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GAUTENG PROVINCEEDUCATION
REPUBLIC OF SOUTH AFRICA

JUNE EXAMINATION GRADE 12

2025

ACCOUNTING

(PAPER 1)

ANSWER BOOK

NAME AND SURNAME:	
NAME OF SCHOOL:	

QUESTION	TOTAL MARKS	MARKS OBTAINED	MODERATED MARK
1	55		
2	40		
3	40		
4	15		
TOTAL	150		

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

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



**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

CASH FLOW FROM OPERATING ACTIVITIES	
Cash generated from operations	
Interest paid	(338 780)
CASH FLOW FROM INVESTING ACTIVITIES	
Change in investments	
CASH FLOW FROM FINANCING ACTIVITIES	
Repurchase of shares	
Change in loans	
NET CHANGE IN CASH AND CASH EQUIVALENTS	
CASH AND CASH EQUIVALENTS AT BEGINNING	
CASH AND CASH EQUIVALENTS AT END	

22

40



**QUESTION 3**

3.1

3.1.1	
3.1.2	
3.1.3	

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





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



**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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