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**SA EXAM
PAPERS**

SA EXAM PAPERS
Proudly South African



education

Department of
Education
FREE STATE PROVINCE

GRADE 12

SBA TASK 2: FIRST TERM TEST

ACCOUNTING

MARCH 2026

MARKS: 100

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 for the working 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 answer.
11. Operation means 'check operation'. 'One part correct' means operation and one part correct. Note: check operation must be +, -, x, ÷, 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 marking guideline consists of 5 pages.



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QUESTION 1: COMPANY FINANCIAL STATEMENTS

- 1.1 Calculate the correct net profit after tax for the year ended 30 June 2025. Indicate a + for increase and a – for decrease.

Calculation of the correct after tax Accept brackets instead of –. Positive/negative effect must be correct		
Incorrect net profit		2 992 320
Trading stock surplus		+13 560 ✓✓
Provision for bad debts adjustment		+2 880 ✓✓
Rent income		-3 360 ✓
Insurance		+5 400 ✓✓
Directors' Fees		+48 750 ✓✓
Correction of error: Asset disposal	-8 160 one mark	-16 320 ✓✓
Correct net profit before tax	Operation, one part correct	3 043 230 ✓
Income tax	Accept if no sign	-900 000 ✓
Net profit after tax	Check operation, Correct NP – tax	2 143 230 ✓

14

Foreign entries -1 (max-2)

- 1.2 Prepare the Retained Income Note on 30 June 2025.

Balance at beginning of year		2 700 000
Net profit after tax	see 1.1 above	2 143 230 ✓
Repurchase of shares	1 mark 2 marks	(26 400) ✓
(24 000 ✓ x R1,10 ✓✓) OR (60 000 – 33 600)	One part correct	Must be -ve / in brackets
Dividends	One part correct, must be negative / brackets	(1 770 720) ✓
Interim		720 000 ✓
Final (4 776 000 ✓ x 0,22 ✓)	One part correct	1 050 720 ✓
Balance at end of year	Operation, one part correct	3 046 110 ✓

11





1.3 Prepare the Statement of Financial Position (Balance Sheet) on 30 June 2025.

ASSETS		
NON-CURRENT ASSETS		10 340 000
Fixed assets at carrying value		10 340 000
CURRENT ASSETS	TA-NCA	1 103 230 ✓
Inventories		243 840 ✓
Trade and other receivables		426 750 ✓
379 200 – 10 800 ✓ – 1 000 ✓ + 5 200 ✓ + 48 750 ✓ + 5 400 ✓		Operation, one part correct
Cash and cash equivalents	Balancing figure	432 640 ✓
TOTAL ASSETS	Transfer OE + L	11 443 230 ✓
		10
EQUITY AND LIABILITIES		
ORDINARY SHAREHOLDERS' EQUITY		Operation
Ordinary share capital		9 732 510 ✓
Retained income		6 686 400
	see 1.2	3 046 110 ✓
		2
NON-CURRENT LIABILITIES		248 400
Mortgage loan: Custom Bank		
314 640 ✓ – 66 240 ✓ ✓ ✓ Any figure if subtracted		248 400 ✓
314 640 / 57 = 5 520 x 12 Three marks / 314 640 x 12/57 Three marks		one part correct
		5
CURRENT LIABILITIES		Operation
Trade and other payable		1 462 320 ✓
(313 000 ✓ + 3 360 ✓ – 1 000 ✓)		Operation, one part correct
		315 360 ✓
Current portion of loan		See NCL
		66 240 ✓
SARS: Income tax (900 000 ✓ – 870 000 ✓)		Operation, one part correct
		30 000 ✓
Shareholders for dividends		see 1.2
		1 050 720 ✓
TOTAL EQUITY AND LIABILITIES		Operation
Foreign entries -1 (max -2). Poor Presentation / Incorrect or incomplete details -1 (max -2)		11 443 230 ✓
SARS may not be shown as a current asset; final balance must be under CL		11

28

1.4 Explain why the shareholders of the shares re-purchased on 31 May 2025 do not qualify for final dividends. State ONE point.

Explanation ✓✓ part-mark for incomplete / partially correct explanations

The repurchase occurred before the dividend record date / Dividends declared after their shares have been repurchased / They are no longer "owners" of the company.

