

NATIONAL SENIOR CERTIFICATE ACCOUNTING PAPER 2 SPECIAL ANSWER BOOK

JUNE 2024

EXAMINATION NUMBER

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CENTRE NUMBER

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QUESTION	MARK	INITIAL	MODERATED MARK	INITIAL
1 (40)				
2 (35)				
3 (45)				
4 (30)				
TOTAL [150]				

THIS ANSWER BOOK CONSISTS OF 10 PAGES



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QUESTION 1: COST ACCOUNTING

(40 marks; 30 min)

1.1 Indicate whether the following statements are TRUE or FALSE. Write the answer next to the question numbers (1.1.1 – 1.1.3) in the ANSWERBOOK.

1.1.1	
1.1.2	
1.1.3	

3

1.2 Peters T-Shirts

1.2.1 Calculate direct labour cost.

<u>Workings</u>	<u>Answer</u>

9

1.2.2 Production Cost Statement for the year ended 31 May 2024.

Direct material cost	2 192 450
Prime cost	
Total production cost	
Work in progress (1 June 2023)	
Cost of production of finished goods	

12



1.3 Trellis Security Gates

1.3.1 Calculate the break-even point for the year ended 31 May 2024.	
Workings	Answer

5

1.3.2	Compare and comment on the break-even point and the production level achieved over the last two years. Quote figures.

6

1.3.3 Give TWO reasons for the increase in direct material cost. Suggest ONE way to control this cost.	
REASONS	SUGGESTION

5

Total Marks
40



QUESTION 2: VAT AND CREDITORS' RECONCILIATION

(35 marks; 25 min)

2.1 VAT

2.1.1

	Workings	Answer
(a)		
(b)		
(c)		
(d)		

10

2.1.2 The owner, Katherine, bought a new car for R828 000 including VAT and made the payment out of the business bank account. Katherine says the vehicle must be recorded as a business asset and R108 000 must be recorded as a VAT input in the business' books. Explain what you would say to Katherine. Provide TWO points.

Point 1	
Point 2	

4



2.2 CREDITORS RECONCILIATION

2.2.1

	CREDITORS LEDGER ACCOUNT OF RUDI'S SHOES	STATEMENT FROM AWA FASHION WHOLESALEERS
Balance	266 080	261 870
(i)		
(ii)		
(iii)		
(iv)		
(v)		
(vi)		
(vii)		

17

2.2.2 It was discovered that the store manager, Rose, had signed a fictitious order form and took the goods for herself when it arrived.

- **ONE suggestion for action to be taken against her.**

- **ONE suggestion to prevent this problem in future.**

4

Total Marks
35



QUESTION 3: INVENTORY VALUATION AND FIXED ASSETS

(45 marks; 35 min)

3.1	CONCEPTS
3.1.1	
3.1.2	
3.1.3	
3.1.4	

4

3.2 Bags&Baggage

3.2.1 Calculate the value of the closing stock on 30 June 2024 using the first-in-first-out (FIFO) method.

<u>WORKINGS</u>	<u>ANSWER</u>

5

3.2.2 Zena suspects that suitcases have been stolen. Provide a calculation to support her concern.

<u>WORKINGS</u>	<u>ANSWER</u>

5



3.2.3 Zena is concerned about the volume of stock on hand.

Calculate for how many days her closing stock is expected to last.

<u>WORKINGS</u>	<u>ANSWER</u>
	6
State ONE problem with keeping too much stock on hand	
	2
State ONE problem with keeping insufficient stock on hand.	
	2

3.3 PPE Traders

3.3.1	Workings	Answer
(i)		
(ii)		
(iii)		
(iv)		
(v)		

17



3.3.2 Explain how the internal auditor should check that movable fixed assets were not stolen.

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	1

3.3.3 Apart from theft, name ONE more risk to which fixed assets are exposed to and ONE control measure to prevent this risk.

<u>RISK</u>	<u>CONTROL MEASURE</u>

	2

3.3.4 Provide a reason as to why Land and Buildings is usually not depreciated.

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	2

Total Marks
45



QUESTION 4: CASH BUDGET

(30 marks; 25 min)

4.1 Debtors' Collection Schedule of October 2024

Months	Credit sales	September 2024	October 2024
July	887 000	195 140	
August	922 500	507 375	
September	967 680	183 859	
October	1 008 000		
		886 374	

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4.2 Calculate the amounts indicated by (i) to (iii) in the extract from the Cash Budget.

	Workings	Answer
(i)	Cash sales for September 2024.	
(ii)	Rent income amount for October 2024.	
(iii)	Payment to creditors October 2024.	

9

4.3 Calculate the % increase in salaries of sales assistants for October 2024.

Workings	Answer
Explain whether they should be satisfied with this increase.	

4



4.4 A new competitor moved into the area during September 2024. Mr. Heat was not aware of the competitor and did not take any action during September.

4.4.1 Explain the effect of the new competitor on any TWO items in the budget for <u>September</u>. Provide figures.		4
4.4.2 Identify TWO changes Mr. Heat implemented in <u>October</u> in response to the new competitor. Quote figures. Give ONE reason for EACH change.		4
<u>Changes</u>	<u>Reason</u>	
4.4.3 With the increase in credit sales. Name TWO items that could possibly appear in the projected income statement for <u>November</u>.		2

Total Marks
30