



NATIONAL SENIOR CERTIFICATE

GRADE 11

NOVEMBER 2023

ACCOUNTING P2 MARKING GUIDELINE

MARKS: 150

MARKING PRINCIPLES:

1. Unless otherwise stated in the marking guidelines, 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. Full marks for correct answer. If answer 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. Where penalties are applied, the marks for that section of the question cannot be a final negative.
8. Where method marks are awarded for operation, the marker must inspect the reasonableness of the answer.
9. Operation means 'check operation'. 'One part correct' means operation and one part correct.
NOTE: Check operation must be +, -, x, ÷, or per marking guideline.
10. In calculations, do not award marks for workings if numerator and denominator are swapped – this also applies to ratios.
11. 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 ☒.
12. Be aware of candidates who provide valid alternatives beyond the marking guideline. Note that one comment could contain different aspects.
13. Codes: f = foreign item; p = placement/presentation.

This marking guideline consist of 9 pages.

QUESTION 1: RECONCILIATIONS

1.1.1 CASH RECEIPTS JOURNAL

| DETAILS OF SUNDRY ACCOUNT | | AMOUNT |
|------------------------------|------------|----------------|
| TOTAL | b/f | 117 600 |
| Stationery ✓ (7 530 – 3750) | | 3 780 ✓✓ |
| Rent income | | 9 000 ✓ |
| Debtors control ✓ / S. Deley | | 4 160 ✓ |
| | | |
| | | 134 540 |

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CASH PAYMENTS JOURNAL

| DETAILS OF SUNDRY ACCOUNT | | AMOUNT |
|--|------------|----------------|
| TOTAL | b/f | 126 200 |
| Sales ✓ (27 600 – 20 000) | | 7 600 ✓✓ |
| Rates and taxes | | 2 360 ✓ |
| Drawings ✓ | | 1 340 ✓ |
| Insurance | | 1 860 ✓ |
| Bank charges (270 + 230) no part marks | | 500 ✓ |
| | | 139 860 |

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1.1.2 Calculate the correct Bank Account Balance.

$$- 7\,440 \checkmark + 134\,540 \checkmark - 139\,860 \checkmark = - 12\,760 \checkmark$$
 one part correct

* must include the provisional totals for each journal.

Accept alternative arrangement for calculations; accept signs reversed; ignore sign for total, penalise transfer to 1.1.3.

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1.1.3 BANK RECONCILIATION STATEMENT ON 31 AUGUST 2023

| | DEBIT | CREDIT |
|-----------------------------|--|---|
| Balance as per statement | 25 320 <input checked="" type="checkbox"/> | Could be CR; totals must be same below |
| Outstanding deposit | | 22 750 ✓ |
| Outstanding EFTs: No. 816 | 3 370 ✓ | |
| No. 817 | 9 180 ✓ | |
| Credit error on statement | | 2 360 ✓ |
| Balance as per bank account | | 12 760 <input checked="" type="checkbox"/> See 1.1.2 |
| | 37 870 | <input checked="" type="checkbox"/> 37 870 |

7

for both totals

1.1.4 Explain any TWO different internal control measures that Flavo can implement based on a problem you identified in the information provided.

| PROBLEM IDENTIFIED ONE problem ✓ | INTERNAL CONTROL MEASURE TWO suggestions ✓ ✓ |
|--|--|
| Deposits are done late / Cash is kept for long periods / Money is missing / Poor recording – making mistakes. | <ul style="list-style-type: none"> • Division of duties / duties are shared. • Employ a security company to assist • Bank notification (e.g. SMS) |
| | <ul style="list-style-type: none"> • Authorisation / supervision • Training of bookkeeper • Policy on daily depositing |

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1.2 CREDITORS RECONCILIATION

Reconciling the Creditors Ledger account with the Statement

| No. | CREDITOR LEDGER ACCOUNT OF NANDU SUPPLIERS | STATEMENT FROM NANDU SUPPLIERS |
|---------|--|---|
| Balance | 40 100 | 21 020 |
| A | – 8 800 ✓ | |
| B | – 3 480 ✓✓ – 1 740 one mark – 1 740 one mark | |
| C | | + 2 700 ✓✓ |
| D | + 480 ✓✓ | – 480 <input checked="" type="checkbox"/> see CL |
| E | | – 1 240 ✓✓ |
| F | | + 6 300 ✓ |
| TOTAL | 28 300 | <input checked="" type="checkbox"/> * 28 300 |

* one part correct; must include the opening balance

12

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|----|----|--|
| Q1 | 40 | |
|----|----|--|

