



basic education

Department:
Basic Education
REPUBLIC OF SOUTH AFRICA

NATIONAL SENIOR CERTIFICATE

GRADE 12

ACCOUNTING

MARCH 2018

MARKING GUIDELINES

MARKS: 300

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. 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 memo 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 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.
14. Codes: f = foreign item; p = placement/presentation.

These marking guidelines consist of 16 pages.

QUESTION 1

1.1 DEBTORS' AGE ANALYSIS

1.1.1 Explain why the debtors' age analysis is considered to be an effective internal control measure. State ONE point.

Valid explanation ✓✓ **part-mark for unclear / incomplete answer**

- Helps identify slow or defaulting debtors (not abiding to the credit terms) so that action can be taken.
- Highlights debtors in good standing so their credit ratings can be reviewed.
- It can expose the problem of allowing debtors to exceed their credit limits.
- It can assist with planning/corrective measures such as sending reminders, writing off debtors etc.

2

1.1.2 Explain TWO different problems highlighted by the debtors' age analysis. In EACH case, provide the name of a debtor and figure(s).

Give marks for debtor & figures even if problem incorrectly identified

PROBLEM ✓ ✓	DEBTOR AND FIGURE(S) Debtor ✓ ✓ Figure ✓ ✓
Debtors exceeding credit limits	P. Botha (by R700) Or: balance of 4 200 is above his limit of 3 500
Overdue accounts/not complying with credit terms/slow payers	S. Walker (R8 500 overdue) O. Klein (R1 100 overdue); M. Valley (R950 overdue)
Poor control of granting credit / Continue selling to debtors whose accounts are overdue	M. Valley (R950) S. Walker (R8 500) O. Klein (R1 100)

6

1.2 DEBTORS' RECONCILIATION

1.2.1 CORRECTIONS TO THE DEBTORS' CONTROL ACCOUNT ON 30 NOVEMBER 2017

Balance before errors and omissions	25 700
(i)	+2 700 ✓
(ii)	+350 ✓
(iii) no part-marks	– 1 800 ✓✓
(iv)	No change ✓
(v)	+1 500 ✓
Correct Debtors' Control balance	28 450 ☑

one part correct
accept brackets for -ve amounts; no sign indicates +ve
accept "0 or –" for "no change"

7

1.2.2 DEBTORS' LIST ON 30 NOVEMBER 2017

L Nkosi	(5 700 – 1 800 ✓)	3 900 ✓
S Muller	(11 100 + 350 ✓)	11 450 ✓
M Welthagen	(– 1 900 + 1 500 ✓)	(400) ✓
B Sandleni	(15 900 – 1 200 ✓ – 1 200 ✓) 2 400 two marks must be < 15 900	13 500 ☑
Correct total of Debtors' List	operation one part correct	28 450 ☑

10

1.3.1 Calculate the VAT amount that is either receivable from or payable to SARS on 31 July 2017.

MARK ONE LINE ONLY (DO NOT MIX LINES)

27 200 ✓ – 69 300 ✓ + 22 260 ✓ + 2 100 ✓
+ 4 200 ✓✓ – 1 260 ✓✓ – 4 130 ✓✓ = – 18 930 ☑
One part correct

OR
–67 200 two marks +21 000 two marks
27 200 – 69 300 + 2 100 + 22 260 – 1 260 + 4 200
– 4 130 = – 18 930

OR +67 200 two marks –21 000 two marks
– 27 200 + 69 300 – 2 100 – 22 260 + 1 260 – 4 200
+ 4 130 = 18 930

VAT CONTROL CALCULATION	
VAT INPUT	VAT OUTPUT
27 200	*69 300
#22 260	#1 260
*2 100	4 130
4 200	
18 930	
74 690	74 690

* Sales less returns
69 300 – 2 100 = 67 200 two marks

Purchases less drawings
22 260 – 1 260 = 21 000 two marks

11

1.3.2 Nomvula has ordered goods with a marked price of R35 000 from Beta Suppliers.

The sales director of Beta Suppliers, Jim Frow, has offered to sell these goods to Nomvula for R15 000, provided that they do not have to issue an invoice.

