



Province of the
EASTERN CAPE
EDUCATION

Iphondo leMpuma Kapa: Isebe leMfundo
Provinsie van die Oos Kaap: Departement van Onderwys
Porafensie Ya Kapa Botjhabetsa: Lefapha la Thuto

NATIONAL SENIOR CERTIFICATE

GRADE 11

NOVEMBER 2025

ACCOUNTING P2

MARKS: 150

TIME: 2 hours

This question paper consists of 14 pages, including a financial indicator formula sheet and a 11-page answer book.

INSTRUCTIONS AND INFORMATION

Read the following instructions carefully and follow them precisely.

1. Answer ALL the questions.
2. A special ANSWER BOOK is provided in which to answer ALL the questions.
3. A Financial Indicator Formula Sheet is attached at the end of this question paper.
4. Show ALL workings to earn part-marks.
5. You may use a non-programmable calculator.
6. You may use a dark pencil or blue/black ink to answer the questions.
7. Where applicable, show ALL calculations to ONE decimal point.
8. Write neatly and legibly.
9. Use the information in the table below as a guide when answering the question paper. Try NOT to deviate from it.

QUESTION	TOPIC	MARKS	TIME (MINUTES)
1	Periodic System, VAT and Fixed Assets	35	30
2	Budgeting	35	30
3	Cost Accounting	40	30
4	Reconciliations	40	30
TOTAL		150	120

QUESTION 1: PERIODIC SYSTEM, VAT AND FIXED ASSETS**(35 marks; 30 minutes)****1.1 PERIODIC SYSTEM**

Choose the answer from the options given. Write only the letter (A–D) next to the question numbers (1.1.1 to 1.1.4) in the ANSWER BOOK, for example 1.1.5 B.

1.1.1 What is used to determine the quantity of stock at the end of the financial year?

- A Invoices of purchases
- B Physical stock take
- C Cash register rolls
- D Debtors ledger

1.1.2 A business has the following information at the end of the year:

- Opening stock R30 000
- Purchases R120 000
- Returns R10 000
- Closing Stock R25 000

Calculate the cost of sales:

- A R185 000
- B R100 000
- C R135 000
- D R115 000

1.1.3 What is the effect of a physical stock loss in the periodic inventory system?

- A It is recorded as an asset
- B It increases the closing stock
- C It decreases the closing stock
- D It increases the sales figures

1.1.4 Which of the following is NOT an advantage of the periodic inventory system?

- A Less administration
- B Cheap to apply
- C Simple records
- D Access to daily inventory information

(4 x 1) (4)

1.2 VAT**INFORMATION:**

Siyanda Traders is a VAT-registered business. The VAT rate is 15%. The following transactions took place in May 2025:

- (i) Cash sales of goods: R11 500 (VAT included)
- (ii) Credit purchase of goods: R6 900 (VAT excluded)
- (iii) Purchase of a motor car for the owner's personal use: R450 000 (VAT included)
- (iv) Paid for repairs to the delivery vehicle: VAT: R225

REQUIRED:

- 1.2.1 Calculate the VAT amount included in the cash sales. (2)
- 1.2.2 Calculate the input VAT Siyanda Traders may claim. (3)
- 1.2.3 Why can VAT not be claimed on the purchase of the vehicle? (2)
- 1.2.4 Give ONE reason why it is important for a business to keep proper VAT records. (2)
- 1.2.5 Explain ONE advantage and ONE disadvantage of being a VAT-registered business. (2)

1.3 ASSET DISPOSAL

The information relates to VIC Traders for the financial year ending 31 August 2025.

REQUIRED:

- 1.3.1 Calculate the total depreciation written off on vehicles for the financial year ending 31 August 2025. (9)
- 1.3.2 Prepare the following accounts in the General Ledger for the financial year. Close off/balance accounts on 31 August 2025.
 - (i) Vehicles (5)
 - (ii) Asset disposal (6)

INFORMATION:**Balances on 1 September 2024:**

Vehicles	R940 000
Accumulated depreciation on vehicles	R430 000

Depreciation on vehicles is calculated at 20% p.a. on cost.

Transactions during the financial year:

- 1 March 2025 An old vehicle was sold for R98 000 and payment was received via EFT. The vehicle was originally bought on 1 September 2021 for R400 000.
- 30 June 2025 A new vehicle was purchased. 20% of the cost price was paid to Kwano Motors and the balance will be paid in six monthly instalments of R30 500 each.
- 31 Aug 2025 Provide depreciation for the 2025 financial year.

