



NATIONAL SENIOR CERTIFICATE EXAMINATION
NOVEMBER 2025

ACCOUNTING: PAPER I
MARKING GUIDELINES

Time: 2 hours

200 marks

These marking guidelines are prepared for use by examiners and sub-examiners, all of whom are required to attend a standardisation meeting to ensure that the guidelines are consistently interpreted and applied in the marking of candidates' scripts.

The IEB will not enter into any discussions or correspondence about any marking guidelines. It is acknowledged that there may be different views about some matters of emphasis or detail in the guidelines. It is also recognised that, without the benefit of attendance at a standardisation meeting, there may be different interpretations of the application of the marking guidelines.

QUESTION 1 ASSET MANAGEMENT & VAT

Refer to the information relating to Whelan WiFi.

This question consists of three parts: 1A, 1B and 1C.

QUESTION 1A INVENTORIES

1.1 Calculate the weighted average for one router.

$$\frac{2\,125\,000}{2\,500} + \frac{11\,925\,000}{12\,500} - \frac{225\,000^*}{250} + 180\,000^{**} + 90\,400^{***} = \frac{14\,095\,400}{14\,900} = \text{R}946 \text{ Rands/Units no foreign}$$

* $250 \times 50 \times 18$
 ** $4\,500\,000 \times 4\%$
 *** $45\,200 \times 2$

1.2 Calculate the number of routers that were **sold** during the year ended 28 February 2025.

$$2\,500 + 12\,500 - 250 + 150 - 3\,800 = x + 48$$

$$+ 11\,052 \text{ units no foreign}$$

1.3 1.3.1 The insurance policy allows for claims to be made at the highest unit cost price. Determine the actual Rand value of the routers that were stolen.

$$15 + 1\,050 = 1\,065 \times 48 = \text{R}51\,120$$

1.3.2 Show how the transaction for the loss of the routers would be recorded in the general ledger.

Account Debit	Account Credit
(Stock) Loss due to Theft	Purchases

- 1.4 Calculate the value of the closing stock using the **First-in first-out (FIFO)** method on the 28 February 2025. The carriage on the closing stock using the FIFO method, totals R53 700. You may assume that the theft was from the November purchase for this calculation.

$ \begin{array}{r} 3\,000 - 48 = 2\,952 \times 1\,050 = 3\,099\,600 \\ 848 \times 950 = \quad 805\,600 \\ \hline \quad \quad \quad 53\,700 \\ \hline \text{R3\,958\,900} \text{ totaling batches} \end{array} $
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- 1.5 A local charity was quoted for a WiFi installation. Explain to the owner what the financial benefit to Whelan WiFi would be if they were to do the installation for free.

Generates goodwill that attracts customers – thus increases sales

Reduced taxation (on charitable donation) increases profit

QUESTION 1B FIXED ASSETS

- 1.6 Complete the Fixed asset note for the year ended 28 February 2025 by filling in all the relevant amounts indicated by an asterisk (*).

	Vehicles
Carrying value on 1 March 2024	760 000
Cost Price	1 450 000
Accumulated depreciation	(690 000)
Movement	Do not calculate
Additions at cost	165 000 *
Disposals at carrying value	(73 150) *
Depreciation (3 850 + 102 450 + 12 375)	(118 675) bracket *
Carrying value on 28 February 2025	Do not calculate
Cost Price	Do not calculate
Accumulated depreciation (690 000 + 118 675 depreciation – 51 850 (48 000 + 3 850 disposal)	(756 825) bracket *

Calculation space for the fixed asset note:

Additions at cost $12\,375 = 6/12 \times 15\% \times 165\,000$
Depreciation on the vehicle that was sold $77\,000 - 73\,150 = 3\,850$ Or $77\,000 \times 15\% \times 4/12 = 3\,850$
Depreciation on the remaining (old) vehicles $760\,000 - 77\,000 = 683\,000 \times 15\% = 102\,450$
Depreciation for the year $3\,850 + 102\,450 + 12\,375 = 118\,675$
Accumulated Depreciation on 28 February 2025 $690\,000 + 118\,675 - 51\,850 (48\,000 + 3\,850 \text{ disposal}) = 756\,825$

QUESTION 1C VAT**VAT is calculated at 15%.**

- 1.7 Analyse the transactions and their effect on the amount owing to SARS for VAT as per the table below.

You must clearly indicate the effect (+ or –) of each transaction on the amount owing to SARS.

