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STICKER

CENTRE NUMBER

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EXAMINATION NUMBER

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**NATIONAL SENIOR CERTIFICATE**

**ACCOUNTING**

**GRADE 12**

**NOVEMBER 2019**

***SPECIAL ANSWER BOOK***

QUESTION	MARKS	INITIAL	MOD.
1			
2			
3			
4			
5			
6			
TOTAL			

This answer book consists of 17 pages.

**QUESTION 1**

1.1

1.1.1	
1.1.2	
1.1.3	

3

1.2 **DESKS FACTORY**

1.2.1

Factory Overhead Cost Note	
Indirect labour	R 296 500
Depreciation on factory plant	166 000

8

1.2.2

Calculate the total cost of production of finished goods.	
Workings	Answer

5

1.2.3

Sihle wants to produce an additional 1 500 desks. Calculate the additional profit he can expect.	
Workings	Answer

4

**1.3 CHAIRS FACTORY****1.3.1 Provide a calculation to confirm the break-even point for 2019.**

Workings	Answer

4

**1.3.2 Comment on the break-even point and the production level achieved. Quote figures.**

--

4

**1.3.3 Sihle feels that wood raw material was not well controlled. Provide a calculation to support his opinion.**

--

4

**Identify TWO possible causes of this problem. Provide a solution for EACH.**

	POSSIBLE CAUSES	SOLUTION FOR EACH
Cause 1		
Cause 2		

4

**1.3.4 Give TWO reasons for the increase in direct labour cost. Provide a solution for EACH.**

	REASONS	SOLUTION FOR EACH
Reason 1		
Reason 2		

4

**TOTAL MARKS**

45

**QUESTION 2****2.1.1 State THREE advantages of EFTs.**

Advantage 1	
Advantage 2	
Advantage 3	

3

**2.1.2 Janet, the bookkeeper, has been assigned the duty of processing and controlling all EFTs.****Explain TWO reasons why the internal auditor is concerned about this.**

Reason 1	
Reason 2	

4

**2.2 Show changes in the Cash Journals for June 2019.**

CASH RECEIPTS JOURNAL		CASH PAYMENTS JOURNAL
27 470	Provisional totals	32 400
	TOTALS	

11

**2.3 Calculate: Bank Account balance**

Workings	Answer

4

2.4

BANK RECONCILIATION STATEMENT ON 30 JUNE 2019		

8

TOTAL MARKS
30

**QUESTION 3****CABINETS**

<b>3.1</b>	<b>Calculate the value of closing stock using FIFO.</b>		
	<b>Workings</b>	<b>Answer</b>	
			6

  

<b>3.2.1</b>	<b>Calculate the % mark-up achieved in 2019.</b>		
	<b>Workings</b>	<b>Answer</b>	
			4

  

<b>3.2.2</b>	<b>Provide TWO points (with figures) to prove that this decision achieved its aims.</b>		
	<b>Point 1</b>		
	<b>Point 2</b>		4

  

<b>3.2.3</b>	<b>The CEO feels that this decision also negatively affected the company.</b>		
	<b>Provide TWO points (with figures) to support his opinion.</b>		
	<b>Point 1</b>		
	<b>Point 2</b>		4
	<b>Give the directors advice to solve this problem. Explain TWO points.</b>		
	<b>Point 1</b>		
	<b>Point 2</b>		2

**LAMPS**

3.3	<b>Calculate the stockholding period for lamps (use closing stock).</b>		<table border="1"> <tr><td> </td></tr> <tr><td><b>3</b></td></tr> </table>		<b>3</b>
	<b>3</b>				
<b>Workings</b>	<b>Answer</b>				
3.4	<b>Calculate the number of missing lamps.</b>		<table border="1"> <tr><td> </td></tr> <tr><td><b>5</b></td></tr> </table>		<b>5</b>
	<b>5</b>				
	<b>Workings</b>	<b>Answer</b>			
<b>Give TWO suggestions to solve this problem.</b>		<table border="1"> <tr><td> </td></tr> <tr><td><b>4</b></td></tr> </table>		<b>4</b>	
<b>4</b>					
<b>Suggestion 1</b>					
<b>Suggestion 2</b>					