QUESTION 2: BUDGETING**(35 marks; 30 minutes)****2.1 MATCHING ITEMS**

Choose the answer from COLUMN B that matches the phrase in COLUMN A. Write only the letter (A–G) next to the question numbers (2.1.1 to 2.1.5) in the ANSWER BOOK, for example 2.1.6 H.

COLUMN A		COLUMN B	
2.1.1	This item is a non-cash/imputed expense	A	Projects expected income and expected expenses so that areas of concern can be identified
2.1.2	Projected Statement of Comprehensive Income	B	Financial manager
2.1.3	This item will appear in the cash budget, but not in the Projected Statement of Comprehensive Income	C	Show expected cash receipts and expected cash payments
2.1.4	Cash Budget	D	Buy a vehicle on credit
2.1.5	Responsible for preparing a cash budget	E	Depreciation
		F	Cash drawings by owner
		G	Human Resources Manager

(5 x 1) (5)

2.2 CHW TRADERS

You are provided with the Cash Budget of CHW Traders for the three months ended 31 August 2025.

REQUIRED:**2.2.1 REFER TO INFORMATION A AND B**

Complete the Debtors Collection Schedule for June to August 2025. (6)

2.2.2 Calculate the figures labelled **A** to **F** in the Cash Budget. (15)

2.2.3 REFER TO INFORMATION D**SALARIES:**

(i) Calculate the percentage increase given to employees in July 2025. (2)

(ii) An employee is not satisfied with the increase. He is of the opinion that the R35 000 that the business intends to spend on staff training should instead be used to increase employees' monthly salaries. Explain why staff training is essential to the business. (2)

LOAN:

- (iii) Interest on loan is not capitalised. Calculate the loan balance on 1 September 2025. (1)

ADVERTISING:

- (iv) The actual amount spent on advertising in August 2025 was R3 000. Explain ONE possible consequence of the decision to spend less than the budgeted amount of R5 000. (2)

BANK CHARGES:

- (v) The owner is worried about the continuous increase in bank charges. Suggest ONE way they can reduce bank charges. (2)

INFORMATION:**A. Sales and Cost of Sales**

- Total sales are estimated to be as follows:

JUNE 2025	JULY 2025	AUGUST 2025
R220 000	R182 000	R176 000

- 60% of sales are for cash.
- A mark-up of 25% on cost is applied on all sales.

B. Debtors Collection

- CHW Traders allows debtors 30 days to settle all amounts owed.
- Debtors' payment patterns based on past information:
 - 45% pay in the month of sale to receive a 5% discount
 - 35% pay in the month after the sale
 - 15% pay in the second month after the sale
 - The remaining amount is written off in the third month after the sale

C. Purchases

- A fixed base stock is maintained at all times. Stock that is sold within the month, is replaced in the same month.
- 35% of purchases are on credit, with the remainder being bought for cash.
- Creditors are paid in full two months after the purchase date.

D. Extract from the Cash Budget for the three months ended 31 August 2025

	JUNE	JULY	AUGUST
Receipts	487 980	235 000	?
Cash Sales	C	109 200	105 600
Collection from debtors	?	?	?
Mortgage Loan: BBA Bank (8% p.a.)	D		
Rent Income	?	?	?
Payments	321 580	333 800	?
Cash purchase of stock	?	E	
Payment to creditors	?	?	F
Interest paid on loan		2 100	?
Repayment of loan			25 000
Salaries and wages	65 000	69 875	69 875
Bank charges	3 500	4 000	4 330
Advertising	5 000	5 000	5 000
Staff training			35 000
Sundry expenses	?	?	?
Surplus/deficit for the month	166 400	(98 800)	?
Opening bank balance	(103 000)	A	?
Closing bank balance	63 400	B	?

QUESTION 3: COST ACCOUNTING**(40 marks; 30 minutes)****3.1 POPSICLE MANUFACTURERS****REQUIRED:**

You are provided with information from the accounting records of Popsicle Manufacturers, a business that manufactures different flavoured popsicles.

