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**NATIONAL
SENIOR CERTIFICATE**

GRADE 12

**ACCOUNTING P2
SEPTEMBER 2022
MARKING GUIDELINES**

MARKS: 150

MARKING PRINCIPLES:

1. Unless otherwise stated in the marking guideline, 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. Full marks for correct answer. If answer 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 memo for components 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. This memorandum is not for public distribution, as certain items might imply incorrect treatment. The adjustments made are due to nuances in certain questions.
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 and at least one part must be correct before awarding the mark.
10. Operation means 'check operation'. 'One part correct' means operation and one part correct. Note: check operation must be +, -, x, ÷, or per memo.
11. In calculations, do not award marks for workings if numerator & 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.
14. Codes: f = foreign item; p = placement/presentation.

This marking guideline consists of 10 pages

QUESTION 1**1.1 VAT****1.1.1 Explain why the government in SA made certain goods to be zero-rated.**

Any ONE valid point ✓✓

To make basic goods to be affordable to needy people.

2

1.1.2 Taking into account the error and omission, calculate the VAT amount that is either payable or receivable from SARS.

	Answer
R89 600✓ + 84 000✓ – 29 100✓ + 450✓✓ – 8 250✓✓	R136 700✓
Signs can be reversed Accept alternative calculations, e.g., Ledger account	one part correct

8

1.1.3 Explain what you would say to Peter. Provide TWO points.

Any valid explanation ✓✓ ✓✓ (must mention legal issue)

Peter must keep accurate records of VAT and make correct submissions to SARS for the following reasons:

- It is illegal business practice (fraud)/not prudent practice.
- The business is an agent of SARS – correct money collected on behalf of SARS must be paid.
- The business will be liable for penalties and fines.

4

1.2 BANK RECONCILIATION AND INTERNAL CONTROL**1.2.1 Show the entries that must be recorded in the Cash Journals.**

CASH RECEIPTS JOURNAL		CASH PAYMENT JOURNAL	
Details	Amount	Details	Amount
Provisional totals	R510 600	Provisional totals	R486 300
P. Papane- Rent	6 250 ✓	EFT-633	3 600 ✓✓
Interest	290 ✓	Petty Insurers	1 850 ✓
		Debit card	1 000 ✓
		Repairs	
		Transaction fees	1 425 ✓
	R517 140	✓ Both totals	R494 175

8

1.2.2 Calculate the Bank Account balance on 31 July 2022.

	Answer
R15 300✓ + 517 140☑ – 494 175☑	R38 265☑ one part correct

4

1.2.3 BANK RECONCILIATION STATEMENT ON 31 JULY 2022

	ONE COLUMN METHOD	DEBIT	CREDIT
Balance per Bank Statement	R43 310	Balancing figure	R43 310 ☑
Credit outstanding deposit	R10 000		R10 000 ✓
Debit outstanding EFT:			
EFT No.655	(R5 650)	R5 650 ✓	
EFT No.656	(R1 445)	R1 445 ✓	
Debit incorrect amount	(R9 800)	R9 800 ✓	
Credit incorrect amount	R1 850		R1 850 ✓
Balance as per Bank Account	(R38 265)	R38 265 ☑	
		R55 160	R55 160

7

1.2.4 Explain whether or not the business made the right decision in alerting the bank about the deposit of R9 800, on 25 July 2022.

Any ONE valid explanation ✓✓

- Yes, he did make a good decision to alert the bank because he would not have been able to prove that the money was his/No documents
- Eventually the intended recipient would have complained about not receiving the money, which would have led to a disagreement or the possibility of a police investigation.
- The business must maintain its reputation as an ethical organisation.

