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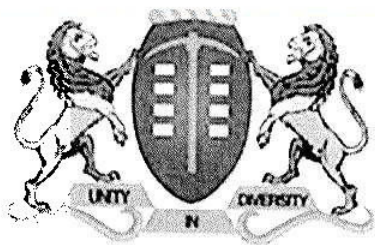
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Proudly South African



# GAUTENG PROVINCE

EDUCATION

REPUBLIC OF SOUTH AFRICA

## JUNE EXAMINATION GRADE 12

### 2025

### ACCOUNTING P2

### SPECIAL ANSWER BOOK

NAME AND SURNAME:

NAME OF SCHOOL:

QUESTION	TOTAL MARKS	MARKS OBTAINED	MODERATED MARK
1	55		
2	40		
3	40		
4	15		
<b>TOTAL</b>	<b>150</b>		

10 pages



## QUESTION 1

1.1

1.1.1		
1.1.2		
1.1.3		

3

1.2

1.2.1 Statement of Comprehensive Income for the year ended 28 February 2025

Sales	
Cost of sales	(2 150 000)
Gross profit	
Other operating income	
Bad debts recovered	15 400
Gross operating income	
Operating expenses	
Salaries and wages	1 030 000
Operating profit	690 000
Interest income	
Profit before interest expense	
Profit before income tax	
Net profit after tax	

26

## 1.2.2 Statement of Financial Position (Balance sheet) on 28 February 2025

<b>ASSETS</b>	
<b>NON-CURRENT ASSETS</b>	
Fixed assets	
Fixed deposit	
<b>CURRENT ASSETS</b>	
Trade and other receivables	
382 700	
Cash and cash equivalents	
<b>TOTAL ASSETS</b>	
<b>EQUITY AND LIABILITIES</b>	
<b>SHAREHOLDERS' EQUITY</b>	
Ordinary share capital	2 069 000
Retained income	1 189 000
	880 000
<b>NON-CURRENT LIABILITIES</b>	
<b>CURRENT LIABILITIES</b>	
Trade and other payables	
198 400	
<b>TOTAL EQUITY AND LIABILITIES</b>	



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## QUESTION 2

## 2.1 Ordinary Share Capital note on 31 May 2025

556 100	Ordinary shares at the beginning	
120 000	Ordinary shares issued during the year	R 2 169 150
	Shares at the end of the year	

6

## 2.2 Calculate the following financial indicators for the year ended 31 May 2025:

## 2.2.1

% Net profit before tax on sales	
WORKINGS	ANSWER

2

## 2.2.2

Net asset value	
WORKINGS	ANSWER

3

## 2.2.3

% Return on total capital employed	
WORKINGS	ANSWER

7



## 2.3 CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MAY 2025

<b>CASH FLOW FROM OPERATING ACTIVITIES</b>	
Cash generated from operations	
Interest paid	(338 780)
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>	
Change in investments	
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	
Repurchase of shares	
Change in loans	
<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>	

22

40

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**QUESTION 3**

**3.1**

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

**3**

**3.2**

**Shanice Krates, one of the shareholders and CEO argued that the directors did not deserve the performance bonus because they failed to efficiently manage the company's working capital. Quote TWO financial indicators to support Shanice's argument.**

**6**

**3.3**

**Some shareholders are not satisfied with the change in the dividend pay-out policy. Explain the reason for this change.**

**4**



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3.4

Reeves, a potential shareholder, is unsure on whether to invest in the company or invest his money in long-term investments in other financial institutions. Provide ONE point of advice by quoting ONE relevant financial indicator.

4

3.5

The directors decided to allow the issue of more shares on 31 January 2025 instead of taking an additional loan to finance the operations of the company. Quote TWO financial indicators to justify the decision taken by the directors.

6

3.6

3.6.1

Calculate the amount spent by Shanice on the shares she bought on 31 January 2025. (She was allowed to buy shares equal to one-fifth of the shares she already owned.)  
NOTE: No shares were repurchased during the financial year.

3



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**8**

**3.6.2**

**Shanice wants to be a majority shareholder. Explain whether she managed to achieve her goal. Show ALL calculations.**

**6**

**3.6.3**

**Explain ONE consequence to the company of allowing Shanice to buy shares equal to one-fifth of the shares she already owns.**

**2**

**3.7**

**At an AGM the directors stated that they were planning to repurchase 15 000 shares of a recently deceased shareholder during the next financial period at a share price of R8 per share.**

**Some shareholders disagreed with this decision. Explain why they may disagree with this decision by quoting TWO relevant financial indicators.**

**6**

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**QUESTION 4**

**4.1**

**4.1.1**

**Provide ONE key factor that should be checked before donating items.**

**2**

**4.1.2**

**Explain why it is important for a business to engage in Corporate Social Responsibility (CSR). Provide TWO points.**

**4**

**4.2**

**4.2.1**

**Give TWO benefits of good governance for companies.**

**4**

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4.2.2

How can businesses apply the King Code principles of transparency and accountability? Provide TWO points.

4
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4.2.3

What should directors do if they have a conflict of interest? Provide ONE point.

1
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15
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TOTAL: 150