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PREPARATORY EXAMINATION

GRADE 12

ACCOUNTING P1

SEPTEMBER 2022

SPECIAL ANSWER BOOK

QUESTION	MAXIMUM MARKS	MARK OBTAINED	MODERATED MARK
1	20		
2	60		
3	30		
4	40		
TOTAL	150		

This answer book consists of 9 pages.

Please turn over

QUESTION 1

1.1

1.1.1	
1.1.2	
1.1.3	

3

1.2

NO.	ACCOUNT DEBITED	ACCOUNT CREDITED	AMOUNT	A	O	L
1.2.1						
1.2.2						
1.2.3						

9

1.3.1

Identify the type of audit report that the company received. Give a reason for your answer.

TYPE OF REPORT

REASON

2

1.3.2

Explain why the auditor referred to pages 10 to 25

2

Explain why the auditor referred to International Financial Reporting Standards and the Companies Act of South Africa

2

1.3.3

Name any TWO items of audit evidence that the auditors may have used.

2

TOTAL MARKS

20

QUESTION 2

2.1 CONCEPTS

2.1.1	
2.1.2	
2.1.3	

3

2.2 RIZPAH LTD

- 2.2.1 Calculate the correct net profit after tax by accounting for the adjustments with information C and D.
Indicate (+) for increase and (–) for decrease.

Workings	Answer
Incorrect net profit before tax	2 226 840
Provision for bad debts	
Audit fees	
Rent income	
Correct net profit before tax	
Income tax	
Correct net profit after tax	

11

2.2.2 Ordinary Share Capital Note

Authorised: 1 200 000 ordinary shares

Issued

	Shares in issue on 1 March 2021	
	Shares in issue on 28 February 2022	11 931 000

8

2.2.2

Retained Income Note	
Balance at beginning of financial year	
Dividends	
•	
•	
Balance at the end of financial year	1 794 000

2.2.3

Prepare the Statement of Financial Position on 28 February 2022	
ASSETS	
NON-CURRENT ASSETS	
CURRENT ASSETS	3 120 000
Cash and cash equivalents	
TOTAL ASSETS	
EQUITY AND LIABILITIES	
ORDINARY SHAREHOLDERS' EQUITY	
Ordinary share capital	11 931 000
NON-CURRENT LIABILITIES	
Loan: CW-Loans	
CURRENT LIABILITIES	
Trade and other payables	
TOTAL EQUITY AND LIABILITIES	

30

TOTAL MARKS	
	60

QUESTION 3

3.1

3.1.1	
3.1.2	
3.1.3	

3

3.2.1

Calculate: Income tax paid	
Workings	Answer

4

Calculate: Dividends paid	
Workings	Answer

4

Calculate: Proceeds of shares issued	
Workings	Answer

5

Calculate: Fixed Assets purchased	
Workings	Answer

5

3.2.2 Calculate financial indicators for the year ended 28 February 2022:

% Operating profit on sales	
Workings	Answer

3

Net Asset Value per share	
Workings	Answer

3

Debt-equity ratio	
Workings	Answer

3

TOTAL MARKS	
	30

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

5

4.1.3

Explain TWO decisions taken by the directors of Kim 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 Kim Ltd in future:

6

Explain TWO decisions taken by the directors of Chevy 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

40

ERRATA: ACCOUNTING – PAPER 1

Colleagues

Can you please adjust the marking guidelines with the following amendments / corrections:
(Errata and changes is indicated in blue:

Question 2.2.3 – Statement of Financial Position (Adjustment F not applied to Trade and other receivables / also affecting inventory as balancing figure

CURRENT ASSETS	3 120 000
Inventory <i>balancing figure</i>	1 449 570 ✓
Trade and other receivables ✓ <i>Net trade debtors</i> ✓ <i>income tax diff</i> ✓ <i>see 2.2.1</i> ✓ <i>see fin. assets</i> (1 312 500 – 39 200 + 38 400 + 18 150 – 26 920)	<i>one part correct</i> 1 302 930 ✓
Cash and cash equivalents (7 500 + 360 000)	<i>one part correct</i> 367 500 ✓
TOTAL ASSETS <i>See TOTAL EQUITY & LIABILITIES</i> 11	21 165 000 ✓

Question 3.2.1 - Calculations of dividends paid and Proceeds of shares issued

Calculate: Dividends paid	
Workings	Answer
✓✓ 210 000 + ✓ 97 500 OR 97 500 + 396 000 – 186 000 <i>one mark one mark one mark</i> <i>also accept ledger account format / signs may be swopped</i>	✓ 307 500 <i>one part correct</i>

4

Calculate: Proceeds of shares issued	
Workings	Answer
✓ -4 650 000 + ✓✓ 930 000 + ✓ 3 862 000 <i>also accept ledger account format / signs may be swopped</i>	✓ 142 000 <i>one part correct</i>

5

Question 3.2.2 – Calculate % operating profit on sales

% Operating profit on sales	
Workings	Answer
$\frac{1\,016\,950}{4\,362\,500} \times 100/1$	✓ 23,3% <i>one part correct, must be %</i>

3

ERRATA: REKENINGKUNDE – VRAESTEL 1

Kollegas

Kan u asseblief die nasiengids met die volgende veranderinge / korreksies:
(Errata en veranderinge is in **blou**):

Vraag 2.2.3 – Staat van Finansiële posisie (Aansuiwering F is nie by Handels- en ander ontvangbare bedrae in berekening gebring nie / affekteer ook balanserende handelsvoorraad

BEDRYFSBATES	3 120 000
Voorraad <i>balanserende syfer</i>	1 449 570 <input checked="" type="checkbox"/>
Handels- en ander ontvangbare bedrae ✓ <i>Netto handelsdeb.</i> <input checked="" type="checkbox"/> <i>Inkomstebel. verskil</i> <input checked="" type="checkbox"/> (1 312 500 – 39 200 + 38 400 + 18 150 – 26 920) <i>sien 2.2.1</i> <input checked="" type="checkbox"/>	<i>een deel korrek</i> 1 302 930 <input checked="" type="checkbox"/>
Kontant en kontantekwivalente (7 500 + 360 000) <i>sien fin. bates</i> <input checked="" type="checkbox"/>	<i>een deel korrek</i> 367 500 <input checked="" type="checkbox"/>
TOTALE BATES <i>Sien TOTALE EKWITEIT EN LASTE</i> 11	21 165 000 <input checked="" type="checkbox"/>

Vraag 3.2.1 - Berekening van dividend betaal en Opbrengs met aandele uitgereik

Bereken: Dividende betaal	
Bewerkings	Antwoord
✓✓ 210 000 + ✓ 97 500 OF 97 500 + 396 000 – 186 000 <i>een punt een punt een punt</i> aanvaar ook grootboekrekening format / tekens mag andersom gebruik word	<input checked="" type="checkbox"/> 307 500 <i>een deel korrek</i>

4

Bereken: Opbrengs met aandele uitgereik	
Bewerkings	Antwoord
✓ -4 650 000 + ✓✓ 930 000 + ✓ 3 862 000 aanvaar ook grootboekrekening format / tekens mag andersom gebruik word	<input checked="" type="checkbox"/> 142 000 <i>een deel korrek</i>

5

Vraag 3.2.2 – Bereken % bedryfswins op verkope

% Bedryfswins op verkope	
Bewerkings	Antwoord
$\frac{1\,016\,950}{4\,362\,500} \times 100/1$	<input checked="" type="checkbox"/> 23,3% <i>een deel korrek, moet % wees</i>

3