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.

- i. Ordinary share capital note
- ii. Retained income note
- iii. Inventory note
- iv. Trade and other receivables note
- v. Cash and cash equivalents note
- vi. Trade and other payables note
- vii. Loan balance calculation
- viti. Fixed deposit balance calculation
- ix. SARS-INCOME TAX calculation
- x. Fixed/tangible assets note
- xi. Backwards calculations

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

- i. Reconciliation between profit before tax and cash generated from operations (calculations).
- ii. Interest expense paid calculations.
- iii. Dividends paid calculations
- iv. Taxation paid calculations
- v. Purchase of fixed assets calculations.
- vi. Sale of fixed assets calculations.
- vii. Change in investment calculations
- viii. Sale of shares calculations
- ix. Shares bought back calculations
- x. Change in loan calculations
- xi. Net change in cash and cash equivalents calculations
- xii. Cash and cash equivalents at the beginning (calculations)
- xiii. Cash and cash equivalents at the end (calculations)
- xiv. Significant management decisions and their benefits





xv. Backwards calculations

D. FINANCIAL INDICATORS (RATIONS)

- 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):

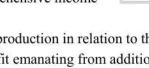
A. STOCK VALUATIONS



- FIRST-IN-FIRST-OUT METHOD (FIFO)
- WEIGHTED AVERAGE METHO (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 ADDEDE TAX

- CONCEPTS ON VAT
- Zero-rated supplies
- Exempt supplies
- · Standard rated supplies
- VAT input
- VAT output
- VAT COTROL 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.

PREPARED BY SIR LANGA MP (29 OCTOBER 2024)



