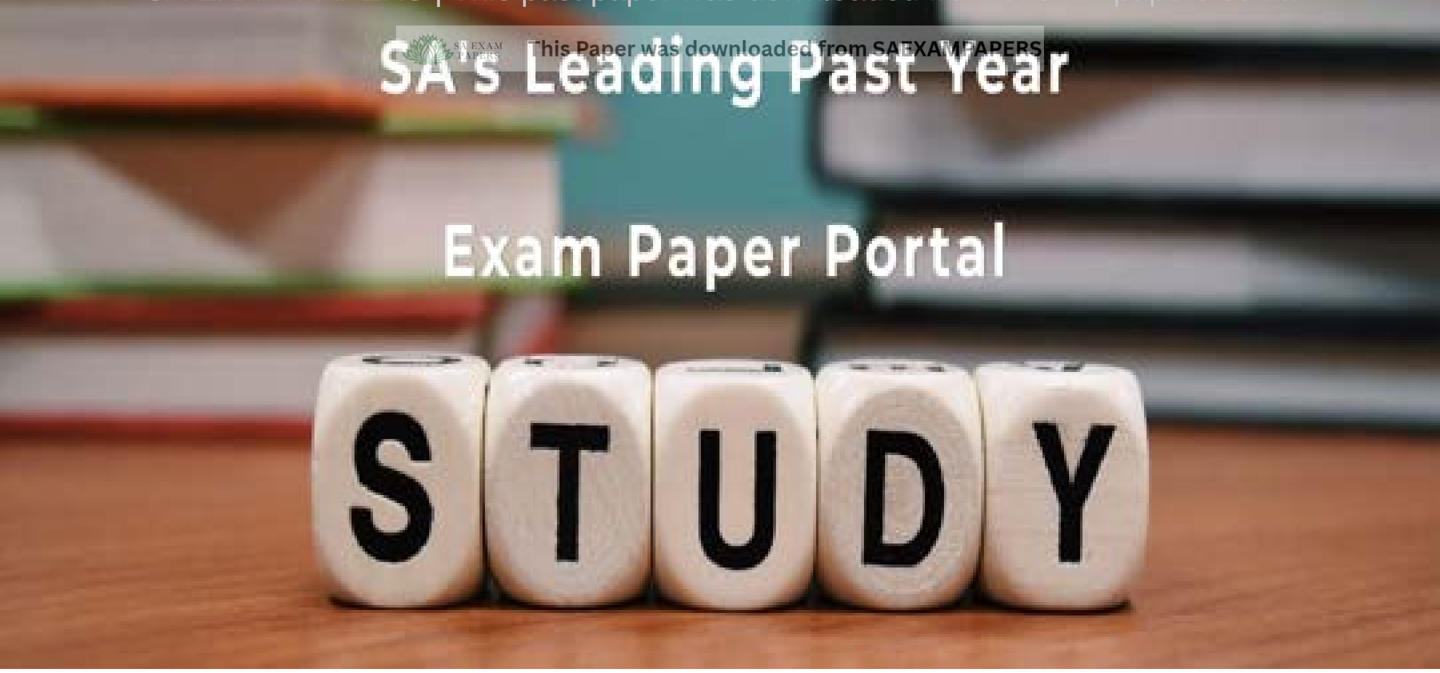
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FREE STATE PROVINCE

GRADE 12

JUNE EXAMINATION

PAPER 2

ACCOUNTING

JUNE 2026

MARKS: 150

TIME: 2 hours

This question paper consists of 13 pages, a formula sheet and a 10-page answer book.

INSTRUCTIONS AND INFORMATION

Read the following instructions carefully and follow them precisely.

1. Answer ALL questions.
2. A special ANSWER BOOK is provided in which to answer ALL questions.
3. Show ALL workings to earn part-marks.
4. You may use a non-programmable calculator.
5. You may use a dark pencil or blue/black ink to answer questions.
6. Where applicable, show ALL calculations to ONE decimal point.
7. If you choose to do so, you may use the Financial Indicator Formula Sheet attached at the end of this question paper. The use of this formula sheet is NOT compulsory.
8. Write neatly and legibly.
9. Use the information in the table below as a guide when answering the question paper. Try NOT to deviate from it.

