

MARKING GUIDELINES

EXAMINATION		NATIONAL SENIOR CERTIFICATE	
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SUBJECT		ACCOUNTING	
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SOUTH AFRICAN COMPREHENSIVE ASSESSMENT INSTITUTE
SUID-AFRIKAANSE KOMPREENSIEWE ASSESSERINGSINSTITUUT

FINAL APPROVED MARKING GUIDELINES

DATE OF MEETING	
UMALUSI MODERATOR	
CHIEF MARKER	
INTERNAL MODERATOR	



MARKING GUIDELINES

1. Penalties for foreign items are applied only if the candidate is not losing marks elsewhere in the question for that item (no foreign item penalty for misplaced item). No double penalty applied.
2. Full marks for correct answer. If answer incorrect, mark the workings provided.
3. If a pre-adjustment figure is shown as a final figure, allocate the part-mark for the working for that figure (not the method mark for the answer).
4. 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.
5. Where indicated, part-marks may be awarded to differentiate between differing qualities of answers from candidates.
6. Where penalties are applied, the marks for that section of the question cannot be a final negative.
7. Where method marks are awarded for operation, the marker must inspect the reasonableness of the answer before awarding the mark.
8. In awarding method marks, ensure that candidates do not get full marks for any item that is partially incorrect.
9. Codes: f=foreign item; p=placement/presentation.

QUESTION 1: RECONCILIATION

(35 marks; 30min)

1.1.1	Explain why it is important to prepare a Creditors Reconciliation Statement monthly.
	<p>Any valid reason ✓✓</p> <ul style="list-style-type: none"> • This improves internal control and prevents fraud as each individual creditors' account can be compared with an external source, statement received from creditor. • Errors and omissions can be detected if the Statements received are compared with the Creditors account and corrections can be made.

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1.1.2	CREDITORS RECONCILIATION		
NO.	Calculations	Creditors' ledger account	Creditors Reconciliation Statement
	Balance	162 585	460 995
(i)	Discount: 70 000 x 8/100		– 5 600 ✓✓
(ii)	Trade discount: 31 280 x 100/80 39 100 x 10/100	(7 820 ✓ – 3 910 ✓) + 3 910 ✓	
(iii)			– 48 500 ✓
(iv)	(– 16 200 + 12 600)		+ 3 600 ✓✓
(v)	6000 x 17,5 = 105 000 ✓ + 25 000 ✓	+ 130 000 ✓ * not custom taxes added	
(vi)	– 57 000 x 2		– 114 000 ✓✓
	<input checked="" type="checkbox"/> Method mark for same amount	296 495	<input checked="" type="checkbox"/> 296 495

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1.2.1 Choose the correct word.	
(a)	Cash sales ✓
(b)	Debit note ✓
(c)	Debit ✓
(d)	Trade discount ✓
(e)	Salary slip ✓

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1.2.2 Calculate the total amount owed by Debtors on 31 May 2025.	
<p>Calculations</p> <p>(71 000 + 66 950 + 79 870 + 104 330 + 95 350) ✓ ✓</p> <p>All amount in age analysis</p>	<p>Answer</p> <p>417 500 ✓</p> <p>One part correct</p>

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1.2.3 Calculate the average number of days it takes Fitness Breakthru Traders to collect debtors' debts.	
<p>Calculations</p> $\frac{\frac{1}{2} (417\,500 \text{ ✓} + 410\,400 \text{ ✓})}{0.75(1\,480\,900) \text{ ✓}} \times 365$ $\frac{413\,950 \text{ (2 marks)}}{1\,110\,675 \text{ (one mark)}} \times 365$	<p>Answer</p> <p>136 days ✓</p>

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1.2.4 After 60 days Fitness Breakthru Traders charges 12% interest on any amount of Debtors that is still outstanding, calculate the amount of interest that will be charged on 31 May 2025.

Calculations	Answer
(71 000 ✓ + 66 950 ✓) x 12/100 ✓	16 554 ✓

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1.2.5 Explain whether VAT on the interest income is taken into account by the company. Give a reason for your answer.

No ✓,
 Interest does not add value, is a financing cost ✓,
 as is exempt from VAT ✓.

Interest never attracts VAT - it does not matter if you are a Financial Service Provider as defined. The essence of VAT is on the end user consuming goods and services. Interest is not a service or good being supplied, but a penalty for late payment and thus does not qualify for VAT to be charged.