	Calculation	VAT Amount	Effect on the SARS amount (increase or decrease)
Amount owed to SARS on 27 February 2025			R171 000
1	$225\,000 \times 15/100$	33 750	Increase
2	$186\,875 \times 100/250$ $= 74\,750 \times 15/115$ $186\,875 \times 100/115 *$ $= 162\,500 \times 100/250$ $= 65\,000 \times 15/100 * \text{ and}$	9 750	Decrease
3	$21\,758 \times 15/115$	2 838	Increase
4	$382\,375 \times 5/95$ $= 20\,125 \times 15/115$	2 625	Increase

QUESTION 2 COMPANY FINANCIAL STATEMENTS

Refer to the information relating to Tshikhudo Technology Limited.

CALCULATION SPACE

Should you wish to use this space for calculations – please clearly label the details of the amount you are working out. All final amounts must be transferred correctly to the question.

Trading stock & deficit (adjustment 5, 9 & 10)
$1\,895\,200 + 18\,000^{\wedge} - 24\,500^{\wedge} - 9\,700 = 1\,881\,000 - 2\,000^{\wedge\wedge} - 1\,879\,000$
Loan & Interest on loan (adjustment 11)
$0,25^{\wedge} : 1$ $12\,000\,000 : 42\,000\,000 + 6\,000\,000^{\wedge}$ Short-term: $12\,000\,000 / 6^{\wedge} = 2\,000\,000$ Interest: $12\,000\,000 - 2\,000\,000^{\boxtimes} = 10\,000\,000 \times 12\% \times 1/12^{\wedge} = 100\,000$

- 2.1 Complete the Statement of Comprehensive Income (Income Statement) for the year ended 28 February 2025.

Sales (24 840 000 – 621 000 – 30 780 (32 400 – 5%(x95%))	24 188 220
Cost of sales (13 800 000 – 18 000)	(13 782 000) Bracket
Gross profit	Do not calculate
Operating incomes	Do not calculate
Commission income (74 000 – 6 000 – 2 500)	65 500
Rent income (181 500 + 16 500)	198 000
Provision for bad debts adjustment (43 200 – 32 232)	10 968
Operating expenses	Do not calculate
Advertising (405 000 + 40 000 – 30 000)	415 000
Telephone (24 750 + 2 250)	27 000
Bank charges (9 660 – 180) (970 – 790)	9 480
Directors' fees (1 050 000 + 38 000)	1 088 000
Stationery (42 000 – 5 000 – 4 200)	32 800
Bad debts (87 280 + 36 480) (9 120 × 80/20)	123 760
Sundry expenses	1 432 300
Auditors' fees	75 000
Salaries & wages	Do not calculate
Repairs & maintenance (12 100 + 3 000)	15 100
Stock loss (19 600 × 100/80)	24 500
Trading stock deficit	9 700
Operating Profit	Do not calculate
Interest income (18 950 + 450)	19 400
Net profit before interest expense	Do not calculate
Interest expense (1 300 000 + 100 000)	(1 400 000) in a bracket
Net profit before taxation	4 264 200
Taxation for the year (4 264 200 × 30%)	(1 279 260) Bracket
Net profit after taxation	Do not calculate

2.2 Complete the following notes to the financial statements as at 28 February 2025.

2.2.1 Trade & Other Receivables

Net trade debtors	Do not calculate
Debtors control (882 180 – 30 780 Sales – (9 120 + 36 480 Bad debts))	805 800
Less: Provision for bad debts (43 200 – 10 968)	(32 232) in Bracket
Prepaid expenses	30 000
Accrued income (6 000 – 6 000) + (16 500 – 3 000)	13 500
	Do not calculate

2.2.2 Trade & Other Payables

Trade creditors	1 140 000
Accrued expenses (27 000 – 24 750 = 2250) + (38 000 – 5 000 = 33 000) + (100 000 interest expense)	135 250
Income received in advance	2 500
Shareholders for dividends (0,085 × 3 600 000)	306 000
SARS (Income Tax) (1 279 260 income tax – 985 000)	294 260
Short-term loan installment (12 000 000 / 6)	2 000 000
	Do not calculate

QUESTION 3 CASH FLOW STATEMENTS**Refer to the information relating to Taylor Tiles Ltd.**

- 3.1 The Income tax **paid** during the year, as it appeared on the **Cash flow statement** for the year ended 28 February 2025, was R1 040 000.

