WORK-IN-PROCESS (OPENING BALANCE)	**75 000**
	3 950 000 ✓
WORK-IN-PROCESS (CLOSING BALANCE) 3 950 000-3 850 000	**(100 000)**✓☑
TOTAL COST OF PRODUCTION **(R6 144 000 x 100/160)** 79 500 + * 3 840 000 – 69 500	**3 850 000** ✓☑

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3.3 COST ACCOUNTING

3.3.1

Calculate the break-even point for the year ended 30 April 2025.
R 1 104 000✓ 42 ✓ - 24 ✓ 18 two marks 61 333 units answer must be in units

4

3.3.2 **Should the business be satisfied with the number of units that they have produced and sold during the current financial year? Explain.**
Quote figures.

Yes/No ✓Explanation with Figures✓✓
Part marks for incomplete / unclear responses

Yes, as it has decreased by (117 000- 96 000) 21 000 units compared to the 2024 Financial year this leading to a lower profit in the 2025 financial year.

No, they sold 34 667 units more that the BEP achieved in 2025 Financial year which means that they will still make a profit of R1 456 014(34 667x 42)

3

3.3.3 **Give ONE possible reason for the increase in the direct material cost per unit in the current financial year.**

Any suitable reasons ✓✓
Part marks for incomplete / unclear responses

- Due to the effects of inflation, the price of raw materials increased
- Storage costs
- Raw material obtained from new suppliers
- Increase in wastage
- Increase in carriage

2

TOTAL MARKS
40

QUESTION 4

4.1

NO	Projected Statement of Comprehensive Income for July 2025		Cash Budget for July 2025	
	Income	Expense	Receipt	Payment
Ex.		3 500		3 500
4.1.1		750✓☑		18 000✓
4.1.2				6 000✓☑
4.1.3	96 000✓	64 000✓	96 000✓	64 000✓
	32 000✓✓ (Profit)	Accept profit alternatively		

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4.2.1 Complete the Debtor's Collection Schedule for January to March 2025. (Using information, A and B)

DEBTORS' COLLECTION SCHEDULE FOR JAN. – MARCH 2025

MONTHS	CREDIT SALES	JANUARY	FEBR.	MARCH
NOV.	367 500	29 400		
DEC.	735 000	294 000	58 800	
JAN.	504 000	239 400	201 600	40 320✓✓
FEBR.	567 000		269 325✓✓	226 800✓☑
MARCH	630 000			299 250✓☑

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4.2.2 Calculating the missing amounts indicated by (a) to (e) in the extract of the Cash Budget. (Using information, A – F)

(a) CASH SALES R945 000 x $\frac{40}{100}$	**= R378 000✓✓ or 0** **(2)**
(b) LOAN: PHS BANK R750 – R600 = R150✓ (R150✓ x 12)✓ x $\frac{100✓}{9}$ If mark is not awarded in first line*	**R 20 000** ☑ **(4)**

	One part correct

(c) RENT INCOME R15 660 ✓ x $\frac{100✓}{108}$	= R14 500 ☑ One part correct **(3)**
(d) PAYMENTS TO CREDITORS R1 225 000 x $\frac{100}{175}$ = R700 000 ✓ R700 000 x $\frac{80}{100}$ = R560 000 ☑ R560 000 x $\frac{95}{100}$ ☑	=R532 000 ☑ One part correct **(4)**
(e) ADVERTISING $\frac{33\ 600}{840\ 000}$ ✓ x $\frac{100}{1}$ = 4% ✓ $\frac{1\ 050\ 000}{1}$ ✓ x $\frac{4}{100}$	= R42 000 ☑ if multiplied with % calculated One part correct **(4)**

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4.2.3 Marco extracted the following actual and budgeted figures for March 2025.
Comment and quote figures on the:

Cash received from debtors: **Comment ✓✓ Figures ✓** **Part marks for incomplete / unclear responses** Marco budgeted to receive R784 242 from debtors, the actual amount received was only R603 900. He received R180 342 below the expected amount. He must charge his overdue debtors with interest or allow discount on early payments received. He received 23% less than the budgeted amount. Any acceptable comment and figures if budgeted and actual were compared

Control over delivering expenses:
Comment ✓✓ Figures ✓
Budgeted delivering expenses was R52 920 on sales of R1 058 400.
The actual delivering expenses is R63 504 on sales of R846 720.

Although actual sales are R211 680 lower than budgeted, the actual delivering expenses is R10 584 higher than budgeted. Budgeted for delivering expenses at 5% of sales. Actual delivering expenses were 7,5% of sales.
Any acceptable comment and figures if budgeted and actual were compared.

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TOTAL MARKS
40

TOTAL: 150