KWAZULU-NATAL PROVINCE

EDUCATION
REPUBLIC OF SOUTH AFRICA

NATIONAL SENIOR CERTIFICATE

GRADE 12

ACCOUNTING P2

MARKING GUIDELINES

JUNE EXAMINATION

2025

Z.M. MKHIZE
MODERATOR
27/06/2025

M.G. [illegible]
EXAMINER
27/06/2025

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 9 pages.

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QUESTION 1

1.1.1 **Provide THREE points for good internal control over creditors**

Any three valid and separate points ✓ ✓ ✓✓ ✓✓

Beware of alternative wording which reflects the same point.
Beware that two separate points could be in the same sentence.

- Assess the efficiency of the creditors clerk in order to prevent errors from occurring
- Ensure that creditors are paid on time to make use of discounts
- Make full use of credit terms to assist cash flow
- Division of duties amongst members of the accounting department so that one person serves as a check on another
- Reconcile the balance on the creditors control account with the total of creditors' list to ensure accuracy on a monthly basis
- The statement of account of individual creditors must be reconciled (agreed) with their accounts in the creditors ledger
- Conduct internal audits to minimise the possibility of fraud or error / Check documents (e.g. invoices and credit notes) to ensure accuracy of calculations and entries
- Ensure that items ordered from creditors are correctly received (i.e. quantities, condition, price)
- Ensure that all purchases are correctly authorized (i.e. procurement policy)

6

1.1.2

No.	Creditors' Ledger of Makhedama Stores	Statement of account received from Kranskop Ltd.
Balance	**R114 485**	**R182 150**
A.	**-9 500**	**-9 500**
B.	+87 000✓	
C.		+6 900✓✓
D.		-1 350✓✓
E.		-730✓✓
F.	+2 000✓✓	
G.	-5 350✓ -5 350✓or -10 700 2marks	
H.		+1 215✓✓
I.		14 600✓✓
TOTAL	183 285☑* operation	183 285☑* operation

17

* Any One part correct, check reasonableness and Including opening figures
Totals do not have to agree
Sign and amount must be correct to award mark(s)
If no sign accepts it as a positive,
Accept brackets as a negative figure
Foreign / superfluous entries -1 each line.

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1.2 DEBTOR'S AGE ANALYSIS AND INTERNAL CONTROL

1.2.1 **Calculate the percentage of debtors' balances amounts that are within the credit term of the business.**

$$\frac{10\,120 + 9\,380}{31\,800} \times \frac{100}{1}$$

= 61.3% ✓✓

2

1.2.2 **The business is not controlling its debtors effectively. Give THREE reasons why you would agree with this statement. Quote figures.**

Reason ✓ ✓ ✓	Debtor & figure ✓ ✓ ✓
Debtors are not settling outstanding balance within the 30 days credit term	Nel, R4 900, Ngubane R4 500, Luthuli R2 900
Debtors exceeded their credit limit	Ras by R1 120, Luthuli by R600
Credit being currently offered to debtors who are not adhering to credit terms	Ngubane R1 500, Luthuli R3 420

6

1.2.3 **Tatjana is of the opinion that her debtors' clerk does not screen (check) potential customers properly before offering credit facilities. Give TWO strategies that the debtors' clerk should follow before allowing customers to open accounts.**

Any two valid responses to explain screening ✓✓ ✓✓

- New debtors must provide ID documents
- Proof of residence
- New debtors must provide three credit references which the debtors clerk must check for good payment records
- Debtors must provide proof of income e.g. salary slip

4

TOTAL MARKS
35

QUESTION 2

2.1.1 Direct labour cost

CALCULATION	ANSWER
10 X 2 000 X 50 = 1 000 000✓✓ two or nothing 10 X 100 X 90 = 90 000✓✓ two or nothing 1 000 000☑ X 12/100 = 120 000✓ Check the above calculation for basic wages	1 210 000☑ operation on part correct

7

Factory overheads cost	
TOTAL	**764 780**
Rent expenses	16 500✓✓ two or nothing
Insurance	(17 280) ✓✓ two or nothing
	764 000☑

5

2.1.2 Production Cost Statement for the year ended 28 February 2025.

Direct material cost	1 500 000 ✓
Direct labour cost see 2.1.1	1 210 000 ☑
Prime cost operation on part correct	2 710 000 ☑
Factory overhead cost see 2.1.1	764 000 ☑
Total manufacturing cost (PC + FOH)	3 474 000 ☑
Work in progress at the beginning	**26 000**
	3 500 000
Work in progress at the end of the year operation	(24 000) ☑
The total cost of production of finished goods (3 200 000✓ + 552 000✓ – 276 000✓)	3 476 000 ☑

10

2.1.3 Provide TWO reasons why the factory workers choose to work overtime without any concern.

Any relevant answer✓✓ ✓✓

- Passion for work to achieve positive results / Contribution towards company success.
- Demonstrate commitment and reliability to employers to meet business targets.
- Due to financial incentives.
- Demonstrate dedication leading to promotion.