2

TOTAL MARKS

55



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QUESTION 2: CASH FLOW STATEMENT

2.1 Prepare the Cash Flow Statement for the year ended 31 March 2026.

PEYPER LTD: CASH FLOW STATEMENT FOR YEAR ENDED 31 MARCH 2026.

	CASH FLOWS FROM OPERATING ACTIVITIES	1 114 014 <input checked="" type="checkbox"/>	
		Operation one part correct	
	Cash generated from operations	1 687 362	
	Interest paid	(187 200) ✓	
	Dividends paid 32 160 ✓ + 172 800 ✓✓ 32 160 + 547 200 – 374 400 1 mark 1 mark 1 mark	(204 960) <input checked="" type="checkbox"/>	
10	Income tax paid 237 888 ✓ - 17 760 ✓ - 38 940 ✓ OR - 237 888 + 17 760 + 38 940	(181 188) <input checked="" type="checkbox"/>	
	CASH FLOWS FROM INVESTING ACTIVITIES	(618 531) <input checked="" type="checkbox"/>	
		Operation one part correct	
	Purchases of fixed assets 1 530 394 ✓ + 167 849 ✓ + 399 979 ✓ - 1 293 312 ✓ OR -1 530 394 - 167 849 - 399 979 + 1 293 312	(804 910) <input checked="" type="checkbox"/>	
	Proceeds from sale of fixed assets	399 979 ✓	
9	Change in investments (345 600 – 559 200)	(213 600) ✓✓	
	CASH FLOWS FROM FINANCING ACTIVITIES	(203 616) <input checked="" type="checkbox"/>	
		Operation one part correct	
	Proceeds from issue of share capital (60 000 x R7,60)	456 000 ✓✓	
	Repurchase of shares (21 600 x R7,76)	(167 616) ✓✓	
7	Change in non-current liabilities (1 128 000 – 1 620 000)	(492 000) ✓✓	
	Net change in cash and cash equivalents	291 867 <input checked="" type="checkbox"/>	
	Cash and cash equivalents – opening balance (16 285 one mark – 192 156 one mark)	(175 871) ✓ <input checked="" type="checkbox"/>	
4	Cash and cash equivalents – closing balance	115 996 ✓	30

The inflow / outflow of money must be considered for allocating part mark **TOTAL MARKS****30**

QUESTION 3 INTERPRETATION OF FINANCIAL INFORMATION

3.1

Comment on the working capital of the company over the past two years. Quote TWO financial indicators, with figures, to support your answer.

Financial indicator ✓ ✓ figure and trend ✓ ✓ any ONE explanation ✓ ✓

Any two indicators:

- Current ratio decreased (from 1,5:1) to 0,8:1 / by 0,7:1
- Acid test ratio decreased (from 0,8:1) to 0,4:1 / by 0,4:1
- Av. debtors' collection period increased (from 28 days) to 44 days / by 16 days.

Possible explanations for TWO marks:

The business will have trouble meeting short term debts / does not have enough liquid assets (cash) to cover current liabilities / debtors take too long to settle accounts / too much stock on hand.

6

3.2.1

The Cash Flow Statement revealed decisions taken by the directors. Identify TWO major decisions taken by the directors in 2026 that were different to those from the previous year. Quote figures.

TWO decisions ✓ ✓ Figures ✓ ✓

- The company repurchased shares for R287 500.
- They took additional loan of R4 025 000. Do not accept R1 955 000 as a valid figure.

Give ONE effect of these decisions.

ONE valid reason ✓ ✓ **part marks for incomplete/unclear responses**

- Cash flow from financing activities increased by 1 495 000 (or is now 3 737 500) / The company is now more reliant on loans / pay more on interest / increased financial risk.

6

3.2.2

Explain the impact of these decisions on the degree of financial risk over the two years. Quote ONE financial indicator, with figures and trends.

Financial indicator ✓ with figure(s) and trend ✓

Debt/equity ratio increased (from 0,1: 1) to 0,5: 1 / by 0,4: 1)

Explanation ✓

High financial risk / more reliance on loans / Increased Risk / Moving towards high risk.

3

TOTAL MARKS

15

TOTAL MARKS: 100