QUESTION 2: COST ACCOUNTING

2.1.1 Calculate:

| Direct material cost | |
|--|---|
| WORKINGS | ANSWER |
| $56\,700 \checkmark + 522\,000 \checkmark - 11\,200 \checkmark - 62\,300 \checkmark$ Accept alternative arrangement for calculations, such as ledger account. | $505\,200 \checkmark$ one part correct |
| | |
| Direct labour cost | |
| WORKINGS | ANSWER |
| $6 \times 1\,640 \times R40 = 393\,600 \checkmark \checkmark$ one part correct $525 \times R64 \checkmark \checkmark = 33\,600 \checkmark$ if x 525 $393\,600 \times 10\% = 39\,360 \checkmark$ if x 10% OR [3 926 + 35 334] one mark | $466\,560 \checkmark$ one part correct |

5

7

2.1.2 FACTORY OVERHEAD COST

| | |
|---|------------------|
| TOTAL BROUGHT FORWARD | 321 580 |
| Indirect labour 64 800 x 65% | + 42 120 ✓✓ |
| Rent expense 88 200 ✓ – 126 000 | – 37 800 ✓* |
| Water and electricity 41 000 ✓ – 28 700 ✓ | + 12 300 ✓* |
| TOTAL one part correct, must include total b/f | 338 200 ✓ |

* one part correct;
Ignore signs, penalise final total.

8

2.1.3 GENERAL LEDGER OF WESTERN MANUFACTURERS

WORK-IN-PROGRESS STOCK ACCOUNT

| | | | | | | | | | |
|----------|----|--|-----|-----------|----------|----|--|-----|-------------|
| 2022 Mar | 1 | Balance | b/d | 71 300 ✓ | 2023 Feb | 28 | Finished goods stock ✓ Balancing figure | | 1 333 500 ✓ |
| 2023 Feb | 28 | Direct material cost | | 505 200 ✓ | | | Balance | c/d | 47 760 ✓ |
| | | Direct labour cost | | 466 560 ✓ | | | | | |
| | | Factory overhead cost | | 338 200 ✓ | | | | | |
| | | see transfer of amount from above; -1 for no details | | 1 381 260 | | | | | 1 381 260 |
| 2023 Mar | 1 | Balance | b/d | 47 760 | | | | | |

7

2.2 NELSON'S FACTORY

2.2.1 Calculate the break-even point for the year ended 30 June 2023.

$$\frac{575\,000 \checkmark}{535 \checkmark - 410 \checkmark} = 4\,600 \text{ units } \checkmark \text{ one part correct}$$

125 two marks

| |
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| 4 |

2.2.2 Explain whether Nelson should be satisfied with the level of production achieved for this financial year. Quote figures.

Comment on production and BEP ✓ figures (production and BEP) ✓✓

The business produced 5 000 units which is 400 more than the BEP / Nelson should be satisfied as he is making a profit on 400 units.

| |
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2.2.3 Identify TWO costs that should be of a concern to Nelson. Quote figures. In EACH case, provide a possible solution to address the concern.

| COST IDENTIFIED ✓ ✓ (with figures) ✓ ✓ | SOLUTION TO ADDRESS THE CONCERN ✓ ✓ |
|--|---|
| Direct material cost increased from R155 to R180 / 16,1% | Buy cheaper material; look for local suppliers / train workers to reduce wastage |
| Selling and distribution increased from R50 to R66 / 32% | Assess the impact of advertising; advertise to a select market; charge for delivery; pay commission for increased sales |

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|----|----|--|
| Q2 | 40 | |
|----|----|--|

QUESTION 3: BUDGETING

3.1 DEBTORS COLLECTION SCHEDULE

| Month | Credit sales | OCTOBER | NOVEMBER | DECEMBER |
|-----------|--------------|---------|------------|-----------|
| SEPTEMBER | 399 000 | 179 550 | 47 880 | |
| OCTOBER | 405 300 | 154 014 | 182 385 ✓✓ | 48 636 ✓✓ |
| NOVEMBER | 388 500 | | 147 630 ✓✓ | 174 825 |
| DECEMBER | 378 000 ✓✓ | | | 143 640 |
| TOTAL | | | | |

8

3.2 Calculate: (i) Cash sales for November 2023

| WORKINGS | ANSWER |
|----------------------------------|------------------------------|
| 647 500 x 40% OR 388 500 x 40/60 | 259 000 ✓✓ TWO or nothing |

2

Calculate: (ii) Rent income for December 2023

| WORKINGS | ANSWER |
|--|-------------------------------|
| 10 200 x 109% ✓ OR 10 200 + 918 one mark | 11 118 ✓ If x 109% or +918 |

2

Calculate: (iii) Loan that will be received in November 2023

| WORKINGS | ANSWER |
|--|-------------------------------|
| 62 400 two marks $\frac{5\,200 \checkmark \times 12 \checkmark}{13\% \checkmark}$ | 480 000 ✓ one part correct |

4

Calculate: (iv) Payment to creditors in December 2023.

| WORKINGS | ANSWER |
|-------------------------|-------------------------------|
| 647 500 ✓ x [100/175] ✓ | 370 000 ✓ one part correct |

3

Calculate: (v) Insurance for November 2023

| WORKINGS | ANSWER |
|-----------------------|-----------------------------|
| 3 975 ✓ x [100/106] ✓ | 3 750 ✓ one part correct |