2

TOTAL MARKS

35

QUESTION 2.**2.1 KRUSH ELECTRONICS**

2.1.1 Calculate the value of closing stock according to the FIFO method on 31 July 2022.

20	x R3 900	= R78 000	✓ <input checked="" type="checkbox"/>	one part correct
177	x R 4 200	=R743 400	✓ <input checked="" type="checkbox"/>	one part correct
<u>197</u>		<u>=R821 400</u>	<input checked="" type="checkbox"/>	operation

5

2.1.2 Calculate the average stock-holding period on 30 June 2022.

650 883 Two marks

$$\frac{1}{2} (R821\,400 + 480\,365) \times 365 \text{ days} = 114 \text{ days}$$

accept 130 days

if $\frac{1}{2}$ and one part correct

OR

$$197/515 \text{ units} \times 365 \text{ days} = 139,6 \text{ days}$$

Provide a calculation to support her concern over the security of the stock.

$$(85 + 640) - 8 - 515 - 197 = 5 \text{ missing}$$

one part correct

5

2.1.3 Calculate the value of closing stock according to weighted-average method.

2 900 265 Three marks

$$\frac{480\,365 + 2\,453\,500 - 33\,600}{85 + 640 - 8} \times 197 = 796\,865$$

one part correct

717 Three marks

7

2.2.1 Mention ONE additional control measure that Mbali could consider to improve controls in the branches.

Any ONE valid point ✓✓

Encourage customers to use EFT/ credit cards

Introduce online shopping facilities

Create a policy of regular banking to avoid rolling of cash

2

2.2.2 Identify TWO problems (with figures or calculations) relating to the Ermelo Plaza branch and provide a solution in each case.

Problem with a figure ✓ ✓	Solution ✓ ✓
80% are credit sales/ cash sales are 20% of total sales	Discount on cash sales Charge interest on credit sales
They only work 5 days per week	The competitor work 6/7 days
There are only 2 shop assistants.	The business should consider to increase the number of shop assistants.

4

2.2.3 List THREE decisions taken by Venessa, the manager of Tonga Plaza, which led to much better results than those of the other two branches. Quote figures.

Any ONE valid explanation ✓ ✓ ✓

The business is operating for 7 days per week

Advertising, R16 200 increased sales

The business is offering online facility, 750 units sold

Employed 6 shop assistants

3

TOTAL MARKS	30
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QUESTION 3

3.1.1 Calculate the direct labour cost on 28 February 2022	Answer
Normal time $3 \times 1\,920 \times R50 = R288\,000$ ✓✓	R310 800 ✓
Overtime $3 \times 95 \times R80 = R22\,800$ ✓✓	

5

one part correct

3.1.2 Prepare the Factory Overhead Cost Note on 28 February 2022

Indirect material $(18\,600 + 149\,500 - 21\,400)$ ✓✓	*146 700 ✓
Rent expense $(169\,000 \div 10\,800 \text{ m}^2 / 13500 \text{ m}^2)$ ✓	*135 200 ✓
Water and electricity $(172\,000 + 18\,000) \times 75\%$	*142 500 ✓✓
Insurance	105 900 ✓
Depreciation on factory equipment	61 200 ✓
	591 500 ✓

12

*one part correct

3.1.3 Complete the Production Cost Statement on 28 February 2022

Direct material cost	R666 700
Direct labour cost see.3.1.1	R310 800 ✓
Prime cost DMC + DLC	R977 500 ✓
Factory overhead cost see 3.1.2	R591 500 ✓
Total manufacturing cost PC + FOHC	R1 569 000 ✓
Work-in-progress on 1 March 2021	R195 000
	R1 764 000
Work-in-progress at end Balancing figure (accept +ve difference)	(R224 500) ✓
Cost of production of finished goods $(210\,000 + 1\,562\,500 - 233\,000)$ ✓✓	R1 539 500 ✓

10

One part correct

3.2.1 Calculate the following for the year ended 30 June 2022:

Direct material cost	Answer
$331\,500 \times R7,56$	R2 506 140 ✓✓

2

Break-even point

$\frac{R3\ 102\ 500}{R28 - 19,50} = 365\ 000\ \text{units}$ ☒ one part correct

4

3.2.2 Explain why the owner should be concerned about the break-even point. Quote figures.

Explanation ☒ ☒ Figure ☒

BEP increased from 273 000 units to 365 000 units (by 92 000, which make it more difficult to achieve a profit)

OR

Business will make a loss on 33 500 units

3

3.2.3 Explain why the owner would NOT be satisfied with the direct material cost per unit. Quote figures.

Explanation ☒ ☒ with figure ☒

DMC increased from R5,60 to R7,56 (by R1,96 or 35%)

Apart from changing the supplier to get a cheaper price, provide an alternative solution to this problem. Mention ONE point.

