



**Western Cape
Government**



Western Cape Education Department

ACCOUNTING

Grade 12

LEARNER ANSWER BOOK

TERM THREE 2025



TOPIC 1: FIXED ASSETS

SESSION 1

BASELINE ACTIVITY

NOTES TO THE STATEMENT OF FINANCIAL POSITION

Fixed/Tangible Assets

	Land and buildings	Vehicles	Equipment
Carrying value at beginning of financial year	12 500 000	275 000	280 500
Cost	12 500 000	750 000	398 000
Accumulated depreciation	-	(475 000)	(117 500)
<u>Movements</u>			
Additions at cost	-		-
Disposals at carrying value	-	-	
Depreciation	-		(94 250)
Carrying value at end of financial year	12 500 000		
Cost	12 500 000	1 377 000	
Accumulated depreciation	-		

ACTIVITY 1

Calculate the total depreciation for the year.	
WORKINGS	ANSWER
Vehicles	
Equipment	

ACTIVITY 2

Calculate the missing amounts (indicated by a, b, c and d) in the fixed/tangible asset note for the year ended 31 March 2025.		
	Workings	Amount
a		
b		
c		
d		

ACTIVITY 3

3.1

Calculate the total depreciation for vehicles for the year.	
Calculation	Answer
Suzuki	
Renault	
Nissan	

3.2

Calculate the date of purchase of the Nissan vehicle.	
Calculation	Answer

3.3

ASSET DISPOSAL							

3.4

Why do you disagree with the action taken by director J. Paton to buy the laptop without permission? Give TWO reasons to support your answer. Refer to A (ii).

3.5.1

Which GAAP principle is relevant?

3.5.2

As an independent auditor, what advice would you give? Provide TWO points.

3.6

How are you going to verify that all assets are recorded in the fixed asset register?

INFORMAL ASSESSMENT

1.

List THREE points for good internal control over movable fixed assets.

3

2.

Calculate: Cost of land and buildings purchased on 31 August 2024

WORKINGS	ANSWER

4

3.

Calculate: Depreciation on vehicle for year ended 28 February 2025

WORKINGS	ANSWER

3

4.

Calculate: Loss on photocopy machine traded in on 30 November 2024

WORKINGS	ANSWER

6

Calculate: Depreciation on the new photocopy machine and on the remaining old equipment for the year ended 28 February 2025	
WORKINGS	ANSWER
Depreciation on the new photocopy machine:	
Depreciation on the remaining old equipment:	

2

5

5.

The CEO feels that the land and buildings are worth at least R10 000 000 and wants to adjust the figure in the Statement of Financial Position (Balance Sheet) accordingly. Explain why the auditor does NOT agree.

2



TOPIC 2: INVENTORY

SESSION 2

BASELINE ASSESSMENT

1.	
2.	
3.	
4.	

ACTIVITY 1

1. Calculate the value of the closing stock on 31 March 2025 using the first-in-first-out (FIFO) method.

2. Lwethu suspects that laptops have been stolen. Provide a calculation to support his concern.

3. Lwethu is concerned about the volume of stock on hand. Calculate for how long his closing stock is expected to last.

State ONE problem with keeping too much stock on hand and ONE problem with keeping insufficient stock on hand.

LOTUS ACCESSORIES

2.	Alex suspects that the gas lamp supply is not well controlled. Calculate the number of gas lamps missing.				
	<table> <tr> <th data-bbox="328 1037 1054 1055">Workings</th><th data-bbox="1054 1037 1235 1055">Answer</th></tr> <tr> <td data-bbox="328 1055 1054 1198"></td><td data-bbox="1054 1055 1235 1198"></td></tr> </table>	Workings	Answer		
Workings	Answer				
	What should Alex say to his brother when dealing with this matter? Provide TWO points.				

ACTIVITY 3

1. Calculate the total value of the opening stock (A).

2. Calculate the value of the tiles received on the 25th of March 2025 (B).

3. Calculate the value of the closing stock using Weighted-Average method.

4. Calculate the gross profit.

5. Provide a calculation to prove that this business has good control over their stock.

ACTIVITY 4
RATO COOK WARE

1.	Calculate the value of the closing stock on 28 February 2025.	
	WORKINGS	ANSWER

2. Lerato is unsure of how long it will take to sell the closing-stock of pots.

Provide a calculation to dispel her concern.	
WORKINGS	ANSWER
Explain whether the period calculated is acceptable, or not.	

3.	Calculate the number of missing pots.	
	WORKINGS	ANSWER

ACTIVITY 5

1. Value of closing stock

2. Cost of sales

3. Gross profit and % gross profit achieved.

4. Average stock-holding period (in days)

ACTIVITY 6

MOUNTAIN BIKES

1. Calculate the value of the end stock on 28 February 2025 by using the specific identification method.

MODEL	WORKINGS	AMOUNT
KING		R666 000
PALO		
GAMA		
	TOTAAL	

2. Explain TWO different examples of how the division of duties could Prevent such an incident from happening again in the future.

