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QUESTION	MARKS	INITIAL	MOD.
1			
2			
3			
4			
5			
6			
TOTAL			

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Please turn over

# **QUESTION 1**

1.1	1.1.1	
	1.1.2	
	1.1.3	

# 1.2 DESKS FACTORY

# 1.2.1 Factory Overhead Cost Note

Factory Overnead Cost Note		
Indirect labour	R 296 500	
Depreciation on factory plant	166 000	
		-

Workings	Answer	

# 1.2.3 Sihle wants to produce an additional 1 500 desks. Calculate the additional profit he can expect. Workings Answer

3

1

#### 1.3 **CHAIRS FACTORY**

Workings	Answer

1.3.2 Comment on the break-even point and the production level achieved. Quote figures.

# Δ

#### 1.3.3 Sihle feels that wood raw material was not well controlled. Provide a calculation to support his opinion.

			4
	VO possible causes of this probl solution for EACH.	em.	
	POSSIBLE CAUSES	SOLUTION FOR EACH	
Cause 1			
Cause 2			4

### 1.3.4 Give TWO reasons for the increase in direct labour cost. Provide a solution for EACH. REASONS SOLUTION FOR EACH Reason 1 Reason 2 4

TOTAL MARKS
45

# **QUESTION 2**

2.1.1	State THREE a	dvantages of EFTs.	
	Advantage 1		
	Advantage 2		
	Advantage 3		3

2.1.2 Janet, the bookkeeper, has been assigned the duty of processing and controlling all EFTs.

Explain TWO r	easons why the internal auditor is concerned about this.	
Reason 1		
Reason 2		

CASH RECEIPTS JOURNAL		CASH PAYMENTS JOURNAL
27 470	Provisional totals	32 400
	_	
	_	
	TOTALS	

Workings	Answer	



# 2.4

BANK RECONCILIATION STATEMENT	ON 30 JUNE 2019	
		8
		<u> </u>

TOTAL MARKS
30



4

4

2

# **QUESTION 3**

# CABINETS

3.1	Calculate the value of closing stock using FIFO.		
	Workings	Answer	
			6

# 3.2.1 Calculate the % mark-up achieved in 2019. Workings Answer

# 3.2.2 Provide TWO points (with figures) to prove that this decision achieved its aims. Point 1 Point 2

# 3.2.3 The CEO feels that this decision also negatively affected the company. Provide TWO points (with figures) to support his opinion. Point 1 Point 2 Give the directors advice to solve this problem. Explain TWO points. Point 1

Point 2

## LAMPS

V	Norkings	Answei
	Torkinge	7 4161761

# 3.4

Calculate the h	number of missing lamps.		
	Workings	Answer	
			5
Give TWO sug	gestions to solve this problem.		
Suggestion 1			
Suggestion 2			4

# **TELEVISION SETS**

3.5	Calculate the value of the closing stock 30 September 2019 using the specific identification		ets on	
	Workings	Answ	er	
				7

# Explain THREE different concerns that George would have about this 3.6 problem. Concern 1

Concern 2	
Concern 3	6





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## **QUESTION 4**

4.1	4.1.1	
	4.1.2	
	4.1.3	
	4.1.4	
	4.1.5	

# 4.2 VISIV LTD

(i) Calculate: Depreciation for the curre	Answer
Workings	Answer
(ii) Calculate: Carrying value of vehicle	sold
Workings	Answer
<b>_</b>	
Calculate: Profit/Loss on sale of asset	
Workings	Answer
Calculate: Fixed assets carrying value on	28 February 2019
Workings	Answer



4.2.2

Calculate the correct net profit after tax for 28 February 2019. Indicate (+) for increase and (–) f	
Workings	Answer
Incorrect net profit before tax	822 700
Correct net profit after tax	

9

# 4.2.3

RETAINED INCOME NOTE:		
Balance at beginning	865 300	
Ordinary share dividends		
		<u> </u>
Balance at end		9



VISIV LTD STATEMENT OF FINANCIAL POSITION (BALAN ON 28 FEBRUARY 2019	ICE SHEET)
ASSETS	
Non-current assets	
Fixed assets	
Fixed deposit	
Current assets	
Inventories	1 102 000
Cash and cash equivalents	
TOTAL ASSETS	
EQUITY AND LIABILITIES	
Ordinary shareholders' equity	
Ordinary share capital	8 152 000
Non-current liabilities	
Current liabilities	2 900 000
Current portion of loan	
TOTAL EQUITY AND LIABILITIES	



