

STICKER

CENTRE NUMBER

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EXAMINATION NUMBER

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

**ACCOUNTING P1**

**GRADE 12**

**2023**

**SPECIAL ANSWER BOOK**

QUESTION	MARKS	INITIAL	MOD.
1			
2			
3			
4			
<b>TOTAL</b>			

This answer book consists of 10 pages.

**QUESTION 1**

1.1

1.1.1	
1.1.2	
1.1.3	
1.1.4	

4

**1.2 STARLIGHT LTD**

**1.2.1 Calculate:** Value of the closing stock of light bulbs on 28 February 2023, using the weighted-average method.

WORKINGS	ANSWER

4

**1.2.2 Calculate:** Profit or loss on disposal of vehicle

WORKINGS	ANSWER

5

**Calculate:** Total depreciation for the year

WORKINGS	ANSWER
Vehicles	
Equipment	

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### 1.2.3 Statement of Comprehensive Income for the year ended 28 February 2023

<b>Sales</b>	<b>17 850 000</b>
<b>Cost of sales</b>	<b>(10 200 000)</b>
<b>Gross profit</b>	<b>7 650 000</b>
<b>Other income</b>	
<b>Commission income</b>	<b>85 900</b>
<b>Rent income</b>	
<b>Gross operating income</b>	
<b>Operating expenses</b>	<b>(4 894 900)</b>
<b>Salaries and wages</b>	
<b>Audit fees</b>	
<b>Directors' fees</b>	
<b>Sundry expenses</b>	<b>219 760</b>
<b>Bad debts</b>	
<b>Depreciation</b>	
<b>Operating profit</b>	
<b>Interest income</b>	
<b>Profit before interest expense</b>	
<b>Interest expense</b>	
<b>Net profit before tax</b>	
<b>Income tax</b>	<b>(858 140)</b>
<b>Net profit after tax</b>	<b>2 002 500</b>

29

<b>CURRENT ASSETS</b>	<b>7 605 150</b>
<b>Inventories</b>	
<b>Trade and other receivables</b>	
<b>Cash and cash equivalents</b>	<b>11</b>

<b>TOTAL MARKS</b>
<b>60</b>

**QUESTION 2****2.1 RETAINED INCOME NOTE**

<b>Balance at beginning of year</b>	<b>237 400</b>
<b>Net profit after tax</b>	<b>1 526 000</b>
<b>Ordinary share dividends</b>	
<b>Balance at end of year</b>	

9

**2.2****Calculate: Change in loan**

<b>WORKINGS</b>	<b>ANSWER</b>

2

**Calculate: Proceeds from shares issued**

<b>WORKINGS</b>	<b>ANSWER</b>

3

**2.3****CASH EFFECTS OF OPERATING ACTIVITIES**

<b>Cash generated from operations</b>	<b>2 340 300</b>
<b>Income tax paid</b>	
<b>Dividends paid</b>	

10

2.4

**Calculate: Current ratio**

WORKINGS	ANSWER

2

**Calculate: Net asset value (NAV)**

WORKINGS	ANSWER

4

**Calculate: % return on total capital employed (ROTCE)****NOTE:** The average capital employed is R20 343 500.

WORKINGS	ANSWER

5

**TOTAL MARKS****35**

**QUESTION 3**

- 3.1 Explain whether or not the company is managing their working capital efficiently. Quote TWO financial indicators, with figures and trends.

5

- 3.2 Calculate the total number of additional shares that Denise purchased.

**CALCULATION****ANSWER**

4

Give ONE possible reason why Denise was determined to become the majority shareholder.

2

- 3.3.1 The Cash Flow Statement revealed decisions taken by the directors. Identify TWO major decisions taken by the directors in 2023 that were different to those from the previous year. Quote figures.

**Decision 1****Decision 2**

Give ONE reason for these decisions.

6

3.3.2 Explain the impact of these decisions on the degree of financial risk over the two years. Quote ONE financial indicator, with figures and trends.

3

3.3.3 Explain how these decisions affected the gearing of the company. Quote ONE financial indicator, with figures and trends.

4

3.4.1 Certain shareholders expressed concern about the change in the dividend payout policy. Explain TWO points to support their opinion.

Point 1

Point 2

4

3.4.2 Explain whether shareholders would be satisfied with the trend in the % return and earnings of the company, as well as the dividends they earned. Quote TWO financial indicators, with figures and trends.

6

3.5

In EACH case, provide evidence for the shareholders' concerns over these trends, and explain why they would be concerned about the future prospects for the company. Quote figures and trends.

Issues	Evidence of concern	Reason for concern
Cash and cash equivalents		
Market price of shares on JSE		

6

**TOTAL MARKS**

40

**QUESTION 4**

4.1

4.1.1	
4.1.2	
4.1.3	

3

4.2

**Explain THREE questions that the shareholders would want to raise with the board of directors at the meeting.**

Point 1	
Point 2	
Point 3	

6

4.3

**Provide ONE point of possible mismanagement or corruption under EACH of the following subheadings. Quote relevant figures to support your answer in EACH case.**

**Payment of directors' fees**

**Salaries of other employees**

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<b>TOTAL MARKS</b>

15
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**TOTAL: 150**