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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 2020(2)

SPECIAL ANSWER BOOK

QUESTION	MARKS	INITIAL	MOD.
1			
2			
3			
4			
TOTAL			

This answer book consists of 9 pages.

QUESTION 1

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

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

43

TOTAL MARKS

60

QUESTION 2

2.1

2.1.1	
2.1.2	
2.1.3	

3

2.2 **USANDA LIMITED**

2.2.1

Calculate: Income tax paid	
Workings	Answer
Calculate: Dividends paid	
Workings	Answer

4

4

2.2.2

CASH EFFECTS OF FINANCING ACTIVITIES	

11

NET CHANGE IN CASH AND CASH EQUIVALENTS	
Cash (opening balance)	
Cash (closing balance)	

4

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

% operating profit on sales		
Workings	Answer	
		2
Acid-test ratio		
Workings	Answer	
		4
% return on average shareholders' equity (ROSHE)		
Workings	Answer	
		4
Dividend payout rate (%)		
Workings	Answer	
		4

TOTAL MARKS
40

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

TOTAL MARKS
35

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

c

- 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