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# SA EXAM PAPERS

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**MPUMALANGA PROVINCE**  
**REPUBLIC OF SOUTH AFRICA**

**NATIONAL  
SENIOR CERTIFICATE**

**GRADE 12**

**ACCOUNTING**  
**SEPTEMBER 2023**  
**MARKING GUIDELINES**

**MARKS: 150**

**MARKING PRINCIPLES:**

1. Penalties for foreign items are applied only if the candidate is not losing marks elsewhere in the question for that item. No double penalty applied.
2. Full marks for correct answer. If answer incorrect, mark the workings provided.
3. 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).
4. 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.
5. Where indicated, part-marks may be awarded to differentiate between differing qualities of answers from candidates.
6. Where penalties are applied, the marks for that section of the question cannot be a final negative.
7. Where method marks are awarded for operation, the marker must inspect the reasonableness of the answer before awarding the mark.
8. In awarding method marks, ensure that candidates do not get full marks for any item that is incorrect at least in part.
9. Codes: f=foreign item; p=placement/presentation.
10. Teachers must do the paper before they start marking.

**This marking guideline consists of 9- page**

**QUESTION 1****1.1.1 Calculate the Direct labour cost on 30 June 2023**

Normal time (1 400 x R40 x 5)	Operation one part correct	R 280 000	✓✓
Overtime		384 000	✓
Employer's contribution (R280 000 x 11,5%)	If normal time x 11,5%	32 200	✓
	Operation one part correct	696 200	✓

5

**1.1.2 Prepare the Production Cost Statement for the year ended 30 June 2023.**

Direct material cost (45 000 x R11,65)		524 250	✓✓
Direct labour cost	See 1.1.1	696 200	✓
<b>Prime cost</b>	DMC+DLC	1 220 450	✓
101 300 +25 200 Or (33 600 -25 200) Factory overhead cost (134 900 ✓ - 8 400✓✓)		126 500	✓
<b>Total manufacturing cost</b>	PC+FOHC	1 346 950	✓
<b>Work-in-process (1 July 2022)</b>		22 450	✓
		1 369 400	
Work-in-process (30 June 2023)	Operation	(36 900)	✓
<b>Total cost of production of finished goods</b> (20 500 x R65)		1 332 500	✓✓

13

**1.1.3 Identify ONE problem relating to the supervision of workers. Quote figures. Suggest ONE strategy the business can use to improve the supervision of workers.**

	<b>Problem</b> Problems ✓      Figures ✓	<b>Solution</b> ✓✓
<b>Problem 1</b>	The workers do not work the normal time hours according to the employment conditions – only 1 400 instead of 1 920. OR The workers worked too much overtime as compared to normal time - 69%	Workers should be monitored to ensure they work the correct number of normal hours. / Workers must first work the correct numbers of normal time before booking overtime.
<b>Or Problem 2</b>	The level of production is too low. For the 2 360 hours worked, they should have produced a total number of 23 600 (2 360 x 5 x 2) fabric baskets, but they only produced 20 500 fabric basket/ produced 3 100 less.	Monitor workers to ensure they produce two fabric baskets per hour. / Pay workers for each fabric basket completed. / Complete uncompleted tasks under normal hours.

4

**1.2.1 Provide a calculation to confirm that the break-even point of 2 520 units for 2023 is correct.**

21 x 3 000

R63 000 ✓✓ = 2 520 units

R100 ✓ - 75 ✓

25

4

**1.2.2 Comment on the level of production achieved in relation to the break-even point for both years. Quote figures.**

Compare BEP with level of production ✓✓ Figures ✓

- Decrease in profitability by 377 units although production increased by 500 units.
- Business produced 857 units more than BEP in 2022 and 480 units more than BEP in 2023.

3

**1.2.3 Provide TWO possible reasons for the change in direct material cost per unit.**

Any TWO valid explanation ✓✓ ✓✓

- Wastage, poor workmanship (mistakes)
- Increase in transport costs (carriage on purchases)
- Not able to get bulk discounts

4

**1.2.4 The owner, Ronny, does not understand why the fixed costs per unit decreased although production has increased. Prove ONE explanation.**

Any valid reason ✓✓ part mark for incomplete / unclear response

- Fixed costs is not influence by level of production (Economies of scale)  
Fixed cost per unit will decrease as production increases, due to fixed costs not being influenced by level of production. Economies of scale.