Comment on the offer made by Jim. State TWO points.

TWO valid points ✓✓ ✓✓ part-mark for unclear / incomplete answer

- Tax evasion / buying stolen goods is illegal / unethical
- The issuing of documents is important for internal control purposes / It is fraudulent not to issue an invoice
- Unethical/illegal activity will tarnish the image of the business.
- Discount limits must be formalised by management (otherwise fraudulent)

4

TOTAL MARKS
40

QUESTION 2

2.1

2.1.1	Asset ✓
2.1.2	Specific identification ✓
2.1.3	Periodic ✓

3

2.2.1

Calculate the value of the closing stock according to the FIFO method on 31 December 2017.

300 x R430 = R129 000 ✓✓
 140 x R375 ✓ = R52 500 one part correct
 (440-300) (350+25) = R181 500 one part correct

6

2.2.2

Calculate the cost of sales.

(840 500 + 58 100) both for one mark
 189 000 ✓ + 898 600 ✓ - 19 000 ✓ - 181 500 = 887 100
 see 2.2.1 one part correct

OR: Using units sold:

540	189 000	
550	217 250	one mark
900 - 50 = 850	345 850	one mark
500 - 140 = 360	135 000	two marks
	887 100	one method mark

Calculate the gross profit.

1 380 000 ✓ - 887 100 = 492 900 one part correct
 see above

8

2.2.3

Calculate the value of the closing stock on 31 December 2017 by using the weighted-average method.

1 068 600 ✓ one part correct

$$\frac{189\,000 + 898\,600 - 19\,000}{540 + 2\,250 - 50} \times 440 \checkmark = 171\,600 \checkmark \text{ one part correct (must be } \times 440)$$
 2 740 ✓ one part correct
 390 (WA) four marks

What will be the effect on the gross profit if the owner changes to this valuation method? Provide figures.

If candidate indicates increase then inspect workings above
 Award accuracy mark if workings indicate increase

Gross profit will decrease / be less ✓* by 9 900 (181 500 - 171 600)
 see 2.2.1 see 2.2.3
 OR 492 900 - 483 000
 FIFO WA

6

3

2.3

You are provided with information relating to Leno Furnishers. They sell tables, chairs and beds for cash only. The owner is concerned that the figures provided reflect poor internal control and decision-making.

Identify ONE problem for each product. Quote figures. In EACH case, give advice on how to solve the problem.

Product	Problem Figures ✓ ✓ ✓ ✓ ✓ ✓ Comparison figures not necessary but may enhance identification of problem If figures correct award marks even if explanation wrong	Advice ✓ ✓ ✓
Tables	Stolen tables: 30 which leads to loss of income of R45 000	Improve physical security Regular stock counts Check at doors.
Chairs	Missing money Total sales: R1 920 000 but only R1 800 000 banked (R120 000)	Division of duties (banking) Documentation Request bank notification for transactions (sms).
Beds	Too much stock on hand 200 whilst sales is only 480 for the year. $200/480 = 5$ months; slow moving goods only 70% of available stock sold i.e. $480/680$	Reduce the selling price to increase sales More effective advertising Consider discontinuing the product Purchase these goods according to order.

9

TOTAL MARKS

35

QUESTION 3

3.1 GLAMOUR DRESS CREATIONS

3.1.1 PRODUCTION COST STATEMENT FOR THE YEAR ENDED 28 FEBRUARY 2017.

Raw/Direct materials cost (918 550 ✓ + 5 250 ✓✓)	923 800 ✓*	
Direct labour cost (810 000 three marks) (753 300 ✓ + 48 600 ✓ + 8 100 ✓ + 8 100 ✓) OR: Solve for Y $y = 753\,300 + 48\,600 + (0,01y)$ $y = 810\,000$ DLC = 810 000 + 8 100 OR $753\,300 + 48\,600 + 801\,900 = 99\%$ DLC = 101% $801\,900 \times 101/99$	818 100 ✓*	
Prime cost DMC + DLC	1 741 900 ✓	
Factory overhead cost (227 240 ✓ + 63 960 ✓✓✓) [(87 100 one mark – 7 150 two marks) x 80% one mark] 79 950 three marks	291 200 ✓*	
Total manufacturing cost operation	2 033 100 ✓	
Work-in-process (1 March 2016)	76 000	
	2 109 100	
Work-in-process (28 February 2017) operation	(169 100) ✓	
Cost of production of finished goods (1 860 000 + 190 000 – 110 000)	1 940 000 ✓✓✓*	21

