

## MARKING GUIDELINES

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SOUTH AFRICAN COMPREHENSIVE ASSESSMENT INSTITUTE  
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## 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 incorrect at least in part.
9. Codes: f=foreign item; p=placement/presentation.

**QUESTION 1: BANK RECONCILIATION**

**(25 marks; 20min)**

**1.1.1 Calculate the final totals of the Cash Journals on 31 October 2024.**

Cash Receipt Journal		Cash Payment Journal	
Amount		Amount	
R365 760		R319 790	
(2840 – 2 480) 360 ✓✓		636 ✓	
5 780 ✓		367 ✓✓	
		1 438 ✓	
		5 909 ✓	
		3150 ✓	
371 900		331 290	

**\*-1 F – for extra items, max -1, not full marks for extra items.**

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**1.1.2 Calculate the correct Bank Account balance on 31 October 2024.**

**Workings**

$- 29\ 415 \checkmark + 371\ 900 \checkmark - 331\ 290 \checkmark$

Balance + CRJ – CPJ (see 1.1.1)

**Accept reverse signs**

**Answer**

11 195 ✓

4



**1.1.3 Prepare the Bank Reconciliation Statement on 31 October 2024.**

	Debit	Credit
Cr. Balance as per bank statement	<b>*don't accept 35 380</b>	*8 968 <input checked="" type="checkbox"/>
Dr. incorrect transfer	4 500 <input checked="" type="checkbox"/>	
Cr. Overcharge on bank charges		367 <input checked="" type="checkbox"/>
Cr. Outstanding deposit		17 900 <input checked="" type="checkbox"/>
Dr. outstanding EFT 1280	11 540 <input checked="" type="checkbox"/>	
Dr. balance as per bank account <small>see 1.1.2</small>	11 195 <input checked="" type="checkbox"/>	
	27 235 <input checked="" type="checkbox"/>	27 235 <input checked="" type="checkbox"/>

Balancing figure

Same amount

8

**1.1.4 Calculate the total Yoco speed point – card sales for the month.**

Workings	Answer
1 438 x 100/2	71 900 <input checked="" type="checkbox"/>

2

**1.1.5 Give TWO suggestions to account holders to protect themselves from this crime.** "hacking"

Any TWO valid suggestions   **one mark each**

- Track bank account movements and notifications on banking App.
- Keep passwords, bank details safe and do not share or give out information.
- Do not respond to suspicious phone calls and emails. Do not open unsafe links.
- Use difficult passwords and change passwords frequently.

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<b>TOTAL MARKS</b>
<b>[25]</b>

**QUESTION 2: INVENTORY VALUATION**

**(30 marks; 25 min)**

<b>2.1</b>	<b>Choose the correct word.</b>	
<b>2.1.1</b>	Perpetual ✓	
<b>2.1.2</b>	Weighted average ✓	
<b>2.1.3</b>	Higher ✓	
<b>2.1.4</b>	First-in-first-out (FIFO) ✓	

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<b>2.2.1</b>	<b>Calculate the Value of closing stock (use the weighted average method).</b>	
	<p><b>WORKINGS</b></p> $\frac{(828\ 000 + 5\ 661\ 350 - 168\ 000)}{6\ 321\ 350\ \checkmark + 142\ 100\ \checkmark}$ $1\ 565\ \checkmark$ $(230 + 1\ 375 - 40)$ <p>=R4 130 ✓ * x 310 ✓ *if carriage was left out</p>	<p><b>ANSWER</b></p> <p>R1 280 300 ✓ <b>If x with units reasonable</b></p>
	<b>Calculate the Stockholding period in days (Use closing stock).</b>	
	<p><b>WORKINGS</b></p> $\frac{1\ 280\ 300\ \checkmark \text{ see above}}{(6\ 321\ 350\ \checkmark + 142\ 100\ \checkmark - 1\ 280\ 300\ \checkmark)} \times 365\ \checkmark$ <p><b>(cost of sales)</b> OR unit (1200 +55) x 4 130</p> <p><b>OR UNITS</b></p> $\frac{310\ \checkmark\ \checkmark}{1\ 200\ \checkmark\ \checkmark} \times 365\ \checkmark$	<p><b>ANSWER</b></p> <p>90,2 days ✓ <b>Check calculation</b></p> <p>94,3 days ✓</p>

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2.2.2	<b>Sally suspects that sunglasses are being stolen from the shop despite security cameras being installed and the implementation of proper division of duties.</b>
	<p><b>Provide a calculation to justify her concern.</b></p> <p>1 565✓ – 310✓ – 1 200✓</p> <p>= 55 <input checked="" type="checkbox"/> sunglasses missing</p> <p><b>*one part correct</b></p>
	<p><b>What can Sally do to improve the internal control of stock? State TWO points.</b></p> <p><b>Two valid points ✓✓ ✓✓ two marks each</b></p> <ul style="list-style-type: none"> <li>• Do regular physical stock counts.</li> <li>• Place security price tags on the sunglasses.</li> <li>• Provide secure display cabinets for the sunglasses.</li> <li>• Improve security, inspect items and check sales slips</li> <li>• Customers can only be assisted by sales reps and managers in store</li> <li>• Buy in smaller quantities/ more regularly.</li> </ul> <p><b>Don't accept security cameras or division of duties</b></p>

