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Department of
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GRADE 12

SBA TASK 2: FIRST TERM TEST

ACCOUNTING

16 MARCH 2026

MARKS: 100

TIME: 1½ HOURS

EXAMINER: TELLO MOTLOUNG

MODERATOR: VALASHIYA J.

This question paper has 7 pages, formula sheet included, and 6-page answer book.



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INSTRUCTIONS AND INFORMATION

Read the following instructions carefully and follow them precisely.

1. Answer ALL questions.
2. A special ANSWER BOOK is provided in which to answer ALL questions.
3. A Financial Indicator Formula Sheet is attached at the end of this question paper.
4. Show ALL workings to earn part-marks.
5. You may use a non-programmable calculator.
6. You may use a dark pencil or blue/black ink to answer the questions.
7. Where applicable, show ALL calculations to ONE decimal point.
8. Write neatly and legibly.
9. Use the information in the table below as a guide when answering the question paper. Try NOT to deviate from it.

QUESTION	TOPIC	MARKS	MINUTES
1	Financial Statements and notes	55	45
2	Cash Flow Statement	30	30
3	Analysis and Interpretation of Financial Information	15	15
TOTAL		100	90



**QUESTION 1: COMPANY FINANCIAL STATEMENTS****(55 marks; 45 minutes)**

The information was extracted from books of KAMZA LTD. The financial year ended 30 June 2025.

REQUIRED:

- 1.1 **Refer to Information B:** Calculate the correct net profit after tax for the financial year ended 30 June 2025. Indicate a + for increase and a – for decrease. (14)
- 1.2 Prepare the Retained Income Note on 30 June 2025. (11)
- 1.3 Prepare the Statement of Financial Position (Balance Sheet) on 30 June 2025. Where notes are NOT required, workings must be shown to earn part marks. (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. (2)

INFORMATION:

- A. List of balances/totals on 30 June 2025:

BALANCE SHEET ACCOUNTS SECTION	
Ordinary share capital	R6 686 400
Retained income (1 July 2024)	2 700 000
Mortgage loan: De Val Bank	314 640
Fixed assets	10 340 000
Trading stock	230 280
Debtors' control	379 200
Directors' Fees	1 998 750
Provision for bad debts (1 July 2024)	13 680
Cash and cash equivalents	Balancing figure
SARS: Income tax (provisional tax payments)	870 000
Income receivable (accrued)	5 200
Creditors' control	313 200

- B. Net profit before tax of R2 992 320 was determined BEFORE taking into account the following information:
- (i) Trading stock on 30 June 2025 was valued at R243 840.
 - (ii) Provision for bad debts must be adjusted to R10 800.
 - (iii) Rent for July 2025, R3 360, has been received.
 - (iv) An annual insurance premium of R7 200 was paid for the period 1 April 2025 to 31 March 2026.
 - (v) The company had two directors on 1 July 2024, the beginning of the financial year. They both earned the same monthly directors' fees and were paid in full. A third director, Jeremy, was employed on 1 November 2024, earning a monthly fee of 25% less than the other directors. Jeremy was paid up to 31 July 2025.
 - (vi) The auditor discovered that loss on the disposal of equipment, R8 160, was incorrectly shown as a profit.
 - (vii) Income tax amounts to R900 000 for the year.





C. Dividends and shares:

- (i) Interim dividends of R720 000 were paid on 31 December 2024.
- (ii) The directors declared a final dividend of 22 cents per share on 30 June 2025 on all shares issued to date. Shares repurchased on 31 May 2025 do not qualify for final dividends.
- (iii) Share capital:

1 July 2024	3 600 000 shares were in issue.
15 August 2024	1 200 000 new shares were issued at R1,70 each.
31 May 2025	24 000 shares were repurchased at R2,50 each from an existing shareholder. This has not been recorded.

- D.** A debtor's debit balance of R1 000 in the Debtors' Ledger must still be transferred to his account in the Creditors' Ledger.
- E.** The mortgage loan from De Val Bank was **obtained** on 1 April 2024. This will be repaid for over 6 years. A fixed loan repayment (**excluding interest**) is made at the end of each month. The first monthly loan repayment **was made** on 30 April 2024. All other loan repayments have been made. Interest is **not capitalized** and has been correctly recorded.



QUESTION 2: CASH FLOW STATEMENT**(30 marks; 30 minutes)**

PEYPER LIMITED provided you with extracts from their records. Their financial year ended 28 February 2026.

REQUIRED:

- 2.1 Prepare the Cash Flow Statement for the year ended 28 February 2026. (Show calculations/workings in brackets to earn part marks.) (30)

INFORMATION:**A. Extract from the Income Statement**

Depreciation	R167 849
Interest paid	R187 200
Income Tax	R237 888

B. Extract from the Balance Sheet on 28 February 2026

	2026	2025
ASSETS		
Fixed/Tangible Assets	1 530 394	1 293 312
Financial Assets	559 200	345 600
Cash and cash equivalent	115 996	16 285
EQUITY AND LIABILITIES		
Ordinary Share Capital	?	1 440 000
Loan	1 128 000	1 620 000
Bank overdraft	0	192 156
Shareholders for Dividends	374 400	32 160
SARS Income Tax	(Cr.) 38 940	(Dr.) 17 760

C. Share Capital and Dividends

- On 1 March 2025 the business had 240 000 shares in issue.
- The business paid interim dividends of 72 cents per share on 30 June 2025.
- On 1 September 2025 the business issued 60 000 new shares at R7,60 per share.
- On 28 February 2026, business repurchased 21 600 shares at R7,76 per share.
- A final dividend was declared on 28 February 2026.

D. Fixed Assets

- Equipment was sold at carrying value for R399 979.
- A new vehicle was bought during the year.

30



QUESTION 3: INTERPRETATION OF FINANCIAL INFORMATION (15 marks; 15 minutes)

This information relates to LETHABO Ltd for the year ended 31 January 2026.

REQUIRED:**3.1 Liquidity**

Comment on the working capital of the company over the past two years. Quote TWO financial indicators, with figures and trends, to support your answer. (6)

3.2 Decisions by directors and risk

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 from the previous year. Give ONE effect of these decisions. (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. (3)

INFORMATION:**A. Financial indicators and additional information on 31 January:**

	2026	2025
Debt-equity ratio	0,5 : 1	0,1 : 1
Current ratio	0,8 : 1	1,5 : 1
Acid-test ratio	0,4 : 1	0,8 : 1
Average debtors' collection period	44 days	28 days

C. Extract from the Cash Flow Statement on 31 January:

	2026 (R)	2025 (R)
Cash flow from financing activities	3 737 500	2 242 500
Shares	(287 500)	4 312 500
Loans	4 025 000	(2 070 000)

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

