



# NATIONAL SENIOR CERTIFICATE

**GRADE 12**

**JUNE 2024**

## ACCOUNTING P2 MARKING GUIDELINE

**MARKS: 150**

### MARKING PRINCIPLES:

1. Unless otherwise stated in the marking guidelines, penalties for foreign items are applied only if the candidate is not losing marks elsewhere in the question for that item (no penalty for misplaced item). No double penalty applied.
2. Penalties for placement or poor presentation (e.g. details) are applied only if the candidate is earning marks on the figures for that item.
3. Unless otherwise stated, give full marks for the correct answer. If answer is incorrect, mark the workings provided.
4. 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). **NOTE:** if figures are stipulated in marking guidelines for component parts within workings that earn no part marks, these will not carry the method mark for final answer as well.
5. 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.
6. Where indicated, part-marks may be awarded to differentiate between differing qualities of answers from candidates.
7. If candidates provide more than the required number of responses, inspect all responses to give benefit to the candidate. Penalties may be applied for foreign entries if candidates earn full marks on a question (max. -2 per question)
8. This marking guideline is not for public distribution, as certain items might imply incorrect treatment. The adjustments made are due to nuances in certain questions.
9. Where penalties are applied, the marks for that section of the question cannot be a final negative.
10. Where method marks are awarded for operation, the marker must inspect the reasonableness of the answer.
11. Operation means 'check operation'. 'One part correct' means operation and one part correct. **NOTE:** check operation must be +, -, x, ÷ as per candidate's calculation (if valid) or per marking guidelines.
12. In calculations, do not award marks for workings if numerator and denominator are swapped – this also applies to ratios.
13. In awarding method marks, ensure that candidates do not get full marks for any item that is incorrect at least in part. Indicate with a ☒.
14. Be aware of candidates who provide valid alternatives beyond the marking guideline. Note that one comment could contain different aspects.
15. Codes: f = foreign item; p = placement/presentation.

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This marking guideline consists of 9 pages.

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**QUESTION 1****1.1 CONCEPTS**

|       |       |   |
|-------|-------|---|
| 1.1.1 | True  | ✓ |
| 1.1.2 | False | ✓ |
| 1.1.3 | False | ✓ |
| 1.1.4 | True  | ✓ |
| 1.1.5 | False | ✓ |

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**1.2 BANK RECONCILIATION****1.2.1 CASH RECEIPTS JOURNAL**

| DETAILS OF SUNDRY ACCOUNT     |            | AMOUNT  |
|-------------------------------|------------|---|
| <b>TOTAL</b>                  | <b>b/f</b> | <b>710 000</b>                                |
| Interest on favourable bank ✓ |            | 240 ✓   |
| Rent income ✓                 |            | 8 500 ✓                                       |
|                               |            |   |
|                               |            | 718 740 <input checked="" type="checkbox"/> * |

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**CASH PAYMENTS JOURNAL**

| DETAILS OF SUNDRY ACCOUNT                  |            | AMOUNT  |
|--|------------|---|
| <b>TOTAL</b>                               | <b>b/f</b> | <b>663 600</b>                                |
| Sales ✓                                    |            | 30 000 ✓                                      |
| Bank charges ✓ (1 800 + 510) no part marks |            | 2 310 ✓✓                                      |
| Equipment ✓                                |            | 3 600 ✓✓                                      |
|  |            |   |
|  |            | 699 510 <input checked="" type="checkbox"/> * |

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\*provisional totals must be included in totals

-1 (max.-1) foreign/superfluous items (only if mark/s were earned elsewhere for the same figure)

**1.2.2 Bank Reconciliation Statement on 30 June 2024**

|  |  |          |
|--|--|----------|
| Cr balance according to Bank statement                         |  | 40 090 ✓ |
| Credit late deposit  |  | 27 900 ✓ |
| Debit outstanding EFT no. 653                                  | 3 250 ✓                                      |          |
| Debit erroneous deposit  | 15 000 ✓                                     |          |
| Credit EFO duplicated  |  | 2 450 ✓  |
| Dr balance according to Bank account                           | 52 190 <input checked="" type="checkbox"/>   |          |
| Balancing figure Dr or Cr as per calculation                   |  |          |
| -1 (max. -1) Presentation (inappropriate /no details provided) | 70 440 <input checked="" type="checkbox"/> * | 70 440   |

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\* Totals need to be the same

