



**NATIONAL  
SENIOR CERTIFICATE**

**GRADE 11**

**NOVEMBER 2020**

**ACCOUNTING P2  
MARKING GUIDELINE  
(EXEMPLAR)**

**MARKS: 150**

**MARKING PRINCIPLES:**

1. Penalties for foreign items are applied only if the candidate is not losing marks elsewhere in the question for that item (no foreign item penalty for misplaced items). 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 the answer is 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).
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 before awarding the mark.
10. 'Operation' means 'Check operation'. 'One part correct' means 'Operation and one part correct'.
11. In awarding method marks, ensure that candidates do not get full marks for any item that is incorrect at least in part. In such cases, do not award the method mark. Indicate by way of
12. Be aware that some candidates provide valid alternatives beyond the memorandum.
13. Codes: f = foreign item; p = placement/presentation.

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This marking guideline consists of 9 pages.

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## QUESTION 1: RECONCILIATION

1.1 Indicate whether the following statements are TRUE or FALSE. Write only 'true' or 'false' next to the question number.

1.1.1	False	✓
1.1.2	True	✓

2

1.2

Bank Reconciliation Statement on 31 July 2020:		
	Debit	Credit
Balance as per Bank Statement		3 600 ✓
Late deposit		15 200 ✓
Outstanding cheques:		
No 231	2 020 ✓	
No 235	1 570 ✓	
Correct error deposit	3 800 ✓✓	
Balance as per Bank Account	Balancing figure 11 410 ✓	
	18 800 ✓ for both totals	18 800

-1 Foreign item: Max. 2

8

1.3.1

Although Bramley Traders offers credit terms of 60 days, Lavender Suppliers prefers to settle their account within 30 days during certain months. Provide TWO points to indicate that it is not a good decision.

Any TWO points ✓✓ ✓✓

- Keep money as long as possible in own bank account to earn interest.
- First collect money from debtors to pay creditors.
- If no early payment discount is offered, there is no benefit
- Pay as late as possible, but avoid unnecessary interest charged.

4

1.3.2

	CREDITORS' LEDGER ACCOUNT OF BRAMLEY TRADERS	STATEMENT FROM BRAMLEY TRADERS
	21 130	32 600
A		13 300 - 11 200 + 2 100 ✓✓
B	+ 300 ✓✓	
C	- 500 ✓	
D	(3 035 + 3 035) + 6 070 ✓✓	
E		- 7 000 one mark; -700 one mark- 7 700 ✓✓
	27 000 ✓*	27 000

\* Operation one part correct. Both figures

10

1.4 VAT

1.4.1 Calculate the VAT amount payable/receivable to/from SARS.

142 800 ✓✓	184 680 ✓✓
5 520 ✓	9 240 ✓
2 340 ✓	252 ✓
43 512 <input checked="" type="checkbox"/> Operation one part correct	

OR Choose the line

$$184\ 680 - 142\ 800 + 9\ 240 - 5\ 520 - 2\ 340 + 252 = 43\ 512$$

$$- 184\ 680 + 142\ 800 - 9\ 240 + 5\ 520 + 2\ 340 - 252 = 43\ 512$$

9

1.4.2 The internal auditor discovered that two large credit sales transactions for R598 000 during August 2020 were not recorded in the respective journal. The owner insists that these will be recorded during September, due to current cash flow problems.

Give ONE reason why the auditor would not be satisfied with this explanation.

