

EXAMINATION		NATIONAL SENIOR CERTIFICATE	
GRADE		12	
DATE		NOVEMBER 2025	
SUBJECT		ACCOUNTING	
PAPER		2	
MARK TOTAL		150	
DURATION (HOURS)		2	
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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 grey pencil or blue/black ink 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	Reconciliation	35	30
2	Cost Accounting	50	40
3	Inventory Valuation	30	25
4	Cash Budget and Projected Income Statement	35	25
TOTAL		150	120

QUESTION 1: RECONCILIATION**(35 marks; 30 min)****1.1 CREDITORS RECONCILIATION**

You are provided with information relating to Bruce Reyneke Cycles. The company sells good quality mountain bikes which they import into South Africa from the USA.

On 25 May 2025 Bruce Reyneke Cycles received the following monthly statement for May 2025 from MTB Shifting Gears Traders. The Creditors clerk of Bruce Reyneke Cycles determined that the monthly statement received from MTB Shifting Gears Traders revealed differences. The creditors ledger account shows a balance of R162 585, and the statement received revealed a balance of R460 995.

REQUIRED:

- 1.1.1 Explain why it is important to prepare a Creditors Reconciliation Statement monthly. (2)
- 1.1.2 Use the table provided in the ANSWER BOOK to show changes to the Creditors ledger of MTB Shifting Gears Traders in the books of Bruce Reyneke Cycles and the statement of account received from MTB Shifting Gears Traders to take into account the differences identified.
- Indicate a figure as well as a '+' for increase and a '-' for decrease next to each amount. (14)

INFORMATION:**A. Errors and omissions:**

- (i) Bruce Reyneke Cycles qualified for discount on the payment of R70 000 made on 3 May 2025. MTB Shifting Gears Traders undertook to correct the discount of 8% on payment.
- (ii) Bruce Reyneke Cycles recorded a purchase of R31 280 from MTB Shifting Gears Traders in the CJ after deducting a trade discount of 20%. However, MTB Shifting Gears Traders informed Bruce Reyneke Cycles that the trade discount agreed on was only 10%.
- (iii) Invoice 293 for R48 500 on the statement received from MTB Shifting Gears Traders is not in respect of bicycles ordered by Bruce Reyneke Cycles.
- (iv) MTB Shifting Gears Traders made an error in recording credit note 83, R16 200. The correct entry is debit note 51 of R12 600 that appeared in the books of Bruce Reyneke Cycles.



- (v) The bookkeeper of Bruce Reyneke Cycles neglected to document the invoice below:

MTB Shifting Gears Traders		No. 296	
INVOICE			
To: Bruce Reyneke Cycles		Date: 19 May 2025	
Terms : 30 days min 5%			
Units	Description	Unit price	TOTAL
5	Trek MY22 Marlin 5 L 29" wheel	\$1 200	\$6 000
	Total Shipping cost from USA		R25 000
T&C			
			?

Customs taxes to be paid at 12% on delivery.
Exchange rate: \$1 = R17,50

- (vi) Goods returned to MTB Shifting Gears Traders, R57 000 was posted on the statement as an invoice.

1.2 DEBTORS' AGE ANALYSIS

Concepts

1.2.1 Choose the correct word(s) in brackets. Write down only the words opposite the question numbers (a–e) in the ANSWER BOOK.

- (a) Credit card sales are recorded as (cash/credit) sales.
- (b) The source document used when goods are returned to the supplier is a (Debit note/Credit note).
- (c) Interest charged on an overdue account will (debit/credit) the debtor's account.
- (d) Discount granted at the point of sale is known as (discount allowed/trade discount).
- (e) A debtor's credit limit is determined on the basis of his (credit card/salary slip).

(5)

Fitness Breakthru Traders

Fitness Breakthru sells active wear outfits and accessories on credit. Debtors are allowed a credit term of 60 days to settle their account.

REQUIRED:

- 1.2.2 Calculate the total amount owed by Debtors on 31 May 2025. (3)
- 1.2.3 Calculate the average number of days it takes Fitness Breakthru Traders to collect debtors' debts. (4)
- 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. (4)
- 1.2.5 Explain whether VAT on the interest income is taken into account by the company. Give a reason for your answer. (3)

INFORMATION:

A. The following age analysis was compiled on 31 May 2025:

120 days	90 days	60 days	30 days	Current
R71 000	R66 950	R79 870	R104 330	R95 350

B. Extract from Financial records on 31 May:

	2025	2024
Net trade debtors	?	R410 400
Sales	R1 480 900	

Note: 75% of Fitness Breakthru Traders' sales are on credit.

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QUESTION 2: COST ACCOUNTING

(50 marks; 40 min)

2.1 Ispoti Manufacturers is a local manufacturing company that produce one type of bucket hat. The financial year ends on 30 September 2025.

