



Province of the
EASTERN CAPE
EDUCATION

Iphondo leMpuma Kapa: Isebe leMfundo
Provinsie van die Oos Kaap: Departement van Onderwys
Porafensie Ya Kapa Botjhabela: Lefapha la Thuto

NATIONAL SENIOR CERTIFICATE

GRADE 12

SEPTEMBER 2025

ACCOUNTING P2

MARKS: 150

TIME: 2 hours

This question paper consists of 16 pages including a formula sheet and a 11-page answer book.

KEEP THIS PAGE BLANK.

INSTRUCTIONS AND INFORMATION

Read the following instructions carefully and follow them precisely.

1. Answer ALL the questions.
2. A special ANSWER BOOK is provided in which to answer ALL the questions.
3. A Financial Indicator Formula Sheet is attached at the end of this question paper.
4. Show ALL workings to earn part-marks.
5. You may use a non-programmable calculator.
6. You may use a dark pencil or blue/black ink to answer the questions.
7. Where applicable, show all calculations to ONE decimal point.
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	MINUTES
1	Internal Control and Reconciliations	40	30
2	Cost Accounting	35	30
3	Inventory	35	30
4	Budgeting and VAT	40	30
TOTAL		150	120

QUESTION 1: INTERNAL CONTROL AND RECONCILIATIONS (40 marks; 30 minutes)**1.1 INTERNAL CONTROL**

The owner of Dlamini Traders is very pleased that all payments are now made exclusively via EFT. He is considering running his business entirely cashless.

REQUIRED:

- 1.1.1 The bookkeeper, Pearly, is responsible for processing and controlling all EFT transactions. The internal auditor is concerned that there is no division of duties.
Explain ONE reason why the internal auditor may be concerned about the lack of division of duties. (2)
- 1.1.2 Many customers prefer paying with cash, but Dlamini wants to run his business completely cashless. (4)
- Identify ONE potential challenge the business may face due to this decision.
 - Except for being fast and time-saving; identify ONE advantage of using EFTs.

1.2 BANK RECONCILIATION

The information relates to Koen Traders for August 2025.

- 1.2.1 Show the entries to be recorded in the Cash Journals. (10)
- 1.2.2 Calculate the Bank account balance in the ledger on 31 August 2025. (4)
- 1.2.3 Prepare the Bank Reconciliation Statement on 31 August 2025. (6)

INFORMATION:

A. Information from the Bank Reconciliation Statement prepared on 31 July 2025:		R
Unfavourable balance as per Bank Statement		39 000
EFTs entered in CPJ	315	45 000
	390	23 700
Deposit in the CRJ, but not on July 2025 Bank Statement		107 000
Unfavourable balance on the Bank Account in the Ledger		700

NOTE:

- EFT 315 and 390 was reflected on the Bank Statement on 1 August 2025. EFT 390 was reflected as R25 700. The Bank Statement was correct.
- The deposit appeared on the bank statement on 2 August 2025.

B. Provisional Cash Journal totals on 31 August 2025 before receiving the August Bank Statement via email from the bank:

- Cash Receipts Journal (CRJ): R90 850
- Cash Payments Journal (CPJ): R85 750

C. Information on August 2025 Bank Statement not recorded in the August Cash Journals:

	DEBIT	CREDIT
Interest		R450
EFT (Nazo – cleaning of office's carpets)	R3 500	
EFT (Jacobs – tenant)		R28 500
Debit order (PGS Insurers)	R10 780	
Internet banking fees	R980	
Internet banking fees	R980	

NOTE: The bank duplicated the internet banking fees in error. It will be corrected in September 2025.

D. Entries in the August CPJ that did not appear in the August Bank Statement:

- EFT 401 (J Koen – owner, for private use) on 28 August 2025, R16 500
- EFT 419 (MVI Suppliers) 30 August 2025, R8 600

E. Deposit entries in the August CRJ that did not correspond with the August Bank Statement:

- R31 450 on 30 August 2025
- R44 500 on 31 August 2025. The Bank Statement reflected this as R34 500. An investigation revealed that the cash slips added to R44 500, but only R34 500 was deposited. The shortfall cannot be traced and must be written off.

F. Balance as per Bank Statement on 31 August 2025 is the balancing figure.

1.3 CREDITORS' RECONCILIATION

The following information relates to Kapp Traders. The balance of Dordrecht Suppliers in the Creditors Ledger does not match the closing balance shown on the statement received from them on 27 July 2025.

REQUIRED:

Determine the correct balances by adjusting the given errors and omissions in the Creditors Ledger and the statement from Dordrecht Suppliers. Use the table in the ANSWER BOOK and show a figure with "+", "-", or "no entry" for each error or omission discovered.

