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**SA EXAM
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Proudly South African



MARKING GUIDELINE

GRADE 12

ACCOUNTING

2026 TERM 1 CONTROLLED TEST

MARKING PRINCIPLES:

1. Unless otherwise stated in the marking guidelines, penalties for foreign items are applied only if the candidate is not losing marks elsewhere in the question for that item (no penalty for misplaced item). No double penalty applied.
2. Penalties for placement or poor presentation (e.g. details) are applied only if the candidate is earning marks on the figures for that item.
3. Unless otherwise stated, give full marks for correct answer. If answer is incorrect, mark workings.
4. If a pre-adjustment figure is shown as a final figure, allocate the part-mark as a working mark for that figure (not the method mark for the answer). *Note:* if figures are stipulated in memo for components of workings, these do not carry the method mark for final answer as well.
5. Unless otherwise indicated, the positive or negative effect of any figure must be considered to award the mark. If no + or – sign or bracket is provided, assume that the figure is positive.
6. Where indicated, part-marks may be awarded to differentiate between differing qualities of answers from candidates.
7. If candidates provide more than the required number of responses, inspect all responses to give benefit to the candidate. Penalties may be applied for foreign entries if candidates earn full marks on a question (max -2 per Q).
8. This memorandum is not for public distribution as certain items might imply incorrect treatment. The adjustments made are due to nuances in certain questions.
9. Where penalties are applied, the marks for that section of the question cannot be a final negative.
10. Where method marks are awarded for operation, marker must inspect reasonableness of the answer.
11. Operation means 'check operation'. 'One part correct' means operation and one part correct. *Note:* check operation must be +, -, x, ÷ as per candidate's calculation (if valid) or per memo.
12. In calculations, do not award marks for workings if numerator & denominator are swapped – this also applies to ratios.
13. In awarding method marks, ensure that candidates do not get full marks for any item that is incorrect at least in part. Indicate with a .
14. Be aware of candidates who provide valid alternatives beyond the marking guideline. *Note:* that one comment could contain different aspects.
15. Codes: f = foreign item; p = placement/presentation.

This answer book consists of 7 pages

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QUESTION 1

1.1

1.1.1	D✓
1.1.2	A✓
1.1.3	E✓
1.1.4	B✓

4

4



1.2 **STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED
28 FEBRUARY 2026**

Sales	1 799 660
Cost of sales	(1 000 000)
Gross profit	799 660
Other operating income	359 250
Fee income	102 000
Rent income (274 500 ✓ – 21 750 ✓✓)	252 750 ✓**
Trading stock surplus (299 500 – 295 000)	4 500 ✓
Gross operating income	1 158 910 ✓*
Operating expenses	(498 910)
Consumable stores (30 000 – 1 800)	28 200 ✓
Audit fees (64 000 x 100/80) or (64 000 + 16 000)	80 000 ✓✓**
Directors fees (247 000 ✓ + 9 500 ✓)	256 500 ✓**
Salaries and wages (90 000 ✓ + 18 000 ✓✓ + 3 960 ✓)	111 960 ✓**
Bad debts (16 200 ✓ + 4 875 ✓)	21 075 ✓**
Provision for bad debts adjustment (3 375 – 2 200)	1 175 ✓✓**
Operating profit	660 000 ✓*
Interest income balancing figure	24 800 ✓*
Profit before interest expense	684 800
Interest expense (30 000 + 4 800)	(34 800) ✓✓
Net profit before tax	650 000
Income tax	(195 000)
Net profit after tax	455 000

26

26

**operation & one part correct *operation

30

30



QUESTION 2**2.1 Notes to the financial statements of CIRCLE LTD**

- ORDINARY SHARE CAPITAL**

480 000✓	Shares in issue on 1 March 2025	<i>Bal fig</i> 2 110 000☑
100 000✓	Shares issued at R5	500 000✓
<i>Bal fig</i> (20 000) ☑	Shares repurchased at ASP R4,50✓✓	(90 000) ☑
560 000	Shares in issue on 28 February 2026	2 520 000

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8

- RETAINED INCOME**

Balance on 1 March 2025	<i>Bal fig</i>	375 500☑
Net profit after tax		315 000✓
Buy-back <small>See OSC</small> 20 000☑ x R1		(20 000)☑
Dividends on ordinary shares <small>operation</small>		(300 800) ☑
- Interim		115 200✓
- Final	580 000 x 0,32	185 600✓☑
Balance on 28 February 2026		369 700

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2.2 CIRCLE LTD

STATEMENT OF FINANCIAL POSITION ON 28 FEBRUARY 2026

NON-CURRENT ASSETS	operation	2 230 000☑
Tangible assets	2 400 000 – 500 000✓	1 900 000☑
Investment	440 000 – 110 000✓	330 000☑
CURRENT ASSETS	operation	996 400☑
Inventory		630 000
Trade and receivables	190 000 – 9 500✓ + 15 000✓✓ ProvBD SARS	195 500☑
Cash and cash equivalents	60 900 + 110 000☑ see investment	170 900☑
TOTAL ASSETS	NCA + CA operation	3 226 400☑
SHAREHOLDERS' EQUITY	operation	2 889 700☑
Ordinary share capital		2 520 000
Retained Income	see RI note	369 700☑
NON-CURRENT LIABILITIES		60 520
Loan: Shark Bank	109 000✓ – 48 480✓✓	60 520☑
CURRENT LIABILITIES (Total E&L - SHE - NCL)	operation	276 180☑
Trade and other payables	Bal fig	42 100☑
Shareholders for dividends	see RI note	185 600☑
Current portion of loan	see NCL	48 480☑
TOTAL EQUITY AND LIABILITIES	see TA	3 226 400☑





QUESTION 3

3.1 Calculate:

Changes in working capital		(20 000) <input checked="" type="checkbox"/>
..Decrease.. in Inventory	2 250 000 – 1 720 000	530 000 ✓
..Increase.. in Debtors	1 140 000 – 940 000	(200 000) ✓
	1 260 000	
..Decrease.. in Creditors [1 240 000+ 20 000] – 910 000		(350 000) ✓ <input checked="" type="checkbox"/>

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3.2 Calculate the following:

- Income tax paid	
WORKINGS	ANSWER
$\begin{array}{r} (2\,600\,000 - 1\,820\,000) \\ 720\,000 \checkmark + 780\,000 \checkmark + 65\,000 \checkmark \end{array}$	917 000 <input checked="" type="checkbox"/>

4

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- Dividends paid	
WORKINGS	ANSWER
$\begin{array}{r} (1\,691\,600 - 921\,600) \\ 620\,000 \checkmark + 770\,000 \checkmark \end{array}$	1 390 000 <input checked="" type="checkbox"/>

3

3

- Net change in cash and cash equivalents	
WORKINGS	ANSWER
$\begin{array}{r} (210\,000 - 10\,000) \\ 200\,000 \checkmark \checkmark + 540\,000 \checkmark \end{array}$	740 000 <input checked="" type="checkbox"/>

4

4



