

STICKER

CENTRE NUMBER

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EXAMINATION NUMBER

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**NATIONAL SENIOR CERTIFICATE**

**ACCOUNTING P1**

**GRADE 12**

**NOVEMBER 2020(2)**

***SPECIAL ANSWER BOOK***

QUESTION	MARKS	INITIAL	MOD.
1			
2			
3			
4			
TOTAL			

This answer book consists of 9 pages.



**QUESTION 1**

<b>1.1.1</b>	<b>(i) Calculate: Carrying value of the vehicle on hand on 1 March 2020</b>		
	<b>Workings</b>	<b>Answer</b>	
			2
	<b>(ii) Calculate: Depreciation on vehicles for the year</b>		
	<b>Workings</b>	<b>Answer</b>	
			5
	<b>(iii) Calculate: Carrying value of equipment sold</b>		
	<b>Workings</b>	<b>Answer</b>	
			4
<b>1.1.2</b>	<b>Calculate: Profit/Loss on the sale of equipment</b>		
	<b>Workings</b>	<b>Answer</b>	
			2
<b>1.2</b>	<b>Calculate: Trading stock deficit</b>		
	<b>Workings</b>	<b>Answer</b>	
			4

**NOTE:** The relevant figures calculated above must be transferred to the Statement of Comprehensive Income.



**1.3 STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED  
28 FEBRUARY 2021**

<b>Sales</b>	
<b>Cost of sales</b>	<b>(6 966 000)</b>
<b>Other income</b>	
<b>Gross operating profit</b>	
<b>Operating expenses</b>	
<b>Salaries and wages</b>	<b>1 468 120</b>
<b>Depreciation</b>	
<b>Sundry expenses</b>	<b>452 310</b>
<b>Operating profit</b>	
<b>Profit before interest expense</b>	
<b>Interest expense</b>	
<b>Net profit before tax</b>	
<b>Net profit after tax</b>	<b>1 054 000</b>

<b>43</b>

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



**QUESTION 2**

2.1

<b>2.1.1</b>	
<b>2.1.2</b>	
<b>2.1.3</b>	

<b>3</b>

2.2 **USANDA LIMITED**

2.2.1

<b>Calculate: Income tax paid</b>	
<b>Workings</b>	<b>Answer</b>
<b>Calculate: Dividends paid</b>	
<b>Workings</b>	<b>Answer</b>

<b>4</b>

<b>4</b>

2.2.2

<b>CASH EFFECTS OF FINANCING ACTIVITIES</b>	

<b>11</b>

<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	
Cash (opening balance)	
Cash (closing balance)	

<b>4</b>



**2.2.3 Calculate financial indicators for the year ended 28 February 2021:**

<b>% operating profit on sales</b>		
<b>Workings</b>	<b>Answer</b>	
		<input type="text"/>
		<input type="text" value="2"/>
<b>Acid-test ratio</b>		
<b>Workings</b>	<b>Answer</b>	
		<input type="text"/>
		<input type="text" value="4"/>
<b>% return on average shareholders' equity (ROSHE)</b>		
<b>Workings</b>	<b>Answer</b>	
		<input type="text"/>
		<input type="text" value="4"/>
<b>Dividend payout rate (%)</b>		
<b>Workings</b>	<b>Answer</b>	
		<input type="text"/>
		<input type="text" value="4"/>

<b>TOTAL MARKS</b>
<b>40</b>



**QUESTION 3**

3.1

3.1.1	
3.1.2	
3.1.3	
3.1.4	

4

3.2 **SCI-FI GEEKS LTD**

3.2.1

The directors are satisfied with the improvement in the current ratio and the acid-test ratio. Explain why you would disagree with them. Quote TWO financial indicators in your response.

6

3.2.2

Comment on the dividend per share over the two years. Quote figures.

2

Explain the change in the dividend payout rate. Quote figures.

Give a reason for this change.

4

A shareholder felt that they should be satisfied with the dividends they received as it is better than last year. Explain why you agree with him. Quote figures.

3



**3.2.3** Comment on the risk and gearing for both years. Quote TWO financial indicators (with figures).

6

**3.2.4** Existing shareholders are dissatisfied that the new shares issued on 1 April 2020 were sold to the CEO, Ida Shark. Give TWO reasons why you consider their feelings to be justified. Quote figures.

6

**3.2.5** The Cash Flow Statement reflected a positive change in R980 000. Provide TWO points why this should still be a concern to directors. Quote figures.

4

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



**QUESTION 4**

4.1

**Explain why a qualified audit report is not a good reflection of a company. Provide TWO points.**

4

4.2

**Explain why it is important for a company to include non-executive as well as executive directors on the Board of Directors.**

4

4.3

**According to the Companies Act, 2008 (Act 11 of 2008), a company must have a Remunerations Committee.**

**Explain the role/responsibility of this committee and give a reason why this committee is necessary.**

**EXPLANATION:**

**REASON:**

3

i





- 4.4 Directors engage with clients on a regular basis in an effort to negotiate contracts and to increase sales and services.

Explain why there should be a company policy that directors must declare to the Board all gifts, donations or favours received by them from clients. Provide TWO points.

4

TOTAL MARKS
15

TOTAL: 150