(14)

BALANCES ON 31 JULY 2025

Dordrecht Suppliers' account in Creditors Ledger of Kapp Traders	R25 670 (credit)
Monthly statement received from Dordrecht Suppliers	R28 155 (debit)

Errors and omissions identified after comparisons have been made.

- A.** An invoice for R8 820 was correctly entered in the Creditors Ledger, but the statement of account from Dordrecht Suppliers recorded it as R9 300. The creditors clerk contacted Dordrecht Suppliers, and they confirmed that they would correct the error.
- B.** EFT 3092 for R9 500, issued to Dordrecht Suppliers, was incorrectly recorded in the Cash Payments Journal (CPJ) as R5 900 and posted as such.
- C.** Kapp Traders incorrectly credited a debit note of R620 to the Creditors Ledger account of Dordrecht Suppliers on 3 July 2025.
- D.** An EFT payment of R5 500 was recorded in the Creditors Ledger but did not appear on the statement of account. Upon investigation, it was found that this payment was actually made by Kapp Traders to Indwe Distributors.
- E.** The bookkeeper failed to record invoice 958 (R6 870) received from Dordrecht Suppliers on 22 July 2025.
- F.** The statement of account received from Dordrecht Suppliers reflects interest of R255, charged on an overdue balance. This interest must be recorded and posted to the Creditors Ledger.
- G.** Transactions after the statement date of 27 July 2025:
- Invoice no. 1654 for goods purchased, R8 700
 - Goods returned to Dordrecht Suppliers, R2 920

KEEP THIS PAGE BLANK.

QUESTION 2: COST ACCOUNTING**(35 marks; 30 minutes)****2.1 FRESH SIP SOFT DRINK MANUFACTURERS**

Fresh Sip is a South African manufacturing company that manufactures soft drinks. You are provided with information relating to Fresh Sip for the year ended 31 August 2025.

The factory occupies 800 m², the administration offices 300 m² and two national sales offices 100 m² each.

REQUIRED:

2.1.1 Calculate the:

- Direct labour cost (4)
- Selling and distribution cost (12)

2.1.2 Prepare the Production Cost Statement. (5)

2.1.3 Calculate the cost of sales for the year ended 31 August 2025. (4)

INFORMATION:**A. INVENTORIES**

The following balances were extracted from the financial statements:

	2025	2024
Indirect materials	R85 400	R73 800
Work-in-Progress	R3 650 000	R3 740 500
Finished Goods	R5 430 000	R4 600 400

B. LABOUR COSTS

The factory workers received a total payment of R604 800 after a 28% deduction for PAYE, pension fund, and UIF. The company contributes an additional 8% of their gross earnings.

SALES OFFICES	
2 workers per office	R84 000 per worker per year (bonuses, overtime and contributions included)

C. OTHER EXPENSES

- (a) Indirect materials purchased during the year totalled R240 000. 20% of all indirect materials are used in the sales offices.
- (b) The total rent amounted to R117 000 per year. Rent is divided according to floor space.
- (c) Carriages for the year:
On raw material purchased: R40 000
On finished goods sold: R75 000
- (d) Fresh Sip sells on credit to approved clients. One debtor, who relocated overseas, must be written off as bad debts of R8 000.
- (e) Amount from the Pre-adjustment Trial Balance on 31 August 2025:

Insurance R115 375

It was discovered that the insurance premium for September 2025 has been paid. The premiums have remained unchanged. The insurance premium is divided in the ratio 3 : 1 : 1 between the factory, sales and administration.

2.2 KAMP MANUFACTURERS

Information is provided for the financial year ended 30 June 2025. The business manufactures leather couches according to orders received.

REQUIRED:

- 2.2.1 Calculate the selling price of each product on 30 June 2025. (4)
- 2.2.2 The business switched to solar energy, reducing electricity expenses and total fixed costs. However, the fixed cost per unit increased. Explain how this situation illustrates diseconomies of scale. Quote figures. (4)
- 2.2.3 The owner is concerned about the increasing direct labour cost per unit. Suggest ONE possible reason for this increase, excluding normal inflation. (2)

INFORMATION:

	2025	2024
Number of couches produced and sold	3 900	4 700
Break-even point	3 200	3 525
Fixed cost per unit	R3 200	R3 000
Total fixed cost	R12 480 000	R14 100 000
Variable cost per unit	R1 600	R1 400

QUESTION 3: INVENTORY**(35 marks; 30 minutes)****3.1 CONCEPTS**

Choose the correct term from those given in brackets. Write only the term next to the question numbers (3.1.1–3.1.3) in the ANSWER BOOK.

- 3.1.1 Inventory valuation methods affect the (cost of sales / bad debts) in the Statement of Comprehensive Income.
- 3.1.2 A higher cost of sales leads to a (higher / lower) gross profit.
- 3.1.3 A higher closing stock will be found in the (FIFO / weighted-average) method during periods of rising prices. (3)

3.2 INVENTORY VALUATION

The information relates to Amuse Photo Booths for the financial year ended 30 June 2025. The business is owned by Mr Amuse and sells two models of photo/video booths, (a selfie photo booth and a 360 video booth), and small selfie printers. Amuse started to sell 360 video booths on 1 April 2025, three months before the end of the financial year.

