

TOTAL: 150

	35	TOTAL
--	----	-------

4

What advice would you offer Sandi regarding her intentions to purchase shares in Plaza Ltd? Provide TWO points. Quote figures (financial indicators) to support your advice.

6

Calculate the minimum number of shares she should buy in Green Ltd and the amount she would have to spend.

4

Calculate Sandi's % shareholding in Green Ltd and comment on your findings.
 CALCULATION:
 COMMENT:

4.2.4 Shareholding of Sandi Charley:
 Sandi Charley is a shareholder in two of these companies. She has R800 000 and intends to invest in new shares.
 All three companies have decided to issue additional shares on 1 March 2021, at the existing market price on 28 February 2021.

QUESTION 4

4.1

4.1.1	
4.1.2	
4.1.3	

3

4.2.1

Identify the company that has the most efficient liquidity position. Quote and explain THREE financial indicators to support your choice.

COMPANY:

FINANCIAL INDICATORS AND EXPLANATION:

6

4.2.2

A director of Green Ltd feels that the company should pay back the loan as soon as possible Explain what you would say to him. Quote TWO financial indicators (with figures) to motivate your opinion.

6

4.2.3

Comment on the dividend pay-out rates of Green Ltd and Plaza Ltd, and provide a reason for the directors of each company deciding on those pay-out rates. Quote figures.

6

TOTAL	40	
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3.3.3	Calculate: Dividend pay-out rate (%)	
	WORKINGS	ANSWER

3.3.2	Calculate: % return on average shareholders' equity	
	WORKINGS	ANSWER

3.3.1	Calculate: Acid-test ratio	
	WORKINGS	ANSWER

3.2	NET CHANGE IN CASH AND CASH EQUIVALENTS	
	Cash and cash equivalents (opening balance)	
	Cash and cash equivalents (closing balance)	

	69	TOTAL
--	-----------	--------------

2.3

EQUITIES AND LIABILITIES SECTION

*show significant items separately under Current liabilities

	SHAREHOLDERS EQUITY
	Ordinary share capital
	Retained income
	Non-current liabilities
	Current liabilities
	Trade and other payables
	TOTAL EQUITY AND LIABILITIES

17

2.2

RETAINED INCOME

	Balance on 1 March 2020
	Net profit after tax
	Ordinary share dividends
	Interim dividends
	Balance on 28 February 2021

7

QUESTION 2

2.1 Statement of Comprehensive Income on 28 February 2021

Sales	
Cost of sales	
Gross profit	
Other income	
Discount received	14 000
Gross income	
Operating expenses	
Depreciation	86 010
Sundry expenses	
Operating profit	
Interest income	23 400
Profit before interest expense	
Net profit before income tax	
Income tax	
Net profit after tax	689 310

36

	15	TOTAL
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2

1.2.4 Apart from the issues mentioned above, explain why the company would be accused of poor corporate governance.

QUESTION 1

1.1

1.1.1	
1.1.2	
1.1.3	

1.2

AUDIT REPORT

1.2.1

Identify the type of report and explain why this type of report was issued by the auditor.

2

1.2.2

Explain TWO points why shareholders will be concerned about the company receiving such a report.

4

1.2.3

The CEO requested that the auditor classifies this donation as a 'sundry expense' and adjust the audit opinion accordingly. Provide TWO reasons why the auditor would not agree with this suggestion.

4

This answer book consists of 9 pages.



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

**ACCOUNTING P1
ANSWER BOOK**

SEPTEMBER 2021

GRADE 12

**NATIONAL
SENIOR CERTIFICATE**

Name:

