Province of the
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NATIONAL SENIOR CERTIFICATE

GRADE 12

JUNE 2026

ACCOUNTING P2

MARKS: **150**

TIME: **2 hours**

This question paper consists of 16 pages, including a formula sheet and a 10-page answer book.

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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. 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 the questions.
7. Where applicable, show all calculations to ONE decimal point.
8. Write neatly and legibly.
9. 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	Reconciliations and Internal Control	45	35
2	Cost Accounting	45	35
3	Inventory	35	30
4	Fixed Assets, Internal Auditing and Problem-solving	25	20
TOTAL		**150**	**120**

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QUESTION 1: RECONCILIATIONS AND INTERNAL CONTROL

(45 marks; 35 minutes)

1.1 BANK RECONCILIATION

The following information relates to Laura Traders for March 2026.

REQUIRED:

1.1.1 Name THREE advantages of electronic fund transfers (EFT's). (3)

1.1.2 The bookkeeper, Alana Jafta, is in charge of processing all EFT's and depositing of cash.

Explain TWO reasons why the internal auditor would be concerned about this situation. (2)

1.1.3 Calculate the correct totals for the Cash Journals for March 2026. (10)

1.1.4 Calculate the correct balance of the Bank account on 31 March 2026. (4)

1.1.5 Prepare the Bank Reconciliation Statement on 31 March 2026. (7)

INFORMATION:

A. Information from Bank Reconciliation Statement on 28 February 2026:

Outstanding deposits:	
• Dated 14/02/26	21 000
• Dated 27/02/26	19 000
Outstanding EFT's:	
- No. 521	3 500
- No. 527	2 800
- No. 545	9 340
Favourable balance on Bank account	18 400

Additional information:

(i) The outstanding deposits appeared on the March 2026 bank statement as follow:
- dated 14/02/26 as R11 000
- dated 27/02/26 as R19 000

Alana Jafta said she was robbed of part of the money on the way to the bank on 14 February 2026. She apologised for not reporting this incident. The owner decided that the difference should be written off as a loss, as the business did not have insurance for cash theft.

(ii) EFT 521 appeared correctly as R5 300 on the bank statement for March 2026.
All the other EFT's appeared correctly on the bank statement for March 2026.

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B. Totals in the Cash Journals before receiving the Bank statement for March 2026:

- Cash Receipts Journal: R54 940
- Cash Payments Journal: R64 800

C. Entries in the Cash Journals, but not on the Bank Statement for March 2026:

- Deposit, R19 350
- EFT no. 614, R7 600
- EFT no. 617, R9 160

D. Entries on the Bank Statement, but not in the Cash Journals for March 2026.

01/03/26	EFT received from M Mooney (tenant)	R5 600
10/03/26	EFT from B Brits as settlement of his account of R1 350	1 200
15/03/26	Stop order: Kapp & Co	2 400
20/03/26	Debit order: King Insurers	2 150
20/03/26	Debit order: King Insurers	2 150
31/03/26	Interest received on favourable balance	260
31/03/26	Service fees	350

Additional information:

(i) A stop order to the amount of R2 400 was debited to the account of Laura Traders, but Laura Traders do not have any business dealings with Kapp & Co. Brits Bank apologised for this mistake and will cancel this entry in April 2026.

(ii) Payment to King Insurers were done twice in error and Brits Bank will rectify this in April 2026.

E. Bank statement balance on 31 March 2026 is the balancing figure.

1.2 DEBTORS' AND CREDITORS' RECONCILIATION

You are provided with information from the records of S Lanka Traders for April 2026. The owner, S Lanka, noticed that the balance on the Debtors' Control account did not correspond with the totals of the Debtors' List.
Goods are sold at a mark-up of **75%** on cost.

