



# NATIONAL SENIOR CERTIFICATE

**GRADE 11**

**NOVEMBER 2022**

## 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 guideline 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. This memorandum is not for public distribution; as certain items might imply incorrect treatment. The adjustments made are due to nuances in certain questions.
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.
10. Operation means 'check operation'. 'One part correct' means operation and one part correct. NOTE: check operation must be +, -, x, ÷, or per the marking guideline.
11. In calculations, do not award marks for workings if numerator and 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.

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This marking guideline consists of 8 pages.

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**QUESTION 1****1.1.1 State THREE advantages of using electronic funds transfers (EFTs).**

Any THREE of: ✓ ✓ ✓

Safe / convenient / quick and easy / Can be done outside banking hours / less time consuming (no queues) / lower charges / instant feedback.

3

**1.1.2 Explain TWO aspects of the business environment that Beauty had to change or adapt to implement this system and to ensure that it functions effectively.**

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

- Ensure that she has an up-to date computer system.
- Internet connectivity (data)
- Training for an employee / or employ a qualified person
- New rules and procedures (internal controls).
- Delegating authority / added supervision
- New / revised documents (stationery) to record details of EFTs (in/out)

4

**1.1.3 UPDATING THE CASH JOURNALS:**

| CASH RECEIPTS JOURNAL     |                  | CASH PAYMENTS JOURNAL         |                  |
|---------------------------|------------------|-------------------------------|------------------|
| DETAILS OF SUNDRY ACCOUNT | AMOUNT           | DETAILS OF SUNDRY ACCOUNT     | AMOUNT           |
| <b>Total</b> <b>b/f</b>   | <b>113 800</b>   | <b>Total</b> <b>b/f</b>       | <b>98 400</b>    |
| Rent income ✓             | 8 200 ✓          | Rates and taxes ✓             | 2 180 ✓          |
| Debtor's control ✓        | 3 320 ✓✓         | Bank charges ✓<br>(195 + 155) | 350 ✓✓           |
|                           |                  | Trading stock ✓               | 12 300 ✓         |
|                           |                  | Interest on overdraft ✓       | 210 ✓            |
|                           |                  | Insurance ✓                   | 1 340 ✓          |
|                           |                  | Drawings ✓                    | 630 ✓            |
|                           |                  |                               |                  |
|                           | <b>125 320</b> ✓ |                               | <b>115 410</b> ✓ |

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## 1.2 CREDITORS RECONCILIATION

| Reconciling the Creditors Ledger account with the Statement |  |                                  |
|---|--|----------------------------------|
| Nr.   | CREDITORS LEDGER<br>ACCOUNT OF VUYI<br>SUPPLIERS | STATEMENT FROM VUYI<br>SUPPLIERS |
| Balance   | 41 680   | 26 070                           |
| A   |  | + 4 500 ✓✓                       |
| B   | - 1 680 ✓✓                                       |                                  |
| C   | + 200 ✓✓   | - 400 ✓✓                         |
| D   | - 7 600 ✓  |                                  |
| E   |  | - 950 ✓✓                         |
| F   |  | + 3 380 ✓                        |
| <b>TOTAL</b>  | 32 600 <input checked="" type="checkbox"/> *     | 32 600                           |

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\*One part correct; must include the opening balance; can be different totals

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

## QUESTION 2

## 2.1.1 Calculate:

| Direct material cost   |   |
|--|---|
| WORKINGS   | ANSWER  |
| $  \begin{array}{cccccc}  27\ 500 & + & 263\ 400 & - & 9\ 200 & + & 7\ 500 & - & 33\ 200 \\  \checkmark & & \checkmark & & \checkmark & & \checkmark & & \checkmark  \end{array}  $ <p>Accept alternative formats of presentations, including a ledger account</p>   | 256 000 <input checked="" type="checkbox"/><br>one part correct |
| <b>6</b>   |   |
| Direct labour cost   |   |
| WORKINGS   | ANSWER  |
| $  \begin{array}{ccccc}  (5 \times 1\ 520 \times 30) & & (420 \times 48 \checkmark\checkmark) & & (10\% \times 248\ 160) \\  228\ 000 & + & 20\ 160 & + & 24\ 816 \\  \checkmark\checkmark & & \checkmark & & \checkmark  \end{array}  $ <p>Accept alternative formats of presentations, including a ledger account.</p> | 272 976 <input checked="" type="checkbox"/><br>one part correct |
| <b>7</b>   |   |

