



**Name:**

## **NATIONAL SENIOR CERTIFICATE**

**GRADE 12**

**SEPTEMBER 2024**

## **ACCOUNTING P1 ANSWER BOOK**

QUESTION	MAX. MARKS	MARKS OBTAINED	MODERATED MARKS		
			School	District	Province
1	55				
2	40				
3	40				
4	15				
	150				

This answer book consists of 10 pages.

## QUESTION 1

1.1	<b>Calculate the value of the stock that was stolen</b>	
	<b>WORKINGS</b>	<b>ANSWER</b>

3

## 1.2 Statement of comprehensive income for the year ended 30 June 2024

Sales	
Cost of sales	(15 660 000)
Gross profit	
Other income	
Commission income (626 400	
Gross operating income	
Operating expenses	
Salaries and Wages	
Depreciation	
Sundry expenses	
Audit fees (81 000	
Operating profit	
Interest income	
Profit before interest expense	
Interest expense	(120 100)
Profit before tax	
Income tax	
Net profit after tax	

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## 1.3 Statement of Financial Position as at 30 June 2024

<b>ASSETS</b>	
<b>NON-CURRENT ASSETS</b>	
Fixed assets	
Investment: Fixed deposit	
<b>CURRENT ASSETS</b>	
Trade and other receivables (495 000)	
<b>TOTAL ASSETS</b>	
<b>EQUITY AND LIABILITIES</b>	
<b>SHAREHOLDERS' EQUITY</b>	
Ordinary share capital	19 650 000
<b>NON-CURRENT LIABILITIES</b>	
<b>CURRENT LIABILITIES</b>	
Trade and other payables 529 800	
SARS: Income tax	60 000
<b>TOTAL EQUITY AND LIABILITIES</b>	

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<b>TOTAL MARKS</b>		<b>55</b>
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**QUESTION 2****2.1 Calculate the following financial indicators:**

2.1.1	<b>Debt-equity ratio</b>	
	<b>WORKINGS</b>	<b>ANSWER</b>

3

2.1.2	<b>Earnings per share</b>	
	<b>WORKINGS</b>	<b>ANSWER</b>

4

2.1.3	<b>Dividend pay-out rate (%)</b>	
	<b>WORKINGS</b>	<b>ANSWER</b>

3

2.1.4	<b>% return on average equity (ROSHE)</b>	
	<b>WORKINGS</b>	<b>ANSWER</b>

5

**2.2 Retained Income note**

<b>Balance on 1 May 2023</b>	<b>1 300 300</b>
<b>Net profit after tax</b>	<b>1 022 000</b>
<b>Dividends</b>	
<b>Balance on 30 April 2024</b>	

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2.3	<b>Change in Trade and other receivables</b>	
	<b>WORKINGS</b>	<b>ANSWER</b>

4

2.4 2.4.1

Taxation paid	
WORKINGS	ANSWER

5

2.4.2

Proceeds from sale of fixed assets	
WORKINGS	ANSWER

5

2.5

Net change in cash and cash equivalents	
Cash (balance at the beginning of the year)	
Cash (balance at the end of the year)	

4

TOTAL MARKS		40
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**QUESTION 3**

<b>3.1</b>	<b>3.1.1</b>	
	<b>3.1.2</b>	
	<b>3.1.3</b>	
	<b>3.1.4</b>	

<b>4</b>

**3.2** Quote and explain **TWO** financial indicators which indicate that the company manages its expenses more efficiently.

<b>4</b>

**3.3** Suggest strategies that the company can employ to improve its net working capital. Quote **TWO** financial indicators.

Financial indicator with figures	Strategies

<b>6</b>

**3.4** Comment on whether the company is making good use of loans. Quote **ONE** financial indicator with figures and trends.

<b>4</b>

The debt-equity ratio of the company decreased from 0,8 : 1 to 0,6 : 1. Mention **TWO** possible reasons that could have led to this change.

<b>4</b>

**3.5 Comment on the dividend pay-out policy of the company. Provide TWO reasons why the directors decided to change the policy in 2024.**

**Comment:**

**Reasons:**

4

**Explain whether the shareholders should be satisfied with the return on their investment in the company. Quote a financial indicator with figures, in your explanation.**

4

**Calculate the dividends that were earned by your friend who owns 40 000 shares in the company on 29 February 2024.**

2

- 3.6 The CEO wants to sell his 60 000 shares back to the company at 1 250 cents per share on 29 February 2024. As a shareholder in the company, how would you react to this decision? Explain and quote ONE financial indicator.

Financial indicator with figures:

Explanation:

4

- 3.7 Calculate the number of shares that John Khan purchased from the 250 000 new shares issued on 1 February 2024 to retain his majority status.

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TOTAL MARKS		40
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**QUESTION 4**

- 4.1 Explain why Nicole Ltd needs the services of both the internal and external auditors.**

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- 4.2 Identify and explain the accounting principle that the directors of Nicole Ltd violated when they recognised revenue in earlier accounting periods.**

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- 4.3 Explain what corporate governance is and how the former CEO, Peter Moore did not conduct himself according to the King Code.**

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- 4.4 What type of audit report did Nicole Ltd receive in 2023? Provide a reason for your answer.

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- 4.5 As a shareholder in the company, what concerns would you have regarding what happened? Mention TWO points.

2

TOTAL MARKS		15
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TOTAL: 150