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STICKER

CENTRE NUMBER

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EXAMINATION NUMBER

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**NATIONAL SENIOR CERTIFICATE**

**ACCOUNTING P1**

**GRADE 12**

**NOVEMBER 2023**

***SPECIAL ANSWER BOOK***

QUESTION	MARKS	INITIAL	MOD.
1			
2			
3			
4			
TOTAL			

**This answer book consists of 10 pages.**



**1.3 Statement of Financial Position on 28 February 2023**

<b>ASSETS</b>	
<b>NON-CURRENT ASSETS</b>	
Fixed assets	
Investment: Fixed deposit	
<b>CURRENT ASSETS</b>	
<b>TOTAL ASSETS</b>	
<b>EQUITY AND LIABILITIES</b>	
<b>ORDINARY SHAREHOLDERS' EQUITY</b>	
Ordinary share capital	20 000 000
<b>NON-CURRENT LIABILITIES</b>	4 512 550
Loan	4 512 550
<b>CURRENT LIABILITIES</b>	
Trade and other payables	
Current portion of loan	420 000
<b>TOTAL EQUITY AND LIABILITIES</b>	

25

TOTAL MARKS

55

**QUESTION 2****SHERBIZ LTD****2.1 ORDINARY SHARE CAPITAL NOTE**

<b>1 200 000</b>	<b>Shares in issue on 1 March 2022</b>	<b>7 200 000</b>	
			<b>7</b>

**2.2**

<b>CASH FLOW OF OPERATING ACTIVITIES</b>		
<b>Cash generated from operations</b>		
<b>Interest paid</b>	<b>(117 600)</b>	
		<b>10</b>

<b>CASH FLOW OF FINANCING ACTIVITIES</b>		
		<b>6</b>

**2.3 Calculate the following financial indicators:**

<b>Net asset value per share</b>		
<b>WORKINGS</b>	<b>ANSWER</b>	
		<b>3</b>
<b>Dividend payout rate</b>		
<b>WORKINGS</b>	<b>ANSWER</b>	
		<b>5</b>
<b>% return on average shareholders' equity</b>		
<b>WORKINGS</b>	<b>ANSWER</b>	
		<b>4</b>

<b>TOTAL MARKS</b>
<b>35</b>

**QUESTION 3****3.1**

<b>3.1.1</b>	
<b>3.1.2</b>	
<b>3.1.3</b>	

<b>3</b>

**3.2 Liquidity:**

Identify the company that is managing its working capital well. Quote TWO financial indicators with figures and trends.

<b>5</b>

**3.3 Financing strategies and gearing: Guardian Ltd**

What were the causes of the change in the debt-equity ratio? Provide TWO causes with figures.

<b>4</b>

Explain why it was wise for the company to make more use of loans. Quote and explain ONE other financial indicator (with figures and trends) to support this opinion.

<b>4</b>

**3.4 Dividends, earnings and returns: Navarra Ltd**

Explain **ONE** financial indicator which indicates that a concerned shareholder should not be satisfied with the change in the dividend policy of the company. Quote figures and trends.

3

Explain whether the shareholders should be satisfied with the earnings and returns of the company. Quote **TWO** financial indicators with figures and trends.

6

**3.5 Shareholding of Nathan Crewe in Navarra Ltd:**

Identify the effect that the repurchase of Nathan's shares had on his % shareholding. Quote figures and trends.

2

Explain how the company was able to raise approximately R4,4 million to finance the repurchase of shares and dividends earned by shareholders. Provide **TWO** points. Quote figures.

4

Give **TWO** reasons why the decision to repurchase Nathan's shares should be considered as irresponsible.

4



**3.6 Directorship:**

**'The CFO (chief financial officer) has a significant influence on the success of a company.'** Explain why you would agree with this statement.

2

**Explain whether the directors should be satisfied or not with the share prices of the companies at the end of the financial year. Quote TWO financial indicators in EACH case with figures and trends.**

GUARDIAN LTD	
NAVARRA LTD	

6

**The CEO (chief executive officer) of Guardian Ltd intends to offer the vacant position of CFO to Nathan Crewe in March 2023. Explain ONE point of advice to the CEO.**

2

TOTAL MARKS
45

**QUESTION 4: CORPORATE GOVERNANCE****4.1 Auditing:**

**Explain ONE duty of an internal auditor.**

2

**Give ONE reason why the accounting records of a listed company must be audited by an external auditor.**

2

**4.2 Whistle-blowers (Informants):**

**What would you say to Sally regarding her statement in the first paragraph about whistle-blowers not being willing to take a stand against corruption? Explain ONE point.**

2

**4.3 Shareholders' opinions and concerns:**

<b>As a shareholder, explain THREE points that would concern you about the actions of the board of directors of Monaco Ltd. In EACH case, give a suitable reason for your concern.</b>	
<b>CONCERN</b>	<b>REASON</b>

<b>9</b>

<b>TOTAL MARKS</b>
<b>15</b>

**TOTAL: 150**