KWAZULU-NATAL PROVINCE
EDUCATION
REPUBLIC OF SOUTH AFRICA

NATIONAL SENIOR CERTIFICATE

GRADE 12

ACCOUNTING

MARKING GUIDELINES

SEPTEMBER 2025

PAPER 2

MARKS: 150

MARKING PRINCIPLES:

1. Penalties for foreign items are applied only if the candidate is not losing marks elsewhere in the question for that 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. Full marks for correct answer. If answer incorrect, mark the workings provided.
4. If a pre-adjustment figure is shown as the final figure, award one mark. Not the method mark for the answer. Note: if figures are stipulated in memo for components of workings, these do not carry the method for final answer.
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. This memorandum is not for public distribution, as certain items might imply incorrect treatment. The adjustments made are due to nuances in a certain question.
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 before awarding the mark.
10. Operation' means 'Check operation'. 'One part correct' means 'Operation & one part correct'. Note: check operation must be +,-,x,÷, or per candidates operation.
11. In awarding method marks, ensure that candidates do not get full marks for any item that is incorrect, indicate with a ☒. Note: do not award marks for workings if numerator and denominator are swapped-this also applies to ratios.
12. Be aware of candidates who provide valid alternatives beyond the marking guideline.
13. Codes: f=foreign item; p=placement.

This marking guideline consists of 10 pages.

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QUESTION 1

1.1.1 **Calculate the figures indicated by (a) to (d) in the table below**

NO.	CALCULATION	ANSWER
(a)	644 000 ✓– 17 250✓ = 626 750✓ x 15/115✓ **Or** 644 000 one mark x 100/115=560 000 one mark– 15 000 one mark =545 000 x15/100 one mark **Or** 644 000 x 15/115 two marks = 84 000 – 2250 two marks	81 750☑
(b)	7 200 x 115/100	8 280✓✓
(c)	180 000 x 100/15	1 200 000✓✓
(d)	5 520 x 100/115	4 800✓✓

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1.1.2 **Explain what you would say to Zolly. Provide TWO points.**

Two valid points ✓✓ partial / incomplete answer
Figures not required
Expected responses for
Be aware of two points within one explanation

- This is tax evasion / he is attempting to reduce the amount due to SARS for VAT
- He will be increasing input VAT fraudulently and effectively reducing the amount due to SARS.
- He could be fined or imprisoned because it is a criminal offence.
- Personal transaction and business transactions should kept separate.
- The car is not used for business purposes, the full amount of R 1 136 200 should be treated as drawings

4

1.2 CREDITORS RECONCILIATION

1.2.1 **Briefly explain how the preparation of a creditors' reconciliation as an internal control measure can assist the business in managing their creditors effectively. Provide TWO points.**

Any TWO relevant control measures (no part marks) ✓✓ ✓✓

- Errors and omissions can be detected and corrected.
- Fraud can be detected and minimised.
- The correct payment can be made to creditors.

4

1.2.2 **Use the table provided to indicate the changes that must be made in the Creditors' Control account and Creditors' List in the books of Newcastle Traders to take into account the errors and omissions noted. Indicate the increase or decrease with a (+) or (-) with each amount.**

	Creditors' Control	Creditors' List
Provisional balance/total	**R 74 715**	**R32 595**
A		+ 900 ✓
B	+ 3 720 ✓	+ 3 720 ✓
C		- 450 ✓
D	✓ ✓ -16 400 – 16 400 or- 32 800 two marks	
E		+ 8 870 ✓
Operation one part correct	45 635 ☑	45 635 ☑

10

1.2.3 **State THREE internal control measures that the business can use to prevent similar incidents from happening in future.**

Any THREE separate, relevant control measures ✓✓ ✓✓ ✓✓

- Division of duties – Erling must not be the only person responsible for ordering and recording goods.
- Rotate duties so that employees do not have permanent control over an aspect of the business.
- Have special order forms to be signed by two people.
- Check documents regularly against deliveries.
- Do regular/random stock counts to verify stock records.
- Physical security – only one mark

6

TOTAL MARKS
35

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QUESTION 2

2.1.1 **Calculate the value of the closing stock on 28 February 2025 using the weighted-average method.**

R312 900✓ + R1 375 000✓ – R13 500✓✓
610✓ + 2 400 ✓ - 20 ✓

1 674 400 (4 marks)
2 990 (3 marks)
(7 marks)

