ACCOUNTING

Dear Grade 12 Accounting learner

Congratulations on reaching Gr 12 Accounting. The skills, knowledge and values you will achieve this year will be invaluable to you in your personal and professional life. Grade 12 is hard work but the satisfaction and joy in passing this grade is most definitely worth it.

Subject Requirements:

You need the following:

- A textbook
- One or more Accounting workbooks
- A blue or black pen, pencil and a ruler
- A non-programmable calculator

Content Checklist

PAPER 1

- **Companies**
  - Concepts unique to companies
  - Unique company ledger accounts, e.g. Shareholders for dividends, Retained Income, Appropriation account, etc.
  - GAAP principles (historical cost, prudence, materiality, business entity rule, matching, going concern)
  - Effect of transactions on the accounting equation
  - Company Financial Statements with Notes (i.e. Statement of Comprehensive Income, Statement of Financial Position and Cash Flow Statement)
  - Audit report; Directors report
  - Analysis & interpretation of fin. statements (financial Indicators)
  - Ethical and responsible corporate governance (management and control) of a company. Comment about executive (e.g. CEO) and non-executive directors, work committees, e.g. audit, remuneration, skills development, CSI committees, etc.
  - Professional bodies & policies, e.g. SAICA, SAIPA, King Code III (accountability and transparency) and their role in ethical corporate governance

PAPER 2

- **VAT**
  - Concepts, ethical behavior in terms of VAT
  - Calculations of the amount receivable from/ payable to SARS

- **Reconciliations (prepare, analyse and interpret)**
  - Bank, debtors' and creditors' reconciliation
  - Debtors' age analysis
  - Ethical issues and internal control processes

- **Manufacturing**
  - Cost concepts, calculations and internal control processes
  - Break-even (calculate and compare with production levels)
  - Prepare and analyse:
    - Production Cost Statement with notes
    - Statement of Comprehensive Income (abridged version)

- **Budgeting**
  - Concepts, ethical behaviour, internal control processes
  - Debtors' collection and Creditors' payment schedules
  - Complete, analyse and interpret Cash budgets and Projected Statement of Comprehensive Income
  - Compare actual to budgeted figures; comment on the effect of cost items on income items (e.g. advertising on sales, etc.)

- **Fixed assets (Paper 1 AND Paper 2)**
  - Both papers: Depreciation, asset acquisition and disposal at beginning, during and end of year
  - Paper 1: Valuation for reporting, e.g. Fixed Assets Note
  - Paper 2: Recording & internal control of fixed assets, Asset disposal account / Fixed asset register

- **Inventory systems (Paper 1 and Paper 2)**
  - Concepts, ethical conduct and internal control
  - Periodic vs Perpetual inventory system (advantages/ disadvantages); calculations of cost of sales & gross profit
  - Inventory valuation methods: Specific identification, FIFO, Weighted average
  - Ethical management & internal control of inventory

FORMULA SHEET

The SAME formula sheet is provided for Paper 1 and 2. Familiarise yourself with all the formulae on this sheet and how to apply it in the exam. Please read the instructions for calculations in the question carefully to ensure that the correct figures are used, e.g. FINAL stock OR AVERAGE stock.

Assessment requirements

School-based Assessment:

- **Term 1**: Written report; Controlled test 1
- **Term 2**: Research project; Mid-year examination (2 papers)
- **Term 3**: Case study; Trial exam (2 papers)

Complete all assessment tasks, tests and exams to the best of your ability to ensure a good year mark.

NSC Final Exam: Two papers (150 marks; 2 hours Each)
The TWO exam papers are written on different dates so check the exam timetable carefully. All questions are compulsory. Each question covers a main topic and is answered in a specially prepared answer booklet. Show all your rough workings in this answer book.

REMEMBER: You may write the full exam in dark pencil to enable you to erase your errors. NO correction fluid is allowed in the exam.

Tips for Accounting success

- Complete at least ONE Accounting activity/question DAILY on the topic covered in class. It will improve your understanding and application of the theory and/or calculations.
- PRACTISE ... PRACTISE ... PRACTISE. Work regularly through past exam papers to strengthen your exam writing skills, e.g. working against time, reading instructions with understanding, etc.
- Your study/revision programme should show the number of weeks and days available to study. Allow enough time for EACH topic; work more on your weaker topics but also revise your favourite topics. TIP: Start studying for the final exams in Term 1 already – revise Gr 11 content.
- Time management: Adopt effective reading and calculating methods while studying. These methods should ensure that you do not waste time and will complete a paper in two hours.
- Try to answer ALL questions and sub-questions. Avoid leaving blank spaces. One mark is better than no marks.
- Complete a calculation, even if you know it may not be correct. If you use this 'incorrect' answer correctly in a follow-up question, you can score maximum marks for the follow-on question.
- Show calculations in brackets in tests and exams to earn part marks.

SCAN ME!
Accounting Overview

Scan this QR code for Gr 12 Revision material available on the E-portal

https://wcedeportal.co.za/eresource/109466