



LIMPOPO
PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

DEPARTMENT OF
EDUCATION

GRADE 12

QUESTION PAPER

ACCOUNTING
TERM 1 TASK 2: CONTROLLED TEST 1
15 MARCH 2024

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MARKS: 100
DURATION: 1½ hours

This question paper consists of 8 pages

INSTRUCTIONS AND INFORMATION

Read the following instructions carefully and follow them precisely.

1. Answer ALL the questions.
2. A special ANSWER BOOK is provided in which to answer ALL the questions.
3. Show ALL workings to earn part-marks.
4. You may use a non-programmable calculator.
5. You may use blue ink or a dark pencil to answer the questions.
6. Where applicable, show all calculations to ONE decimal point.
7. Write neatly and legibly.
8. Use the information in the table below as a guide when answering the question paper. Try NOT to deviate from it.

QUESTION 1: 45 marks; 40 minutes	
Topic:	This question integrates:
Financial Statements and notes.	Financial accounting Statement of Financial Position (Balance Sheet) and Notes

QUESTION 2: 45 marks; 40 minutes	
Topic:	This question integrates:
Financial Statements and cashflow.	Financial accounting Fixed Assets, Cash Flow Statement and Financial Indicators

QUESTION 3: 10 marks; 10 minutes	
Topic:	This question integrates:
Company transactions	Financial accounting Accounting equation

QUESTION 1: STATEMENT OF FINANCIAL POSITION (BALANCE SHEET) AND NOTES
(45 marks; 40 minutes)

- 1.1 Complete each of the following statements by choosing a word(s) from the list below. Write only the word(s) next to the question numbers (1.1.1 to 1.1.3) in the ANSWER BOOK.

external auditors; directors; shareholders; internal auditors

- 1.1.1 The ... are employed by the company to set up and monitor control processes.
- 1.1.2 ... are appointed to give an unbiased opinion on the financial statements.
- 1.1.3 ... are appointed by the owners of the company to perform key management functions. (3 x 1) (3)

1.2 MASANGO LTD

The information relates to the financial year ended 28 February 2023.

REQUIRED:

- 1.2.1 Complete the following Notes to the Statement of Financial Position (Balance Sheet):
- Ordinary share capital (7)
 - Retained Income (7)
- 1.2.2 Prepare the Statement of Financial Position (Balance Sheet) on 28 February 2023. (28)

INFORMATION:

A. Extract from the accounting records on 28 February:

Balance Sheet Accounts	2023 R	2022 R
Fixed deposit	489 000	?
Ordinary share capital	7 954 000	?
Retained income	1 196 000	?
Loan: XY Loans	?	?
SARS: Income tax (provisional tax)	450 000	
Creditors' control	617 450	
Shareholders for dividends	213 400	162 000
Debtors' control	875 000	
Provision for bad debts	?	23 640
Trading stock (balancing figure)	?	
Petty cash	5 000	5 000
Bank overdraft (balancing figure)	?	
Nominal accounts		
Audit fees	48 000	
Rent income	102 400	

B. Share capital and dividends:

DATE	DETAILS
1 March 2022	75% of the authorised share capital of 1 200 000 ordinary shares were in issue.
30 August 2022	80 000 shares were repurchased from a retired shareholder. He was paid 20% (R136 000) above the average share price and would no longer qualify for dividends.
31 August 2022	An interim dividend of 28 cents per share was paid.
1 December 2022	An additional 150 000 shares were issued.
28 February 2023	A final dividend was declared.

- C.** Income tax for the year, after taking into account all adjustments, amounted to R438 000. This is 30% of the net profit.
- D.** The following adjustments are relevant to complete the Statement of Financial Position:
- The provision for bad debts must be increased by R2 610.
 - Only half the audit fees were paid. The balance will be paid in March 2023.
 - The tenant occupies part of the premises from 1 May 2022. He has not paid the rent for January and February 2023.
- E.** R240 000 of the fixed deposit will mature on 1 April 2023.
- F.** A debit balance of R17 950 from the Debtors' Ledger must be transferred to the Creditors' Ledger.
- G.** The following financial indicators were calculated on 28 February 2023, after all adjustments were processed:
- | | |
|-------------------|---------|
| Current ratio | 1,6 : 1 |
| Debt-equity ratio | 0,4 : 1 |
- H.** The loan from XY Loans will be reduced by a capital portion of R228 000 in the 2024 financial year.

