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KWAZULU-NATAL PROVINCE

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**PROVINCIAL
STANDARDISED ASSESSMENT**

GRADE 12

ACCOUNTING P1

MARCH

2026

MARKS: 100

TIME: 1½ HOUR

This question paper consists of 9 pages including a formula sheet and an Answer Book of 7 pages.



INSTRUCTIONS AND INFORMATION

Read the following instructions carefully and follow them precisely.

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

QUESTION	TOPIC	MARKS	MINUTES
1	Financial Statements	47	45
2	Notes and Cash Flow Statement	35	30
3	Interpretation of Financial Statements	18	15
TOTAL		100	90

**QUESTION 1:****(47 Marks; 45 Minutes)****FINANCIAL STATEMENTS**

The information relates to Zululand LTD for the financial year ended 28 February 2026.

REQUIRED:

- 1.1 Complete the Statement of Comprehensive income for the year ended 28 February 2026. (17)
- 1.2 Complete the Statement of Financial Position as at 28 February 2026. (30)

Note: some amounts for 1.1 and 1.2 are provided in the ANSWER BOOK.

INFORMATION:**A. List of balances, before taking into account all adjustments below:**

	2026 R	2025 R
Ordinary share capital (7 500 000 shares)	9 000 000	?
Retained Income		1 035 000
Mortgage loan: Sethu Bank	2 620 000	3 100 000
Fixed deposit	150 000	85 000
Trading stock	622 000	510 000
Consumable goods on hand (stationery)	4 000	3 000
Provision for bad debts	?	3 775
Fixed assets	?	
SARS : Income tax (provisional tax payment)	441 000	
Trade debtors	249 800	
Bank Dr	545 000	
Cash float	21 000	
Creditors control	320 000	
Accrued income	3 975	
Income received in advance	2 500	
Shareholders for dividends	750 000	
Sales	10 600 000	
Cost of sales	?	
Rent Income	170 000	
Bad debts recovered	8 000	
Salaries and wages	910 000	
Directors fees	1 095 000	
Audit fees	24 500	
Stationery	12 000	
Insurance	10 000	
Depreciation	22 000	
Interest income	?	
Interest on loan	?	



B. Adjustments and additional information which needs to be taken into account:

- (a) The business uses a mark-up of 60% on cost. Special customers were granted trade discount amounting to R400 000.
- (b) Audit fees still outstanding at the end of the financial year R9 500.
- (c) Provision for bad debts must be adjusted to R1 775.
- (d) There are TWO directors in the company, each director earn the same directors fees.

One director requested the company to donate R30 000 from her directors fees to Sivukile High School, this was offset into her directors fees and payment has been recorded.

Second director requested one month in advance, the finance committee agreed, the advance was paid to him.

- (e) A debtor, Sugar Malinga, has a credit balance of R5 000 in the debtor's ledger. It must be transferred to her account in the creditors ledger.
- (f) The repayment on the loan are fixed at R40 000 per month (including capitalised interest).

The following balances were reflected on the loan statement.

1 March 2025	R3 100 000
28 February 2026	R2 850 000

A fixed monthly installment of R40 000 has to be paid over the full period of the loan. Interest for the next financial year will decline by 5% from the 2025 interest on loan.

- (g) After taking into account the above adjustments and additional information, it was determined that an additional R90 000 is still owed to SARS in respect of income tax for the year ended 28 February 2026.
- (h) Net asset value (NAV) on 28 February 2026 is 150 cents per share.



QUESTION 2

(35 marks; 30 minutes)

SHARE CAPITAL, CASH FLOW STATEMENT AND FINANCIAL INDICATORS

The information relates to Ndaba LTD for the financial year ended 28 February 2026.

REQUIRED:

- 2.1 Prepare the Ordinary Share capital Note on 28 February 2026: (8)
- 2.2 Prepare the Retained income Note on 28 February 2026 (7)
- 2.3 Complete the Cash Flow Statement for the year ended 28 February 2026.
Certain figures are provided in the ANSWER BOOK. (20)



INFORMATION:**A. Extract from the Statement of Comprehensive Income for the year ended 28 February 2026**

	R
Depreciation	81 000
Interest expense	230 000
Net profit before tax	4 000 000
Net profit after tax	2 800 000

B. Extract from the Statement of Financial Position on February:

	2026	2025
	R	R
Fixed/Tangible assets at carrying value	7 020 000	6 000 000
Fixed deposit : Smith Bank	400 000	450 000
Cash and cash equivalent	627 000	6 000
Ordinary shareholders' equity	9 485 000	?
Ordinary share capital	5 000 000	?
Retained Income	4 485 000	?
Loan	?	8 000 000
Bank overdraft	0	28 000
SARS (Income tax)	Dr 800 000	Dr 1 500 000
Shareholders for dividends	?	580 000
Current-portion of loan	440 000	?

