



**Name:**

**NATIONAL  
SENIOR CERTIFICATE**

**GRADE 12**

**SEPTEMBER 2023**

**ACCOUNTING P1  
ANSWER BOOK**

QUESTION	MAX. MARKS	MARKS OBTAINED	MODERATED MARKS		
			School	District	Province
<b>1</b>	<b>60</b>				
<b>2</b>	<b>40</b>				
<b>3</b>	<b>35</b>				
<b>4</b>	<b>15</b>				
	<b>150</b>				

**Font size 18**

This answer book consists of 18 pages.

**QUESTION 1****1.1**

<b>1.1.1</b>	
<b>1.1.2</b>	
<b>1.1.3</b>	

<b>3</b>

**1.2.1 Calculate: The value of the closing stock**

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

<b>4</b>

- 1.2.2 Calculate the correct net profit after tax for the year ended 30 June 2023.**  
**Indicate ‘+’ for increase and ‘–’ for decrease at each adjusted amount.**

<b>WORKINGS</b>	<b>ANSWER</b>
<b>Incorrect Net Profit before tax</b>	<b>3 551 841</b>
<b>Profit/loss on sale of equipment</b>	
<b>Provision for bad debts adjustment</b>	
<b>Insurance</b>	
<b>Rent income</b>	
<b>Interest on loan</b>	
<b>Income tax</b>	
<b>Correct Net Profit after tax</b>	

### 1.2.3 STATEMENT OF FINANCIAL POSITION ON 30 JUNE 2023

<b>ASSETS</b>	
<b>NON-CURRENT ASSETS</b>	
Fixed assets	
Financial assets	
<b>CURRENT ASSETS</b>	
Inventories	
Trade and other receivables	
942 460	
Cash and cash equivalents	
<b>TOTAL ASSETS</b>	
<b>EQUITY AND LIABILITIES</b>	
<b>SHAREHOLDERS' EQUITY</b>	
Ordinary share capital	
Retained income	895 000

<b>NON-CURRENT LIABILITIES</b>	
Mortgage loan	
<b>CURRENT LIABILITIES</b>	
Trade and other payables	
1 962 260	
<b>TOTAL EQUITY AND LIABILITIES</b>	

<b>32</b>

<b>TOTAL MARKS</b>	<b>60</b>
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## QUESTION 2

2.1

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

<b>3</b>

2.2 TUMBA LTD

2.2.1 ORDINARY SHARE CAPITAL NOTE

	<b>Shares in issue at the beginning of the year</b>	<b>4 704 000</b>
<b>300 000</b>	<b>Shares issued during the year</b>	
	<b>Shares in issue at the end of the year</b>	<b>5 852 000</b>

<b>6</b>

2.2.2

**Calculate: Income tax paid****WORKINGS****ANSWER**

5

**Calculate: Dividends paid****WORKINGS****ANSWER**

3

### 2.2.3 Complete the following sections of the Cash Flow Statement.

<b>CASH EFFECTS FROM INVESTING ACTIVITIES</b>		
<b>Purchase of fixed assets</b>		
<b>Proceeds from the sale of fixed assets</b>		
<b>Change in financial assets</b>	<b>190 000</b>	

7

<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>		
<b>Cash (balance at the beginning of the year)</b>		
<b>Cash (balance at the end of the year)</b>		

4



**2.2.4 Calculate: Acid-test ratio**

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

4

**Calculate: % return on average shareholders' equity (ROSHE)**

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

4

Calculate: Interim dividends per share	
WORKINGS	ANSWER

4

TOTAL MARKS	40
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**QUESTION 3**

- 3.1 The company's total sales increased from 2022 to 2023 and the operating activities have been better controlled in 2023.**

**Quote and explain TWO financial indicators, which indicate better control over operating activities.**

4

**Quote and explain ONE relevant indicator, which directly contributed to the increase in sales.**

2

**3.2 Identify TWO financial indicators, which indicate an improvement in the liquidity of the company.**

2

**3.3 The directors decided to increase the loan at the beginning of 2023. Explain why you agree with their decision. Quote TWO financial indicators with trends.**

8

**3.4 Shareholders buy shares in companies as a short-term investment while others do it as a long-term investment.**

**Explain how the change in the dividend pay-out policy affects the investment choices of each type of shareholder. Provide comparative figures.**

<b>Short-term shareholders</b>	
<b>Long-term shareholders</b>	

**3.5 Shareholders are divided on the price paid for the re-purchase of shares.**

**Provide ONE point in support of and ONE point against the price paid for shares. Quote ONE financial indicator with figures for each point.**

**In support  
of the price  
paid**

**Against the  
price paid**

**4**

- 3.6** The directors of the company decided to issue an additional 50 000 shares in the new financial year.

**Calculate the minimum number of shares S. Lucas must buy to become a majority shareholder.**

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

5

**Mention TWO points why S. Lucas wants to become a majority shareholder.**

4

<b>TOTAL MARKS</b>	<b>35</b>
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## QUESTION 4

### 4.1 Audit reports

**Which type of audit report will discourage shareholders to buy shares in a company?**

1

**Provide TWO reasons why shareholders will not be interested to buy shares in such a company.**

4



**4.2 Explain why a company's financial statements have to be audited by independent auditors. Provide TWO points.**



**4.3 Concern over the kind of relationship between a director, Chief Financial Officer (CFO) and the independent auditor.**

**As a shareholder, why would you be concerned by this kind of relationship? Explain THREE points (one for each person involved).**

<b>Director</b>	
<b>Chief Financial Officer</b>	
<b>Independent auditor</b>	

<b>6</b>

<b>TOTAL MARKS</b>
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<b>15</b>
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**TOTAL: 150**