Any ONE valid answer ☒ ☒

Train work to minimise wastage/ to improve skills
Use quality material.

2

3.2.4 Give TWO reasons why this option is not a good idea.

Any TWO valid answers ☒ ☒ ☒ part marks for incomplete / unclear answer

- He should not give false information to customer (unethical business practice)
- Will incur additional costs in producing new packaging / advertising
- The customers will not be happy and sales would drop even more / lose customers to competitors
- Negative impact on image of the business, when discovered

4

TOTAL MARKS**45**

QUESTION 4**4.1 Thando is not concerned about the overspending in advertisement. Explain why this is so. Quote figures.**

Candidate must indicate the positive effect of advertising on sales ✓✓
Provide appropriate figures ✓ **one mark.**

Expected response for 3 marks:

Advertising increased by R4 500 but Sales increased by R24 500.

OR

Advertising increased by 37,5% while Sales increased by 20% on bigger base.

3

4.2 CREDITORS' PAYMENT SCHEDULE

MONTH	CREDIT PURCHASES	OCTOBER	NOVEMBER
August	R60 000	6 000	
September	R67 500	10 125	R6 750 ✓✓
October	75 000✓	53 438	R11 250 15% of credit purchases ✓✓
November	R90 000		R64 125 ✓✓
		69 563	R82 125 ✓*

***one part correct; ignore foreign entries**

8

4.3

	CALCULATION	AMOUNT
(i)	Cash sales $R150\,000 \times 40\%$ 2 If correct workings are shown without answer, award 1 mark only	R60 000 ✓✓
(ii)	Cash purchases of stock R120 000 two marks $R180\,000 \checkmark \times 100/150 \checkmark \times 25\% \checkmark$ 4	R30 000 ✓ one part correct
(iii)	Delivery expenses 6% two marks $9\,000 \checkmark / 150\,000 \checkmark \times 180\,000 \checkmark$ 4	10 800 ✓ one part correct
(iv)	Salaries and wages $38\,700 \checkmark \times 100 / 107,5 \checkmark \checkmark$ 4	36 000 ✓ one part correct
(v)	Repayment of loan two marks one mark $168\,000 - 120\,000$ OR $600 \checkmark \times 100/15 \checkmark \times 12 \checkmark$ 4 OR two marks one mark $7\,200 \times 100/15$	48 000 ✓ one part correct
(vi)	Cash at end of month 1	53 250 ✓
(vii)	Cash surplus or deficit for the month 2 $10\,950 + 53\,250$ If correct workings are shown without answer, award 1 mark only	(64 200) ✓✓ ignore brackets

21

4.4

State ONE consequence that the business might face should they not pay the amount due to creditors in September 2022.

Any ONE possible response ✓✓ One mark for incomplete / unclear answer

- Legal action can be taken by the creditors.
- Business will be charged interest for slow payment.
- The credit ratings of the business will decrease/ could be blacklisted
- Credit to the business will be stopped by the creditors.

2

4.5

Briefly explain ONE advantage and ONE disadvantage of each option.**Note that figures are not required; Alternative valid answers possible**

OPTION	ADVANTAGE ✓ ✓ ✓	DISADVANTAGE ✓ ✓ ✓
Request a friend to become equal partner	She will have the necessary funds to purchase the assets (which will then belong to the business) / share workload and skills / partner will share losses.	She will have to share half his profits with her new partner.
Lease the equipment from Rato Computers	She does not have to raise a loan / does not have to pay interest on the loan / will not have to pay repair costs.	The lease charges are expensive / lease is over five years / never owns the assets but continues to pay.
Acquire a new loan	She will own the assets / they could last longer than five years if she takes good care of them.	She has to pay interest / pay a monthly instalment (which must include interest).

6

TOTAL MARKS**40****TOTAL: 150**