

# ACCOUNTING

PAPER 1 | GRADE 12 | 2024

This paper is for PRACTICE purposes only. Not an official Department of Basic Education paper.

2. This ques

This image shows a full page of blank, lined paper. It features approximately 20 horizontal grey lines spaced evenly apart, typical of notebook paper. The lines extend across the entire width of the page, leaving small margins at the top and bottom. There are no vertical lines or other markings present.

### 1.2 Additional information for Balance Sheet:

Non-current assets: R1 850 000

Inventory: R245 000 | Debtors: R178 000 | Cash: R89 000

Share capital (500 000 shares at R2): R1 000 000

Retained income: R362 500 | Long-term loan: R680 000

Creditors: R94 500 | SARS (Income tax payable): R165 000

Prepare the Balance Sheet as at 28 February 2024.

(20)

*Balance Sheet:*

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins or other markings on the paper.

**1.3** Calculate the following financial indicators:

(a) Gross profit percentage

(3)

*Answer:*

**1.4** (b) Net profit after tax percentage

(3)

*Answer:*

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### 1.5 (c) Current ratio

(2)

**Answer:**

**1.6** (d) Debt:equity ratio

(2)

*Answer:*

**TOTAL FOR THIS QUESTION: 50**

## QUESTION 2: Cash Flow Statement

**[40 marks]**

**2.1** Using the information from Question 1, and the following additional data:

Depreciation charged: R95 000

Increase in debtors: R23 000

Decrease in creditors: R15 000

Dividends paid: R120 000

Equipment purchased: R340 000

Loan raised: R200 000

Prepare the Cash Flow Statement for the year ended 28 February 2024.

(30)

*Cash Flow Statement:*

**2.2** Comment on the cash position of the business. Is the company in a healthy financial position? Motivate. **(5)**

Answer:

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**2.3** Explain the difference between cash profit and accounting profit. **(5)**

Answer:

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**TOTAL FOR THIS QUESTION: 40**

**QUESTION 3: Internal Control, Ethics and Corporate Governance** **[30 marks]**

**3.1** Identify FOUR internal control measures a company should implement to safeguard its cash. **(8)**

Answer:

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**3.2** The directors of a company paid themselves unauthorized bonuses. Identify the King IV principle violated and explain the consequences. **(6)**

Answer:

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**3.3** Distinguish between "ethics" and "corporate governance" in the business context. **(4)**

Answer:

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### 3.4 Calculate and interpret the following for a company:

Dividend per share: Total dividends R240 000, Shares in issue: 600 000

(a) Dividend per share

(3)

*Answer:*

**3.5** (b) Earnings per share (Net profit after tax: R485 000)

(3)

*Answer:*

**3.6** (c) Return on equity (Total equity: R1 362 500)

(3)

*Answer:*

**3.7** A director suggests declaring a dividend of R500 000 when the company only has R89 000 cash. Advise the board.

(3)

*Answer:*

**TOTAL FOR THIS QUESTION: 30**

#### QUESTION 4: Manufacturing, Inventory Valuation and Cost Accounting

**[30 marks]**

#### 4.1 BOLT MAKERS (PTY) LTD - Manufacturing Statement (partial data):

Raw materials (opening): R45 000 | Purchases of raw material: R380 000

Raw materials (closing): R52 000 | Direct labour: R290 000

Factory overhead: R125 000 | WIP (opening): R28 000 | WIP (closing): R34 000

Prepare the Manufacturing Statement.

(15)

**Manufacturing Statement:**

**4.2** The following stock cards apply:  
Selling price: R85/unit. Opening stock: 200 units at R50. Purchase 1: 400 units at R52.  
Purchase 2: 300 units at R55. Units sold: 650 units.  
Calculate the closing stock value and cost of sales using the FIFO method. (10)

Answer:

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**4.3** Explain ONE advantage and ONE disadvantage of the FIFO method compared to the Weighted Average method. (5)

Answer:

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**TOTAL FOR THIS QUESTION: 30**