<b>8</b>

2.2.3	<b>Sally feels that the First-in-first-out will be best option for her business. Give TWO reasons to convince Sally that First-in-first-out (FIFO) is the best option.</b>
	<p><b>Two valid points ✓✓ ✓✓ two marks each</b></p> <ul style="list-style-type: none"> <li>• Easy to calculate</li> <li>• Value of closing stock will be close to restock prices especially with frequent price increases.</li> <li>• Unit costs are taken from actual records and not estimates (averages)</li> <li>• FIFO method is based on the assumption that inventory that is purchased first will be sold first. Especially with sunglasses that are dependent on fashion fads</li> </ul>

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2.2.4	<b>Give a reason why you think the store managers doubled the order and purchases of stock in September?</b>
	<p><i>Any valid reason ✓✓</i></p> <p>The store is preparing to have enough stock for the summer season and high-volume sales.</p>

2

<b>TOTAL MARKS</b>
<b>[30]</b>

**QUESTION 3: COST ACCOUNTING AND FIXED ASSETS**

**(60 marks; 50 min)**

<b>3.1 Choose the correct word(s) from those within brackets.</b>	
3.1.1	Direct material ✓
3.1.2	Selling and distribution ✓
3.1.3	Variable ✓

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<b>3.2.1 Calculate the value of raw materials issued for production.</b>	
<b>Workings</b>	<b>Answer</b>
Balance	513 500 ✓
Purchases	2 100 000 ✓
Freight	94 500 ✓
Returns	(157 500) ✓
USA purchases	228 000 ✓✓
Import duties	4 560 ✓✓
	<b>232 260 (4 marks)</b>
Balance Closing	(672 020) ✓
	2 111 040 ✓ <b>One part correct</b>

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<b>3.2.2 Calculate depreciation on factory equipment.</b>	
<b>Workings</b>	<b>Answer</b>
<b>Stolen 3-D printer adjustments</b>	
$31\,200 \times 20/100 \times 9/12 = 4\,680$ ✓	
<b>New equipment</b>	
$215\,000 \times 20/100 \times 6/12 = 21\,500$ ✓✓	
<b>Old equipment</b>	
+ 84 000 ✓	
	110 180 ✓ <b>One part correct</b>

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<b>Apart from theft, name another risk to which fixed assets are exposed and a control measure to prevent this risk.</b>	
<b>Risk ✓</b> <ul style="list-style-type: none"> <li>• Employees misuse and damage assets</li> <li>• Natural causes/ disasters</li> <li>• Technology becomes outdated, damaged and breaks</li> </ul>	<b>Control measure ✓</b> <ul style="list-style-type: none"> <li>• Discuss code of conduct for use of equipment and assets</li> <li>• Safe storage</li> <li>• Maintenance should be done regularly</li> <li>• Control measures like logbook or tracking devices</li> </ul>

<b>2</b>

<b>Calculate depreciation on Delivery vehicle.</b>	
166 400 – 1	<b>Answer</b> 166 399 ✓✓

<b>2</b>

<b>3.2.3</b>	<b>Prepare the factory overhead note for the year ended 29 February 2024.</b>	
	<b>Factory overhead cost note</b>	
	<b>Salary: Factory foreman</b>	<b>223 502</b>
	<b>Indirect material</b> (170 800 x 85/100)	145 180 ✓✓
	<b>Rental expense</b> (227 500 ÷ 13) = 17 500 ✓ x 12 = 210 000 ✓ x 900/1 200	157 500 ✓
	Insurance (28 560 x 3) = 85 680 ✓ x 3/5 ✓	51 408 ✓
	Water and electricity (450 x 12) ✓ + 13 000 ✓ + 18 810 ✓)	37 210 ✓
	Depreciation <b>See 3.2.2 equipment NO mark if delivery vehicle is added</b>	110 180 ✓
	Loss due to theft (31 200 – 4 680) = 26 520 ✓ – 19 500 ✓	7 020 ✓
	<b>Total must include 223 502</b>	732 000 ✓ <b>One part correct</b>

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3.2.4 Prepare the Production Cost Statement.		
Direct material cost	see 3.2.1	2 111 040 ✓
Direct labour cost	check operation	1 888 960 ✓
Prime cost		4 000 000
Factory overhead cost	see 3.2.3	732 000 ✓
Total manufacturing cost		4 732 000 ✓
Work – in – progress Stock begin		546 700 ✓
		5 278 700 ✓
Work – in – progress Stock end		(628 900) ✓
Cost of production	check operation	4 649 800 ✓

