

SA EXAM PAPERS This Paper was downloaded from SAEXAMPAPERS
SA's Leading Past Year

Exam Paper Portal



You have Downloaded, yet Another Great Resource to assist you with your Studies 😊

Thank You for Supporting SA Exam Papers

Your Leading Past Year Exam Paper Resource Portal

Visit us @ www.saexampapers.co.za



**SA EXAM
PAPERS**

SA EXAM PAPERS

Proudly South African



LIMPOPO
PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

DEPARTMENT OF
EDUCATION

LIMPOPO DEPARTMENT OF EDUCATION

NATIONAL SENIOR CERTIFICATE

MARKING GUIDELINES

GRAAD 12

ACCOUNTING
CONTROLLED TEST 1 TASK 2
17 MARCH 2026

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 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 earning full marks not related to Q (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 08 pages.



SA EXAM PAPERS

Proudly South African

**QUESTION 1****1.1 MORETELE LTD****STATEMENT OF COMPREHENSIVE INCOME FOR THE EAR ENDED 28 FEBRUARY 2026**

Sales		2 101 720
Cost of Sales (2 101 720 +33 600 x 100/220)		(970 600) ✓☑
Gross profit	Sales-CoS	1 131 120 ✓☑
Other operating income		879 440
Gross Income		2 010 560 ✓☑
Operating expenses		(1 255 000) ✓☑
Salaries and wages		601 200
Audit fees (65 400 +21 800)		87 200 ✓✓
Rent expense (79 240 + 24 080)		103 320 ✓✓
Directors' fees (319 077 – 28 611)		290 466 ✓✓
Insurance (97 320 -16 220)		81 100 ✓
Sundry expenses		91 714 ✓
Operating profit		755 560 ✓☑
Interest income	balancing figure	19 440 ✓☑
Net profit before interest expense		775 000 ✓☑
Interest expense		(121 250) ✓
Net profit before tax		653 750 ✓
Income tax (152 200 + 30 850) or (470 700 X 28/72)		(183 050) ✓✓
Net profit after tax		470 700

20



**QUESTION 2****2.1 LORRAINE LTD****2.1.1 ORDINARY SHARE CAPITAL**

760 000	Shares in issue at beginning	3 800 000
150 000 ✓	Share issued during the year balancing figure	3 480 000 ✓
(60 000) ✓	Shares repurchased R8 ✓	(480 000) ✓
850 000 ✓ Operation, one part correct	Shares in issue at the end	6 800 000

7

2.1.2

CASH EFFECTS OF OPERATING ACTIVITIES														
Cash generated from operations														
Interest paid														
Taxation paid (49 800 ✓ – 497 400 ✓ + 52 500 ✓) OR (- 49 800 + 497 400 - 52 500) OR		(395 100) ✓*												
<table border="1"> <thead> <tr> <th colspan="3">SARS (INCOME TAX)</th> </tr> </thead> <tbody> <tr> <td>Bal b/d</td> <td>49 800</td> <td>Income tax 497 400</td> </tr> <tr> <td>Bank</td> <td>395 100</td> <td></td> </tr> <tr> <td>Bal c/d</td> <td>52 500</td> <td></td> </tr> </tbody> </table>		SARS (INCOME TAX)			Bal b/d	49 800	Income tax 497 400	Bank	395 100		Bal c/d	52 500		
SARS (INCOME TAX)														
Bal b/d	49 800	Income tax 497 400												
Bank	395 100													
Bal c/d	52 500													
signs can be reversed; mark one option consistently														
Dividends paid (182 000 ✓ + 198 000 ✓)		(380 000) ✓*												
CASH EFFECTS OF INVESTING ACTIVITIES														
Proceeds from sale of fixed assets														
Purchase of fixed assets (5 040 600 ✓ - 196 700 ✓ - 60 800 ✓ - 5 445 900 ✓) OR (5 445 900 + 60 800 + 196 700 - 5 040 600)		(662 800) ✓*												
signs can be reversed; mark one option consistently														
Investment matured														
CASH EFFECT OF FINANCING ACTIVITIES														
Proceeds from sale of shares	see 2.1.1	3 480 000 ✓												
Funds used for buying back of shares		600 000												
Loan (4 255 000 – 3 840 000)		(415 000) ✓✓*												
NET CHANGE IN CASH AND CASH EQUIVALENTS		1 244 300 ✓ operation												
Cash and cash equivalents at the beginning of the year (119 500 – 419 800)		(300 300) ✓✓*												
Cash and cash equivalents at the end of the year		944 000												

18

* one part correct and the correct flow of cash shown





2.2 Calculate the following financial indicators for February 2026

2.2.1

Current ratio		
WORKINGS	ANSWER	
4 180 200: 1 678 900	2,5: 1 ✓ <input checked="" type="checkbox"/>	
	one part correct;x:1	

2

2.2.2

Dividends per share		
WORKINGS	ANSWER	
$\frac{182\,000}{910\,000} \times 100 + \frac{212\,500}{850\,000} \times 100$ $= 20c \checkmark + 25c \checkmark$	45 cents <input checked="" type="checkbox"/>	
	one part correct accept 0.45 / R0.45	
	Do not accept 46 cents	
	assume cents if not specified	

3

30



QUESTION 3

- 3.1 Choose the statement from COLUMN B that matches a category of financial indicators in COLUMN A. Write only the letter (A-C) next to the question numbers (3.1.1 to 3.1.2) in the ANSWER BOOK.

