GAUTENG PROVINCE
EDUCATION
REPUBLIC OF SOUTH AFRICA

JUNE EXAMINATION
GRADE 12

2025

MARKING GUIDELINES

ACCOUNTING

(PAPER 2)

12 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 answers. If an answer is incorrect, mark workings.
4. If a pre-adjustment figure is shown as a final figure, allocate the part-mark for the working for that figure (not the method mark for the answer). Note: if figures are stipulated in the marking guidelines for components of workings, these do not carry the method mark for final the 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 than 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. 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.
10. Operation means 'check operation'. 'One part correct' means operation and one part correct. Note: check operation must be +, –, x, ÷, or per marking guidelines.
11. In calculations, do not award marks for workings if the numerator & denominator are swapped – this also applies to ratios.
12. 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 ☒.
13. Be aware of candidates who provide valid alternatives beyond the marking guideline. Note that one comment could contain different aspects.
14. Codes: f = foreign item; p = placement/presentation; s = superfluous item

QUESTION 1: COST ACCOUNTING (56 marks; 45 minutes)

1.1 CONCEPTS

1.1.1	False ✓	
1.1.2	True ✓	
1.1.3	False ✓	

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(Accept abbreviations T or F.)

1.2 EASY DRINK MANUFACTURERS

1.2.1

Calculate the direct material issued for the year ended 30 April 2025.	
Opening Stock	38 000 ✓
Net purchases (2 300 x 2,60) (280 000 ✓ – 5 400 ✓ – 2 600 ✓ + 5 980 ✓✓)	277 980☑*
Carriage on purchases (5 600 – 52) **or** (280 000 – 2600 x 2/100)	5 548 ✓ ☑*
Custom duties (5 980☑ check purchases x 30%)	1 794 ☑
Closing stock	(24 222) ✓
Raw material issued check operation	299 100☑*
*one part correct	

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1.2.2

Calculate the direct labour cost for the year ended 30 April 2025.	
WORKINGS	**ANSWER**
200 x R38 x 45	342 000 ✓☑
342 000 x 1%	Must be basic wage x 1% 3 420 ☑
(38 x 1.25) Or (38 x 5/4) 284 x [38 + 9,50] or 284 ✓ x 47,50 ✓✓ Or 284 x [38 + (38 x ¼)] Or 284 x [38 + (38 x 0.25)]	13 490 ☑
If learners only used ¼ instead of 1¼: 284✓ x 9,50 ✓✓ = **2 698** ☑ Or 284 x [38 x ¼] Or 284 x [38 x 0.25]	
Total **Total if only used ¼ instead of 1¼ = 348 118** ☑	358 910☑

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1.2.3 **Complete the Factory Overhead Cost Note for the year ended 30 April 2025.**

Indirect materials [7 400 ✓ + 36 550 ✓– 8 150 ✓] x 35%	12 530 ☑*
Indirect labour (13 000 x 13) or 156 000 + 13 000	169 000 ✓✓
Water and electricity (18 954 x 7/2)	66 339 ✓✓
Rent expense (66 800 – 5 600) ✓ x 610/1 000 ✓	37 332 ☑*
Deprecation for factory equipment	28 690 ✓
Insurance (15 000 x 5/6) or 15 000 x 5/3 x 3/6	12 500 ✓✓
Telephone (10 000 + 1 825)	11 825 ✓✓
	338 216 ☑*

*one part correct
-1F if depreciation of delivery vehicles added

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1.3 SEGAL MANUFACTURERS

1.3.1 **Complete the missing figures marked with an asterisk (*).**

Costs	Total	Unit Cost 2025	Unit Cost 2024
Direct materials	R250 000	***R10** ✓	R12
Direct labour	***R375 000** ✓	***R15** ✓	R11
Direct costs	***R625 000** ✓	R25	R23
Factory overheads	R200 000	R8	R10
Administration costs	R75 000	R3	R3
Selling and distribution	R100 000	R4	R2

4

Calculations just for clarity, not for marking *250 000 / 25 000 = 10 * 25 – 10 = 15
*15 x 25 000 = 375 000 *250 000 + 375 000 = 625 000

1.3.2 **Calculate the unit cost of production for 2025.**

WORKINGS	ANSWER
[625 000 + 200 000] 825 000/25 000 **OR** 25 + 8	R33 ✓✓

2

1.3.3 **Calculate the break-even point for 2025.**

WORKINGS	ANSWER
275 000 ✓✓ [200 000 + 75 000] 60 ✓– (25+4) ✓ 29 one mark 31 two marks	8 871 units☑ Accept 8870.97 or 8870.9

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1.3.4 **Comment on the level of production and break-even point of the company in 2025.**

Comparison production with break-even (Two marks)
Figures. (Two marks)
Mark according to learners break-even calculations in 1.3.3.

