



NATIONAL SENIOR CERTIFICATE

GRADE 12

JUNE 2025

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 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 of workings, these do 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 Q).
8. Where penalties are applied, the marks for that section of the question cannot be a final negative.
9. Where method marks are awarded for operation, the marker must inspect the reasonableness of the answer.
10. 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.
11. In calculations, do not award marks for workings if numerator and denominator are swapped – this also applies to ratios.
12. 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 ☒.
13. Be aware of candidates who provide valid alternatives beyond the marking guideline. Note that one comment could contain different aspects.
14. Codes: f = foreign item; p = placement/presentation; s = superfluous

This marking guideline consists of 9 pages.

QUESTION 1

1.1 DEBTORS' AGE ANALYSIS

1.1.1 Explain ONE point to illustrate why a debtor's age analysis is an important internal control measure for any business who sells on credit.

Any ONE ✓✓ 2 or 0 No part marks

- Identify slow / non-paying debtors
- Identify debtors not abiding to the credit terms
- Identify debtors exceeding their credit limits
- Assist with measures to be taken to remind debtors
- Identify debtors whose credit rating needs to be adjusted
- Business can forecast potential cash flow problems and take steps to mitigate them

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1.1.2 Refer to Information B and explain TWO problems highlighted by the debtors' age analysis. Provide names and figures in your answer.

PROBLEM Any TWO ✓ ✓	NAME AND FIGURE NAME ✓ ✓ FIGURE ✓ ✓
Debtors exceed credit limits	Holtz limit is R7 000, total owing R8 400
Overdue accounts/slow payers	Jansen owes R1 900 for 90 days Peens owes R11 225 for 60+ days Rootman owes R3 200 for 60 days
Poor control over granting credit/ continue to sell to debtors whose accounts are overdue	Jansen overdue R1 900, current R1 000 Peens overdue R11 225, current R14 050 Rootman overdue R3 200, current R3 800

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1.2 DEBTORS' RECONCILIATION

No.	Debtors' Control account	Debtors' List
Preliminary balance /total	R65 600	R67 790
(i)		+ 2 500 ✓
(ii)		- 1 300 ✓
(iii)	+ 1 800 ✓	
(iv)	- 2 700 ✓	- 2 700 ✓
(v)		- 90 ✓✓
(vi)		- 2 400 ✓✓ (-1 200 – 1 200) one mark each
(vii)	- 2 500 ✓	- 2 500 ✓
(viii)	No entry ✓ OR [+3 500 – 3 500]	
(ix)	+ 1 800 ✓✓ OR + 1 800 ✓	+ 1 800 ✓ + 1 800 ✓✓
(x)	- 900 ✓	
Correct balance/total	63 100 ✓ *	63 100

17

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

*One part correct for both totals (does not have to be the same total) – Should include preliminary balances

Superfluous entries, lose method mark for total

1.3 CREDITORS

Makanda Traders are not completely satisfied with the quality of goods received from Gqeberha Services.

Suggest TWO factors to consider before changing suppliers.

Any TWO ✓✓✓✓ Part marks for partial on unclear responses

- The credit terms offered
- Will they offer discount for early payment
- Will alternative supplier be able to meet the demands of the business
- The quality of the products they are able to deliver/reliability and delivery

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1.4 BANK RECONCILIATION

	DEBIT	CREDIT
Credit balance according to bank statement		53 900 ✓
Credit late deposit		38 250 ✓
Debit outstanding EFT No. 675	5 400 ✓	
Debit mistake on EFT No. 687	900 ✓	
Credit unidentified debit order		2 500 ✓
Debit balance according to bank account	88 350 <input checked="" type="checkbox"/> *	
	94 650	94 650

6

*Operation, one part correct. Both totals must be the same

OR

1 column method –

Mark one option only; inspect option that benefits the candidate.

	Option 1	Option 2
Balance according to bank statement	(53 900) ✓	53 900 ✓
Late deposit	(38 250) ✓	38 250 ✓
Outstanding EFT No. 675	5 400 ✓	(5 400) ✓
Mistake on EFT No. 687	900 ✓	(900) ✓
Unidentified debit order	(2 500) ✓	2 500 ✓
Debit balance according to bank account	(88 350) <input checked="" type="checkbox"/> *	88 350 <input checked="" type="checkbox"/> *

*Operation, one part correct

TOTAL MARKS	35
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QUESTION 2

2.1 CONCEPTS

2.1.1	Selling and distribution cost	✓
2.1.2	Direct material cost	✓
2.1.3	Factory overhead cost	✓
2.1.4	Administration cost	✓

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2.2.1 Calculate the direct material cost.