- The photo/video booths are valued using the specific identification method.
- Printers are valued using the First-in-First-out (FIFO) method.

REQUIRED:

- 3.2.1 Calculate the total value of closing stock of the photo/video booths on 30 June 2025. (8)
- 3.2.2 Calculate the value of the closing stock of printers on 30 June 2025. (4)
- 3.2.3 Calculate the cost of sales of the printers for the year ended 30 June 2025. (4)
- 3.2.4 Printers are sold at a selling price of R3 000. Calculate the gross profit made on the printers. (4)
- 3.2.5 The bookkeeper calculated the number of days of 360 video booths left at year-end. The owner disagrees with the formula used.

Explain to the owner why the bookkeeper is correct in using the following calculation: $\frac{\text{closing stock}}{\text{cost of sales}} \times \frac{90}{1}$ instead of $\frac{\text{closing stock}}{\text{cost of sales}} \times \frac{365}{1}$.
Quote figures, using number of days/months. (3)

INFORMATION:

The following information is an extract from the year ended 30 June 2025.

A. PHOTO AND VIDEO BOOTHS:

	BOUGHT			SOLD
	UNITS	UNIT COST	TOTAL	UNITS
Selfie photo booth				
January 2025	15	R17 600	R264 000	10
Returns:				
January 2025	(2)	R17 600	(R35 200)	
May 2025	20	R18 000	R360 000	15
360 Video booths				
April 2025	9	R19 500	R175 500	6
Carriages of R200 per unit is not included in the unit price of 360 video booths. Carriages are included in the unit price of selfie photo booths.				

B. PRINTERS:

		UNITS	AMOUNTS
Opening stock		450	R675 000
Purchases:	Aug 2024	120 @ R1 500	R720 000
	Dec 2024	160 @ R1 875	
	May 2025	120 @ R2 000	
Returns:	Dec 2024	(10 @ R1 875)	(R18 750)
Closing stock		160	?
Sales		680	

3.3 CONTROL OF INVENTORIES

Information provided relates to Willowmore Electronics for the financial year ending 31 July 2025. The business sells cell phones, smart watches, and tablets, with no stock losses reported during the year.

REQUIRED:

Identify ONE different problem (including figures) for each product and provide a corresponding solution.

(9)

INFORMATION:

	CELL PHONES	SMART WATCHES	TABLETS
Opening stock (units)	280	2 000	200
Purchases (units)	6 100	7 000	3 000
Closing stock (units)	400	3 500	800
Selling price per unit	R3 500	R5 000	R8 500
Credit sales (units)	4 800	2 500	1 600
Cash sales (units)	1 200	3 000	1 800
Returns by debtors (units)	(20)	0	(1 000)
Cash received from cash sales	R4 130 000	R15 000 000	R15 300 000

QUESTION 4: BUDGETING AND VAT**(40 marks; 30 minutes)****4.1 FADA'S SUIT AND TIE SHOP**

You are provided with information relating to the cash budget of Fada's Suit and Tie Shop.

REQUIRED:**4.1.1 REFER TO INFORMATION A.**

Fada is concerned about the collection of debtors. She does not grant discount for early payments.

Calculate the % of debtors:

- (i) Who will settle their accounts in the second month after the month of the credit sales transaction. (3)
- (ii) Written off as bad debts at the end of the third month after the month of the credit sales transaction. (3)

4.1.2 REFER TO INFORMATION B.

Identify TWO items that were recorded incorrectly in the Cash Budget. Give ONE reason why these items are not recorded in a Cash Budget. (3)

4.1.3 REFER TO INFORMATION B TO G.

Calculate the missing amounts indicated by (i) to (iv) in the Cash Budget. (14)

INFORMATION:**A. DEBTORS' COLLECTION SCHEDULE:**

Month of Sales	CREDIT SALES	SEPTEMBER 2025	OCTOBER 2025	NOVEMBER 2025
July	135 000	101 250	29 700	0

B. Extract from the Cash Budget:

	SEPTEMBER 2025	OCTOBER 2025
RECEIPTS	R	R
Receipts from debtors		
Cash Sales	(i)	
Discount received	4 500	5 600
Fixed Deposit	40 000	
Interest on Fixed deposit	900	(ii)
PAYMENTS		
Payments to creditors		(iii)
Directors' fees	216 000	(iv)
Depreciation	30 000	30 000
Audit fees	0	42 000

C. Sales:

- Credit sales comprise 40% of total sales.
- The mark-up percentage is 50% on cost.