QUESTION	TOPIC	MARKS	TIME GUIDE
1	Reconciliations	45	35
2	Inventory	45	35
3	Cost Accounting	45	35
4	Fixed assets and calculations	15	15
TOTAL		150	120

QUESTION 1: CONCEPTS AND RECONCILIATIONS (45 marks; 35 minutes)

1.1 Choose the correct answer from the words provided within brackets. Write only the answer, next to each number (1.1.1 – 1.1.3) in the ANSWER BOOK.

1.1.1 A (debit/credit) balance on the bank account indicates an overdraft.

1.1.2 A (debit /credit) note is the source document for goods returned to the creditor.

1.1.3 A (cash discount/trade discount) is offered when accounts are settled within a certain time. (3)

1.2 You are the bookkeeper of Still Traders. The information was taken from the books on May 2026.

REQUIRED:

1.2.1 Calculate the correct totals in the Cash Receipts Journal (CRJ) and Cash Payments Journal (CPJ) for May 2026. (10)

1.2.2 Calculate the correct balance of the Bank account in the ledger on 31 May 2026. (4)

1.2.3 Prepare the Bank Reconciliation Statement on 31 May 2026. (6)

1.2.4 The owner is concerned about the following transactions and is uncertain what to do about this. TWO problems were identified. Explain what you would advise to the owner about each of these issues:

- **False proof of payment – See D (ii):**
  The owner always trusted debtors and used the **"proof of payment"** as proof of the transaction. Provide TWO ways how this can be prevented in future. (4)

- **Outstanding deposits**
  She is concerned about internal control at Still Traders. Identify TWO problems with the outstanding deposits, Also provide TWO control methods that you would put into place to ensure that this does not happen in the future. (8)

INFORMATION:

A. **Extract from the Bank reconciliation statement on April 2026.**

Outstanding deposits:	**R**
15 April 2026	30 000
30 April 2026	12 105
Outstanding EFT's:	
No. 141	4 700
No. 142	8 000

Additional information:

(i) The outstanding deposit of R12 105 and EFT no. 141, appeared on the bank statement for May 2026.
(ii) EFT No. 142 appeared correctly on the bank statement of May 2026 as R8 800.
(iii) The outstanding deposit of R30 000 on 15 April 2026 was never deposited. It was stolen and must be written off.
(iv) The favourable balance in the Bank account in the General ledger was R24 000 on 1 May 2026.

B. Provisional totals for Cash Journals on 31 May 2026 are as follows:

Cash Receipts Journal (CRJ)	R389 504
Cash Payments Journal (CPJ)	R287 000

C. The following information appears on the May 2026 bank statement from Spring Bank, but not in the May 2026 Cash Journals.

(i) Service fee of R400
(ii) A debit order to the city municipality for R 20 000 for water and electricity.
(iii) A direct deposit received from a debtor N. Thabethe for R5 400, in settlement of her account of R6 000.

D. The following items reflected differences between the Bank Statement and the Journals for May 2026 and must also be considered:

(i) EFT no 301, for R1 800 in favour of Zwide Traders was recorded in the relevant Journal. Spring Bank however, reflected it twice on the bank statement. The bank informed us that they will rectify it on the next bank statement.

(ii) On 27 May 2026 Still Traders received proof (via email from debtor) of a direct deposit into the business's bank account, R2 910. The bookkeeper entered this in the CRJ. This has not yet appeared on the Bank Statement. It was discovered that the document received via email was a fake copy.

E. The following entries appeared in the May 2026 Cash Journals but did not appear on the Bank Statement for May 2026.

- EFT no. 189 for R7 000 dated 31 May 2026.
- A deposit of proceeds from cash sales of R16 000 on 31 May 2026

F. The bank statement showed a favourable balance of R? on 31 May 2026

1.3 The credit controller of Amahle Traders has a problem. The balance in the Creditors Ledger and the Statement received does not correspond. Amahle Traders buys goods on credit from Anna Suppliers.

REQUIRED:

1.3.1 Use the table provided to indicate changes to the: (10)

- Creditors' Ledger Account in the books of Amahle Traders
- Creditors' Reconciliation Statement on 30 August 2025.

