



basic education

Department:
Basic Education
REPUBLIC OF SOUTH AFRICA



SENIOR CERTIFICATE EXAMINATIONS/ NATIONAL SENIOR CERTIFICATE EXAMINATIONS

ACCOUNTING P2

MARKING GUIDELINES

2021

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 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.
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. Note that one comment could contain different aspects.
14. Codes: f = foreign item; p = placement/presentation.

These marking guidelines consist of 9 pages.

QUESTION 1

1.1 VALUE-ADDED TAX (VAT)

1.1.1 Explain why the government implemented VAT in South Africa. State ONE point.

Any suitable explanation ✓✓

Part marks for incomplete/ unclear answer.

- Additional source of revenue for the government.
- To fund infrastructure/ plans of the government.
- To provide for basic services for the communities

2

Explain why some products are zero-rated products. State ONE point.

Any suitable explanation ✓✓

Part marks for incomplete/ unclear answer.

- To make basic necessities affordable to indigent/ poor communities

2

1.1.2 Calculate the amount payable to SARS in respect of VAT for the two months ended 30 April 2021.

✓ ✓✓ ✓✓ ✓ ✓✓ ✓ ✓ one part correct
 $9\,450 + 61\,800 - 34\,500 - 1\,890 - 2\,520 + 1\,140 + 1\,380 = 34\,860$ ✓

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1.2.1 CREDITORS' RECONCILIATION

	Creditors' Ledger Account of PN Suppliers in the books of Khaya Stores	Statement of Account from PN Suppliers
Balance	101 000	85 380
(i)	– 8 000 ✓✓	
(ii)		– 1 200 ✓✓
(iii)	+ 1 140 ✓	
(iv)	– 6 100 ✓	
(v)		– 1 180 ✓✓
(vi)		– 2 660 ✓✓
(vii)		+ 7 700 ✓
	88 040 ✓*	88 040

*Inspect / for both totals

12

1.2.2 State TWO benefits of using electronic funds transfers (EFTs) for payments to creditors.

Any TWO points ✓ ✓

Fast/convenient/safe/cheaper/can operate outside business hours

2

The internal auditor feels that this incident of fraud should never have occurred in this business.

Explain why he feels this way.

ONE valid point ✓✓

part marks for incomplete/impartial answers

Expected responses:

- The accountant is a senior person in the business who should be adopting a responsible and professional approach to his job – he is obviously not trustworthy.
- This was a deliberate action to defraud the business which is not expected from a person of his professional standing.
- The owner should have been aware of the potential for fraud of this nature and should have systems in place to prevent this.

2

Explain how this could have been prevented. State TWO points.

Any TWO points ✓✓ ✓✓

part marks for incomplete/impartial answers

- Could have appointed two people to authorise each EFT payment/division of duties so that one person serves as a check on another
- Screen suppliers properly to ensure that they are reliable and credible organisations
- Do character checks on newly appointed employees as references for ethical conduct from their previous employers

4

TOTAL MARKS

35



QUESTION 2

2.1

2.1.1	E ✓
2.1.2	A ✓
2.1.3	B ✓



3

2.2 MEISIES OUTFITTERS

2.2.1 FACTORY OVERHEAD COST NOTE

Factory rent 122 400 x 320/1280	30 600 ✓✓
Water and electricity 81 600 x 15%	12 240 ✓✓
Insurance 20 720 x 12/14 x 1/3	5 920 ✓✓*
Indirect labour + 23 760	23 760 ✓✓✓
Salary of dressmaking supervisor	76 960
Depreciation on machines	30 300
Sundry factory expenses	10 670
TOTAL	190 450 ✓*

10

2.2.2 Calculate the total cost of production of school dresses produced.

WORKINGS	ANSWER
$ \begin{array}{ccc} \checkmark & \checkmark & \checkmark \\ 475\,600 + 535\,450 + 190\,450 \end{array} $	$1\,201\,500 \checkmark$ one part correct

4

2.2.3 Minnie is concerned about wastage of fabric in the dressmaking section. Calculate the cost of this wastage to the business.

WORKINGS	ANSWER
$ \begin{array}{ccc} \checkmark & \checkmark\checkmark \\ (29\,000 - 28\,400) \\ 520 \times R16,40 \checkmark \end{array} $	$R8\,528 \checkmark$ one part correct

5

2.2.4 The internal auditor expressed concern about the direct labour cost for the school dresses.

Explain the problem that is of concern to the auditor. Quote figures.

Explanation ✓ figures ✓✓

Normal hours worked is less than expected. $1\ 840 - 1\ 250 = 590$ hours less

Overtime hours is a large % of production time; 36,5%

The business pays more on overtime than on normal time; R9 200 more

3

State TWO possible causes of this problem.

TWO reasons ✓ ✓

Interruptions due to load-shedding/lockdown/strikes

Period of high demand (opening of schools/each term) and slow periods

Poor supervision during normal time

Authorizing overtime/exploiting overtime (due to higher rate)

2

2.2.5 Provide a calculation to confirm that the break-even point for the current financial year is 17 000 units.

WORKINGS	ANSWER
$\frac{229\ 500 \checkmark}{75,00 - 61,50}$ $13,50 \checkmark \checkmark$	17 000 units

3

2.2.6 Comment on the level of production achieved and the break-even point calculated above. Quote figures.

Comment (comparing production to BEP) ✓ figures ✓

The business has produced 800 units more than the BEP.

Although the business is making a profit on 800 units above the BEP, profitability is low considering the wastage of material and time lost in production.

2

2.2.6 Calculate the extra profit that would be earned if an additional 500 dresses are made and sold. Assume that all costs are unchanged.

