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**SA EXAM  
PAPERS**

# CAPE WINELANDS / WEST COAST EDUCATION DISTRICTS

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## PREPARATORY EXAMINATION

**GRADE 12**

**ACCOUNTING P2**

**SEPTEMBER 2022**

**SPECIAL ANSWER BOOK**

QUESTION	MAXIMUM MARKS	MARK OBTAINED	MODERATED MARK
1	30		
2	50		
3	35		
4	35		
TOTAL	150		

This answer book consist of 10 pages

**QUESTION 1: CREDITORS' RECONCILIATION AND MANAGEMENT OF CASH**  
(30 marks; 20 minutes)

**1.1 CREDITORS' RECONCILIATION**

**1.1.1**

	Creditors' Ledger account of Blue Suppliers	Statement received from Blue Suppliers
<b>Preliminary balance/total</b>	<b>R29 375</b>	<b>R34 770</b>
(i)		
(ii)		
(iii)		
(iv)		
(v)		
(vi)		
(vii)		
<b>Correct balance/total</b>		

13

<b>1.1.2</b>	<b>Calculate the average creditors' payment period (in days).</b>

5

<b>1.1.3</b>	<b>Provide TWO internal control measures which can be implemented to have a good internal control over creditors.</b>

4

1.2      MANAGEMENT OF CASH

1.2.1	Provide TWO concerns the owner should have regarding these outstanding deposits.

4

1.2.2	Provide TWO solutions to ensure that this does not happen again.

4

TOTAL MARKS
30

## QUESTION 2: COST ACCOUNTING

(50 marks; 40 minutes)

### 2.1 ADVANCED MANUFACTURERS

#### 2.1.1 Production Cost Statement for the year ended 30 April 2022.

Direct labour cost	2 150 880
Prime cost	
Total manufacturing cost	
Work-in-progress (1 May 2021)	426 000
Cost of production of finished goods	

17

#### 2.1.2 Abridged Statement of Comprehensive Income (Income Statement) for the year ended 30 April 2022.

Gross profit	3 750 000
Net profit	

10

### 2.2 UNIT COST AND BREAK-EVEN

2.2.1	Explain the difference between <i>fixed costs</i> and <i>variable costs</i> .

2

2.2.2	<b>Calculate the break-even point for 2022.</b>

5

2.2.3	<b>Comment on the break-even point and the level of production for 2021 and 2022. Quote figures.</b>

6

2.2.4	<b>Identify the variable cost which the owner should be concerned about. Explain and provide a calculation to support your answer.</b>

4

2.2.5	<b>Even though there was a decrease in the fixed costs per unit, the owner is still not satisfied with the control over fixed costs. Explain and provide calculations to support his concern.</b>

4

2.2.6	Give ONE possible reason for the decrease in the selling and distribution cost.

2

TOTAL MARKS
50

**QUESTION 3: INVENTORIES**

**(35 marks; 30 minutes)**

**3.1 INVENTORY VALUATION**

<b>3.1.1</b>	<b>Calculate the value of closing stock on 28 February 2022.</b>

<b>10</b>

	<b>Calculate the gross profit for the year ended 28 February 2022.</b>

<b>6</b>

<b>3.1.2</b>	<b>What advice can you offer Claude in this regard? State TWO points.</b>

<b>4</b>



<b>TOTAL MARKS</b>
35

**QUESTION 4: BUDGETS AND INTERNAL AUDIT PROCESSES**

**(35 marks; 30 minutes)**

**4.1**

<b>4.1.1</b>	
<b>4.1.2</b>	
<b>4.1.3</b>	

<b>3</b>

**4.2.1**

Calculate the missing amounts indicated by (i) and (ii) in the Debtors' Collection Schedule.		
	Workings	Answer
<b>(i)</b>		
<b>(ii)</b>		

<b>4</b>

Calculate the percentage discount allowed to debtors who settle in the month of the sales transactions.	
Workings	Amount

<b>5</b>

**4.2.2**

Calculate budgeted amounts:		
	Workings	Answer
<b>Total sales for July 2022</b>		
<b>Payment to creditors during June 2022</b>		
<b>Additional loan to be acquired on 1 June 2022</b>		

<b>11</b>

4.2.3

The directors did not adhere to the Cash Budget during May 2022. Identify TWO overpayments. Provide figures. Give a valid reason for EACH overpayment.

	Overpayment (with figures)	Reason
Point 1		
Point 2		

6

4.2.4

Why are the auditors concerned that the agreement with Tradecor is unethical or possibly a crime? Explain THREE points.

6

TOTAL MARKS
35

GRAND TOTAL
150