REQUIRED:

2.1.1 LL Cool Smith the owner of Ispoti Manufacturers is concerned about the waste of direct material.

- Calculate the number of meters of material wasted. (6)
- LL Cool Smith feels that the waste is significant. Provide a calculation to support his opinion. (2)

2.1.2 Give TWO possible reasons for this waste and in EACH case give advice to prevent it from happening in the future. (4)

2.1.3 Prepare the Factory Overhead Cost note. (14)

2.1.4 Complete the Production Cost Statement for the year ending 30 September 2025. (12)

INFORMATION:

A. Direct material

0,5 meters are used for each bucket hat.

	Number of meters of material
Raw material Stock (balance on 1 October 2024)	525 m
Purchase	12 450 m
Raw material Stock issued to factory	?
Raw material Stock (balance on 30 September 2025)	1 475 m

B. Extract from inventory records on 30 September:

	2025	2024
Work-in-process stock	R194 000	R?
Finished goods stock	R110 000	R180 000
Indirect factory material	R18 750	R15 950

22 100 hats were produced and sold during the financial year.

Cost price per hat is R125.



C. Transaction/information for the year ended 30 September 2025:

Indirect factory materials purchased	86 000
Salaries and wages	2 900 000
Rent expense	291 000
Insurance	79 200
Telephone (Administration Cost)	28 800
Sundry factory expense	189 856

- D.** 45% of salaries and wages are paid to the employees directly involved in the production process and 10% must be allocated as the salary for the factory foreman. The rest of the amount is for Sales and Administrative staff.
- E.** Rent Expense must be allocated according to the floor space used. The factory occupies 2 400 m². The Sales and distribution and Administration departments occupy the remaining 600 m².
- F.** The insurance premium was paid up to 31 December 2025. Insurance is divided between the Factory, Sales and distribution and Administration departments in the ratio 4 : 4 : 2.
- G.** 20% of the telephone expenses must be allocated to the Factory. The remaining amount is divided equally between Sales and distribution and Administration.

2.2 The following information was obtained from Kuhamba-Hikers Manufacturers hiking section and an extract from the hiking jackets is given for the year ending on 30 September 2025.

REQUIRED:

- 2.2.1 Calculate the break-even point for the year ending 30 September 2025. (4)
- 2.2.2 Should LL Cool Smith be satisfied with the number of units produced during the current financial year? State TWO points. (2)
- 2.2.3 Comment on the fixed cost per unit and explain the major cause for the change in this unit cost. (2)
- 2.2.4 Identify the production cost, with figures, that should be of serious concern to LL Cool Smith. Provide TWO valid solutions to this problem. (4)

INFORMATION:

	Hiking jackets	
	2025	2024
Variable cost per unit	R366	R285
Direct material cost	116	115
Direct labour cost	175	110
Selling and distribution cost	75	60
Fixed cost per unit	196,50	130
Total fixed cost	786 000	780 000
Factory overhead cost	532 000	530 000
Administration cost	254 000	250 000
Selling price per unit	R640	R600
Units produced and sold	4 000 units	6 000 units
Break-even point	?	2 477 units

NOTE:

Inflation rate is currently 6%.

Wages and salaries increased by 4% in 2025.

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QUESTION 3: INVENTORY VALUATION

(30 marks; 25 min)

3.1 Smash Sport Goals, owned by Serena, is a company that sells, among other things, tennis rackets and energy sports drinks (1 kg tubs). The financial year ends 30 June 2025, the business uses the periodic inventory system.

REQUIRED:

Tennis Rackets (the Slam – Racket series) are valued using the weighted average method.

3.1.1 Calculate the following for the year ending 30 June 2025:

- Value of the Closing stock (7)
- Gross profit (4)

Energy sports drinks (1 kg tubs) are valued using the first-in-first-out method.

3.1.2 Calculate the value of the closing stock on 30 June 2025. (6)

3.1.3 Calculate the stockholding period (in days) on 30 June 2025. **Use the closing stock.** (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.** (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. (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. (4)



A. Tennis Rackets (The Slam – Racket series)

	Units	Cost per unit	Total
Opening balance: 1 July 2024	230	R360	R82 800
Purchase	1 215		R492 775
October 2024	140	R380	53 200
December 2024	235	R405	95 175
February 2025	480	R402,50	193 200
May 2025	360	R420	151 200
Returns: May Purchase	(40)		
Total available	1 405		
Tennis rackets sold during the year	1 200	R730	
Closing balance: 30 June 2025	205		

Carriage on purchases

- The business pays a fixed rate of R20 per racket delivered to the store.
- Returns: the supplier reversed the total cost price paid, excluding carriage purchases.