R560 X 420✓ = R235 200☑ closing stock Operation one part correct

9

2.1.2 **Calculate the average stock-holding period (in days) on 28 February 2025.**

See 2.1.1

½ ✓ (312 900✓ + 235 200☑) x 365
1 439 200✓ ☑ 1

See 2.1.1 (1 674 400 – 235 200) or (2 570 x 560)

274 050 (3 marks) x 365
1 439 200 1

one mark one mark one mark
accept ½ (610 + 420) x 365
2 570 two marks

69,5 days☑ accept 70 days
Operation one part correct

73.1 days one mark

6

2.1.3 **Comment on the stock-holding period and explain how this would affect the business.**

Comment

Improved from 100 days (2024) to 69.5 days. Jackets are seasonal wear and 69.5 days is a relatively good period.

How this would affect the business.

Increase in sales volume thereby increasing profits made by the business.

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2.1.4 **Calculate the value of the closing stock by using the FIFO method.**

380✓ x R675 ✓ = R256 500✓
40✓ x R640✓ = R25 600✓
= R282 100☑
Operation one part correct

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2.2 **Identify ONE different problem in relation to each branch. Quote relevant figures to support your answer. In each case, offer Tazmin advice on how to solve the problem.**

BRANCH	Problem With / and Figures ✓ ✓ ✓ ✓ ✓ ✓	Advice must be correlated to a problem ✓ ✓ ✓
GATEWAY MALL	Missing cash, R21 000 (24 cash sales = R100 800, but only R79 800 deposited)	Regular internal audit for sales and deposits / separation of duties
BOARDWALK MALL	Returns too high, 12 computers (33.3%) of computers sold Only worked 73% of normal time (117/160) and choose to cash in on the overtime 93% (52 hours)	Purchase quality computers / change the suppler/ make sure sales assistant knows product specifications. Time sheet for normal time Set targets/ minimise overtime.
SCOTTBURGH MALL	Very low sales volume, 42% (21/50) computers.	Provide Han with sales assistant/ set sales targets Change adverting strategy

9

TOTAL MARKS
35

QUESTION 3

3.1.1 DIRECT MATERIAL COST

Opening stock	R115 200 ✓	
Purchases	723 600 ✓	
Closing stock	(314 550) ✓	
Issued to factory	524 250 ☑	4

DIRECT LABOUR COST

Normal time (1 680 x R47 x 5)	R 394 800 ✓	
Overtime	541 440 ✓	
Employer's contribution (R394 800☑ x 11,5%)	45 402 ✓	
Operation one part correct	981 642 ☑	5

FACTORY OVERHEAD COST

TOTAL	**R 610 000**	
Insurance (40 000 x 30/100) or (- 40 000 + 28 000)	(12 000) ✓	
Water and electricity (108 000 – 80 000)	28 000 ✓✓	
Telephone	(30 000) ✓	
Operation one part correct	596 000 ☑	5

3.1.2 PRODUCTION COST STATEMENT FOR THE YEAR ENDED 30 JUNE 2025

Direct material cost	See 3.1.1	524 250 ☑
Direct labour cost	See 3.1.1	981 642 ☑
Prime cost		1 505 892
Factory overhead cost	See 3.1.1	596 000 ☑
Total manufacturing cost	PC+FOHC	2 101 892 ☑
Work-in-process (1 July 2024)		**22 108**
		2 124 000
Work-in-process (30 June 2025)	Operation	(34 100) ☑
Total cost of production of finished goods (2 098 108✓ – 23 208✓+ 15 000✓) Operation one part correct		2 089 900 ☑

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3.1.3 **The accountant is of the opinion that workers are not properly supervised.**

	Identify separate problems	Solution ✓ ✓
Problem 1	The workers do not work the normal time hours according to the employment conditions – only 1 680 instead of 1 920. OR The workers worked too much overtime as compared to normal time – 68,6% / 1 152/1680 or 1152/2832 - 40,7%.	Workers should be monitored to ensure they work the correct number of normal hours. / Workers must first work the correct numbers of normal time before booking overtime. (Solution relates to number of hours)
Problem 2	The level of production is too low. For the 2 832 hours worked, they should have produced a total number of 28 320 (2 832 x 5 x 2) jerseys. The business only produced 22 400 jerseys.	Monitor workers to ensure they produce two jerseys per hour. / Pay workers for each jersey completed. / Complete uncompleted tasks under normal hours. (Solution relates to level of production)

6

3.2.1 **Comment on the level of production and break-even point on 31 August 2025.**

Any valid point ✓✓
(Comparison between units produce.
Produced and sold 24 000 units above the BEP of 18 400 units, made a profit on 5 600 units.