Calculate the income tax expense for the year ended 28 February 2025.

$$1\,040\,000 - (54\,000 + 26\,000) \\ = 960\,000 \text{ no foreign}$$

- 3.2 Calculate the depreciation for the year.

$$3\,160\,000 + 850\,000 - 200\,000 - 535\,000 = 3\,275\,000$$

- 3.3 Calculate the interest expense for the year.

$$(118\,000 \times 12) = 1\,416\,000 + 5\,160\,000 = 4\,200\,000 + 1\,800\,000 + x \\ = 576\,000$$

- 3.4 Complete the Reconciliation between profit before taxation and cash generated from operations note for the year ended 28 February 2025.

Net profit before taxation (2 240 000 + 960 000 from 3.1)	3 200 000
Adjustments for:	
Depreciation	535 000 from 3.2.2
Interest Expense	576 000 from 3.2.3
Operating profit before changes in working capital	Do not calculate
Changes in Working Capital	Do not calculate
*Increase/*Decrease in inventory link to bracket use	80 000 difference
*Increase/*Decrease in receivables link to bracket use	(197 000)
*Increase/*Decrease in payables link to bracket use (821 000 – 984 000) (18 000 – 21 000) (56 000 – 52 000)	162 000 no foreign
Cash generated from operations	Do not calculate

*Delete that which does not apply or circle the correct definition of the movement.

Calculation for the change in inventories $\frac{6\,450\,000}{\frac{1}{2}(900\,000 + x)} = 7\frac{1}{2} \text{ times}$ $820\,000 - 900\,000$

- 3.5 Calculate the **capital portion of the loan repayments** made during the year, as it would appear on the Cash flow statement for the year ended 28 February 2025.

1 416 000 – 576 000 interest from 3.3 = 840 000

- 3.6 Complete the Ordinary share capital account as it would appear in the General ledger for the year ended 28 February 2025: (no dates or folio numbers are required)

Ordinary Share Capital B1			
Bank	1 075 000	Balance b/d	18 450 000
		Bank details Bank	6 275 000
		(250 000 × 25,10)	
Balance c/d balance including details	23 650 000		
	24 725 000		24 725 000
		Balance b/d correct balancing and totaling	23 650 000

- 3.7 Calculate the number of shares that were repurchased by the company.

Calculate the weighted average price per share. $\frac{18\,450\,000 + 6\,275\,000}{900\,000^* + 250\,000}$ = 21,50 *1 200 000 × 75%
Calculate the number of shares repurchased. 1 075 000 / 21,50 = 50 000 shares

- 3.8 Calculate the total **dividends paid** for the year as it would appear on the Cash flow statement for the year ended 28 February 2025.

324 000* + 294 000 = 618 000 *(900 000 × 0.36)
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QUESTION 4 MANUFACTURING**Refer to the information relating to Kathan Kettles Ltd.****CALCULATION SPACE**

Should you wish to use this space for calculations – please clearly label the details of the amount you are working out. All final amounts must be transferred correctly to the question.

Indirect Labour
$86\,400^{\wedge} \times 100/72^{\wedge}$ $= 120\,000 + 10\,800^{\wedge} (9\%) = 130\,800$
Insurance
$91\,900^{\wedge} = 8x^{\wedge} + 5\text{ if }13 (x + 700)$ $6\,800 = x$ $7\,500 = x + 700^{\wedge}$
Depreciation
$\frac{280\,000^{\wedge} - 60\,000^{\wedge}}{200\,000^{\wedge}} \times 12\,000^{\wedge}$ $= 13\,200$

- 4.1 Calculate the cost of raw materials used issued into the production process for the year ended 28 February 2025.

	280 000 – 212 000	
+	420 000	
	+ 26 000	
	– 37 200	
	– 1 200	
=	475 600	

- 4.2 Complete the factory overheads note for the year ended 28 February 2025:

Factory Overheads		
Indirect labour		130 800 no foreign
Consumable stores (8 500 – 9 600 + 48 000)	X 90%	42 210
Water & electricity (123 200 + 11 200)	X 75%	100 800
Insurance (91 900 – 7 500)	X500/800	52 750
Depreciation		13 200
Production wastage		1 200
		Do not calculate

- 4.3 Calculate the cost of production of finished goods for the year ended 28 February 2025.

256 000 – 1 356 800 – 384 000 = 1 484 800
Or
(475 600 + 720 740 + 380 960)* + 175 000 – 227 500 = 1 484 800
*Raw materials + Direct Labour + Factory Overheads)

4.4 Break-even analysis

Calculate how much (Rand value) the business must reduce its budgeted fixed costs by to achieve its targeted break-even point of 2 560 kettles in 2026:

499 200

265 – 70 = 2 560

585 800 – 499 200 = 86 600

Total: 200 marks