**TELEVISION SETS**

3.5	<b>Calculate the value of the closing stock of TV sets on 30 September 2019 using the specific identification method.</b>		<table border="1"> <tr><td> </td></tr> <tr><td><b>7</b></td></tr> </table>		<b>7</b>
	<b>7</b>				
<b>Workings</b>	<b>Answer</b>				
3.6	<b>Explain THREE different concerns that George would have about this problem.</b>		<table border="1"> <tr><td> </td></tr> <tr><td><b>6</b></td></tr> </table>		<b>6</b>
	<b>6</b>				
	<b>Concern 1</b>				
	<b>Concern 2</b>				
<b>Concern 3</b>					

<b>TOTAL MARKS</b>
<b>45</b>



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**QUESTION 4**

4.1

4.1.1	
4.1.2	
4.1.3	
4.1.4	
4.1.5	

5

4.2

**VISIV LTD**

4.2.1

<b>(i) Calculate: Depreciation for the current year</b>	
<b>Workings</b>	<b>Answer</b>
<b>(ii) Calculate: Carrying value of vehicle sold</b>	
<b>Workings</b>	<b>Answer</b>
<b>Calculate: Profit/Loss on sale of asset</b>	
<b>Workings</b>	<b>Answer</b>
<b>Calculate: Fixed assets carrying value on 28 February 2019</b>	
<b>Workings</b>	<b>Answer</b>

5

2

4

4.2.2

**Calculate the correct net profit after tax for the year ended 28 February 2019. Indicate (+) for increase and (–) for decrease.**

<b>Workings</b>	<b>Answer</b>
<b>Incorrect net profit before tax</b>	<b>822 700</b>
<b>Correct net profit after tax</b>	

9

4.2.3

**RETAINED INCOME NOTE:**

<b>Balance at beginning</b>	<b>865 300</b>
<b>Ordinary share dividends</b>	
<b>Balance at end</b>	

9

<b>VISIV LTD</b>	
<b>STATEMENT OF FINANCIAL POSITION (BALANCE SHEET)</b>	
<b>ON 28 FEBRUARY 2019</b>	
<b>ASSETS</b>	
<b>Non-current assets</b>	
<b>Fixed assets</b>	
<b>Fixed deposit</b>	
<b>Current assets</b>	
<b>Inventories</b>	<b>1 102 000</b>
<b>Cash and cash equivalents</b>	
<b>TOTAL ASSETS</b>	
<b>EQUITY AND LIABILITIES</b>	
<b>Ordinary shareholders' equity</b>	
<b>Ordinary share capital</b>	<b>8 152 000</b>
<b>Non-current liabilities</b>	
<b>Current liabilities</b>	<b>2 900 000</b>
<b>Current portion of loan</b>	
<b>TOTAL EQUITY AND LIABILITIES</b>	

**4.3 AUDIT REPORT****4.3.1 What type of audit report did the company receive?**

--

1

**4.3.2 Give TWO examples of audit evidence that the auditors would have required regarding this problem.**

<b>Example 1</b>	
<b>Example 2</b>	

2

**4.3.3 Apart from the current ratio, identify and calculate ONE other financial indicator that the auditors would have used in deciding on this opinion.****Identify ONE other financial indicator:****Calculate the financial indicator:**