Possible answers for four marks:
(Mark only one of the following answers for four marks)

- In 2025 production of 25 000 units was more than the break-even point of 8871 units / by 16 129 units / made profit on 16 129 units / made a profit of 16 129 x 31 = R499 999 (check learner calculation)
- In 2025 they earned profit on 16 129 units or (25 000 – 8 871), which is more than the profit earned in 2024 of 5 440 units (18 000 – 12 560) / Making profit on 10 689 units more than in 2024.

Max two marks for the following answers:
(Mark only one of the following answers for two marks)

- In 2025 the production of 25 000 units was more than the production of 18 000 units in 2024/ by 7 000 units.
- In 2025 the break-even point of 8871units was less than the break-even point of 12 560 units in 2024 / by 3 689.

4

56

QUESTION 2: INVENTORIES (48 marks ; 38 minutes)

2.1

2.1.1	C SIM/Specific identification ✓	
2.1.2	A FIFO/First-In First-out ✓	
2.1.3	B WAM / Weighted-average ✓	

3

Accept letter or name of stock valuation method or abbreviation.

2.2 MB SPORT SHOP

2.2.1

Calculate the value of the closing stock on 28 February 2025, using the weighted average method.	
WORKINGS	**ANSWER**
✓ ✓ ✓ ✓ [-30 500 – 700] [R420 850 + R4 302 500] + R110 250 – R31 200 x 465 [350 + 3 150 – 20] ✓☑ 1 3 480 (two marks) **or** 4 802 400 (four marks) x 465 3 480 (two marks) **or** (six marks) 1 380 x 465	Must be x 465 R 641 700 ☑

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2.2.2

Calculate the cost of sales for the year ended 28 February 2025.	
WORKINGS	**ANSWER**
4 802 400 ☑ see 2.2.1 – 641 700 ☑ see 2.2.1	R4 160 700 ☑

3

2.2.3

Calculate the gross profit for the year ended 28 February 2025	
WORKINGS	**ANSWER**
See 2.2.2 5 400 000 ✓ – 4 160 700 ☑	R1 239 300 ☑

3

2.2.4

Calculate the percentage mark-up achieved for the year ended 28 February 2025.

WORKINGS	ANSWER
$\frac{\text{R 1 239 300 ☑ see 2.2.3}}{\text{R 4 160 700 ☑ see 2.2.2}} \times \frac{100}{1}$	29,8% ☑ accept 29,79% Must x 100 Do not accept 0,298 Ignore %

3

2.2.5

The owner of the business asked you to calculate the closing stock value using the first-in first-out method.

WORKINGS	ANSWER
465 units (450 – 20) 430 ✓✓ x (1 525 + 35) 1 560 ✓ = 670 800 (Three marks) (465 – 430) 35 ☑ x (1 475 + 35) 1 510 ✓ = 52 850 (Two marks) ***Or** (450 – 20) 430 ✓✓ x 1 525 = 655750 (Two marks) (465 – 430) 35 ☑ x 1475 = 51 625 (One mark) 465 x 35 ✓ ✓ = 16 275 (Two marks) *** Mark one of the two options.**	R723 650☑

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2.2.6 **The owner heard that he could adjust the profit by changing the stock valuation method from the weighted-average method to the first-in first-out method.**

(i) **Explain the difference between the stock valuation methods to the owner.**

The closing stock value is higher ✓ when using the FIFO method, therefore cost of sales will be less ✓ and gross profit will be higher ✓ as with the weighted-average method.

or

With the weighted-average method the closing stock will be less, cost of sales higher and the profit less than with FIFO.

or

Gross profit will be higher if using the FIFO method and gross profit will be less when using the weighted-average method. ✓✓✓

If only mentioned one valuation method 2 marks. Must mention both methods for this alternative for three marks.

