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**SENIOR CERTIFICATE EXAMINATIONS/
NATIONAL SENIOR CERTIFICATE EXAMINATIONS**

ACCOUNTING P1

GRADE 12

2022

SPECIAL ANSWER BOOK

QUESTION	MARKS	INITIAL	MOD.
1			
2			
3			
4			
TOTAL			

This answer book consists of 10 pages.

QUESTION 1

1.1	1.1.1		<table><tr><td></td></tr><tr><td>3</td></tr></table>		3
	3				
1.1.2					
1.1.3					

1.2 PRUDENCE LTD**1.2.1 ORDINARY SHARE CAPITAL**

		7 954 000	<table><tr><td></td></tr><tr><td>7</td></tr></table>		7
7					

RETAINED INCOME

Balance on 1 March 2021		
Shares repurchased		
Ordinary share dividends		
Final dividends	213 400	
Balance on 28 February 2022	1 196 000	7

1.2.2

**STATEMENT OF FINANCIAL POSITION (BALANCE SHEET)
ON 28 FEBRUARY 2022**

ASSETS	
NON-CURRENT ASSETS	
Fixed assets	
CURRENT ASSETS	2 080 000
Inventory	
Trade and other receivables	
TOTAL ASSETS	
EQUITY AND LIABILITIES	
SHAREHOLDERS' EQUITY	9 150 000
Ordinary share capital	7 954 000
Retained income	1 196 000
NON-CURRENT LIABILITIES	
CURRENT LIABILITIES	
Trade and other payables	
Bank overdraft	
TOTAL EQUITY AND LIABILITIES	

28

TOTAL MARKS

45

QUESTION 2

2.1

2.1.1	
2.1.2	
2.1.3	

3

2.2 **JANTJES LIMITED**

2.2.1

WORKINGS	ANSWER
(i) Carrying value of vehicles on 1 March 2021	
(ii) Total depreciation on equipment	
(iii) Carrying value of the vehicle sold	

11

2.2.2 Calculate the following amounts for the 2022 Cash Flow Statement:

WORKINGS	ANSWER
Fixed assets purchased	
Dividends paid	
Decrease in loan	

6

4

3

2.2.3

NET CHANGE IN CASH AND CASH EQUIVALENTS	

4

2.2.4 Calculate the following financial indicators on 28 February 2022:

WORKINGS	ANSWER
% mark-up achieved	
Acid-test ratio	
Net asset value per share (NAV)	
% return on average shareholders' equity (ROSHE)	

3

4

3

4

TOTAL MARKS

45

QUESTION 3**3.1 Profitability/Operating efficiency:**

Identify and explain which company has been more efficient in controlling its operating activities. Quote TWO financial indicators.

5

3.2 Liquidity:

Identify and explain which company has better liquidity financial indicators. Quote TWO financial indicators.

3

Explain ONE concern you have about the liquidity of the other company. Quote ONE financial indicator.

2

3.3 Dividends:

Comment on the difference between the dividend pay-out policies implemented by the directors of the two companies and explain ONE possible reason for EACH of their decisions in their respective companies. Quote figures or indicators.

	COMMENT ON POLICIES (with figures)	POSSIBLE REASON FOR DECISION
VREDE LTD		
NIGEL LTD		

6

3.4 Gearing, risk, financing and investing activities:

Explain the specific decisions taken by the directors of EACH company that have affected gearing and risk. Quote rand amounts.		
VREDE LTD		
NIGEL LTD		4
Comment on the gearing and risk of Nigel Ltd. Quote TWO financial indicators.		
		4
At the Nigel Ltd AGM, an angry shareholder said that the directors' aggressive strategies would probably lead to the failure of the company in future. Explain TWO points why the shareholder might feel this way.		
		5

3.5 Shareholders' assessment of market prices of shares:

Explain by quoting figures or indicators and, for each company, identify a factor that would have affected the market price of the shares.		
VREDE LTD		
NIGEL LTD		6

3.6 Shareholding of Jay Sonto in Vrede Ltd and Nigel Ltd:

Provide calculations to show the change in Jay's % shareholding in Nigel Ltd over the financial year.

Comment on his % shareholding in EACH company.

VREDE LTD

NIGEL LTD

4

Calculate the total profit or loss he is currently making on his shares in EACH company.

VREDE LTD

NIGEL LTD

Advise if it is wise to sell 19 000 shares in Nigel Ltd, or not.

6

TOTAL MARKS

45

QUESTION 4

4.1

Explain how you would respond to the CEO's statement. State TWO points.

4

4.2

State whether Franco Ltd is a public or private company.

1

Explain why employees and investors (shareholders) were distressed by this incident.

Comment on employees:

Comment on investors (shareholders):

4

Explain what went wrong in the company to allow for this fraud to occur. State THREE different/separate points.

6

TOTAL MARKS
15

TOTAL: 150