



**Western Cape
Government**



Western Cape Education Department

ACCOUNTING

Grade 12

Term 3

2026

LEARNER ANSWER BOOK

TOPIC 1: COST ACCOUNTING
SESSION 1

ANSWER SHEET: BASELINE ASSESSMENT

1.1	COST CONCEPTS	
	1.1.1	
	1.1.2	
	1.1.3	
	1.1.4	
	1.1.5	
1.2	Give ONE example of a fixed cost and ONE example of a variable cost.	
	Fixed costs	
	Variable costs	
1.3	Explain why it is important to calculate the expected break-even point for a business before the start of a financial year.	
1.4		

ANSWER SHEET: ACTIVITY 1

1.1	Calculate the following to prepare the factory overhead notes for the financial year-end. Use the tables provided on the answer sheet
	Consumables used in the factory
	Factory rent
	Factory water and electricity
	Factory insurance

FACTORY OVERHEAD NOTE

Factory salary	102 400
Sundry expenses	47 040

1.2 Production cost statement for the year ending 28 February 2026.

	792 740
Prime cost	1 380 000
Total manufacturing cost	
Work-in-progress at the beginning of the year	35 100
Work-in-progress at the end of the year	

ACTIVITY 2: COST ACCOUNTING

2.1

2.1.1	
2.1.2	
2.1.3	

2.2

DESKS FACTORY

2.2.1

Factory Overhead Cost Note

Indirect labour	296 500
Depreciation on factory plant	166 000

2.2.2

Calculate the total cost of production of finished goods.

Workings	Answer

2.2.3

Sinhle wants to produce an additional 1 500 desks. Calculate the additional profit he can expect.

Workings	Answer

2.3 CHAIRS FACTORY

2.3.1 Provide a calculation to confirm the break-even point for 2026

Workings	Answer

2.3.1 Comment on the break-even point and the production level achieved. Quote figures.

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2.3.3 Sihle feels that wood raw material was not well controlled. Provide a calculation to support his opinion.

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Identify TWO possible causes of this problem.
Provide a solution for EACH.

	POSSIBLE CAUSES	SOLUTION FOR EACH
Cause 1		
Cause 2		

2.3.4 Give TWO reasons for the increase in direct labour cost.
Provide a solution for EACH.

	REASONS	SOLUTION FOR EACH
Reason 1		
Reason 2		

ANSWER SHEET: INFORMAL ASSESSMENT

1.

1.1	
1.2	
1.3	

3

2.1

Calculate direct material costs.	
184 000	

6

2.2

Calculate the factory overhead.	
Rent expense	109 000

12

2.3

Production cost statement for the year ending 28 February 2026

Direct labour costs	616 200
Primary cost	
Production costs during the year	
Work-in-progress at the end of the year	
Total cost of production of finished goods	

8

QUESTION 3

3.1

Should the business be satisfied with the number of chairs produced and sold during this financial year? Explain. Quote relevant figures in your answer.

3

Zandile wants to increase the number of units produced and sold in the next financial year to 30 000 while maintaining costs. Calculate the profit she will make from these units.

CALCULATIONS	ANSWER

4

3.2

Zandile is convinced that the cost of electricity in the factory has decreased in this financial year. Give TWO reasons that led to the decrease in the cost of electricity in the factory in the current financial year.

4

TOPIC 2: RECONCILIATIONS
SESSION 2

ANSWER SHEET: BANK RECONCILIATION BASELINE ASSESSMENT

	Item	Cash Journal		Bank Reconciliation Statement	No entry
		CRJ	CPJ		
1.	Bank charges as per bank statement.		X		
2.	Month-end balance of current bank statement. (favourable).				
3.	Amount on an EFT overstated in the CPJ.				
4.	Cancellation of an EFT that has been issued (within the bank's time frame).				
5.	Month-end balance of current bank statement (unfavourable).				
6.	EFT's not reflected on a bank statement.				
7.	Amount on an EFT understated in the CPJ.				
8.	Amount on an EFT received understated in the CRJ.				
9.	Previous month-end balance of bank statement (unfavourable).				
10.	Bank charges duplicated in error on bank statement.				
11.	Interest on overdraft.				
12.	Cancellation of discount on payment received incorrectly given.				
13.	Incorrect debit entry made in the bank statement.				
14.	Rent deposited into banking account by tenant.				
15.	Direct deposit made by debtor into banking account of the business.				
16.	Interest earned on current banking account.				
17.	Use of debit card to draw cash reflected on bank statement but omitted from cash journals.				
18.	Previous month-end bank account balance (favourable).				
19.	Current month-end bank account balance (unfavourable).				
20.	Incorrect credit entry made in the bank statement.				