8
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3.3.1 Explain why it is necessary to calculate the Breakeven point.	
<p><b>One valid explanation ✓</b></p> <ul style="list-style-type: none"> <li>• Important for business to know <u>how many products must be produced</u> and sold <u>before profit is made</u>.</li> <li>• Quantity of units must be produced to cover costs.</li> <li>• Breakeven point helps business to set goals.</li> </ul>	

1
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3.3.2 Calculate the breakeven point for the year ending 29 February 2024.		
		<b>Answer</b>
	$\frac{2\,778\,750 \checkmark}{(1\,410 \checkmark - 360 \checkmark)}$	2 647 ✓ units <b>One part correct</b>

4
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3.3.3	<b>Explain whether the achieved production levels are satisfactory or not. Quote figures to support your opinion.</b>
	<p><b>Explanation ✓✓ Figures ✓</b></p> <ul style="list-style-type: none"> <li>• Sold and produced 4 750 units, BEP is 2 647 units. 2 103 units more on which profit is made.</li> <li>• Fewer units were produced than in 2023 (4 825 against 4 750) (75 units less).</li> <li>• BEP drops from 3 025 to 2 647 units due to increased selling price in 2024 (R970 to R1 410)</li> </ul>

3

3.3.4	<b>Identify the production cost that caused the biggest problem in making the wet suits, quote figures to support your answer. Give a practical solution to Dolphin divers – Stores.</b>
	<p><b>Production cost:</b></p> <p>Direct labour cost ✓ – increased from R120 to R160 by 33,3% ✓ (R40 increase)</p> <p><b>Practical solution: one valid solution</b></p> <p>Train workers to work more efficiently. ✓          Work less overtime, control working hours.          Set achievable targets.</p>

3

<b>TOTAL MARKS</b>
<b>[60]</b>

**QUESTION 4: CASH BUDGET**

**(35 marks; 30 min)**

**4.1 Complete the Debtors' Collection Schedule for December 2024 and January 2025.**

	Credit sales	December 2024	January 2025
October	162 000	64 800	
November	153 000	76 500	61 200 ✓✓
December	180 000	18 000	90 000 ✓✓
January	198 000 ✓✓*		19 800 ✓☑*
Cash from debtors		159 300	171 000 ☑

\*check calculation of 10%

Check operation; one part correct

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**4.2 Calculate the missing amounts indicated by (a) to (g) in the Cash Budget.**

	Workings	Answer
(a)	<b>Payment to Creditors in January</b> Dec – Cost of Sales $200\ 000 \checkmark \times 100/200 \checkmark = 100\ 000 \times 95/100 \checkmark$ OR $100\ 000 - 5\ 000$ (5/100 discount)	95 000 ☑ One part correct
(b)	<b>Interest on loan</b> $2\ 250 \checkmark + (20\ 000 \times 15/100 \times 1/12) \checkmark \checkmark =$ 250	2 500 ☑ One part correct
(c)	<b>Wages: December</b> $19\ 450 + 3\ 500 + 3\ 500 =$	26 450 ✓✓
(d)	<b>Wages: January</b> $19\ 450 + 3\ 500 =$	22 950 ✓✓
(e)	<b>Other operating expenses</b> $38\ 500 \times 100/110 =$	35 000 ✓✓
(f)	<b>Deposit: Delivery vehicle</b> $(4500 \times 48) \checkmark = 216\ 000 \times 20/80 \checkmark =$	54 000 ☑ One part correct
(g)	<b>Advertising</b> $128\ 000 - 62\ 000 = 66\ 000 \checkmark \div 12 =$	5 500 ✓

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<b>4.3</b>	<b>Calculate the additional space (in square meters) that the business plans to rent from January 2025.</b>	
	<b>Workings</b>  $9\ 000 \div 75\text{m}^2 = \text{R}120$ $13\ 800 \div 120 = 115\text{m}^2$  $115 - 75$	<b>Answer</b>  40m <sup>2</sup>

0

<b>4.4</b>	<b>Comment on the control over the following expenses:</b>	
	<b>Packaging material</b>	<b>Must compare expenditure with Sales</b>
	<p>Sales are less than budgeted figure from R170 000 to R129 200 ✓. Packing material was budgeted for 15% of sales ✓  <math>(25\ 500 / 170\ 000)</math> but <math>(23\ 400 / 129\ 200)</math> 18,1% ✓ was spent on packaging material.</p> <p>Therefore, packaging materials are not well controlled ✓. Better controls should be applied</p> <p><b>One-mark option</b>            Budget R25 500 VS Actual R23 400 ( 2 100 less)</p>	
	<p><b>Water and Electricity</b>            Budgeted amount for water and electricity is R6 750. With an unexpected 15% tariff increase, the amount should have been R7 762,50. ✓            Only R7 500 was spent. ✓ So water and electricity are well controlled despite the increase. ✓</p> <p><b>One-mark option</b>            Budget R6 750 VS Actual R7 500 ( 750 more)</p>	

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<b>TOTAL MARKS</b>
<b>[35]</b>