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**SA EXAM  
PAPERS**

**CENTRE NUMBER**

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**EXAMINATION NUMBER**

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**NATIONAL SENIOR CERTIFICATE**

**ACCOUNTING**

**GRADE 12**

**NOVEMBER 2012**

***SPECIAL ANSWER BOOK***

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

**This answer book consists of 20 pages.**

**QUESTION 1****1.1****Indicate whether the statements are TRUE or FALSE.**

<b>1.1.1</b>	
<b>1.1.2</b>	
<b>1.1.3</b>	
<b>1.1.4</b>	
<b>1.1.5</b>	

<b>10</b>

**1.2****1.2.1****Calculate the total value of the opening stock (A).**

<b>3</b>

**1.2.2****Calculate the value of the tiles received on 25 April 2012 (B).**

<b>4</b>

**1.2.3****Calculate the value of the closing stock using the weighted-average method.**

<b>6</b>

1.3

1.3.1

**Calculate the amount owed to SARS for VAT.**

9

1.3.2

**Amy has not yet submitted the VAT return. John Smith is the internal auditor. He has a CA qualification. He has noticed that an invoice for purchases from KZN Wholesalers amounting to R200 000 has been signed by Amy and recorded by the bookkeeper. On investigation he discovers that KZN Wholesalers does not exist.**

**What should John Smith do about this? Explain.**

3

<b>TOTAL MARKS</b>
35

**QUESTION 2****2.1****Complete the following sentences in your own words:****It is important to prepare a Bank Reconciliation Statement each month because****It is important to prepare a Debtors' Age Analysis each month because**

4

**2.2****2.2.1****Which GAAP principle will the bookkeeper apply when writing off the amount of R40 000? Briefly explain this principle.**

3

**The bookkeeper wants to prevent a problem such as this in future. Give TWO solutions to improve internal control in this regard.**

4

**2.2.2 BANK RECONCILIATION STATEMENT ON 31 MAY 2012**


13

**2.3**

	Identification of TWO different problems, with evidence from the question	Internal control measure to correct each problem
Problem 1		
Problem 2		

6

**TOTAL  
MARKS**

30

**QUESTION 3****3.1 3.1.1 CAPE CHOCOLATES - NOTE TO THE PRODUCTION COST STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2012  
FACTORY OVERHEAD COST**

<b>Total factory overhead cost</b>	

20

**3.1.2 CAPE CHOCOLATES – PRODUCTION COST STATEMENT  
FOR THE YEAR ENDED 30 JUNE 2012**

<b>Prime cost</b>	
<b>Total cost of production</b>	
<b>Work-in-process on 1 July 2011</b>	<b>35 000</b>
<b>Work-in-process on 30 June 2012</b>	
<b>Cost of production of finished goods</b>	<b>1 212 000</b>

16

3.2 3.2.1

	BLANKETS	TOWELS
Which production cost caused the biggest problem?		
Explanation and figures to support your opinion		
Possible solution for Benny		

6

3.2.2

Benny does not know how to calculate the break-even point. Give the workings to prove that the 2012 break-even point of 12 298 units for blankets is in fact correct.

4

3.2.3

Refer to the number of blankets produced and sold in 2012, and the break-even point for blankets. Explain why these figures should be of concern to Benny. Quote figures to support your answer.

4



**3.2.4 Which product should Benny increase in price by R15,00?**

**Explain and quote figures to support your answer.**

**In this case, estimate how much extra net profit he could earn next year assuming that his level of production and sales will remain unchanged. Give a calculation to support your answer.**

5

<b>TOTAL MARKS</b>
55

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**QUESTION 4**

4.1

Choose a description from COLUMN B that matches the term in COLUMN A. Write only the letter (A–D) next to the question number (4.1.1–4.1.4).

4.1.1	
4.1.2	
4.1.3	
4.1.4	

8

4.2

**MASTER LIMITED****4.2.1 NOTE TO THE BALANCE SHEET ON 30 JUNE 2012**

<b>FIXED/TANGIBLE ASSETS</b>	<b>LAND AND BUILDINGS</b>	<b>EQUIPMENT</b>	<b>VEHICLES</b>
<b>Carrying value – 1 July 2011</b>	<b>R 930 000</b>	<b>R 220 000</b>	<b>R 519 200</b>
<b>Cost</b>	<b>930 000</b>	<b>561 000</b>	<b>814 000</b>
<b>Accumulated depreciation</b>	<b>0</b>	<b>(341 000)</b>	<b>(294 800)</b>
<b>Movements</b>			
Additions at cost	*	*	0
Disposal at carrying value	0	0	*
Depreciation	0	*	(98 890)
<b>Carrying value – 30 June 2012</b>	<b>1 580 000</b>	<b>*</b>	<b>*</b>
<b>Cost</b>	<b>1 580 000</b>	<b>616 000</b>	<b>*</b>
<b>Accumulated depreciation</b>	<b>0</b>	<b>*</b>	<b>*</b>

17

4.2.2

Calculate the Retained Income on 30 June 2012. (You may prepare an Appropriation Account if you wish.)