4

2.2.1 Calculate the break-even point for the year ended 28 February 2025.

2 442 375✓
104.10✓ – 36.10✓

= 35 917.3 or 35 918 units☑ One part correct

4

2.2.2 **Explain whether the level of production achieved is satisfactory or not. Quote figures to support your opinion.**

Explanation✓✓ **figures** ✓
Satisfactory✓
The business produces 41 750 units, and the BEP is 35 918 / produce 5 832 more than the BEP / making a profit on 5 832 units
TWO –mark options (if only production or only BEP)
Produce last year 42 500 and this year 41 750 / 750 less than last year.
BEP increased from 34 244 to 35 918 by 1 674 units

4

2.2.3 **Pep is generally satisfied with the management of variable costs but is not pleased with the control over direct labour costs.**

Justify his concern by quoting figures.

Comparative figures ✓✓

Direct labour cost increased from R9.80 to R14.70 by R4. 90 / 50%

Provide THREE suggestions he can implement to address the problem.

Any THREE suggestions ✓✓ ✓✓ ✓✓
Possible answers:

- Train workers to work effectively
- Restrict overtime
- Better supervision by the foreman
- Pay workers per finished unit (piecework) / set targets

8

2.2.4 **Pep is considering using computerised machinery as an alternative to manual labour. This may result in some workers losing their jobs.**

Explain TWO points that he should consider before taking this step.
Any TWO suggestion ✓✓ ✓✓

- Triple bottom line (They should not only consider their profit) retrenching workers will add to poverty/ increased crime/ unemployment within the community.
- Maintenance and installation of computerized machinery are costly.
- Computerised machinery will need constant power and the current load-reduction situation will bring production to a stand.
- Computerised machinery will need substantial initial capital investment, which can lead to cash flow pressure

4

2.2.5 **Pep wants to increase production by 800 units during the next financial year while maintaining costs. Calculate the additional profit that he will achieve.**

Calculation	Answer
800✓ X 68✓☑ **check 2.2.1**	54 400 ☑ One part correct

4

TOTAL MARKS
50

m1.4

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QUESTION 3

3.1.1 **Explain TWO differences between the perpetual stock system and the periodic stock system.**

Any valid difference with comparison✓✓ ✓✓
Incomplete / one system only explanation: 1 mark

Expected responses:

perpetual stock system	periodic stock system
Stock on hand is available at all times, electronically.	Stock on hand is available through physical stock-take.
Cost of sales is available at the point of sales	Cost of sales is calculated and this is done usually at the end of the financial year.
Stock purchased is recorded as an asset.	Stock purchased is recorded as an expense.

4

3.1.2 **Calculate the following:**

(i) **Customs duty paid per watch**

18 000/12 = 150 ✓
OR
12 150/81 = 150
OR
$(18\,000 + \overset{40\,500}{12\,150} + 10\,350) \div (\overset{270}{120 + 81 + 69}) = R150$

1

(ii) **The value of closing stock using weighted average method**

3 803 500✓ + 9 348 000✓ + 40 500✓ + 13 500✓ - 175000✓
100✓ + 270✓ - 5✓

13 030 500 award five marks
365 award three marks

R35 700☑ x 78 units ✓

R 2 784 600☑ closing stock

11

(iii) **Cost of sales**

See weighted above See closing stock above
13 030 500☑ – 2 784 600 ☑= 10 245 900☑
OR
(365 -78) one mark X 35 700 one mark = 10 245 900 one mark

3

(iv)	Calculate the Stock holding period in days	
	½✓ (3 803 500✓ + 2 784 600☑) X 365 / 10 245 900☑see cost of sales above / 1 3 294 050 award three marks X 365 / 10 245 900 / 1 117.3 days☑ operation on part correct	accept ½ (100 + 78) X 365 / 287 113.2 days

