



basic education

Department:  
Basic Education  
REPUBLIC OF SOUTH AFRICA

## SENIOR CERTIFICATE EXAMINATIONS/ NATIONAL SENIOR CERTIFICATE EXAMINATIONS

**ACCOUNTING P2**

**MAY/JUNE 2025**

**MARKING GUIDELINES**

**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. Unless otherwise stated, give full marks for a 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 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. These marking guidelines are not for public distribution as certain items might imply incorrect treatment. The adjustments made are due to nuances in certain questions.
9. Where penalties are applied, the marks for that section of the question cannot be a final negative.
10. Where method marks are awarded for an operation, the marker must inspect reasonableness of the answer.
11. 'Operation' means check operation. 'One part correct' means operation and one part correct. Note: check operation must be +, -, x, ÷ as per candidate's calculation (if valid) or per marking guidelines.
12. In calculations, do not award marks for workings if numerator & denominator are swapped – this also applies to ratios.
13. 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 ☒.
14. Be aware of candidates who provide valid alternatives beyond the marking guidelines. Note that one comment could contain different aspects.
15. Codes: f = foreign item; p = placement/presentation.

**These marking guidelines consist of 12 pages.**

**QUESTION 1****1.1 VAT****1.1.1**

NO.	WORKINGS	EFFECT
	<b>Opening balance</b>	<b>51 500</b>
<b>Example</b>	<b>6 900 – 6 000</b>	<b>+ 900</b>
<b>(i)</b>	<b>221 720 x 15/115</b>	- 28 920 ✓✓
<b>(ii)</b>	<b>12 000 x 15/100</b>	- 1 800 ✓✓
<b>(iii)</b>	$(187\,795 \checkmark - 21\,275 \checkmark) \times [15/115] \checkmark$ <div style="text-align: center;">166 520 two marks</div> <p><b>OR</b> <math>(163\,300 - 18\,500) \times [15/100]</math>  <div style="text-align: center;">one mark      one mark      one mark 144 800 two marks</div> <b>OR</b>    24 495 – 2 775  <div style="text-align: center;">two marks      one mark</div></p>	<div style="text-align: right;">+ 21 720    ✓*#</div> <p>#if final answer is shown with incorrect sign, award all working marks only; not final mark</p>
<b>(iv)</b>		- 765 ✓
	<b>VAT PAYABLE</b>	<div style="text-align: right;">41 735    ✓*</div> <div style="text-align: right;">Accept 42 635</div>

**10****\*one part correct**Accept brackets for negative amounts.  
Total must include the opening balance.**1.1.2****Karen wants to deregister her business as a VAT vendor as she is unable to meet VAT deadlines for submissions.****What advice would you give to Karen? State ONE point.**

Any ONE valid point ✓✓

**Part-marks for partial/unclear answer**

- If the business's turnover exceeds R1m p.a., it is compulsory to be registered and submit VAT returns.
- If submission deadline is not met, the business will have to pay penalties to SARS.
- She will not be able to claim back the VAT paid to suppliers.
- Karen should have a tax consultant who can remind her of tax period to file on time.
- Set up automated reminders through eFiling system.

**2**

## 1.2 CREDITORS' RECONCILIATION

1.2.1

	CREDITORS LEDGER ACCOUNT OF EPSON TRADERS	STATEMENT OF ACCOUNT FROM CANON SUPPLIERS
<b>BALANCES</b>	<b>101 900</b>	<b>88 900</b>
(i)	+ 400 ✓	
(ii)	- 2 700 ✓✓	
(iii)		one mark      one mark (- 1 600      - 1 600) - 3 200 ✓✓
(iv)	+ 2 000 ✓✓	- 5 000 ✓
(v)	- 13 800 ✓	
(vi)		- 1 900 ✓✓
(vii)		+ 9 000 ✓
<b>BALANCES</b>	<b>87 800 ✓*</b>	<b>87 800 ✓*</b>

14

Balances may be different; must include the opening balances.  
-1 for foreign items per line provided a mark is scored on that line; (i.e. max could be -6).

