



Hillcrest High School

Grade 11

ACCOUNTING P2 NOVEMBER 2025

MARKS: 150

EXAMINER: Mrs J. Chabant

TIME: 2 Hours

MODERATOR: Mrs C. Edy

This paper consists of 13 pages and a formula sheet.

INSTRUCTIONS AND INFORMATION

Please read and follow the following instructions carefully.

1. Answer ALL the questions.
2. A special ANSWER BOOK is provided in which ALL the questions can be answered.
3. Show ALL OPERATIONS to earn share points.
4. You may use a non-programmable calculator.
5. You may use a dark pencil or blue/black ink to answer the questions.
6. Where applicable, show all calculations to ONE decimal point.
7. Write neatly and legibly.
8. If you choose to do so, you can use the financial indicator formula sheet attached to the end of this paper. The use of this formula sheet is not mandatory.
9. Use the information in the table below as a guide when answering the paper. Try NOT to deviate from it.

INSTRUCTIONS AND INFORMATION:

| QUESTION | TOPIC | MARKS | TIME GUIDE |
|--------------|---|-------|------------|
| 1 | Reconciliations and VAT | 38 | 30 |
| 2 | Fixed Assets | 25 | 20 |
| 3 | Manufacturing, Inventory Systems and Internal Control | 46 | 40 |
| 4 | Budgeting | 41 | 30 |
| TOTAL | | 150 | 120 |

QUESTION 1: RECONCILIATIONS AND VAT**(38 marks; 30 minutes)**

- 1.1 Choose ONE term from the list below which matches the given descriptions best. Write only the term of your choice next to the number (1.1.1–1.1.3) in your ANSWER BOOK.

| |
|--|
| Interest on Current Account, Debit Order, Bank Charges, Interest on Bank Overdraft, EFT |
|--|

- 1.1.1 A direct payment made monthly by the bank on behalf of the account holder to a third party. (1)
- 1.1.2 Costs directly deducted by the bank from the bank account of the business, for the usage of the bank's money. (1)
- 1.1.3 An instruction by the account holder to the bank to make a one-time payment to a third party. (1)

1.2 **MAGUBANE WHOLESALERS**

The information appeared in the books of Magubane Wholesalers for September 2025. They make use of the official bank statement received from ABSA Bank on the 26th of every month.

REQUIRED:

- 1.2.1 Use the information provided to complete the Cash Receipts- and Cash Payments Journals for September 2025. (22)
- 1.2.2 Prepare the Bank Reconciliation Statement on 30 September 2025. (8)

INFORMATION:

- A** The following is taken from the Bank Reconciliation Statement on 31 August 2025:

| | Debit | Credit |
|-------------------------------------|--------|--------|
| Balance according to bank statement | 18 381 | |
| Outstanding deposit (30/08/2025) | | 35 000 |
| Outstanding deposit (25/08/2025) | | 29 600 |
| Outstanding EFT's: | | |
| 527 | 4 800 | |
| 535 | 8 900 | |
| 556 | 9 876 | |
| Balance according to bank account | ? | |

B The cash journals showed the following totals on 30 September 2025:

| CASH RECEIPTS JOURNAL | CASH PAYMENTS JOURNAL |
|-----------------------|-----------------------|
| R66 800 | R53 750 |

C A comparison between the Bank Reconciliation Statement on 30 August 2025 and the September 2025 Bank Statement, received from ABSA Bank, revealed the following differences:

- (i) The outstanding deposit of R35 000 appeared on the September 2025 Bank Statement.
- (ii) The outstanding deposit on 25 August 2025 was reflected by the bank as R26 900. The internal auditor investigated and confirmed that the bookkeeper had made an error in recording the Sales transaction. Magubane Wholesalers must still correct the error.
- (iii) EFT 527 and 535 were paid by the bank during September 2025.
- (iv) EFT 556 was shown correctly on the Bank Statement as R6 789, issued in favour of Thabo Stores in settlement of the account. The error must still be corrected.

D The Bank Statement from ABSA Bank for September 2025 showed the following entries that did not appear in the September cash journals:

- (i) An EFT payment in favour of Capitec Bank in payment of the monthly loan instalment, R4 120, including R120 interest.
- (ii) A debtor, P. Windsor, deposited R6 500 directly into the bank account of Magubane Wholesalers in settlement of his account of R6 750.
- (iii) Transactions according to the Bank Statement:
 - Cash handling fees R98
 - Credit card charges R56
 - Interest credited R206
 - Debit order of R6 800 in favour of Outsurance Insurance: R4 000 for the business's insurance and the remainder for the owner's private residence.
- (iv) The Bank Statement showed a direct deposit of R12 000 from a tenant, Eugène Stores. The bank has been informed that Magubane Wholesalers does not have such a tenant, and the bank will rectify this on the October 2025 bank statement.