--

4

**Explain what the directors could have done to prevent this comment by the auditors. Provide TWO points.**

<b>Point 1</b>	
<b>Point 2</b>	

2

**TOTAL MARKS**

70

**QUESTION 5**

5.1

5.1.1	
5.1.2	
5.1.3	
5.1.4	

4

5.2

**SUNSET LTD**

5.2.1

<b>Calculate: Income tax paid</b>	
<b>Workings</b>	<b>Answer</b>
<b>Calculate: Dividends paid</b>	
<b>Workings</b>	<b>Answer</b>
<b>Calculate: Proceeds of shares issued</b>	
<b>Workings</b>	<b>Answer</b>
<b>Calculate: Fixed assets purchased</b>	
<b>Workings</b>	<b>Answer</b>

4

4

6

5

5.2.2

**Calculate financial indicators for the year ended 28 February 2019:**

<b>% operating profit on sales</b>	
<b>Workings</b>	<b>Answer</b>
<b>Net asset value per share</b>	
<b>Workings</b>	<b>Answer</b>
<b>Debt-equity ratio</b>	
<b>Workings</b>	<b>Answer</b>

4

4

4

**5.3 HORIZON LTD and OPTIMA LTD****5.3.1**

**Explain why directors should be interested in the price of their companies' shares on the JSE.**

--

2
---

**Calculate the number of additional shares in Horizon Ltd that Mike was able to buy on the JSE in 2019.**

Workings	Answer

3
---

**Comment on the price that Mike paid for these shares and provide TWO reasons why he might have been satisfied to pay this price.**

**Comment (with figures):**

**Reason 1 :**

**Reason 2:**

6
---

**5.3.2**

**Explain your opinion on which company has the better dividend pay-out policy. Quote figures.**

--

6
---

**Compare and comment on the % return on equity earned by EACH company. Quote figures.**

--

4
---

Mike feels that the earnings per share (EPS) of Optima Ltd is much better than that of Horizon Ltd. Explain why he feels this way. Quote figures or calculations.

5

5.3.3

Explain TWO decisions taken by the directors of Horizon Ltd in response to the state of the economy, and how these decisions will affect the company in future.

Decision 1 (with figures):

Decision 2 (with figures):

Effect on Horizon Ltd in future:

6

Explain TWO decisions taken by the directors of Optima Ltd that affect risk and gearing. Quote and comment on TWO financial indicators.

Decision 1 (with figures):

Decision 2 (with figures):

Quote and comment on TWO financial indicators that affect risk and gearing.

8

TOTAL MARKS
75



**QUESTION 6**

6.1

	CASH BUDGET			PROJECTED INCOME STATEMENT		
	Nov. 2019	Dec. 2019	Jan. 2020	Nov. 2019	Dec. 2019	Jan. 2020
Printer bought						
Depreciation						
Insurance						
Loan received						
Loan repayments						
Interest						

11

6.2

Thembi is preparing projections for the period commencing 1 November 2019. Thembi does not grant discount for early payment.

Calculate the % of debtors who settle their accounts in the 2<sup>nd</sup> month following the credit sales transaction month.

Workings	Answer

3

Calculate the % of debtors written off as bad debts at the end of the 3<sup>rd</sup> month following the credit sales transaction month.

Workings	Answer

4

6.3.1

Office workers are unhappy with the increase that Thembi gave them on 1 October 2019. Explain what she should say to them. Provide TWO points. Quote figures or a calculation.

	Explanations	Figures/Calculations
Point 1		
Point 2		

6

**6.3.2** Thembi pays her son, Jacob, to deliver and install carpets for customers. She budgets R2,80 per metre for this.

**Comment on the control of this expense. Quote figures or a calculation.**

--

4

**6.3.3** A new competitor commenced trading in the area on 1 September 2019.  
**Provide figures to illustrate the impact on sales in September.**

--

2

**Explain THREE decisions that Thembi took in October in response to the new competitor. Quote figures or a calculation.**

	Explanation (with figures)
Decision 1	
Decision 2	
Decision 3	

6

**6.3.4** Calculate the actual amount payable to creditors in November 2019.

Workings	Answer

4

TOTAL MARKS
40

**TOTAL: 300**