EXAMPLE 1	
EXAMPLE 2	

3. Provide TWO points that show that Milo and his customers are happy with the quality of the Gama Bikes. Quote figures.

POINT 1	
POINT 2	

INFORMAL ASSESSMENT

1.

1.1	
1.2	
1.3	

3

- 2.1 Calculate the following for the financial year ending 28 February 2025:

Value of closing stock (use the weighted average)	
WORKINGS	ANSWER
Number of units missing	
WORKINGS	ANSWER

7

4

- 2.2 The average stock holding period is 73,7 days. Explain whether Lyon should be concerned about this. Provide ONE point.

1



TOPIC 3: BUDGETING

SESSION 3

BASELINE ACTIVITY

NO	ANSWER
1.	
2.	
3.	
4.	
5.	
6.	
7.	

ACTIVITY 1

1.

State ONE difference between a Projected Statement of Comprehensive Income (Income Statement) and a Cash Budget.

2.

Provide TWO possible reasons why Sparky does not allow credit to customers and indicate whether this is a good decision or not.

- 3.1

Calculate the mark-up percentage maintained for the sale of spare parts.

3.2

Calculate the percentage decrease in service fee income expected in September 2024.

3.3

The additional space (in square metres) which the business plans to rent from September 2024.

3.4

Calculate the interest rate on the fixed deposit. Note that the interest rate is expected to remain constant over the budget period.

4.

Comment on the control of stock and explain how Sparky intends to correct this. Quote specific items and figures from the Projected Statement of Comprehensive Income period.

5.

Sparky offered customers free delivery of spare parts but discontinued this service on 31 July 2024.

State TWO points to support this decision.

6.1

Comment on the control over:
Service fee expenses

Water and electricity

6.2

Sparky decided not to use the full budget for Advertising. Explain whether this was beneficial to the business or not.

ACTIVITY 2

1.

Identify TWO items in the Cash Budget that will not appear in the Projected Statement of Comprehensive Income.

2.1

DEBTORS COLLECTION SCHEDULE

MONTH	CREDIT SALES	OCTOBER	NOVEMBER
August	90 000	18 000	
September	93 000	27 900	
October		47 025	
November	105 000		

2.2

Calculate the figures indicated by (a) – (e) in the Cash Budget.

NO.	WORKINGS	ANSWER
(a)	Cash sales	
(b)	Commission income	
(c)	Interest on fixed deposit	
(d)	Payment to creditors	
(e)	Salaries and wages	

3.

Comment on the internal controls regarding the collection from debtors and the payment to creditors. Provide TWO points.

--

ACTIVITY 3

3.1

Comment on the control of EACH item and give ONE point of advice in each case.

	COMMENT	ADVICE
Telephone		
Staff training		

3.2

Identify TWO items incorrectly entered in the Cash Budget.

--

3.3

CREDITORS' PAYMENT SCHEDULE

MONTH	CREDIT PURCHASES	MAY	JUNE
March	R64 000	6 400	
April	R72 000	10 800	
May		57 000	
June	R96 000		
		74 200	

3.4

	CALCULATION	AMOUNT
(i)	Cash sales	
(ii)	Cash purchases of stock	
(iii)	Delivery expenses	
(iv)	Salaries and wages	
(v)	Repayment of loan	
(vi)	Cash at end of month	
(vii)	Cash deficit for the month	

3.5

Piet wants to save on costs by not offering a free delivery service. Is this a good idea? Explain.

3.6

Explain ONE advantage and ONE disadvantage of each option.

OPTION	ADVANTAGE	DISADVANTAGE
Raise a new loan		
Hire (lease) the assets from Computer Solutions		
Ask a friend to become equal partner		

INFORMAL ASSESSMENT

1. Debtors' Collection Schedule

MONTH	CREDIT SALES	SEPTEMBER	OCTOBER
JULY	126 000	6 300	
AUGUST	131 400	72 270	6 570
SEPTEMBER	133 200	53 280	
OCTOBER	136 800		
CASH FROM DEBTORS		131 850	

4

2. Calculate the missing amounts indicated by (a)–(e) on the Cash Budget.

	WORKINGS	ANSWER
(a)	CASH PURCHASES: SEPTEMBER	
(b)	PAYMENTS TO CREDITORS: OCTOBER	
(c)	SALARIES AND WAGES: OCTOBER	
(d)	INSURANCE: SEPTEMBER	
(e)	LOAN INSTALMENT: OCTOBER	

15

3. Refer to Information G.
Comment on how the online sales have affected the actual cash and credit sales in August. Quote figures or calculations

--

4

Refer to Information H.

Identify TWO other costs already in the budget that were affected by the decision to go online and explain whether they were well controlled or not. Quote figures or calculations.

4

Provide ONE point that he should consider managing online sales as a permanent feature.

2

4.

Calculate the cost price of the new delivery vehicle.

WORKINGS	ANSWER

4

List TWO other costs related to the vehicle that Claudio will have to include in the budget. Figures are not required.

2