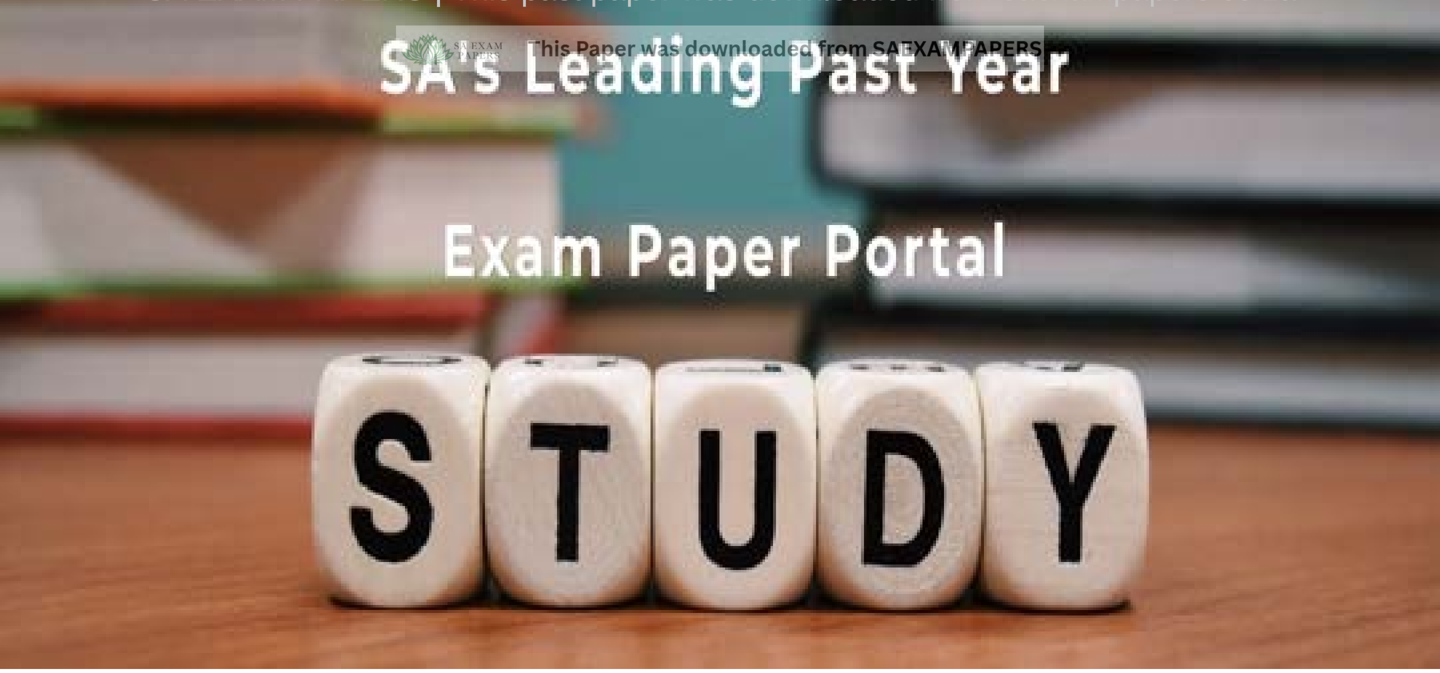
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STUDY

KWAZULU-NATAL PROVINCE

EDUCATION
REPUBLIC OF SOUTH AFRICA

PROVINICAL STANDARDISED ASSESSMENT

GRADE 12

ACCOUNTING P2

MARKING GUIDELINES

JUNE 2026

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. 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 the final figure, award one mark. Not the method mark for the answer. Note: if figures are stipulated in memo for components of workings, these do not carry the method for final answer.
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 a certain question.
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 before awarding the mark.
10. Operation' means 'Check operation'. 'One part correct' means 'Operation & one part correct'. Note: check operation must be +,-,x,÷, or per candidates operation.
11. In awarding method marks, ensure that candidates do not get full marks for any item that is incorrect, indicate with a ☒. Note: do not award marks for workings if numerator and denominator are swapped-this also applies to ratios.
12. Be aware of candidates who provide valid alternatives beyond the marking guideline.
13. Codes: f=foreign item; p=placement.

