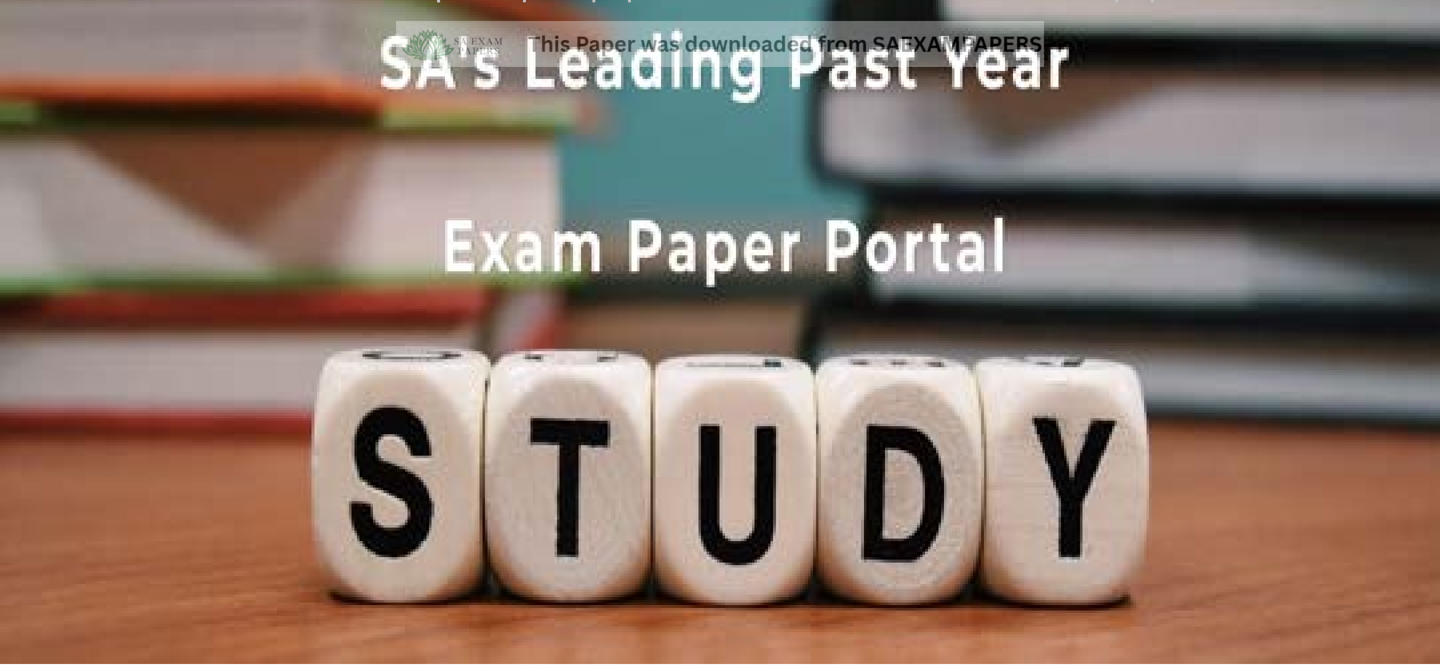
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STUDY

KWAZULU-NATAL PROVINCE

EDUCATION
REPUBLIC OF SOUTH AFRICA

PROVINCIAL STANDARDISED ASSESSMENT

GRADE 12

ACCOUNTING P1

ANSWER BOOK

JUNE 2026

Name: ______________________ Grade: ________

QUESTION	MARKS	MOD BY THE SCHOOL	MOD BY THE CLUSTER	MOD BY THE DISTRICT	MOD BY THE PROVINCE
1					
2					
3					
4					
TOTAL					

N.B. This answer book consists of 11 pages.

QUESTION 1

1.1.1

	Calculate	Answer
(i)	Carrying value	
(ii)	Depreciation on Vehicles	
(iii)	Disposal at carrying value	
(iv)	Depreciation on equipment	

12

1.1.2

Calculate the profit / loss on the sale of equipment on 1 October 2025	

3

1.2.1 Statement of Comprehensive Income for the year ended on 28 February 2026

Sales (13 065 280	
Cost of sales (7 698 000	
Gross profit	
Other operating income	
Service fee income	332 410
Rent income (331 200	
Gross operating profit	
Operating expenses	
Salaries and wages	1 500 000
Audit fees	96 000
Packing material	75 000
Insurance	82 000
Operating profit	**2 900 000**
Interest income	**70 500**
Operating profit before interest expense	**2 970 500**
Interest expense	**(270 500)**
Net profit before tax	**2 700 000**
Income tax	**(810 000)**
Net profit after tax	**1 890 000**

20

TOTAL MARKS
35

QUESTION 2

2.1

Calculation of omitted stock	Answer

3

2.2 Ordinary Share Capital Note on 28 February 2026

AUTHORISED SHARES:		
5 000 000 SHARES		
ISSUED SHARES:		
1 200 000		7 200 000
300 000		
(90 000)		
1410 000		

3

Retained income Note on 28 February 2026.