REQUIRED:

1.2.1 Calculate the correct balance on the Debtors' Control account and the correct totals for the Debtors' List on 30 April 2026. Use the table in the ANSWER BOOK and show a figure with "+", "-" or "no entry" for each error or omission discovered. (15)

1.2.2 Explain TWO reasons why it is necessary to do a creditors reconciliation every month. (4)

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INFORMATION:

A. Balance on the Debtors' Control account on 30 April 2026, R47 880.

B. Total of Debtors' List on 30 April 2026, R48 400.

C. Errors and omissions discovered:

(i) A debtor was charged with interest of R150, but the bookkeeper entered the interest as R510 on the debtor's account in the Debtors Ledger.

(ii) Trade discount to a debtor was omitted. A credit note for R720 was issued, but no entry was made.

(iii) The total of the Debtors' Journal was overcast by R1 600.

(iv) The total of the Debtors' Allowance Journal was undercast by R840.

(v) A debtor returned goods, sold for R1 120. It was correctly recorded in the journal, but the bookkeeper posted the cost price to the debtor's account.

(vi) An EFT received from a debtor R2 400, was entered twice on the debtor's account.

(vii) A debtor returned goods, sold for R1 240. It was correctly recorded in the journal, but the bookkeeper posted it as credit sales to the debtor's account.

(viii) The balance of a debtor owing R2 000 for 10 months, was written off as bad debts. No entry was made.

(ix) The balance of a debtor appeared twice on the Debtors' List, R2 040.

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QUESTION 2: COST ACCOUNTING (45 marks; 35 minutes)

2.1 Identify ONE cost category for each of the following descriptions by choosing the best option from the list below. Write only the cost category next to the question numbers (2.1.1–2.1.5) in the ANSWER BOOK.

administration cost; direct labour cost; direct material cost; fixed cost; indirect labour cost; indirect material cost; selling and distribution cost; variable cost

2.1.1 Cost stays the same, even when number of units manufactured changes

2.1.2 Cost of material, not directly part of manufactured units

2.1.3 Bad debts written off

2.1.4 Selling and distribution cost, direct material cost and direct labour cost are all examples of …

2.1.5 Rent paid for the office (5)

2.2 **FOREVER MANUFACTURERS**

You are provided with information regarding Forever Manufacturers for the year ended 28 February 2026. They manufacture one style of smart watches.

REQUIRED:

2.2.1 Calculate the value of direct material issued for production. (4)

2.2.2 Calculate the factory overhead cost. (10)

2.2.3 Prepare the Production Cost Statement. (12)

2.2.4 Explain ONE reason why Forever Manufacturers deems it very important to invest in staff training. (2)

INFORMATION:

A. Stock on hand:

	28 February 2026	28 February 2025
Indirect material	5 464	9 000
Direct material	140 000	110 000
Work-in-progress	?	130 100
Finished goods	161 000	202 900

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B. Other costs:

Direct labour cost	935 440
Factory overhead cost	1 232 560
Selling and distribution cost	16% of sales
Administration cost	185 000
Direct material purchased	2 270 000
Sales	12 564 750
Cost of finished goods sold	5 025 900

C. The following information must still be considered:

(i) Indirect material bought during the year was R520 000.
Indirect material was incorrectly allocated to factory overheads in the ratio of 2 : 1 : 1.
Indirect material used must be divided between the factory, administration and selling and distribution departments in the ratio of 1 : 1 : 1.

(ii) The monthly insurance premium for the factory increased by 10% on 1 January 2026. Insurance paid for the year amounted to R249 984. This included insurance paid for March and April 2026. Insurance of R119 040 was allocated to selling and distribution, and R14 880 to administration.

(iii) When calculating direct labour cost, only salary expenses were considered. The following wages of factory workers were not entered:

Direct labour	Gross wages	Deductions	Contributions	
			Medical aid	UIF
Factory	625 700	31 500	14 004	4 856

2.3 **WOOD-R-US**

Wood-R-Us is a factory that produces wooden puzzles.