This marking guideline consists of 9 pages.

QUESTION 1

1.1 Calculate the correct Bank Account balance on 28 February 2026.

Provisional Bank balance	**19 400**
EFT 810	- 2 000 ✓
Bank Charges	- 1 060 ✓
Interest income	+ 313 ✓
Cash missing	- 1 100 ✓
Correct Bank balance Operation one part correct	15 553 ☑

5

1.2 Bank Reconciliation Statement on 28 February 2026

	DEBIT	CREDIT
Balance as per Bank Statement		13 060 ✓☑
Outstanding deposit		21 343 ✓
Outstanding EFT 905	14 350 ✓	
Debit amount wrongly credited	4 500 ✓	
Debit balance as per Bank account	15 553 ☑	
	34 403	34 403

6

OR

Bank Reconciliation Statement on 28 February 2026

Balance as per Bank Statement	13 060 ✓☑
Outstanding deposit	21 343 ✓
Outstanding EFT 905	- 14 350 ✓
Debit amount wrongly credited	-4 500 ✓
Debit balance as per Bank account	-15 553 ☑

1.3 State TWO internal control measures that the business can use to ensure that this will not happen in future.

Possible responses for two marks: ✓✓ ✓✓ Part marks for partially correct answer

- Encourage debtors to use EFT and internet banking.
- Request SMS notification from the bank for all transactions.
- Use security companies to collect cash / cash in transit
- Check deposit daily / check deposits against receipts

Any valid response

4

TOTAL MARKS

15

QUESTION 2

2.1

CONCEPTS		
2.1.1	FIFO	✓
2.1.2	Perpetual	✓
2.1.3	Expense	✓

3

2.2 RAMSGATE FIX TRADERS

2.2.1 Calculate the value of closing stock of cameras on 28 February 2026

CALCULATION	ANSWER
SMART MODEL 6 x 5 500 = 33 000✓✓ 70 x 5 750 = 402 500✓✓	
MAGIC MODEL 10 x 4 000 = 40 000✓✓ 25 x 4 200 = 105 000✓✓	580 500 ☑ one part correct

9

2.2.2

Calculate the value of closing stock of Lens's for magic 200mm

36 000 ✓ + 648 000 ✓ – 27 000 ✓
60 ✓ + 720 ✓ - 30 ✓

R657 000 Three marks
750 Three marks
R876 six marks x 80 ✓

= 70 080 eight marks ☑ one part correct

8

2.2.3

The owner suspects that Lens's for magic model 200mm are being stolen. Provide a calculation to confirm his suspicions.

750✓☑ – 657✓ – 80 ✓ = 13 units ☑ one part correct
(60 + 720 – 30)
One mark if incorrect but 60, 720 or -30 is shown (inspection)

5

2.2.4 **O'Reilly is thinking of employing an assistant at a wage of R10 000 per month to control the stock of Lens's for magic 200mm. Explain why this is NOT a good idea. Provide Two points with figures/calculations.**

Note: Explanation could differ depending on figures calculated above in 2.2.2 and 2.2.3

	Explanation✓ ✓	Figures✓✓ ✓✓
Point 1	It is not worthwhile to employ the assistant **OR** Wages greatly exceed the cost of the missing units	R120 000 p a / R10 000 pm Cost of units missing 13 x R876 = R11 388. Could use unit cost price
Point 2	Missing items are relatively insignificant **OR** Units missing are a very small % of units available	Unit missing = 13 Unit available = 750 % missing = less than 2% **OR** Unit sold p.a = 657 Unit sold per day = 1.8 or 2

