



Name:

**NATIONAL
SENIOR CERTIFICATE**

GRADE 12

JUNE 2023

**ACCOUNTING P1
ANSWER BOOK**

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

This answer book consists of 12 pages.

QUESTION 1

1.1.1 **Calculate: The profit/loss on the trade-in of the old vehicle**

WORKINGS	ANSWER

4

1.1.2 **Calculate: The total depreciation for the year**

Depreciation on equipment	
Depreciation on vehicles	

4

NOTE: The amounts calculated above must be transferred to QUESTION 1.2.1, the Statement of Comprehensive Income.

1.2.1 Statement of Comprehensive Income for the year ended 28 February 2023

Sales	
Cost of sales	
Gross profit	
Other income	
Discount received	32 400
Gross operating income	
Operating expenses	
Audit fees	180 060
Insurance	56 920
Sundry expenses	
Operating profit	
Interest income	120 000
Profit before interest expense	
Net profit before tax	
Income tax	(242 040)
Net profit after tax	

1.2.2 Extract: Statement of Financial Position on 28 February 2023

EQUITY AND LIABILITIES		
ORDINARY SHAREHOLDERS' EQUITY	5 870 750	
NON-CURRENT LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables		
TOTAL EQUITY AND LIABILITIES		16

TOTAL MARKS
60

QUESTION 2

2.1

2.1.1	
2.1.2	
2.1.3	

3

2.2.1 Retained Income

Balance on 1 March 2022	
Net profit after tax	784 000
Ordinary share dividends	
Final dividends	207 070
Balance on 28 February 2023	

8

2.2.2 Cash Flow Statement for the year ended on 28 February 2023.

Information is NOT required in shaded areas.

CASH FLOW FROM OPERATING ACTIVITIES		
Cash generated from operations		
Interest paid		
CASH FLOW FROM INVESTING ACTIVITIES		
CASH FLOW FROM FINANCING ACTIVITIES		
NET CHANGE IN CASH AND CASH EQUIVALENTS		
CASH AND CASH EQUIVALENTS AT BEGINNING		
CASH AND CASH EQUIVALENTS AT END	92 840	18

2.2.3 Calculate the following financial indicators on 28 February 2023.

Acid-test ratio		
WORKINGS	ANSWER	
		<input type="text"/> 3
% Return on average shareholders' equity (ROSHE)		
WORKINGS	ANSWER	
		<input type="text"/> 4
Dividend per share		
WORKINGS	ANSWER	
		<input type="text"/> 4

TOTAL MARKS
40

QUESTION 3

3.1	3.1.1		<table border="1"><tr><td style="width: 20px; height: 20px;"></td></tr><tr><td style="width: 20px; height: 20px; text-align: center;">3</td></tr></table>		3
	3				
3.1.2					
3.1.3					

3.2.1	Identify the company with the better profitability financial indicators. Quote TWO financial indicators.	<table border="1"><tr><td style="width: 20px; height: 20px;"></td></tr><tr><td style="width: 20px; height: 20px; text-align: center;">3</td></tr></table>		3
3				

3.2.2	Identify and explain which company is managing its liquidity more efficiently. Quote TWO financial indicators.	<table border="1"><tr><td style="width: 20px; height: 20px;"></td></tr><tr><td style="width: 20px; height: 20px; text-align: center;">6</td></tr></table>		6
6				

3.2.3

Comment on the dividend pay-out policy of each company. Provide a possible reason why each company decided on the policy adopted. Quote figures.

	Comment	Explanation
Rock Ltd		
Wills Ltd		

6

3.2.4

The directors of Wills Ltd decided to increase the loan during the current financial year. Explain whether this was a good decision or not. Quote TWO financial indicators.

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6

3.2.5

The shareholders of Rock Ltd are satisfied with the market price of their shares, whereas the shareholders of Wills Ltd are not satisfied. Explain by quoting a financial indicator for EACH company.

ROCK LTD	
WILLS LTD	

6

3.2.6

Calculate the % percentage shareholding of the Mentoor- family if they buy these shares.

WORKINGS	ANSWER

2

As a shareholder, why would you be concerned about the interest shown by the Mentoor family? Provide TWO points.

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3

TOTAL MARKS
35

QUESTION 4

4.1.1

Identify the type of audit report in the extract above and give a reason for your answer.

Type of report:

Reason:

2

4.1.2

Explain the effect of this type of report for the image of the company. Provide ONE point.

2

4.2.1

Provide TWO possible reasons why the CEO was fined, and not the company.

4

4.2.2

Provide TWO points why the JSE took this action.

4

4.2.3

Identify ONE other party (stakeholder) that could also be accountable for allowing this situation. Provide a reason.

3

TOTAL MARKS
15

TOTAL: 150