ACTIVITY 1: BANK RECONCILIATION

1.1

1.1.1	
1.1.2	
1.1.3	

1.2.1

Calculate the correct totals in the Cash Receipts Hournal (CRJ) and Cash Payments Journal (CPJ) for May 2026	
Cash Receipts Journal	Cash Payments Journal
634 700	462 900

1.2.2

Calculate the correct balance of the Bank account in the ledger on 31 May 2026

1.2.3

Prepare the Bank Reconciliation Statement on 31 May 2026		

1.2.4

Exaplain what you would say to Marli about each of these issues:
EFT 639 for R62 900 in information (e). Provide two points:
Explain what you would say to Marli about certain outstanding deposits in information (a), (c) and (f):
• Outstanding deposit R65 000
• Direct deposit R31 800
• Internal control

ACTIVITY 2: BANK RECONCILIATION

2.1

2.1.1	
2.1.2	
2.1.3	

2.2.1 MOUNTAIN TRADERS

[illegible]

2.2.2

[illegible]

2.2.3

The internal auditor is concerned about the management of cash in the business.

- **Explain TWO different problems to justify his concern. Quote figures and dates.**

- **Give advice on how such problems can be avoided in future. Provide TWO points.**

TOPIC 2: RECONCILIATIONS**SESSION 2****ANSWER SHEET: CREDITORS RECONCILIATION BASELINE ASSESSMENT**

	MISTAKES AND OMISSIONS	Creditors Control	Creditors List
	Balances on 31 May 2026	160 300	170 400
A.	The total of the Creditors Allowance Journal was undercast by R13 000.		
B.	The total of Creditors Journal was inaccurately added as R52 250 instead of R62 350.		
C.	A payment of R43 000 to Lwethu Stores was correctly recorded in the Cash Payments Journal but the bookkeeper neglected to post this payment to the creditor's ledger account.		
D.	An EFT for R2 100 issued to Rixi Traders in settlement of their debt of R2 300 was correctly recorded in the Cash Payments Journal but posted to Xiri Wholesalers account, in error.		
E.	A credit balance of R470 from Lwethu Stores' account in the Debtors Ledger must be transferred to their account in the Creditors Ledger.		
F.	Credit purchases of merchandise to the value of R38 600 from Xiri Wholesalers were wrongly entered as R83 600 in the Creditors Journal and posted as such.		
G.	Rixi Traders' account was mistakenly debited with credit purchases value of R15 000.		

ACTIVITY 1: CREDITORS RECONCILIATION

1.1

	Creditors ledger of Indi Suppliers in the books of Nathi Traders	Statement of Account from Indi Suppliers
Balance	47 064	40 271
(i)		
(ii)		
(iii)		
(iv)		
(v)		
(vi)		
(vii)		

1.2

What advice would you offer to the owner?
Provide TWO internal control measures that can be implemented to prevent such incidents like the above from occurring in the future.

ACTIVITY 2

2.1

	Creditors' Ledger Account of PN Suppliers in the books of Khaya Stores	Statement of Account from PN Suppliers
Balance	101 000	85 380
(i)		
(ii)		
(iii)		
(iv)		
(v)		
(vi)		
(vii)		

2.2

State TWO benefits of using electronic funds transfers (EFTs) for payments to creditors.
The internal auditor feels that this incident of fraud should never have occurred in this business. Explain why he feels this way.
Explain how this could have been prevented. State TWO points.

TOPIC 2: RECONCILIATIONS**SESSION 2****ANSWER SHEET: DEBTORS RECONCILIATION BASELINE ASSESSMENT**

1.

Corrections to the Debtors' Control Account	
Current Debtors' Control account balance	20 100
(i)	
(ii)	
(iii)	
(iv)	
(v)	
Correct Debtors' Control Account balance	

2.