1.2.3

**It appears that it will not be possible for Bird Traders to recover the outstanding deposit dated 24 May 2024.**

**Explain ONE point to illustrate a possible cause of the missing deposit.**

Any ONE ✓✓ Accept incomplete answers for part marks

- Lack of proper internal control
- Lack of division of duties makes it easier to carry out fraudulent activities, undetected [Only No division of duties (one mark)]
- Theft of cash by employees with access to it.
- Poor cash handling procedures: Inadequate controls or procedures may result in cash being misplaced or lost.
- Insufficient supervision or monitoring of cash-related activities

**Provide ONE action that could be taken against Sam Sly.**

Any ONE ✓✓ Accept incomplete answers for part marks

- Disciplinary hearing / Legal action
- Recover outstanding amount from his salary
- Move Sly to another department

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1.3

### CREDITORS' RECONCILIATION

1.3.1

| No.                        | Creditor's ledger account                     | Statement received from creditor |
|----------------------------|---|----------------------------------|
| <b>Preliminary balance</b> | <b>R174 640</b>                               | <b>R190 800</b>                  |
| (i)                        | - 13 000 ✓                                    | - 13 000 ✓                       |
| (ii)                       |   | + 1 800 ✓✓                       |
| (iii)                      | ✓   | - 1 600 ✓                        |
| (iv)                       | + 2 500 ✓                                     |                                  |
| (v)                        | - 8 000 ✓✓<br>(-4 000 – 4 000) 1 mark each    |                                  |
| (vi)                       | + 11 860 ✓✓<br>(+7 060 + 4 800) 1 mark each   |                                  |
| (vii)                      |   | - 10 000 ✓                       |
| <b>Correct balance</b>     | 168 000 <input checked="" type="checkbox"/> * | 168 000                          |

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Marks awarded for correct sign with amount. Accept the use of brackets for negative amounts

\*Operation, one part correct for both totals (does not have to be the same total)

1.3.2

**What advice would you offer the owner regarding the purchase of goods through the business accounts? Give ONE point. Make reference to a GAAP principle in your explanation.**

Any valid explanation ✓

Reference to the GAAP principle ✓

- The owner should not use the business accounts for private use.
- Private use is always recorded as drawings.
- The business account will be distorted and not reflect the correct information of the operation of the business.
- Business entity principle

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**QUESTION 1:  
TOTAL MARKS**

45

## QUESTION 2

## 2.1 CONCEPTS

|       |   |   |
|-------|---|---|
| 2.1.1 | B | ✓ |
| 2.1.2 | C | ✓ |
| 2.1.3 | A | ✓ |
| 2.1.4 | E | ✓ |
| 2.1.5 | D | ✓ |

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## 2.2.1 Calculate the direct material cost.

84 800 ✓ + 1 492 500 ✓ + 77 000 ✓ – 1 500 ✓ – 75 200 ✓ = 1 577 600 ✓  
One part correct

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## 2.2.2 Calculate the factory overhead cost.

|                                       |                            |
|---------------------------------------|----------------------------|
| Foreman's salary                      | 396 000 ✓                  |
| Depreciation on factory equipment     | 173 120 ✓                  |
| Rent expense (214 480 x 5/7)          | 153 200 ✓✓                 |
| Water and electricity (237 040 x 75%) | 177 780 ✓✓                 |
| Insurance (69 690 x 2/3)              | 46 460 ✓✓                  |
| Indirect material (45 200 x 65%)      | 29 380 ✓✓                  |
|                                       |                            |
|                                       | 975 940 ✓ One part correct |

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## 2.2.3 Production Cost Statement for the year ended 31 May 2024.

|  |                            |                                   |
|--|----------------------------|-----------------------------------|
| <b>Direct material cost</b>                                | See 2.2.1                  | 1 577 600 ✓                       |
| Direct labour cost   | Balancing amount: PC – DMC | 672 460 ✓                         |
| <b>Prime cost</b>  |                            | 2 250 060 ✓                       |
| Factory overhead cost                                      | See 2.2.2                  | 975 940 ✓                         |
| <b>Total manufacturing cost</b>                            |                            | 3 226 000 ✓                       |
| <b>Work-in-progress (1 June 2023)</b>                      |                            | 55 200 ✓                          |
|  |                            | 3 281 200 ✓                       |
| Work-in-progress (31 May 2024)                             |                            | (73 600) ✓                        |
| <b>Cost of production of finished goods</b> (396 x R8 100) |                            | 3 207 600 ✓✓*<br>One part correct |

\*Check operation; -1 foreign items, max. 2

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## 2.3 BRIGHT LTD

## 2.3.1 Calculate the break-even point for the year ended 29 February 2024.

547 200 two marks  
 $307\,200 \checkmark + 240\,000 \checkmark$   
 $1\,720 \checkmark - (360 + 510 + 310) \checkmark \checkmark$  One part correct  
 540 three marks  
 $= 1\,014 \text{ units} \checkmark$  One part correct (Accept 1 013,3)

