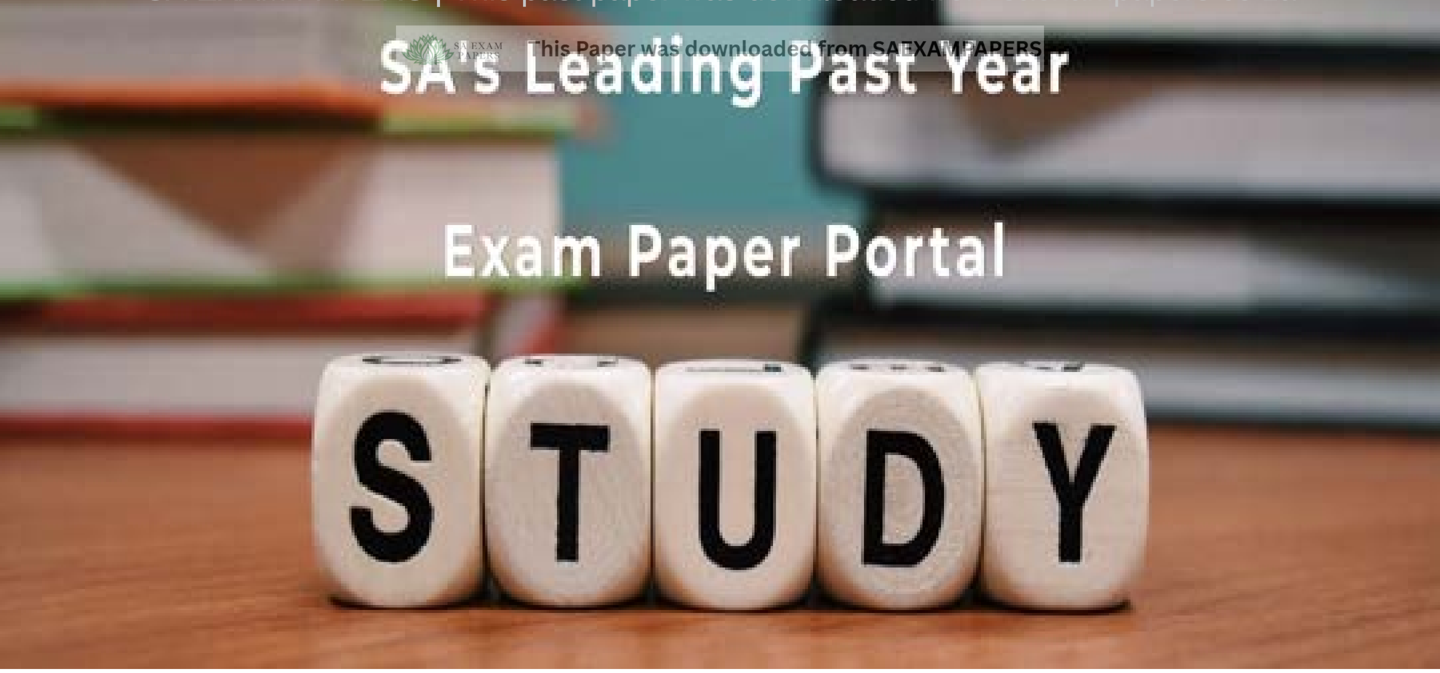
SA's Leading Past Year
Exam Paper Portal
STUDY

Northern Cape
Department of Education

Provinsiale Voorbereidende Eksamen
September 2025
Answer Book/*Antwoordeboek*

SCHOOL *SKOOL*	
CENTRE NUMBER *SENTRUMNOMMER*	
LEARNER'S NAME *LEERDER SE NAAM*	
LEARNER'S SURNAME *LEERDER SE VAN*	
DATE *DATUM*	9 September 2025
BOOK NUMBER *BOEKNOMMER*	OF *VAN* BOOKS *BOEKE*
SUBJECT CODE *VAKKODE*	A C C N
PAPER NUMBER *VRAESTELNOMMER*	1
SUBJECT NAME *VAKNAAM*	ACCOUNTING

Learner's Class
Leerder se Klas

Question *Vraag*	MARKS OBTAINED/*PUNTE BEHAAL*														
	Teacher *Onderwyser*			Moderator – School *Moderator – Skool*			Moderator – District *Moderator – Distrik*			Moderator – Province *Moderator – Provinsie*			Moderator – National *Moderator – Nasionaal*		
TOTAL *TOTAAL*															
Percentage *Persentasie*															
Level *Vlak*															
Signature *Handtekening*															
Date *Datum*															