Profit on 5 600 units has improved compared to 2024 loss on 348 units

For two marks (max):

- BEP decreased by 1 048 units / (from 19448) to 18400 / by 5.4%
- Units produced increased by 4 900 (from 19 100) to 24 000 by 25.7%

4

3.2.2 **Identify the production cost that should be of serious conern. Provide TWO valid solutions to this problem.**

Direct labour cost ✓
DLC increased (from R11.60) to R22 by R10.40 (89.7%)✓

4

Any two **points** ✓ ✓

- Monitor **overtime usage** to identify area of concern/ control overtime.
- Monitor / **better supervision** of work during normal time.
- Have back- up plans for disruptions
- Set targets to be completed at regular intervals/ performance incentives must be tied to productivity targets / pay according to units produced.
- Training / cross-training of employees to perform multiple tasks.
- Recruit skilld employees / adopt new technolgy

3.2.3 **Muffin wants to improve his profit by R214 800 during the next financial year, while maintaining costs. Calculate the additional units that must be produced to achieve this target.**

CALCULATION	ANSWER
214 800✓ / 60 ✓	3 580 units☑

3

TOTAL MARKS
40

QUESTION 4

4.1.1 **TWO items recorded incorrectly in the Cash Budget:**

Any TWO of: ✓ ✓
If more than two items given, -1 for invalid item; max -1

Discount received
Depreciation
Bad debts

2

4.1.2 **TWO items in the Cash Budget that would NOT appear in a Projected Statement of Comprehensive Income:**

Any TWO of: ✓ ✓
If more than two items given, -1 for invalid item; max -1

Cash from debtors
Fixed deposit matured
Payments to creditors
Repayment of loan

2

4.2 DEBTORS' COLLECTION SCHEDULE

MONTHS	CREDIT SALES	JULY	AUGUST
May	120 000	8 400	
June	151 200	60 480	✓✓ 10 584
July	172 800	86 400	✓✓ 69 120
August	✓✓ 198 720	50% of credit sales	☑☑ 99 360
		155 280	Operation one part correct ☑ 179 064

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4.3 AMOUNTS FOR THE CASH BUDGET

	WORKINGS		AMOUNT
(a)	**Cash sales for July** 288 000 ✓ x 40% ✓ 172 800 one mark x 40/60 one mark	3	R115 200☑ One part correct
(b)	**Payments to creditors for August** 252 000 ✓ x $^{100}/_{180}$ ✓x $^{96}/_{100}$ ✓ 140 000 two marks – 5 600 one mark 241 920 two marks	4	R134 400☑ One part correct
(c)	**Directors' fees for August** 216 000 ✓ x $^{2}/_{3}$ ✓✓ x $^{135}/_{100}$ ✓ 144 000 three marks + 50 400 one mark 72 000 x2 = 144 000 x 135/100 (72 000 + 25 200) x 2 one mark two marks one mark	5	R194 400☑ One part correct
(d)	**Interest on loan for August** Could use solve for x method 6 875✓ – (12,5%✓ x 52 800✓ ÷ 12✓) 550 three marks 6 600 two marks 4 400 two marks one mark one mark one mark one mark (660 000 – 52 800) x 12,5% ÷ 12 607 200 two marks	6	✓☑ R6 325 One part correct

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4.4.1 **The directors changed the method of payment to the salespersons.**

Explain how this has benefited the salespersons. Quote figures.

Explanation ✓ Figures ✓

Although the salaries were reduced from R40 000 to R12 000, they received a commission of R66 150 (total: R78 150) / 95,4% or R38 150 more than their previous salaries.

Explain how this has benefited the business. Quote figures.

Explanation ✓ Figures ✓

Actual sales are higher than the budgeted sales by R201 600 (489 600 – 288 000); sales are 70% higher than budget.

	4

4.4.2 **The directors are not concerned about the overspending on packing material. Explain why this is so. Quote figures or calculations.**

Sales were 70% over budget, while packing materials were only 20% over budget.

OR

Packing materials were budgeted at 5% of sales, while actual packing materials were only 3,5% of sales.

Response for one mark:
Packing materials will increase if sales increase.

	5

TOTAL MARKS
40

TOTAL: 150

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