E Additional Information:

- (i) EFTs not reflected on the September 2025 bank statement:
No. 743 for R5 258
No. 744 for R6 330
- (ii) Outstanding deposit: (30/09/2025) R19 700
- (iii) The bank statement showed a favourable balance of R35 600 on 30 September 2025.

1.3 MOFFATT TRADERS

Moffatt Traders is a VAT-registered business. The standard VAT rate of 15% applies.

REQUIRED:

Calculate the figures indicated by **(a)** to **(c)** in the table below. (5)

INFORMATION:

| | VAT EXCLUDED | VAT AMOUNT | VAT INCLUDED |
|-----------------------|-------------------------|-----------------------|-------------------------|
| Cash sales | 8 500 | 1 275 | (a) |
| Cash Purchases: Stock | (b) | | 28 980 |
| Discount Allowed | | (c) | 5 175 |

QUESTION 2: NOTE FOR FIXED ASSET AND ASSET DISPOSAL**(25 marks; 20 minutes)**

The following information relates to Alfa Rides owning three minibuses used by their workers to commute daily. The financial year ended on 28 February 2025.

REQUIRED:

- 2.1 Provide TWO reasons why it is essential for a business to keep its fixed asset register up to date. (2)
- 2.2 Prepare the Asset Disposal account on 1 May 2024, in the General Ledger of the business. (9)
- 2.3 Calculate the missing amounts shown by (a) to (e) on the note provided. (14)

INFORMATION:**A. Fixed assets:**

| | Land and buildings | Vehicles | Equipment |
|-----------------------------|--------------------|-----------|-----------|
| Carrying value (1/03/2024) | (a) | (b) | 351 500 |
| Cost | | 550 000 | 489 000 |
| Accumulated depreciation | | (283 750) | (137 500) |
| Movement: | | | |
| Additions | 715 000 | 726 000 | 50 000 |
| Asset Disposal | 0 | 0 | (e) |
| Depreciation | | (c) | |
| Carrying value (28/02/2025) | 5 335 000 | | |
| Cost | | (d) | 357 500 |
| Accumulated depreciation | | | |

ADDITIONAL INFORMATION

(i) Extract from the vehicle register:

| | Minibus 1 | Minibus 2 | Minibus 3 |
|--------------------------------------|------------------|------------------|------------------|
| Date of purchase: | 1/9/2019 | 30/11/2022 | 01/01/2025 |
| Purchase Price: | R225 000 | R325 000 | R726 000 |
| Accumulated depreciation 1/3/2024 | R202 500 | R81 250 | R0 |

(ii) New equipment purchased on credit at a cost price of R50 000 on 28 February 2025.

(iii) Equipment with a cost price of R? was sold on credit on 1 May 2024 for R150 000.

The equipment was purchased on 1 July 2022. The accumulated depreciation on the equipment on 1 March 2024 amounted to R29 040.

(iv) Depreciation:

- Vehicles: 20% p.a. on the cost price method
- Equipment: 10% on the diminishing balance method

QUESTION 3: MANUFACTURING, INVENTORY SYSTEMS AND INTERNAL CONTROL (46 marks; 40 minutes)

- 3.1 Match the description in COLUMN B to the concept in COLUMN A. Write down only the letter (A–D) next to the question number (3.1.1 – 3.1.3) in the ANSWER BOOK. (3)

| | COLUMN A | | COLUMN B |
|-------|-----------------------------|---|---|
| 3.1.1 | Indirect labour costs | A | Wages in the production process |
| 3.1.2 | Direct labour costs | B | Bad debts |
| 3.1.3 | Sales and Distribution Cost | C | Pension fund contribution in favour of the bookkeeper |
| | | D | Salary of Factory Foreman |

3.2 **BEGA MANUFACTURERS**

The business manufactures Matric Dance Dresses. The financial year ended on 28 February 2025. The business maintains a 100% mark-up on cost price.

REQUIRED:

- 3.2.1 **Refer to Information C.**
Calculate the direct labour cost for the financial year: (6)
- 3.2.2 Prepare the following accounts: (7)
- Raw Material stock account (7)
 - Work-in-Process stock account (7)

INFORMATION:

- A. Stock balances:

| | 28 FEBRUARY 2025 R | 1 MARCH 2024 R |
|--------------------|--------------------------|----------------------|
| Raw material stock | 53 400 | 37 600 |
| Work-in-process | 34 470 | 44 234 |

B. **Transactions for the year:**

- (i) Cash purchases of raw materials during the year, R211 000.
- (ii) Raw materials purchased on credit during the year, R224 100.
- (iii) Damaged raw materials were returned to the creditors. R19 700.
- (iv) Carriage on purchases of raw materials, R45 700 paid.
- (v) Total Factory overhead for the year, R?.