5

3.1.3 **Comment on stock holding period (2024 was 158 days)**

Stock holding period improved✓ from 158 days to 117 days by 41 days✓
Watches were on demand / Advertising was more efficient✓

3

3.2.1 **Comment on the price adjustment policy. Is it a good idea to allow the managers to adjust prices? Provide figures to support your answer.**

Mthembu decreased his prices by 10% and his sales are the highest. ✓
Shabalala increased his prices with 5% and he had the lowest sales. ✓

It is a good policy to allow managers to give discounts, but they should not be allowed to increase prices. ✓✓

4

3.2.2 **Identify one problem relating to each shop. Provide figures to support your answer. In each case provide a possible solution.**

	Identify a problem✓✓ ✓✓ ✓✓	**Possible solution**✓ ✓ ✓ **Accept any relevant answer**
SHOP A	120 days' stock on hand Pay creditors to soon in 30 days	Keep less stock Pay creditors later
SHOP B	Gross profit margin / mark up is 10% lower No credit sales, R0 / nil Too many workers 10	Give less discount Sell on credit Pay creditors later Transfer some workers to other shops Workers to take turns in coming to work
SHOP C	Sales are the lowest at R247 500 Give too much credit 222 750 (90%) Bad debts very high 22 275 (91%)	Prices must be decreased Improve credit control Introduce commission on sales Handover to debt collectors

9

TOTAL MARKS
40

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QUESTION 4

BANK RECONCILIATION

4.1.1

Cash Receipts Journal	
132 890	
8 500	✓
2 600	✓
950	✓
144 940	☑

Cash Payments Journal	
73 200	
420	✓
1 550	✓
75 170	☑

7

4.1.2 **Calculate the correct balance of the Bank account in the ledger on 30 April 2025.**

1 930 ✓ + 144 940 ☑ – 75 170 ☑ = 71 700 ☑ one part correct
See CRJ See CPJ

Accept ledger account
Check the net effect

4

4.1.3 **TWO COLUMN METHOD:**

If both methods answered , mark both and choose the option that benefits the candidates

Prepare the Bank Reconciliation Statement on 30 April 2025.

	Debit	Credit
Balance as per bank statement Balancing figure	Could be DR/CR Do not accept R36 294	56 350 ☑ ✓
Outstanding deposit		23 100 ✓
Outstanding EFT		
176	4 130 ✓	
201	5 100 ✓	
202	3 150 ✓	
Correction: Easy deduction order		3 000 ✓
Correction: EFT 175	270 ✓	
Correction bank charges		1 900 ✓
Balance as per bank account See 4.1.2	71 700 ☑	
	84 350	84 350

10

m1 · 5

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QUESTION 4

BANK RECONCILIATION

4.1.1

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132 890	
8 500 ✓	
2 600 ✓	
950 ✓	
144 940	☑

Cash Payments Journal	
73 200	
420 ✓	
1 550 ✓	
75 170	☑

7

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202	3 150 ✓	
Correction: Easy deduction order		3 000 ✓
Correction: EFT 175	270 ✓	
Correction bank charges		1 900 ✓
Balance as per bank account See 4.1.2	71 700 ☑	
	84 350	84 350

10

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OR ONE COLUMN METHOD:

Refer marking conditions applicable above.
Be alert to candidates who start with the bank account balance*
Note: brackets / no brackets must be reversed. See shaded column.

Prepare the Bank Reconciliation Statement on 30 April 2025.

Balance as per bank statement	71 700*	56 350	☑✓
Outstanding deposit	(23 100)	23 100	✓
Outstanding EFT			
176	4 130	(4 130)	✓
201	5 100	(5 100)	✓
202	3 150	(3 150)	✓
Correction: Easy deduction order	(3 000)	3 000	✓
Correction: EFT 175	270	(270)	✓
Correction bank charges	(1 900)	1 900	✓
Balance as per bank account	56 350*	71 700	☑

10

4.1.4 **Provide ONE reason why the internal auditor should be concerned about the control of cash. Provide a solution for his concern.**

Reason with a figure✓✓	Solution ✓✓
• Rolling over of Cash R23 100 • Missing money on 2 April 2025 (23 100) • Donation for R950 to local school	• Use the collection companies to collect cash on a daily basis/ cash in transit. • Register for SMS notification from the bank • Visit the place before donating/verify existence.

4

TOTAL MARKS
25

TOTAL MARKS: 150

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