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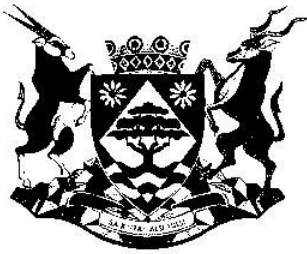
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DEPARTMENT OF EDUCATION
DEPARTEMENT VAN ONDERWYS
LEFAPHA LA THUTO
ISEBE LEZEMFUNDO

PROVINCIAL PREPARATORY EXAMINATION

GRADE 12

ACCOUNTING

PAPER 2

SEPTEMBER 2025

MARKING GUIDELINES

MARKS: 150

These marking guidelines consist of 10 pages.





MARKING PRINCIPLES

1. Unless otherwise stated in the marking guidelines, penalties for foreign items are applied only if the learner 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 learner is earning marks on the figures for that item.
3. Unless otherwise stated, give full marks for correct answer. If answer is incorrect, mark workings.
4. If a pre-adjustment figure is shown as a final figure, allocate the part-mark as a working mark for that figure (not the method mark for the answer).
NOTE: If figures are stipulated in marking guidelines 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 learners.
7. If learners provide more than the required number of responses, inspect all responses to give benefit to the learner. Penalties may be applied for foreign entries if learners earn full marks on a question (max. -2 per question).
8. Where penalties are applied, the marks for that section of the question cannot be a final negative.
9. Where method mark(s) are awarded for the operation, the marker must inspect the reasonableness of the answer before awarding the mark.
10. 'Operation' means 'check operation'. 'One part correct' means operation and one part correct.
NOTE: Check operation must be +, -, x, ÷ as per learner's calculation (if valid) or per memo.
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 learners do not get full marks for any item that is incorrect at least in part. Indicate with a method ☒.
13. Be aware of learners 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

15. This memorandum is not for public distribution, as certain items might imply incorrect treatment. The adjustments made are due to nuances in certain questions.



QUESTION 1

- 1.1.1 Calculate the correct balance as per Creditors' Ledger in the Creditors' Reconciliation Statement on 31 August 2025.

-4 360 two marks

$$83\ 800 - 1800 \checkmark - 2\ 180 \checkmark - 2\ 180 \checkmark - 5\ 000 \checkmark \checkmark + 45\ 000 \checkmark$$

$$= 117\ 640 \checkmark \text{ one part correct; } 83\ 800 \text{ does not count as one part correct}$$

7

- 1.1.2 Correct the Creditors' Ledger Account. Write the corrected amounts under the appropriate column.

	DEBIT	CREDIT
I.	1 800 ✓	
II.		5 250 ✓
III.		
IV.		27 000 ✓✓
V.		

4

Superfluous entry; lose 1 mark per line (= Max. 2)

- 1.1.3 Explain whether you agree with the internal auditor or not. Mention the appropriate GAAP-principle to support your answer.

Agree ✓ Explanation ✓ Principle ✓✓

Agree

- Matters of the business and owner should be kept apart/transaction must be recorded as drawings.
- Business entity principle

4

- 1.1.4 Provide TWO points of evidence to support the opinion of the internal auditor. Quote relevant figures.

Explanation ✓✓ Figures ✓✓

- Not abiding to the credit terms of 30 days; owes for 90 days > R19 200, or 60 days > R15 800
- Exceeding the credit limit of R65 000, balance is R83 800
- Business is not taking advantage of 12,5% discount
- 15% penalty of R5 250 is charged for an overdue account

4

Explain ONE internal control measure that can be implemented to avoid this problem in future.

Any valid point ✓✓

- Installation of computerised system to avoid late payments/to ensure business adheres to credit terms
- Division of duties (e.g. one person is responsible for ordering and another person is assigned to keep track of payments)
- EFT-payment system/Debit orders to avoid late payments

2

1.2

**Calculate the VAT amount. Use the table provided.
Indicate the effect (increase or decrease) of each transaction on the amount payable to SARS**

NO	CALCULATIONS	VAT AMOUNT	EFFECT OF VAT PAYABLE TO SARS (Increase/Decrease)
A.	46 000 – 40 000	6 000 ✓	Decrease ✓
B.	(184 400 – 28 000) 156 400 ✓ x 15/115 ✓	20 400 ✓	Increase ✓
C.	10 000 ✓ x 15/100 ✓	1 500 ✓	Increase ✓
D.	(3 800 + 2 500) 6 300 ✓ x 15/100 ✓	945 ✓ No method mark for R945	Increase ✓