REQUIRED:

2.3.1 Calculate the break-even point for the financial year ended 31 May 2026. (5)

2.3.2 Calculate the units produced and sold for the financial year ended 31 May 2026. (3)

2.3.3 Explain whether the owner should be concerned about the production levels of the factory. Include a comparison with figures for 2025. Provide TWO reasons for your answer and supply supporting figures. (4)

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INFORMATION:

A. All puzzles are sold in the year of production.

B. Information taken from the financial records of Wood-R-Us:

	31 May 2026	
	Total cost	**Unit cost**
Direct material	1 215 500	R11,00
Direct labour cost	1 016 600	R9,20
Selling and distribution cost	364 650	R3,30
Factory overhead cost	855 000	
Administration cost	495 000	

	31 May 2026	**31 May 2025**
Selling price per unit	R41,50	R35,00
Units produced and sold	?	98 000
Break-even point	?	78 000

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QUESTION 3: INVENTORY (35 marks; 30 minutes)

3.1 CONCEPTS

Complete the sentences by filling in the missing word(s). Write only the answer next to the question numbers (3.1.1–3.1.3) in the ANSWER BOOK.

3.1.1 When using the perpetual inventory system, carriage paid on purchases is debited against the … account. (1)

3.1.2 When using the … inventory system, total cost of sales is calculated at the end of the financial year. (1)

3.1.3 The … stock valuation method is best suited for a car dealer who sells exclusive luxury vehicles. (Note: Your answer requires two words.) (1)

LET'S CONNECT

Let's Connect is a business that sells lap tops. They use the **periodic inventory system** and they make use of **the weighted average method** for stock valuation. Let's Connect uses a mark-up of 25% on cost. The financial year ended 28 February 2026.

REQUIRED:

3.2 Calculate:

3.2.1 The value of the closing stock (8)

3.2.2 The gross profit for the year ended 28 February 2026 (4)

3.3 The accountant wants to change the method of stock valuation to the FIFO method.

3.3.1 Calculate the value of the closing stock on 28 February 2026, using the FIFO method. (5)

3.3.2 Explain what the effect on gross profit will be if the FIFO method were to be used. (2)

3.3.3 Explain the benefits of using the FIFO method to the owner. State TWO points. (4)

3.3.4 Despite all the benefits of FIFO, explain ONE reason why the owner might insist on using the weighted average method for stock valuation. (2)

3.4 The owner is not satisfied with the financial results because he suspects that the targeted mark-up % for 2026 was not reached.

3.4.1 Do a calculation to show why he is not satisfied. (3)

3.4.2 Provide TWO suggestions that can be implemented to improve profitability of the business. (4)

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INFORMATION:

A. Stock balances of laptops:

	UNITS	TOTAL
1 March 2025	98	R390 848
28 February 2026	440	?

B. Purchases and returns during the year:

	UNITS	TOTAL R
Purchases:		
June 2025	400 @ R4 680 each	R1 872 000
October 2025	776 @ R5 145 each	R3 992 520
February 2026	400 @ R5 512 each	R2 204 800
		R8 069 320
Returns:	14 units from February 2026 purchases	?

C. Sales for the year, R6 900 600.

35

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QUESTION 4: FIXED ASSETS, INTERNAL AUDITING AND PROBLEM-SOLVING
(25 marks; 20 minutes)

4.1 CONCEPTS

REQUIRED:

Match the statement in COLUMN A with a concept in COLUMN B. Write only the letter (A–E) next to the question numbers (4.1.1 to 4.1.3) in the ANSWER BOOK.

COLUMN A		COLUMN B	
4.1.1	Enables business to identify risks of non-paying customers	A	Accountability
4.1.2	Being responsible to explain why certain decisions were made	B	Creditors payment period
4.1.3	To ensure that mistakes and fraud are prevented/detected	C	Debtors' age analysis
		D	External auditor
		E	Internal control

(3)

4.2 FIXED ASSETS

The information relates to JA Ltd. The financial year ended 31 May 2026.