Unethical. ✓ He should not go along with the owner's request. They make use of the invoice basis to record VAT, so it has to be recorded and paid. ✓

2

TOTAL MARKS:	35	
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**QUESTION 2: MANUFACTURING AND COST ACCOUNTING****2.1 MANUFACTURING**

## 2.1.1

**GENERAL LEDGER OF CHAMPION MANUFACTURERS  
RAW MATERIALS STOCK**

2019 Mar	01	Balance	107 000 ✓	2020 Feb	29	Creditors' control ✓	16 000 ✓	
2020 Feb	29	Bank ✓ (250 000 + 15 400) 1 mark each	265 400 ✓✓✓			Raw Material Issued/ ✓ Work in process	428 900 ✓ <input checked="" type="checkbox"/>	Balancing figure
		Creditors' control ✓	158 000 ✓			Balance	85 500 ✓	
			530 400				530 400	
2020 Mar	01	Balance	85 500 ✓					<b>14</b>

**WORK-IN-PROCESS**

2019 Mar	01	Balance	25 800 ✓	2020 Feb	29	Finished Goods Stock ✓	800 000 ✓ <input checked="" type="checkbox"/>	Balancing figure
2020 Feb	29	Direct Labour Cost ✓	214 749 ✓			Balance	86 414 ✓	
		Direct Materials Cost /Raw material stock ✓	428 900 <input checked="" type="checkbox"/>					
		Factory Overhead Cost ✓	216 965 ✓					
			886 414				886 414	
2020 Mar	01	Balance	86 414 ✓					<b>12</b>

**FINISHED GOODS STOCK**

2019 Mar	01	Balance	126 400 ✓	2020 Feb	29	Cost of sales ✓	901 000 ✓ <input checked="" type="checkbox"/>	Balancing figure
2020 Feb	29	Work-in-process stock ✓	800 000 <input checked="" type="checkbox"/>			Balance	25 400 ✓	
			926 400				26 400	<b>8</b>
2020 Mar	01	Balance	25 400 ✓					

## 2.1.2

**Calculate the gross profit for the year.**

$$R1\ 520\ 000\ \checkmark - R901\ 000\ \checkmark = R619\ 000\ \checkmark$$

**3**

2.1.3 Calculate the mark-up percentage.

$$\frac{619\,000}{901\,000} \times \frac{100}{1} = 68,7\%$$

4

2.2 COST ACCOUNTING

2.2.1 Three fixed costs

- Salary foreman ✓
- Factory Rent ✓
- Salary of the Accountant ✓

3

2.2.2 Calculate the break-even value of Jellytot Manufacturers.

$$\frac{R945\,000}{R160 - R115}$$

$$\frac{R945\,000}{R45}$$

$$= 21\,000 \text{ units}$$

4

2.2.3 In your opinion should Jellytot Manufacturers change to a cheaper supplier? Give TWO reasons for your answer.

Yes/No ✓

Reason ✓ ✓ ✓ ✓

No

- Lose goodwill
- Poor quality of material
- Customers will go elsewhere – less profit
- Eventually cheaper quality and cheaper price

Yes

- Emphasis is on profit
- A demand can be created; then the business should be able to supply it.

5

TOTAL MARKS	53	
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**QUESTION 3: BUDGETING**

3.1 **Explain the importance of comparing budgeted figures with actual figures achieved for the same period.**

One valid explanation ✓✓

Deviations can be determined and remedial measures will be put in place.  
Establish whether the budgeting was realistic.  
Identify trends of mismanagement of cash.

2

3.2 **Calculate the missing amounts (indicated by a, b and c) in the Debtors' Collection Schedule for the budgeted period March to May 2020.**

<b>a</b>	6 048 ✓✓
<b>b</b>	5 320 ✓
<b>c</b>	15 750 ✓

4

3.3.1 **Calculate the budgeted total sales for March 2020.**

$10\,500 \times 100/20 = 52\,500$  ✓✓

2

3.3.2 **Calculate the amount budgeted for payments to creditors during May 2020.**

40 000  
 $70\,000 \checkmark \times 100/175 \checkmark \times 70\% \checkmark = 28\,000$   any one part correct  
**OR**  
 $12\,000/30 \times 70 = 28\,000$   
 1 mark 1 mark 1 mark 1 w/w mark

