

CENTRE NUMBER

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EXAMINATION NUMBER

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NATIONAL SENIOR CERTIFICATE

ACCOUNTING

GRADE 12

NOVEMBER 2015

SPECIAL ANSWER BOOK

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

This answer book consists of 15 pages.

1.2 DEBTORS' AGE ANALYSIS

1.2.1 As the internal auditor, what concerns would you have over Susan's job description? Explain.

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2

1.2.2 Identify TWO debtors who could have their credit limits increased.

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2

1.2.3 Explain THREE different problems reflected by the Debtors' Age Analysis. Give evidence.

	Explanation of problem with evidence
Problem 1	
Problem 2	
Problem 3	

9

TOTAL MARKS
40

QUESTION 2

2.1 INVENTORY VALUATION

2.1.1 Explain the difference between the *perpetual stock system* and the *periodic stock system*.

2

2.1.2 Calculate the value of the stock on hand on 28 February 2015 using the weighted-average method.

9

2.1.3 Calculate how long (in days) it will take to sell the closing stock of 650 jackets. Use the closing stock in your calculation.

5

2.1.4 Calculate the value of the closing stock using the FIFO method.

6

Give ONE reason in favour of changing to the FIFO method.

Give ONE reason against changing to the FIFO method.

4

2.2 INTERNAL CONTROL

2.2.1 Calculate the number of shirts stolen.

Give TWO points of advice.

9

2.2.2

Product	Comment on stock-holding period and give figures	Explanation on how it will affect the business
Jackets		
Shirts		
Jeans		

9

2.2.3 Josy is unsure whether she is charging the right prices for her products. Give her advice on EACH product. Quote figures.

Product	Advice with figures
Jackets	
Shirts	
Jeans	

6

TOTAL MARKS
50

QUESTION 3

3.1 PRIDONA LIMITED

3.1.1

Calculation of the correct net profit after tax	
Incorrect net profit	2 493 600
Correct net profit before tax	
Income tax	
Net profit after tax	

13

3.1.2 RETAINED INCOME NOTE ON 30 JUNE 2015

Balance at beginning of year	2 700 000
Dividends	
Balance at end of year	

11

**3.1.3 PRIDONA LIMITED
BALANCE SHEET AS AT 30 JUNE 2015**

ASSETS	
NON-CURRENT ASSETS	8 950 000
Fixed assets at carrying value	8 950 000
CURRENT ASSETS	
Inventories	
Trade and other receivables	
Cash and cash equivalents	
TOTAL ASSETS	
EQUITY AND LIABILITIES	
ORDINARY SHAREHOLDERS' EQUITY	
Ordinary share capital	5 572 000
Retained income	
NON-CURRENT LIABILITIES	
CURRENT LIABILITIES	
Trade and other payables	
TOTAL EQUITY AND LIABILITIES	

30

3.2 AUDIT REPORT

3.2.1 Choose the correct word from those given in brackets.

Give a reason.

2

3.2.2 Explain TWO consequences of this audit report for the company and/or the CEO.

4

TOTAL MARKS
60

QUESTION 4

4.1	4.1.1			
	4.1.2			
	4.1.3			
	4.1.4			
				4

4.2 SENZO LTD

4.2.1	Calculate income tax paid.	
		5

Calculate proceeds from disposal of fixed assets (carrying value).	
	5

Calculate net change in cash and cash equivalents.	
Indicate whether this is a net inflow or net outflow of cash.	
	5

4.2.2	CASH EFFECTS OF FINANCING ACTIVITIES	
		12

4.2.3 Calculate the acid-test ratio for 2015.

4

Calculate the return on shareholders' equity (ROSHE) for 2015.
(Use average equity in your calculation.)

5

Calculate the net asset value (NAV) per share for 2015.

3

4.3 DON LTD AND KEY LTD

4.3.1 Comment on the value of the shares of the two companies on the Johannesburg Securities Exchange (JSE). Explain how this will influence your choice of company.

6

4.3.2 Compare and comment on the dividend pay-out policies of the two companies.

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6

4.3.3 Comment on the degree of risk and gearing. Explain how this will influence your choice of company.

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6

4.3.4 Apart from the points mentioned above, what other factors would you consider before deciding in which company you are going to invest? Explain TWO points.

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4

TOTAL MARKS
65

QUESTION 5

5.1 BRUCE TRADERS

CASH BUDGET FOR NOVEMBER AND DECEMBER 2015

CASH BUDGET	NOVEMBER 2015 R	DECEMBER 2015 R
CASH RECEIPTS:		
Cash sales		399 000
Cash from debtors	536 025	597 975
Commission income		
Total receipts		
CASH PAYMENTS:		
Cash purchases of stock		114 000
Payments to creditors	520 000	
Sundry expenses	22 500	
Total payments	935 280	874 210
Surplus (deficit)	26 745	
Opening bank balance	(56 000)	
Closing bank balance	(29 255)	

25

5.2 SLEEPEZI BEDS (PTY) LTD

5.2.1 Calculate the percentage increase in the amount budgeted for salaries and wages for October 2015.

Should the employees be satisfied with this? Explain.

3

5.2.2 The financial director is pleased with the work being done by the bookkeeper and internal auditor. Identify an expense that indicates that he is correct.

Explain your answer.

3

5.2.3 Comment on how the new competitor has affected the sales of Sleepzei Beds. Provide figures.

Explain how Sleepzei Beds has responded to this problem. Provide THREE points. Provide figures.

Point 1	
Point 2	
Point 3	

13

5.2.4 Comment on the cash balances. Provide figures.

Explain how the directors can improve the cash balances in future. Explain TWO points.

6

TOTAL MARKS
50

QUESTION 6

6.1 SNAZZY HANDBAGS

PRODUCTION COST STATEMENT ON 30 SEPTEMBER 2015

	R	
Prime cost		
Manufacturing cost		
Total cost of production		21

6.2 HEALTHY LIFESTYLE COOKWARE

6.2.1 Calculate the variable cost per unit for 2015.

3

Calculate the break-even point for 2015.

5

6.2.2

Explain why the owner should be concerned about the break-even point and level of production. Provide TWO points. Provide figures.

Point 1	
Point 2	

4

6.2.3

Identify ONE other problem relating to this business. Provide figure(s).

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2

TOTAL MARKS
35

TOTAL: 300