



Please paste the barcoded  
label here

TOTAL  
MARKS

--

NATIONAL SENIOR CERTIFICATE EXAMINATION  
NOVEMBER 2023

**ACCOUNTING: PAPER I**

**EXAMINATION NUMBER**

--	--	--	--	--	--	--	--	--	--	--	--	--	--	--

Time: 2 hours

200 marks

**PLEASE READ THE FOLLOWING INSTRUCTIONS CAREFULLY**

1. This question paper consists of 15 pages, an Information Booklet of 11 pages (i–xi) and a Formula Sheet of 1 page (i). Please check that your question paper is complete.
2. Read the questions carefully.
3. Answer the questions in the space provided.
4. It is in your own interest to write legibly and to present your work neatly.
5. You may **not** use red or green ink. **You may use a pencil, but please use a sharp, HB pencil.**
6. All calculations should be rounded off to two decimal places.
7. The allocation of marks and appropriate time to be taken for each question are as follows:

	Possible marks	Actual marks	Marker signature	Moderator signature
<b>Question 1: Asset Management</b>	<b>26</b>			
<b>1A Inventories (16 minutes)</b>	<b>18</b>			
<b>1B Fixed Assets (10 minutes)</b>				
<b>1C VAT (5 minutes)</b>	<b>8</b>			
<b>Question 2: Company Financial Statements (37 minutes)</b>	<b>62</b>			
<b>Question 3: Cash Flow Statement (29 minutes)</b>	<b>48</b>			
<b>Question 4: Manufacturing (23 minutes)</b>	<b>38</b>			
<b>TOTAL</b>	<b>200</b>			

## QUESTION 1 ASSET MANAGEMENT & VAT

**(52 marks, 31 minutes)**

**Refer to the information relating to Patel Power.**

**This question consists of three parts: 1A, 1B and 1C.**

## QUESTION 1A INVENTORY SYSTEMS

**(26 marks, 16 minutes)**

1.1 Calculate the weighted average of one UPS unit.

--

(6)

1.2 As part of finalising the insurance claim:

1.2.1 Determine the **number of units** that were stolen during the year.

--

(7)

1.2.2 There is a R1 200 excess charged on every claim. Calculate the rand value of the insurance payout.

--

(3)

## 1.3 Complete the Trading Statement for the year ended 28 February 2023:

<b>Sales</b>	
<b>Cost of sales</b>	
Opening stock	
Purchases	
Carriage on purchases	
Closing stock	
<b>Gross profit</b>	<b>Do not calculate</b>

(10)

Calculation space for the purchases amount:

--

**QUESTION 1B      FIXED ASSETS****(18 marks, 10 minutes)**

- 1.4      1.4.1      Calculate the following amounts in the spaces provided below:  
Please note that the final amount must be transferred correctly to the note below.

A.	Carrying value of the disposed of asset (vehicle sold)	(5)
B.	Accumulated depreciation on 1 March 2022	(3)
C.	Cost price at the end of the year	(3)

- 1.4.2 Complete the fixed asset note as it would appear in the financial statements for the year ended 28 February 2023.

Fill in the amounts indicated by an asterisk (\*) or the letter of the corresponding calculation above.

	<b>Vehicles</b>
<b>Carrying value on 1 March 2022</b>	*
Cost price	1 800 000
Accumulated depreciation	B
<b>Movement</b>	<b>Do not calculate</b>
Additions	*
Disposals	A
Depreciation	(287 250)
<b>Carrying value on 28 February 2023</b>	*
Cost price	C
Accumulated depreciation	(1 063 500)

(7)

<b>18</b>

**QUESTION 1C      VAT****(8 marks, 5 minutes)****VAT is calculated at 15%**

- 1.5 Analyse the transactions and their effect on the amount owing to SARS for VAT as per the table below.

	Calculation	VAT Amount	Effect on the amount owing to SARS
	Balance on 1 February 2023	R34 500	
1			
2			
3			

(8)

<b>8</b>

**QUESTION 2      COMPANY FINANCIAL STATEMENTS      (62 marks; 37 minutes)****Refer to the information relating to Mazibuko Solutions Ltd.**

2.1 Analyse the repurchase of shares by completing the following:

Account in the general ledger to be debited	Account in the general ledger to be credited	Amount

(8)

Calculation:

**CALCULATION SPACE**

Should you wish to use this space for calculations – please clearly label the details of the amount you are working out. All final amounts must be transferred correctly to the final question.