-1 foreign items (max -2)

*one part correct

3.1.2 Calculate the net profit for the year ended 28 February 2017.

Gross Profit = 1 310 000 (3 marks)
 $3\,170\,000 \checkmark\checkmark - 1\,860\,000 \checkmark - 410\,000 \checkmark - (259\,010 \checkmark + 15\,990 \checkmark)$
 or $- 259\,010 - 15\,990$
 275 000 two marks
 = 625 000 ✓ one part correct

79 950 X 20%

79 950 – adjustment in FOHC (3.1.1)

7

3.2 LIGHTING SOLUTIONS

3.2.1 Calculate the factory overhead cost per unit for the year ended 31 December 2017.

$395\,000 / 50\,000 = R7,90 \checkmark\checkmark$

2

3.2.2 Explain why George would not be concerned about the 28,1% increase in total variable cost from R936 600 to R1 200 000.

Any valid comment ✓✓ compared to inflation rate ✓ figures not necessary

The variable cost per unit increased up by 7,6% ✓✓ which is less than inflation rate ✓

An additional 8 000 units were produced (19% increase in production)

There was an increase in units produced and therefore greater profits.

3

3.2.3

Give TWO reasons for the increase in the selling and distribution cost per unit.

TWO valid reasons ✓ ✓

- Advertising costs may have increased
- Increase in fuel price
- Commission to sales staff increased
- Due to inflation

Do not accept increased sales / increased delivery expenses

2

3.2.4

Calculate the break-even point for the year ended 31 December 2017.

$$\frac{575\,000 \checkmark}{45 \checkmark - 24 \checkmark}$$

21 two marks

= 27 381 units **one part correct** (accept 27 380,9)

4

Comment on the production level for 2017. State TWO points. Quote figures.

Explanation ✓ ✓ **Comparison figures not necessary but may enhance answer**
must compare BEP with level of production figures ✓ ✓ **see 3.2.3**

- The business produced and sold 50 000 units. This is 8 000 units more than the production achieved in the previous financial year (42 000 units).
- The business produced 22 619 (50 000 – 27 381) units more than the BEP.
- There is an increase of (22 619 – 19 687) 2 932 units over the BEP when compared to the previous financial year.

4

3.2.5

Lighting Solutions are considering importing raw materials because it is cheaper and of a higher quality. Name TWO aspects that they must consider before finalising their decision.

Any TWO relevant aspects ✓ ✓

- Fluctuation in exchange rates (impact on cost/selling price)
- Additional / increasing import costs (transportation and custom duties)
- Time delays (availability and/or delivery)
- Support for local suppliers (impact on the local economy)
- Not easy to return damaged goods

2

TOTAL MARKS
45

QUESTION 4

4.1

4.1.1	C	✓
4.1.2	E	✓
4.1.3	D	✓
4.1.4	A	✓
4.1.5	B	✓

5

4.2 **ORBIT LTD**4.2.1
(a)**ORDINARY SHARE CAPITAL**

Authorised		
6 000 000 shares		
Issued		
4 200 000 ✓	Ordinary shares in issue at beginning of year	3 150 000 ✓
(60 000) ✓ ignore brackets	Shares repurchased during the year at R0,75 ✓✓ (ASP) one part correct	*(45 000) ✓* ignore brackets
4 140 000 ✓	Ordinary shares in issue at end of year one part correct must subtract repurchase	3 105 000 ✓