INFORMATION:

A. Creditors ledger of Amahle Traders:

ANNA SUPPLIERS CL2

DATE		**DETAILS**	**DEBIT**	**CREDIT**	**BALANCE**
2025	1	Balance			67 500
Aug	10	Invoice 209		81 000	
		EFT	33 750		
	17	Debit note 674	8 640		
		Invoice 282		40 950	
		Invoice 301		25 000	
	21	Invoice 360		50 250	
	24	Debit note 995		8 100	
	27	Journal voucher 570	5 400		
	31	EFT	77 190		147 820

B. Statement of account from Anna Suppliers

AMAHLE TRADERS 103 Mevas Road				24 August 2025	
DATE		**DETAILS**	**DEBIT**	**CREDIT**	**BALANCE**
2025	1	Balance			67 500
Aug	10	Invoice 209	81 000		
		Receipt 695		33 750	
	17	Credit note 741		6 840	
		Invoice 301	25 000		
	21	Invoice 360	20 250		
	24	Credit note 811		8 100	145 060

C. Differences noted:

(i) The incorrect entry for debit note 674 in the creditors ledger account of Anna Suppliers related to the credit note 741 on the statement. The statement is correct.

(ii) Invoice 282 was incorrectly reflected in the account of Anna Suppliers in the creditor's ledger. The goods were purchased from Anandi Suppliers

(iii) Invoice 360 was incorrectly recorded on the statement from Anna Suppliers.

(iv) Anna Suppliers also purchased goods on credit from Amahle Traders, Amahle Traders has transferred a debit balance from the debtor's ledger account (Journal voucher 570). Anna Suppliers will rectify this on the next statement.

(v) The transaction on 24 August 2025 is for merchandise returned to Anna Suppliers.

(vi) The statement reflects transactions up to 24 August 2025.

QUESTION 2: INVENTORY SYSTEMS AND PROBLEM SOLVING
(45 marks; 35 minutes)

2.1 Choose a method in COLUMN B that matches the description in COLUMN A. Write only the letters (A–D) next to the question numbers (2.1.1 to 2.1.4) in the ANSWER BOOK.

COLUMN A	COLUMN B
2.1.1 Oldest stock is sold first.	A cost price method
2.1.2 Each inventory item is recorded and valued individually at its specific cost.	B first-in-first-out method
2.1.3 The same amount of depreciation is calculated each year over the asset's useful life.	C diminished balance method
2.1.4 Depreciation is calculated each year on the reduced carrying value of the asset.	D specific identification method

(4)

2.2 Enhle Traders is a retailer that buys and sells handmade soap to hotels and chain stores in Kwa-Zulu Natal.

REQUIRED:

2.2.1 Calculate the following on 30 April 2026, using the FIFO-method.

- Value of the closing stock (7)
- Cost of sales (7)
- Gross profit (3)

2.2.2 The owner thinks that some of the stock went missing. Proof this statement with a calculation. (5)

INFORMATION:

A Stock records of handmade soap:

INFORMATION	NUMBER OF SOAPS	COST PRICE	TOTAL PURCHASES	NUMBER SOLD
Opening stock - 1 May 2025	400	R12,00	4 800	560
Purchases	**330**		**3 932**	
8 May 2025	190	R12,00	2 280	
21 May 2025	140	R11,80	1 652	
• **Note:** 19 handmade soaps were returned due to being the wrong order from the stock purchases on 8 May 2025.				
• On 31 May 2025 there was 149 units on hand.				

B Soaps are sold at a fixed selling price of R20 each.

2.3 JHC Stores is a business that buys and resells children's toys and operates in Woodstock, Western Cape. The business most popular items are Hallo Kitty dolls, Ben 10 figures and Dinosaur Fossils. JHC stores financial year ends on 30 June every year.

