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GAUTENG PROVINCE
EDUCATION
REPUBLIC OF SOUTH AFRICA

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	



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**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
Net profit before tax	
Net profit after tax	

12

1.2.2 RETAINED INCOME NOTE

Balance at the beginning of the year	670 100
Ordinary share dividends	
Interim dividend	
Final dividend	
Balance at the end of the year	

7




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

ASSETS	
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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2.2.3 CASH FLOW FROM FINANCING ACTIVITIES

6

NET CHANGE IN CASH AND CASH EQUIVALENTS

4

2.2.4 The directors have identified options to fund the R1,5 million needed to import new products and expand the business, without increasing the 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.

2





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

% net profit after tax on sales	
WORKINGS	ANSWER

2

Net asset value per share	
WORKINGS	ANSWER

3

Dividends pay-out rate	
WORKINGS	ANSWER

4

TOTAL MARKS
40



**QUESTION 3****3.1 Profitability:**

Quote **TWO** financial indicators with figures and trends of the company that showed an improvement in their operating efficiency.

4

3.2 Liquidity:

The directors of Dodo Ltd are concerned about stock control. Quote **ONE** financial indicator and other relevant financial data to support this concern.

4

Identify the company that holds more stock. Show calculations and explain using financial indicators.

3

3.3 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.

5




3.4 Share price on stock exchange:

Comment on the change of the share price on the Johannesburg Security Exchange (JSE) of each company at the end of the financial year. Quote figures and trends.

Dodo Ltd

Nasha Ltd

4

Provide ONE factor for each company that could have influenced changes in their share price.

Dodo Ltd

Nasha Ltd

2

3.5 Financing strategy:

The Chief Operating Officer (COO) of Nasha Ltd persuaded the senior management team to take out a loan. Quote ONE financial indicator with figures and trends to confirm this statement.

3



**3.7 Success of a director:**

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

6

TOTAL MARKS
45



**QUESTION 4**

4.1	4.1.1		
	4.1.2		2
4.2	Identify TWO corporate governance issues evident in the Kings Ltd case.		2
4.3	Provide TWO points indicating why transparency is crucial as an element of ethics in corporate governance within a company.		4
4.4	Explain TWO roles of an audit committee in preventing discrepancies in financial reporting.		4
4.5	List THREE consequences of poor corporate governance for a company like Kings Ltd.		3

TOTAL MARKS

15

TOTAL: 150**SA EXAM PAPERS**Proudly South African
END