



Province of the  
**EASTERN CAPE**  
EDUCATION

Name: \_\_\_\_\_

**NATIONAL  
SENIOR CERTIFICATE**

**GRADE 12**

**JUNE 2019**

**ACCOUNTING  
ANSWER BOOK**

| QUESTION | MAXIMUM<br>MARKS | MARKS<br>OBTAINED | MODERATED<br>MARKS |
|----------|------------------|-------------------|--------------------|
| 1        | 40               |                   |                    |
| 2        | 45               |                   |                    |
| 3        | 50               |                   |                    |
| 4        | 70               |                   |                    |
| 5        | 55               |                   |                    |
| 6        | 40               |                   |                    |
|          | 300              |                   |                    |

\_\_\_\_\_  
This answer book consists of 14 pages.  
\_\_\_\_\_



**QUESTION 1**

1.1

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| 1.1.1 |  |
| 1.1.2 |  |
| 1.1.3 |  |
| 1.1.4 |  |

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1.2 1.2.1 **Calculate the value of the closing stock on 30 April 2019.**

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1.2.2 **Cost of sales**

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**Gross Profit %**

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**Stock holding period for 2019**

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- 1.2.3 Comment on the stock holding period for 2019. Quote figures. (The stockholding period for 2018 was 182 days.)**

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- 1.2.4 In order to improve on stock losses (20 suitcases) the previous year the owner introduced stricter control measures over stock. Comment on whether it was successful. Show calculations.**

[illegible]

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|----------------------------|-----------|--|
| <b>Q1:<br/>TOTAL MARKS</b> | <b>40</b> |  |
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## QUESTION 2

**2.1.1 Calculate the correct balance of the Bank Account on 31 January 2019**

15

**2.1.2 Prepare the Bank Reconciliation Statement on 31 January 2019.**

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- 2.1.3 An internal investigation revealed that deposits are not made immediately. Quote and explain TWO examples which led to this finding.

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- 2.1.4 Provide TWO internal control measures that the business can use to prevent this from happening again.

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2.2 Reconciled Debtor's List on 31 March 2019:

|                                  |       |  |
|----------------------------------|-------|--|
| H James                          | 1 200 |  |
| A Dyantyi                        | 1 900 |  |
| E Rasmeni                        | 2 160 |  |
| H Jameson                        | 1 500 |  |
| Total of corrected debtor's list |       |  |

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| Q2:<br>TOTAL MARKS | 45 |  |
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**QUESTION 3****INCOME STATEMENT FOR THE YEAR ENDING 30 APRIL 2019**

|                                       |                |
|---------------------------------------|----------------|
| <b>Sales</b>                          |                |
| <b>Cost of Sales</b>                  |                |
| <b>Gross profit</b>                   |                |
| <b>Other operating income</b>         |                |
|                                       |                |
|                                       |                |
|                                       |                |
|                                       |                |
| <b>Bruto bedryfsinkomste</b>          |                |
| <b>Operating expenses</b>             |                |
| <b>Repairs and maintenance</b>        | <b>150 720</b> |
| <b>Bank charges</b>                   | <b>33 600</b>  |
| <b>Sundry expenses</b>                | <b>107 670</b> |
|                                       |                |
|                                       |                |
|                                       |                |
|                                       |                |
|                                       |                |
|                                       |                |
|                                       |                |
|                                       |                |
|                                       |                |
| <b>Operating profit</b>               |                |
|                                       | <b>102 820</b> |
| <b>Profit before interest expense</b> |                |
| <b>Interest expense</b>               |                |
| <b>Profit before tax</b>              |                |
| <b>Income tax</b>                     |                |
| <b>Net profit for the year</b>        |                |

50

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| <b>Q3:</b>         | <b>50</b> |  |
| <b>TOTAL MARKS</b> |           |  |

**QUESTION 4**

4.1 4.1.1

**ISSUED SHARE CAPITAL**

|  |   |           |
|--|---|-----------|
|  | Ordinary shares in issue on<br>1 March 2018     | 5 200 000 |
|  |   |           |
|  |   |           |
|  | Ordinary shares in issue on<br>28 February 2019 |           |

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**RETAINED INCOME**

|                             |         |
|-----------------------------|---------|
| Balance on 1 March 2018     |         |
|                             |         |
|                             |         |
| Ordinary share dividends    |         |
|                             |         |
|                             |         |
| Balance on 28 February 2019 | 531 050 |

