

EXAMINATION		NATIONAL SENIOR CERTIFICATE	
GRADE		12	
DATE		MAY/JUNE 2025	
SUBJECT		ACCOUNTING	
PAPER		2	
MARK TOTAL		150	
DURATION (HOURS)		2	
NUMBER OF PAGES		14 (INCLUDING A FORMULA SHEET AND A 13 PAGE ANSWER BOOK)	



SOUTH AFRICAN COMPREHENSIVE ASSESSMENT INSTITUTE
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INSTRUCTIONS AND INFORMATION

Read the following instructions carefully and follow them precisely.

1. Answer **ALL** questions.
2. A special **ANSWER BOOK** is provided in which to answer **ALL** questions.
3. Show **ALL** workings to earn part marks.
4. You may use a non-programmable calculator.
5. You may use a dark pencil or blue ink pen to answer questions.
6. Where applicable, show **ALL** calculations to **ONE** decimal point.
7. If you choose to do so, you may use the Financial Indicator Formula Sheet attached at the end of this question paper. The use of this formula sheet is **NOT** compulsory.
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	Inventory valuation	45	35
2	Debtors reconciliation, age analysis and VAT	35	30
3	Budgets	30	20
4	Manufacturing	40	35
TOTAL		[150]	[120]

QUESTION 1: INVENTORY VALUATION

(45 marks; 35 minutes)

1.1 CONCEPTS

Choose the concept in **Column B** that best suits the description in **Column A**. Write only the letter next to the question numbers (1.1.1 to 1.1.5) in your ANSWER BOOK.

COLUMN A		COLUMN B	
1.1.1	Cost of sales is determined at the point of sale in this system.	A.	Weighted average method
1.1.2	The method that divides the total cost of goods available for sale by the number of units.	B.	Expense
1.1.3	This method assumes that stock is sold in order of date purchased.	C.	Perpetual inventory system
1.1.4	Carriage of goods purchased in the periodic inventory system is recorded as an ...	D.	Stock turnover rate
1.1.5	Calculates how many times a company's inventory is sold and replaced over a period.	E.	First-in-first-out
		F.	Periodic inventory system

(5)

1.2 AMELIA BEDELIA (PTY) LTD

You are provided with information relating to Amelia Bedelia (PTY) LTD for the year ended 31 January 2025. The business trades in baking equipment and supplies.

The periodic inventory system is used.

The stand mixers are valued using the **specific identification method** and the hand mixers are valued using the **weighted average method**.

REQUIRED:

Stand Mixers:

Refer to information A.

1.2.1 Calculate the value of the closing stock on 31 January 2025. (5)

1.2.2 Calculate the Cost of sales for the year ended 31 January 2025. (5)

1.2.3 Amelia wants to know how often the stand mixers were replenished during the year. Use the stock turnover rate to support your answer. (4)

1.2.4 **Refer to information B.**

Amelia is concerned about the stand mixers. Identify the major problem relating to EACH product. Quote figures. Give a valid solution for the problem identified. (6)

Hand mixers:

Refer to information C.

1.2.5 Calculate the value of the stock on 31 January 2025. (11)

1.2.6 Is the weighted-average method appropriate to value the hand mixers? Explain ONE point. (3)

1.2.7 Amelia suspects that some of the hand mixers are being stolen despite security cameras being installed and the implementation of proper division of duties.

a) Provide a calculation to verify her suspicion. (4)

b) What can Amelia do to improve the internal control of stock? State TWO points. (2)

INFORMATION:

A) Stand Mixers:

Stock on 1 February 2024:

MODEL	UNITS	COST PRICE PER UNIT (R)	TOTAL (R)
Kenwood Mix	18	6 200	111 600

Total purchases:

MODEL	UNITS	COST PRICE PER UNIT (R)	TOTAL (R)
KitchenAid	27	14 100	380 700

Returns: 3 KitchenAid mixers were returned to the supplier for a full refund.