REQUIRED:

2.3.1 Calculate the value of the closing stock by using the weighted average method. (6)

2.3.2 Give TWO points of advice to improve the internal control over stock. (4)

INFORMATION:

Stock records of toys:

	UNITS	AMOUNT (R)
Opening stock-Carriage included	60	2 984
Purchases- Carriage included	275	15 340
Returns	15	831
Closing stock	42	?
Number of toys sold	275	?
Total carriage on purchases of toys		R10 per unit

2.4 SOCK-IT OUTDOOR SALES

Sock-It is a business in Cape Town that sells three different kinds of hiking tekkies – Nipe, Walket and Pace-to-Pace.

REQUIRED:

2.4.1 Identify ONE different problem in respect of the way each product is managed. Quote figures to support your answer. In each case offer practical advice. (9)

ITEMS OF STOCK	Nipe	Walket	Pace-to-Pace
Opening stock	1 395	320	305
Purchases	3 230	4 500	1 870
Sales	3 900	2 100	1 950
Closing stock	623	2 720	225
Selling price per unit	R1 240	R2 190	R560
Period of stock on hand	25 days	50 days	15 days
Cash deposited	R4 836 000	R4 599 000	R985 500
Returns	102	0	5

45

QUESTION 3: COST ACCOUNTING **(45 marks; 35 minutes)**

3.1 **JUMBO WHOLESALERS**

The information relates to the financial year ended 28 February 2026. The business produces one style of shirt. The owner is Jabulani Jumbo.

REQUIRED:

Complete the following for the year ended 28 February 2026:

3.1.1 Production Cost Statement (11)

3.1.2 Calculate the correct factory overheads. (9)

3.1.3 Abridged Statement of Comprehensive Income (Income Statement) (14)

INFORMATION:

A. Stock balances and totals:

	28 February 2026	**1 March 2025**
Direct material	15 000	13 000
Finished goods	13 000	10 000
Work in progress	7 000	9 000
Indirect material	4 000	3 000

B. Raw material:
Purchased during the year, R60 000.
Purchases returned to creditors, R5 000.
Carraige on purchases paid cash, R1 000.

C. Production wages:

Information extracted from the production wages records:

GROSS WAGES OF PRODUCTION WORKERS	**TOTAL DEDUCTIONS**	**NET WAGES PAID TO PRODUCTION WORKERS**
?	34% of gross wages	R36 300

D. Factory overheads:

Rent	R10 500
Water and electricity	9 000
Indirect labour	28 000
Insurance	22 000
Depreciation	5 000
Indirect materials issued to the factory	5 000

It was discovered that she did not take the following into account:

- The salary of an admin clerk of R24 000 was posted in error to the factory overhead cost. Rectify the error.
- The insurance expense of R44 000 was divided equally between the factory overhead cost and the sales department in error. 65% of this expense relates to the factory, and the balance applies to the sales department.
- Rent expense was divided 50-50 between the factory and administration. It was supposed to be 2:1.

E. Sales:

Total sales for the year amounted to R350 000. Debtors' allowances amounted to R5 000.

F. Administration fees:

Accounting fees	R16 000
Bank charges	4 500
Rent expense	?
Salaries	?

G. Sales and distribution costs

Cost price of delivery vehicles	R150 000
Accumulated depreciation on vehicles	100 000
Extra delivery costs	3 000
Insurance	?

- Depreciation on the delivery vehicle is calculated at 10% on the diminished balance method.

3.2 PETER PENS

Peter Ngwenja is the owner of Peter Pens, a manufacturing business that produces one type of pen. The financial year ended on 28 February 2026.

Production is based on orders received, therefore there are no work-in-progress balances.

REQUIRED:

3.2.1 Comment on the fixed cost per unit. (2)

3.2.2 The level of production is satisfactory. Quote and explain figures to support your opinion. (3)

3.2.3 Peter is concerned about the management of the variable costs.

- Identify ONE problem regarding the variable costs. Quote appropriate figures to support your opinion.
- Provide TWO solutions on how he can address the problem identified. (6)

INFORMATION:

Financial information extracted from the records of Peter Pens :

	28 FEBRUARY 2026		1 MARCH 2025	
	TOTAL (R)	**UNIT COST (R)**	**TOTAL (R)**	**UNIT COST (R)**
Fixed costs	550 400	3,20	544 000	3,40
Variable costs:	2 261 800	13,15	1 440 000	9,00
Direct material cost	860 000	5,00	640 000	4,00
Direct labour cost	935 000	5,50	544 000	3,40
Selling and distribution Cost	450 500	2,65	256 000	1,60
Selling price per unit		R16,74		R13,39
Number of units produced and sold		172 000		160 000
Break-even point (units)		153 315		123 636

45

QUESTION 4: FIXED ASSETS AND CALCULATIONS **(15 marks; 15 minutes)**

You are provided with information from the records of Cheetah Limited for the financial year ended 30 April 2026.