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**TRADE AND OTHER RECEIVABLES**

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4.1.2

RADABA LIMITED

STATEMENT OF FINANCIAL POSITION (BALANCE SHEET)

28 FEBRUARY 2019

|                                     |  |
|-------------------------------------|--|
| <b>ASSETS</b>                       |  |
| <b>Non-current assets</b>           |  |
|                                     |  |
|                                     |  |
|                                     |  |
| <b>Current assets</b>               |  |
| <b>Inventories</b>                  |  |
|                                     |  |
|                                     |  |
|                                     |  |
| <b>TOTAL ASSETS</b>                 |  |
|                                     |  |
| <b>EQUITY AND LIABILITIES</b>       |  |
| <b>Shareholders' equity</b>         |  |
|                                     |  |
|                                     |  |
|                                     |  |
| <b>Non-current liabilities</b>      |  |
|                                     |  |
|                                     |  |
| <b>Current liabilities</b>          |  |
|                                     |  |
|                                     |  |
|                                     |  |
| <b>TOTAL EQUITY AND LIABILITIES</b> |  |



- 4.2.1 The company issued additional shares at R9. In your opinion, do you think the existing shareholders would be happy with the issue price? Quote ONE financial indicator with actual figure/percentage/ratio to support your statement.

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- 4.2.2 The directors feel that the shareholders should be satisfied with the performance of the company. Explain and quote TWO financial indicators with actual figures/ ratios/percentages to support their opinion.

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- 4.2.3 The directors decided to increase the loan during the current financial year. Quote TWO financial indicators (actual figures/ratios/percentages) that are relevant to their decision. Explain why this was a good decision, or not.

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| Q4:<br>TOTAL MARKS | 70 |  |
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**QUESTION 5****5.1.1 CASH GENERATED FROM OPERATIONS**

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|                                   |  |
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| <b>Changes in working capital</b> |  |
|                                   |  |
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| <b>19</b> |

**5.1.2 CASH FLOW STATEMENT ON 30 JUNE 2018**

|  |                 |
|--|-----------------|
| <b>CASH FLOW FROM OPERATING ACTIVITIES</b>     |                 |
|  |                 |
|  |                 |
|  |                 |
|  |                 |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>     |                 |
|  |                 |
|  |                 |
|  |                 |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>     |                 |
|  |                 |
|  |                 |
|  |                 |
| <b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b> |                 |
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING</b>  | <b>(12 800)</b> |
| <b>CASH AND CASH EQUIVALENTS AT THE END</b>    |                 |

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| <b>23</b> |

**5.2 AUDIT REPORT**

**5.2.1 What type of report did VOVO Ltd receive? Explain.**

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**5.2.2 The Companies Act requires public companies to be audited. Provide a reason for this.**

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**5.2.3 Explain ONE major consequence for Makaya&Ntini should they be negligent in performing their duties.**

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**5.2.4 Name ONE other party, other than the shareholders, that would be interested in this audit opinion and give a reason for their interest.**

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- 5.2.5 Briefly indicate how this audit report would possibly affect the shares of VOVO LTD on the Johannesburg Securities Exchange (JSE). Mention TWO points.

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| Q5:<br>TOTAL MARKS | 55 |  |
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**QUESTION 6****6.1 FIXED ASSETS**

**6.1.1 Calculate the missing figures indicated by A to E in the incomplete Fixed Assets Note.**

|   |  |  |
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| A |  |  |
| B |  |  |
| C |  |  |
| D |  |  |
| E |  |  |

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**6.1.2 Prepare the Asset Disposal Account for the office furniture sold.**

**ASSET DISPOSAL**

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**6.1.3 Comment on the sale of land to the husband of the CEO.  
See Information B.**

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## 6.2 VAT

Calculate the amount of VAT payable to/receivable from SARS on 28 February 2019. Indicate whether the amount is payable or receivable.

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## 6.3 VAT AND ETHICS

6.3.1 Why should Ranti Traders produce a proof of sales?

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6.3.2 How would this affect the VAT returns of Rantsi Traders?

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6.3.3 Advise Rantsi Traders of the implications, should he agree to this request. Mention TWO points.

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| Q6:<br>TOTAL MARKS | 40 |  |
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**TOTAL: 300**