Debtors' List on 30 September 2025		
Get Tee		
M Skirts		
J Skinny		
T Curvey		
Correct total of Debtors' List		

ACTIVITY 1: DEBTORS RECONCILIATION

1.1

Corrections to the Debtors' Control account on 30 September 2025	
Balance before errors and omissions	100 310
(i)	
(ii)	
(iii)	
(iv)	
v)	
(vi)	
Correct balance of Debtors' Control Account	

1.2

Debtors' List on 30 September 2025		
D Dlamini	27 000	
G Swardt	22 470	
N Nomandla	17 600	
L Vos	34 440	
X Meyer	- 2 000	
Correct total of Debtors' List		

1.3

Refer to Information C. Calculate the % of debtors who do not comply with the credit terms.	
Workings	Answer
Refer to Information A. Identify ONE other problem with regards to the control over debtors.	
Provide TWO suggestions to address the problems identified.	

ACTIVITY 2: DEBTORS RECONCILIATION

- 2.1 Identify the balance of Debtors Control account in the General Ledger on 31 May 2026

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- 2.2 Explain the terms “credit limit” and “amount due” as used on the Age Analysis above.

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- 2.3 Name the month when B. Ney purchase goods on credit from Chino Stores.

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- 2.4 How much must he pay before he is allowed to take the additional R900 worth of goods on credit?

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- 2.5 As accountant of Chino Stores, write brief instructions to the Debtors' Clerk as to the procedure you wish her to follow in order to collect the R217 outstanding by C. Ward.

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- 2.6 D. Vid cannot be traced, and it is believed that he has left the country. His account has been overdue for more than 90 days and you as accountant have issued instructions to write off his account as irrecoverable. Complete the table below to record this entry. The goods sold to David were marked up by 25% on cost.

Subsidiary Journal	Account Debited	Account Credited	Amount

2.7

Briefly discuss whether effective control is being exercised over debtors.

ANSWER SHEET: INFORMAL ASSESSMENT – BANK RECONCILIATION

1.1

1.1.1	
1.1.2	
1.1.3	
1.1.4	

3

1.2.1

Calculate the correct cash journal totals for April 2026.		
CRJ		CPJ
91 230		101 050

10

1.2.2

Calculate the Bank account balance on 30 April 2026.

4

1.2.3

Prepare the Bank Reconciliation Statement on 30 April 2026		

7

ANSWER SHEET: INFORMAL ASSESSMENT – CREDITORS RECONCILIATION

1.1

	CREDITORS' LEDGER	STATEMENT OF ACCOUNT	
	147 820	145 060	
(i)			
(ii)			
(iii)			
(iv)			
(v)			
(vi)			
			8

1.2

Provide one reason to support her decision.	
	2
Provide one internal procedure to ensure control over this system.	
	2

ANSWER SHEET: INFORMAL ASSESSMENT – DEBTORS RECONCILIATION

1.1

Provide TWO documents that Zig Zag Traders will need from potential debtors before they will be allowed to open accounts.

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2

1.2

Refer to Information A and B

Calculate: Correct closing balance of the Debtors' Control Account on 30 September 2025. Indicate changes with '+' for an increase, '-' for a decrease or '0' for no change.

	PROVISIONAL BALANCE	228 000
(i)		
(ii)		
(iii)		
(iv)		
(v)		
(vi)		
(vii)		

9

Calculate: Correct amounts owed by the following debtors only.

DEBTOR	WORKINGS	ANSWER
A Barnes	(13 500	
C Davis	(25 000	
E Foley	(18 300	

9

1.3 Refer to information C.

Explain THREE different problems highlighted by the debtors' age analysis. Provide the name of a debtor and/or the figure(s) in EACH case.	
PROBLEM	NAME OF DEBTOR WITH FIGURES

6

1.4 Refer to information D.

Provide TWO points to support the internal auditor's concern that Susan's job description could lead to potential fraud.

4

TOPIC 3: BUDGETING
SESSION 3

ANSWER SHEET: BASELINE ASSESSMENT

1

BUDGET CONCEPTS	
1.1	
1.2	
1.3	
1.4	
1.5	
1.6	
1.7	

ACTIVITY 1

1.1

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

1.2

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

1.3.1

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

1.3.2

Calculate the percentage decrease in service fee income expected in September 2025.

1.3.3

The additional space (in square metres) which the business plans to rent from September 2025.

1.3.4

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

1.4

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.

1.5

Sparky offered customers free delivery of spare parts but discontinued this service on 31 July 2025.

State TWO points to support this decision.

1.6.1

**Comment on the control over:
Service fee expenses**

Water and electricity

1.6.2

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

ACTIVITY 2

2.1

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

2.2.1

DEBTORS COLLECTION SCHEDULE

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

2.2.2

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	

2.3

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

ANSWER SHEET: 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

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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.

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4

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

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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.

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2