GAUTENG PROVINCE
EDUCATION
REPUBLIC OF SOUTH AFRICA

JUNE EXAMINATION
GRADE 12

2026

ACCOUNTING

(PAPER 1)

ANSWER BOOK

NAME AND SURNAME:	
NAME OF SCHOOL:	

QUESTION	TOTAL MARKS	MARKS OBTAINED	MODERATED MARKS
1	50		
2	46		
3	34		
4	20		
TOTAL	**150**		

9 pages

QUESTION 1

1.1 Statement of Comprehensive Income for the year ended 28 February 2026

Sales	
Cost of sales	(3 750 000)
Gross profit	
Other income	
Gross operating income	
Operating expenses	
Salaries and wages	202 706
Audit fees	121 700
Depreciation (19 150	
Operating profit	
Interest income	
Profit before interest expense	
Net profit before tax	
Net profit after tax	

34

1.2 Statement of Financial Position as at 28 February 2026

EQUITY AND LIABILITIES	
ORDINARY SHAREHOLDERS' EQUITY	**2 897 000**
Ordinary share capital	**2 100 000**
Retained income	**797 000**
NON-CURRENT LIABILITIES	
CURRENT LIABILITIES	
Trade and other payables (234 500	
Bank (overdraft)	
TOTAL EQUITY AND LIABILITIES	

16

TOTAL MARKS
50

QUESTION 2

2.1 Retained Income Note on 31 March 2026

Balance at the beginning	1 691 400
Paid	563 200

10

2.2.1 Taxation paid

WORKINGS	ANSWER

4

2.2.2 Operation profit before changes in working capital

WORKINGS	ANSWER

5

2.3.1

Cash flow from investing activities	

9

2.3.2

Cash flow from financing activities	
Proceeds from shares issued	0

4

2.4.1 % operating profit on sales

WORKINGS	ANSWER

2

2.4.2 Acid-test ratio

WORKINGS	ANSWER

4

2.4.3 Solvency ratio

WORKINGS	ANSWER

4

2.5 The directors decided to make a large repayment on the mortgage bond. Mention TWO sources of funding for this repayment. Quote figures.

Source of funding	Figures

4

TOTAL MARKS
46

QUESTION 3

3.1

3.1.1		
3.1.2		
3.1.3		

3

3.2.1

Quote and explain TWO financial indicators to show that the company is NOT managing its expenses efficiently.

4

3.2.2

Some shareholders are satisfied with the control of working capital of the company. Quote THREE financial indicators, with figures, to support this.

6

3.2.3

Comment on the dividend pay-out policy. Provide ONE point with figures.
A shareholder wants to sell his shares to invest in a 5-year fixed deposit account at his bank. Explain whether this is a wise decision.

6

3.2.4

Provide advice to the board of directors on whether they should issue more shares or take an additional long-term loan to fund the company's operations. Quote TWO financial indicators with figures.

6

3.2.5

Calculate the minimum number of shares that Judy must buy in March 2026 to gain control of the company.	
WORKINGS	**ANSWER**

5

Judy wants to purchase the additional shares at R8,50. Give TWO reasons why you would NOT support her.

4

TOTAL MARKS
34

QUESTION 4

4.1

4.1.1		
4.1.2		
4.1.3		

3

4.2 CORPORATE GOVERNANCE

4.2.1

What document is used by a public company to offer new shares to the public?

1

4.2.2

How can Jelle Logistics improve its fixed asset management system? Provide TWO points.

4

4.2.3

What is the role of the board of directors in corporate governance? Provide TWO points.

4

4.3 AUDIT REPORT

4.3.1

Why does the Companies Act make it a requirement for public companies to be audited by an independent auditor? Provide TWO points.

4

4.3.2

What is the significance of the reference to CA (SA)?

2

4.3.3

What action would Dossy & Vuyi Associates have to perform to verify the donation and advertising figures in the financial statements? Provide ONE point.

2

TOTAL MARKS
20

TOTAL: 150

END

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