2

**TOTAL MARKS**

**35**

**QUESTION 2**

2.1	2.1.1	Weighted-average	✓		3
	2.1.2	Specific identification method	✓		
	2.1.3	Perpetual	✓		

  

2.2.1	<p><b>Calculate the value of the stock on hand on 30 June 2023 using the First in first out method (FIFO).</b></p> $  \begin{array}{rcl}  13 \checkmark & \times & R4\,400 \checkmark \\  185 \checkmark & \times & R4\,600 \checkmark \\  \hline  & & R908\,200 \checkmark  \end{array}  $ <p>One part correct</p>	5
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2.2.2	<p><b>Calculate the stockholding period (in days) on 30 June 2023. Use the closing stock figure.</b></p> <p>See 2.2.1</p> $  \begin{array}{rcl}  908\,200 \checkmark & \times & 365 \text{ days} \\  (320\,000 \checkmark + 2\,682\,500 \checkmark - 23\,000 \checkmark - 908\,200 \checkmark) & & 160 \text{ days} \checkmark \\  2\,071\,300 & & \text{One part correct}  \end{array}  $	6
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2.2.3	<p><b>Comment on the stockholding period. Provide ONE point with figures. Note that the stockholding period for 2022 was 120 days.</b></p> <p>Any ONE valid points ✓✓ part mark for incomplete / unclear response</p> <ul style="list-style-type: none"> <li>The stock holding period increased from 120 days to 160 days.</li> <li>Stock is not selling as fast as the business wants, more than 5 months on shelves.</li> </ul>	2
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2.2.4	<p><b>Calculate the number of bicycles missing</b></p> $80 + 640 = 720 \checkmark - 5 \checkmark - 510 \checkmark - 198 \checkmark = 7 \text{ missing} \checkmark$ <p>One part correct</p>	5
	<p><b>Provide ONE internal control measure he can use to solve this problem.</b></p> <p>Any ONE valid points ✓✓</p> <p>Improve physical security / count stock at regular intervals.          Rotate duties / the one receiving stock should not be the same person issuing.          Do regular stock control against records.          Security tags on products</p>	2

**2.3.1 Provide TWO points that shows that Buhle and her customers are happy with the quality of tekkies. Quote figures.**

Any TWO valid points with figures ✓✓ ✓✓ part mark for incomplete / unclear response

- No (0) returns to suppliers and that shows good quality of the product.
- Units sold increased from 210 to 230 (by 20 units) / Customers are not discouraged by the increase in mark-up from 55% to 65%.
- Gross profit increased from R80 850 to R149 500

4

**2.3.2 Explain why it was a good idea to change to a cheaper supplier of sandals. State TWO points. Quote figures**

Any TWO valid points ✓✓ ✓✓ part mark for incomplete / unclear response

- Returns decreased from 14 units to zero units
- Closing stock of units decreased from 30 units to 18 units
- Stockholding period decreased from 84 days to 58 days

4

**2.3.3 Identify TWO different problems that Buhle continued to experience in 2023 even though she reduced to selling price of shoes as strategy in response to a new competitor. Quote figure.**

Any TWO valid points Explanations ✓ ✓ Figures ✓ ✓

- Units sold still decreased from 123 units to 100 units
- Stock on hand of units increased from 9 units to 25 units (no demand for product)
- Stockholding period increased from 28 days to 91 days

4

<b>TOTAL MARKS</b>	<b>35</b>
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**QUESTION 3****3.1 BANK RECONCILIATION****3.1.1**

<b>CASH RECEIPTS JOURNAL</b>		<b>CASH PAYMENT JOURNAL</b>	
Details	Amount	Details	Amount
<b>Total</b>	<b>R 510 600</b>	<b>Total</b>	<b>R 484 450</b>
Interest	145 ✓	Bank charges	1 425 ✓
Rent income	6 250 ✓	Insurance	1 850 ✓
		EFT no. 613	900 ✓✓
		Cancel deposit	15 000 ✓
		Car battery	2 700 ✓
	516 995 ✓	<b>Both totals</b>	506 325

**9****3.1.2****Calculate the correct bank balance in the ledger on 31 July 2023.**

WORKINGS			ANSWER			
<div>(+ 10 670 two method marks)</div> <div>25 700✓ + 516 996☑ – 506 325☑</div>			<div>36 370☑</div> <div>one part correct</div>			
<table><tr><td>25 700</td><td>506 325</td></tr><tr><td>516 995</td><td>c/d36 370</td></tr></table>				25 700	506 325	516 995
25 700	506 325					
516 995	c/d36 370					

**4****3.1.3****Bank Reconciliation Statement on 31 July 2023**

	<b>Alternative</b>	<b>Debit</b>	<b>Credit</b>
<b>Balance per Bank Statement</b>	R31 615		R 31 615 ✓✓
Credit outstanding deposit	10 000		10 000 ✓
<b>Debit outstanding EFT's:</b>			
No. 652	(5 650)	5 650 ✓	
No. 655	(1 445)	1 445 ✓	
Credit amount wrongly debited	1 850		1 850 ✓
<b>Balance as per Bank Account</b>	36 370	36 370 ✓	
		<b>Could be CR</b>	
-1 (max -1) foreign / superfluous items		43 465 ✓	43 465
		<b>Both totals</b>	

**8**



- 3.1.4 Explain TWO concerns the owner should mention to the bookkeeper relating to the internal control over cash resources. Quote figures. In each case, explain a strategy to prevent such problems in future.**