1.2.2

It was discovered that the purchasing manager, Senzo, had signed a fictitious invoice received from Prime Suppliers. The banking details of his son appeared on this invoice. The relevant payment was processed by the financial department.

Other than dismissing Senzo, provide:

Do not accept division of duties

<b>ONE action to be taken against him</b>	<p>ONE valid point ✓✓</p> <ul style="list-style-type: none"> <li>• Conduct a disciplinary hearing / Issue a written warning.</li> <li>• Lay criminal charges against him.</li> <li>• Launch civil charges to pay back the money.</li> <li>• Temporary suspend him while investigating.</li> <li>• Liable for demotion / transfer to another department.</li> <li>• Conduct forensic audit to check for other possible fraud.</li> </ul>
<b>ONE suggestion on how to prevent this problem in future</b>	<p>ONE valid suggestion ✓✓</p> <ul style="list-style-type: none"> <li>• Validation of the existence of suppliers.</li> <li>• Ensure goods received are supported by order form and a valid invoice.</li> <li>• Proper authorization of payments.</li> <li>• Financial department should verify banking details before making payment.</li> <li>• Regular training on ethics and consequences of misconduct.</li> <li>• Conduct regular surprise checks or internal audits to detect fraud early.</li> </ul>

4

TOTAL MARKS

30

**QUESTION 2****2.1**

<b>2.1.1</b>	indirect ✓
<b>2.1.2</b>	fixed ✓
<b>2.1.3</b>	administration ✓

3

**2.2 WOLLIES' WINTER GLOVES****2.2.1**

Calculate the direct material cost for the year ended 28 February 2025.	
WORKINGS	ANSWER
<p style="text-align: center;">two marks [1 770 000/30 000]</p> <p>26 000 ✓ x R59 ✓✓</p> <p>OR [1 440 000 + 330 000] [4 000 x 59] 1 770 000 – 236 000 one mark two marks</p> <p>OR 1 770 000 x [26 000/30 000] one mark two marks</p>	<p>1 534 000 ✓ one part correct</p>

4

**2.2.2**

Calculate the correct factory overhead cost for the year ended 28 February 2025.	
<b>Incorrect total</b>	<b>966 360</b>
Telephone	- 27 000 ✓✓
Indirect materials	- 2 800 ✓✓
Cleaner's wages [48 000/2] x [6/100 x 2 /12]	+ 240 ✓✓*
Water and electricity 28 800 – 25 600 OR 32 000 – 28 800 OR 25 600 x 5/40	+ 3 200 ✓✓
	940 000 ✓*

9

\*one part correct

Final amount must include the opening total.

**2.2.3**

Calculate the gross profit earned for the year ended 28 February 2025.	
WORKINGS	ANSWER
<p>4 600 000 ✓ – 1 534 000 ✓ – 876 000 ✓ – 940 000 ✓ see 2.2.1 see 2.2.2</p> <p>OR</p> <p>4 600 000 – (1 534 000 + 876 000 + 940 000) 3 350 000 three marks</p> <p>Be alert to alternative workings such as ledger account or use of brackets</p>	<p>1 250 000 ✓ one part correct</p>

5

**2.2.4 Jerry was satisfied with the performance during the current year and plans to increase production by 30% in the next financial year. He is confident that the demand will increase due to changing weather patterns.**

**Comment on the level of production and the break-even points comparing the results for the current financial year with his plan for the next financial year. Provide TWO points, with figures.**

Comparison of BEP to level of production ✓✓ comparative figures ✓✓

**Expected responses for 4 marks:**

- He made profit on 2 000 units (40 000 – 38 000) for the current financial year and expect more profit on 13 600 units (52 000 – 38 400) next financial year.
- He produced 2 000 units above the BEP (current financial year) and he expects to produce 13 600 units above the BEP (next financial year).
- He is anticipating an increased profit on 11 600 units, as BEP is expected to increase by 400 units (1,1%), while production is projected to increase by 12 000 units (30%).