B. Energy sports drink (1 kg tubs)

Stock balances:

	Number of Tubs
1 July 2024	130
30 June 2025	235

Purchases of Energy sports drink during the financial year:

	Number of units	Unit price R	Total
Aug 2024 – Jan 2025	550	420	231 000
March 2025	330	460	151 800
May 2025	180	475	85 500
	<u>1 060</u>		

***NOTE: The Energy sports drink has a shelf life of 90 days.**

Returns to suppliers:

- 30 Damaged tubs from the May 2025 purchases were returned to the supplier.

Sales and Cost of sales:

- 925 tubs were sold.
- Cost of sales amounts to R454 140, after all adjustments were taken into account.

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QUESTION 4: CASH BUDGET AND PROJECTED INCOME STATEMENT**(35 marks; 25 min)**

The financial year-end of Flexi Muscles Gym Equipment is 28 February 2026. Ronnie Coleman is the sole shareholder and director.

REQUIRED:**4.1 Refers to Information A:**

Indicate amounts in the appropriate blocks in the ANSWER BOOK for the Cash Budget and Projected Income Statement for 28 February 2026. (14)

4.2 Refers to Information B:

Complete the Debtors Collection Schedule for February 2026. (5)

4.3 Calculate the amounts indicated by (a) to (d) in the extract from the Projected Income Statement. (12)

4.4 Calculate the loan amount to be paid on 1 February 2026. (4)

INFORMATION:

- A.** (i) Three computers will be purchased on 31 January at R12 500 each to measure and monitor customers' fitness levels. A deposit of 30% will be paid on the day and the remaining amount will be paid in six equal monthly instalments. Depreciation will be R945 per month.
- (ii) On 1 February the annual rent income of R48 000 will be received.
- (iii) A new sales assistant will be appointed in February. His net monthly salary will be R21 840 after 35% deductions have been made. Deductions for the various funds are paid on the 1st of the following month. The employer contributes R2 500 to the pension fund on behalf of the employees.

B. Sales and Purchases:

	Dec	Jan	Feb
Total sales	962 500	997 500	897 000

Credit sales are 60% of total sales.

Debtors pay according to the following trend:

- 40% in the month of sales.
- 45% in the month following the month of sales.
- 12% two months after the month of sales.
- The rest is written off as bad debts in the third month after sales.

The mark-up is 75% on cost price

- Stock is replaced in the month of sales. Fixed stock levels are maintained.
- 80% of stock is bought in cash.
- Creditors are paid in full in the second month after the month of purchases, subject to a 5% discount.

C. Extract from the Projected Income Statement:

	Jan	Feb
Gross profit	427 500	435 000
Commission income	79 800	(a)
Discount received	4 400	(d)
Bad debts	16 800	(b)
Advertising	(c)	16 275
Interest on loan	4 550	4 025

D. Additional Information:

- Commission income is a fixed percentage of total sales.
- Advertising will increase with 5% from 1 February 2026.
- A portion of the loan will be paid on 1 February 2026. Interest at 14% p.a. is paid on the outstanding balance on the last day of each month.



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	
$\frac{\text{Average trading stock}}{\text{Cost of sales}} \times \frac{365}{1}$ (See Note 1 below)	$\frac{\text{Cost of sales}}{\text{Average trading stock}}$
$\frac{\text{Average debtors}}{\text{Credit sales}} \times \frac{365}{1}$	$\frac{\text{Average creditors}}{\text{Cost of sales}} \times \frac{365}{1}$ (See Note 2 below)
$\frac{\text{Net income after tax}}{\text{Average shareholders' equity}} \times \frac{100}{1}$	$\frac{\text{Net income after tax}}{\text{Number of issued shares}} \times \frac{100}{1}$ (See Note 3 below)
$\frac{\text{Net income before tax} + \text{Interest on loans}}{\text{Average shareholders' equity} + \text{Average non-current liabilities}} \times \frac{100}{1}$	
$\frac{\text{Shareholders' equity}}{\text{Number of issued shares}} \times \frac{100}{1}$	$\frac{\text{Dividends for the year}}{\text{Number of issued shares}} \times \frac{100}{1}$
$\frac{\text{Interim dividends}}{\text{Number of issued shares}} \times \frac{100}{1}$	$\frac{\text{Final dividends}}{\text{Number of issued shares}} \times \frac{100}{1}$
$\frac{\text{Dividends per share}}{\text{Earnings per share}} \times \frac{100}{1}$	$\frac{\text{Dividends for the year}}{\text{Net income after tax}} \times \frac{100}{1}$
$\frac{\text{Total fixed costs}}{\text{Selling price per unit} - \text{Variable costs per unit}}$	
<p>NOTE:</p> <ol style="list-style-type: none"> 1. Trading stock at the end of a financial year may be used if required in a question. 2. Credit purchases may be used instead of cost of sales (figures will be the same if stock is constant). 3. 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. 	