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# SA EXAM PAPERS

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Proudly South African



STICKER

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**SENIOR CERTIFICATE EXAMINATIONS/  
NATIONAL SENIOR CERTIFICATE EXAMINATIONS**

**ACCOUNTING P1**

**GRADE 12**

**MAY/JUNE 2025**

***SPECIAL ANSWER BOOK***

QUESTION	MARKS	INITIAL	MOD.
1			
2			
3			
4			
TOTAL			

This answer book consists of 10 pages.



**QUESTION 1****1.1 Statement of Comprehensive Income for the year ended 28 February 2025**

<b>Sales</b>	
<b>Cost of sales</b>	
<b>Gross profit</b>	
<b>Other income</b>	
<b>Service fee income</b>	<b>174 580</b>
<b>Gross operating income</b>	
<b>Operating expenses</b>	
<b>Salaries and wages</b>	<b>763 000</b>
<b>Depreciation</b>	<b>285 860</b>
<b>Operating profit</b>	
<b>Interest income</b>	
<b>Profit before interest expense</b>	
<b>Interest expenses</b>	
<b>Net profit before tax</b>	
<b>Income tax</b>	<b>(397 800)</b>
<b>Net profit after tax</b>	

34



**1.2 Statement of Financial Position as at 28 February 2025**

<b>EQUITY AND LIABILITIES</b>	
<b>ORDINARY SHAREHOLDERS' EQUITY</b>	
Ordinary share capital	2 480 000
<b>NON-CURRENT LIABILITIES</b>	
Loan: Oracle Bank	
<b>CURRENT LIABILITIES</b>	972 000
Trade and other payables (420 358)	
Bank overdraft	
Current portion of loan	126 600
<b>TOTAL EQUITY AND LIABILITIES</b>	

16

**TOTAL MARKS**

50



**QUESTION 2****2.1****(i)****Calculate: Carrying value of buildings on 1 March 2024**

<b>WORKINGS</b>	<b>ANSWER</b>

**(ii)****Calculate: Disposal of vehicle at carrying value**

<b>WORKINGS</b>	<b>ANSWER</b>

**(iii)****Calculate: Total depreciation on equipment**

<b>WORKINGS</b>	<b>ANSWER</b>

<b>12</b>

**2.2****Calculate: Taxation paid**

<b>WORKINGS</b>	<b>ANSWER</b>

<b>4</b>

**Calculate: Dividends paid**

<b>WORKINGS</b>	<b>ANSWER</b>

<b>4</b>

**2.3 Cash effects from financing activities in the Cash Flow Statement for the year ended 28 February 2025**

Cash effects from financing activities		
		8

**2.4 Calculate: % operating expenses on sales**

WORKINGS	ANSWER	
		3

**Calculate: % return on average shareholders' equity**

WORKINGS	ANSWER	
		4

**Calculate: Dividends per share**

WORKINGS	ANSWER	
		4

**2.5**

	SOURCE OF FUNDING (with figures)	NEGATIVE EFFECT ON CASH FLOW	
SOURCE 1			
SOURCE 2			6

**TOTAL MARKS**

45

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**QUESTION 3**

3.1

3.1.1		
3.1.2		
3.1.3		3

3.2

**Liquidity:**

The liquidity position of the company has improved. Quote TWO financial indicators with figures to support this statement.

4

3.3

**Dividend pay-out policy:**

Calculate the dividend pay-out rate for the year ended 28 February 2025.

WORKINGS	ANSWER
	2

Explain why the directors decided to change the policy. Give ONE reason.

2

3.4

**% shareholding and repurchase decision-making:**

Calculate the number of new shares that Denzel purchased on 31 July 2024.

WORKINGS	ANSWER
	4

Calculate Denzel's % shareholding on 28 February 2025.

WORKINGS	ANSWER
	3

The independent auditor discovered that Denzel had made the decision to repurchase the shares from the estate of a deceased relative on 1 December 2024 without informing the board of directors.

Why should the independent auditor be concerned about this? Give ONE reason.

2

**3.5 Gearing and risk:**

The directors of Venus Ltd want to expand the business by opening more branches in other provinces. Explain why you would recommend that they should not borrow more money. Quote TWO financial indicators, with figures.

6

The other option of financing the proposed expansions is to issue more shares. Explain how this will benefit the company. Provide TWO points.

4





**3.6 Share value:**

Explain why the shareholders should not be satisfied with the share prices of the company at the end of the financial year. Quote TWO relevant financial indicators and other related data.

4

**3.7 Renewal of the CFO's contract:**

Explain ONE reason why any company should appoint a suitably qualified person as their chief financial officer (CFO).

2

Apart from the factors and financial indicators covered in QUESTIONS 3.2 to 3.6, quote and explain TWO financial indicators why you feel that Denzel's contract should not be renewed.

4

TOTAL MARKS
40

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**QUESTION 4**

**4.1.1** Identify the type of audit report that Yungs Ltd received.

1

**4.1.2** Name TWO reliable types of audit evidence that VC Auditors used as the basis for their opinion.

2

**4.1.3** Explain how this audit report could have a positive influence on the company in the future. Provide TWO points.

4

4.2.1

What action would Vintage Ltd have taken against the two directors who appeared in court? Provide TWO points.

4

4.2.2

Explain TWO consequences that Josh, the external auditor, may face for his illegal conduct.

4

TOTAL MARKS
15

TOTAL: 150

