



Province of the  
**EASTERN CAPE**  
EDUCATION

NAME:

**NATIONAL  
SENIOR CERTIFICATE**

**GRADE 12**

**JUNE 2021**

**ACCOUNTING P1  
ANSWER BOOK  
(EXEMPLAR)**

QUESTION	TOTAL MARKS	MARK OBTAINED	MODERATED MARK	MODERATOR INITIAL
1	25			
2	55			
3	50			
4	20			
<b>TOTAL</b>	<b>150</b>			

This answer book consists of 10 pages.



**QUESTION 1: CONCEPTS, ANALYSIS OF TRANSACTIONS AND AUDIT REPORT****1.1 CONCEPTS**

1.1	1.1.1	
	1.1.2	
	1.1.3	

3

**1.2 ANALYSIS OF TRANSACTIONS**

	ACCOUNT TO BE DEBITED	ACCOUNT TO BE CREDITED	AMOUNT	A	O	L
1.2.1			330 000			
1.2.2						
			15 000			

11

**1.3 AUDIT REPORT**

1.3.1	Explain why the auditors found it necessary to stipulate the page numbers in the report.

2

1.3.2

**What type of report did Zenko Ltd receive from the independent auditors? Explain your answer.**

Type of report:

Explanation:

3

1.3.3

**State TWO possible consequences for the independent auditor if he had NOT mentioned the donation in his report.**

2

1.3.4

**Explain why the company would make contributions towards outreach programmes in the local community. Mention TWO points.**

4

<b>TOTAL MARKS</b>
25

## QUESTION 2: BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) AND NOTES

## MAKIZOLE LIMITED

2.1 Complete the following notes for the financial year ended 29 February 2020.

## (a) ORDINARY SHARE CAPITAL

AUTHORISED: 1 400 000 shares

## ISSUED

650 000	Shares in issue on 1 March 2019	
250 000	Shares issued during the year	1 300 000
	Shares in issue at 29 February 2020	

8

## (b) RETAINED INCOME

Balance at the beginning of the year	745 000
Dividends on ordinary shares	
Balance at the end of the year	

12

2.2

<b>BALANCE SHEET ON 29 FEBRUARY 2020</b>	
<b>ASSETS</b>	
<b>NON-CURRENT ASSETS</b>	
Fixed assets	
<b>CURRENT ASSETS</b>	
<b>TOTAL ASSETS</b>	
<b>EQUITY AND LIABILITIES</b>	
<b>ORDINARY SHAREHOLDERS' EQUITY</b>	
Ordinary share capital	
Retained income	
<b>NON-CURRENT LIABILITIES</b>	
Loan: Capital Bank	
<b>CURRENT LIABILITIES</b>	
Trade and other payables	
Current portion of loan	100 680
<b>TOTAL EQUITY AND LIABILITIES</b>	

35

<b>TOTAL MARKS</b>
55

**QUESTION 3: CASH FLOW STATEMENT, FINANCIAL INDICATORS AND INTERPRETATION**

3.1

3.1.1	
3.1.2	
3.1.3	

3

3.2 CACADU LTD

3.2.1

<b>Calculate the following amounts for the Cash Flow Statement:</b>	
<b>Operating profit before changes in working capital</b>	
<b>Workings</b>	<b>Answer</b>
<b>Income tax paid</b>	
<b>Workings</b>	<b>Answer</b>
<b>Dividends paid</b>	
<b>Workings</b>	<b>Answer</b>

6

5

4

3.2.2 Complete the following sections of the Cash Flow Statement:

<b>CASH EFFECTS FROM INVESTING ACTIVITIES</b>	

7

<b>CASH EFFECTS FROM FINANCING ACTIVITIES</b>	
Proceeds from the issue of shares	2 984 800
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	
	(88 200)
Cash and cash equivalents (end of year)	241 250

4

2

3.2.3 Calculate the following financial indicators on 30 June 2019:

<b>% Operating expenses on sales</b>	
<b>Workings</b>	<b>Answer</b>

4

% Return on average shareholders' equity (ROSHE)	
Workings	Answer

5
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3.2.4 Quote TWO financial indicators with figures and trends which should be a concern to the company's liquidity.

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4
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3.2.5 Comment on the degree of financial risk and gearing of the company. Quote TWO financial indicators with figures and trends to support your answer.

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6
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<b>TOTAL MARKS</b>
55



**QUESTION 4: ANALYSIS AND INTERPRETATION OF TWO COMPANIES**

4.1 **Calculate the number of shares that Alton can buy in Lion Ltd.**

Workings	Answer

2

4.2 **Alton is more interested in purchasing the additional shares in Lion Ltd. Provide TWO reasons why he feels this way. Make reference to a comparison between both companies in your answer.**

REASON	FIGURES (with comparison)

6

4.3 **Alton is happy with the DPS at Lion Ltd. Provide ONE reason why.**

REASON	FIGURE

3

**Provide ONE reason for the dividend policy at Bull Ltd.**

REASON	FIGURE

3

4.4

<p><b>Comment on the return on investment of both companies. Provide ONE separate point for each company.</b></p>	
<p><b>COMMENT for each company</b></p>	<p><b>FIGURES (with comparisons)</b></p>
<p>Lion Ltd</p>	
<p>Bull Ltd</p>	

6

<p><b>TOTAL MARKS</b></p>
<p>20</p>

**TOTAL: 150**