8

*Do not accept: R210 000 or 60 000 x R3,50

(b) **RETAINED INCOME**

Balance on 1 July 2016	874 000
Net profit after income tax (408 800 ✓ x $\frac{12}{28}$ ✓) OR: 1 460 000 – 408 800	1 051 200 ✓*
Shares repurchased (60 000 x R2,75 ✓) 3,50 – ASP above OR: 210 000 – figure for repurchase in (a)	** (165 000) ✓* ignore brackets
Ordinary share dividends	(1 540 800) ✓* ignore brackets
Interim (paid)	630 000 ✓
Final (recommended) (4 140 000 ✓ x 22 cents ✓ or 0,22 / 22%)	910 800 ✓*
Balance on 30 June 2017 one part correct & repurchase and OSD must be subtracted	219 400 ✓*

11

*One part correct
** do not accept 210 000 or 0;

**4.2.2 ORBIT LTD
BALANCE SHEET ON 30 JUNE 2017.**

ASSETS					
NON-CURRENT ASSETS	TA – CA			3 822 600	✓
Fixed/Tangible Assets	balancing figure			3 442 600	✓
Fixed deposit		2		380 000	
CURRENT ASSETS			operation	1 037 800	✓
Inventory				478 000	
Trade and other receivables 317 000 ✓ – 15 850 ✓✓ + 7 950 ✓✓	one part correct			309 100	✓
Cash and cash equivalents				250 700	✓
TOTAL ASSETS	see Total Equity and Liabilities	9		4 860 400	✓
EQUITY AND LIABILITIES					
SHAREHOLDERS' EQUITY					
Ordinary share capital	see 4.2.1	3		3 105 000	✓
Retained income	see 4.2.1			219 400	✓
NON-CURRENT LIABILITIES					
Loan: Helping Bank (360 000 ✓✓ – 40 000 ✓)	one part correct	4		320 000	✓
302 400 one mark + 57 600 one mark – 40 000 one mark					
CURRENT LIABILITIES					
Award all marks if all items included in T&OP					
Trade and other payables (239 800 ✓ + 6 600 ✓)	one part correct			246 400	✓
Shareholders for dividends	see 4.2.1			910 800	✓
SARS: Income tax (408 800 – 390 000)	one part correct			18 800	✓✓
Current portion of loan	see loan			40 000	✓✓
TOTAL EQUITY AND LIABILITIES	operation	10		4 860 400	✓

28

Misplaced items mark figures but-1 each time (as per Nov 2017)

Foreign entries -1 (max -2)

Presentation / Incorrect or incomplete details -1 (max -2)

SARS may not be shown as a current asset

4.2.3 As a shareholder, explain your concern regarding the proposed buy-back of shares. Provide calculations to support your concern.

Explanation ✓✓ **part-mark for unclear / incomplete answer**

Barry wants to increase his % shareholding (without investing in more shares)
He will become the majority shareholder which will enable him to influence all decisions taken.

% shareholding of Barry after the share buyback:

$$1\,904\,400 \checkmark / 3\,740\,000 \checkmark \checkmark \times 100 = 50,9\% \checkmark \text{ **one part correct**; accept 51\%}$$

(4 140 000 – 400 000)

6

4.3 AUDIT REPORT: DF ENTERPRISES LTD

4.3.1

(a)	External ✓
(b)	Directors ✓

2

4.3.2 (a) The audit report below indicates a/an (qualified/unqualified) opinion.

Qualified ✓

1

(b) Explain why the shareholders should be concerned about this audit report. State TWO points.

TWO valid points ✓✓ ✓✓ **part-mark for unclear / incomplete answer**

- There is possible fraud/mismanagement occurring in the business.
- There is a lack of internal control processes (poor recording)
- The qualified audit report could affect the price of shares / reputation of the company
- Unaccounted expenditure impacted on their return/profits
- Dividends could have been negatively affected by this problem