4

3.3.3 **Calculate the budgeted salaries of the shop assistants for April 2020.**

$102\,000/12 = 8\,500$   
 $8\,500 \times 3 = 25\,500$   
 $15\,300 \times 9 = 137\,700$   
 $25\,500 \checkmark + 137\,700 \checkmark \checkmark = 163\,200$   any one part correct  
**OR**  
 $102\,000$  one mark +  $61\,200$  two marks =  $163\,200$  1 w/w mark  
 (102 000 X 80% X 9/12)  
 one mark one mark

4

3.3.4 Calculate the % increase in the salary of the manager expected in May 2020.

3 200 (1 mark)  
(19 200 – 16 000) ✓ / 16 000 ✓ = 20% ✓ any one part correct

3

3.3.5 Calculate the amount of the additional loan expected to be acquired on 1 April 2020.

875 ✓ x (100 x 12) ✓ / 14 ✓ = 75 000 ✓ any one part correct

OR

7 175 X 100/14 X 12 = 615 000 two marks

6 300 X 100/14 X 12 = 540 000 one mark  
75 000 one w/w mark

4

3.4 An official of the local municipality has offered to recommend Peter Pan Stationers to supply stationery to the value of R500 000. However, he will only do this if Vuyo pays him R20 000 in cash. Give Vuyo advice in this regard. State TWO points.

Any two suggestions ✓✓ ✓✓

- This is a bribe which is unethical and illegal.
- If this information is made public, it will have a negative effect on the business in the future.
- Vuyo must tender formally to the municipality to secure the contract through the normal processes.

4

3.5

Identify **THREE** over-payments in April 2020, apart from vehicle expenses. Provide figures to support your answer. Provide a valid reason for each over-payment to support Vuyo's decisions.

	Over-payment with figures Item and figure ✓ ✓ ✓	Valid reason ✓ ✓ ✓
1	Cash purchase of merchandise (R28 000) was significantly higher than the budgeted figure (R12 000)	Possibly to take advantage of bulk discounts on purchases.
2	The bonus of the manager (R24 000)	He has retained the services of a valuable employee.
3	Purchase of vehicle (R180 000)	The difference between motor vehicle expenses and delivery expenses is R5 200 per month

6

Explain how this difference of opinion with his wife can be avoided in future.

As they are jointly running the business, they should have specific meetings to determine the budget jointly. Vuyo should consult his wife before spending on unbudgeted items. ✓✓

2

State **TWO** other strategies that Vuyo and his wife could consider in future to improve the results of the business.

Any two valid points: ✓ ✓

- Advertise monthly
- Reduce the number of shop assistants
- Reinstate deliveries to customers
- Negotiate longer credit terms with creditors

2

TOTAL MARKS:

37

QUESTION 4: FIXED ASSETS AND INTERNAL CONTROL

4.1

**What is a Fixed Assets Register?**

Any valid explanation ✓✓

A Fixed Asset Register is a book in which all the assets owned by a business is recorded.

2

4.2

**Calculate the depreciation on equipment for the year.**

New equipment: 90 000 x 20% x 3/12 R4 500 ✓✓

Equipment sold: 60 000 ✓ – 42 000 ✓ = 18 000 x 20% x 9/12 ✓  
R2 700 ✓

Old equipment: 555 000 ✓ – 138 000 ✓ = 417 000 x 20% R83 400 ✓

Total: R90 600 ✓

10

4.3

**Asset Disposal**

2020 Dec 1	Equipment ✓	60 000 ✓	2020 Dec 1	Acc dep on equipment ✓ (42 000 ✓ + 2 700 ✓) see 4.2	44 700 ✓
	Profit on sale of equipment ✓	6 700 ✓		Creditors' control ✓	✓ 22 000
		66 700			66 700

10

4.4

**The owner is concerned about the internal control over the fixed assets of the business. Suggest THREE internal control measures that could be implemented.**

Three valid suggestions ✓ ✓ ✓

- Ensure that all fixed assets are safely stored (security)
- Ensure that proper authorisation procedures are in place
- Do regular physical checks against the fixed asset register

3

TOTAL MARKS:	25	
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TOTAL: 150