3.1.1 Calculate the raw materials issued for production in 2025. (6)

3.1.2 Prepare the following accounts in the General Ledger:

(a) Factory Overheads Cost (13)

(b) Work-in-progress stock (7)

3.1.3 Calculate cost of sales for the year ended 30 September 2025. (4)

INFORMATION:

A. The following balances appeared in the books of Popsicle Manufacturers:

	2025 30 Sept	2024 1 Oct
Direct/Raw Material Stock	R24 000	R55 000
Work-in-Progress Stock	R78 000	R41 000
Finished goods	R188 000	R210 000
Indirect Material Stock	R6 500	R5 800

B. Transactions for the year:

Raw materials purchased during the year	R740 000
Carriage on purchases of raw materials	18 900
Import duties on raw materials	3 900
Factory maintenance paid	72 400
Advertising paid	18 700
Water and electricity paid	?
Rent paid	196 000
Indirect material purchased	37 000
Sundry expenses paid	13 200
Salary: Factory foreman	66 000
Salary: Office assistant	73 500

C. Additional information:

- The total direct labour costs for the year amounted to R784 000.
- Included in the amount for raw materials are goods that were not ordered, therefore returned to the suppliers, R5 000.

3. Sundry expenses must be allocated in the ratio 3 : 2 : 1 for the factory, sales department and office respectively.
4. Rent must be allocated between the three departments according to floor space:
 - Factory: 400 square metres
 - Sales: 220 square metres
 - Office: 380 square metres
5. Depreciation for the year:
 - Factory machinery: R21 450
 - Office equipment: R13 400
6. 50% of Water and Electricity was incorrectly allocated to the factory, R78 400. The correct allocation is:
 - Factory: 70%
 - Office: 15%
 - Sales: 15%

3.2 BERRY NOK MANUFACTURERS

Berry Nok Manufacturers manufactures cell phone covers. The information below was taken from their records for the financial year ended 30 September 2025.

REQUIRED:

- 3.2.1 Calculate the break-even point for the financial year ended 30 September 2025. (4)
- 3.2.2 Do you think Berry Nok should be satisfied with the break-even point? Quote the number of units on which a profit is made in your explanation. (4)
- 3.2.3 Direct material cost per unit decreased. Except for the cheaper supplier, name TWO possible reasons for the decrease. (2)

INFORMATION:

	UNIT COST	
	30 Sept 2025	30 Sept 2024
Fixed Cost	R47	R50
Variable Cost	R126	R132
Selling Price	R220	R210

	NUMBER OF UNITS	
	30 Sept 2025	30 Sept 2024
Produced and sold	23 600	24 960
Break-even	?	16 000

QUESTION 4: RECONCILIATIONS**(40 marks; 30 minutes)****4.1 RECONCILIATION CONCEPTS**

Choose the most appropriate word(s) from the options in brackets. Write ONLY the correct word(s) next to the question numbers (4.1.1 to 4.1.4) in the ANSWER BOOK.

- 4.1.1 Bank charges are usually recorded in the (Cash Receipts Journal / Cash Payments Journal).
- 4.1.2 An error on the bank statement must be corrected in the (Cash Journal / General Ledger / Bank Reconciliation Statement).
- 4.1.3 A favourable bank balance is shown as a (debit / credit) in the Bank Statement.
- 4.1.4 An overpayment to a creditor will result in a (debit / credit / zero) balance in the Creditors Ledger. (4 x 1) (4)

4.2 BANK RECONCILIATION

The information relates to John Bakers.

REQUIRED:

- 4.2.1 Show changes in the Cash Journals for July 2025. (10)
- 4.2.2 Calculate the correct Bank Account balance on 31 July 2025. (4)
- 4.2.3 Prepare the Bank Reconciliation Statement on 31 July 2025. (7)
- 4.2.4 Refer to **Information D:**
- Give ONE possible consequence for the business if theft like this continues undetected. (2)

INFORMATION:

- A.** Information from the Bank Reconciliation Statement prepared on 30 June 2025:

Unfavourable balance as per Bank Statement	R18 500
Deposit in the Cash Journal, but not on June 2025 bank statement	48 400
EFTs entered in CPJ No. 715	19 500
No. 780	16 850
Unfavourable balance on the Bank Account in the Ledger	6 450

NOTE:

The deposit and EFT No. 715 appeared on the July Bank Statement. EFT No. 780 was reflected on the July Bank Statement as R14 850. The Bank Statement was correct.

