

**CENTRE NUMBER**

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**EXAMINATION NUMBER**

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**NATIONAL SENIOR CERTIFICATE**

**ACCOUNTING**

**GRADE 12**

**FEBRUARY/MARCH 2011**

***SPECIAL ANSWER BOOK***

| QUESTION | MARKS | INITIAL | MOD. |
|----------|-------|---------|------|
| 1        |       |         |      |
| 2        |       |         |      |
| 3        |       |         |      |
| 4        |       |         |      |
| 5        |       |         |      |
| 6        |       |         |      |
| TOTAL    |       |         |      |

**This answer book consists of 16 pages.**

**QUESTION 1**

- 1.1 Explain why a business needs to prepare a Cash Budget every year.**

|   |
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- 1.2 Calculate the figures indicated by A – E in the Cash Budget.**

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

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- 1.3 The rent income increased by 8% from 1 January 2011. Calculate the rent income figure for January 2011.**

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- 1.4 Calculate the percentage increase granted to the employees from 1 January 2011.**

**In your opinion, will the employees be satisfied with this increase? Briefly explain.**

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1.5

As the internal auditor you discover that the actual motor vehicle expenses for December 2010 were R5 420. Name TWO points that you would include in your internal auditors' report to Alfred.

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1.6

Calculate the interest payable to Eastbank in February 2011.

Calculate the monthly repayments of the capital portion of the loan to Eastbank.

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1.7

Calculate the expected receipts from debtors for January 2010.

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| TOTAL<br>MARKS |
|                |
| 35             |

**QUESTION 2**

2.1

**SA Traders requires their new customers to provide personal details, including proof of residence, before opening accounts. Briefly explain why this is necessary. (Name TWO points.)**

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2.2

**Prepare the correct Debtors' List on 31 August 2010.**

| <b>Debtors' List on 31 August 2010</b> | <b>R</b> |
|----------------------------------------|----------|
| Sunnyside Traders                      |          |
| Thembisa Traders                       |          |
| Tildai Suppliers                       |          |
| Mondo Stores                           |          |
|                                        |          |

**List of adjustments to Debtors' Control Account**

| <b>Amount</b> | <b>Account debited</b> | <b>Account credited</b> |
|---------------|------------------------|-------------------------|
|               |                        |                         |
|               |                        |                         |
|               |                        |                         |
|               |                        |                         |

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| 26 |

|                        |
|------------------------|
| <b>TOTAL<br/>MARKS</b> |
|                        |
| 30                     |

**QUESTION 3****3.1**

|       |  |
|-------|--|
| 3.1.1 |  |
| 3.1.2 |  |
| 3.1.3 |  |
| 3.1.4 |  |
| 3.1.5 |  |

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**3.2.1**

Calculate the value of raw materials on hand on 28 February 2010 using the FIFO method.

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**3.2.2**

Calculate the value of raw material cost that would appear in the Production Cost Statement.

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**3.3**

Calculate the value of direct-labour cost that would appear in the Production Cost Statement for the year ended 28 February 2010.

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**3.4.1**

Calculate the total production cost of finished goods.

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**3.4.2**

Calculate the unit cost of production (per raincoat).

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**3.5.1** Identify the number of metres of raw material fabric that appear to be missing.

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**3.5.2** Apart from theft, give ONE most likely reason for this shortage.

What advice could you offer Java in this regard? Name ONE point.

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**3.6.1** Calculate the break-even point for the current financial year.

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**3.6.2** The break-even point for 2009 was 2 273 units. Should Java be satisfied or dissatisfied with the break-even point for 2010 calculated in QUESTION 3.6.1? Briefly explain.

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| TOTAL<br>MARKS |
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| 50             |

**QUESTION 4.1**

4.1

Choose a description from COLUMN B that matches a concept in COLUMN A.

| COLUMN A | COLUMN B |
|----------|----------|
| 4.1.1    |          |
| 4.1.2    |          |
| 4.1.3    |          |
| 4.1.4    |          |
|          |          |

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4.2

**General Ledger of Manic Limited**  
**Asset Disposal Account**

|               |   |  |  |  |               |   |  |  |  |
|---------------|---|--|--|--|---------------|---|--|--|--|
| 2010<br>March | 1 |  |  |  | 2010<br>March | 1 |  |  |  |
|               |   |  |  |  |               |   |  |  |  |
|               |   |  |  |  |               |   |  |  |  |
|               |   |  |  |  |               |   |  |  |  |

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4.3

List the **THREE** most significant decisions that the directors made during the year. Quote figures from the Cash Flow Statement in each case.