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TOTAL MARKS
[35]

QUESTION 2: COST ACCOUNTING

(50 marks; 40 min)

2.1.1 Calculate the number of meters of material wasted.	
<p>Calculations</p> <p>525 ✓ + 12 450 ✓ – 1475 ✓ = 11 500 m ✓ 22 100 x 0,5 = 11 050 ✓ m used for finished units</p> <p>11 500 – 11 050 =</p>	<p>Answer</p> <p>450 m ✓ wasted material</p>

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2.1.1 LL Cool Smith feels that the waste is significant. Provide a calculation to support his opinion.	
<p>Calculations</p> <p>450 ✓ see above ÷ 0,5 OR 450/11 500 x 100 = 3,9% wastage</p>	<p>Answer</p> <p>900 hats ✓ could've been made check calculation</p>

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2.1.2 Give TWO possible reasons for this waste and in EACH case give advice to prevent it from happening in the future.	
<p>REASON ✓✓ - any two valid reasons</p> <p>Workers not well trained No Supervisor or Factory foreman</p>	<p>ADVICE ✓✓ - any two valid advice</p> <p>Train workers to work efficiently and effectively Limited access to storage room and raw material, authorised personnel only.</p>
<p>Poor quality material. Waste pieces of material (off-cuts), cutting patterns.</p>	<p>Check quality of material, change suppliers. Machines that cut patterns.</p>

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2.1.3 Prepare the Factory overhead Cost	
Sundry factory expense	189 856
Indirect material (15 950 ✓ + 86 000 ✓ – 18 750 ✓)	83 200 ✓
Salaries and wages (2 900 000 x 10/100)	290 000 ✓✓
Rent expense (291 000 x 2400/3000)	232 800 ✓✓
Insurance (79 200 ÷ 15) x 12 = 63 360 ✓ x 4/10 ✓	25 344 ✓
Telephone (28 800 x 20/40)	14 400 ✓✓
	835 600 ✓

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2.1.4 Complete the Production Cost Statement.	
Direct material cost balancing figure	595 900 ✓
Direct labour cost (2 900 000 x 45/100)	1 305 000 ✓✓
Prime cost Check operation	1 900 900 ✓
Factory overhead cost	835 600 ✓
Total manufacturing cost	2 736 500
Work-in-process stock begin	150 000 ✓
Check operation	2 886 500 ✓
Work-in-process stock end	(194 000) ✓
Cost of production Cost of sales	2 692 500 ✓
$110\ 000\checkmark + (22\ 100 \times 125)\checkmark - 180\ 000\checkmark$	

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2.2.1 Calculate the break-even point for the year ending 30 September 2025.	
Calculations	Answer
$\frac{786\,000 \checkmark}{(640 \checkmark - 366 \checkmark)}$	2 869 units <input checked="" type="checkbox"/>

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2.2.2 Should LL Cool Smith be satisfied with the number of units produced during the current financial year? State TWO points.
<p>BEP vs Production <input checked="" type="checkbox"/> and BEP 2024 vs BEP 2025 <input checked="" type="checkbox"/></p> <p>The BEP of 2 869 is less than the 4 000 units sold and produced but in 2024 6000 units were produced and sold, although less units produced in 2025 he still made a profit in 2025.</p> <p>The BEP of 2024 was 2 477 units and it increased to 2 869 in 2025. This is a concern as he needs to produce more products before making profit.</p>

2

2.2.3 Comment on the fixed cost per unit and explain the major cause for the change in this unit cost.
<p>Fixed cost per unit increased from 130 to 196,50. It is because of less products produced in 2025. (2 000 less products) <input checked="" type="checkbox"/><input checked="" type="checkbox"/></p> <p>Do not accept inflation</p>

2

2.2.4 Identify the production cost that should be of serious concern to LL Cool Smith. Provide TWO valid solutions to this problem.	
Concern	Solutions
<p><input checked="" type="checkbox"/> cost <input checked="" type="checkbox"/> figure</p> <p>Direct labour cost only correct cost increased from R110 to R175, by 59%</p>	<p><input checked="" type="checkbox"/><input checked="" type="checkbox"/> two marks for valid solutions</p> <p>Set daily targets, workers work more productive, limit overtime.</p> <p>Monitor tea breaks and lunch breaks.</p> <p>Qualify workers to work more efficiently. Finish work more quickly.</p>

4

TOTAL MARKS
[50]

QUESTION 3: INVENTORY VALUATION

(30 marks; 25 min)

3.1.1 Tennis Rackets (the Slam – Racket series) Calculate the following for the year ending 30 June 2025:	
Value of the Closing stock: Calculations $82\,800 \checkmark + 492\,775 \checkmark - (40 \times 420) \checkmark + (20 \times 1\,215) \checkmark$ <hr style="width: 50%; margin-left: 0;"/> $1\,405 \checkmark$ $= \frac{583\,075}{1\,405}$ $= 415 \checkmark \times 205$	Answer 85 075 <input checked="" type="checkbox"/> If x with 205 units