**Expected response for 2 marks:** Max two marks in total (mark one optional response only).

Comparison of BEP to BEP and production to production

- Production will increase (from 40 000 units) to 52 000 units / by 12 000 units.
- BEP will increase (from 38 000 units) to 38 400 units / by 400 units.

**Calculate the increase in profits Jerry expects to earn from the year ended 28 February 2025 to the next financial year.**

WORKINGS	ANSWER
$\begin{array}{rcl} [13\,600 \times 47,5] & & [2\,000 \times 40] \\ 646\,000 & \checkmark\checkmark & - \quad 80\,000 \quad \checkmark\checkmark \end{array}$	566 000 <input checked="" type="checkbox"/> One part correct

4

5

**2.2.5 Give TWO possible reasons for the proposed increase in direct labour cost in the next financial year. Quote figures.**

Any TWO valid points ✓✓ figures and trend ✓✓

- DLC will increase (from R876 000) to R1 300 000 / by R424 000 / by 48%.  
Provision made for overtime / Production incentive bonuses set to be implemented which may be necessary to meet targets.
- Unit costs will increase (from R21,90) to R25,00 / by R3,10 / by 14%.  
He has accommodated annual inflationary increases or salary increase or introduced improved fringe benefits.

4

**2.2.6 Jerry has projected an increase of R304 000 for the total fixed costs. Provide TWO possible expense items he may have considered when making his projections. Provide a different reason for each item identified.**

<b>EXPENSE ITEM</b> ✓ ✓	<b>REASON</b> ✓ ✓
• Depreciation on factory machinery	• Additional machinery may be required for increased production.
• Indirect labour	• The workload of the foreman/supervisor will increase/increase minimum wage of cleaners.
• Water and electricity	• Increased usage due to overtime hours.
• Indirect materials / consumable stores	• More units must be cleaned or maintained / Increased office cleaning or packaging materials.
• Rent expenses	• More rental space to accommodate the increase in production.
• Insurance	• An increase in assets will require additional coverage.
• Repairs and maintenance	• An increased production will lead to regular repairs and maintenance.
• Security	• There will be a need of more security personnel / an improved or more advanced security system.
• Administration cost	• Need to hire more office staff / Increased office work to manage increased production
• Telephone	• Frequent communication with customers and suppliers.

4

**Explain why Jerry should not be concerned about this proposed increase in the total fixed costs. Provide ONE point with figures.**

Any ONE valid point ✓ figures ✓

The fixed cost per unit decreased (from R38,00) to R35,10 / by R2,90 / by 7,6% while the units produced increased.

**OR**

Fixed cost per unit decreased (from R38,00) to R35,10/ by R2,90 / by 7,6% and he took advantage of economies of scale.

2

TOTAL MARKS

40

**QUESTION 3****HEADPHONES****3.1****Calculate the value of the closing stock on 28 February 2025, using the FIFO method.**

<b>WORKINGS</b>				<b>ANSWER</b>
$\begin{array}{r} [320 - 80] \\ (240 \checkmark \times 160 \checkmark) \\ 38\,400 \\ \text{two marks} \end{array}$	$\begin{array}{r} [140 + 20] \\ 160 \checkmark \end{array}$	+	$\begin{array}{r} [350 - 240] \\ (110 \checkmark \times 155 \checkmark) \\ 17\,050 \\ \text{one m mark one mark} \end{array}$	$\begin{array}{r} 55\,450 \checkmark \\ \text{one part correct} \\ \text{two batches must be added} \end{array}$
<b>OR</b> $\begin{array}{r} (33\,600 + 4\,800) \\ \text{one mark one mark} \end{array}$	+		$\begin{array}{r} (14\,850 + 2\,200) \\ \text{one m mark one mark} \end{array}$	