14

TOTAL MARKS

35



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**QUESTION 2**

Calculate:

2.1.1 The value of the direct labour cost for the year ended 31 July 2025.

WORKINGS	ANSWER
$(90\,000 \times 4)$ $(120 \times 250 \times 4)$ $(90\,000 \times \frac{1}{4})$ $(120 \times 250 \times \frac{1}{4})$ $360\,000 \checkmark + 120\,000 \checkmark + 22\,500 \checkmark + 7\,500 \checkmark$	$510\,000 \checkmark$ One part correct

5**2.1.2 The correct amount for Factory overhead cost.**

WORKINGS	ANSWER
$584\,350 + 8\,500 \checkmark + 88\,401 \checkmark - 26\,250 \checkmark$ $- 70\,000 \checkmark + 112\,500 \checkmark$ (refer to S&D)	$697\,500 \checkmark$ One part correct; 584 350 does not count as one part correct

6

Complete:

2.1.3 The Production Cost Statement for the year ended 31 July 2025

Direct material cost	690 000 ✓
Direct labour cost see 2.1.1	510 000 ✓
Prime Cost (DM + DL)	1 200 000 ✓
Factory overhead cost see 2.1.2	697 500 ✓
Total production cost (PC + Fac Overhead)	1 897 500 ✓
Work-in-progress at the beginning of the year	180 300
	2 077 800
Work-in-progress at the end of the year	(250 500)
Cost of production of finished-goods	1 827 300 ✓ (Check operation)

6**2.1.4 The Abridged Statement of Comprehensive Income**

Sales	
Cost of sales *refer to Production Cost Statement $(118\,800 \checkmark + 1\,827\,300 \checkmark - 258\,400 \checkmark)$	$(1\,687\,700) \checkmark$ Ignore brackets
Gross profit	
Operating expenses	
Administration cost $(117\,100 - 1\,000)$ $(-23\,000 + 22\,500)$	$116\,100 \checkmark \checkmark$ (method mark if partly correct, 117 100 does not count as partly correct)
Selling and distribution cost $(182\,500 + 70\,000)$	$252\,500 \checkmark \checkmark$
Net profit for the year	

8

2.2.1 Calculate the break-even point for the year ended 31 August 2025.

WORKINGS	ANSWER
$ \begin{array}{r} 4\,665\,500 \checkmark \\ \hline (2\,400 \checkmark - 895 \checkmark) \\ 1\,505 \text{ two marks} \end{array} $	$3\,100 \text{ units } \checkmark$ One part correct

4**2.2.2 Comment on the level of production and break-even point on 31 August 2025.**

Any valid point ✓✓ Figures ✓✓

For FOUR marks:

- Produced and sold 5 500, which is more than the BEP 3 100/Profit on 2 400 units
- Profit on 2 400 units has improved compared to profit of 52 units of last year

For TWO marks (max.):

- BEP decreased by 848 units
- Units produced increased by 1 500 units

4**2.2.3 Explain to Zuzu why there is nothing to be worried about. Quote TWO points with figures.**

Explanation ✓✓ Comparative figures ✓✓

- Sales increased from R8 000 000 to R13 200 000/with R5 200 000
- Units produced increased from 4 000 units to 5 500 units/with 1 500 units

4**2.2.4 Calculate how many extra units, the business needs to manufacture to achieve the goal.**

WORKINGS	ANSWER
$ \begin{array}{r} 1\,000\,000 \checkmark \\ \hline 1\,505 \checkmark \end{array} $	$665 \text{ units } \checkmark^*$ Accept 664 *One part correct

3**TOTAL MARKS****40****SA EXAM PAPERS**

**QUESTION 3****3.1**

3.1.1	True ✓
3.1.2	True ✓

2**3.2**

	CASH BUDGET		PROJECTED STATEMENT OF COMPREHENSIVE INCOME	
	RECEIPT	PAYMENT	INCOME	EXPENSE
E.g.		3 200		3 200
3.2.1			2 600 two marks OR 6 000 ✓	3 400 ✓
3.2.2	1 700 ✓			2 550 ✓✓
3.2.3		25 000 ✓		10 000 ✓✓

8

1 for superfluous entries per line (max. -3)

3.3.1**Complete the Debtors Collection Schedule for the budget period ended 31 October 2025.**

	CREDIT SALES	SEPTEMBER	OCTOBER
August	294 000 ✓ OR 420 000 one mark	147 000	29 400 ✓ 42 000 one mark 10% of CS
September	315 000	164 588	110 250 ✓
October	420 000		219 450 ✓✓

