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**SENIOR CERTIFICATE EXAMINATIONS /
NATIONAL SENIOR CERTIFICATE EXAMINATIONS**

ACCOUNTING P1

GRADE 12

MAY/JUNE 2024

SPECIAL ANSWER BOOK

QUESTION	MARKS	INITIAL	MOD.
1			
2			
3			
4			
TOTAL			

This answer book consists of 10 pages.

QUESTION 1

1.1 FIXED ASSETS

(i)

Calculate: Cost price of buildings at the beginning of the year	
WORKINGS	ANSWER

2

(ii)

Calculate: Depreciation on vehicles	
WORKINGS	ANSWER

6

(iii)

Calculate: Carrying value on equipment sold	
WORKINGS	ANSWER

4

1.2 CORRECT NET PROFIT AFTER TAX FOR THE YEAR

Incorrect net profit before tax	1 150 000
Net profit before tax	
Net profit after tax	

13



1.3 STATEMENT OF FINANCIAL POSITION ON 29 FEBRUARY 2024

ASSETS

NON-CURRENT ASSETS	10 377 480
Fixed assets	9 952 480
Investment: Fixed deposit	425 000
CURRENT ASSETS	
Cash and cash equivalents	1 956 220
TOTAL ASSETS	

EQUITY AND LIABILITIES

ORDINARY SHAREHOLDERS' EQUITY	
Retained income	
NON-CURRENT LIABILITIES	
CURRENT LIABILITIES	
TOTAL EQUITY AND LIABILITIES	

30

TOTAL MARKS
55



QUESTION 2

2.1	2.1.1	
	2.1.2	
	2.1.3	

3

2.2 RETAINED INCOME NOTE

Balance at the beginning of the year	2 819 000
Ordinary share dividends	
Final dividends	2 338 000
Balance at the end of the year	

8

2.3 CASH FLOW STATEMENT FOR THE YEAR ENDED 29 FEBRUARY 2024

Cash effects of operating activities	
Cash generated from operations	
Interest paid	(966 000)
Dividends paid	(5 728 000)
	(i)
Cash effects of investing activities	
	(ii)
Proceeds of sale of fixed assets	232 000
Change in investments	
Cash effects of financing activities	
	(iii)
	(iv)
Change in loans	
Net change in cash & cash equivalents	
Cash & cash equivalents on 1 March 2023	1 030 000
	(v)

17 ..

2.4 Calculate the following financial indicators for the financial year ended 29 February 2024:

Acid-test ratio	
WORKINGS	ANSWER

4

Interim dividend per share (in cents)	
WORKINGS	ANSWER

4

% return on average shareholder's equity (ROSHE)	
WORKINGS	ANSWER

4

TOTAL MARKS
40

QUESTION 3

3.1

Explain how the customers reacted to the change in the mark-up percentage and whether this benefited the company or not.

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4	

3.2

Comment on the operating efficiency of the company over the past two years. Quote TWO financial indicators.

--	--

4	

3.3.1

One of the shareholders cannot understand why the debt-equity ratio increased in 2024 despite the increase in the loan. Provide an explanation for him.

--	--

2	

3.3.2

The chief financial officer (CFO) is of the opinion that the increase in loan was a good decision. Apart from the debt-equity ratio, provide TWO points to support his opinion, including ONE relevant financial indicator.

POINT 1	
POINT 2	

4	

3.4.1 Comment on whether the shareholders should be satisfied with the return on their investment. Provide TWO points, including ONE relevant financial indicator.

POINT 1	
POINT 2	

4

3.4.2 Comment on the earnings per share (EPS) and explain its impact on the dividend pay-out policy adopted by directors.

EARNINGS PER SHARE	
DIVIDEND PAY-OUT POLICY	

4

3.5 Comment on the performance of the share price on the stock exchange (JSE). Provide TWO points, with figures and trends.

POINT 1	
POINT 2	

4

3.6.1 Allan Ashwin owns shares in Britesun Ltd. He is pleased with his investment in the shares of this company. Provide TWO points, with figures or calculations, to support his opinion.

POINT 1	
POINT 2	

4

3.6.2 The company plans to issue additional new shares equal to 20% of the issued share capital, in the next financial year to existing shareholders. Allan has indicated that he will not take up this offer. Explain how this decision will affect his % shareholding. Provide a calculation or figures to support your explanation.

CALCULATION	
EXPLANATION	

6

3.7 Apart from the points provided above, state TWO different factors that will influence shareholders to vote in favour of approving such bonuses.

POINT 1	
POINT 2	

4

TOTAL MARKS
40



QUESTION 4

4.1 The three board members implicated in this case each own 150 000 shares. Calculate the loss that Loma and the two directors each were able to avoid by selling their shares on 13 April 2023.

WORKINGS	ANSWER

3

4.2 Explain why the text message is so important to the investigators.

Explain why you think this crime is referred to as 'insider trading'.

4

4.3 Explain how the rapid decline in the share price and the fraudulent financial statements are likely to affect the existing shareholders and its workers.

Existing shareholders	
Workers	

4

4.4 If you were a shareholder in Gadram Ltd, what other questions would you raise at the AGM? Explain TWO points.

POINT 1	
POINT 2	

4

TOTAL MARKS
15

TOTAL: 150