Balance at the beginning	1 620 600

7

2.3 Statement of Financial Position on 28 February 2026.

Assets	
Non-current assets	
Tangible assets	
Fixed deposit (760 000	
Current assets	
Inventory (318 000	
Trade and other receivables (990 000	
Cash and cash equivalent (14 000	
Total **assets**	
Equity and liabilities	
Shareholders' equity	
Ordinary share capital	**9 588 000**
Retained income	
Non-current liabilities	
Loan (1 523 200	
Current liabilities	
Trade and other payables (210 000	
Total equity and liabilities	

27

TOTAL MARKS
40

QUESTION 3

3.1 Cash Flow Statement for the year ended 28 February 2026

Cash flow from operating activities	
Cash generated from operations	
Interest paid	(144 000)
Dividends paid (81 000 + 126 000)	(207 000)
Cash flow from investing activities	(724 000)
Purchases form Fixed assets	(836 000)
Proceeds from sale of fixed assets	72 000
Changes in financial assets	40 000
Cash flow from financing activities	
Cash and cash equivalent at the end	

14

Net asset value per share (NAV)

3

Debt/equity ratio

3

AUDIT REPORTS AND CORPORATE GOVERNANCE

3.2.1

Choose the function in COLUMN B that matches the committee in COLUMN A. Write only the letter (A–D) next to the question numbers.	
(i)	
(ii)	
(iii)	
(iv)	

4

3.2.2

Explain how the report will affect your decision concerning the shares you would purchase in the company

Lubanzi Ltd:

Nonzuzo Ltd:

2

3.2.3

Name TWO parties who might be affected by a business rescue plan.

2

3.2.4

Who is the audit report addressed to? Give a reason for your answer.

1

3.2.5

Give ONE examples of audit evidence that the auditors would have required to complete the audit.

1

TOTAL MARKS
30

QUESTION 4

4.1 Identify and explain which company has been more efficient in controlling its operating activities. Quote TWO financial indicators.

5

4.2.1 Identify and explain which company has better liquidity financial indicators. Quote TWO financial indicators.

3

4.2.2 Explain ONE concern you have about the liquidity of the other company. Quote ONE financial indicator.

2

4.3 Comment on the difference between the dividend pay-out policies implemented by the directors of the two companies and explain ONE possible reason for EACH of their decisions in their respective companies. Quote figures or indicators.

	COMMENT ON POLICIES (WITH FIGURES)	POSSIBLE REASON FOR DECISION
LADYSIMTH LTD		
DUNDEE LTD		

6

4.4.1 Explain the specific decisions taken by the directors of EACH company that have affected gearing and risk. Quote rand amounts.

LADYSMITH LTD	
DUNDEE LTD	

4

4.4.2 Comment on the gearing and risk of Dundee Ltd. Quote TWO financial indicators.

4

4.4.3	At the Dundee Ltd AGM, an angry shareholder said that the directors' aggressive strategies would probably lead to the failure of the company in future. Explain TWO points why the shareholder might feel this way.	5

4.5

Shareholders of Ladysmith Ltd are not satisfied with the market price of their shares, whereas the shareholders of Dundee Ltd are satisfied. Explain by quoting figures or indicators and, for EACH company, identify a factor that would have affected the market price of the shares.	
LADYSMITH LTD	
DUNDEE LTD	

6

4.6.1

Provide calculations to show the change in Jiyane's % shareholding in Dundee Ltd over the financial year. Comment on his % shareholding in EACH company	
Comment on his % shareholding in EACH company	
LADYSMITH LTD	
DUNDEE LTD	

4

4.6.2

Calculate the total profit or loss he is currently making on his shares in EACH company. Advise if it wise to sell 19 000 shares in Dundee Ltd, or not.	
LADYSMITH LTD	DUNDEE LTD
Advise if it wise to sell 19 000 shares in Dundee Ltd, or not. Expected responses:	

6

TOTAL MARKS
45

TOTAL MARKS: 150