This answer book consists of 11 pages./*Hierdie antwoordboek bestaan uit 11 bladsye.*

QUESTION 1

1.1 Calculate the correct net profit before tax.

Net profit before tax	**440 000**
Interest expense	**(94 120)**

10

1.2 ORDINARY SHARE CAPITAL

		1 596 000

7

RETAINED INCOME

Balance at the end of the year	**383 200**

7

1.3 Statement of Financial Position for the year ended 28 February 2025

Assets	
Non-current assets	
Current assets	
Total assets	
Equity and Liabilities	
Shareholders' equity	
Non-current liabilites	
Current liabilities	
Total equity and liabilities	

31

TOTAL MARKS
55

QUESTION 2

2.1

2.1.1	
2.1.2	
2.1.3	
2.1.4	
2.1.5	

5

VALUE LTD

2.2 Reconciliation of net profit before tax and cash generated from operating activities.

Adjustments i.t.o.	

11

2.3 Cash Flow Statement for the year ended 28 February 2025

Cash flow from operating activities	
Cash generated from operations	
Interest paid	
Cash flow from investing activities	
Purchase of fixed assets	**(1 060 000)**
Cash flow from financing activities	
Repurchase of shares	
Net change in cash and cash equivalents	
Cash and cash equivalents at the beginning of the year	
Cash and cash equivalents at the end of the year	

16

2.4 Calculate the following financial indicators:

Net asset value per share	
WORKINGS	**ANSWER**

3

Return on average capital employed	
WORKINGS	**ANSWER**

5

TOTAL MARKS
40

QUESTION 3

3.1 Share price:

Shares are being offered to the existing shareholders at 130 cents each. Would you consider buying additional shares in this company? Briefly explain by quoting TWO financial indicators, with figures.

4

3.2 Liquidity:

Although the company is not experiencing any liquidity problems, the directors are very concerned about the liquidity of the company. Explain why they are concerned. Quote TWO financial indicators with figures to support their concerns.

6

3.3 Risk and gearing:

Blue Ltd is considering taking out an additional loan of R240 000 at an interest rate of 17% p.a. What advice would you give the directors? Quote TWO financial indicators with figures to support your answer.

6

3.4 Dividend payout policy:

Comment on the dividend payout policy by quoting figures and explain why the directors decided to change the dividend payout policy.

3

3.5 Shareholding:

3.5.1

Calculate Mark's % shareholding on 1 January 2025 after the issuing of new shares.

3

3.5.2

Calculate Mark's % shareholding after the repurchase of shares on 1 May 2025.

2

3.5.3

How has Mark's % shareholding in the company been affected by the repurchase of the shares?

2

3.6 Earnings and returns:

As a shareholder of Blue Ltd, would you be satisfied with the performance of the company for 2025? Quote TWO financial indicators with figures.

5

3.7	One director has queried the fact that, whilst the operating profit on sales has improved, the percentage net profit before tax on sales has declined. Provide a brief explanation to the director.

4

TOTAL MARKS
35

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QUESTION 4

4.1 **Explain why the shareholders would not be satisfied with the report.**

	2

4.2 **The managing director informed the auditors that he plans to purchase the unissued shares during the next year, without advertising the new issuing to the shareholders or the public. What advice should the auditors give to him? Explain.**

	2

4.3 **Explain why it was necessary for the auditors to stipulate pages 11 to 23 in the report.**

	2

4.4 **Explain TWO important consequences for Dan and Brown, should it be found that they were negligent in exercising their duties.**

	4

4.5 Corporate governance:

4.5.1

Explain the difference between executive directors and non-executive directors.
Executive directors:
Non-executive directors:

2

4.5.2

As a shareholder, you are attending the AGM where new directors will be appointed. List and explain TWO characteristics you would be looking for in the new directors.	
Characteristic:	Explanation:
Characteristic:	Explanation:

4

4.5.3

At the AGM, many shareholders complained that the Remunerations Committee had been negligent in their duties and that Mr French (CFO) did not deserve the fees that he was paid. State TWO different points to justify their opinion. Quote figures or financial indicators.	
POINT 1	
POINT 2	

4

TOTAL MARKS
20

TOTAL: 150