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PREPARATORY EXAMINATION 2025

10711
ACCOUNTING

(PAPER 1)
ANSWER BOOK

11 pages		
NAME OF SCHOOL:		
NAME OF LEARNER:		

QUESTION	TOPIC	MARKS	MARKS OBTAINED
1	Company Financial Statements	50	
2	Cash Flow Statement and Financial Indicators	40	
3	Interpretation of Financial Statements	45	
4	Corporate Governance	15	
TOTAL		150	



QUESTION 1

1.1	1.1.1	
	1.1.2	
	1.1.3	3

1.2.1 CORRECT NET PROFIT AFTER TAX FOR YEAR ENDED 30 JUNE 2025

Incorrect net profit before tax	1 153 150	
		- T
		-
Net profit before tax]
Net profit after tax		12

1.2.2 RETAINED INCOME NOTE

670 100	<u></u>
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	670 100





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STATEMENT OF FINANCIAL POSITION (BALANCE SHEET) **ON 30 JUNE 2025**

ASSETS		ĺ
NON-CURRENT ASSETS		
Fixed assets		
Fixed deposit		
CURRENT ASSETS		
Trade and other receivables (424 000		
TOTAL ASSETS		
EQUITY AND LIABILITIES		
SHAREHOLDERS' EQUITY		
Ordinary share capital	9 600 000	
Retained income		
NON-CURRENT LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables (116 860		
Current portion of loan		,
TOTAL EQUITY AND LIABILITIES	-	28

TOTAL MARKS

50

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2.1	2.1.1			1
	2.1.2			
	2.1.3			3
2.2.1	2.1.1 2.1.2 2.1.3 Ordinary Share Capital Note on 31 May 2025 Ordinary shares at the beginning of year 5 160 000 Ordinary shares at the end of year 7 191 000 7			
		Ordinary shares at the beginning of year	5 160 000	
		Ordinary shares at the end of year	7 191 000	
2.2.2	2.1.1 2.1.2 2.1.3 3 Ordinary Share Capital Note on 31 May 2025 Ordinary shares at the beginning of year 5 160 000 Ordinary shares at the end of year 7 191 000 7 Calculate: Tax paid WORKINGS ANSWER Calculate: Dividends paid WORKINGS ANSWER			
		WORKINGS	ANSWER	==2
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				4
	Calculat	e: Dividends paid		
		WORKINGS	ANSWER	
				5

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			ř.
2.2.3	CASH FLOW FROM FINANCING ACTIVITIES		0
			6
	NET CHANGE IN CASH AND CASH EQUIVALENTS		
			98
			4
2.2.4	The directors have identified options to fund the R1,5 mi	llion needed to	
2.2.4	import new products and expand the business, without business's risk in the next financial year.		
	What funding options can the company consider, without	taking out	
	additional loans? Quote TWO sources with figures.	taking out	
			2
			50.000



5

2.2.5 Calculate the following indicators for the year ended 31 May 2025

% net profit after tax on sale	es		
	KINGS	ANSWER	1
			2
Net asset value per share			1
TARES.	KINGS	ANSWER	Ì
			1
			l
			3
Dividends pay-out rate			┧╚┸
	KINGS	ANSWER	1
0.00 (P.O O O O O O O O.	5.00 (A.C.)	and Audiente dryfelled achied to by	1
			4
9			14 ,46 35
	TOTAL MARKS		
	40		



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QUESTION 3

3.1	Profitability:

	Profitability:	
	Quote TWO financial indicators with figures and trends of the company that showed an improvement in their operating efficiency.	
l		
	Liquidity:	
	The directors of Dodo Ltd are concerned about stock control. Quote ONE financial indicator and other relevant financial data to support this concern.	
l		L
	Identify the company that holds more stock. Show calculations and explain using financial indicators.	
		L
	Dividends pay-out policy:	
	Explain to Ben which company has accumulated sufficient money to finance expansion in the upcoming financial year. Quote relevant figures and provide a comparison to support your answer.	
		L
L		L

3.4 Share price on stock exchange	ie:	nane	excl	tock	on	price	Share	3.4
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3.5

Security Exch	the change of the share price on the Johannesburg ange (JSE) of each company at the end of the financial gures and trends.	
Dodo Ltd		
Nasha Ltd		4
Provide ONE	factor for each company that could have influenced	
	eir share price.	6
Dodo Ltd		
Nasha Ltd		2
Financing stra	ategy:	
management	erating Officer (COO) of Nasha Ltd persuaded the senior team to take out a loan. Quote ONE financial indicator with ends to confirm this statement.	9

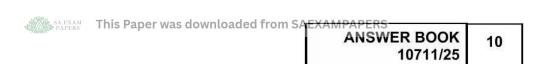


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3.6 Shareholding:

Calculate the total amount that Ben received from selling his shares i Dodo Ltd.	n
WORKINGS ANSWER	
	- 12 0
	2
<u> </u>	
Calculate the additional amount, apart from the amount earned, from th	<u> </u>
sale of his shares in Dodo Ltd, that Ben had to contribute to buy th	
shares in Nasha Ltd.	
WORKINGS ANSWER	- 14
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	4
Explain TWO benefits that Ben will lose after selling his shares i	n
Dodo Ltd.	ule:
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	4
Pan's shareholding % will shange offer huving additional shares in Nach	_
Ben's shareholding % will change after buying additional shares in Nash Ltd. Explain TWO potential challenges or problems of being a majorit	
shareholder.	.,
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3.7 Success of a director:

Explain THREE essential qualities of a successful director in a profitable	
company.	-
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	6

TOTAL MARKS

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QU	ES.	TI	О	N	4

4.1.1	
4.1.2	
Identify case.	TWO corporate governance issues evident in the Kings Ltd
	TWO points indicating why transparency is crucial as an of ethics in corporate governance within a company.
	TWO roles of an audit committee in preventing discrepancies in reporting.
List THR like Kinç	EEE consequences of poor corporate governance for a company is Ltd.

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TOTAL: 150