Comment on any **TWO** interesting points indicated in the Cash Flow Statement. Name **TWO** points and quote figures to support your answer.

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4.4

Operating profit on turnover

Acid-test ratio

Earnings per share

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| 11 |

4.5

**Comment on the operating efficiency of the company for the year ended 30 June 2010. Quote TWO financial indicators or figures to support your comments.**

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4.6

**Comment on the liquidity of the company for the year ended 30 June 2010. Quote THREE financial indicators or figures to support your comments.**

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4.7

**Comment on the returns, earnings and dividends earned by the shareholders for the year ended 30 June 2010. Quote THREE financial indicators or figures to support your comments.**

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4.8.1

**Explain your opinion on the attendance of shareholders at the AGM.**

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**4.8.2** What is meant by a *qualified audit report*? Explain.

How does this type of report affect the company and the shareholders? Explain.

Why did the independent auditors issue a qualified report in respect of this asset? Explain.

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**4.8.3** Explain why several of the shareholders would think that the long-term prospects of the company are being threatened. Mention corporate governance in your answer.

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| TOTAL<br>MARKS |
|                |
| 75             |

**QUESTION 5****5.1****General Ledger of Headwork Limited  
SARS (INCOME TAX)**

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**5.2.1 NOTES TO THE BALANCE SHEET****Note 1. Retained income**

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**Note 2. Trade and other payables**

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## 5.2.2

## BALANCE SHEET ON 30 SEPTEMBER 2010

|                                     |               |                  |           |
|-------------------------------------|---------------|------------------|-----------|
| <b>ASSETS</b>                       |               | <b>R</b>         |           |
|                                     |               |                  |           |
| <b>Fixed assets</b>                 |               | <b>4 606 000</b> |           |
|                                     |               |                  |           |
| <b>Current assets</b>               |               | <b>846 900</b>   |           |
|                                     |               |                  |           |
| <b>TOTAL ASSETS</b>                 |               | <b>5 452 900</b> |           |
|                                     |               |                  |           |
| <b>EQUITY AND LIABILITIES</b>       |               |                  |           |
|                                     |               |                  |           |
| <b>Shareholders' equity</b>         |               |                  |           |
|                                     |               |                  |           |
|                                     |               |                  |           |
|                                     | <b>Note 1</b> |                  |           |
|                                     |               |                  |           |
| <b>Non-current liabilities</b>      |               |                  |           |
|                                     |               |                  |           |
|                                     |               |                  |           |
| <b>Current liabilities</b>          |               |                  |           |
|                                     | <b>Note 2</b> |                  |           |
|                                     |               |                  |           |
|                                     |               |                  |           |
|                                     |               |                  |           |
|                                     |               |                  |           |
| <b>TOTAL EQUITY AND LIABILITIES</b> |               |                  | <b>21</b> |

5.3.1

**Calculate the net asset value per share.**

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5.3.2

**Calculate the debt-equity ratio.**

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5.4

**Would you be happy with the issue of the new shares on 1 April at a premium of R2,80? Explain TWO points, quoting figures or financial indicators to support your answer.**

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5.5

**Comment on risk and gearing of the company. Explain TWO points, quoting figures or financial indicators to support your answer.**

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|------------------------|
| <b>TOTAL<br/>MARKS</b> |
|                        |
| 70                     |

**QUESTION 6****6.1.1****Calculate the value of the closing stock using the weighted-average method.**

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**6.1.2****Calculation of:****Cost of sales:****Gross profit:**

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**6.1.3****Mark-up percentage:**

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6.1.4

Average stock turnover rate:

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6.2

| Product       | Problem identified | Suggestions |
|---------------|--------------------|-------------|
| Energy drinks |                    |             |
| Energy bars   |                    |             |
| Caps          |                    |             |

TOTAL MARKS

40

6

6

6

TOTAL: 300