



education

Department:
Education
North West Provincial Government
REPUBLIC OF SOUTH AFRICA

PROVINCIAL ASSESSMENT

GRADE 12

ACCOUNTING/P2 JUNE 2025 **FINAL MARKING GUIDELINES**

MARKS: 150

MARKING PRINCIPLES:

1. Unless otherwise stated in the marking guideline, penalties for foreign items are applied only if the candidate 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 candidate is earning marks on the figures for that item.
3. Unless otherwise stated, full marks for correct answer. If answer is incorrect, mark the workings provided.
4. 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). **Note:** If figures are stipulated in the 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 candidates.
7. If candidates provide more than the required number of responses, inspect all responses to give benefit to the candidate. Penalties may be applied for foreign entries if candidates earn full marks on a question (max - 2 per Q).
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 and at least one part must be correct before awarding the mark.
10. Operation means 'check operation'. 'One part correct' means operation and one part correct. Note: check operation must be +, -, x, ÷, or per memo.
11. In calculations, do not award marks for workings if numerator & denominator are swapped- this also applies to ratios.
12. In awarding method marks, ensure that candidates do not get full marks for any item that is incorrect at least in part. Indicate with a ☐.
13. Be aware of candidates who provide valid alternatives beyond the marking guideline. Note that one comment could contain different aspects.
14. Codes: f = foreign item; p = placement/presentation.
15. This memorandum is not for public distribution, as certain items might incorrect treatment. The adjustments made are due to nuances in certain questions.

These marking guidelines consist of 11 pages.

QUESTION 1: BANK AND CREDITOR'S RECONCILIATION, DEBTORS' AGE ANALYSIS AND INTERNAL CONTROL.**1.1 BANK RECONCILIATION**

1.1.1	False ✓
1.1.2	False ✓
1.1.3	False ✓
1.1.4	False ✓
1.1.5	True ✓

5

1.2**BANK RECONCILIATION**

1.2.1	CRJ		CPJ	
	Provisional total	325 000	Provisional total	290 000
	Credit card sales	15 300 ✓	Bank charges (230 + 1 050) arrow	1 280 ✓
	Direct deposit rent	5 900 ✓	Interest overdraft	130 ✓
	Interest on savings acc	430 ✓	Cash withdrawal	3 600 ✓
	Electronic transfers	12 000 ✓	Electronic payments	4 140 ✓
			Debit orders	17 200 ✓
			Correct error EFT 73 (51 400 – 15 400) arrow + both	36 000 ✓
			Deposit cancelled	24 000 ✓
		<u>358 630</u>		376 350

Balance per bank account at the end of June 2025.**Operation**

4 960 ✓ + 358 630 ☒ See 1.2.1 – 376 350 ☒ See 1.2.1	(12 760) ☒
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15

Must indicate cr
bal with () or
unfavourable**1.2.2 Bank Reconciliation Statement on 30 June 2025**

	Debit	Credit
Cr. balance as per bank statement		480 ✓
Cr outstanding deposit		30 400 ✓
Dr outstanding EFT's		
No 121	19 200 ✓	
No 122	4 700 ✓	
Dr correction of error	19 740 ✓	
Cr balance as per bank account	See 1.2.1	12 760 ☒
If balance is favourable in 1.2.1 it must be debit in BRS. If a figure appear on both sides, no mark = guessing	43 640	43 640

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1.2.3 Calculate the total credit card sales for the month.

WORKINGS	ANSWER
1 050 x 100/4	26 250 ✓✓

2

1.2.4 Refer to Information F. Suggest TWO internal control measures that the business should implement to ensure that this will not happen again in the future. ✓ ✓ Any two

- Create a policy for depositing cash on a daily basis.
- This matter should have been followed up in May – do monthly reconciliations.
- Division of duties. one person serves as a check on another.
- Request notification from bank for transactions (sms/email).
- Ask debtors to pay via EFT.
- Outsource the banking of cash to a transit company.

2

1.3 CREDITORS RECONCILIATION

1.3.1	Provide TWO reasons why it is important for the business to prepare the Creditors' Reconciliation Statement. ✓ ✓ Any two
	- It helps to identify differences between the balance in the statement (external document) and the balance in the business' records (internal document) - It helps to detect fraud, errors and omissions. - It is an internal control measure.
	2

1.3.2

Calculate the correct Creditors' Control Account balance after taking into account the relevant errors and omissions.

Dr.	Creditors' Control	Cr.
Debit note (1 280 + 1 280) 2 560	Balance b/d 32 640	
Balance 49 620	Sundry purchases 5 020	
	Hunt Wholesalers 12 800	
	VAT 1 720	
		52 180
	Balance 49 620	

32 640 + 5 020 + 12 800 - 1 280 - 1 280 + 1 720 = 49 620

✓

✓

✓

✓

✓

✓

One part correct

1.3.3 Calculate the correct balances of creditors Hunt Wholesalers and Tiger Wholesalers, taking into account errors and omissions.

