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**GRADE 12 – MOCK EXAM**  
**LEJWELEPUTSWA**  
**ACCOUNTING P1 - JUNE 2023**

**SURNAME:** \_\_\_\_\_

**NAME:** \_\_\_\_\_

**SCHOOL:** \_\_\_\_\_

QUESTION	MARKS	MARKER	MODERATOR
1			
2			
3			
4			
<b>TOTAL</b>	<b>150</b>		

This answer book consists of 8 pages.

**QUESTION 1****1.1 ZABI LTD  
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 operating 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>Net profit before interest expense</b>		
<b>Net profit before tax</b>		
<b>Net profit after tax</b>		

40

## 1.2

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

7
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## 1.2.3 EQUITY AND LIABILITIES SECTION OF STATEMENT OF FINANCIAL POSITION

SHAREHOLDERS' EQUITY		
Ordinary share capital		
Retained income	969 000	
NON-CURRENT LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables		
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		

13
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TOTAL MARKS
60



2.2.

<b>Net change in working capital</b>		
<b>Change in inventory</b>		
<b>Change in receivables</b>		
<b>Change in receivables</b>		

9

2.3.1	Taxation paid		
	Workings	Answer	
			<div></div> <div>5</div>
2.3.2	Proceeds from sale of Fixed assets		
	Workings	Answer	
			<div></div> <div>5</div>

<b>2.3.3</b>	<b>Funds used for the repurchase of shares</b>		
	<b>Workings</b>	<b>Answer</b>	
			2
<b>2.4</b>	<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>		
	Balance on 1 May 2021		
	Balance on 30 April 2022		
			4

<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**

**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.**

<b>6</b>

**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.**

<b>4</b>

**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.**

<b>6</b>



**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

ACCA ANSWER BOOK						
3.3.1	<div>Explain what effect this consideration will have on the % shareholding of Alton Flan in EACH company. Quote figures and trends.</div> <div><div>Socker Ltd:</div><div>Boll Ltd:</div></div>	<div></div> <div>6</div>				
	3.3.2	<div>Calculate the number of shares Alton Flan could buy in Boll Ltd.</div> <table><tr><td>Workings</td><td>Answer</td></tr><tr><td></td><td></td></tr></table>	Workings	Answer		
Workings	Answer					

<b>TOTAL MARKS</b>
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 MARKS: 150