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# SA EXAM PAPERS

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# ACCOUNTING P2

## ANSWER BOOK

### PREPARATORY EXAMINATION

Name: \_\_\_\_\_ Grade: \_\_\_\_\_

QUESTION	TOTAL MARKS	LEARNER MARKS	MOD BY THE SCHOOL	MOD BY THE CLUSTER	MOD BY THE PROVINCE
1	40				
2	30				
3	45				
4	35				
TOTAL	150				

This answer book consists of 9 pages.

**QUESTION 1**

<b>1.1</b>	<b>Choose an example from COLUMN B that matches a cost category in COLUMN A. Write only the letter (A-D) next to the question numbers (1.1.1 to 1.1.3) in the ANSWER BOOK, e.g 1.1.4 E.</b>
<b>1.1.1</b>	
<b>1.1.2</b>	
<b>1.1.3</b>	

3

<b>1.2.1</b>	<b>PRODUCTION COST STATEMENT FOR THE YEAR ENDED 30 JUNE 2023</b>
<b>Prime cost</b>	
<b>Total cost of production</b>	
<b>Work in process – beginning of the year</b>	<b>250 000</b>
<b>Total cost of production of finished products</b>	

10

1.2.2

ABRIDGED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2023	
Sales	
Cost of sales	
Gross Profit	
Net profit for the year	

**1.3.1 Explain why it is important to calculate the expected break-even point for a business at the beginning of a financial year.**

2

**1.3.2 Mandy feels that she can improve the sales of calculators. Provide TWO suggestions on how this can be achieved.**

4

**1.3.3 Mandy was concerned about the increase in the fixed cost per unit of calculators. What would you say to her? Provide ONE point and quote figures to support your answer.**

2

**1.3.4 Except for a general increase in wages due to inflation, give TWO other reasons for the increase in direct labour costs per unit. In each case, provide a practical solution to address this.**

Possible reason	Solution

4

**1.3.5 Mandy wants to increase production by 700 units during the next financial year while maintaining costs. Calculate the additional profit that she will achieve.**

WORKINGS	ANSWER

4

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TOTAL MARKS
40

**QUESTION 2****2.1.1 Calculate the selling price per unit for running shoes.**

<b>Calculate the selling price per unit for running shoes.</b>	
<b>WORKINGS</b>	<b>ANSWER</b>

2

**2.1.2 Calculate the value of closing stock on 30 April 2023 using weighted average method.**

<b>Calculate the value of closing stock on 30 April 2023 using weighted average method.</b>	
<b>WORKINGS</b>	<b>ANSWER</b>

8

**2.1.3 It was discovered that a number of running shoes were shoplifted. Calculate the number of the missing shoes.**

<b>It was discovered that a number of running shoes were shoplifted. Calculate the number of the missing shoes.</b>	
<b>WORKINGS</b>	<b>ANSWER</b>

4

**2.1.4 Provide TWO strategies that Ganesha should implement to prevent the loss of stock in future.**

<b>Provide TWO strategies that Ganesha should implement to prevent the loss of stock in future.</b>	

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2.2.3

Ganesha is not satisfied with the performance of soccer boots. Identify TWO problems by quoting figures and trends. Provide a solution to each problem.

PROBLEM	SOLUTION / ADVICE
Problem 1	
Problem 2	

6

2.2.1

Calculate the stock turnover rate of soccer boots for 2023.

(Use the average stock).

WORKINGS	ANSWER

5

2.2.2

Explain whether Ganesha should be concerned about the stock turnover rate.

NOTE: It was 5 times in 2022.

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3

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TOTAL MARKS
30

**QUESTION 3**

**3.1.1 DEBTORS' COLLECTION SCHEDULE FOR THE TWO MONTHS ENDING 31 OCTOBER 2023**

Month	Credit Sales	September	October	Bad debts
July				10 200
August	222 000	88 800		11 100
September		56 430		
October	210 000			

10
----

**3.1.2 Calculate the figures indicated by (i)–(v) on the Cash Budget.**

	WORKINGS	ANSWER
(i)		
(ii)		
(iii)		
(iv)		
(v)		

13
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3.1.3	Calculate the average Debtors' Collection period in days.	
	WORKINGS	ANSWER

5

3.1.4 The owner wants to purchase the business premises rather than renting. Provide ONE advantage and ONE disadvantage of this option.

ONE advantage	ONE disadvantage

2

3.1.5 Comment and provide one point of advice on each expense item. Quote figures and trends.

	Comment	Advice
Water and Electricity		
Advertising		

6

3.2 Identify ONE problem at each branch. Quote figures to support the problem identified and give Msizi advice on how to solve the problem in each case.

	PROBLEM AND FIGURE	SOLUTION
Branch 1 Phumzile		
Branch 2 Peggy		

9

<b>Branch 3 Parvati</b>		
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<b>TOTAL MARKS</b>
<b>45</b>

**QUESTION 4****4.1 BANK RECONCILIATION**

4.1.1

CASH RECEIPTS JOURNAL	CASH PAYMENT JOURNAL
R	R
510 600	487 300

7
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<b>4.1.2</b>	<b>BANK RECONCILIATION STATEMENT ON 31 JULY 2023</b>	
	<b>DEBIT</b>	<b>CREDIT</b>
<b>Balance per Bank Statement</b>		

<b>Balance as per Bank Account</b>		

### ALTERNATIVE FOR ONE COLUMN

#### 4.1.2 BANK RECONCILIATION STATEMENT ON 31 JULY 2023

Balance per Bank Statement	
Balance as per Bank Account	

**4.1.3 Explain whether or not the business made the right decision in alerting the bank about the deposit of R9 800 on 25 July 2023.**

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## 4.2 CREDITORS RECONCILIATION



- 4.2.1 Briefly explain how the preparation of a creditors' reconciliation as an internal control measure can assist the business in managing their creditors effectively. Provide TWO points.

- 4.2.2 Use the table provided to indicate the changes that must be made in the Creditors' Control account and Creditors' List in the books of Titanic Traders to take into account the errors and omissions noted. Indicate the increase or decrease with a (+) or (-) with each amount. Show brackets as alternative method.

	Creditors' Control R	Creditors' List R
Provisional balance/total	74 720	32 600
A		
B		
C		
D		
E		

- 4.2.3 State THREE internal control measures that the business can use to prevent similar incidents from happening in future.