6

## 2.3.2 Compare and comment on the break-even point and the level of production for 2023 and 2024. Quote figures.

Compare BEP with level of production for 2024 (with figures)  $\checkmark \checkmark$   
 Compare figures for 2023 and 2024 (with figures)  $\checkmark \checkmark$   
 General comment  $\checkmark \checkmark$  any acceptable answer

- Bright Ltd did not break even in 2024. The break-even was 1 014 (See 2.3.1) and only 960 units were produced and sold / loss made on 54 units.
- In 2023 the break-even was 1 016 and units produced and sold were 1 080/ profit made on 64 units / break-even decreased by only 2 units, but units produced and sold decreased by 120 units in 2024.
- The outcomes for 2024 appear unfavourable. The products are popular, but it is possible that there are many competitors that could have an influence on the number of units sold.

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## 2.3.3 Provide TWO possible reasons for the increase in direct material cost per unit for the current financial year and suggest TWO ways in which this can be controlled.

**TWO REASONS:**

Any TWO  $\checkmark \checkmark \checkmark \checkmark$

- Theft of material due to poor internal control
- Better quality raw material was used
- Increase in transport cost/fuel prices
- Increase in wastage / untrained workers
- New suppliers charge higher prices

**TWO SUGGESTIONS**

Any TWO  $\checkmark \checkmark$

- Improve internal control to prevent theft / Monitor production
- Look for cheaper suppliers / buy local to save on transport cost / buy in bulk to qualify for discounts
- Train workers to minimise wastage
- Control stock to identify shortages
- Use cutting patterns / cutting machines
- Maintaining of machines
- Use material of better quality / change supplier
- Pay bonuses for minimising wastage
- Use offcuts for related products

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QUESTION 2:  
TOTAL MARKS

50

## QUESTION 3

## 3.1 CONCEPTS

|       |                         |   |
|-------|-------------------------|---|
| 3.1.1 | Weighted average        | ✓ |
| 3.1.2 | FIFO                    | ✓ |
| 3.1.3 | Specific identification | ✓ |

3

## 3.2 INVENTORY VALUATION

## 3.2.1 Calculate the value of the closing stock using the FIFO method.

$$2\,920^* \checkmark \times 480 \checkmark = 1\,401\,600 \checkmark$$

$$960 \checkmark \times 400 \checkmark = \underline{384\,000} \checkmark \text{ One part correct}$$

$$\text{If } 3\,880 - * \text{ from above} \quad 1\,785\,600 \checkmark \text{ One part correct Check operation}$$

**OR: (Choose only one method to mark)**

(8 049 600 one mark – 384 000 two marks)

$$768\,000 \checkmark + 7\,665\,600 \checkmark \checkmark \checkmark - 6\,648\,000 \checkmark \checkmark = 1\,785\,600 \checkmark$$

One part correct Check operation

7

## 3.2.2 Calculate the mark-up percentage achieved on cost

[8 064 000 – 6 648 000] (two or nothing)

$$\frac{1\,416\,000 \checkmark \checkmark}{6\,648\,000 \checkmark} \times 100 = 21,3\% \checkmark \text{ Accept } 21\%$$

One part correct Check operation

100 does not count as one part correct

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**Calculate the stock holding period (in days) using the average stock.**

1 276 800 two marks

$$\frac{1/2 \checkmark (768\,000 + 1\,785\,600) \checkmark \text{ (see 3.2.1)} \times 365}{6\,648\,000 \checkmark}$$

$$= 70 \text{ days } \checkmark$$

4

## 3.2.3 As the internal auditor, explain TWO points of concern relating to the mark-up achieved, that you would investigate.

See 3.2.2 Answers will depend on MU

Any TWO ✓✓✓✓ Part marks for incomplete answers

Mark-up achieved is 8,7% (8%) below planned mark-up.

120 items missing or stolen

Too many clearance sales to get rid of excessive stock

Incorrect calculations of mark-up / selling price

Will have to increase selling prices in future

Buy in bulk / look for cheaper supplier

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3.2.4 **Discuss whether the owner should be satisfied with the stock holding period. (The stock holding period for 2023 was 30 days.)**

See 3.2.2 Answers will depend on stock holding period  
Any TWO ✓✓ ✓✓ Part marks for incomplete answers

**NO:**

Stockholding period increased from 30 days to 70 days (see 3.2.2)

Money is tied up in stock for too long

Too much stock

More possibilities of stock theft

Stock might become obsolete

**YES:**

Not likely to run out of stock

Better prices when stock is bought in bulk

4

3.2.5 **Thandi Traders are planning to donate 10 tracksuits to the local netball club for an upcoming tournament. The sales manager alleged that this will be a waste of money and lost profit. Explain why you would DISAGREE with him. Provide TWO points.**

Any TWO valid points ✓✓ ✓✓

Important to give back to community that supports the business

Forms part of corporate social responsibility / triple bottom line / King Code

Good publicity / It creates goodwill.