	6

2.3 MANAGEMENT OF INVENTORIES

Product	Problem Problem ✓ ✓ ✓ Figures ✓ ✓ ✓	Solution ✓ ✓ ✓ Any valid points
CUPBOARDS	High returns,500 Or 500/ 1 800 (27.8%)	Possible change to new supplier ensure high quality ordered. Investigate reasons for returns./Review returns policy Order as per customer specifications Check quality before accepting stock delivered by suppliers or to customers.
TABLES	Missing money R40 000 Or Credit sales much higher than cash sales (liquidity issues) 2 400/ 600 or 1 800 units more 2 400 / 3 000 (80%) 600 / 3 0000 (20%)	Division of duties for banking of money Promote cash sales by providing incentives such as cash discount
CHAIRS	Slow selling item/ too much Stock on hand 2 950 or Purchases much higher than Sales (6 000/ 4 350)	Change to a different type Of chair. Advertise more to Increase sales Buy stock according to sales Reduce mark-up%

	9

TOTAL MARKS
40

QUESTION 3

3.1.1 FACTORY OVERHEAD COST NOTE

Factory salary	**102 400**
Sundry expenses	**47 040**
Consumable stores (29 800 – 3 900)	*25 900 ✓☑
Water and electricity (54 400 + 5 600) x 75%	*45 000 ✓☑
Rent expense (12 200 x 6/2)	36 600 ✓✓
Insurance (33 500 – 3 800) x $^4/_5$	*23 760 ✓☑
*one part correct	
one part correct	280 700 ☑

Foreign items -1 max -2

9

3.1.2 Production Cost Statement for the year ended 28 February 2026.

Direct material cost PC - DLC	792 740 ☑
Direct labour cost 11 315/73x100 if 12% 525 000 + 44 900✓ + 15 500✓✓ + 1 860☑)	587 260 ☑
Prime cost	1 380 000 ✓
Factory overhead cost see 3.1.1	280 700 ☑
Total manufacturing cost (PC + FOH)	1 660 700 ☑
Work in progress in the beginning	**35 100**
	1 695 800 ☑
Work in progress at the end of the year operation	(145 800) ☑
The total cost of production of finished goods (2 500 x 620)	1 550 000 ✓✓

13

3.1.3

Abridged Statement of Comprehensive Income for the year ended 28 February 2026.	
Sales	3 346 000 ✓
Cost of sales 900 000 ✓+ 1 550 000 ☑ – 1 220 000✓ See 3.1.2	(1 230 000) ☑
Gross Profit Operation one part correct	2 116 000 ☑
Administration costs	(380 000) ✓
Selling and distribution costs	(470 000) ✓
Net profit for the year Operation one part correct	1 266 000 ☑

9

STYLE MANUFACTURERS

3.2.1 Calculate the break-even point for Phone cases for 28 February 2026.

WORKINGS	ANSWER
$\frac{450\ 000 ✓}{400 ✓ - 304 ✓}$ 96 two marks	= 4 688 units / ☑ 4 687,50 one part correct

4

Comment on whether John should be satisfied with the break-even points and levels of production for the past two years. Quote figures to support your opinions.

Compulsory response:
Compare BEP to level of production for 2026 ✓✓ Figures ✓✓ comment based on 3.2.1

The BEP is 4 688 units, and production is 4 500 units. The business produced 188 units less than BEP/making a loss on 188 units.

Optional response: Max two marks in total (mark one optional response only)
Compare BEP 2025 to 2026 OR Production 2025 to 2026

Break-even increased from 3341 to 4 688 units.
Production remained constant at 4 500 units per year.

4

3.2.2 Identify ONE variable cost for each product, that would be of concern to John. Quote figures. Provide ONE possible reason for the problem, in each case.

ONE VARIABLE COST WITH FIGURES Variable cost ✓ ✓ Figures ✓ ✓	REASONS ✓ ✓ Any two different reasons
PHONE CASES Direct material cost increased from R120 per unit to R150 per unit/ byR30 or 25%	Greater demand for material/wastage in the production process/poor quality material caused mistakes/poor supervision/Paid more for better quality If imported – exchange rate, carriage is expensive.
PENCIL CASES Direct labour cost increased from R102 to R160/ byR58 or 56,9%	Poor supervision of normal time/ excessive overtime/disruptions in working hours/power cuts/high increases negotiated.

6

3.2.3 John was concerned about the increase in the fixed cost per unit of Pencil cases. What would you say to him? Provide ONE point and quote figures to support your answer.