C. **Direct labour:**

| | |
|---|-----------------------|
| Number of Workers | 8 |
| Normal hours worked (basic) | 1 650 per worker |
| Normal Time Rate | R60 per hour |
| Total hours of overtime for all workers | 650 hours |
| Bonuses to workers | 10% of normal wages |
| Overtime rate | 1,5 times normal time |

D. Total sales for the year amounted to R4 230 000.

E. The business manufactures only on order. There were no finished products at the beginning and end of the year.

3.3 **BLOSSOM BLUE**

Sarah Blue, the owner of the business needs help to analyse and interpret the levels of production and sales for the year.

The financial year ended on 31 October 2025.

REQUIRED:

3.3.1 Calculate the break-even point for the year ended 31 October 2025. (4)

3.3.2 Explain whether Sarah should be satisfied with the level of production for the financial year. Quote figures. (2)

INFORMATION:

| | 31 October 2025 | | 31 October 2024 |
|------------------------------|-----------------|--------------------|-----------------|
| | TOTAL R | UNIT PRICE R | |
| Total variable costs | 510 000 | 170 | |
| Direct material costs | 228 000 | 76 | |
| Direct labour costs | 192 000 | 64 | |
| Selling & Distribution Costs | 90 000 | 30 | |
| Total fixed costs | 180 000 | 60 | |
| Factory Overhead | 132 000 | 44 | |
| Administration costs | 48 000 | 16 | |
| Sales | 750 000 | 250 | |
| Units manufactured and sold | 3 000 | | 2 800 |
| Break-even point | ? | | 2 500 Units |

3.4 INVENTORY

KNIGHT TRADERS

Knight Traders make use of a periodic inventory system and the financial year ended on 28 February 2025. The profit mark-up of 100% on cost price is maintained.

REQUIRED:

- 3.4.1 Calculate the cost of sales on 28 February 2025. (6)
- 3.4.2 Calculate gross profit for the year ended 28 February 2025. (2)

INFORMATION:

A. Extract from the Trial Balance on 28 February 2025:

| | |
|------------------------------|-----------|
| Opening stock (1 March 2024) | 360 000 |
| Total Sales | 1 550 000 |
| Total purchases | 750 000 |
| Debtors Allowance | 42 200 |
| Carriage on purchases | 35 500 |
| Carriage on sales | 48 000 |

- B. Stock of R3 200 was donated to a local school.
- C. Knight Traders returned trading stock to the value of R11 900, to the supplier, which was not according to order.
- D. Received the February 2025 account from Speedy Deliverers, for supplies delivered to Knight Traders, this was not recorded, R8 500.
- E. Physical stock count on 28 February 2025 showed stock to a value of R385 000 on hand.

3.5 INTERNAL CONTROL

Geeks Computers sells one brand of computer. The owner, Terry Smith has three branches in different shopping centres.

Although the business is making a profit, Terry is concerned about the profitability of each branch. She investigated and presented the information below, for August 2025. (one month)

REQUIRED:

Identify ONE different problem in relation to each branch. Quote relevant figures to support your answer. In each case, offer Terry advice on how to solve the problem.

INFORMATION:

- The shops are open 7 days a week.
- Normal time is from 8:30 to 16:30, Mondays to Fridays (160 hours per month).
- Overtime is from 16:30 to 18:30 Mondays to Fridays and 9:30 to 12:30 on weekends (56 hours per month)
- Overtime salary rate is 1,5 times the normal rate.

| INFORMATION | LA LUCIA MALL | PAVILLION MALL | GALLERIA MALL |
|---------------------------------|----------------|----------------|----------------|
| Salesperson (age) | Jen (42 years) | Ben (27 years) | Ozz (62 years) |
| Stock on hand – 1 Aug 2025 | 50 units | 50 units | 50 units |
| Selling price per computer | R4 200 | R4 200 | R4 200 |
| Computers sold (before returns) | 42 | 36 | 22 |
| Returns by customers | 5 | 12 | 1 |
| Credit sales | R54 600 | R88 200 | R21 000 |
| Deposits from cash sales | R79 800 | R12 600 | R67 200 |
| Hours worked (normal time) | 154 hours | 117 hours | 102 hours |
| Overtime hours | 20 hours | 52 hours | 2 hours |
| Rent expense (per month) | R6 000 | R8 000 | R5 500 |