QUESTION 2: FIXED ASSETS, CASH FLOW STATEMENT AND FINANCIAL INDICATORS
(45 marks; 40 minutes)

2.1 Choose the correct word(s) from those given in brackets. Write only the word(s) next to the question numbers (2.1.1 to 2.1.3) in the ANSWER BOOK.

2.1.1 Unused consumable stores at the end of the financial year are classified as a (current asset/financial asset).

2.1.2 Interest on loans is regarded as an (operating activity/investing activity)

2.1.3 The (directors' report/audit report) reflects an explanation of the company's activities and future plans. (3 x 1) (3)

2.2 MSABE LIMITED

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The information relates to the financial year ended 28 February 2023.

REQUIRED:**2.2.1 Refer to Information A.**

Calculate the missing figures indicated by (i) to (iii) on the Fixed Asset Note. (11)

2.2.2 Calculate the following amounts for the 2023 Cash Flow Statement:

- Fixed assets purchased (6)
- Dividends paid (4)
- Decrease in loan (3)

2.2.3 Complete the NET CHANGE IN CASH AND CASH EQUIVALENTS section of the Cash Flow Statement. (4)

2.2.4 Calculate the following financial indicators on 28 February 2023:

- % mark-up achieved (3)
- Acid-test ratio (4)
- Net asset value per share (NAV) (3)
- % return on average shareholders' equity (ROSHE) (4)

INFORMATION:**A. Fixed Asset Note to the Statement of Financial Position (Balance Sheet):**

FIXED ASSETS	BUILDINGS R	VEHICLES R	EQUIPMENT R
Carrying value (1 Mar. 2022)		(i)	28 000
Cost price	6 450 000	2 350 000	640 000
Accumulated depreciation	0	(840 000)	(612 000)
Movements			
Additions	?	0	195 000
Disposals	0	(iii)	0
Depreciation	0	(298 000)	(ii)
Carrying value (28 Feb. 2023)			
Cost price			
Accumulated depreciation			

- Extensions to the buildings were completed during the financial year.
- Additional equipment was purchased on 1 October 2022.
- Equipment is depreciated at 10% p.a on cost price.
- An old vehicle was sold at carrying value on 30 November 2022. The cost price of this vehicle was R252 000 and its accumulated depreciation on 1 March 2022 was R172 000.
- Vehicles are depreciated at 20% p.a. on carrying value.

B. Extract from the Statement of Comprehensive Income for the year ended 28 February 2023:

Sales	R12 600 000
Gross profit	5 400 000
Income tax	295 800
Net profit after tax	609 200

C. Extract from the Statement of Financial Position (Balance Sheet):

	28 Feb. 2023 R	28 Feb. 2022 R
Fixed assets (carrying value)	8 746 500	7 988 000
Shareholders' equity	8 840 700	7 600 000
Ordinary share capital	8 648 000	7 404 000
Loan: CBC Bank	?	2 057 600
Inventory	514 500	456 000
Petty cash	5 000	5 000
Bank	125 000 (Cr)	129 000 (Dr)
SARS: Income tax	22 500 (Cr)	13 800 (Dr)
Shareholders for dividends	264 500	180 000
Total current assets	1 323 000	1 232 000
Total current liabilities	735 000	592 500

D. Share capital:

- There were 1 000 000 shares in issue on 1 March 2022.
- 200 000 shares were issued on 1 May 2022.
- 50 000 shares were repurchased on 1 December 2022.

E. Dividends:

- An interim dividend was paid on 31 August 2022.
- A final dividend was declared on 28 February 2023.
- Total dividends for the financial year amounted to R552 500.