COLUMN A	COLUMN B
3.1.1	B ✓
3.1.2	C ✓

2

- 3.2 The directors are satisfied with the improvement in the current ratio and acid-test ratio. Explain why you would disagree with them regarding the company's liquidity. Quote TWO financial indicators.

Financial Indicator with figures and trend ✓ ✓

- Stock holding period increased from 69 days to 103 days/by 34 days
- Debtors' collection period increased from 30 days to 49 days/ by 19 days
- Current ratio increased from 1,6:1 to 2,2:1 and the acid test ratio increased from 0,7:1 to 0,9:1* *must quote both CR and ATR

Explanation: ✓ ✓

- Too much cash is tied up on stock /over investment in stock
- The difference between current ratio and acid test ratio reflects stock piling/ stock can become obsolete.
- The business has neglected its collection policies/ The business may experience cash flow problems

4



3.3	<p>Explain why the shareholders should be satisfied with the return they get from investing in the company. Quote ONE financial indicator and figures.</p> <p>Financial Indicator with figures and trend ✓</p> <p>ROSHE increased from 11,9% to 13,5%</p> <p>Comparison with interest on fixed deposit ✓ ✓</p> <p>ROSHE of 13,5% is better than the interest on fixed deposit of 10%</p>	<div style="border: 1px solid black; width: 30px; height: 20px; margin: 0 auto;"></div> <div style="border: 1px solid black; width: 30px; height: 20px; margin: 0 auto; text-align: center;">3</div>
3.4	<p>Comment on the gearing and the degree of risk for 2026. Quote TWO financial indicators with figures and trends.</p> <p>Financial Indicator with figures and trend ✓ ✓</p> <p>Debt quit ratio increased from 0,1:1 to 0,4:1 ROTCE increased from 15,3% to 16,4%</p> <p>Comments: ✓ ✓</p> <p>Although debt equity ratio increased it is still a low risk ROTCE is higher than the interest on loan of 13% - positively geared company is making better use of loan.</p>	<div style="border: 1px solid black; width: 30px; height: 20px; margin: 0 auto;"></div> <div style="border: 1px solid black; width: 30px; height: 20px; margin: 0 auto; text-align: center;">4</div>
3.5	<p>All the new shares issued on 29 February 2026 were sold to the CEO, Ephraim without advertising them to the public. Explain TWO points why you think the shareholders are not happy with this. Quote figures.</p> <p>TWO Points ✓ ✓ ✓ ✓</p> <ul style="list-style-type: none"> • Shares were sold at 510 cents which is below the NAV of 788 cents and below MP of 780 cents • The CEO used his position to disadvantages the business financially. • The business would have made R390 000 if shares were sold at MP(50 000 X 780 cents) • Shares should be advertised- requirements by the company's Act 	<div style="border: 1px solid black; width: 30px; height: 20px; margin: 0 auto;"></div> <div style="border: 1px solid black; width: 30px; height: 20px; margin: 0 auto; text-align: center;">4</div>
3.6	<p>Calculate Ephraim's percentage shareholding on 29 February 2026. Comment on your findings.</p> <p>$\frac{1\ 295\ 000}{2\ 550\ 000} \times 100 = 50,8\%$ ✓ ✓</p> <p>He is now a majority shareholder ✓</p>	<div style="border: 1px solid black; width: 30px; height: 20px; margin: 0 auto;"></div> <div style="border: 1px solid black; width: 30px; height: 20px; margin: 0 auto; text-align: center;">3</div>



QUESTION 4

4.1	4.1.1	C ✓	<div style="border: 1px solid black; width: 20px; height: 20px; margin: 0 auto;"></div> <div style="border: 1px solid black; width: 20px; height: 20px; margin: 0 auto; text-align: center;">2</div>
	4.1.2	A ✓	

4.2.1	Explain the difference between the roles performed by the executive and non-executive directors in a company.		<div style="border: 1px solid black; width: 20px; height: 20px; margin: 0 auto;"></div> <div style="border: 1px solid black; width: 20px; height: 20px; margin: 0 auto; text-align: center;">4</div>
	Executive directors ✓✓	Non-executive directors ✓✓	
	<ul style="list-style-type: none"> • Are involved in day-to-day running of the company/ • involved with internal functioning (operations) of the company 	<p>They serve as a watch-dog role to:</p> <ul style="list-style-type: none"> • protect or to safeguard the investment of shareholders • hold executive directors accountable for their decisions • check the work of the executive directors and report to the board. • They provide an objective judgement on the issues. 	

4.2.2	<p>Explain your concern as a shareholder in the company regarding the CEO's actions.</p> <p>Any ONE valid point ✓✓</p> <p>Conflict of interests – The CEO used business resources for his gain/Act of corruption/Caused financial loss to the company through his actions/Failed to perform his duty of not accepting benefits from third parties.</p>	<div style="border: 1px solid black; width: 20px; height: 20px; margin: 0 auto;"></div> <div style="border: 1px solid black; width: 20px; height: 20px; margin: 0 auto; text-align: center;">2</div>
-------	---	--

4.2.3	<p>What implications will this have on the CEO. Mention TWO points.</p> <p>TWO valid points ✓ ✓</p> <ul style="list-style-type: none"> • Could be voted out of office / demoted. • Bad reputation and credentials. • Could face disciplinary action. 	<div style="border: 1px solid black; width: 20px; height: 20px; margin: 0 auto;"></div> <div style="border: 1px solid black; width: 20px; height: 20px; margin: 0 auto; text-align: center;">2</div>
-------	--	--

10