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NATIONAL SENIOR CERTIFICATE

ACCOUNTING P1

GRADE 12

NOVEMBER 2024

SPECIAL ANSWER BOOK

QUESTION	MARKS	INITIAL	MOD.
1			
2			
3			
4			
TOTAL			

This answer book consists of 11 pages.



QUESTION 1**1.1 Calculate:****1.1.1 Depreciation on equipment on 29 February 2024**

WORKINGS	ANSWER

2

1.1.2 Cost price of vehicles on 29 February 2024

WORKINGS	ANSWER

4

1.1.3 Depreciation on vehicles on 29 February 2024

WORKINGS	ANSWER
Depreciation on new vehicle	
Depreciation on vehicle traded in	
Depreciation on remaining vehicles	132 720

5

1.1.4 Profit/Loss on vehicle traded in on 1 September 2023

WORKINGS	ANSWER

5

NOTE: The relevant amounts, calculated above, must be transferred to **QUESTION 1.2**, the Statement of Comprehensive Income.



1.2 Statement of Comprehensive Income for the year ended 29 February 2024

Sales	
Cost of sales	(4 780 900)
Gross profit	
Other income	
Service fee income	1 757 700
Gross operating income	
Operating expenses	
Audit fees	79 000
Sundry operating expenses	119 900
Bad debts	24 780
Operating profit	
Interest income	
Profit before interest expense	
Interest expense	(149 400)
Net profit before tax	
Income tax	
Net profit after tax	992 160

39

TOTAL MARKS
55



QUESTION 2**EYBERS LTD****2.1 RETAINED INCOME NOTE FOR THE YEAR ENDED 29 FEBRUARY 2024**

Balance at the beginning of the year	573 720	
Ordinary share dividends	(744 860)	
Balance at the end of the year		8

2.2 CASH FLOW STATEMENT FOR THE YEAR ENDED 29 FEBRUARY 2024

CASH FLOW FROM OPERATING ACTIVITIES		
Cash generated from operations		
Interest paid		
CASH FLOW FROM INVESTING ACTIVITIES		
CASH FLOW FROM FINANCING ACTIVITIES		
NET CHANGE IN CASH AND CASH EQUIVALENTS	296 460	
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		17



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

% operating expenses on sales		
WORKINGS	ANSWER	
		3
Stock turnover rate		
WORKINGS	ANSWER	
		4
Interim dividend per share		
WORKINGS	ANSWER	
		3

TOTAL MARKS
35



QUESTION 3**3.1 Profitability:**

Quote TWO financial indicators with figures and trends to indicate that the company is managing its expenses well.

4

3.2 Dividends pay-out policy:

Comment on the dividend pay-out policy of the company. Explain why this is a responsible change in policy. Provide ONE point.

3

3.3 Earnings and returns:

Explain whether the shareholders should be satisfied or not with the earnings per share and returns on average shareholders' equity of the company. Quote TWO financial indicators with figures.

4



3.4 Financing strategies and gearing:

Refer to Information C.

The directors decided to buy new fixed assets in 2024 to enhance the company. Identify the TWO main sources (over R1m) that were used to finance this purchase. Provide figures.

4

Explain how the decisions affected the risk and gearing of the company. Quote TWO financial indicators with figures.

6



3.5 Grant Waters' % shareholding, rights issue and shares repurchased:

Calculate:

Refer to Information B.

The number of shares that Grant bought through the rights issue on 31 October 2023

WORKINGS	ANSWER

3

Grant's % shareholding after the rights issue on 29 February 2024

WORKINGS	ANSWER

5

The total amount that Grant spent on the shares he acquired through the rights issue

NOTE: No shares were repurchased during the financial year.

WORKINGS	ANSWER

4

Grant intends to convince the board of directors to repurchase shares from him in the next financial year at R12 per share. Explain why the other board members would probably vote against this transaction proposed by Grant. Provide TWO points (with figures).

4



3.6 Role of the CEO:

Explain TWO characteristics that shareholders would expect of a good CEO.

4

Apart from the factors and financial indicators covered in the previous questions, identify and explain TWO other points indicating that the company is well managed by the CEO. Quote figures.

4

TOTAL MARKS
45



QUESTION 4

4.1 Explain the role of an independent external auditor. Provide ONE point.

2

4.2 Choose the correct word from those in brackets. Write the answer and explain your choice.

Valiant Ltd received a/an (qualified/unqualified/disclaimer of opinion) audit report.

AUDIT REPORT	EXPLANATION

2

4.3 What kind of audit evidence does the independent external auditor examine to verify the fixed assets of a company? Provide TWO points.

4



4.4

What are the implications of this audit report for the following:

- Directors
- Shareholders

State ONE point in each case.

	IMPLICATIONS
Directors	
Shareholders	

4

4.5

State THREE possible consequences for the independent external auditor if he was influenced by the directors of the company to deliberately provide the shareholders with an incorrect audit report.

3

TOTAL MARKS
15