B. Provisional Cash Journal totals on 31 July 2025 before receiving the July Bank Statement via email from the bank:

- Cash Receipts Journal (CRJ): R75 620

- Cash Payments Journal (CPJ): R74 890

C. Information on July 2025 Bank Statement not recorded in the July Cash Journals:

	Debit	Credit
EFT (Debtor: J Joubert)		R31 350
Debit order (GSP Insurers)	R9 750	
Debit order (GSP Insurers)	R9 750	
EFT (Clear View - repairs to windows)	R2 975	
Interest	R150	
Internet banking fees	R800	

NOTE: The bank duplicated the debit order for insurance in error. It will be corrected in August 2025.

D. Deposit entries in the July CRJ that did not agree with the July Bank Statement:

- R25 870 on 30 July 2025

- R42 400 on 31 July 2025. The Bank Statement reflected this as R32 400. An investigation revealed that the cash slips added to R42 400, but only R32 400 was deposited. The cashier has disappeared. The shortfall must be written off.

E. Entries in the July CPJ that did not appear in the July Bank Statement:

- EFT No. 880 (Austin, the owner, for private use) 29 July 2025, R8 900

- EFT No. 889 (Jannas Suppliers) 31 July 2025, R9 000

F. Bank Statement balance on 31 July 2025 is the balancing figure.

4.3 CREDITORS

REQUIRED:

- 4.3.1 Correct the balances of the creditors in the Creditors Ledger. (5)
- 4.3.2 Use the information provided to calculate the correct balance according to the statement received from Phoenix Suppliers. (4)
- 4.3.3 Identify TWO possible consequences a business may face if it fails to pay its creditors on time. (2)
- 4.3.4 Describe ONE way technology can assist a business in maintaining accurate and up-to-date creditor records. (2)

INFORMATION:

- A. Extract from the Creditors Ledger of ABC Traders on 31 May 2025:

CREDITOR	BALANCE
Phoenix Suppliers	R17 250 Cr
Zahn Traders	R12 450 Dt
Lara Wholesalers	R8 950 Cr

B. ADJUSTMENTS:

- A payment of R12 500 to Phoenix Suppliers was incorrectly posted to Zahn Traders.
- An invoice of R13 500 from Zahn Traders was not recorded.
- A payment of R1 500 to Lara Wholesalers was recorded as a purchase.

- C. Statement of Account from Phoenix Suppliers on 31 May 2025:

Balance: R10 850

The following differences must be taken into account:

A payment of R5 000 on 30 May 2025 does not appear on the statement.

Phoenix Suppliers charged interest of R100 which was recorded as a payment received on the statement.

An invoice of R1 300 dated 31 May 2025 was incorrectly reflected twice on the statement.

40

TOTAL: 150

GRADE 11 ACCOUNTING FINANCIAL INDICATOR FORMULA SHEET		
$\frac{\text{Gross profit}}{\text{Sales}} \times \frac{100}{1}$	$\frac{\text{Gross profit}}{\text{Cost of sales}} \times \frac{100}{1}$	$\frac{\text{Net profit}}{\text{Sales}} \times \frac{100}{1}$
$\frac{\text{Operating expenses}}{\text{Sales}} \times \frac{100}{1}$	$\frac{\text{Operating profit}}{\text{Sales}} \times \frac{100}{1}$	
$\frac{\text{Total earnings by partner}}{\text{Partner's average equity}} \times \frac{100}{1}$	$\frac{\text{Net profit}}{\text{Average owner's equity}} \times \frac{100}{1}$	
Current assets : Current liabilities	(Current assets – Inventories) : Current liabilities	
(Trade and other receivables + Cash and Cash equivalents) : Current liabilities		
$\frac{\text{Average debtors}}{\text{Credit sales}} \times \frac{365}{1}$	$\frac{\text{Average creditors}}{\text{Credit purchases}} \times \frac{365}{1}$	
$\frac{\text{Average inventories}}{\text{Cost of sales}} \times \frac{365}{1} \text{ or } \frac{2}{1}$	$\frac{\text{Cost of sales}}{\text{Average inventories}}$	
Non-current liabilities: Owners' equity	Total assets: Total liabilities	
$\frac{\text{Total fixed costs}}{\text{Selling price per unit} - \text{Variable costs per unit}}$		