

GRADE 12 SCOPE FOR THE 2024 ACCOUNTING FINAL EXAMINATION (Paper One: Thursday 14 November 2024 @ 8:00 and Paper Two: Friday 22 November 2024 @ 8:00)

1. PAPER ONE (150 marks, 2 hours):

A. STATEMENT OF COMPREHENSIVE INCOME OR CALCULATION OF NET PROFIT AFTER TAX

- Backwards calculations

B. STATEMENT OF FINANCIAL POSITION AND NOTES TO THE FINANCIAL STATEMENTS.

- Ordinary share capital note
- Retained income note
- Inventory note
- Trade and other receivables note
- Cash and cash equivalents note
- Trade and other payables note
- Loan balance calculation
- Fixed deposit balance calculation
- SARS-INCOME TAX calculation**
- Fixed/tangible assets note
- Backwards calculations

C. CASH FLOW STATEMENT AND NOTES TO THE CASH FLOW STATEMENT:

- Reconciliation between profit before tax and cash generated from operations (calculations).
- Interest expense paid calculations.
- Dividends paid calculations
- Taxation paid calculations
- Purchase of fixed assets calculations.
- Sale of fixed assets calculations.
- Change in investment calculations
- Sale of shares calculations
- Shares bought back calculations
- Change in loan calculations
- Net change in cash and cash equivalents calculations
- Cash and cash equivalents at the beginning (calculations)
- Cash and cash equivalents at the end (calculations)
- Significant management decisions and their benefits



xv. Backwards calculations

D. FINANCIAL INDICATORS (RATIOS)

- i. **You must know and understand all the formulae for ratios.**
- ii. You must be able to do calculate ratios using financial indicators.
- iii. You must be able to appropriately use ratios when you are giving comments (**NB provide comments with figures**).
- iv. Liquidity ratios are:
 - Current ratio
 - Acid test ratio
 - Stock turnover rate
 - Stock-holding period
 - Average debtors collection period
 - Average creditors payment period
 - Net working capital
- v. Risk and gearing ratios are:
 - Debt-equity ratio (*high risk or low risk*)
 - ROTCE (*takes into account interest rate on loan resulting in a positive gearing or negative gearing*)
- vi. Returns ratios are
 - ROSHE (**takes into account interest rate on fixed deposit or investments**)
- vii. Dividends payout policy and earnings ratios are:
 - DPS
 - EPS
 - DPR
- viii. Share value ratios are:
 - NAV
 - Market price or JSE price (market value)
 - Issue price
- ix. **YOU MUST ALSO BE ABLE TO USE THE RATIOS TO CALCULATE THE MISSING FIGURES IN OTHER TOPICS LIKE THE STATEMENT OF FINANCIAL POSITION.**

E. AUDIT REPORTS, COMPANIES ACT, AND IFRS

F. CODE OF CORPORATE GOVERNANCE AND PROFESSIONAL BODIES

G. PROBLEM SOLVING QUESTIONS

H. ETHICS AND INTERNAL CONTROLS

I. FIXED/TANGIBLE ASSETS

J. STOCK VALUATION (INTEGRATION)

K. ACCOUNTING EQUATION



2. PAPER TWO (150 marks, 2 hours):



A. STOCK VALUATIONS

- PERPETUAL VS PERIODING INVENTORY SYSTEMS
- FIRST-IN-FIRST-OUT METHOD (FIFO)
- WEIGHTED AVERAGE METHOD (WA)
- SPECIFIC IDENTIFICATION METHOD (SI)
- Calculation of the average cost
- Calculation of the value of the closing stock
- Calculation of the cost of sales
- Calculation of the sales
- Calculation of the gross profit
- Calculation of the stock missing
- Stock holding period calculation
- Stock turnover rate calculation
- Problem solving questions

B. COST ACCOUNTING/ MANUFACTURING

- Cost accounting important concepts.
- Direct material cost calculation
- Direct material cost note
- Direct labour cost calculation
- Direct labour cost note
- Factory overhead cost calculation
- Factory overhead cost note
- Selling and distribution calculation
- Selling and distribution note
- Administration cost calculation
- Administration cost note
- Work-in-progress stock
- Finished goods stock
- Prime cost calculation
- Total manufacturing cost calculation
- Total cost of production of finished goods calculation
- Cost of sales calculation
- Production cost statement
- Abridged statement of comprehensive income
- Break-even point calculation
- Commenting on the level of production in relation to the breakeven point.
- Calculation of additional profit emanating from additional units produced and sold.
- Incorporation of import or custom duty and carriage on purchases in the calculation of raw material cost





- Conversion of foreign currency into rand value using exchange rates.
- Unit cost calculations
- Commenting with figures
- Wastage calculations
- Calculation of units of material missing.
- Backwards calculations.

C. VALUE ADDED TAX

- CONCEPTS ON VAT
- Zero-rated supplies
- Exempt supplies
- Standard rated supplies
- VAT input
- VAT output
- VAT CONTROL ACCOUNT
- CALCULATIONS FOR VAT AMOUNT PAYABLE TO SARS OR VAT AMOUNT RECEIVABLE FROM SARS
- Ethics and internal control

D. RECONCILIATIONS

- Important concepts on reconciliations
- Effective management of business funds
- Bank reconciliation
- Debtors reconciliations
- Creditors reconciliations
- Ethics and internal controls
- Debtors age analysis
- Measures to be put in place to encourage debtors to pay within the specified credit terms
- Reconciliation of debtors control account to debtors list/ledger
- Reconciliation of creditors control account to the creditors list/ledger
- Reconciliation of creditors control ledger to the statement from a creditor
- Correct use of operational signs when performing reconciliation.
- Problem-solving questions (with figures)





E. BUDGETING

- Important concepts on budgeting.
- Debtors collection schedule
- Creditors payment schedule
- Percentage increase calculation
- Percentage decrease calculation
- Cash budget (make sure you know the format in and out)
- Projected statement of comprehensive income.
- Tackling other calculations needed to prepare the cash budget or projected income statement
- Comparing actual figures with budgeted figures.
- Commenting on budgeting (with figures).
- **Backwards calculations** (it is imperative that you master the skill of working backwards because examiners like to test it the exams and tests).

F. FIXED/TANGIBLE ASSETS

- Important concepts on fixed assets
- Calculation of Depreciation based of cost price method.
- Calculation of depreciation based on diminishing balance method
- Calculation of the book value or carrying value
- Calculation of accumulated depreciation.
- Completing the fixed/tangible assets note.
- Asset disposal
- Fully depreciated assets
- **Backwards calculations** (it is imperative that you master the skill of working backwards because examiners like to test it the exams and tests).
- Problem solving questions relating to fixed assets
- Life span of an asset.

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