



**Name:**

**NATIONAL  
SENIOR CERTIFICATE**

**GRADE 12**

**JUNE 2022**

**ACCOUNTING P1  
ANSWER BOOK**

QUESTION	MAX. MARKS	MARKS OBTAINED	MODERATED MARKS
<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>		

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This answer book consists of 11 pages.

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## QUESTION 1

## 1.1 Statement of Comprehensive Income for the year ended 28 February 2022

<b>Sales</b>	
<b>Cost of sales</b>	
<b>Gross profit</b>	
<b>Other income</b>	
<b>Discount received</b>	<b>23 190</b>
<b>Gross income</b>	
<b>Operating expenses</b>	
<b>Advertising</b>	<b>404 500</b>
<b>Salaries and wages</b>	<b>956 180</b>
<b>Audit fees</b>	<b>89 970</b>
<b>Depreciation</b>	<b>123 220</b>
<b>Trading stock deficit</b>	<b>18 500</b>
<b>Sundry expenses</b>	
<b>Operating profit</b>	<b>1 602 190</b>
<b>Profit before interest expense</b>	
<b>Net profit before income tax</b>	
<b>Net profit after tax</b>	

## 1.2 RETAINED INCOME

Balance on 1 March 2021		
Ordinary share dividends		
Balance on 28 February 2022	969 000	7

1.3 STATEMENT OF FINANCIAL POSITION ON 28 February 2022  
EQUITIES AND LIABILITIES

SHAREHOLDERS' EQUITY		
Ordinary share capital		
Retained income	969 000	
Non-current liabilities		
Current liabilities		
Trade and other payables		
TOTAL EQUITY AND LIABILITIES		13

TOTAL MARKS

60

**QUESTION 2**

**2.1 Calculate the following financial indicators for the financial year ended 30 April 2022:**

**2.1.1**

<b>Debt-equity ratio</b>	
<b>Workings</b>	<b>Answer</b>

<b>3</b>

**2.1.2**

<b>Earnings per share (EPS)</b>	
<b>Workings</b>	<b>Answer</b>

<b>4</b>

**2.1.3**

<b>Dividend pay-out rate (%)</b>	
<b>Workings</b>	<b>Answer</b>

<b>3</b>

**2.1.4**

<b>% return on average shareholders' equity (ROSHE)</b>	
<b>Workings</b>	<b>Answer</b>

<b>5</b>

2.2

Cash effects of changes in working capital	
Change in inventory	
Change in receivables	
Change in payables	

9

2.3.1

Taxation paid	
WORKINGS	ANSWER

5

2.3.2

Proceeds from sale of fixed assets	
WORKINGS	ANSWER

5

2.3.3

Funds used for the repurchase of shares	
WORKINGS	ANSWER

2

2.4

NET CHANGE IN CASH AND CASH EQUIVALENTS		
Balance on 1 May 2021		
Balance on 30 April 2022		

4

TOTAL MARKS
40

**QUESTION 3****3.1**

<b>3.1.1</b>	
<b>3.1.2</b>	
<b>3.1.3</b>	

3
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**3.2.1**

**The directors are satisfied with the improvement in the liquidity of the company. Quote and explain THREE financial indicators with figures and trends that show an improvement of the liquidity position.**

6
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**3.2.2**

**Explain why the shareholders should be satisfied with their return on investment in the company. Quote figures and trends in your explanation.**

4
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3.2.3

One of the directors feels that the company should pay back the loan as soon as possible. Explain why you disagree with him. Quote TWO financial indicators with figures and trends.

6

3.2.4

One of the shareholders wants to sell her shares at R6 each.

Provide ONE reason why you would agree with her to sell her shares. Quote a financial indicator with figures and trends.

Provide ONE reason why you disagree with her to sell her shares. Quote a financial indicator with figures and trends.

4

3.2.5

The shareholders should be happy with the earnings per share (EPS) because it is better than the previous year. Explain why you agree with them. Quote figures and calculations.

4



3.3.1

Explain what effect this consideration will have on the % shareholding of Alton Flan in EACH company. Quote figures and trends.

Socker Ltd:

Boll Ltd:

6

3.3.2

Calculate the number of shares Alton Flan could buy in Boll Ltd.

WORKINGS	ANSWER

2

TOTAL MARKS
35

**QUESTION 4****4.1**

**Explain the role of the remunerations committee and give a reason why there is a need for this committee.**

**EXPLANATION:**

**REASON:**

3

**4.2**

**Explain why the auditor referred to pages 7 to 22 in this report.**

2

**4.3**

**Identify the type of audit report that the company received and give a reason for your answer.**

2

4.4

Explain the effect of this type of report for the image of the company.  
Provide TWO points.

4

4.5

State TWO possible consequences for the independent auditor if he  
had NOT referred to the increase in directors' fees.

4

TOTAL MARKS
15

TOTAL: 150