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| **Name:** | | | |
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| **NATIONAL**  **SENIOR CERTIFICATE** | | | |
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|  | | **GRADE 12** |  |
|  | | | |
| **JUNE 2019** | | | |
|  | | | |
| **ACCOUNTING**  **ANSWER BOOK** | | | |
|  | | | |
| |  |  |  |  | | --- | --- | --- | --- | | **QUESTION** | **MAXIMUM MARKS** | **MARKS OBTAINED** | **MODERATED MARKS** | | **1** | **40** |  |  | | **2** | **45** |  |  | | **3** | **50** |  |  | | **4** | **70** |  |  | | **5** | **55** |  |  | | **6** | **40** |  |  | |  | **300** |  |  | | | | |
|  | | | |
|  | This answer book consists of 14 pages. | |  |

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| **QUESTION 1** | | |  |
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| 1.1 |  | |  |
|  | |  |  |  | | --- | --- | --- | | **1.1.1** |  |  | | **1.1.2** |  |  | | **1.1.3** |  |  | | **1.1.4** |  |  | | | |  | | --- | |  | | **4** | |
|  |  | |  |
| 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** |  |
|  |  | |  | | --- | |  | | |  | | --- | |  | | **17** | |

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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.** |  |
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| **Q1:**  **TOTAL MARKS** | **40** |  |

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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.** |  |
|  |  | |  |
|  |  | |  |  |  |  | | --- | --- | --- | --- | | **Bank reconciliation statement on 31 January 2019** | | | | |  | | **Debit** | **Credit** | |  | |  |  | |  | |  |  | |  | |  |  | |  |  |  |  | |  |  |  |  | |  |  |  |  | |  |  |  |  | |  | |  |  | |  | |  |  | |  | |  |  | | |  | | --- | |  | | **11** | |
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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** | |  | | | |  | | --- | |  | | **11** | |
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| **Q2:**  **TOTAL MARKS** | **45** |  |

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| **QUESTION 3** | | | | | |
|  |  | | | |  |
| **INCOME STATEMENT FOR THE YEAR ENDING 30 APRIL 2019** | | | | |  |
|  | |  | |  |  |
| **Sales** | |  |  | |  |
| **Cost of Sales** | |  |  | |  |
| **Gross profit** | |  |  | | |  | | --- | |  | | **50** | |
| **Other operating income** | |  |  | |
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| **Bruto bedryfsinkomste** | |  |  | |
| **Operating expenses** | |  |  | |
| **Repairs and maintenance** | | **150 720** | | |
| **Bank charges** | | **33 600** | | |
| **Sundry expenses** | | **107 670** | | |
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| **Operating profit** | |  |  | |
|  | | **102 820** | | |
| **Profit before interest expense** | |  |  | |
| **Interest expense** | |  |  | |
| **Profit before tax** | |  |  | |
| **Income tax** | |  |  | |
| **Net profit for the year** | |  |  | |

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| **Q3:**  **TOTAL MARKS** | **50** |  |

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| **QUESTION 4** | | | | | | |
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| 4.1 | 4.1.1 |  | | |  | |
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|  | **ISSUED SHARE CAPITAL** | | | |  | |
|  |  | | | |  | |
|  | |  |  |  |  |  | | --- | --- | --- | --- | --- | |  |  | **Ordinary shares in issue on**  **1 March 2018** | **5 200 000** | | |  |  |  |  |  | |  |  |  |  |  | |  |  | **Ordinary shares in issue on**  **28 February 2019** |  |  | | | | | |  | | --- | |  | | **9** | | |
|  |  | | | |  | |
|  | **RETAINED INCOME** | | | |  | |
|  |  | | | |  | |
|  | **Balance on 1 March 2018** | |  |  |  | |
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|  | **Ordinary share dividends** | |  |  |  | |
|  |  | |  |  |  | |
|  |  | |  |  |  | |
|  | **Balance on 28 February 2019** | | **531 050** | |
|  |  |
| **11** |

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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** | | | | | |  | |
|  | |  | |  | | | |  | |
|  | **ASSETS** | | | | | |  | | |
|  | **Non-current assets** | | | |  |  |  | | |
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|  | **Current assets** | | | |  | |  | | |
|  |  | | **Inventories** | |  |  |  | | |
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|  | **TOTAL ASSETS** | | | |  |  |  | | |
|  |  | |  | |  |  |  | | |
|  | **EQUITY AND LIABILITIES** | | | | |  |  | | |
|  | **Shareholders’ equity** | | | |  |  |  | | |
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|  | **Non-current liabilities** | | | |  |  |  | | |
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|  | **Current liabilities** | | | |  |  |  | | |
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|  | **TOTAL EQUITY AND LIABILITIES** | | | |  |  |  | |  |  |
| **26** |

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|  | 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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| **8** | | |

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| **Q4:**  **TOTAL MARKS** | **70** |  |

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| **QUESTION 5** | | | | | | | |
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| 5.1.1 | **CASH GENERATED FROM OPERATIONS** | | | | |  | |
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|  | **Changes in working capital** | | |  |  |  | |
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| **19** |
|  |  |  | |  |  |
| 5.1.2 | **CASH FLOW STATEMENT ON 30 JUNE 2018** | | |  |  |  | |
|  |  |  | |  |  |  | |
|  | **CASH FLOW FROM OPERATING ACTIVITIES** | | |  |  |  | |
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|  | **CASH FLOW FROM INVESTING ACTIVITIES** | | |  |  |  | |
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|  | **CASH FLOW FROM FINANCING ACTIVITIES** | | |  |  |  | |
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|  | **NET CHANGE IN CASH AND CASH EQUIVALENTS** | | |  |  |  | |
|  | **CASH AND CASH EQUIVALENTS AT BEGINNING** | | | **(12 800)** |  |  | |
|  | **CASH AND CASH EQUIVALENTS AT THE END** | | |  |  |  |  |
| **23** |

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| 5.2 | **AUDIT REPORT** | |  | |
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|  | 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:**  **TOTAL MARKS** | **55** |  |

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| **QUESTION 6** | | | | | | | | | | | | | | | | | |
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| 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 | | | | | |  | | | | | |  |  | | |  | | --- | |  | | **7** | | | |
| E | | | | | |  | | | | | |  |  | |
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|  | | | 6.1.2 | | | **Prepare the Asset Disposal Account for the office furniture sold.** | | | | | | | | |  | | |
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|  | | |  | | | **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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| **13** | |
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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:**  **TOTAL MARKS** | **40** |  |

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|  | **TOTAL:** | **300** |