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CLASS NO

NATIONAL SENIOR CERTIFICATE

ACCOUNTING P1

GRADE 12

JUNE 2024

SPECIAL ANSWER BOOK

QUESTION	MARKS	INITIAL	MOD.
1			
2			
3			
4			
TOTAL			

This answer book consist out of 12 pages



QUESTION 1

1.1 Correct net profit after tax

Incorrect Net profit before tax	1 023 780	
		11

1.2 TRADE AND OTHER RECEIVABLES

Trade debtors (1 080 000 -		
		9

Ordinary share capital

2 000 000 Authorised shares

ISSUED

1 500 000			
1 240 000		7 724 000	
			6

Retained income

			11

**1.3 STATEMENT OF FINANCIAL POSITION FOR THE YEAR ENDED
29 FEBRUARY 2024**

ASSETS		
Non-current assets		
Fixed assets		7 351 880
Current assets		
Inventory		
TOTAL ASSETS	6	
EQUITY & LIABILITIES		
Ordinary shareholders equity		
Ordinary share capital		7 724 000
Non-current liabilities		
Current liabilities		
TOTAL EQUITY AND LIABILITIES		

23

TOTAL MARKS

60

QUESTION 2

- 2.1 Choose a term to complete each of the following statements. Write only the term next to the question number (2.1.1 – 2.1.3) in the ANSWER BOOK.

2.1.1	
2.1.2	
2.1.3	

3

- 2.2 RECONCILIATION BETWEEN THE PROFIT BEFORE CHANGES IN WORKING CAPITAL.

Net profit before tax	820 400
Depreciation	190 000
Interest expense	364 400
Profit before changes in working capital	1 374 800
Change in working capital	
Cash generated from operations	

6

2.2 CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2024.

	Notes	R
Cash flows from operating activities		
Cash generated from operations		
Cash flows from investing activities		
Cash flows from financing activities		
Payment of loan		50 000
Net change in cash and cash equivalents		

26

2.3 Calculate the following financial indicators:

<p>Current ratio</p> 	<table border="1" style="margin: auto;"> <tr><td style="width: 20px; height: 20px;"></td></tr> <tr><td style="width: 20px; height: 20px; text-align: center;">3</td></tr> </table>		3
3			
<p>Earnings per share</p> 	<table border="1" style="margin: auto;"> <tr><td style="width: 20px; height: 20px;"></td></tr> <tr><td style="width: 20px; height: 20px; text-align: center;">3</td></tr> </table>		3
3			
<p>Return on Shareholders Equity</p> 	<table border="1" style="margin: auto;"> <tr><td style="width: 20px; height: 20px;"></td></tr> <tr><td style="width: 20px; height: 20px; text-align: center;">4</td></tr> </table>		4
4			

TOTAL MARKS
45

QUESTION 3

3.1 Briefly explain the difference between solvency and liquidity.

2

3.2 Which company is most liquid?

Explain what the main problem is in respect to liquidity for the OTHER company, quoting TWO financial indicators.

7

3.3 Which company is most solvent?

Explain your answer, quoting ONE financial indicator and compare it the other company to support your answer.

4

3.4 Compare the two companies' degree of risk and financial gearing. Which company is better geared?

	SUGAR LTD	SPICE LTD
DEGREE OF RISK		
FINANCIAL GEARING		
COMMENT		

7

3.5 The dividend policy used by each company has been maintained for the last past years. Explain the policy used by EACH company. Provide figures to support your explanation in EACH case.

EXPLANATION (with figures)	
SUGAR LTD	
SPICE LTD	

6

3.6 Explain whether the directors should be satisfied or not with the market price of the companies on the JSE at the end of the financial year. Quote TWO financial indicators in EACH case.

4

TOTAL MARKS
30

QUESTION 4

4.1.1 Did Cool Bank Group Ltd received a qualified / unqualified / disclaimer of opinion. Explain your choice.

3

4.1.2. Newspaper reports have indicated that Kagiso and Associates have been found guilty of misconduct in terms of audit work done at several large firms. Explain how this may influence shareholders of Cool Bank Group Ltd. State TWO points.

4

4.2.1 Mention TWO examples of services, other than banking, that can be offered by financial institutions such as Cool Bank Group Ltd to communities.

2

4.2.2 Explain **THREE** points that the CEO can use to support the company's decision.

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6

TOTAL MARKS
15

TOTAL: 150