5

**3.2****Helen decided to change suppliers in September 2024 after receiving advice from her sister, the store manager.****Provide TWO points that show her customers are unhappy with the quality of the headphones purchased from the new suppliers. Quote figures.**

Any TWO relevant points ✓ ✓ Figures ✓ ✓

- 80 units were returned/R11 200 had to be refunded.
- Closing stock has increased (from 170 units) to 350 units / by 180 units / by 106%.
- 350 of the 620 (56%) units available for sale remains unsold.
- 310 new units sold (R68 200) compared to 680 old units sold (R149 600) / customers had negative reviews reflected on website or suggestion box, therefore sales decreased by 370 (R81 400).

4

**What advice would you give to Helen about changing the supplier in the future? Provide ONE point.**

Any ONE relevant point ✓✓

- Ensure that the quality of the headphones is not going to be compromised.
- Her decision must not be influenced by family or employees, but should be based on an informed decision by herself or her own research.
- Do background checks on new suppliers before changing.
- Compare warranty of new suppliers with that from current supplier.
- Conduct market research to ensure new headphones meets market demand.
- Evaluate product performance through customer response before buying in bulk.

2

**TELEVISION SETS**

**3.3 Calculate the value of closing stock of the television sets on 28 February 2025.**

TV MODEL	WORKINGS	ANSWER
Quantum		
Crystal	$6\,500 \checkmark \times 33 \checkmark \checkmark$ <p style="text-align: right;">[72 + 186 – 225]</p> <p>OR <math>1\,677\,000</math> one mark – <math>1\,462\,500</math> two marks</p> <p style="text-align: right;">[468 000 + 1 209 000] [2 193 750 x 6 500/9 750]</p>	214 500 <input checked="" type="checkbox"/> *
Limpid	$7\,200 \checkmark \times 21 \checkmark \checkmark$ <p style="text-align: right;">[115 – 94]</p> <p>OR <math>828\,000</math> – <math>676\,800</math></p> <p style="text-align: right;">one mark [987 000 x 7 200/10 500] two marks</p>	151 200 <input checked="" type="checkbox"/> *
<b>TOTAL</b>	Award one method mark for 54 if shown as final answer.	<b>365 700 <input checked="" type="checkbox"/>*</b>

9

\*one part correct  
Superfluous entry; lose method on total.

**3.4 Calculate the cost of sales of the Limpid TVs.**

WORKINGS	ANSWER
$828\,000 \checkmark - 151\,200 \checkmark$ <p style="text-align: center;">see 3.3</p> <p>OR <math>94 \times 7\,200</math> OR <math>987\,000 \times [7\,200/10\,500]</math></p> <p style="text-align: center;">one mark one m-mark one mark one m-mark</p>	676 800 <input checked="" type="checkbox"/> One part correct

3

**Calculate how long (in days) it will take Helen to sell the closing stock of the Limpid TVs.**

WORKINGS	ANSWER
$\frac{151\,200 \checkmark}{676\,800 \checkmark} \times 90 \checkmark$ <p style="text-align: center;">see 3.3</p> <p>OR <math>\frac{21}{94} \times 90</math></p> <p style="text-align: center;">one m-mark one mark</p>	20,1 days <input checked="" type="checkbox"/> Accept 20 days One part correct

4

**Helen feels that she has made a wise decision by replacing the Quantum TVs with the Limpid TVs. Give ONE possible reason (with figures) to substantiate her opinion.**

- Any ONE reason ☒ Figures ☒
- Higher profit earned per unit. (Quantum: R1 150 / Limpid: R3 300)
  - Higher average monthly sales. (Quantum units: 11,7 (8,8) / Limpid: 31)
  - Unsold stock of Quantum (18 units) had to be donated.

2

**3.5 Explain how this will have a positive effect on her business. Provide ONE point.**

- Any ONE relevant point ☒
- Corporate social responsibility / increased support from the community / increase customer loyalty / increase in sales.
  - Creates a positive image as latest technology is sold/ it will enhance brand perception.
  - Increase reputation as a business that cares for the community/ increase opportunity to gain positive publicity.
  - Can result in tax benefits / result in lower taxable income.