CALCULATION	ANSWER
$260\,500 \checkmark + 1\,500\,600 \checkmark + 89\,000 \checkmark - 13\,700 \checkmark$ $- 183\,100 \checkmark =$	1 653 300 <input checked="" type="checkbox"/> * * One part correct

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Calculate the direct labour cost.

CALCULATION	ANSWER
Normal time $9 \times 60 \times 1\,950 = 1\,053\,000 \checkmark \checkmark^*$ Over time $150 \times 60 \times 1,5 = 13\,500 \checkmark \checkmark^*$ Contribution (10% of normal time) <u>105 300</u> <input checked="" type="checkbox"/>	1 171 800 <input checked="" type="checkbox"/> * * One part correct

6

Calculate the factory overhead cost.

Preliminary total	R530 200
Rent expense $[60\,000 \times 6/3 \times 6/10] - 60\,000$ 72 000	+ 12 000 <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> *
Water and electricity $(240\,800 \times 20\%)$	- 48 160 <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> *
Insurance $(85\,000 \times 70\%)$	+ 59 500 <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> *
Check operation; must include R530 200; Rent and Insurance must be added; Water and Electricity must be subtracted	553 540 <input checked="" type="checkbox"/> * * One part correct

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2.2.2 Production Cost Statement for the year ended 30 April 2025.

Direct material cost	See 2.2.1(i)	1 653 300 <input checked="" type="checkbox"/>
Direct labour	See 2.2.1(ii)	1 171 800 <input checked="" type="checkbox"/>
Prime cost		2 825 100 <input checked="" type="checkbox"/>
Factory overhead cost	See 2.2.1(iii)	553 540 <input checked="" type="checkbox"/>
Total manufacturing cost		3 378 640 <input checked="" type="checkbox"/>
Work-in-progress (1 May 2024)		75 200 <input checked="" type="checkbox"/>
		3 453 840
Work-in-progress (30 April 2025)	Balancing figure	(15 840) <input checked="" type="checkbox"/>
Cost of production of finished goods $(3\,820 \times R900)$		3 438 000 <input checked="" type="checkbox"/> <input checked="" type="checkbox"/>

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2.2.3

Calculate the break-even point for 2025.

CALCULATION	ANSWER
$\frac{1\,008\,000}{1\,350 - 950} = 2\,520$ <p>✓✓ – 950 ✓✓ 400 four marks</p>	2 520 units ✓ One part correct

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Explain whether the owner should be concerned or not about the results. Provide figures in your explanation.

Compare BEP with level of production ✓✓ Figures ✓

- The owner should not be concerned as the business produced and sold 3 820 laptop bags and the break-even point is 2 520 (see 2.2.3 above)
- The business made profit on 1 300 laptop bags.

3

2.2.4

Explain the difference between *fixed* and *variable cost*.

✓✓

Fixed cost stays the same irrespective of the number of units manufactured.Variable cost increases/decreases as number of units manufactured decreases/increases.

2

2.2.5

Explain the term “*economy of scale*” in terms of fixed cost.

✓✓ Part marks for incomplete answers

As more units are produced, the fixed cost per unit will decrease.

2

TOTAL MARKS**45**

4

2

8

6

3.2.4

Calculate how many days it should take to sell the closing stock of cricket bats. Use the closing stock in your calculation. Give a short comment on your answer, keeping in mind that the stock holding period for 2024 was 34 days.

CALCULATION	ANSWER
$\frac{1\ 835\ 820}{11\ 883\ 480} \checkmark$ (see 3.2.2) $\times 365 =$ \checkmark (see 3.2.3)	56,4 days \checkmark One part correct only if $\times 365$ Check operation

COMMENT

Any ONE comment $\checkmark\checkmark$ Answers depend on calculation above Figures not required

- Stockholding period increased from 34 days to 56,4 days (see above)
- Money is tied up in stock for longer than in 2024 (only 34 days).
- Too much stock
- More possibilities of stock theft
- Stock might become obsolete /better bats on the market

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3.2.5

Rabada suspects that some of the cricket bats were stolen during the year. Provide a calculation to support his concern. Give TWO points of advice to Rabada to improve this situation.