Trading stock	
Number of shares	

- 2.2 Complete the statement of comprehensive income (income statement) of Mazibuko Solutions Ltd for the year ending 28 February 2023.

Sales (78 650 000)	
Cost of sales (31 460 000)	
<b>Gross profit</b>	
<b>Operating incomes</b>	<b>Do not calculate</b>
Fee income (1 140 000)	
Discount received	214 000
Rent income (139 000)	
<b>Operating expenses</b>	<b>Do not calculate</b>
Telephone (132 600)	
Insurance (96 450)	
Bank charges (27 500)	
Bad debts	150 725
Director's fees	3 200 000
Advertising (231 000)	
Depreciation	798 500
Auditor's fees	160 000
Salaries & wages	29 700 000
Sundry expenses	<b>Do not calculate</b>
Consumable stores (299 000)	
<b>Operating Profit</b>	<b>Do not calculate</b>
Interest income (351 200)	
<b>Net profit before interest expense</b>	<b>Do not calculate</b>
Interest expense	(1 012 500)
<b>Net profit before taxation</b>	10 800 000
Taxation for the year	
<b>Net profit after taxation</b>	

(25)



2.3 Complete the following notes to the financial statements as at 28 February 2023.

2.3.1 **Inventories**

Trading Inventories	
Consumable store on hand	
	<b>Do not calculate</b>

(7)

2.3.2 **Trade & Other Receivables**

Net trade debtors	<b>Do not calculate</b>
Debtors control (17 648 000	
Less: Provision for bad debts	
*	
*	
	<b>Do not calculate</b>

(9)

2.3.3 **Trade & Other Payables**

Trade creditors (48 420 000	
Income received in advance (4 000	
*	
*	
*	
*	
	<b>Do not calculate</b>

(13)

**QUESTION 3 CASH FLOW STATEMENTS****(48 marks, 29 minutes)****Refer to the information relating to Fullerton Fresh Ltd.**

- 3.1 3.1.1 Calculate the following figures for note 1, and those relating to operating activities.

Depreciation	(5)
Interest on Loan	(5)
Taxation	(3)

- 3.1.2 Complete the Appropriation Account for the year ended 28 February 2023.  
(No dates and folios references are required).

Appropriation Account			

(8)

3.1.3 Complete Note 1: Reconciliation between profit before taxation and cash generated from operations.

Net profit before taxation	
Adjustments for:	
Depreciation	
Interest expense	
Operating profit before changes in working capital	
<b>Changes in Working Capital</b>	
Decrease in inventory	
*Increase/*Decrease in receivables	
*Increase/*Decrease in payables	
Cash generated from operations	

\*Delete that which does not apply or circle the correct definition of the movement.

(14)

3.1.4 Complete the **cash flow from operating activities** section as it would appear on the cash flow statement for the year ended 28 February 2023.

<b>Cash flow from operating activities</b>	
Cash generated from operations	
Dividends paid	(1 181 500)
?	
?	

(4)

3.2 Calculate the **retained income** balance on 28 February 2023.

--

(4)

3.3 Calculate the cash and cash equivalents closing balance on 28 February 2023.

--

(5)

<b>48</b>

**QUESTION 4      MANUFACTURING****(38 marks, 23 minutes)****Refer to the information relating to Watson Watches.****4.1      Calculations**

Complete the required calculations in the space provided below. Should you wish to use this space for additional calculations – please label them clearly.

<b>Indirect labour (5 marks)</b>	
<b>Rent expense (5 marks)</b>	

**(10)**

- 4.2 Complete the following notes to the production cost statement for the year ended 28 February 2023:

4.2.1 Raw materials

Opening balance	
Closing balance	
Raw materials used in the production process	<b>Do not calculate</b>

(7)

4.2.2 Factory overheads

Indirect materials	
Indirect labour	
Rent expense (636 480	
Water & electricity	
Insurance (70 200	
Security (104 500	
Production wastage	18 360
	<b>Do not calculate</b>

(13)

- 4.3 Calculate the cost of production of finished goods for the year ended 28 February 2023:

--

(5)

4.4 The owners are concerned about the increase in all stock levels.

4.4.1 Calculate the percentage increase in the work-in-progress balances.

--

(2)

4.4.2 Briefly explain why the increase in work-in-progress could be seen as a **reason for concern**.

--

(1)

<b>38</b>

**Total: 200 marks**