



ILEMBE DISTRICT

ACCOUNTING

SCHOOL-BASED ASSESSMENT

GRADE 12

2023





Dear Learner

You are provided with published financial statements of the Mr Price Group LTD for year ended on 02 April 2022. Mr Price is divided into two business entities (Mr Price Group and Mr Price Company). To answer questions based on these published financial statements, you need to read and understand them. This research project is aiming at testing your creative thinking and understanding of accounting as a subject in the business world. Therefore, there will be no sharing of answers amongst learners or being assisted by teacher.

Note to the Teachers

Please print the following pages from published statements of Mr Price Group LTD (page number: 1;2;3;5;6,7; 9;13 and14). PLEASE NOTE: These page numbers are according to the printer NOT according to the published statements. Therefore, in this task printed published financial statements will be made available

This project is divided into two sections

Section A: questions are based on pages 3 to 9 (pg. 15 as per published financial statements)

Section B: questions are based on financial statements found in pages 13 to 14 (pages 23 to 25 as per published financial statements)

Treat this task as a test or examination. Therefore, it is **NOT** an open book task.

SECTION A

TO BE DONE ON DAY 1 (SUPPLY LEARNERS WITH COPIES OF FINANCIAL STATEMENTS pages 3 to 9 (pg. 15 as per published financial statements)

- | | | |
|-----|--|-----|
| 1.1 | Who is the chief financial officer of Mr Price group limited? | (1) |
| 1.2 | How many authorised shares were issued during the year | (1) |
| 1.3 | What are Five duties of audit and compliance committee | (5) |
| 1.4 | Briefly explain risk function as one of layers of defence | (2) |
| 1.5 | Which company Mr Price group LTD has appointed to internally audit their financial statements. | (2) |
| 1.6 | Why independent auditor mention page numbers | (2) |
| 1.7 | What kind of audit report Mr Price group LTD received on 02 April 2022. Mention one statement from auditors' report to justify your answer | (3) |

SECTION B

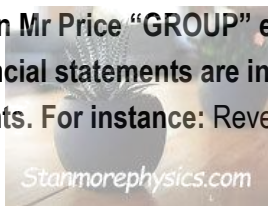
TO BE DONE ON DAY 2 (SUPPLY LEARNERS WITH COPIES OF FINANCIAL STATEMENTS pages 13 to 14 (pg.23-24 as per published financial statements)

Be aware of the following synonyms:

- Incomes also known as Revenue
- Sales also known as Turnover
- Interest on loan also known as Finance cost
- Shareholders' equity also known as Capital and Reserves
- Net profit for the year also known as Profit for the year attributable to ordinary shareholders

2. Questions 2.1 to 2.3 are based on Mr Price "GROUP" entity

Please note amounts in the financial statements are in Million rand though keep it simple as it is written on the financial statements. For instance: Revenue of 2022 is 28 083 (simple) which is 28 083 000 (in full)



- 2.1 Calculate the return on total capital employed (ROTCE) of group entity in 2022 (6)
- 2.2 Calculate Solvency ratio of GROUP entity in 2022 (3)
- 2.3 Directors made major financial decisions in 2022 cash flow statement of the GROUP entity that might affect cash flow positively. Mention THREE major decisions (with figures) and their impact to the business in future (12)



3 Questions 3.1 to 3.2 are based on Mr Price "COMPANY" entity

Please note: Company offer its customers 90 days to pay their debts and our creditors gave us 6 months to pay our debts

INFORMATION**Financial indicators for the COMPANY in 2022**

	2022	2021
	R	R
Current ratio	2,4: 1	2.2:1
Acid test ratio	1,6:1	1.6:1
Debtors' collection period	62 days	91 days
Creditors payment period	122 days	120 days
Debt-equity ratio	0,48: 1	0,49:1
% Return on total capital employed	31%	30%
Interest on loan	20%	20%

3.1 **LIQUIDITY**

Comment on liquidity position of Mr Price COMPANY entity. Quote three financial indicators (with figures) in your answer and explain the change in trends

(6)

3.2 **RISK AND GEARING**

One of the directors feels that the company should pay back the loan as soon as possible. What are your views about this? State Yes or No then quote and explain TWO relevant financial indicators with figures.