4

TOTAL MARKS
65

- 5.4.1 Calculate the debt-equity ratio.**
- 750 000 ✓ : 4 375 250 ✓ = 0,2 : 1 one part correct (accept 0,17 : 1)
- 3**
-
- 5.4.2 Calculate the earnings per share (in cents).**
- 295 750 ✓ / 700 000 ✓ x 100 = 42,3 cents one part correct (accept 42 cents)
Note: Cannot accept 675 000 shares (as 25 000 shares repurchased on last day of fin year)
- 3**
-
- 5.4.3 Calculate the return on average shareholders' equity (ROSHE).**
- $$\frac{295\,750\ \checkmark}{\frac{1}{2}\ \checkmark (3\,135\,000\ \checkmark + 4\,375\,250\ \checkmark)} \times 100 = 7,9\% \ \checkmark \ \text{one part correct} \ \text{(Accept 7,88\%)}$$
- 7 510 250 two marks
 3 755 125 three marks
- 5**
-
- 5.5 Explain why the directors felt that the 630 cents offered on the shares repurchased was a fair price. Quote TWO financial indicators with figures.**
- Comparison to market price ✓ Figures ✓
Comparison to NAV ✓ Figures ✓
- The price offered benefits the company as it is less than the market price of 640 cents (by 10 cents)
- Less than the Net Asset Value of 648 cents (by 18 cents)
- 4**
-
- 5.6.1 The directors revised the dividend pay-out policy for the current financial year.**
- Calculate the percentage of earnings distributed as dividends for each year to show this change.**
- 2016: 20/23 x 100 = 87% ✓✓
2017: 24/42,3 x 100 = 56,7% (refer 5.4.2)
- 4**

5.6.2

Give ONE reason why the directors took this decision.
 Any ONE valid explanation ✓✓ **part-mark for unclear / incomplete answer**

- They decided to retain funds for future developments in the business.
- They wanted to minimise their cash flow problems / They foresaw that the company bank balance is going into an overdraft.

2

5.6.3

Explain why the shareholders may not be satisfied with the return they earned. Quote a financial indicator or figure(s).
part-mark for unclear / incomplete answer
 Explanation ✓✓ Figure/financial indicator ✓

ROSHE is 7,9% (**see 5.4.3**) is less than what she would receive on an alternative investment. (Fixed deposits offer 8% in 2016 and 9% in 2017).

3

5.7

Apart from the dividends, identify THREE good decisions. Explain the effect of each decision on the company. Quote figures.

GOOD DECISION ✓ ✓ ✓ (with figures ✓ ✓ ✓)	EFFECT ON COMPANY ✓ ✓ ✓ Figures not required
Reducing or paying a large portion of the loan by R550 000 OR: Decreased loan from R1 300 000 to R750 000	Reduced financial risk / Improved the debt equity ratio from 0,4 :1 to 0,2 : 1 see 5.4.1 OR The ROTCE improved from 6,4% to 11,4%; closer to the interest rate of 12% (still negatively geared).
Issue new shares; R1 270 000*	Lightened the cash flow burden Used to reduce the loan
Purchase of fixed assets; R1 308 930 (1 008 940 + 300 000) see 5.1(a)	Leads to capital growth (future productivity) More assets in the company

9

*Also:
Spent R157 500 to repurchase shares (not so significant but would show an improvement to certain financial indicators).

TOTAL MARKS
70

QUESTION 6

6.1.1 Calculate the mark-up percentage on spare parts used in the Projected Income Statement for March 2018.

$$22\,875 \checkmark / 30\,500 \checkmark \times 100 = 75\% \checkmark \text{ one part correct}$$

3

6.1.2 Calculate % decrease in service fee income expected in April 2018.

$$13\,500 \checkmark / 150\,000 \checkmark \times 100 = 9\% \checkmark \text{ one part correct}$$

(150 000 – 136 500) *one mark*

3

6.1.3 Calculate the additional space (in square metres) the business will rent from April 2018.

$$6\,000 / 75 = R80 \checkmark \checkmark$$

$$9\,200 / R80 = 115 \text{ sqm } \checkmark$$

$$\text{Additional space} = 115 - 75 = 40 \text{ square metres } \checkmark \text{ one part correct}$$

OR

3 200 *one mark*

$$\frac{(9\,200 - 6000)}{80} = 40 \text{ sqm one method mark}$$

80 *two marks*

4

6.1.4 Calculate the interest rate on the fixed deposit.

$$\frac{5\,700 - 2\,700}{450\,000 \checkmark} \times 12 \checkmark \times 100 = 8\% \checkmark \text{ one part correct}$$

5

6.2 Comment on the control of stock and explain how Vusi intends to correct this. Quote figures.

Each item $\checkmark \checkmark$ Figures $\checkmark \checkmark$ Comparison figures not essential

Trading stock deficit reduced to R2 000 (was high at R14 000)

Increase in security expenses by R4 200 / from R5 000 to R9 200 / by 84%.

