education

Department of Education
FREE STATE PROVINCE

SCHOOL: _____

LEARNER: _____

PREPARATORY EXAMINATION

GRADE 12

ACCOUNTING P2

SEPTEMBER 2024

ANSWER BOOK

QUESTION	MARKS	INITIAL	MODERATOR
1			
2			
3			
4			
TOTAL			

This answer book consists of 11 pages.

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QUESTION 1

1.1 **Indicate whether the following statements are TRUE or FALSE. Write only 'true' or 'false' next to the question numbers (1.1.1 to 1.1.3) in the ANSWER BOOK.**

1.1.1	
1.1.2	
1.1.3	

3

1.2 **BANK RECONCILIATION**

1.2.1 **Bank Account balance on 31 August 2024:**

6

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

	DEBIT	CREDIT

6

1.3 **DEBTORS AGE ANALYSIS AND INTERNAL CONTROL**

1.3.1 **Calculate the percentage of total debts exceeding the credit terms.**

3

1.3.2 **Does the business keep tight control over its debtors? Explain.**

4

1.4.1 CREDITORS' RECONCILIATION

	Creditor's Control	Creditor's List
Incorrect Balance	41 167	58 667
(i)		
(ii)		
(iii)		
(iv)		
(v)		
(vi)		

12

1.4.2 Give TWO advantages in support of this suggestion.

4

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

2

TOTAL MARKS
40

QUESTION 2

Calculate the following on 31 August 2024:

2.1.1 **Calculate the rand value of the closing stock.**

5

2.1.2 **Calculate the rand value of the spoilt mattresses according to the weighted-average method.**

5

Explain how this will impact the actual figure he will show as a loss. Quote figures.

2

Explain how this will impact the closing stock and Cost of Sales. Quote figures.

2

Explain TWO points of advice you will offer about changing the method of stock valuation.

4

2.2 INTERNAL CONTROL

2.2.1 **Speakers:**

Provide TWO points which show that the customers are happy with the quality of the speakers. Quote figures.

4

2.2.2 **Headphones:**

Explain why it was a good idea to change to a new supplier of headphones. State TWO points. Quote figures.

4

2.2.3 **Earbuds:**

DJ Rock continued to experience problems with this product line in this financial year, even though he reduced the selling price in an attempt to counter the new competition. Give TWO points of advice to DJ Rock on whether he must discontinue or keep selling earbuds. Quote figures.

4

TOTAL MARKS
30

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QUESTION 3

3.1 Explain why:

3.1.1 Factory rent is considered a fixed cost.

3.1.2 Bad debts are regarded as a selling and distribution cost.

2

3.2 BONGI MANUFACTURERS

3.2.1 FACTORY OVERHEAD COST

Indirect labour	168 660

10

3.2.2 Calculate the Direct Material Cost.

5

3.2.3 PRODUCTION COST STATEMENT ON 31 AUGUST 2024.

Prime cost	
Total manufacturing cost	
Work-in-progress (opening balance)	**420 200**
Work-in-progress (closing balance)	
Cost of production of finished goods	

10

3.2.4

	IDENTIFY SEPARATE REASONS	AMOUNTS
Reason 1		
Reason 2		

4

3.2.5 In your opinion, were the bonuses justified? Quote figures.

2

3.3 VINI BAGS MANUFACTURERS

3.3.1	**Explain whether the business should be satisfied with the number of handbags produced and sold during this financial year. Quote figures.**	3
3.3.2	**Calculate the number of handbags he had to make and sell to reach this target.**	4

TOTAL MARKS
40

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QUESTION 4:

4.1 Explain why:

4.1.1 The Cash Budget as a management tool important is. | 1

4.1.2 The prepaid portion of the insurance premium is shown in the Cash Budget. | 1

4.2.1 Debtors' collection schedule for September 2024. | 6

MONTHS	CREDIT SALES R	JULY R	AUGUST R	SEPTEMBER R
May	135 000	33 750		
June	139 500	41 850	34 875	
July	144 000	57 600	43 200	
August	153 000		61 200	
September				
Collection from debtors			139 275	

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4.2.2

	WORKINGS	ANSWER
(a)	**Rent income:**	
(b)	**Cash purchases of stock:**	
(c)	**Payment to creditors:**	
(d)	**Repayment of loan:**	
(e)	**Printers' lease contract:**	

19

4.2.3 **The owner is considering purchasing two new printers in September. He wants advice on whether he should go ahead with the purchase of these printers or renew the lease agreement. Quote figures to support your answer.**

4

4.2.4 **Comment on the items listed, as specified in the table provided in the Answer Book. Quote figures.**

	EXPLANATION/REASON (with FIGURES)
Deviation in Sales figures	
Effectiveness of Advertising	
Control over the Delivery Expenses	

9

TOTAL MARKS
40

TOTAL: 150

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