Sales:

MODEL	UNITS SOLD	TOTAL SALES (R)
Kenwood Mix	12	104 160
KitchenAid	15	296 100
	27	400 260

B) Inventory records of the stand mixers:

	Kenwood mixers	KitchenAid mixers
Mark-up %	40%	50%
Mark-up % achieved	40%	40%
Selling price per unit	R8 680	R19 740
Sales	12	15
Gross profit	29 760	84 600
Stock holding period	365 days	219 days

C) Hand mixers:

Stock balances according to physical count:

	UNITS	COST PRICE PER UNIT (R)	TOTAL (R)
1 February 2024	45	750	33 750
31 January 2025	18	?	?

Purchases:

DATE	UNITS	COST PRICE PER UNIT (R)	TOTAL (R)	CARRIAGE ON PURCHASES
April 2024	35	550	19 250	10% of the cost
June 2024	45	650	29 250	
December 2024	30	800	24 000	
	110		72 500	

Returns:

Five defective hand mixers from the purchases in June 2024 were returned to the suppliers for a full refund.

NOTE: Carriage on purchases is not refundable.

Sales:

129 hand mixers were sold at R950 each.

[45]

QUESTION 2: DEBTORS RECONCILIATION, AGE ANALYSIS AND VAT

(35 marks; 30 minutes)

2.1 DEBTORS RECONCILIATION

Information from the records of Octonauts (PTY) LTD for December 2024 is presented. Some errors and omissions were noted.

REQUIRED:

- 2.1.1 Calculate the correct Debtors Control Balance on 31 December 2024. Show figures and indicate '+', '-' or 'No change' with EACH adjustment. (7)
- 2.1.2 Calculate the correct total of the debtor's list on 31 December 2024. (10)

INFORMATION:

A) Balances on 31 December 2024 before errors and omissions:

- (i) Debtors control, R38 550
- (ii) Debtors list:

	DEBIT	CREDIT
K. Kwazii	R8 550	
P. Peso	R16 650	
D. Dashi		R2 850
B. Barnacles	R23 850	
	R49 050	R2 850

B) Errors and omissions:

- (i) No entry was made for a credit sales invoice issued to D. Dashi for R2 250.
- (ii) An amount of R4 650, received from K. Kwazii, was incorrectly recorded as R1 950 in the CRJ and as such posted to the General Ledger and Debtors Ledger.
- (iii) The total of the Debtors Journal was under calculated by R4 050.
- (iv) Interest of R525 must be charged to the overdue account of P. Peso.
- (v) Trading stock returned by B. Barnacles was posted to the wrong side of his Debtors Ledger account, R1 800.

2.2 DEBTORS AGE ANALYSIS.

The information below relates to Gabby's Dollhouse Traders. Credit term is 30 days.

REQUIRED:

- 2.2.1 Explain how a debtors age analysis can help with internal control over debtors. (2)
- 2.2.2 Calculate the percentage of total debt that exceeds the credit term. (4)
- 2.2.3 Explain ONE problem, with figures, with regard to EACH of the following debtors:
- a) Pandy Paws (2)
 - b) Kitty Fairy (2)

INFORMATION:

A) DEBTORS' AGE ANALYSIS ON 31 MAY 2025.

	CREDIT LIMIT	AMOUNT DUE	CURRENT MONTH	30 DAYS	60 DAYS	90 DAYS
	R	R	R	R	R	R
Pandy Paws	15 000	17 700	2 970	14 730		
Cakey Cat	21 000	20 175	6 150	5 853	8 172	
MerCat	4 200	3 825		3 825		
Kitty Fairy	21 000	16 788			13 668	3 120
Carlita	7 500	3 912	2 112	1 800		
		62 400	11 232	26 208	21 840	3 120
		100%	?	?	?	?

2.3 VAT

The information below relates to Extinct (PTY) LTD for their two-month VAT period ended on 28 February 2025. All items are subject to 15% VAT.