F. Loan: CBC Bank

The loan statement received on 28 February 2023 reflected:

- Repayments: R38 000 per month (including interest)
- Total interest capitalised: R216 000

45

QUESTION 3: ACCOUNTING EQUATION**(10 marks: 10 minutes)****REQUIRED:**

Use the table provided to indicate the following for each transaction:

- Account credited and Account debited in the General Ledger

Example: Water and electricity account paid , R5 000

General Ledger			
No	Account to be debited	Account to be credited	Amount
e.g	Water and electricity	Bank	5 000

TRANSACTIONS:

- 3.1 A final dividend of 120 cents per share was declared on 700 000 Issued ordinary shares. (3)
- 3.2 The income tax for the year was calculated at R1 150 000. (2)
- 3.3 Bought back 50 000 ordinary shares from a shareholders for R15,00 per share. The company's average share price is R11, 00 per share. (5)

10

TOTAL: 100

GRADE 12 ACCOUNTING FINANCIAL INDICATOR FORMULA SHEET	
$\frac{\text{Gross profit} \times 100}{\text{Sales}} \quad 1$	$\frac{\text{Gross profit} \times 100}{\text{Cost of sales}} \quad 1$
$\frac{\text{Net profit before tax}}{\text{Sales}} \times \frac{100}{1}$	$\frac{\text{Net profit after tax}}{\text{Sales}} \times \frac{100}{1}$
$\frac{\text{Operating expenses} \times 100}{\text{Sales}} \quad 1$	$\frac{\text{Operating profit} \times 100}{\text{Sales}} \quad 1$
Total assets : Total liabilities	Current assets : Current liabilities
(Current assets – Inventories) : Current liabilities	Non-current liabilities : Shareholders' equity
(Trade & other receivables + Cash & cash equivalents) : Current liabilities	
$\frac{\text{Average trading stock}}{\text{Cost of sales}} \times \frac{365}{1}$	$\frac{\text{Cost of sales}}{\text{Average trading stock}}$
$\frac{\text{Average debtors}}{\text{Credit sales}} \times \frac{365}{1}$	$\frac{\text{Average creditors} \times 365}{\text{Cost of sales}} \quad 1$
$\frac{\text{Net profit after tax}}{\text{Average shareholders' equity}} \times \frac{100}{1}$	$\frac{\text{Net profit after tax}}{\text{Number of issued shares}} \times \frac{100}{1}$ (*See note below)
$\frac{\text{Net income before tax} + \text{Interest on loans}}{\text{Average shareholders' equity} + \text{Average non-current liabilities}} \times \frac{100}{1}$	
$\frac{\text{Shareholders' equity}}{\text{Number of issued shares}} \times \frac{100}{1}$	$\frac{\text{Dividends for the year}}{\text{Number of issued shares}} \times \frac{100}{1}$
$\frac{\text{Interim dividends}}{\text{Number of issued shares}} \times \frac{100}{1}$	$\frac{\text{Final dividends}}{\text{Number of issued shares}} \times \frac{100}{1}$
$\frac{\text{Dividends per share}}{\text{Earnings per share}} \times \frac{100}{1}$	$\frac{\text{Dividends for the year}}{\text{Net income after tax}} \times \frac{100}{1}$
$\frac{\text{Total fixed costs}}{\text{Selling price per unit} - \text{Variable costs per unit}}$	
NOTE: * In this case, if there is a change in the number of issued shares during a financial year, the weighted-average number of shares is used in practice.	



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GRADE 12

ANSWER BOOK

ACCOUNTING

TERM 1 TASK 2: CONTROLLED TEST 1

15 MARCH 2024

NAME OF LEARNER:

NAME OF SCHOOL:

Q	Topic	Marks	Learner marks	Internal moderator	External moderator
1.	Financial statements and notes	45			
2.	Cash flow and financial indicators	45			
3.	Accounting equation	10			
	Total	100			

This answer book consists of 6 pages.

QUESTION 1

1.1

1.1.1	
1.1.2	
1.1.3	

3

1.2



MASANGO LTD

1.2.1

ORDINARY SHARE CAPITAL

		7 954 000	
			7

RETAINED INCOME

Balance on 1 March 2022		
Repurchase of shares		
Ordinary share dividends		
Final dividends	213 400	
Balance on 28 February 2023	1 196 000	7

**1.2.2 STATEMENT OF FINANCIAL POSITION (BALANCE SHEET)
ON 28 FEBRUARY 2023**

ASSETS		
NON CURRENT ASSETS		
Fixed assets		
CURRENT ASSETS		2 080 000
Inventories		
Trade and other receivables		
TOTAL ASSETS		
EQUITY AND LIABILITIES		
SHAREHOLDERS EQUITY		9 150 000
Ordinary share capital		7 954 000
Retained income		1 196 000
NON CURRENT LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables		
Bank overdraft		
TOTAL EQUITY AND LIABILITIES		

