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### NATIONAL SENIOR CERTIFICATE

## **ACCOUNTING P1**

### **GRADE 12**

### NOVEMBER 2020(2)

# SPECIAL ANSWER BOOK

QUESTION	MARKS	INITIAL	MOD.
1			
2			
3			
4			
TOTAL			

This answer book consists of 9 pages.

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Please turn over

(i) Calculate: Carrying value of the vehicle on hand	on 1 March 2020	1
Workings	Answer	
(ii) Calculate: Depreciation on vehicles for the yea	r	┥┖──╴
Workings	Answer	
		I
(iii) Calculate: Carrying value of equipment sold	A	_
Workings	Answer	_

1.1.2	Calculate: Profit/Loss on the sale of equipment		
	Workings	Answer	
			<b></b>
			2

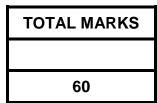
Workings	Answer

**NOTE:** The relevant figures calculated above must be transferred to the Statement of Comprehensive Income.

# 1.3 STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 28 FEBRUARY 2021

Sales	
Cost of sales	(6 966 000)
Other income	
Gross operating profit	
Operating expenses	
Salaries and wages	1 468 120
Depreciation	
Sundry expenses	452 310
Operating profit	
Profit before interest expense	
Interest expense	
Net profit before tax	
Net profit after tax	1 054 000

43



2.	1
_	

 2.1.1

 2.1.2

 2.1.3

#### 2.2 USANDA LIMITED

2.1 Calculate	e: Income tax paid		
	Workings	Answer	
Calculate	e: Dividends paid		
	Workings	Answer	

2.2.2	CASH EFFECTS OF FINANCING ACTIVITIES	
		11

NET CHANGE IN CASH AND CASH EQUIVALENTS	
Cash (opening balance)	
Cash (closing balance)	
	4

#### 2.2.3 Calculate financial indicators for the year ended 28 February 2021:

		-
% operating profit on sales		
Workings	Answer	
		I
		2
Acid-test ratio		
Workings	Answer	
		4
% return on average shareholders' equity (ROSHE)	•	
Workings	Answer	
		l
		4
Dividend payout rate (%)		
Workings	Answer	
		I
		4

TOTAL MARKS
40

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3.1

	1
3.1.1	
3.1.2	
3.1.3	
3.1.4	

#### 3.2 SCI-FI GEEKS LTD

3.2.1	The directors are satisfied with the improvement in the current ratio and the acid-test ratio. Explain why you would disagree with them. Quote TWO financial indicators in your response.	
		6
3.2.2	Comment on the dividend per share over the two years. Quote figures.	

Explain the change in the dividend payout rate. Quote figures.

Give a reason for this change.

A shareholder felt that they should be satisfied with the dividends they received as it is better than last year. Explain why you agree with him. Quote figures.

4

3

3.2.3 Comment on the risk and gearing for both years. Quote TWO financial indicators (with figures).

3.2.4 Existing shareholders are dissatisfied that the new shares issued on 1 April 2020 were sold to the CEO, Ida Shark. Give TWO reasons why you consider their feelings to be justified. Quote figures.

6

3.2.5 The Cash Flow Statement reflected a positive change in R980 000. Provide TWO points why this should still be a concern to directors. Quote figures.



TOTAL MARKS		
35		

4.1	Explain why a qualified audit report is not a good reflection of company. Provide TWO points.	fa



4.2 Explain why it is important for a company to include non-executive as well as executive directors on the Board of Directors.

4.3 According to the Companies Act, 2008 (Act 11 of 2008), a company must have a Remunerations Committee.

Explain the role/responsibility of this committee and give a reason why this committee is necessary.

EXPLANATION:

**REASON:** 

3

4.4 Directors engage with clients on a regular basis in an effort to negotiate contracts and to increase sales and services.

Explain why there should be a company policy that directors must declare to the Board all gifts, donations or favours received by them from clients. Provide TWO points.

4

тс	TAL MARKS
	15

**TOTAL: 150**