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Gross profit: Calculations Sales Cost of sales see above $(1\,200 \times 730) \checkmark - (583\,075 \checkmark - 85\,075 \checkmark)$	Answer 378 000 <input checked="" type="checkbox"/>
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4

3.1.2 Energy sports drinks (1 kg tubs) Calculate the value of the closing stock on 30 June 2025:	
Calculations $235 \begin{cases} \nearrow 180 - 30 = 150 \checkmark \checkmark \times 475 = 71\,250 \checkmark \\ \searrow (235 - 150) = 85 \checkmark \times 460 = 39\,100 \checkmark \\ \text{Check calculation} \end{cases}$	Answer 110 350 <input checked="" type="checkbox"/>

6

3.1.3 Calculate the stockholding period (in days) on 30 June 2025. Use the closing stock.		
Calculations $\frac{110\,350 \checkmark \text{ see 3.1.2}}{454\,140 \checkmark} \times 365$	Or Units: $235/925 \times 365 = 92,7 \text{ days}$	Answer 88,69 = 88,7 days <input checked="" type="checkbox"/> If x with 365

3

3.1.4 Comment on your findings above (3.1.3). Provide TWO points, with figures. Note that the stockholding period for 2024 was 45 days.

Stockholding increased from 45 days to 88,7 days. ✓✓
 Energy power drinks have a shelf life of 90 days and 88,7 days are almost at the expiry date. ✓✓
 Stock is not managed well, too much stock on hand.
 The energy drinks are not selling as well as last year.

4

3.1.5 Serena has noticed that some of the stock of energy drinks has exceeded the shelf life. Identify the value of stock that she is referring to.

Calculations	Answer
see 3.1.2 (March stock on hand)	
85 x 460 Check calculation	39 100 ✓✓

2

3.1.6 Serena wants to sell the outdated stock at half the cost price. What advice would you offer her about this proposal? Provide TWO points.

✓✓ ✓✓ **TWO valid points**

No, not ethical.
 Health product, expired shelf life can risk health. (health problems)

Bad reputation for business if customers find out.

Any possible answer relating to health regulations.

4

TOTAL MARKS
[30]

QUESTION 4: CASH BUDGET AND PROJECTED INCOME STATEMENT

(35 marks; 25 min)

4.1 Indicate amounts in the appropriate blocks for the Cash Budget and Projected Income Statement for 28 February 2026.

No.	Cash Budget February 2026		Projected Income Statement February 2026	
	Receipts	Payments	Income	Expense
(i)		4 375 <input checked="" type="checkbox"/> (12 500 x 3) <input checked="" type="checkbox"/> x 0.70 <input checked="" type="checkbox"/> ÷ 6 <input checked="" type="checkbox"/>		945 <input checked="" type="checkbox"/> *
(ii)	48 000 <input checked="" type="checkbox"/>		4 000 <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>	
(iii)		21 840 <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>		36 100 <input checked="" type="checkbox"/> (21840 x 100/65) <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> +2500 <input checked="" type="checkbox"/>

*** – 1 Placement per line IF mark has been scored on that line.**

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4.2 Complete the Debtors Collection Schedule for February 2026.

	Credit sales	January 2026	February 2026
November	462 000	55 440	
December	577 500	259 875	69 300 <input checked="" type="checkbox"/>
January	598 500	239 400	269 325 <input checked="" type="checkbox"/>
February	538 200 <input checked="" type="checkbox"/>		215 280 <input checked="" type="checkbox"/>
Cash from debtors		554 715	553 905 <input checked="" type="checkbox"/>

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4.3 Calculate the amounts indicated by (a) to (d) in the extract from the Projected Income Statement.

	Workings	Answer
(a)	Commission Income for February 897 000 x 8/100 ✓✓	71 760 ✓
(b)	Bad Debts for February Nov Credit sales 462 000 x 3/100	13 860 ✓✓
(c)	Advertising for January 16 275 x 100/105	15 500 ✓✓
(d)	Discount received for February Dec Cost of sales 962 500 ✓ x 100/175 ✓ x 20% ✓ = 110 000 x 5/100 ✓	5 500 ✓

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4.4 Calculate loan amount to be paid on 1 February 2026.

	Workings	Answer
	4 550 – 4 025 = 525 decrease in interest on loan 525 ✓✓ x 100/14 x 12/1 ✓	45 000 ✓

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TOTAL MARKS
[35]