D. Extract from the Projected Statement of Comprehensive Income:

	AUGUST 2025	SEPTEMBER 2025	OCTOBER 2025
	R	R	R
Sales	330 000	450 000	?
Cost of Sales	?	(300 000)	?

E. Purchases:

- All purchases of stock are on credit
- Stock is replaced in the month of sales. A base stock is maintained.
- Creditors are paid two months after purchase, subject to a 5% discount.

F. Directors' fees:

- The business had three directors earning the same monthly fee.
- On 30 September 2025 one of the directors resigned and a new one is appointed from 1 October 2025.
- The two remaining directors will receive an increase of 15% on their monthly fee from 1 October 2025. The new director will not be considered for an increase.

G. Fixed deposit:

- R40 000 of the fixed deposit matured on 30 September 2025.
- Interest of 9% p.a. is receivable at the end of each month and is not capitalised.

4.2 MARIKE'S HEALTH SHOP

Marike's Health Shop sells health products to young and fit people.

4.2.1 Marike compared the budgeted figures to the actual figures for September 2025.

	BUDGETED (R)	ACTUAL (R)	VARIANCE (R)
Total Sales	510 000	816 000	+306 000
Salaries: Salespersons	80 000	22 000	-58 000
Commission: Salespersons	0	95 200	+95 200
Maintenance of equipment	4 000	2 500	-1 500
Advertising	36 000	54 000	+18 000
Delivery expenses	0	23 000	+23 000
Packing materials	29 532	36 915	+7 383

REQUIRED:

- (i) Marike implemented a new payment method for the salespersons. Explain how this change has benefited both the business and the salespersons. Quote figures. (4)
- (ii) Identify TWO strategies Marike used to improve sales targets for September 2025, excluding the payment of salespersons. Quote figures. (4)
- (iii) Despite the overspending on packing material, Marike is not concerned. Explain the reason for this. Quote relevant percentages. (4)
- (iv) Comment on the control over the maintenance of equipment for September 2025. No figures required. (2)
- (v) The actual amount spent on packing material includes VAT at 15%. Calculate the VAT amount. (3)

40

TOTAL: 150

GRADE 12 ACCOUNTING FINANCIAL INDICATOR FORMULA SHEET	
$\frac{\text{Gross profit}}{\text{Sales}} \times \frac{100}{1}$	$\frac{\text{Gross profit}}{\text{Cost of sales}} \times \frac{100}{1}$
$\frac{\text{Net profit before tax}}{\text{Sales}} \times \frac{100}{1}$	$\frac{\text{Net profit after tax}}{\text{Sales}} \times \frac{100}{1}$
$\frac{\text{Operating expenses}}{\text{Sales}} \times \frac{100}{1}$	$\frac{\text{Operating profit}}{\text{Cost of sales}} \times \frac{100}{1}$
Total assets : Total liabilities	Current assets : Current liabilities
(Current assets – Inventories) : Current liabilities	Non-current liabilities : Shareholders' equity
(Trade and other receivables + Cash and cash equivalents) : Current liabilities	
$\frac{\text{Average trading stock}}{\text{Cost of sales}} \times \frac{365}{1}$ (See note 1 below)	$\frac{\text{Cost of sales}}{\text{Average trading stock}}$
$\frac{\text{Average debtors}}{\text{Credit sales}} \times \frac{365}{1}$	$\frac{\text{Average creditors}}{\text{Cost of sales/Credit purchases}} \times \frac{365}{1}$ (See note 2 below)
$\frac{\text{Net income after tax}}{\text{Average shareholders' equity}} \times \frac{100}{1}$	$\frac{\text{Net profit after tax}}{\text{Number of issued shares}} \times \frac{100}{1}$ (See note 3 below)
$\frac{\text{Net income before tax + Interest on loans}}{\text{Average shareholders' equity + Average non-current liabilities}} \times \frac{100}{1}$	
$\frac{\text{Shareholders' equity}}{\text{Number of issued shares}} \times \frac{100}{1}$	$\frac{\text{Dividends}}{\text{Number of issued shares}} \times \frac{100}{1}$
$\frac{\text{Interim dividends}}{\text{Number of issued shares}} \times \frac{100}{1}$	$\frac{\text{Final dividends}}{\text{Number of issued shares}} \times \frac{100}{1}$
$\frac{\text{Dividends per share}}{\text{Earnings per share}} \times \frac{100}{1}$	$\frac{\text{Dividends for the year}}{\text{Net profit after tax}} \times \frac{100}{1}$
$\frac{\text{Total fixed costs}}{\text{Selling price per unit – Variable costs per unit}}$	
NOTE: <ol style="list-style-type: none"> Trading stock at the end of a financial year may be used if required in a question. 365 days is applicable only if relevant to the whole year. Credit purchases may be used instead of cost of sales (figures will be the same if stock is constant). 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. 	