



**WORKED EXAMPLE OF A  
YEAR-END GRADE 12 ACCOUNTING EXAMINATION  
PREPARED BY NEW ERA ACCOUNTING**

**ANSWER BOOK  
PAPER 2**

<b>Question</b>	<b>Maximum Marks</b>	<b>Achieved</b>
<b>1</b>	<b>35</b>	
<b>2</b>	<b>55</b>	
<b>3</b>	<b>35</b>	
<b>4</b>	<b>25</b>	
<b>TOTAL:</b>	<b>150</b>	

**This answer book consists of 9 pages.**

**QUESTION 1**

<b>1.1</b>	<b>1.1.1</b>	<b>1.1.2</b>	<b>1.1.3</b>	<b>1.1.4</b>	<b>1.1.5</b>	
						<b>5</b>

<b>1.2.1</b>	<b>Calculate the closing stock value of school bags on 29 February 2020.</b>		
	<b>Workings</b>	<b>Answer</b>	
			<b>8</b>

	<b>Calculate the stock turnover rate of school bags for 2020.</b>		
	<b>Workings</b>	<b>Answer</b>	
			<b>4</b>

<b>1.2.2</b>	<b>Calculate the number of school bags missing.</b>		
	<b>Workings</b>	<b>Answer</b>	
			<b>5</b>

	<b>Provide TWO suggestions to address this problem.</b>		
			<b>2</b>

<b>1.2.3</b>	<b>Calculate the closing stock value for computer bags on 29 February 2020.</b>		
	<b>Workings</b>	<b>Answer</b>	
			<b>5</b>

<b>1.2.4</b>	<b>Explain the nature of the problem that faces Thandi. Provide THREE points.</b>		
	<b>Point 1</b>		
	<b>Point 2</b>		
	<b>Point 3</b>		
			<b>6</b>

<b>TOTAL</b>
<b>35</b>

**QUESTION 2**

**2.1.1 Refer to Information G. Calculate Salaries & wages to be paid in May 2020.**

<b>Workings</b>	<b>Answer</b>

<b>4</b>

**2.1.2 Refer to Information J. Calculate the amount that will be paid to Ace-Tech on 31 May 2020.**

<b>Workings</b>	<b>Answer</b>

<b>5</b>

**2.1.3 WOOD TRADERS (Pty) Ltd  
CASH BUDGET**

	<b>APRIL 2020 R</b>	<b>MAY 2020 R</b>
<b>CASH RECEIPTS:</b>		
<b>Cash sales</b>		<b>498 750</b>
<b>Cash from debtors</b>	<b>684 000</b>	<b>661 500</b>
Commission income		
<b>Other income</b>		
<b>Total receipts</b>	<b>1 296 500</b>	<b>1 289 250</b>
<b>CASH PAYMENTS:</b>		
<b>Cash purchases of stock</b>		<b>142 500</b>
<b>Payments to creditors</b>	<b>499 200</b>	
<b>Sundry expenses</b>	<b>28 000</b>	
<b>Directors fees</b>		
Audit fees		
Wages and salaries (see 2.1.1)	<b>97 000</b>	
Advertisements		
Repayment of loan		
Interest on loan	<b>6 600</b>	<b>4 950</b>
Payment to Ace-Tech for computer (see 2.1.2)		
<b>Total payments</b>	<b>1 216 800</b>	<b>1 075 150</b>
<b>Surplus (deficit)</b>	<b>79 700</b>	
<b>Opening bank balance</b>	<b>(172 000)</b>	
<b>Closing bank balance</b>		

**2.2 UNIQUE TABLES (PTY) LTD**

**2.2.1 Calculate the percentage increase in the amount budgeted for salaries and wages for April 2020.**

Workings	Answer

**Explain why the employees should be satisfied with this increase. Provide TWO reasons.**

4

**2.2.2 The financial director is pleased with the work being done by the bookkeeper and internal auditor. Identify an expense that indicates that he is correct. Explain your answer.**

3

**2.2.3 Comment on how the new competitor has affected the sales of Unique Tables. Mention TWO points. Provide figures.**

**Explain how Unique Tables has responded to this problem. Provide THREE points. Provide figures.**

<b>Point 1</b>	
<b>Point 2</b>	
<b>Point 3</b>	

4

9

2.2.4

<b>Provide THREE points with evidence from the question which would account for the large cash deficit of R502 000.</b>	
<b>Point 1</b>	
<b>Point 2</b>	
<b>Point 3</b>	

<b>6</b>

<b>TOTAL</b>
<b>55</b>

**QUESTION 3**

**3.1.1 Calculate total cost of production of Biscuits as reflected in Production Cost Statement in April 2020.**

Workings	Answer

5

**3.1.2 Calculate the break-even point for Biscuits in April 2020.**

Workings	Answer

4

**3.2.1 Comment on the change in Break-even point and level of production for Biscuits in April 2020. Quote figures.**

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4

**3.2.2 Comment on the change in Fixed costs per unit for Biscuits in April 2020. Quote figures.**

<b>Explain why this changed.</b>

4

**3.2.3 Comment on the change in direct materials cost per unit for Biscuits in April 2020. Quote figures.**

<b>State TWO possible reasons for the changes and how these can be rectified.</b>		
	Reasons	How these can be rectified
<b>Reason 1</b>		
<b>Reason 2</b>		

6

**3.3.1 Explain what the CEO should say at the AGM to convince the shareholders that these allegations are not true. Mention the deliberate decisions or actions of the directors over the past two months and provide evidence to support your opinions. Quote figures.**

<b>8</b>

**3.4.1 Calculate the additional profit that will be made on Cereals in May 2020 if production and sales increase by 10%.**

Workings	Answer

<b>2</b>

**3.4.2 Calculate the number of extra units of Cereals that must be produced and sold in May 2020 to make an additional profit of R300 000.**

Workings	Answer

<b>2</b>

<b>TOTAL</b>
<b>35</b>



**QUESTION 4**

**4.1 Calculate the correct balance of Mega Wholesalers in the Creditors' Ledger Account of Madiba Traders. Show the changes to the figure R92 340.**

<b>Workings</b>	<b>Answer</b>

11
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**4.2 Creditors' Reconciliation Statement for Mega Wholesalers on 31 March 2020**


10
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**4.3 Provide TWO reasons why Mega Wholesalers would not be happy with their credit controller in respect of how the account of Madiba Traders has been controlled.**

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<b>TOTAL</b>
25