WORKINGS	ANSWER
$500 \times R13,50$	R5 750✓

TOTAL MARKS

35

QUESTION 3

3.1

NO.	CASH BUDGET FOR JULY		PROJECTED INCOME STATEMENT FOR JULY	
	RECEIPT	PAYMENT	INCOME	EXPENSE
e.g.		4 200		4 200
3.1.1		6 000 ✓		4 000 ✓
3.1.2	300 ✓	45 000 ✓	300 <input checked="" type="checkbox"/> *	
3.1.3	23 200 ✓		23 200 ✓	16 000 ✓

8

*Same amount as in receipt

3.2 ANOKHI (PTY) LTD

3.2.1 CREDITORS' PAYMENT SCHEDULE

	CREDIT PURCHASES	MAY 2021	JUNE 2021	JULY 2021
March 2021	164 500	16 450		
April 2021	170 800	85 400	17 080	
May 2021	171 500	65 170	85 750	17 150 ✓✓
June 2021	178 500		67 830	89 250 ✓✓
July 2021	182 000 ✓✓			69 160 ✓✓
Payment to creditors		167 020	170 660	175 560 <input checked="" type="checkbox"/> *

9

*one part correct

3.2.2 Calculate:

WORKINGS	ANSWER
(a) Rent income in July 2021 $15\,500 \times 109\%$ <div>2</div>	16 895 ✓✓
(b) Amount of the loan $\frac{3\,150 \checkmark \times 12 \checkmark}{13,5\% \checkmark}$ <div>4</div>	280 000 <input checked="" type="checkbox"/> one part correct
(c) Salaries of sales assistants $(8\,200 \times 3) \times 75\% \quad 8\,200 \times 50\%$ $41\,000 \checkmark + 18\,450 \checkmark \checkmark + 4\,100 \checkmark \checkmark$ <div>6</div>	63 550 <input checked="" type="checkbox"/> one part correct
(d) Directors' fees $(98\,880 - 60\,000)$ $(38\,880 \times 100/108)$ $36\,000 \checkmark \checkmark$ $720\,000/12$ $+ 60\,000 \checkmark$ <div>4</div>	96 000 <input checked="" type="checkbox"/> one part correct

16

3.2.3 Comment on the effectiveness of the advertising. Quote figures.

Advertising was not effective. ✓
 Although the same amount as budgeted was used, sales decreased by 20% ✓

3

Comment on the control over delivery expenses. Quote figures.

Delivery expenses not well controlled. ✓
 Delivery expenses dropped only by 10,7% while sales dropped by 20%. ✓

3

3.2.4 State TWO benefits of this decision.

TWO valid points ✓ ✓



The business will own an asset (increase in value of assets)
 Deliveries can be made at the convenience of the business
 Can be used to generate other income by outsourcing the vehicle

2

Apart from the items reflected in the Budget (Information F), list FOUR other items that Kayla should include in the budget.

Any FOUR items from the list ✓ ✓ ✓ ✓

Insurance/petrol and fuel/additional driver/maintenance/repairs/instalment payments and interest.

4

TOTAL MARKS

45

QUESTION 4

4.1

4.1.1	FIFO ✓
4.1.2	Periodic ✓
4.1.3	Weighted average ✓
4.1.4	Perpetual ✓

4

4.2.1

Calculate: Value of the closing stock	
WORKINGS	ANSWER
$ \begin{array}{rcl} 320 - 20 & 170 + 15 & \\ 300 \times 185 & = 55\,500 \checkmark \checkmark \text{ OR } (59\,200 - 3\,700) & \\ 80 \times 173 \text{ (160 + 13)} & = 13\,840 \checkmark \checkmark & \end{array} $	69 340 ✓
Calculate: Cost of sales	
WORKINGS	ANSWER
$ \begin{array}{rcl} & 336\,870 \text{ three marks} & \\ (68\,120 \checkmark + 272\,450 \checkmark - 3\,700 \checkmark) & - 69\,340 \checkmark & \end{array} $	267 530 ✓ one part correct

5

5

4.2.2

Calculate the average stockholding period (in days).	
WORKINGS	ANSWER
$ \begin{array}{rcl} & 68\,730 & \text{OR} \\ \frac{1}{2} \checkmark (68\,120 \checkmark + 69\,340 \checkmark) & \times 365 & \frac{400}{1\,590} \times 365 \\ 267\,530 \checkmark & & 92,6 \text{ days} \end{array} $	93,8 days ✓ If x 365
Explain whether Gwen should be satisfied with this figure, or not. State TWO points. NOTE: The average stock turnover rate on 29 February 2020 was 52 days.	
Any TWO points ✓✓ ✓✓ <ul style="list-style-type: none"> The stockholding period has increased from 52 days to 93,8 days / Stock is not moving as fast as she expects. Possibility of bags becoming out-dated / out of fashion Occupying storage space Too much capital tied up in stock 	

5

4

4.3 PROBLEM-SOLVING

	PROBLEM FOR 2021 (with figures)	ADVICE
JACKETS Two valid problems with figures ✓✓ ✓✓	Too much stock on hand (615 units); Increased by 208 units OR Drop in stock turnover rate 1,9 to 0.9	Reduce mark-up to increase sales Increase advertising Order according to sales
	Valid solutions ✓ ✓	Items stolen (42) Put security tags on products Physical inspection Cameras
JERSEYS Any TWO problems with figures ✓✓ ✓✓	Decrease in units sold (340)	Increase advertising Keep selling price the same to increase sales
	Cash stolen R50 000	Division of duties Use EFTs Request sms for deposits Reconcile deposits with items sold
Valid solutions ✓ ✓	High returns from customers (78 to 90)	Effect stricter return policy Improve quality to reduce returns

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TOTAL MARKS	35
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