46

QUESTION 4: BUDGETING AND INTERNAL CONTROL (41 marks; 30 minutes)**4.1 CONCEPTS**

- 4.1.1 Explain the main purpose for preparing a Cash Budget. (1)
- 4.1.2 Name TWO items in a Cash Budget that cannot appear on a Projected Statement of Comprehensive Income. (2)
- 4.1.3 Name TWO items on a Projected Statement of Comprehensive Income that cannot appear in a Cash Budget. (2)

- 4.2** You are provided with an extract from the Cash Budget of Ramsout Traders for the three-month period ending 31 December 2025. The owner is Sky Ramsout.

REQUIRED:

- 4.2.1 Complete the Debtors' Collection Schedule for October to December 2025. (11)
- 4.2.2 Calculate the missing amounts in the Cash Budget indicated by (i – vii). Refer to information A to H below. (25)

INFORMATION:**A. TOTAL SALES:**

| August 2025 | September 2025 | October 2025 | November 2025 | December 2025 |
|------------------------|---------------------------|-------------------------|--------------------------|--------------------------|
| R770 000 | R830 000 | R880 000 | R800 000 | R740 000 |

- 60% of sales are expected to be on credit and the rest cash
- Sales are subject to 60% profit mark-up on the cost price

B. Expected collections from debtors:

- 20% during the month of sales and receive 5% discount.
- 60% in the month following the transaction month.
- 15% in the second month following the transaction month.
- 5% is written off in as uncollectible in the third month.

C. Replacement of stock:

- A fixed base stock is maintained
- 20% of all purchases are cash and the rest on credit.
- Creditors are paid in full one month after purchases

D. **Extract from the Cash Budget:**

| | October 2025 | November 2025 | December 2025 |
|------------------------------|-----------------|------------------|------------------|
| RECEIPTS | | | |
| Cash sales | 352 000 | 320 000 | (i) |
| Receipts from debtors | 468 420 | | |
| Loan from FN Bank (12% p.a.) | (iv) | | |
| PAYMENTS | | | |
| Cash purchases | 110 000 | (ii) | |
| Payments to creditors | 415 000 | (iii) | |
| Repayment of loan | 48 000 | 48 000 | 48 000 |
| Interest on loans | 4 800 | 4 320 | (v) |
| Wages | 50 000 | 32 000 | (vi) |
| Advertising | (vii) | | 5 415 |
| | | | |

E. **Loan and interest on loan:**

The bank will transfer the loan by direct deposit on 1 October 2025. Interest on loan and the monthly repayments of the loan are payable at the end of each month, starting 31 October 2025. Interest is not capitalized.

F. **Wages:**

- In October, the company will have five employees who each earn R2 000 wages per week.
- All their employees are paid on Fridays. There are five Fridays in October and four Fridays in November and December 2025.
- One employee will resign on 31 October 2025, and the remaining employees will receive a 6% raise starting 1 December 2025.
- The business plans to hire three additional casual workers at the same weekly wage, without the raise, starting 1 December 2025.

G. **Advertising:**

The budgeted amount for advertising must be decreased by 5% per month.

| GRADE 11 ACCOUNTING FINANCIAL INDICATOR FORMULA SHEET | | |
|---|---|---|
| $\frac{\text{Gross profit}}{\text{Sales}} \times \frac{100}{1}$ | $\frac{\text{Gross profit}}{\text{Cost of sales}} \times \frac{100}{1}$ | $\frac{\text{Net profit}}{\text{Sales}} \times \frac{100}{1}$ |
| $\frac{\text{Operating expenses}}{\text{Sales}} \times \frac{100}{1}$ | $\frac{\text{Operating profit}}{\text{Sales}} \times \frac{100}{1}$ | |
| $\frac{\text{Total earnings by partner}}{\text{Partner's average equity}} \times \frac{100}{1}$ | $\frac{\text{Net profit}}{\text{Average owners' equity}} \times \frac{100}{1}$ | |
| Current assets : Current liabilities | (Current assets – Inventories) : Current liabilities | |
| (Trade and other receivables + Cash and cash equivalents) : Current liabilities | | |
| $\frac{\text{Average debtors'}}{\text{Credit sales}} \times \frac{365}{1}$ | $\frac{\text{Average creditors}}{\text{Credit purchases}} \times \frac{365}{1}$ | |
| $\frac{\text{Average inventories}}{\text{Cost of sales}} \times \frac{365}{1}$ or $\frac{12}{1}$ | $\frac{\text{Cost of sales}}{\text{Average inventories}}$ | |
| Non-current liabilities: Owners' equity | Total assets: Total liabilities | |
| $\frac{\text{Total fixed costs}}{\text{Selling price per unit} - \text{Variable costs per unit}}$ | | |