CREDITOR	WORKINGS	BALANCE
Hunt Wholesalers	$16\ 580 + 12\ 800 ✓ + 1\ 720 ✓ + 200 ✓$	31 300* ✓
Tiger Wholesalers	$(-3\ 150 \text{ One mark} - 3\ 150 \text{ One mark})$ $24\ 620 - 6\ 300 ✓ - 4\ 900 ✓$	13 420* ✓
Blackwood Manufacturers	$0 + 4\ 900$	4 900 ✓
		49 620* ✓

*Operation One part correct

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1.4 DEBTOR'S AGE ANALYSIS**1.4.1**

TWO points to describe the purpose of drawing up a debtors' age analysis.
Use full descriptive sentences. ✓ ✓ **Any two**

- To determine whether debtors are paying their accounts in the stipulated period according to their credit terms (usually 30 days credit terms).
- Internal control tool to indicate overdue accounts and charge interest on overdue accounts of debtors.
- To check that debtors do not exceed their credit limit and to review Debtors credit limits.
- Serves as a reminder to send sms's to remind debtor's.
- Identify debtors who should not be allowed additional credit sales until account is up to date.

2

TOTAL MARKS
50

QUESTION 2: PRODUCTION COST STATEMENT, GROSS PROFIT AND UNIT COSTS.**2.1 Cost of consignment imported raw materials**

Cost price: 5 000 x 18,12	90 600✓
Carriage: 800 x 18,12	14 496✓
Import duties: 90 600 x 10%	9 060✓

3

2.2.1 Production cost statement for the year ended 30 June 2025

Direct material	See 2.2.2	492 000✓
Direct labour (396 000 + 39 600✓ + 7 200 ✓ + 78 000✓)		520 800✓
Prime cost	Operation	1 012 800✓
Factory overhead costs	See FOC note	464 000✓
Total manufacturing	Operation	1 476 800✓
Work-in-process at the beginning of the year		240 000✓
	Operation	1 716 800✓
Work-in-process at the end of the year		(82 000)✓
Cost of production of finished goods	Operation	1 634 800✓

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2.2.2 Notes to the Production cost statement:

Direct materials cost		
Opening stock		120 000✓
Purchases (420 000 ✓ + 90 600✓)	See 2.1	510 600✓
Carriage on purchases (39 000 ✓ + 14 496✓)	See 2.1	53 496✓
Import duties	See 2.1	9 060✓
		693 156
Closing stock	Balancing figure, must be in brackets	(201 156)✓
Cost of raw material		492 000✓
Factory overheads costs		
Consumables (15 000 - 8 000 ✓ + 70 000✓) (Must have - 8 000 or +70 000)		77 000✓
Electricity (18 000 + 6 000 ✓)	(18 000 is one part correct)	24 000✓
Maintenance		48 000✓
Rent expense (120 000 + [6(10 000 x 8%)✓])	4 800 (120 000 is one part correct)	124 800✓
Depreciation		70 200✓
Factory manager salary		120 000✓
	One part correct	464 000✓
Cost of finished goods sold		
Opening balance of finished goods		616 080✓
Cost of finished goods manufactured	See 2.2.1	1 634 800✓
		2 250 880
Final balance of finished goods		(120 600)✓
Cost of finished goods sold	Operation	2 130 280✓

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4

2.3 Calculate the gross profit for the year ended 30 June 2025.

Sales		3 600 600✓
Cost of sales	See cost of finished goods	(2 130 280)✓
Gross profit	Operation and one part correct	1 470 320✓

3

2.4 CALCULATIONS:**2.4.1 Unit cost to manufacture each inverter. (Round off to the nearest Rand).**

1 634 800✓ See 2.2.1
 780✓
 = 2 095,90
 = R2 096✓ One part correct

3

2.4.2 Selling price of one inverter:

3 600 600✓
 850 ✓
 = R4 236✓

3

2.4.3 Calculate the break-even point and comment on it:

See 2.2.2 FOC
464 000 ✓ + 82 170✓ (546 170)
 4 236 ✓ – 1 125 ✓ (3 111)
 See 2.4.2 Selling price
 =175,56 or 176 units✓ One part correct

Comment:

- The business produced 780 units; this is 604 above BEP 176 units.
- The business sold 850 units; this is 674 above the BEP 176 units.
- The business will make a profit on 674 units. ✓✓

7

2.5 Give TWO reasons why the business should support local suppliers.**Reasons:** (Any TWO relevant reasons.) ✓ ✓

- No import charges will be paid.
- Prices more stable as price not influenced by fluctuations in exchange rates.
- Creates more employment opportunities to people from the country.
- GDP enhances and it helps small developing businesses
- It improves standard of living.
- No transport delays in case of emergency orders.
- Recommendation King Code.
- Enhance triple P – effect (people, planet and profit).
- Money stays in the country and improves exchange rate.
- Less crime if employment increases.
- Goodwill of the community (Ubuntu) / Good image of business.