REQUIRED:

4.1 Use the given information to calculate the accumulated depreciation on the vehicle that was traded in on 31 August 2025. (6)

4.2 Give two reasons for the disposal of assets. (4)

4.3 Prepare the Asset disposal account. (5)

INFORMATION:

The following extract was taken from the asset register of Cheetah limited. The financial year ends annually on the last day of February.

Cheetah Limited			Page 1
General ledger account:			Vehicles
Item:	Isuzu 2.8 Diesel	**Date purchased:**	30 Nov 2022
From whom purchased:		Britz Motors	
Cost price		R500 000	
Depreciation:		20% on the diminishing method	
Date sold:	31 August 2025	**To whom sold:**	Mark Motors (Trade in)
Selling price	R290 000	**Profit or loss on sale:**	....

Date	Cost price	Accumulated depreciation	Carrying value
30/11/2022 – 28/02/2023	500 000	25 000	...
01/03/2023 – 28/02/2024	500 000	....	...
01/03/2024 – 28/02/2025	500 000	....	...
01/03/2025 – 31/08/2025	500 000	...	...

TOTAL: 150 marks

GRADE 12 ACCOUNTING FINANCIAL INDICATOR FORMULA SHEET

$\frac{\text{Gross profit}}{\text{Sales}} \times \frac{100}{1}$	$\frac{\text{Gross profit}}{\text{Cost of sales}} \times \frac{100}{1}$
$\frac{\text{Net profit before tax}}{\text{Sales}} \times \frac{100}{1}$	$\frac{\text{Net profit after tax}}{\text{Sales}} \times \frac{100}{1}$
$\frac{\text{Operating expenses}}{\text{Sales}} \times \frac{100}{1}$	$\frac{\text{Operating profit}}{\text{Sales}} \times \frac{100}{1}$
Total assets : Total liabilities	Current assets : Current liabilities
(Current assets – Inventories) : Current liabilities	Non-current liabilities : Shareholders' equity
(Trade & other receivables + Cash & cash equivalents) : Current liabilities	
$\frac{\text{Average trading stock}}{\text{Cost of sales}} \times \frac{365}{1}$	$\frac{\text{Cost of sales}}{\text{Average trading stock}}$
$\frac{\text{Average debtors}}{\text{Credit sales}} \times \frac{365}{1}$	$\frac{\text{Average creditors}}{\text{Cost of sales}} \times \frac{365}{1}$
$\frac{\text{Net income after tax}}{\text{Average shareholders' equity}} \times \frac{100}{1}$	$\frac{\text{Net income after tax}}{\text{Number of issued shares}} \times \frac{100}{1}$ (*See note below)
$\frac{\text{Net income before tax + Interest on loans}}{\text{Average shareholders' equity + Average non-current liabilities}} \times \frac{100}{1}$	
$\frac{\text{Shareholders' equity}}{\text{Number of issued shares}} \times \frac{100}{1}$	$\frac{\text{Dividends for the year}}{\text{Number of issued shares}} \times \frac{100}{1}$
$\frac{\text{Interim dividends}}{\text{Number of issued shares}} \times \frac{100}{1}$	$\frac{\text{Final dividends}}{\text{Number of issued shares}} \times \frac{100}{1}$
$\frac{\text{Dividends per share}}{\text{Earnings per share}} \times \frac{100}{1}$	$\frac{\text{Dividends for the year}}{\text{Net income after tax}} \times \frac{100}{1}$
$\frac{\text{Total fixed costs}}{\text{Selling price per unit – Variable costs per unit}}$	

NOTE:

* In this case, if there is a change in the number of issued shares during a financial year, the weighted-average number of shares is used in practice.