C. Shares and dividends:

DATES	NUMBER OF SHARES	DETAILS OF SHARES
1 March 2025	2 000 000	Shares were in-issue
30 June 2025	500 000	Shares were repurchased at 90 cents above the average share price.
31 October 2025	800 000	Additional shares issued at R2.50

- Interim dividends of 45 cents per share were paid on 1 September 2025.
- A final dividend of 30 cents per share was declared to all shareholders on the share register on 28 February 2026.

D. Fixed assets:

- Land and building were sold at R1 200 000 cash during the financial year.
- New equipment was purchased during the financial year.

E. Loan:

- The current portion of loan will increased by 10%, due to the decline of the interest on loan for next financial year.

QUESTION 3**INTERPRETATION OF FINANCIAL STATEMENTS****(18 marks; 15 minutes)****3.1 BINGOMA LTD**

You are provided with information relating to Bingoma Ltd for the financial year ended 28 February 2026.

Where financial indicators are required to support your answer, name the financial indicator, the actual figure/ratio/percentage and trends.

REQUIRED:**3.1.1 Profitability:**

Quote and explain TWO financial indicators which proves that directors managed to control expenses more efficiently and the company is more profitable. (4)

3.1.2 Dividends, earnings and returns:

- Explain how the change in the dividend pay-out rate in 2026 will benefit the company. (3)
- Comment on the dividend per share over the two years. Quote figures. (2)
- Comment on the % return on shareholders' equity of the company. (3)

3.1.3 Risk and gearing:

- Comment on how the increase in the loan affected the risk and gearing in 2026. Quote TWO financial indicators. State ONE point in each case (with figures). (6)

INFORMATION:**A. Financial indicators calculated on 28 February:**

	2026	2025
% Operating profit on sales	23.4%	20.7%
% Operating expenses on sales	13.4%	17%
% Net profit on sales	14.6%	18%
Solvency ratio	2.5 : 1	1.8 : 1
Debt-equity ratio	0.4 : 1	0.2 : 1
Earnings per share	68 cents	78 cents
Dividends per share	40 cents	56 cents
Dividend pay-out rate	59%	72%
% return on average shareholders' equity	12.4%	10.1%
% return on average capital employed	17.1%	14.2%
Net asset value per share	420 cents	510 cents

B. Additional information on 28 February:

	2026	2025
Market price of shares on stock exchange	320 cents	490 cents
Interest rate on loans	13%	13%
Interest rate on fixed deposit	9.5%	8.5%

18

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	
$\frac{\text{Average trading stock}}{\text{Cost of sales}} \times \frac{365}{1}$	$\frac{\text{Cost of sales}}{\text{Average trading stock}}$
$\frac{\text{Average debtors}}{\text{Credit sales}} \times \frac{365}{1}$	$\frac{\text{Average creditors}}{\text{Cost of sales}} \times \frac{365}{1}$
$\frac{\text{Net income after tax}}{\text{Average shareholders' equity}} \times \frac{100}{1}$	$\frac{\text{Net profit after tax}}{\text{Number of issued shares}} \times \frac{100}{1}$ (*See note below)
$\frac{\text{Net income before tax} + \text{Interest on loans}}{\text{Average Shareholders' equity} + \text{Average non-current liabilities}} \times \frac{100}{1}$	
$\frac{\text{Shareholders' equity}}{\text{Number of issued shares}} \times \frac{100}{1}$	$\frac{\text{Dividends for the year}}{\text{Number of issued shares}} \times \frac{100}{1}$
$\frac{\text{Interim dividends}}{\text{Number of issued shares}} \times \frac{100}{1}$	$\frac{\text{Final dividends}}{\text{Number of issued shares}} \times \frac{100}{1}$
$\frac{\text{Dividends per share}}{\text{Earnings per share}} \times \frac{100}{1}$	$\frac{\text{Dividends for the year}}{\text{Net income after tax}} \times \frac{100}{1}$
$\frac{\text{Total fixed costs}}{\text{Selling price per unit} - \text{Variable costs per unit}}$	
NOTE	
<ul style="list-style-type: none"> In this case, 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. 	