### 4.3 AUDIT REPORT

# 4.3.1 What type of audit report did the company receive?

1	

2

 4.3.2
 Give TWO examples of audit evidence that the auditors would have required regarding this problem.

 Example 1
 Example 2

# 4.3.3 Apart from the current ratio, identify and calculate ONE other financial indicator that the auditors would have used in deciding on this opinion. Identify ONE other financial indicator:

Calculate the financial indicator:

-	the directors could have done to prevent this comment by Provide TWO points.	
Point 1		
Point 2		

TOTAL MARKS
70



# **QUESTION 5**

5.1	5.1.1	
	5.1.2	
	5.1.3	
	5.1.4	

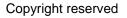
## 5.2 SUNSET LTD

### 5.2.1

Calculate: Income tax paid		
Workings	Answer	
		4
Calculate: Dividends paid		
Workings	Answer	
		4
Calculate: Proceeds of shares issued		
Workings	Answer	
		6
Calculate: Fixed assets purchased		
Workings	Answer	
		5

# 5.2.2 Calculate financial indicators for the year ended 28 February 2019:

% operating profit on sales		
Workings	Answer	
		4
Net asset value per share		
Workings	Answer	
		4
Debt-equity ratio		
Workings	Answer	
		4



# 5.3 HORIZON LTD and OPTIMA LTD

Explain why directors should be interested in the price of their 5.3.1 companies' shares on the JSE. 2 Calculate the number of additional shares in Horizon Ltd that Mike was able to buy on the JSE in 2019. Workings Answer 3 Comment on the price that Mike paid for these shares and provide TWO reasons why he might have been satisfied to pay this price. Comment (with figures): Reason 1: Reason 2: 6 Explain your opinion on which company has the better dividend pay-out 5.3.2 policy. Quote figures.

Compare and comment on the % return on equity earned by EACH company. Quote figures.

4



Mike feels that the earnings per share (EPS) of Optima Ltd is much better than that of Horizon Ltd. Explain why he feels this way. Quote figures or calculations.

5

6

5.3.3 Explain TWO decisions taken by the directors of Horizon Ltd in response to the state of the economy, and how these decisions will affect the company in future.

**Decision 1 (with figures):** 

Decision 2 (with figures):

Effect on Horizon Ltd in future:

Explain TWO decisions taken by the directors of Optima Ltd that affect risk and gearing. Quote and comment on TWO financial indicators. Decision 1 (with figures):

**Decision 2 (with figures):** 

Quote and comment on TWO financial indicators that affect risk and gearing.

8

**TOTAL MARKS** 

# **QUESTION 6**

6.1	6.1		SH BUDO	<b>BET</b>	1 [		ECTED IN		
		Nov. 2019	Dec. 2019	Jan. 2020	╽┠	Nov. 2019	Dec. 2019	Jan. 2020	
	Printer bought								
	Depreciation								
	Insurance								
	Loan received								
	Loan repayments								
	Interest								11
	1 November Calculate th following th	ne % of de le credit sa	btors wh	o settle t	heir			e <sup>nd</sup> month	
									3
	Calculate th month follo						t the end	of the 3 <sup>rd</sup>	_
		We	orkings				Answ	/er	
									4
6.3.1	Office work 1 October 2 points. Quo	2019. Explate the figures of the figures of the second sec	ain what or a calcu	she shou lation.		say to th	nem. Prov	ide TWO	
	$\vdash$	Exp	lanations	;		Figures	s/Calculat	ions	
	Point 1								
	Deint 0								

	Explanations	Figures/Calculations	
Point 1			
Point 2			]F

6.3.2 Thembi pays her son, Jacob, to deliver and install carpets for customers. She budgets R2,80 per metre for this.

Comment on the control of this expense. Quote figures or a calculation.

4

# 6.3.3 A new competitor commenced trading in the area on 1 September 2019. Provide figures to illustrate the impact on sales in September. 2 Explain THREE decisions that Thembi took in October in response to the new competitor. Quote figures or a calculation. Explanation (with figures) Decision 1 Decision 3

# 6.3.4 Calculate the actual amount payable to creditors in November 2019. Workings Answer 4 4

TOTAL MARKS
40

TOTAL: 300

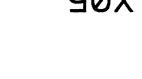






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# NATIONAL SENIOR CERTIFICATE ACCOUNTING GRADE 12 NOVEMBER 2019

SPECIAL ANSWER BOOK