(7)

Total Marks
50



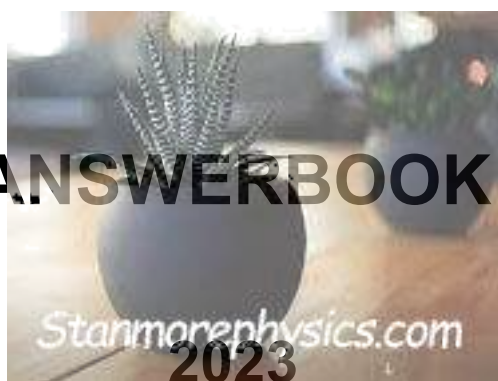


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SCHOOL-BASED ASSESSMENT



GRADE 12



NAME OF LEARNER	
SCHOOL NAME	
DATE	

TOTAL MARKS
50

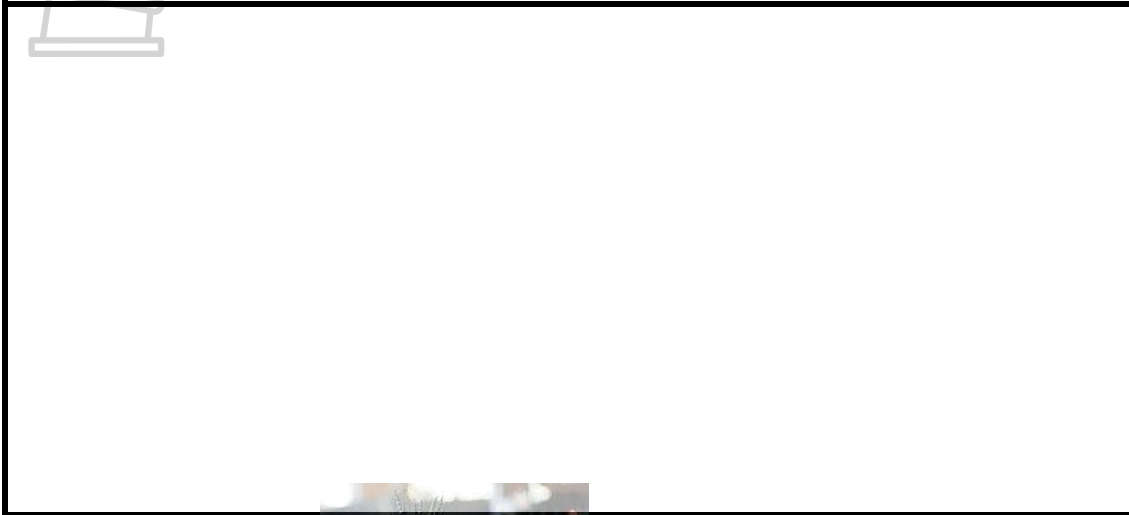
Section A: Question 1

1.1	Who is the chief financial officer of Mr Price group limited?	
1.2	How many authorised shares were issued during the year	
1.3	What are Five duties of audit and compliance committee?	
1.4	Briefly explain risk function as one of layers of defence	
1.5	Which company Mr Price group LTD has appointed to internally audit their financial statements. 	
1.6	Why independent auditor mention page numbers?	
1.7	What kind of audit report Mr Price group LTD received on 02 April 2022. Mention one statement from auditors' report to justify your answer. 	