3

Calculate: (vi) Drawings in December 2023

| WORKINGS | ANSWER |
|-------------|----------------------------|
| 7 500 x 75% | 5 625 ✓✓ TWO or nothing |

2

3.3

Calculate: The % increase in salaries of office workers.

| WORKINGS | ANSWER |
|--|--|
| $\frac{2\ 700 \text{ two marks}}{70\ 200 \checkmark - 67\ 500 \checkmark} \times 100$ $67\ 500 \checkmark$ | 4% <input checked="" type="checkbox"/> one part correct |

4

Explain TWO points why they should be satisfied with the increase they will receive in December.Two reasons ☒ ☒

- Lucky to be employed / state of the economy;
- At least it is an increase – they can afford to maintain standard of living
- Close to inflation rate
- Managers only got a 2,5% increase.

2

3.4.1

Calculate: Total cost relating to the purchase of the vehicle

| WORKINGS | ANSWER |
|---|---|
| $12\ 650 \times 36 \text{ months}$ $455\ 400 \checkmark\checkmark + 76\ 000 \checkmark$ | 531 400 <input checked="" type="checkbox"/> one part correct |

4

3.4.2

Identify TWO additional items that must be included on the budget once the vehicle is purchased.Any TWO of: ☒ ☒

Maintenance / service of vehicle / petrol or fuel / driver salary / insurance on vehicle

2

3.4.3

Besides the possibility of increased sales, explain TWO other advantages of the business purchasing the vehicle.TWO advantages ☒☒ ☒☒ part-marks for incomplete / unclear answers

- The business would own an asset; increased value of business;
- Available at all times;
- Delivery routes may not be restricted;
- Can determine terms and conditions for customers

4

Q3

40

QUESTION 4: VAT AND FIXED ASSETS**4.1.1 Provide ONE explanation why some goods are classified as zero-rated.**

ONE valid explanation ✓✓ part marks for unclear / incomplete response

The government wants all citizens to be able to afford these goods;
These goods are deemed to be necessary goods that are accessible to the poor;
The government can place a VAT rate on these goods in the future if additional government funding is needed.

2

4.1.2 VAT CALCULATIONS: * no part marks for workings

| WORKINGS | ANSWER |
|---|-----------|
| (i) 98 900 – 86 000 OR 86 000 x 15% OR 98 900 x 15/115 | 12 900 ✓✓ |
| (ii) 98 000 x 15% | 14 700 ✓✓ |
| (iii) 62 790 x 15/115 | 8 190 ✓✓ |
| (iv) 11 910 x 115/15 | 91 310 ✓✓ |

8

4.2 FIXED ASSETS**4.2.1 Provide TWO reasons why Sydney wanted to replace some assets.**

TWO valid reasons ✓✓ ✓✓ part marks for unclear / incomplete response

- They are old / out-dated / obsolete
- No longer productive or productivity has decreased
- Require more maintenance – becoming expensive to maintain
- Better models / brands / quality products are now available
- Wants to give the business a facelift – change the image

4

4.2.2 Explain why Sydney wanted to record the computers separately.

ONE valid reason ✓✓ part marks for unclear / incomplete response

- Technological items have a shorter lifespan
- Software is being developed at a faster rate – need to keep up
- Loses replacement value – would not be able to dispose or trade-in
- Other furniture is durable, not subject to changes, always useful if maintained regularly, do not need to keep up to current times.

2

4.2.3

GENERAL LEDGER OF SS CONSULTANTS

COMPUTERS

B8

| | | | | | | | | | |
|-------------|---|---------|-----|------------------|-------------|----|------------------|-----|-----------|
| 2022 Mar | 1 | Balance | b/d | 86 000 ✓ | 2022 Jul | 31 | Asset disposal ✓ | | 51 600 ✓✓ |
| | | Bank | | 61 500 ✓ | 2023 Feb | | Balance | c/d | 95 900 ✓ |
| | | | | one part correct | | | | | |
| | | | | | | | | | |
| | | | | 147 500 | | | | | 147 500 ✓ |
| 2023 Mar | 1 | Balance | b/d | 95 900 | | | | | Operation |

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|---|
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ASSET DISPOSAL ACCOUNT

N9

| | | | | | | | | | |
|-------------|----|-----------|--|----------|---|----|---------------------------------------|--|------------------|
| 2022 Jul | 31 | Computers | | 51 600 ✓ | 2022 Jul | 31 | Accumulated depreciation on computers | | 28 595 ✓✓✓# |
| | | | | | | | Bank | | 9 000 ✓ |
| | | | | | | | * Loss on sale of assets ✓ | | 14 005 ✓ |
| | | | | | | | * could be a profit | | Balancing figure |
| | | | | 51 600 | | | | | 51 600 |
| | | | | | # 23 220 one + 5 375 two marks [51 600 x 25% x 5/12] | | | | |

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| Q4 | 30 | |
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TOTAL: 150