CALCULATION	ANSWER
$[700 + 6\ 300 - 50]$ $6\ 950 \checkmark$ (see 3.2.2) $- 6\ 050 \checkmark - 930 \checkmark =$	30 stolen \checkmark

ADVICE

Any TWO points of advice $\checkmark\checkmark$ $\checkmark\checkmark$

- Improve physical security
- Security tags on equipment
- Division of duties (one mark); at least 2 people involved with each transaction
- Regular stock counts should be verified against stock cards/account
- Install cameras (one mark) for better control over stock

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3.2.6

Explain ONE reason why the business uses different methods to value their stock.

One valid point $\checkmark\checkmark$

- Volume of products are different.
- Value of products are different.
- Design of cricket shirts changes constantly / stock can get obsolete.
- Design of cricket bats stays relative constant.

2

TOTAL MARKS**35**

QUESTION 4**4.1 FIXED ASSETS**4.1.1 **Calculate the carrying value of land and buildings on 1 March 2024.**

CALCULATION	ANSWER
5 100 000 – 860 000 =	4 240 000 ✓✓ (No part marks)

2

4.1.2 **A building similar in size and location to the company's building was recently sold for R10 000 000. The chief executive director requested the internal auditor to revalue the company's buildings to R8 000 000. Explain why the internal auditor have a problem with this request. Refer to a GAAP principal in your explanation.**

Principle ✓

Explanation ✓✓

Historic cost principle

Original invoice/document serves as proof of purchase and assets should be entered in books at cost.

Prevents manipulation of figures from year to year.

3

4.1.3 **Calculate the total depreciation on vehicles for the year ended 28 February 2025.**

CALCULATION	ANSWER
Old Vehicles: 700 000 x 15% = 105 000, but 19 999 ✓✓ Max c/v New vehicles: 740 000 ✓ 15% x 4/12 ✓ <u>37 000</u> ✓ (x 15% one part correct)	56 999 ✓ (One part correct)

6

4.1.4 **Calculate the total accrued depreciation of the equipment sold on 31 October 2024.**

CALCULATION	ANSWER
1/03/22 – 28/02/23 30 000 x 10/100 3 000 ✓ 1/03/23 – 28/02/24 [30 000 – 3 000] x 10% 2 700 ✓✓ 1/03/24 – 31/10/24 [30 000 – 5 700] x 10% x 8/12 ✓ <u>1 620</u> ✓	7 320 ✓ (One part correct)

6

4.1.5

General ledger of Govender Ltd

Asset Disposal Account

2024 Oct	31	Equipment	30 000 ✓	2024 Oct	31	Accumulated depreciation on equipment	7 320 ✓
						Bank	5 000 ✓
						Loss on sale of assets ✓	17 680 ✓ balancing figure
			30 000				30 000
		*details and amount must be correct					

5

4.1.6

An employee wanted to buy the old equipment and was extremely dissatisfied when he heard that the equipment was sold to one of the directors.

Comment on this situation.

Any TWO ✓✓ ✓✓

It is unethical conduct of the director.

Equipment was sold at a loss of R17 680.

Should have been made available for anyone interested/all stakeholders.

Selling price should have been much higher.

4

4.2

PROBLEM-SOLVING

	PROBLEM (WITH FIGURES) ONE mark problem ✓ ✓ ✓ ONE mark figure ✓ ✓ ✓	ADVICE ONE mark advice ✓ ✓ ✓
Vincent	Closing stock is too high (400 unsold of 550 available) / Very low sales (150 of 550) Mark-up too high (70%)	Order stock as required Reduce selling price Sales promotions / advertise to increase sales Decrease mark-up % Training of sales staff
Cambridge	High number of bikes returned for repairs (10) Missing cash (R285 000)	Train staff to reduce repairs Investigate missing cash Division of duties – 2 different people to receive and deposit cash
Selborne	Not enough stock to meet demand (500 orders, only 380 available) No stock on hand to start new year (0)	Get stock from Vincent shop Purchase more stock

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TOTAL MARKS

35

TOTAL: 150