## 2.1.2 FACTORY OVERHEAD COST

| TOTAL BROUGHT FORWARD  |  | 106 760   |
|--|--|---|
| Indirect material  |  | - 3 800 <input checked="" type="checkbox"/> <input checked="" type="checkbox"/> |
| Water and electricity<br>26 640 <input checked="" type="checkbox"/> - 22 200 <input checked="" type="checkbox"/> |  | + 4 440 <input checked="" type="checkbox"/>                                     |
| Rent expense<br>43 200 <input checked="" type="checkbox"/> - 75 600 <input checked="" type="checkbox"/>          |  | - 32 400 <input checked="" type="checkbox"/>                                    |
|  |  |   |
| <b>TOTAL</b>   |  | <b>75 000 <input checked="" type="checkbox"/></b>                               |
| <b>9</b>   |  |   |

## 2.1.3 GENERAL LEDGER OF MAHLAPE MANUFACTURERS

## WORK-IN-PROGRESS STOCK ACCOUNT

|             |    |                       |     |   |                   |    |  |     |   |
|-------------|----|-----------------------|-----|---|-------------------|----|--|-----|---|
| 2020<br>Mar | 1  | Balance               | b/d | 23 444 <input checked="" type="checkbox"/>  | 2021<br>Feb       | 28 | Finished goods stock <input checked="" type="checkbox"/><br>Balancing figure |     | 600 000 * <input checked="" type="checkbox"/> |
| 2021<br>Feb | 28 | Direct material cost  |     | 256 000 <input checked="" type="checkbox"/> |                   |    | Balance  | c/d | 27 420 <input checked="" type="checkbox"/>    |
|             |    | Direct labour cost    |     | 272 976 <input checked="" type="checkbox"/> |                   |    |  |     |   |
|             |    | Factory overhead cost |     | 75 000 <input checked="" type="checkbox"/>  |                   |    |  |     |   |
|             |    |                       |     | 627 420                                     |                   |    |  |     | 627 420                                       |
| 2021<br>Mar | 1  | Balance               | b/d | 27 420 <input checked="" type="checkbox"/>  | *one part correct |    |  |     |   |

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2.2 MELINDA'S TOY SHOP

2.2.1 Calculate the break-even point for the year ended 30 June 2021.

$$\frac{60\ 000 \checkmark}{125 \checkmark - 85 \checkmark} = 1\ 500 \text{ units } \checkmark$$

40 two marks

4

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

Comment on production and BEP ✓ figures ✓✓

The business produced 2 000 units which is 500 more than the BEP / Melinda should be satisfied because she is making a profit on 500 units.

3

2.2.3 Melinda is concerned about the control over the direct labour cost per unit.

Explain why she may be concerned. Quote figures.

Increase in direct labour from R22 to R32 per unit ✓✓ OR  
DLC per unit increased by 45,5% but production increased by 33,3%.

2

Provide ONE suggestion on how she can improve the control over this cost.

Any ONE suggestion ✓

- Improve the monitoring / supervision
- Set targets to be completed within normal time
- Provide more training

1

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

## QUESTION 3

## 3.1 DEBTORS COLLECTION SCHEDULE

| Month                        | Credit sales | OCTOBER | NOVEMBER       | DECEMBER       |
|------------------------------|--------------|---------|----------------|----------------|
| SEPTEMBER                    | 490 000      | 196 000 | * 88 200<br>✓✓ |                |
| OCTOBER                      | 504 000      | 191 520 | 201 600        | 90 720         |
| NOVEMBER                     | 483 000      |         | *183 540<br>✓✓ | *193 200<br>✓✓ |
| DECEMBER                     | *518 000 ✓   |         |                | 196 840        |
| <b>RECEIPTS FROM DEBTORS</b> |              |         | 473 340<br>✓   | 480 760<br>✓   |

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## 3.2 EXTRACT: Cash Budget for the budget period ended 31 December 2021