(if just refer to profit, accept that they had to have stock and cost of sales correct to know the correct trend of profit)

or

With FIFO stock valuation is done at the last purchases prices✓, where weighted average stock valuation is done at an weighted average price✓ which can still include old/cheaper purchases prices✓.

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(ii) **What advice will you give the owner about changing from one stock valuation method to another?**

Any one valid reason ✓✓

- He should not do it to manipulate figures/financial information.
- He should get permission from SARS before he changes the stock valuation method.
- Will not be able to compare different years if change methods.
- If valuation method changes, it must be mentioned as a note to the financial statements.

2

2.2.7 **Calculate how long (in days) it is expected to take sell the closing stock of 465 cricket bats.**

WORKINGS	ANSWER
See 2.2.1 641 700 ☑ x 365 4 160 700 ☑ 1 See 2.2.2 **or**: IF UNITS ARE USED 465 ✓/3 000 ✓ x 365 **If using FIFO instead of weighted average**: See 2.2.5 723 650 ☑ x 365 4 078 750 ☑ 1 [4 802 400 - 723 650] See 2.2.1 See 2.2.5	Method mark Only If x 365 56.3 days ☑ Accept 56.29 **or** 56.6 days ☑ Accept 56.58 64.8 days ☑ Accept 64.76

3

2.2.8 (i) **Provide a calculation to support Mango Brand's concern about the control of cricket bats.**

WORKINGS	ANSWER
350 ✓ + 3 150 ✓ – 20 ✓ – 3 000 ✓ – 465 ✓ **Or** (see 2.2.1) 420 850✓ + [4 302 500+ 110 250] ✓ – 31 200 ☑ - 4 140 000✓ = 662 400 – 641 700 ☑ (3 000 x 1 380) (see 2.2.1) **Or** **If used FIFO:** (see 2.2.1) 420 850✓ + [4 302 500+ 110 250] ✓ – 31 200☑ - 4 056 100✓ = 746 300 – 723 650 ☑ (Cost of sales) (see 2.2.5) FIFO cost of sales if calculated without missing stock 420 850 + 1 413 500 + 1 315 750 + 906 000	15 units missing ☑ R20 700☑ R22 650

6

(ii) **What entry would you make in the books to record this problem? Explain.**

Debit: Trading stock deficit **or** loss due to theft. ✓
Credit: Trading stock. ✓ or Purchases

One mark for valid explanation✓

Missing stock will be a loss to the business / will be an expense making the profit less. **/** Trading stock account will decrease due to theft**/** Prudence principle followed not to overstate the profit.

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(iii) **How can Mango Brand solve this problem? Provide THREE points.**

Expected responses for two marks each. ✓✓ ✓✓ ✓✓

- Count stock regularly/randomly and check against stock records.
- Order smaller quantities, but more frequently.
- **I**mprove physical security e.g. controls at the entrance/security cameras/ security codes on items
- Restrict access to the storeroom
- Segregation of duties ordering and receiving not the same person.
- Rotation of duties.
- Searching of employees when entering and leaving storeroom……
- Special cabinets to lock items in.

Expected responses for one mark :
Stock count/Cameras

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48

QUESTION 3: MANAGEMENT OF FIXED ASSETS (34 marks; 27 minutes)

3.1 **Calculate the TOTAL depreciation on vehicles for the year ended 28 February 2025.**

216 000 x 20% x 8/12	28 800✓✓
80 640 one mark [140 000 – 59 360] ✓ x 20% x 4/12 ✓	5 376☑
449 360 two marks 530 000 ✓ – 80 640 ✓ x 20%	89 872☑
or 710 000 260 640 (850 000 - 140 000) ✓ – (320 000 - 59 360) ✓ x 20%	
	124 048

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3.2 **Calculate the rate of depreciation used by Bellairs Ltd to depreciate their equipment.**

[11 250 x 12/6]
22 500 ✓✓
150 000 ✓ x 100 = 15% ☑

Or [11 250 x 100/1 x 12/6] ✓✓x 1/150 000✓ = 15%

Mark one line/option

4

3.3 **Complete the extract of the Fixed Asset Note for the year ended 28 February 2025 by completing all the relevant amounts indicated by A – H.**