<b>Concern with evidence</b> Problem ✓ ✓ Figure ✓ ✓	<b>Strategy</b> Specific advice based on evidence ✓ ✓
R15 000 missing/stolen	Division of duties: the person writing up the transaction should not make the deposits. / Check that the total of cash slips agree with the total of the deposit slip.
Rolling of cash, R12 600 on 10 <sup>th</sup> of June, only deposited in July Deposits not done regularly (routine)	Create a policy for regular, daily depositing. / Internal auditor must check that the cashier is depositing cash daily. / Appoint a different person to do the depositing

6

### 3.2 CREDITORS RECONCILIATION

- 3.2.1 Indicate the changes that must be made in the Creditors' Control Account and Creditors' List to take into account the errors and omissions noted. Indicate an increase with a (+) or decrease with a (-) next to each amount.**

	<b>Creditors' Control</b>	<b>Creditors' List</b>
<b>Provisional balance/total</b>	<b>R 70 650</b>	<b>R32 600</b>
(i)		+ 900 ✓
(ii)	+ 3 720 ✓	+ 3 720 ✓
(iii)		- 4 500 ✓✓
(iv)	- 32 800 ✓✓	
(v)		+ 8 850 ✓
	41 570 ☑	41 570
	<b>Both totals</b>	

9

- 3.2.2 The owner of Titus Stores is not satisfied with the service and quality of goods ordered from creditor Spring Ltd. Explain TWO factors that he must consider before changing to another supplier.**

Any TWO valid points ✓✓ ✓✓

- Arrangement a meeting to discuss dissatisfaction / re-emphasise terms and conditions / raise concerns about products / about customer- satisfaction.
- Renegotiate terms offered by the suppliers /
- Ability to meet the demands of the business by the supplier
- The quality of the products they are selling

4

**TOTAL MARKS****40**



**QUESTION 4****4.1****Complete the Debtors Collection Schedule for November 2023.**

Month	Credit Sale	October	November
August 2023	74 000	16 280	0
September 2023	68 000	27 200	14 960 ✓✓
October 2023	70 000	24 010	28 000 ✓✓
November 2023	64 000		21 952 ✓✓
Cash from debtors		67 490	64 912 ✓

One part correct

7

**4.2**

		WORKINGS	ANSWER
(i)	Payment to creditors	$(70\,000 + 17\,500) \times 100/125 = 70\,000 \times 95\%$ ✓✓ Three marks OR $87\,500 \times 100/125 = 70\,000 - 3\,500$ OR $87\,500 \times 0,8 = 70\,000 - 3\,500$	66 500 ✓ one part correct
(ii)	Salaries of sales assistants	$20\,800 \times 107,5\% = 22\,360 + 5\,200$ ✓ Two marks OR $5\,590 \times 4 = 22\,360$ ✓ Two marks one mark	27 560 ✓ one part correct
(iii)	Cash surplus/deficit	14 890 – 52 500	(37 610) ✓✓ Must be negative

5

4

2

**4.3****Comment on the cash balances. Provide figures.**

Any valid comment ✓ Figure/s ✓

The actual closing balance is an overdraft of R45 400 (difference R30 510 compared to the budgeted amount)

**Explain how Jane, the owner, can improve the cash balances in future. Provide TWO points.**

Any TWO valid comments ✓✓ ✓✓

Encourage debtors to pay faster	Charge clients for deliveries
Negotiate with creditors for longer payment terms	Increase cash sales
Look for alternative income e.g. commission	Decrease mark-up to increase sales

2

4

**4.4****Calculate the percentage increase in rent on 1 November 2023.****4.4.1**

$$\frac{(12\,544 - 11\,200)}{11\,200} \times 100 = 12\% \quad \checkmark \quad \text{one part correct}$$

**3****4.4.2****The amount of the interest on fixed deposit expected to be received in November 2023.**

$$16\,830 \times 2 / 102 = R330 \quad \checkmark \quad \text{one part correct}$$

OR

One mark      two marks/0      one method mark

$$16\,830 - (16\,830 \div 1,02) = R330$$

**3****4.5****Identify TWO payments that you consider to be poorly managed in October 2023. In EACH case, give a suggestion to improve the internal control of the items identified.**

PAYMENT ✓    ✓	ADVICE Relevant advice ✓✓    ✓✓
Advertising	The business must make use of the budgeted amount for advertising to influence sales
Drawings	Stick to the budget or amend the budget to accommodate the increase in drawings.
Maintenance of office equipment	Equipment must be maintained properly to prevent it from breaking down.

**6****4.6****Provide TWO reasons why Jane should be concerned about the control over debtors. Quote figures.**

Explanation ✓ ✓    Figures ✓ ✓

- Collection trends reveal only 35% of debtors pay within 30 days. They not attracted to the 2% discount. On 31% of debtors are current with their accounts
- 26% of debtors accounts are more than 60 days overdue / R16 250
- Actual amount collected from debtors in October (R43 870) is less than the budgeted amount of (R67 490) or by (R23 620)

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