Valid comment explaining economies of scale/Economy of scale ✓✓

Production decreased by 800 units (40%), but fixed costs are not influenced by the level of production, would remain almost constant, divided by a smaller number of units, will be much higher per unit.

2

3.2.4 **John feels that she can improve the sales of Pencil cases. Provide TWO suggestions on how this can be achieved.**

TWO valid suggestions ✓✓ ✓✓

- He could decrease the mark-up % (or selling price)
- He can set targets for completion during normal time and try to reduce overtime pay
- He can spend more money on advertising and sales promotion and explore new target markets
- Team up with tour/holiday companies – to provide luggage bags

4

3.2.5 **Assume that costs and workers' efficiency will remain unchanged in 2027. If production and sales of Pencil cases increased by 500 units, calculate how much additional profit she can expect.**

500✓ x R203✓✓ = R101 500☑ one part correct

4

TOTAL MARKS
55

QUESTION 4

4.1 DEBTORS' AGE ANALYSIS

4.1.1 Explain why the debtors' age analysis is considered to be an effective internal control measure. State ONE point.

Valid explanation✓✓ part-mark for unclear / incomplete answer

- Its helps to identify slow or defaulting debtors (not abiding to the credit terms) so that action can be taken.
- Highlights debtors in good standing so their credit ratings can be reviewed.
- It can expose the problem of allowing debtors to exceed their credit limits.
- It can assist with planning/corrective measures such as sending reminders, writing off debtors etc.

2

4.1.2 Explain TWO different problems highlighted by the debtors' age analysis. In EACH case, provide the name of a debtor and figure(s).

PROBLEMS ✓ ✓	DEBTOR AND FIGURE(S) Debtor ✓ figure(s) ✓
Debtors exceeding credit limits	L Zungu (by R700) Or balance of R4 200 is above his limit of R3 500
Overdue accounts/ not complying with credit terms / slow payers	K Xulu (R8 500 overdue) F Cele (950 overdue)
Poor control of granting credit / continue selling to debtors whose accounts are overdue	F Cele (R950) K Xulu (R8 500)

4

4.2 DEBTORS' RECONCILIATION

4.2.1 Corrections to the debtors control account on 28 February 2026

Balance before errors and omissions	**25 700**	
(i)	+ 2 700	✓
(ii)	+ 350	✓
(iii)	- 1800	✓
(iv)	No change	✓
(v)	+ 1 500	✓
Correct debtors control balance	28 450	☑

Operation one part correct

6

4.2.2 Debtors' list on 28 February 2026

Z Botha (5 700 – 1 800✓)	3 900	✓
N Ndlovu (11 100 + 3 50✓)	11 450	✓
O Appollis (- 1 900 + 1 500✓)	(400)	✓
R Mofokeng (15 900 – 1 200✓ – 1 200✓) two mark –2 400	13 500	✓
Correct total of debtors' list Operation one part correct	**28 450**	☑

10

4.3 CREDITORS' RECONCILIATION

4.3.1 Reconcile the Creditors Ledger account of Lemon Suppliers in the books of Twist Traders with the statement received. Commence with the opening balances as provided in the ANSWER BOOK.

	TWIST TRADERS CREDITORS' LEDGER	LEMON SUPPLIERS STATEMENT OF ACCOUNT
	47 064	**40 271**
(i)	–11 808 + 10 296 (1 512) ✓✓	
(ii)		– 816 one mark – 816 one mark (1 632) ✓✓
(iii)	+1 000 ✓	(2 532) ✓
(iv)	(6 929) ✓	
(v)		(981) ✓
(vi)	+29 ✓	+4 526 ✓
	39 652 ☑	39 652 ☑

Operation one part correct

12

4.3.2 State THREE consequences for the business if they do not pay the amount due to creditors on time.

Any THREE suitable valid responses ✓✓ ✓✓ ✓✓

- Business can be charged interest
- Credit rating of the business can be affected
- The business can be blacklisted
- Legal action

6

TOTAL MARKS
40

TOTAL: 150