



Province of the
EASTERN CAPE
EDUCATION

Name:

**NATIONAL
SENIOR CERTIFICATE**

GRADE 12

SEPTEMBER 2017

**ACCOUNTING
ANSWER BOOK**

QUESTION	MAX MARKS	MARKS OBTAINED	MODERATED MARKS
1	40		
2	40		
3	50		
4	70		
5	60		
6	40		
	300		

This answer book consists of 16 pages.



QUESTION 1: RECONCILIATIONS

- 1.1 Choose the correct answer from the words provided within brackets. Write only the answer, next to each number.

1.1.1	
1.1.2	
1.1.3	
1.1.4	

4

1.2 **DEBTORS RECONCILIATION**

- 1.2.1 Calculate the correct Debtors Control balance on 30 June 2017.

74 600

4

- 1.2.2 Calculate the balances for the following debtors:

DEBTOR	WORKINGS	BALANCE
Pillai		
Tele		
Botha		

12

- 1.2.3 Calculate the percentage of debtors that are not complying with the 30 days credit terms.

3

Explain TWO internal control measures that JT Traders can use to ensure that only reliable clients are granted credit.

4

1.3 CREDITORS RECONCILIATION

NO.	CREDITOR'S LEDGER ACCOUNT BALANCE	STATEMENT BALANCE
Balance	35 000	38 420
(i)		
(ii)		
(iii)		
(iv)		
(v)		
(vi)		
TOTAL		

13

Q1: TOTAL MARKS	40	
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QUESTION 2: INVENTORY VALUATION

2.1.

2.1.1	
2.1.2	
2.1.3	
2.1.4	
2.1.5	

5

2.2 **COMRADES LTD**

2.2.1

Calculate the selling price per unit for tracksuits.

2

2.2.2

Calculate the cost of sales of tracksuits using the FIFO method.

7

2.2.3

Calculate the turnover rate of tracksuits (use the average stock).

5

2.2.4

It was discovered that vests were missing from the June 2016 delivery. Calculate the number and value of the vests missing.

NUMBER MISSING:

VALUE:

7

2.2.5 Calculate the Gross Profit made by the vests department. Note that this department uses the weighted average method to value stock.

8

2.2.6 Identify TWO problems other than the missing vests in the VESTS department. Quote figures. In each case, provide a solution to the problem.

PROBLEM	SOLUTION / ADVICE
Problem 1:	
Problem 2:	

6

Q2: TOTAL MARKS	40	
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QUESTION 3: COMPANY FINANCIAL STATEMENTS

3.1

3.1.1			3
3.1.2			
3.1.3			

3.2 RUHI LTD

3.2.1 RETAINED INCOME

Balance on 1 March 2016		10
Ordinary share dividends		
Balance on 28 February 2017		

3.2.2 BALANCE SHEET AS AT 28 FEBRUARY 2017

ASSETS		
Non-current assets		
Fixed assets	4 060 545	
Current assets		
Cash and cash equivalents		
TOTAL ASSETS		
EQUITY AND LIABILITIES		
Shareholders' equity		
Non-current liabilities		
Current liabilities	592 970	
Trade and other payables	231 920	
TOTAL EQUITY AND LIABILITIES	5 200 000	26

3.2.3 Do a calculation to show the number of shares that Bakkies must buy, to gain control of the company.

5

Bakkies wants to buy the shares at the current net asset value without advertising them to the public. As an existing shareholder, why would you not be satisfied with this arrangement? Explain. Provide TWO points.

4

3.2.4 Ruhi Ltd is planning to spend R300 000 on staff development and training over the next two years. How will this expense be explained (disclosed) in the published annual report? Give TWO points.

2

Q3: TOTAL MARKS

50

QUESTION 4: FINANCIAL STATEMENTS, CASH FLOW AND INTERPRETATION

4.1 CONCEPTS: MATCHING

4.1.1	
4.1.2	
4.1.3	

3

4.2 MANI LTD

4.2.1 SHARE CAPITAL

Authorised share capital

1 200 000 ordinary shares

Issued share capital

800 000		
	Shares repurchased (ASP: R _____)	

10

4.2.2 Amounts for the Cash Flow Statement.

(Final answer must indicate INFLOW or OUTFLOW of cash)

WORKINGS	ANSWER
Dividends paid	
Income tax paid	
Change in investment	
Change in loans	

4

4

2

2

4.2.3 Calculate the cost of the additional equipment purchased.

6

4.2.4	NET CHANGE IN CASH AND CASH EQUIVALENTS	

5

4.2.5 Calculate the gross profit percentage (mark-up percentage)

4

Calculate the net asset value per share (NAV).

3

Calculate the return on average shareholders' equity.

6

4.2.6 Were the directors justified in increasing the loan? Explain. Quote TWO relevant financial indicators (with figures) in your answer.

YES or NO: _____

Financial Indicators:

Explanation:

7

4.2.7 Explain why the shareholders are not satisfied with the dividend pay-out policy and their return earned. Quote financial indicators (with figures) in your explanation.

Dividend pay-out policy:

Return earned:

Explanation:

8

4.2.8 Comment on the price paid to repurchase the shares on 31 March 2017. Quote TWO financial indicators (with figures) in your comments.

6

Q4: TOTAL MARKS	70	
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QUESTION 5: COST ACCOUNTING AND FIXED ASSETS

5.1

5.1.1	
5.1.2	
5.1.3	

3

5.2. TS FINE-WEAR

5.2.1 Direct labour cost

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7

5.2.2

	WORKINGS	ANSWER
(a)		
(b)		

4

9

5.2.3 Factory overhead cost

Factory sundry expenses	19 150

12

5.2.4 Calculate: Cost of sales

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5

5.3 PASS MANUFACTURERS

5.3.1 Do a calculation to prove that the break-even point for jackets in 2017 is correct.

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4

5.3.2 Comment on the break-even points and the level of production for both products. Quote figures.

Jackets:	
Caps:	

4

5.3.3 Calculate the percentage increase in the selling price.

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4

Provide ONE reason why the owner felt it necessary to increase the selling price.

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2

5.3.4

	COST IDENTIFIED (with figures)	ADVICE OR SOLUTION
Jackets	Cost:	
Caps	Cost:	

6

Q5: TOTAL MARKS	60	
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QUESTION 6: BUDGETING

6.1 Explain why:

6.1.1 Depreciation and bad debts will not appear in a Cash Budget.

2

6.1.2 A cash budget is different from a Projected Income Statement.

2

6.2 KWT DISTRIBUTORS LTD

MONTHS	CREDIT SALES	NOVEMBER	DECEMBER
September	180 000		
October	186 000	55 800	
November		92 625	
December	210 000		
Total collection from debtors			

12

6.2.2 Calculate:

	WORKINGS	ANSWER
(i)	Cash sales for December:	
(ii)	Rent income amount for November:	
(iii)	Payments to creditors for November:	
(iv)	Salaries and wages for December:	
(v)	Loan instalment (including interest) for December:	

2

3

6

4

5

6.2.3 Comment on the internal control regarding the collection from debtors and the payment to creditors. Provide TWO points.

4

Q6: TOTAL MARKS	40	
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TOTAL: 300