



Name:

**NATIONAL
SENIOR CERTIFICATE**

GRADE 12

SEPTEMBER 2023

**ACCOUNTING P1
ANSWER BOOK**

QUESTION	MAX. MARKS	MARKS OBTAINED	MODERATED MARKS		
			School	District	Province
1	60				
2	40				
3	35				
4	15				
	150				

This answer book consists of 11 pages.

QUESTION 1

1.1	1.1.1	
	1.1.2	
	1.1.3	

3

1.2.1 Calculate: The value of the closing stock

WORKINGS	ANSWER

4

1.2.2 Calculate the correct net profit after tax for the year ended 30 June 2023. Indicate '+' for increase and '-' for decrease at each adjusted amount.

WORKINGS	ANSWER
Incorrect Net Profit before tax	3 551 841
Profit/loss on sale of equipment	
Provision for bad debts adjustment	
Insurance	
Rent income	
Interest on loan	
Income tax	
Correct Net Profit after tax	

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1.2.3 STATEMENT OF FINANCIAL POSITION ON 30 JUNE 2023

ASSETS	
NON-CURRENT ASSETS	
Fixed assets	
Financial assets	
CURRENT ASSETS	
Inventories	
Trade and other receivables 942 460	
Cash and cash equivalents	
TOTAL ASSETS	
EQUITY AND LIABILITIES	
SHAREHOLDERS' EQUITY	
Ordinary share capital	
Retained income	895 000
NON-CURRENT LIABILITIES	
Mortgage loan	
CURRENT LIABILITIES	
Trade and other payables 1 962 260	
TOTAL EQUITY AND LIABILITIES	

32

TOTAL MARKS	60
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QUESTION 2

2.1

2.1.1	
2.1.2	
2.1.3	

3

2.2 TUMBA LTD

2.2.1 ORDINARY SHARE CAPITAL NOTE

	Shares in issue at the beginning of the year	4 704 000
300 000	Shares issued during the year	
	Shares in issue at the end of the year	5 852 000

6

2.2.2

Calculate: Income tax paid	
WORKINGS	ANSWER
Calculate: Dividends paid	
WORKINGS	ANSWER

5

3

2.2.3 Complete the following sections of the Cash Flow Statement.

CASH EFFECTS FROM INVESTING ACTIVITIES	
Purchase of fixed assets	
Proceeds from the sale of fixed assets	
Change in financial assets	190 000

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NET CHANGE IN CASH AND CASH EQUIVALENTS	
Cash (balance at the beginning of the year)	
Cash (balance at the end of the year)	

4

2.2.4

Calculate: Acid-test ratio	
WORKINGS	ANSWER

Calculate: % return on average shareholders' equity (ROSHE)	
WORKINGS	ANSWER

4

4

Calculate: Interim dividends per share	
WORKINGS	ANSWER

4

TOTAL MARKS	40
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QUESTION 3

3.1 The company’s total sales increased from 2022 to 2023 and the operating activities have been better controlled in 2023.

Quote and explain TWO financial indicators, which indicate better control over operating activities.

4

Quote and explain ONE relevant indicator, which directly contributed to the increase in sales.

2

3.2 Identify TWO financial indicators, which indicate an improvement in the liquidity of the company.

2

3.3 The directors decided to increase the loan at the beginning of 2023. Explain why you agree with their decision. Quote TWO financial indicators with trends.

8

- 3.4 Shareholders buy shares in companies as a short-term investment while others do it as a long-term investment.

Explain how the change in the dividend pay-out policy affects the investment choices of each type of shareholder. Provide comparative figures.	
Short-term shareholders	
Long-term shareholders	

6

- 3.5 Shareholders are divided on the price paid for the re-purchase of shares.

Provide ONE point in support of and ONE point against the price paid for shares. Quote ONE financial indicator with figures for each point.	
In support of the price paid	
Against the price paid	

4

3.6 The directors of the company decided to issue an additional 50 000 shares in the new financial year.

Calculate the minimum number of shares S. Lucas must buy to become a majority shareholder.

WORKINGS	ANSWER

5

Mention TWO points why S. Lucas wants to become a majority shareholder.

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4

TOTAL MARKS	35
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QUESTION 4**4.1 Audit reports**

Which type of audit report will discourage shareholders to buy shares in a company?

1

Provide TWO reasons why shareholders will not be interested to buy shares in such a company.

4

4.2 Explain why a company's financial statements have to be audited by independent auditors. Provide TWO points.

4

4.3 Concern over the kind of relationship between a director, Chief Financial Officer (CFO) and the independent auditor.

As a shareholder, why would you be concerned by this kind of relationship? Explain THREE points (one for each person involved).	
Director	
Chief Financial Officer	
Independent auditor	

6

TOTAL MARKS	15
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TOTAL: 150