



Province of the
EASTERN CAPE
EDUCATION

Name:

**NATIONAL
SENIOR CERTIFICATE**

GRADE 12

JUNE 2019

**ACCOUNTING
ANSWER BOOK**

QUESTION	MAXIMUM MARKS	MARKS OBTAINED	MODERATED MARKS
1	40		
2	45		
3	50		
4	70		
5	55		
6	40		
	300		

This answer book consists of 14 pages.



QUESTION 1

1.1

1.1.1	
1.1.2	
1.1.3	
1.1.4	

4

1.2 1.2.1 **Calculate the value of the closing stock on 30 April 2019.**

8

1.2.2 **Cost of sales**

Gross Profit %

Stock holding period for 2019

17

1.2.3 Comment on the stock holding period for 2019. Quote figures.
(The stockholding period for 2018 was 182 days.)

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4

1.2.4 In order to improve on stock losses (20 suitcases) the previous year the owner introduced stricter control measures over stock. Comment on whether it was successful. Show calculations.

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7

Q1: TOTAL MARKS	40	
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QUESTION 2

2.1.1 Calculate the correct balance of the Bank Account on 31 January 2019

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15

2.1.2 Prepare the Bank Reconciliation Statement on 31 January 2019.

Bank reconciliation statement on 31 January 2019		
	Debit	Credit

11

2.1.3 An internal investigation revealed that deposits are not made immediately. Quote and explain TWO examples which led to this finding.

4

2.1.4 Provide TWO internal control measures that the business can use to prevent this from happening again.

4

2.2 Reconciled Debtor's List on 31 March 2019:

H James	1 200	
A Dyantyi	1 900	
E Rasmeni	2 160	
H Jameson	1 500	
Total of corrected debtor's list		

11

Q2: TOTAL MARKS	45	
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QUESTION 3

INCOME STATEMENT FOR THE YEAR ENDING 30 APRIL 2019

Sales		
Cost of Sales		
Gross profit		
Other operating income		
Bruto bedryfsinkomste		
Operating expenses		
Repairs and maintenance		150 720
Bank charges		33 600
Sundry expenses		107 670
Operating profit		
		102 820
Profit before interest expense		
Interest expense		
Profit before tax		
Income tax		
Net profit for the year		

50

Q3:		
TOTAL MARKS	50	

QUESTION 4

4.1 4.1.1

ISSUED SHARE CAPITAL

	Ordinary shares in issue on 1 March 2018	5 200 000
	Ordinary shares in issue on 28 February 2019	

9

RETAINED INCOME

Balance on 1 March 2018	
Ordinary share dividends	
Balance on 28 February 2019	531 050

11

TRADE AND OTHER RECEIVABLES

7

4.1.2

RADABA LIMITED**STATEMENT OF FINANCIAL POSITION (BALANCE SHEET)****28 FEBRUARY 2019**

ASSETS	
Non-current assets	
Current assets	
Inventories	
TOTAL ASSETS	
EQUITY AND LIABILITIES	
Shareholders' equity	
Non-current liabilities	
Current liabilities	
TOTAL EQUITY AND LIABILITIES	

4.2.1 The company issued additional shares at R9. In your opinion, do you think the existing shareholders would be happy with the issue price? Quote ONE financial indicator with actual figure/percentage/ratio to support your statement.

3

4.2.2 The directors feel that the shareholders should be satisfied with the performance of the company. Explain and quote TWO financial indicators with actual figures/ ratios/percentages to support their opinion.

6

4.2.3 The directors decided to increase the loan during the current financial year. Quote TWO financial indicators (actual figures/ratios/percentages) that are relevant to their decision. Explain why this was a good decision, or not.

8

Q4:	70	
TOTAL MARKS		

QUESTION 5

5.1.1

CASH GENERATED FROM OPERATIONS	
Changes in working capital	

19

5.1.2

CASH FLOW STATEMENT ON 30 JUNE 2018

CASH FLOW FROM OPERATING ACTIVITIES	
CASH FLOW FROM INVESTING ACTIVITIES	
CASH FLOW FROM FINANCING ACTIVITIES	
NET CHANGE IN CASH AND CASH EQUIVALENTS	
CASH AND CASH EQUIVALENTS AT BEGINNING	(12 800)
CASH AND CASH EQUIVALENTS AT THE END	

23

5.2 AUDIT REPORT

5.2.1 What type of report did VOVO Ltd receive? Explain.

3

5.2.2 The Companies Act requires public companies to be audited. Provide a reason for this.

2

5.2.3 Explain ONE major consequence for Makaya&Ntini should they be negligent in performing their duties.

2

5.2.4 Name ONE other party, other than the shareholders, that would be interested in this audit opinion and give a reason for their interest.

2

- 5.2.5 Briefly indicate how this audit report would possibly affect the shares of VOVO LTD on the Johannesburg Securities Exchange (JSE). Mention TWO points.

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Q5: TOTAL MARKS	55	
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QUESTION 6

6.1 FIXED ASSETS

6.1.1 Calculate the missing figures indicated by A to E in the incomplete Fixed Assets Note.

A			
B			
C			
D			
E			

7

6.1.2 Prepare the Asset Disposal Account for the office furniture sold.

ASSET DISPOSAL

10

6.1.3 Comment on the sale of land to the husband of the CEO. See Information B.

2

6.2 VAT

Calculate the amount of VAT payable to/receivable from SARS on 28 February 2019. Indicate whether the amount is payable or receivable.

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6.3 VAT AND ETHICS

6.3.1 Why should Ranti Traders produce a proof of sales?

2

6.3.2 How would this affect the VAT returns of Rantsi Traders?

2

6.3.3 Advise Rantsi Traders of the implications, should he agree to this request. Mention TWO points.

4

Q6: TOTAL MARKS	40	
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TOTAL: 300