REQUIRED:

4.2.1 Calculate the total accumulated depreciation on the vehicle sold on 31 January 2026. (6)

4.2.2 Prepare the Asset Disposal account on 31 January 2026. (5)

INFORMATION:

A. A delivery vehicle was sold for R195 000 cash on 31 January 2026. This vehicle was bought on 1 June 2023 at a cost of R400 000.

B. Vehicles are depreciated at 25% p.a. on carrying value.

4.3 INTERNAL AUDITING

John Day is the internal auditor of JA Ltd.

REQUIRED:

4.3.1 State TWO points that should be included in the internal auditors' report to the board of directors. (2)

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INFORMATION:

A. JA Ltd has a policy that allows expenses for business trips to a maximum of R25 000.

B. John Day, the internal auditor, discovered that the financial director went on a business trip during March 2026. His family accompanied him and part of their expenses was included in the total expense of R55 000 which was paid with the companies' credit card.

4.4 PROBLEM-SOLVING

Easy View sells decoders from three different shops in the Gqeberha area. The three branches are each managed by Nazeem, Bosch and Ngidi.
The owner is concerned about the effectiveness of the branches.

The table below reflects the figures for April 2026.

REQUIRED:

Identify ONE problem in relation to each branch, quoting figures to support each problem.
Provide ONE point of advice, apart from division of duties, for solving each problem identified. (9)

INFORMATION FOR THE YEAR ENDED 31 MARCH 2025:

	MALABAR (NAZEEM)	COTSWOLD (BOSCH)	WESTERING (NGIDI)
Number of decoders sold	800	620	340
Number of decoders returned from customers	16	6	30
Stock holding period	120 days	30 days	60 days
Days that shops are open	Monday to Sunday	Monday to Friday	Monday to Saturday
Stock stolen/lost during June	40	0	2
Advertising	R1 500	R1 200	R1 000
Cash deposited from customers	R940 800	R616 800	R372 000
Decoders are sold for R1 200 each			

25

TOTAL: 150

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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	
$\frac{\text{Average trading stock}}{\text{Cost of sales}} \times \frac{365}{1}$ (See note 1 below)	$\frac{\text{Cost of sales}}{\text{Average trading stock}}$
$\frac{\text{Average debtors}}{\text{Credit sales}} \times \frac{365}{1}$	$\frac{\text{Average creditors}}{\text{Cost of sales}} \times \frac{365}{1}$ (See note 2 below)
$\frac{\text{Net income after tax}}{\text{Average shareholders' equity}} \times \frac{100}{1}$	$\frac{\text{Net income after tax}}{\text{Number of issued shares}} \times \frac{100}{1}$ (See note 3 below)
$\frac{\text{Net income before tax + Interest on loans}}{\text{Average shareholders' equity + Average non-current liabilities}} \times \frac{100}{1}$	
$\frac{\text{Shareholders' equity}}{\text{Number of issued shares}} \times \frac{100}{1}$	$\frac{\text{Dividends for the year}}{\text{Number of issued shares}} \times \frac{100}{1}$
$\frac{\text{Interim dividends}}{\text{Number of issued shares}} \times \frac{100}{1}$	$\frac{\text{Final dividends}}{\text{Number of issued shares}} \times \frac{100}{1}$
$\frac{\text{Dividends per share}}{\text{Earnings per share}} \times \frac{100}{1}$	$\frac{\text{Dividends for the year}}{\text{Net income after tax}} \times \frac{100}{1}$
$\frac{\text{Total fixed costs}}{\text{Selling price per unit} - \text{Variable costs per unit}}$	

NOTE:

1. Trading stock at the end of a financial year may be used if required in a question. 365 days is only applicable if relevant to the whole year.
2. Credit purchases may be used instead of cost of sales (figures will be the same if stock is consistent).
3. 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.

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