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**SA EXAM  
PAPERS**



**Name:**

**NATIONAL  
SENIOR CERTIFICATE**

**GRADE 12**

**JUNE 2023**

**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 12 pages.

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**QUESTION 1**

1.1.1

**Calculate: The profit/loss on the trade-in of the old vehicle**

<b>WORKINGS</b>	<b>ANSWER</b>

<b>4</b>

1.1.2

**Calculate: The total depreciation for the year**

<b>Depreciation on equipment</b>	
<b>Depreciation on vehicles</b>	

<b>4</b>

**NOTE:** The amounts calculated above must be transferred to  
**QUESTION 1.2.1, the Statement of Comprehensive Income.**

## 1.2.1 Statement of Comprehensive Income for the year ended 28 February 2023

<b>Sales</b>	
<b>Cost of sales</b>	
<b>Gross profit</b>	
<b>Other income</b>	
<b>Discount received</b>	<b>32 400</b>
<b>Gross operating income</b>	
<b>Operating expenses</b>	
<b>Audit fees</b>	<b>180 060</b>
<b>Insurance</b>	<b>56 920</b>
<b>Sundry expenses</b>	
<b>Operating profit</b>	
<b>Interest income</b>	<b>120 000</b>
<b>Profit before interest expense</b>	
<b>Net profit before tax</b>	
<b>Income tax</b>	<b>(242 040)</b>
<b>Net profit after tax</b>	

## 1.2.2 Extract: Statement of Financial Position on 28 February 2023

<b>EQUITY AND LIABILITIES</b>		
<b>ORDINARY SHAREHOLDERS' EQUITY</b>	<b>5 870 750</b>	
<b>NON-CURRENT LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Trade and other payables		
<b>TOTAL EQUITY AND LIABILITIES</b>		

16

TOTAL MARKS

60

## QUESTION 2

2.1

2.1.1	
2.1.2	
2.1.3	

3

2.2.1 Retained Income

Balance on 1 March 2022	
Net profit after tax	784 000
Ordinary share dividends	
Final dividends	207 070
Balance on 28 February 2023	

8

### 2.2.2 Cash Flow Statement for the year ended on 28 February 2023.

Information is NOT required in shaded areas.

<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	
Cash generated from operations	
Interest paid	
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	
<b>CASH AND CASH EQUIVALENTS AT BEGINNING</b>	
<b>CASH AND CASH EQUIVALENTS AT END</b>	92 840

**2.2.3 Calculate the following financial indicators on 28 February 2023.**

<b>Acid-test ratio</b>		
<b>WORKINGS</b>	<b>ANSWER</b>	
		<div></div> <div>3</div>
<b>% Return on average shareholders' equity (ROSHE)</b>		
<b>WORKINGS</b>	<b>ANSWER</b>	
		<div></div> <div>4</div>
<b>Dividend per share</b>		
<b>WORKINGS</b>	<b>ANSWER</b>	
		<div></div> <div>4</div>

<b>TOTAL MARKS</b>
<b>40</b>



**QUESTION 3****3.1**

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

<b>3</b>

**3.2.1**

**Identify the company with the better profitability financial indicators. Quote TWO financial indicators.**

<b>3</b>

**3.2.2**

**Identify and explain which company is managing its liquidity more efficiently. Quote TWO financial indicators.**

<b>6</b>

3.2.3

**Comment on the dividend pay-out policy of each company. Provide a possible reason why each company decided on the policy adopted. Quote figures.**

	Comment	Explanation
Rock Ltd		
Wills Ltd		

6

3.2.4

**The directors of Wills Ltd decided to increase the loan during the current financial year. Explain whether this was a good decision or not. Quote TWO financial indicators.**

6

3.2.5

The shareholders of Rock Ltd are satisfied with the market price of their shares, whereas the shareholders of Wills Ltd are not satisfied. Explain by quoting a financial indicator for EACH company.

ROCK LTD

WILLS LTD

6

3.2.6

Calculate the % percentage shareholding of the Mentoor- family if they buy these shares.

WORKINGS

ANSWER

2

As a shareholder, why would you be concerned about the interest shown by the Mentoor family? Provide TWO points.

3

TOTAL MARKS

35

**QUESTION 4****4.1.1**

**Identify the type of audit report in the extract above and give a reason for your answer.**

**Type of report:**

**Reason:**

2

**4.1.2**

**Explain the effect of this type of report for the image of the company. Provide ONE point.**

2

**4.2.1**

**Provide TWO possible reasons why the CEO was fined, and not the company.**

4

4.2.2

Provide TWO points why the JSE took this action.

4

4.2.3

Identify ONE other party (stakeholder) that could also be accountable for allowing this situation. Provide a reason.

3

TOTAL MARKS
15

TOTAL: 150