A	216 000 ✓
B	140 000✓ – (59 360 + 5 376 see 3.1) ☑ 140 000 – 64 736 **or** 80 640 – 5 376 75 264 two marks
C	124 048 ☑ (see 3.1 total)
D	850 000 + 216 000 – 140 000 926 000 ✓✓
E	[-59 360 - 5 376] 320 000 + 124 048 – 64 736 379 312 ✓☑ one part correct
F	926 000 (see D) – 379 312 (see E) 546 688☑ (If D – E) **or** 530 000 + 216 000 -75 264 – 124 048 = 546 688
G	11250 ✓+ (56 000 – 1) or 55 999 ✓✓ = 67 249 (three marks) Only one mark if -1 but carrying value wrong
H	(56 000 + 150 000) ✓– 67 249 ☑ (see G) = 138 751 Two marks Or [710 000 – 504 000] ✓– 67 249☑ = 138 751 Two marks Or 1 ✓+ [150 000 – 11 250] ✓= 138 751 Two marks 138 750 Mark only one line/option

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3.4

Calculate the profit or loss on the disposal of the vehicle. Give advice on what should be taken into account, when deciding to sell an asset.

Calculation:

73 360 – 75 264 (see 3.3 B) = 1904 (Loss) ✓☑

Accept T-account

140 000	(59 360+5 376) 64 736
	73 360
	1 904

Advice: ✓✓ Any valid advice

- Carrying value must be taken into account when determining the price.
- Tender procedures must be followed.
- Cost of maintenance.
- If it still meets production requirements.

4

3.5

The business must establish internal controls to prevent the misuse of vehicles. You have been approached to help improve internal controls. Give TWO internal controls that can be implemented.

Any valid answer ✓✓ ✓✓

- Access control / allocate vehicles to specific individuals
- Vehicles must be locked in garage when not in use / vehicles must be kept on premises
- Physical inspection before and after used
- Keys must be locked away and signed for
- Keep logbooks/ km readings
- Tracker installed in vehicles / dashboard camera

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QUESTION 4: PROBLEM-SOLVING (12 marks; 10 minutes)

Mark relevant problem and figures if in wrong columns/award for appropriate advice, even if problem is unclear/incorrect. Be alert to additional correct options/ figures.

	PROBLEM FOR 2025 (with figures) Any TWO valid problems ✓ ✓ With figures ✓ ✓	**ADVICE** One per problem identified ✓ ✓ Mark advice independently Different problems required
Golf T-shirts	• Too much stock on hand (615 units) increased by 208 units (from 407 to 615). • Drop in stock turnover rate 1,9 to 0,9 / high stock not moving/higher mark-up % also contributes to this. • Price too high (MU% increased from 50% to 75%/a 25% increase/price increase of R90 per unit (R630 – R540). • Purchasing the same number of units (800) despite having excess stock; contributing to stockpiling. • Stock items missing or stolen (42 units or 407 +800 – 550 – 615).	• Increase advertising. • Consider discounts. • Reduce mark-up %. • Order according to sales/orders received. • Reduce mark-up % to increase sales. • Have clearance sales. • Regular stock-take to assess available stock. • Replace stock according to units sold. • Security tags on products. • Physical inspection or regular stock count. • Install cameras. • Sell online.

	PROBLEM Two valid problems ✓ ✓ with figures ✓ ✓	ADVICE One per problem identified ✓ ✓
Shirts	• Decrease in units sold: 290 (2 260 – 1 970) or 302 (2 182 – 1880) **OR** drop in sales from 436 400 – 399 500/by 36 900/ 8,5% **OR** by 86 900 (436 400 – 349 500) • Cash missing or stolen R50 000 (399 500 – 349 500) OR 69 125 (if returns not included). • High returns from customers ; 78 (3,5 % of sale to 90 (4,6 % of sales).	• Increase advertising. • Encourage use of EFTs. • Request sms notification for deposits. • Reconcile deposits with items sold/sales deposits. • Online sales/card payments – less cash handling. • Daily depositing/routine. • Effect stricter return policy. • Improve quality to reduce returns/do not buy inferior (cheaper) products. • Change styles of shirt/in fashion. • Train personnel to give the best possible advice to customers.

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Total: 150