5**3.3.2****(i) Cash sales for September 2025**

WORKINGS	ANSWER
$315\,000 \times \frac{30}{70}$	135 000 ✓✓

2**(ii) Rent expense for September 2025**

WORKINGS	ANSWER
$8\,400 \times \frac{100}{112}$	7 500 ✓✓

2



(iii) Creditors' payment for October 2025	
WORKINGS	ANSWER
420 000 ✓ x 100/175 ✓ x 60/100 ✓	144 000 ☒ One part correct

3

(iv) Increase in loan on 1 October 2025	
WORKINGS	ANSWER
45 000 two marks 15 000 three marks 2 500 ✓ x 18 ✓ x 25/75 ✓ x 2 ✓	30 000 ☒ One part correct

13

3.3.3 Explain the change in the income policy implemented with effect from October 2025. Provide ONE point with figures.

Change in sales/change in service-income ✓ Correct figure ✓✓

- Sales changed from 60% to 40% of income
- Service income changed from 40% to 60% of income

3

Comment on the control over bad debts and consumable stores for October 2025. Quote figures.	
	Valid comment ✓✓ Figures ✓✓
Bad debts	Effective control over bad debts Budgeted 8% of sales. Actual is 4% of sales/Sales decreased by 25% and bad debts by 63%
Consumable stores	Ineffective control/Not well controlled Budgeted 12,5% of service income. Actual is 20%.

4

TOTAL MARKS
35



QUESTION 4**4.1.1 Calculate the number of units on hand at the end of the financial year.**

$$20 \checkmark + 134 \checkmark - 11 \checkmark - 68 \checkmark = 75 \checkmark \text{ one part correct}$$

5**4.1.2 Calculate the value of the closing stock using the first-in-first-out (FIFO) method.**

WORKINGS	ANSWER
^{1 280 two marks} $65 \checkmark \times (1230 \checkmark + 50 \checkmark) = 83\,200$ $10 \checkmark \times (1150 \checkmark + 50 \checkmark) = 12\,000$ (75 – answer)	$95\,200 \checkmark$ (two values must be added for m.mark)

8**4.1.3 Calculate the gross profit earned for the SUNLIGHT inverters for the year ended 31 July 2025.**

$$125\,460 \checkmark - [(170\,950 + 6\,700) \checkmark - 95\,200^* \checkmark] = 43\,010 \checkmark$$

*Refer to 4.1.2 for closing stock

4**4.1.4 Calculate the change and identify the effect on the gross profit, if he, the owner, decides to change to the weighted average.**

Change in Gross profit	Effect (Increase/Decrease)
Refer to 4.1.2* $95\,200^* - 93\,173 = 2\,027 \checkmark \checkmark$ (R93 173 must be subtracted from closing stock for m.mark)	Decrease $\checkmark$

3**4.2.1 Calculate the value of the closing stock of the Economic Pure Sine inverters using the specific identification method.**

WORKINGS	TOTAL
$(234 - 199)^* \checkmark$ $35^* \checkmark \times R3\,600 \checkmark$	$126\,000 \checkmark$

4

4.2.2 Calculate the mark-up percentage of the XZI Hybrid inverter.

WORKINGS	TOTAL
$\frac{5\,526\,300 \checkmark}{(12\,894\,700 \checkmark - 5\,526\,300 \checkmark)} \times \frac{100}{1}$ 7 368 400 two marks	75 % ☒

4**4.2.3 Calculate how long (in days) it will take the business to sell the closing stock of the ECONOMIC Pure Sine inverters.**

Refer to 4.2.1 for closing stock

$$\frac{126\,000 \checkmark}{716\,400 * \checkmark} \times 365 = 64,2 \text{ days } \checkmark$$

*Accept other alternatives for COS

$$35 \text{ one m. mark} / 199 \text{ one mark} \times 365 \text{ days} = 64,1 \text{ days}$$

one m mark; one part correct, x 365 is not one part correct

3**4.3 Identify ONE problem and a possible solution for each brand. Quote figures to substantiate your answer.**

	SUNLIGHT inverter	ECONOMIC pure sine inverter	XZI Hybrid inverter
PROBLEM Problem ✓✓✓ Figure ✓✓✓	High stock levels = 75 units Slow sales = 68 units for the year	High returns = 55 units Low mark-up % = 25%	Shortage of stock = 12 units left High cost price = R16 900
SOLUTION ✓✓✓	Discontinue the brand Sell stock to competitors	Look for alternative/better quality Increase the mark-up %	Buy in bulk Buy locally

9**TOTAL MARKS****40**