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## GRADE 12

## ACCOUNTING

### TERM 1 CONTROLLED TEST 2025

**MARKS: 100**

#### INSTRUCTIONS AND INFORMATION:

1. This question paper consists of TWO questions
2. Answer ALL questions on the Answer Sheet provided
3. Non-programmable calculators may be used.
4. You may use a dark pencil or blue/black ink to answer the questions
5. The following table will provide you with the questions and time – guide.

QUESTION	TOPIC/SECTION	MAX MARKS	DURATION
1	Concepts Statement of Comprehensive Income Statement of Financial position	70	65
2	Ordinary Share Capital Note Cash Flow Statement	30	25
<b>TOTAL</b>		<b>100</b>	<b>90 minutes</b>

This question paper consists of pages 7 and a 6-page Answer Book



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**QUESTION 1: CONCEPTS, FINANCIAL STATEMENTS****(70 marks; 65 minutes)**

- 1.1 Choose the correct answer from the options given in brackets. Write only the answer next to the question numbers (1.1.1 to 1.1.4) in the ANSWER BOOK.
- 1.1.1 (Internal auditor/ External auditor) expresses an unbiased opinion on the reliability of the company's financial statements.
- 1.1.2 (Non-executive directors/ Executive directors) serve a watch-dog role to protect the interest of the shareholders.
- 1.1.3 (IFRS/ MOI) ensures that financial statements adhere to the rules and procedures that are internationally recognised. (4)
- 1.1.4 (SAICA/ IRBA) is a professional body where all registered auditors belong.

**BRIGHT LTD**

The information relates to the financial year ended on 28 February 2025. The business sells unisex blazers.

**REQUIRED:**

- 1.2. **Refer to information B (i)**
- 1.2.1 Calculate the total depreciation for the year ended 28 February 2025 (6)
- 1.2.2 Calculate the profit/loss on sale of the vehicle traded in on 28 February 2025. (5)
- 1.3 Complete the Statement of Comprehensive Income for the year ended 28 February 2025. (37)
- 1.4 Complete the Equity and Liabilities section of the Statement of Financial Position as at 28 February 2025. (18)



**INFORMATION:****A Balances /totals, among others, that appeared in the books on:**

	28 Feb. 2025 R	29 Feb. 2024 R
Ordinary share capital	?	?
Retained income	?	?
Vehicles	?	1 300 000
Accumulated depreciation on vehicles	?	450 000
Equipment	800 000	800 000
Accumulated depreciation on equipment	480 000	360 000
Mortgage loan: Zebra Bank	1 971 375	2 191 875
Trading stock	645 000	
Provision for bad debts		20 100
Bank overdraft	112 500	
Creditors control	254 300	
Shareholders for dividends	614 250	
SARS: Income Tax (provisional tax payments)	340 000	
Sales	2 854 210	
Cost of sales	2 276 900	
Fee income	1 650 000	
Rent income	344 320	
Advertising	125 395	
Consumable stores	78 910	
Interest income	?	
Directors' fees	393 700	
Audit fees	63 440	
Salaries and wages	296 300	





**B Adjustments and additional information:****(i) Fixed Assets:****Vehicles:**

- An old vehicle with a carrying value of R240 000 on 1 March 2024 was traded-in on 28 February 2025 for a new model costing R510 000. After the trade-in, the dealer of the new model was owed R310 500. No entries were made in the books for this transaction.
- Vehicles are depreciated at 20% p.a. on the diminishing-balance method.

**Equipment:**

- No equipment was purchased or disposed of during the year.

(ii) Old blazers were sold for cash on 27 February 2025 for R20 790, which was 10% below cost. This transaction was not recorded.

(iii) According to the physical stock-take it was discovered that consumable stores to the value of R2 400 were unused.

(iv) Provision for bad debts must be increased by R1 620.

(v) 25 blazers were destroyed by fire. A gross profit of R350 would have been made on each blazer if it was sold. After the insurance claim was submitted, the insurance company agreed to pay 80% of the total loss of stock.

**Note:** Blazers were marked-up at 25% on cost.

(vi) Rent was received until 31 January 2025.

**Note:** Rent was decreased by 8% for the first quarter of the financial year, due to renovations that took place.

(vii) The company had one director at the beginning of the financial year, Mrs Van Tonder. Mrs Van Tonder was paid her fees until 31 March 2025. A second director, Mr Abraham, was appointed on 1 September 2024 and earns R2 100 less than Mrs Van Tonder. Mr Abraham only received three months fees this financial year.

(viii) Bright Ltd entered into a four-month advertising contract with Mega-Moon starting from 1 December 2024. Mega-Moon was paid in full, R4 980, for this contract period and the relevant entries were recorded in the books.

**Note:** The terms and conditions of the contract stipulate that an increase of 5% is effective on 1 January each year.

(ix) The repayments on the loan are fixed at R18 375 per month (including interest capitalised).

The balances according to the loan statement received from Zebra Bank are as follows:

- 1 March 2024      R 2 191 875
- 28 February 2025   R 2 114 700



The capital portion of the loan repayments will increase by 12% in the next financial year.