| RECEIPTS                         | NOVEMBER        | DECEMBER        |
|----------------------------------|-----------------|-----------------|
| Cash sales                       | 204 000         | 222 000 ✓       |
| Cash from debtors                | 473 340 ✓       | 480 760 ✓       |
| Rent income                      | 9 500           | 10 260 ✓✓       |
| Interest on fixed deposit        | 0               | 3 200 ✓✓        |
| Loan: Rao Bank                   |                 | 186 000 ✓       |
| <b>TOTAL RECEIPTS</b>            | <b>712 000</b>  | <b>833 000</b>  |
| PAYMENTS                         |                 |                 |
| Payment to creditors (for stock) | 480 000         | 460 000 ✓✓      |
| Insurance                        | 2 500 ✓✓        | 2 625           |
| Other operating expenses         | 8 700 ✓✓        | 6 200           |
| Drawings                         | 7 300           | 3 500 ✓✓        |
| Interest on loan                 |                 | 1 705           |
| Salaries and wages               | 52 500          | 56 175          |
| <b>TOTAL PAYMENTS</b>            | <b>802 000</b>  | <b>777 000</b>  |
| <b>SURPLUS/DEFICIT</b>           | (90 000) ✓✓     | 56 000 ✓        |
| <b>OPENING BALANCE IN BANK</b>   | <b>123 000</b>  | <b>33 000 ✓</b> |
| <b>CLOSING BALANCE IN BANK</b>   | <b>33 000 ✓</b> | <b>89 000 ✓</b> |

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3.3.1

**Calculate: Amount of the loan in December 2021**

$$\frac{1\ 705 \checkmark \times 12 \checkmark}{11\% \checkmark} = 186\ 000 \checkmark \text{ one part correct}$$

4

3.3.2

**Calculate: the percentage increase in salaries and wages.**

3 675 two marks

$$\frac{56\ 175 \checkmark - 52\ 500 \checkmark}{52\ 500 \checkmark} \times 100 = 7\% \checkmark \text{ one part correct}$$

4

3.4

**Provide Shirley with TWO suggestions on how she can ensure that only reliable people are granted credit, and TWO ways to improve collections from debtors.**

**SUGGESTIONS:** Any TWO suggestions ✓ ✓ accept short statements

- Credit check to check creditworthiness.
- Check references such as places where they buy on credit
- Check employment history
- Postal and residential address
- ID document
- Bank statement

2

**WAYS TO IMPROVE COLLECTIONS FROM DEBTORS**

TWO valid control measures ✓✓ ✓✓ part marks for incomplete / partial answers

- Send statements / reminders regularly, and on time
- Offer discounts or other incentives for early payments
- Charge interest on overdue accounts
- Do not allow more credit unless accounts are settled
- Encourage debtors to use EFTs or debit orders for monthly payments

4

|    |    |  |
|----|----|--|
| Q3 | 45 |  |
|----|----|--|

**QUESTION 4**

4.1 **Calculate: Total depreciation on vehicles**

1 260 000 x 20% = 252 000 ✓✓  
 340 000 ✓ x 20% x 9/12 ✓ = 51 000 ✓  
 Total = 303 000 ✓

6

**Calculate: Total depreciation on equipment**

(115 000 – 84 200) ✓ x 15% x 10/12 ✓ = 3 850 ✓  
 (517 000 ✓ – 280 800 ✓) x 15% = 35 430 ✓  
 Total = 39 280 ✓

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4.2 **Malusi wants to sell two of the delivery vehicles, and replace them with a later model, bigger truck. His wife feels that this is not a good idea.**

4.2.1 **Provide TWO possible reasons that Malusi can use to convince his wife that this is a good decision.**

TWO reasons ✓✓ ✓✓ part marks for partial / incomplete statements

- The vehicles are old and require a lot of money for maintenance.
- Repairs are also escalating as parts are overworked.
- Vehicles have reached it useful life (residual value / fully depreciated)
- Will not be able to get a good trade-in in the future.

4

4.2.2 **Provide ONE reason in support of his wife’s feelings.**

ONE Reason ✓✓ part marks for partial / incomplete statements

- Economy is bad and sales are dropping / vehicle would not be productive
- Getting into debt is not good for the business
- Vehicles could be used for shorter routes

2

4.3 **Identify TWO problems from the information provided. Quote figures. In each case, provide a solution to the problem identified.**

| PROBLEM ✓ ✓<br>figure ✓ ✓  | SOLUTION ✓ ✓  |
|--|---|
| Drivers are getting an increase of R3 850 or 5% yet sales have dropped   | Change contracts to commission based  |
| Repair and maintenance is a fixed amount at R76 800, even though the vehicles are not working at full capacity | Outsource the vehicles to other suppliers to get more income                                      |
| Petrol and oil decreased by 2,25% but sales decreased by 15%   | Put a tracking device on vehicles / keep mileage to discourage drivers from misusing the vehicles |

6

|    |    |  |
|----|----|--|
| Q4 | 25 |  |
|----|----|--|

**TOTAL: 150**