2



**VACUUM AND PRESSURE CLEANERS****3.6 VACUUM CLEANERS**

Identify ONE problem with vacuum cleaners. Quote figures. What advice would you give? State ONE point.	
PROBLEM (with figures) ✓ ✓	ADVICE ✓
<ul style="list-style-type: none"> <li>Decrease of 80 units (22,2%) in cash sales / increase of 40 (21,1%) units in credit sales.</li> </ul>	<ul style="list-style-type: none"> <li>Encourage more cash sales by increasing discounts on cash sales / Launch targeted in-store deals that favour cash transactions.</li> <li>Reduce current payment terms / review the process to check credit records of potential debtors / revise credit limit regularly.</li> </ul>
<ul style="list-style-type: none"> <li>Returns increased by 7 units (46,7%)</li> </ul>	<ul style="list-style-type: none"> <li>Supply quality goods / check the product before dispatching it to customers / Offer customers store voucher rather than full refund / Upgrade to a newer and more advanced vacuum cleaner / change the supplier</li> </ul>

3

**3.7 PRESSURE CLEANERS**

Explain TWO good decisions that Helen has taken in respect of pressure cleaners. Quote figures. Explain how each decision improved the results on 28 February 2025. Provide ONE different point for EACH decision.		
	DECISION (with figures) ✓ ✓ ✓ ✓	IMPROVEMENT IN RESULTS ✓ ✓
<b>Decision 1</b>	Increased the trade discount on cash sales (from 5%) to 10% / 5% points.	Increase in cash sales
<b>Decision 2</b>	Changed the credit policy (from 150 days) to 120 days / Interest rate decreased (from 18%) to 15%	Better debtors' collection / reduce bad debts (defaulters)
<b>Decision 3</b>	Decrease in mark-up % (from 60%) to 40%.	Increase in total number of units sold

6

**TOTAL MARKS****40**

**QUESTION 4**

- 4.1 Explain how the preparation of the Cash Budget serves as a management tool in assisting the business to manage its cash resources. State ONE point.**

Any ONE valid point ✓✓

Part-marks for partial/unclear answer

- Can be used as a control measure to see if spending and receipts are going according to plan and to make necessary changes timeously.
- Management will use it for planning cash purchases to see what they can afford and in what month to make purchases.
- It also alerts them to the need to cut down expenditure / to take out a loan / invest more capital / apply for an overdraft facility.
- Indicate fraud by comparing the actual to the budgeted amounts.

2

- 4.2 Identify TWO items in the payment section of this Cash Budget, which will not appear in the Projected Statement of Comprehensive Income.**

Any TWO items ✓ ✓

- Loan repayment
- Deposit for vehicle
- Payment to creditors
- Cash purchase of stock

2

- 4.3 CREDITORS' PAYMENT SCHEDULE**

MONTH	CREDIT PURCHASES	JUNE	JULY
APRIL	96 000	9 600	Superfluous entry; Lose method on total
MAY	108 000	16 200	10 800 ✓✓
JUNE	120 000 ✓✓ If not shown, award full marks to the correct answer.	85 500	18 000 ☑☑ Credit purchase x 15%
JULY	144 000		102 600 ✓✓
		111 300	131 400 ☑*