It is tax deductible.

4

**QUESTION 3:  
TOTAL MARKS**

**30**

## QUESTION 4

## 4.1 FIXED ASSETS

## 4.1.1

## General ledger of Zee's Wholesalers

## Asset Disposal Account

|             |    |                                     |  |             |    |  |           |
|-------------|----|-------------------------------------|--|-------------|----|--|-----------|
| 2023<br>Dec | 31 | Vehicles                            | 132 400 ✓  | 2023<br>Dec | 31 | Accumulated<br>depreciation on<br>Vehicles (86 450 ✓<br>+ 16 550 <input checked="" type="checkbox"/> ) | 103 000 ✓ |
|             |    | Profit on<br>sale of<br>assets      | 600 <input checked="" type="checkbox"/><br>balancing<br>figure |             |    | Bank   | 30 000 ✓  |
|             |    |                                     | 133 000  |             |    |  | 133 000   |
|             |    | *details and amount must be correct |  |             |    |  |           |

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## 4.1.2

**Calculate the total depreciation on vehicles for the year ended 29 February 2024.**

$$132\,400 \times 15\% \times 10/12 = 16\,550 \text{ ✓} \quad \boxed{\text{✓}}$$

$$1\,932\,400 - 132\,400 = 1\,800\,000 \text{ ✓} \times 15\% = \underline{270\,000} \quad \boxed{\text{✓}}$$

$$286\,550 \quad \boxed{\text{✓}} \text{ One part correct}$$

5

## 4.1.3

**Calculate the carrying value of vehicles on 29 February 2024.**

$$[132\,400 - 103\,000]$$

$$1\,932\,400 \text{ ✓} - 1\,099\,200 \text{ ✓} - 29\,400 \quad \boxed{\text{✓}} - 286\,550 \quad \boxed{\text{✓}} = 517\,250 \quad \boxed{\text{✓}} \text{ One part correct}$$

**OR: Choose ONE option to mark**

$$\text{Cost price: } 1\,932\,400 - 132\,400 = 1\,800\,000 \text{ ✓} \quad \boxed{\text{✓}} \text{ One part correct}$$

$$\text{Acc. dep: } 1\,099\,200 + 16\,550 - 103\,000 + 270\,000 = \underline{1\,282\,750} \text{ ✓} \quad \boxed{\text{✓}} \text{ One part correct}$$

$$\text{Carrying value} \quad 517\,250 \quad \boxed{\text{✓}} \text{ One part correct}$$

(Be aware of alternative presentations.)

5



## 4.2 MANAGING FIXED ASSETS

|                            | <b>PROBLEM (WITH FIGURES)</b><br>ONE mark problem ✓✓✓<br>ONE mark figure ✓✓✓  | <b>ADVICE</b><br>ONE mark advice ✓✓✓   |
|----------------------------|---|--|
| <b>SHOP 1<br/>(TYALI)</b>  | Printer being over-used (140 000 copies)<br>Printer is very old / fully depreciated<br>(R1 carrying value)<br>High maintenance (R8 000)<br>Missing cash (R72 000) | Printer needs to be replaced<br>Investigate missing cash<br>Disciplinary action<br>Division of duties  |
| <b>SHOP 2<br/>(DUMISA)</b> | Ink and consumables used are high (R39 000)<br>High number of spoilt copies (11 740)  | Dumisa needs training in use of printer to reduce spoilt copies, and ink and consumables<br>Repair printer if necessary  |
| <b>SHOP 3<br/>(ZWENI)</b>  | Few copies made / not meeting capacity (40 000)<br>Printer is under-utilised (40 000/100 000)<br>Best printer doing least copies (40 000 vs 140 000, 100 000)     | Advertise to increase sales<br>Swop printers with Shop 1<br>Pay Zweni commission on sales instead of fixed salary<br>Close the shop if location is undesirable |

|          |
|----------|
|          |
| <b>9</b> |

|                                    |           |  |
|------------------------------------|-----------|--|
| <b>QUESTION 4:<br/>TOTAL MARKS</b> | <b>25</b> |  |
|------------------------------------|-----------|--|

TOTAL: 150