SECTION B

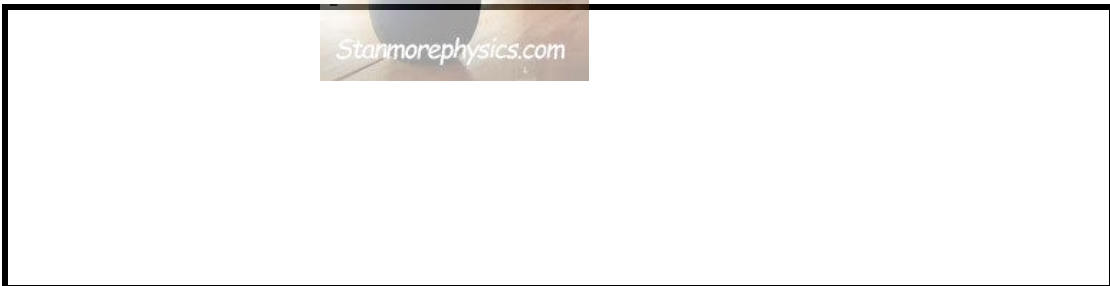
2 Questions 2.1 to 2.3 are based on Mr Price "GROUP" entity

2.1.1 Calculate the return on total capital employed (ROTCE) of group entity in 2022



6

2.2 Calculate Solvency ratio of GROUP entity in 2022



3



2.3 Directors made major financial decisions in 2022 cash flow statement of the GROUP entity that might affect cash flow positively. Mention THREE major decisions with figures and their positive contributions

DECISION	IMPACT IN THE FUTURE

12

Questions 3.1 to 3.2 are based on Mr Price “COMPANY” entity

Please note: Company offer its customers 90 days to pay their debts and our creditors gave us 6 months to pay our debts



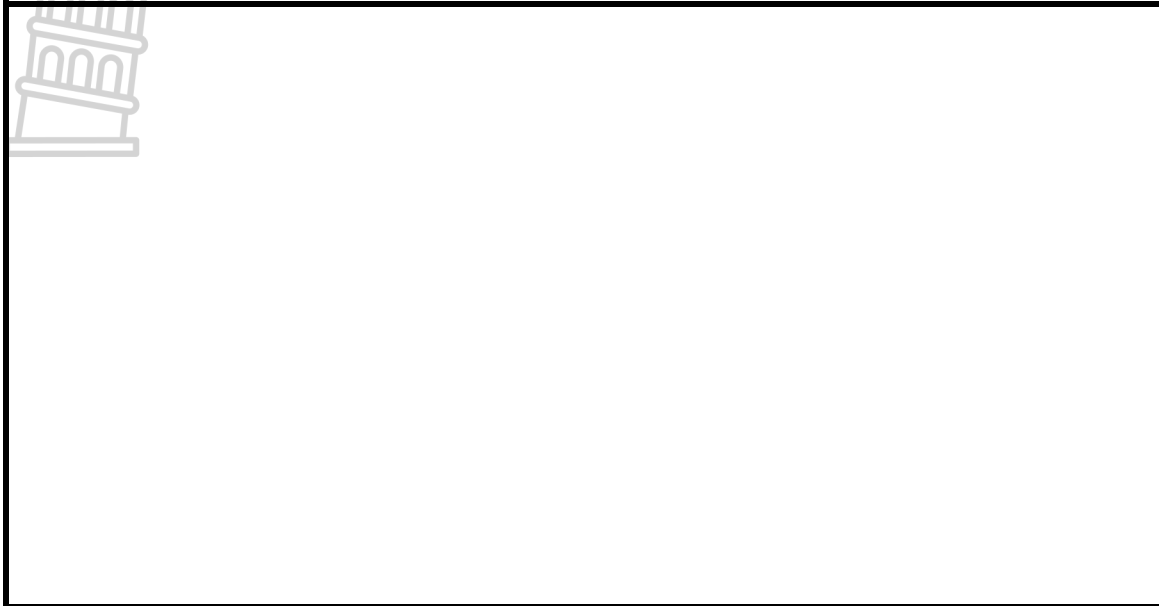
3.1 LIQUIDITY

Comment on liquidity position of Mr Price COMPANY entity. Quote three financial indicators (with figures) in your answer and explain the change in trends

6

3.2 RISK AND GEARING

One of the directors feels that the company should pay back the loan as soon as possible. What are your views about this? State Yes or No then quote and explain TWO relevant financial indicators with figures



7

50