4

6.3.1 **Vusi is thinking of purchasing the business premises rather than renting it. State ONE advantage and ONE disadvantage of this option.**

Advantage ✓✓ **part-mark for unclear / incomplete answer**

- Will not have to pay rent in future.
- Business will acquire a fixed asset. This increases the value of the business.
- Extra space can be rented out to receive additional income.

Disadvantage ✓✓ **part-mark for unclear / incomplete answer**

- Rates on property must be paid.
- Additional maintenance costs will be incurred.
- Large initial cash outlay or an additional monthly instalment, including interest.
- Not easy to relocate quickly
- Costs and time involved in selling a building.

4

6.3.2 **Vusi offers a free delivery service of spare parts to customers, but plans to discontinue this service on 31 March 2018.**

State TWO points to support this decision.

Any TWO relevant points: ✓✓ ✓✓ **part-marks for unclear / incomplete answer**

- Customers will be forced to have the spare parts fitted as part of the service offered by the business.
- The business will be saving on the running cost of the delivery vehicle
- The main line of business is the repairing of vehicles – the sale of spare parts supports this
- The profit on sale of spare parts is considerably lower than the fee income for the repair service.

4

6.3.3 **Calculate the cost of the new vehicle that he plans to purchase on 1 April 2018.**

$$\frac{9\,000 \checkmark \times 12 \checkmark}{0,15 \checkmark \text{ or } 15\%} = R720\,000 \checkmark \text{ **one part correct**}$$

4

6.4.1	<p>Explain whether Water and electricity has been well controlled, or not.</p> <p>Comment on control ✓✓ Figures ✓ Part-mark for unclear / incomplete answer Comparison figures not necessary but may enhance explanation</p> <p>This expense has been well-controlled. If the projected amount of R4 500 considered the increase, it would have been R5 175. Only R5 000 was spent (R175 less than the adjusted projected amount).</p> <p>OR</p> <p>The projected amount (R4 500) has not taken in account the tariff increase of 15% affected on 1 February 2018, which would have led to an adjusted projected amount of R5 175.</p>	3
6.4.2	<p>Explain whether you agree with Vusi's decision not to use the full budget for Advertising.</p> <p>Comment on decision ✓✓ Figures ✓ Part-mark for unclear / incomplete answer Comparison figures not necessary but may enhance explanation</p> <p>The actual amount spent is R2 900 less than the budgeted/projected. / The amount spent (R1 800) is lower than the projected amount (R4 700). This was a poor decision and the full amount should have been used (considering that that mark-up on cost was also adjusted from the projected 65% to 80%).</p> <p>This had a negative effect on fee income (R22 500 less than projected) and sales of spares (R31 500 less than projected)</p>	3
6.4.3	<p>Explain whether Consumable stores have been well controlled, or not.</p> <p>Comparison of fee income and consumable stores ✓✓ Figures ✓✓ Part-mark for unclear / incomplete answer Comparison figures not necessary but may enhance explanation</p> <p>Fee income was less than budgeted by R22 500 (15%) whilst servicing expenses was over the budget by R6 450 (21,5%). An actual decrease in fee income should see a proportional decrease in consumable stores used. This indicates a lack of control.</p>	4
6.4.4	<p>Explain how Vusi's decision about the mark-up percentage on spare parts has affected the business.</p> <p>Comparison of mark-up% and sales ✓✓ Figures ✓✓ Part-mark for unclear / incomplete answer Comparison figures not necessary but may enhance explanation</p> <ul style="list-style-type: none"> • The increase in the mark-up percentage (65% to 80%) negatively impacted in spare-part sales. • Sales was less than projected by R31 500 (R128 700 to R97 200). • Profit on sales was less than projected by R7 500 (R50 700 to R43 200). 	4

TOTAL MARKS
45

TOTAL: 300