HILLCREST HIGH SCHOOL

Grade 11

ACCOUNTING PAPER 2 NOVEMBER 2025

Name: _____

Teacher: _____ Grade 11 _____

| TOTAL | | MARK | SCHOOL MOD. | CLUSTER MOD. |
|---------------|----|------------|----------------|-----------------|
| Q1 | 38 | | | |
| Q2 | 25 | | | |
| Q3 | 46 | | | |
| Q4 | 41 | | | |
| TOTAL: | | 150 | 150 | 150 |
| % | | % | % | % |
| SIGN: | | | | |
| DATE: | | | | |

This answer book consists of 8 pages.

QUESTION 1

1.1

| | |
|-------|--|
| 1.1.1 | |
| 1.1.2 | |
| 1.1.3 | |

| |
|---|
| |
| 3 |

1.2.1 CASH RECEIPT JOURNAL OF MAGUBANE WHOLESALERS – SEPTEMBER 2025

| Doc | Day | Details | Bank | Sundry Accounts | |
|-----|-----|---------|--------|-----------------|---------|
| | | | | Amount | Details |
| | 30 | Total | 66 800 | 66 800 | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

| |
|---|
| |
| 7 |

CASH PAYMENT JOURNAL OF MAGUBANE WHOLESALERS – SEPTEMBER 2025:

| Doc | Day | Details | Bank | Sundry Accounts | |
|-----|-----|---------|--------|-----------------|---------|
| | | | | Amount | Details |
| | 30 | Total | 53 750 | 53 750 | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |

| |
|----|
| |
| 15 |

3.3 BLOSSOM BLUE

3.3.1 Calculate the break-even point for the year ended 31 October 2025.

| | |
|--|----------|
| | |
| | 4 |

3.3.2 Explain whether Sarah should be satisfied with the level of production for the financial year. Quote figures.

| | |
|--|----------|
| | |
| | 2 |

3.4 KNIGHT TRADERS**3.4.1 Cost of Sales**

| | |
|--------------------------------|---------|
| Opening stock | 360 000 |
| Purchases (750 000) | |
| Carriage on purchases (35 500) | |
| | |
| | |
| | |

| | |
|--|----------|
| | |
| | 6 |

3.4.2 Calculate gross profit for the year ended 28 February 2025.

| | |
|--|----------|
| | |
| | 2 |

3.5

Identify ONE different problem in relation to each branch. Quote relevant figures to support your answer. In each case, offer Terry advice on how to solve the problem.

| BRANCH | Problem with / and figures | Advice |
|----------------|----------------------------|--------|
| LA LUCIA MALL | | |
| PAVILLION MALL | | |
| GALLERIA MALL | | |

| |
|---|
| |
| 9 |

| |
|-------------|
| TOTAL MARKS |
| |
| 46 |

QUESTION 4

4.1.1

Explain the main purpose for preparing a Cash Budget.

| |
|--|
| |
|--|

| |
|---|
| |
| 1 |

4.1.2 Name TWO items in a Cash Budget that may not appear in a Projected Statement of Comprehensive Income.

| |
|---|
| |
| 2 |

4.1.3 Name TWO items in a Projected Statement of Comprehensive Income that may not appear in a Cash Budget.

| |
|---|
| |
| 2 |

4.2.1 Debtors' collection schedule of Ramsout Traders for the period October 2025 to December 2025:

| Month | Credit Sales | October | November | December |
|-----------|--------------|---------|----------|----------|
| August | 462 000 | 69 300 | | |
| September | 498 000 | 298 800 | 74 700 | |
| October | 528 000 | 100 320 | | |
| November | | | | |
| December | | | | |
| | | 468 420 | | |

| |
|----|
| 11 |
|----|

4.2.2 Calculate the missing amounts in the Cash Budget indicated by (i) – (vii).

| | WORKINGS | ANSWER |
|--------------|---|---------------|
| (i) | Cash sales for December 2025: | |
| (ii) | Cash purchases of stock in November 2025: | |
| (iii) | Payments to creditors in November 2025: | |
| (iv) | Loan amount receivable in October 2025: | |
| (v) | Interest on loan payable in December 2025: | |
| (vi) | Wages for December 2025: | |
| (vii) | Advertising for October 2025: | |

| |
|-----------|
| |
| 25 |

| |
|--------------------|
| TOTAL MARKS |
| |
| 41 |