- (x) After taking all the adjustments into account, the income tax for the year was correctly calculated at 30% of the net profit before tax and amounts to R360 000.
- (xi) A debtor with a credit balance of R1 200 must be transferred to his account in the creditors' ledger

**C Shares and dividends:**

1 March 2024: 812 500 shares were in issue.

30 June 2024: New shares were issued. This was recorded.

31 January 2025: 37 500 shares were repurchased at R1,25 above the average share price of R10,25. This was recorded.

28 February 2025: 945 000 shares were in issue.

- A final dividend was declared on 28 February 2025 to all shareholders on the share register



**QUESTION 2: SHARE CAPITAL AND CASH FLOW STATEMENT (30 marks; 25 minutes)****MYBERG LTD**

The information below relates to Myberg Ltd for the financial year ended on 28 February 2025.

**REQUIRED:**

- 2.1 Prepare the Ordinary share capital Note on 28 February 2025. (6)
- 2.2 Complete the Cash Generated from Operations note. (9)
- 2.3 Calculate the following amounts for the Cash Flow Statement for the year ended 28 February 2025: (5)
- Income tax paid (3)
  - Dividends paid (3)
  - Funds used to repurchase shares (3)
- 2.4 Complete the following section of the Cash Flow Statement:
- 2.4.1 Net change in Cash and Cash Equivalents (4)

**INFORMATION:****A. Extract from the Statement of Comprehensive Income on 28 February 2025.**

Depreciation	283 400
Interest expense	123 375
Net profit before tax	2 095 000
Net profit after tax	1 466 500



**B. Extract from the Statement of financial Position on:**

	28 Feb 2025	29 Feb 2024
Trading stock	R 423 000	R 532 000
Trade debtors	312 400	216 200
Trade creditors	200 100	222 100
Accrued expenses	0	5 200
Cash and cash equivalents	10 800	105 000
<b>Shareholders' equity</b>	<b>10 350 675</b>	<b>8 271 675</b>
Ordinary share capital	?	7 848 000
Retained income	432 675	423 675
SARS: Income tax	7 850 (Dr)	11 200 (Cr)
Shareholders for dividends	229 000	211 500
Bank overdraft	95 200	0

**C. Share Capital and Dividends**

Myberg Ltd's authorised share capital consists of 1 800 000 ordinary shares.

- 1 March 2024, 80% of the shares were in issue.
- 1 May 2024, 337 500 shares were repurchased at R523 125 more than the average share price.
- 31 August 2024, interim dividends were paid.
- 31 October 2024, additional shares were issued.
- Final dividends were declared on 28 February 2025.
- Total dividends for the year amounted to R435 000.

**TOTAL: 100 MARKS**





GRADE 12 ACCOUNTING FINANCIAL INDICATOR FORMULA SHEET	
$\frac{\text{Gross profit} \times 100}{\text{Sales}} \quad 1$	$\frac{\text{Gross profit} \times 100}{\text{Cost of sales}} \quad 1$
$\frac{\text{Net profit before tax}}{\text{Sales}} \times \frac{100}{1}$	$\frac{\text{Net profit after tax}}{\text{Sales}} \times \frac{100}{1}$
$\frac{\text{Operating expenses} \times 100}{\text{Sales}} \quad 1$	$\frac{\text{Operating profit}}{\text{Sales}} \times \frac{100}{1}$
Total assets : Total liabilities	Current assets : Current liabilities
(Current assets – Inventories) : Current liabilities	Non-current liabilities : Shareholders' equity
(Trade & other receivables + Cash & cash equivalents) : Current liabilities	
$\frac{\text{Average trading stock}}{\text{Cost of sales}} \times \frac{365}{1}$	$\frac{\text{Cost of sales}}{\text{Average trading stock}}$
$\frac{\text{Average debtors}}{\text{Credit sales}} \times \frac{365}{1}$	$\frac{\text{Average creditors}}{\text{Cost of sales}} \times \frac{365}{1}$
$\frac{\text{Net income after tax}}{\text{Average shareholders' equity}} \times \frac{100}{1}$	$\frac{\text{Net income after tax}}{\text{Number of issued shares}} \times \frac{100}{1}$
$\frac{\text{Net income before tax} + \text{Interest on loans}}{\text{Average shareholders' equity} + \text{Average non-current liabilities}} \times \frac{100}{1}$	
$\frac{\text{Shareholders' equity}}{\text{Number of issued shares}} \times \frac{100}{1}$	$\frac{\text{Dividends for the year}}{\text{Number of issued shares}} \times \frac{100}{1}$
$\frac{\text{Interim dividends}}{\text{Number of issued shares}} \times \frac{100}{1}$	$\frac{\text{Final dividends}}{\text{Number of issued shares}} \times \frac{100}{1}$
$\frac{\text{Dividends per share}}{\text{Earnings per share}} \times \frac{100}{1}$	$\frac{\text{Dividends for the year}}{\text{Net income after tax}} \times \frac{100}{1}$
$\frac{\text{Total fixed cost}}{\text{Selling price per unit} - \text{Variable costs per unit}}$	
<p><b>NOTE:</b> 1. Trading stock at the end of a financial year may be used if required in a question.  2. Credit purchases may be used instead of cost of sales (figures will be the same if stock is constant).  3. If there is a change in the number of issued shares during a financial year, the weighted-average number of shares is used in practice.</p>	

