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# GRADE 12

# ACCOUNTING

## TERM 1 CONTROLLED TEST 2026

### INSTRUCTIONS AND INFORMATION

1. This question paper consists of THREE questions
2. Answer ALL questions on the Answer Sheet provided
3. Non-programmable calculators may be used.
4. You may use a dark pencil or blue/black ink to answer the questions
5. The following table will provide you with the questions and time-guide:

QUESTION	TOPIC	MARKS	MINUTES
1	Concepts; Statement of Comprehensive Income	30	25 minutes
2	Statement of Financial Position	40	40 minutes
3	Cash Flow Statement	30	25 minutes
<b>TOTAL</b>		<b>100</b>	<b>90 minutes</b>

This question paper consists of pages 8 and a 7-page Answer Book




**QUESTION 1: STATEMENT OF COMPREHENSIVE INCOME (30 marks; 25 minutes)**

- 1.1 Match the explanation in Column A with the correct term in Column B. Only write the correct letter next to the number, e.g. 1.1.5 F (4)

COLUMN A		COLUMN B	
1.1.1	Completes the independent audit report	A	Director
1.1.2	Declares dividends	B	Disclaimer of opinion
1.1.3	Appoints the directors	C	Unqualified report
1.1.4	Negative audit report	D	External auditor
		E	Shareholders
		F	Internal auditor

**1.2 SHOWTIME LTD**

The following information relates to SHOWTIME LTD. Their financial year ended on 28 February 2026.

**REQUIRED:**

Complete the Statement of Comprehensive Income for the year ended on 28 February 2026. (26)

**A. Information extracted from records on 28 February 2026:**

Loan: Wax Bank (12% p.a.)	R 250 000
Trading stock	295 000
Debtors control	89 250
Provision for bad debts (1 March 2025)	2 200
Audit fees	64 000
Directors fees	247 000
Salaries and wages	90 000
Rent income	274 500
Interest on loan	30 000
Consumable stores	30 000
Bad debts	16 200
Interest income	?

**B. Adjustments and additional information:**

- (i) Received and recorded R3 250 from insolvent estate of a debtor, which represented 40% of his outstanding debt. It was decided to write off the remaining balance as irrecoverable.
- (ii) Provision for bad debts must be adjusted to 4% of outstanding debtors.
- (iii) The physical stock count on 28 February 2026 reflected the following:
  - Trading stock, R299 500
  - Consumable stores used, R28 200
- (iv) Rent for March 2026 has been received and recorded. Note that rent was increased by R750 on 1 February 2026.



- (v) An employee was omitted from the Salaries Journal for February 2026. His salary details are as follows:

GROSS SALARY	DEDUCTIONS		NET SALARY	CONTRIBUTIONS BY EMPLOYER
	Pension	UIF		
?	18%	R180	R14 580	R3 960

- (vi) Only 80% of the audit fees were paid this year.
- (vii) The company had two directors at the beginning of the financial year, who earns the same monthly fee. One of these two directors has not yet received his February 2026 fees. On 1 December 2025, a new director was appointed, earning the same monthly fee as the old directors and has received all the fees due to him for the financial year.
- (viii) The existing loan was decreased by R80 000 on 1 September 2025; this was properly recorded. Provide for outstanding interest on loan.
- (ix) After taking all the adjustments into account, income tax was correctly calculated at 30% of the net profit as R195 000.


**QUESTION 2: STATEMENT OF FINANCIAL POSITION (40 marks; 40 minutes)**

The financial year of CIRCLE LTD ends on 28 February each year.

**REQUIRED:**

2.1 Complete the following notes to the financial statements:

- Ordinary Share Capital (8)
- Retained Income (8)

2.2. Complete the Statement of Financial Position of CIRCLE LTD on 28 February 2026. Where notes are not required, indicate workings in brackets to obtain part marks (24)

**INFORMATION:**
**A. Figures extracted from the accounting records on 28 February 2026:**

Ordinary Share Capital	2 520 000
Retained Income	369 700
Investment: FD Bank	440 000
Loan: Shark Bank	?
Tangible assets at cost	2 400 000
Total accumulated depreciation on assets	500 000
Inventory	630 000
Debtors control	190 000
Provision for bad debts	9 500
Bank (dr) and cash Float	60 900
Trade and other payables	?
SARS (Income Tax) – provisional payments	150 000

**B. Share Capital and Dividends:**

CIRCLE LTD has an authorised share capital of 800 000 shares.

1 March 2025:	60% of the authorised shares were in issue.
31 March 2025:	Issued 100 000 shares at R5 each.
17 August 2025	Dividends paid R115 200.
1 December 2025:	Repurchased shares from a disgruntled shareholder at R1 above the average share price. The payment was made and entered in the books of the business. They are entitled to dividends at the end of the financial period.
28 February 2026:	The business had 560 000 shares in issue. Final dividends were declared at 32c per share.





- C. The Loan Statement** received from Shark Bank on 28 February 2026 included the following information:

Interest for the year	R 14 400
Repayments for the year	60 000
Balance 28 February 2026	109 000

**Note:** The repayment amount will stay the same, but the amount for interest will be reduced by 20% during the next financial year.

- D.** 25% of the Investment at FD Bank will mature on 1 July 2026.
- E.** Net profit after tax is R315 000. Income tax is calculated at 30% on net profit.