7

**4.2.3 MASTER LIMITED – BALANCE SHEET ON 30 JUNE 2012**

<b>ASSETS</b>	
<b>Non-current assets</b>	
<b>Fixed/Tangible assets</b>	
<b>Current Assets</b>	
<b>Inventories</b>	
<b>TOTAL ASSETS</b>	
<b>EQUITY AND LIABILITIES</b>	
<b>Ordinary shareholders' equity</b>	
<b>Ordinary share capital</b>	
<b>Retained income</b>	
<b>Non-current liabilities</b>	
<b>Current liabilities</b>	
<b>TOTAL EQUITY AND LIABILITIES</b>	

38

TOTAL  
MARKS

70

**QUESTION 5****5.1****Write down the missing words.**

<b>5.1.1</b>	
<b>5.1.2</b>	
<b>5.1.3</b>	
<b>5.1.4</b>	
<b>5.1.5</b>	

<b>10</b>

**5.2****5.2.1****Calculate the acid-test ratio.**

<b>4</b>

**5.2.2****Calculate the earnings per share (in cents).**

<b>4</b>

**5.2.3****Calculate the net asset value per share (in cents).**

<b>3</b>

**5.2.4 Calculate the percentage return on average shareholders' equity.**

5

**5.2.5 Calculate the figures that will appear in the Cash Flow Statement for:**

**Repayment of loans**

2

**Proceeds of issue of ordinary shares**

4

**Fixed assets purchased (Note that fixed assets with a book value of R105 000 were sold at carrying value.)**

5

**5.3      5.3.1**

**James is of the opinion that Pomi Ltd is handling its working capital more effectively and is in a better liquidity situation than Kwela Ltd. Explain and quote THREE financial indicators to support his opinion.**

9

**5.3.2**

**Which company is making more use of loans? Quote a financial indicator for each company.**

**Explain whether or not it was a good idea for that company to make use of loans. Quote ONE financial indicator.**

6

- 5.3.3 Kwela Ltd has a better percentage return, earnings and dividends than Pomi Ltd. Explain and quote THREE financial indicators for each company.**

9

- 5.3.4 Explain why the existing shareholders of Kwela Ltd are happy with the current market value of their shares. Quote a financial indicator/figures to support your answer.**

**Explain why the existing shareholders of Pomi Ltd are very disappointed with the current market value of their shares. Quote a financial indicator/figures to support your answer.**

4



5.4

**How would these audit reports influence James in deciding in which company to buy shares?**

**Explanation on the audit report of Kwela Ltd**

**Explanation on the audit report of Pomi Ltd**

5

<b>TOTAL MARKS</b>
70

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**QUESTION 6**

6.1

**Explain why it is important for Jim to prepare a Projected Income Statement.**

2

6.2

**Calculate the percentage increase in sales he expects in December.**

**Explain why he has budgeted for this increase.**

4

6.3

**Calculate the mark-up percentage he actually achieved in October.**

**Explain whether or not it was a good idea to change the mark-up percentage from its original target.**

6

6.4

**Calculate the following figures in the Projected Income Statement:**

	<b>WORKINGS</b>	<b>ANSWER</b>
<b>Rent income for November 2012</b>		
<b>Advertising for December 2012</b>		
<b>Interest expense for November 2012</b>		

10

6.5

**Refer to the actual and budgeted figures for October 2012. Identify the THREE overhead expenses that have been poorly controlled by Jim. Quote figures to support your answer.**

**What advice would you offer Jim to improve his internal control over these overhead expenses? Explain.**

6

2

6.6

Jim is of the opinion that he could benefit financially if he accepts Samuel's offer. State THREE points that would have a positive effect on his Projected Income Statement for January 2013 if he accepts the offer. Give figures or information from the question to support your answer.

Point 1:

Point 2:

Point 3:

6

6.7

Jim is also conscious of the fact that there are negative points if he accepts the offer. State TWO points that Jim should consider before finalising his decision to sell the property. Explain.

Point 1:

Point 2:

4

TOTAL MARKS
40

TOTAL: 300