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CENTRE NUMBER

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EXAMINATION NUMBER

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NATIONAL SENIOR CERTIFICATE**ACCOUNTING P1****GRADE 12****NOVEMBER 2024*****SPECIAL ANSWER BOOK***

QUESTION	MARKS	INITIAL	MOD.
1			
2			
3			
4			
TOTAL			

This answer book consists of 11 pages.

QUESTION 1**1.1 Calculate:**

1.1.1	Depreciation on equipment on 29 February 2024	
	WORKINGS	ANSWER

2

1.1.2	Cost price of vehicles on 29 February 2024	
	WORKINGS	ANSWER

4

1.1.3	Depreciation on vehicles on 29 February 2024	
	WORKINGS	ANSWER
	Depreciation on new vehicle	
	Depreciation on vehicle traded in	
	Depreciation on remaining vehicles	132 720

5

1.1.4	Profit/Loss on vehicle traded in on 1 September 2023	
	WORKINGS	ANSWER

5

NOTE: The relevant amounts, calculated above, must be transferred to QUESTION 1.2, the Statement of Comprehensive Income.

1.2 Statement of Comprehensive Income for the year ended 29 February 2024

Sales	
Cost of sales	(4 780 900)
Gross profit	
Other income	
Service fee income	1 757 700
Gross operating income	
Operating expenses	
Audit fees	79 000
Sundry operating expenses	119 900
Bad debts	24 780
Operating profit	
Interest income	
Profit before interest expense	
Interest expense	(149 400)
Net profit before tax	
Income tax	
Net profit after tax	992 160

39

TOTAL MARKS

55

QUESTION 2**EYBERS LTD****2.1 RETAINED INCOME NOTE FOR THE YEAR ENDED 29 FEBRUARY 2024**

Balance at the beginning of the year	573 720	
Ordinary share dividends	(744 860)	
Balance at the end of the year		8

2.2 CASH FLOW STATEMENT FOR THE YEAR ENDED 29 FEBRUARY 2024

CASH FLOW FROM OPERATING ACTIVITIES		
Cash generated from operations		
Interest paid		
CASH FLOW FROM INVESTING ACTIVITIES		
CASH FLOW FROM FINANCING ACTIVITIES		
NET CHANGE IN CASH AND CASH EQUIVALENTS	296 460	
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		17

QUESTION 3**3.1 Profitability:**

Quote TWO financial indicators with figures and trends to indicate that the company is managing its expenses well.

4

3.2 Dividends pay-out policy:

Comment on the dividend pay-out policy of the company. Explain why this is a responsible change in policy. Provide ONE point.

3

3.3 Earnings and returns:

Explain whether the shareholders should be satisfied or not with the earnings per share and returns on average shareholders' equity of the company. Quote TWO financial indicators with figures.

4

3.4 Financing strategies and gearing:**Refer to Information C.**

The directors decided to buy new fixed assets in 2024 to enhance the company. Identify the TWO main sources (over R1m) that were used to finance this purchase. Provide figures.

4

Explain how the decisions affected the risk and gearing of the company. Quote TWO financial indicators with figures.

6

3.6 Role of the CEO:

Explain TWO characteristics that shareholders would expect of a good CEO.

4

Apart from the factors and financial indicators covered in the previous questions, identify and explain TWO other points indicating that the company is well managed by the CEO. Quote figures.

4

TOTAL MARKS
45

4.4

What are the implications of this audit report for the following:

- Directors
- Shareholders

State ONE point in each case.

	IMPLICATIONS
Directors	
Shareholders	

4

4.5

State THREE possible consequences for the independent external auditor if he was influenced by the directors of the company to deliberately provide the shareholders with an incorrect audit report.

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3

TOTAL MARKS
15

TOTAL: 150