40
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**QUESTION 3: CASH FLOW STATEMENT****(30 marks; 25 minutes)**

You are provided with the accounting information of SUNSHINE LTD for the year ended 28 February each year.

**REQUIRED:**

- 3.1 Calculate the change in Working Capital (5)
- 3.2 Calculate the following:
- Income Tax paid (4)
  - Dividends paid (3)
  - Net change in cash and cash equivalents. (4)
- 3.3 Complete the following sections in the Cash Flow Statement on 28 February 2026:
- Cash flows from Investing activities (7)
  - Cash flows from Financing activities (7)

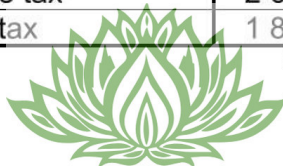
**INFORMATION:**

**A. Extract from Statement of Financial Position for the year ended on 28 February each year:**

	<b>2026</b>	<b>2025</b>
Fixed assets carrying value	12 138 000	12 357 000
Investments	250 000	600 000
Current assets		
Inventory	1 720 000	2 250 000
<b>Trade &amp; other receivables</b>	<b>1 205 000</b>	<b>940 000</b>
Trade Debtors	1 140 000	940 000
SARS (Income Tax)	65 000	0
Cash & cash equivalents	540 000	10 000
Ordinary Share Capital	8 960 000	6 360 000
Retained Income	2 051 400	2 235 000
Loan	3 000 000	5 400 000
<b>Current liabilities</b>	<b>1 831 600</b>	<b>2 162 000</b>
Trade Creditors	910 000	1 240 000
Accrued Expense	0	20 000
SARS (Income Tax)	0	72 000
Shareholders for dividends	921 600	620 000
Bank overdraft	0	210 000

**B. Extract from the Statement of Comprehensive Income for the year ended 28 February 2026**

Depreciation	1 010 000
Net profit before tax	2 600 000
Net profit after tax	1 820 000



**C. Changes to fixed assets**

- A new vehicle and equipment were bought during the year for R880 000.
- Unused vehicles were sold at book value during the year.

**D. Shares and Dividends**

- Shares were issued during the year
- Sunshine Ltd bought back 50 000 shares at R1,04 above the average share price of R8, 96 during December 2025.
- Total dividends for the year amounted to R1 691 600.
- Sunshine Ltd had 1 000 000 shares in issue on 28 February 2026.

**30****TOTAL: 100**

GRADE 12 ACCOUNTING FINANCIAL INDICATOR FORMULA SHEET	
$\frac{\text{Gross profit}}{\text{Sales}} \times \frac{100}{1}$	$\frac{\text{Gross profit}}{\text{Cost of sales}} \times \frac{100}{1}$
$\frac{\text{Net profit before tax}}{\text{Sales}} \times \frac{100}{1}$	$\frac{\text{Net profit after tax}}{\text{Sales}} \times \frac{100}{1}$
$\frac{\text{Operating expenses}}{\text{Sales}} \times \frac{100}{1}$	$\frac{\text{Operating profit}}{\text{Sales}} \times \frac{100}{1}$
Total assets : Total liabilities	Current assets : Current liabilities
(Current assets – Inventories) : Current liabilities	Non-current liabilities : Shareholders' equity
(Trade and other receivables + Cash and cash equivalents) : Current liabilities	
$\frac{\text{Average trading stock}}{\text{Cost of sales}} \times \frac{365}{1}$ (See Note 1 below)	$\frac{\text{Cost of sales}}{\text{Average trading stock}}$
$\frac{\text{Average debtors}}{\text{Credit sales}} \times \frac{365}{1}$	$\frac{\text{Average creditors}}{\text{Cost of sales}} \times \frac{365}{1}$ (See Note 2 below)
$\frac{\text{Net income after tax}}{\text{Average shareholders' equity}} \times \frac{100}{1}$	$\frac{\text{Net income after tax}}{\text{Number of issued shares}} \times \frac{100}{1}$ (See note 3 below)
$\frac{\text{Net income before tax} + \text{Interest on loans}}{\text{Average shareholders' equity} + \text{Average non-current liabilities}} \times \frac{100}{1}$	
$\frac{\text{Shareholders' equity}}{\text{Number of issued shares}} \times \frac{100}{1}$	$\frac{\text{Dividends for the year}}{\text{Number of issued shares}} \times \frac{100}{1}$
$\frac{\text{Interim dividends}}{\text{Number of issued shares}} \times \frac{100}{1}$	$\frac{\text{Final dividends}}{\text{Number of issued shares}} \times \frac{100}{1}$
$\frac{\text{Dividends per share}}{\text{Earnings per share}} \times \frac{100}{1}$	$\frac{\text{Dividends for the year}}{\text{Net income after tax}} \times \frac{100}{1}$
$\frac{\text{Total fixed costs}}{\text{Selling price per unit} - \text{Variable costs per unit}}$	
<b>NOTE:</b>	<ol style="list-style-type: none"> <li>1. Trading stock at the end of a financial year may be used if required in a question. 365 days is applicable only if relevant to the whole year.</li> <li>2. Credit purchases may be used instead of cost of sales (figures will be the same if stock is constant).</li> <li>3. If there is a change in the number of issued shares during a financial year, the weighted average number of shares is used in practice.</li> </ol>