REQUIRED:

Calculate the amount payable to or receivable from SARS for the VAT on 28 February 2025. Indicate whether the amount is receivable or payable. (8)

INFORMATION:

- A. Amount owed to SARS for January 2025, R21 375.
- B. Details in respect of VAT for February 2025:

DETAILS	EXCL. VAT	VAT	INCL. VAT
Debtors' account written off	R14 500		
Total sales			R494 500
Merchandise purchased	R277 500		R319 125

[35]

QUESTION 3: BUDGETS

(30 marks; 20 minutes)

3.1 JUNGLE BUNCH TRADERS

You are provided with the information relating to Jungle Bunch Traders, owned by Patricia Gilbert.

REQUIRED:

- 3.1.1 Calculate the missing amounts indicated by (a) to (e) in the Cash Budget for July and August 2025. (15)
- 3.1.2 Complete the Debtors Collection Schedule for August 2025. (8)
- 3.1.3 Calculate the percentage increase in sundry expenses. (3)
- 3.1.4 Patricia inspected her sundry expenses. **Refer to information I**, and explain why she would feel that these expenses are problematic/advantageous for the business. (4)

INFORMATION:

A.

An extract from the Cash Budget	JULY 2025	AUGUST 2025
CASH RECEIPTS		
Cash sales	(a)	356 400
Cash from debtors	190 190	?
Rent income	12 600	(c)
Loan: Maurice Bank	-	252 000
Commission income	42 560	39 200
CASH PAYMENTS		
Cash purchases of trading stock	(b)	360 500
Payment to creditors for stock	45 290	39 550
Salaries and wages	85 736	85 736
Loan instalment	-	(d)
Interest on loan	-	(e)
Insurance	3 164	3 164
Drawings	25 200	25 200
Delivery expenses	42 000	42 000
Sundry expenses	122 640	125 706
Bank: Closing balance	(105 420)	(62 860)

- B.** The business has only one supplier. Commission of 8% of total sales is receivable in the month following the sales.

- C.** Cash sales amount to 60% of the total sales.
- D.** Total sales for June 2025 were R532 000.
- E.** 10% of the trading stock is bought on credit. Creditors are paid in full in the month following the month of purchase.
- F.** Collection from debtors:
- 45% settle accounts in the month of sales and receive 5% discount.
 - 50% settle accounts in the following month.
 - Provision is made for 5% bad debt after 2 months.
- G.** A new tenant moved into one of the apartments on the 15th of July 2025 and were required to pay half of the rent and a deposit equal to 1 month's rent. The tenant paid August and September's rent in August 2025.
- H.** A loan, at 12% interest p.a, will be taken out on 1 August 2025. The loan will be repaid in 24 equal monthly instalments commencing on 31 August 2025.

The interest on the loan is also payable at the end of each month, commencing 31 August 2025. Interest is not capitalised.

- I.** Included in sundry expenses:

Extract of sundry expense	July 2025		August 2025	
	Budgeted	Actual	Budgeted	Actual
Advertising	18 500	31 800	18 500	42 500
Repairs and maintenance	19 850	3 000	21 050	2 100
	June 2025	July 2025	August 2025	
Total sales	532 000	?	594 000	

[30]

QUESTION 4: MANUFACTURING

(40 marks; 35 minutes)

4.1 COCOMELON LANE MANUFACTURES

The following information relates to CoCoMelon Lane Manufactures, a small business manufacturing dolls. The financial year ended on 28 February 2025.

REQUIRED:

4.1.1 Refer to information C.

Calculate the direct labour cost. (9)

4.1.2 Prepare the Production Cost Statement for the year ended 28 February 2025.

(17)

INFORMATION:

A. Balances	28 February 2025	29 February 2024
Raw material stock	87 840	56 400
Work-in-process stock	?	213 000

B. Raw Material:

- Purchases of raw material for the financial year amounted to R832 500.
- Damaged material valued to R31 500 was returned to suppliers.

C. Direct labour:

Number of factory workers	6
Normal time expected per worker per year	1 960 hours
Normal rate per hour	R135 per hour
Bonuses to workers	15% of normal wages
NOTE: One worker only worked 1 680 hours and received a reduced bonus of R18 219	

D. The business produced 48 500 units at a cost of R67,50 each.

E. The following information was calculated on 28 February 2025.

	R
Direct material cost	?
Direct labour	?
Factory overhead cost (See information F)	702 675
Selling and distribution cost	914 775
Administration cost	665 925
Cost of production of finished goods	?