9

\*one part correct

**4.4 CALCULATE:**

	WORKINGS	ANSWER
(i)	<b>Cash sales for July 2025</b>  $R270\,000 \times 40\%$ <b>OR</b> $144\,000 \times 60/80$ <b>OR</b> $270\,000 - 162\,000$ <div style="text-align: right;"><b>2</b></div>	$R108\,000 \checkmark\checkmark$
(ii)	<b>Salaries and wages for June 2025</b>  $[35\,280/3]$ $11\,760 \checkmark \times [100/105] \checkmark \times 2 \checkmark$ <b>OR</b> $(11\,760 - 560) \times 2$ <div style="display: flex; justify-content: space-around; font-size: small;"> <span>one mark</span> <span>one mark</span> <span>one mark</span> </div> <b>OR</b> $35\,280 \times [200/315]$ <div style="display: flex; justify-content: space-around; font-size: small;"> <span>one mark</span> <span>two mark</span> </div> <div style="text-align: right;"><b>4</b></div>	$22\,400 \checkmark$ <div style="background-color: yellow; padding: 2px; font-size: small;">one part correct</div>
(iii)	<b>Repayment of loan on 1 July 2025</b>  $[3\,150 - 2\,250]$ $900 \checkmark \times [100/15] \checkmark \times 12 \checkmark$ <div style="display: flex; justify-content: space-around; font-size: small;"> <span>6 000</span> <span>two marks</span> </div> <b>OR</b> $252\,000 - 180\,000$ <div style="display: flex; justify-content: space-around; font-size: small;"> <span>one mark</span> <span>two mark</span> </div> <div style="text-align: right;"><b>4</b></div>	$72\,000 \checkmark$ <div style="background-color: yellow; padding: 2px; font-size: small;">one part correct</div>
(iv)	<b>Deposit for vehicle on 31 July 2025</b>  <div style="display: flex; justify-content: space-around; font-size: small;"> <span>one mark</span> <span>one mark</span> </div> $(36 \text{ months} \times 10/90)$ $R6\,875 \checkmark \times 4 \checkmark\checkmark$ <b>OR</b> $247\,500 \times [100/90 \times 10/100]$ <div style="display: flex; justify-content: space-around; font-size: small;"> <span>two marks</span> <span>one mark</span> </div> <div style="text-align: right;"><b>4</b></div>	$R\,27\,500 \checkmark$ <div style="background-color: yellow; padding: 2px; font-size: small;">one part correct</div>

14

**4.5 Calculate the reduction in the floor space (in m<sup>2</sup>) being rented during July 2025.**

WORKINGS	ANSWER
$[59\,940 - 47\,952]$ <u><math>R11\,988 \checkmark\checkmark</math></u> $333 \checkmark\checkmark$ $[59\,940 / 180]$  <b>OR</b> <div style="display: flex; justify-content: space-around; font-size: small;"> <span><math>180\,m^2</math></span> <span><math>[47\,952 / 333]</math></span> </div> $- 144\,m^2$ <div style="display: flex; justify-content: space-around; font-size: small;"> <span>one mark</span> <span>three marks</span> </div> <b>OR</b> <div style="display: flex; justify-content: space-around; font-size: small;"> <span><math>180\,m^2</math></span> <span><math>[(11\,988/59\,940) \times 100]</math></span> </div> $\times 20\%$ <div style="display: flex; justify-content: space-around; font-size: small;"> <span>one mark</span> <span>three marks</span> </div>	$36\,m^2 \checkmark$ <div style="background-color: yellow; padding: 2px; font-size: small;">One part correct</div>

5

**4.6 Refer to Information H****4.6.1 Explain the effect of the new competitor on any TWO items in the budgeted and actual information for April 2025. Quote figures.**

TWO valid points ✓ ✓ figures and trend ✓ ✓

- Number of units sold 540 is less than budgeted (720) / 180 (25%) below budget.
- Actual sales R135 000 is less than budgeted R180 000 / R45 000 (25%) below budget.
- Gross profit R45 000 is less than budgeted R60 000 / R15 000 (25%) below budget.

4

**4.6.2 Identify TWO changes Daisy implemented in May 2025 in response to the new competitor. Quote figures.**

TWO valid changes ✓ ✓ figures and trend ✓ ✓

- Advertising increased (from 5%) to 9%
- Delivery expenses increased (from 4%) to 5%.
- Introduced commission, 2% of sales (R4 050)
- Decreased the selling price by 10% / (from R250) to R225

4

**TOTAL MARKS****40****TOTAL: 150**