2

2.6 The owner of Current Ltd is not satisfied with the profit he is making. The owner has found an alternative supplier of raw materials. Discuss his decision and what the implications of this could be.

(Any TWO relevant reasons) ✓ ✓

- It is vital that the goods must be the same quality.
- The company may lose its license as the new supplier is not approved by the Electricity board.
- Expect returns if the quality is not good.
- Will the after sales service be efficient?
- The new supplier must be reliable and deliver on time.

2

TOTAL MARKS
60

QUESTION 3**3.1 CONCEPT: Give ONE term for each of the following descriptions.**

3.1.1	Periodic inventory system ✓
3.1.2	Specific identification method ✓
3.1.3	First in first out (FIFO) ✓

3

3.2 MY VELLIES**3.2.1 Calculate the value of closing stock using the weighted-average method.**

(1 690 500)	
320 770 ✓ + 1 392 380 ✓ – 22 650 ✓	
(520 ✓ + 1 960) ✓ – 30 ✓	
1 690 500	3 marks
2 450	3 marks
= 690 x 325 = R224 250 ✓	one part correct and multiply with 325 closing stock

7

3.2.2 The missing units of stock.

Open + Purch - Returns	
520 + 1 960 – 30	
Sold – Close	
= 2 450 ✓ – 2 115 ✓ – 325 ✓ = 10 ✓	One part correct

4

3.2.3 The average stock-holding period (in days).

272,5	845
$\frac{1}{2} (320\,770 \checkmark + 224\,250 \checkmark) \times 365$	or $\frac{1}{2} (520 \text{ One mark} + 325 \text{ One mark}) \times 365$
1 690 500 ✓ – 224 250 ✓ See 3.2.1	2 115 Two marks 1
1 466 250 Or two method marks	72,9 days Method mark
67,8 days / 68 days ✓	

5

3.2.4 The value of the closing stock by using the FIFO method.

(300 – 30) (725 + 30) Include carriage of R30	
270 ✓ x R755 = R203 850 ✓	
325 – 270 (710 + 30) Include carriage of R30	
55 ✓ x R740 = R40 700 ✓	
Total: R244 550 ✓	If carriage was not included, forfeit the final method mark

5

3.2.5 Perpetual/Periodic Inventory System.

- The perpetual inventory system the <u>cost of sales is recorded with every sales transaction</u> ✓ and the <u>balance of trading stock is adjusted on a continuous basis</u> ✓ during the year. - With the periodic inventory system, the <u>cost of sales is only calculated at the end of the year</u> ✓ according to the <u>physical stock take</u>. ✓	
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4

3.3

QUICK FRY: Solution must match the problem Be vigilant for explanation in problem column		
KLERKSDORP - Miyaz Moola		
Problem + figure two marks	Explanation One mark	Solution to problem One mark
Inadequate sales $6\,500 \times 175 = 1\,137\,500$ or Only 175 units sold	Units sold is much less in comparison with Potch and Vryburg.	- Sales personnel need to go for training in selling skills. - Change Miyaz's contract that his salary is directly linked to the number of units sold.
300 units in stock only 175 sold.	- Almost half the stock is unsold - Too much money locked up in stock that can be used more effectively, and negatively affect liquidity.	Buy less stock.
Advertising cost R80 000.	Advertising expenses is too high, seems ineffective as total sales are very low.	Advertising campaign must be improved, change the advertising medium to increase sales.
Rent too high R520 000.	Too high compared to other branches	Move to more affordable premises.
Surplus stock 225 units	Closing stock shows and excess, which means that bookkeeping is wrong.	Better management and internal control.
POTCHEFSTROOM -Daleen Coetzee		
Problem	Explanation	Solution to problem
25 units missing.	Trading stock 500 – sales 400 closing stock should be 100 units.	- Internal control over stock should be improved with regular stock taking and better security like cameras, beepers and security guards. - Daleen must be held responsible for stock losses.
VRYBURG - Themba Ndaba		
Problem	Explanation	Solution to problem
Inadequate stock 350 units available 350 units sold.	- Losing customers due to lack of stock. - No units left, customers will go to competitors.	Keep higher stock levels not to disappoint customers

TOTAL MARKS

40

Total: 150