F. The following items must be taken into account:

- Administration costs include the annual insurance premium of R73 125. It must be allocated to the factory, administration and sales in the ratio 4 : 3 : 2.
- Factory overhead costs include the full amount of rent paid, R54 450, however, 30% was for the office.

4.2 MIGHTY PUPS MANUFACTURES

This business manufactures drones for kids. The financial year end is 30 April 2025.

REQUIRED:

- 4.2.1 Calculate the break-even point for the year ended 30 April 2025. (5)
- 4.2.2 R. Rider, the owner, is concerned about the production level in 2025. Explain whether he should be concerned or not. Provide figures. (3)
- 4.2.3 Give TWO reasons for the increase in direct material cost. Suggest ONE way to CONTROL this cost. (6)

INFORMATION:

A. Total variable costs:

	30 April 2025		30 April 2024	
	Total	Unit cost	Total	Unit cost
Direct materials	121 500	R270	124 320	R222
Direct labour	170 100	R378	204 960	R366
Selling and distribution	97 650	R217	114 240	R204
	389 250	R865	443 520	R792

B. Fixed costs:

	30 April 2025	30 April 2024
Factory overheads	100 800	131 040
Administration	77 490	106 680

C. Additional information:

	30 April 2025	30 April 2024
Total sales	573 300	696 640
Selling price per unit	R1 274	R1 244
Units produced and sold	450 units	560 units
Break-even point	?	525 units

[40]

GRAND TOTAL: [150]



GRADE 12 ACCOUNTING FINANCIAL INDICATOR FORMULA SHEET	
$\frac{\text{Gross profit} \times 100}{\text{Sales}} \quad 1$	$\frac{\text{Gross profit} \times 100}{\text{Cost of sales}} \quad 1$
$\frac{\text{Net profit before tax}}{\text{Sales}} \times \frac{100}{1}$	$\frac{\text{Net profit after tax}}{\text{Sales}} \times \frac{100}{1}$
$\frac{\text{Operating expenses} \times 100}{\text{Sales}} \quad 1$	$\frac{\text{Operating profit}}{\text{Sales}} \times \frac{100}{1}$
Total assets : Total liabilities	Current assets : Current liabilities
(Current assets – Inventories) : Current liabilities	Non-current liabilities : Shareholders' equity
(Trade & other receivables + Cash & cash equivalents) : Current liabilities	
$\frac{\text{Average trading stock}}{\text{Cost of sales}} \times \frac{365}{1}$	$\frac{\text{Cost of sales}}{\text{Average trading stock}}$
$\frac{\text{Average debtors}'}{\text{Credit sales}} \times \frac{365}{1}$	$\frac{\text{Average creditors}}{\text{Cost of sales}} \times \frac{365}{1}$
$\frac{\text{Net income after tax}}{\text{Average shareholders' equity}} \times \frac{100}{1}$	$\frac{\text{Net income after tax}}{\text{Number of issued shares}} \times \frac{100}{1}$ (*See note below)
$\frac{\text{Net income before tax} + \text{Interest on loans}}{\text{Average shareholders' equity} + \text{Average non-current liabilities}} \times \frac{100}{1}$	
$\frac{\text{Shareholders' equity}}{\text{Number of issued shares}} \times \frac{100}{1}$	$\frac{\text{Dividends for the year}}{\text{Number of issued shares}} \times \frac{100}{1}$
$\frac{\text{Interim dividends}}{\text{Number of issued shares}} \times \frac{100}{1}$	$\frac{\text{Final dividends}}{\text{Number of issued shares}} \times \frac{100}{1}$
$\frac{\text{Dividends per share}}{\text{Earnings per share}} \times \frac{100}{1}$	$\frac{\text{Dividends for the year}}{\text{Net income after tax}} \times \frac{100}{1}$
$\frac{\text{Total fixed costs}}{\text{Selling price per unit} - \text{Variable costs per unit}}$	
NOTE:	
* In this case, 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.	