28

TOTAL MARKS
45

QUESTION 2

2.1

2.1.1	
2.1.2	
2.1.3	

3

2.2

MSABE LIMITED

2.2.1

WORKINGS	ANSWER
(i) Carrying value of vehicles on 1 March 2022	
(ii) Total depreciation on equipment	
(iii) Carrying value of vehicle sold	

11

2.2.2 Calculate the following for the 2023 Cash flow Statement.

WORKINGS	ANSWER
Fixed assets purchased	
Dividends paid	
Decrease in loan.	

3

4

3

2.2.3

NET CHANGE IN CASH AND CASH EQUIVALENTS	

4

2.2.4 Calculate the following financial indicators on 28 February 2023:

WORKINGS	ANSWER
% mark-up achieved	
Acid test ratio	
Net asset value per share.	
% return on average shareholders equity	

3

4

3

4

TOTAL MARKS
45

QUESTION 3

COMPANY TRANSACTIONS

GENERAL LEDGER			
NO.	ACCOUNT DEBITED	ACCOUNT CREDITED	BEDRAG
Eg.	Water and electricity	Bank	5 000
3.1.			
3.2.			
3.3			

10

TOTAL MARKS
100



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MARKING GUIDELINES

ACCOUNTING
TERM 1 TASK 2: CONTROLLED TEST 1
15 MARCH 2024

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MARKING PRINCIPLES

1. Unless otherwise stated in the marking guideline, penalties for foreign items are applied only if the candidate is not losing marks elsewhere in the question for that item (no foreign item penalty for misplaced item). No double penalty applied.
2. Penalties for placement or poor presentation (e.g. details) are applied only if the candidate is earning marks on the figures for that item.
3. Full marks for correct answer. If the answer is incorrect, mark the workings provided.
4. If a pre-adjustment figure is shown as a final figure, allocate the part-mark for the working for that figure (not the method mark for the answer).
5. Unless otherwise indicated, the positive or negative effect of any figure must be considered to award the mark. If no + or – sign or bracket is provided, assume that the figure is positive.
6. Where indicated, part-marks may be awarded to differentiate between differing qualities of answers from candidates.
7. This memorandum is not for public distribution, as certain items might imply incorrect treatment. The adjustments made are due to nuances in certain questions
8. Where penalties are applied, the marks for that section of the question cannot be a final negative.
9. Where method marks are awarded for operation, the marker must inspect the reasonableness of the answer before awarding the mark
10. Operation' means 'Check operation'. 'One part correct' means 'Operation & one part correct'.
Note: Check operation means must be +, –, x or + as per memo,
Note: Where appropriate, use of numerator and denominator must be correctly applied to earn marks.
11. In awarding method marks, ensure that candidates do not get full marks for any item that is incorrect at least in part. In such cases, do not award the method mark. Indicate by way of
12. Be aware that some candidates provide valid alternatives beyond the memorandum.
13. Codes: f = foreign item; p = placement/presentation.\

These marking guidelines consist of 7 pages.

QUESTION 1. CONCEPTS, FINANCIAL POSITION AND NOTES

1.1 CONCEPTS

1.1.1	Internal auditor ✓
1.1.2	External auditor ✓
1.1.3	Directors ✓

3

1.2 MASANGO LTD

1.2.1 ORDINARY SHARE CAPITAL

900 000 ✓ 1 200 000 x 75%	Balance on 1 March 2022 900 000 x 8,50* see below	7 650 000 ✓✓* No. of shares x ASP*
(80 000)	Shares repurchased 80 000 x R8,50* <i>any one part correct</i>	(680 000) ✓✓ # do not accept 136 000 as a final answer
150 000	Shares issued on 1 December 2022 Inspect correct operation	984 000 ✓ balancing figure
970 000 ✓ operation & one part correct	Balance on 28 February 2023	7 954 000

7

RETAINED INCOME

Balance on 1 March 2022 Check operation from bottom up; [+ OSD + SRepur – NPAT]	753 000 ✓ balancing figure
Net profit after tax 438 000 x 70/30	1 022 000 ✓✓
Shares repurchased	(136 000) ✓
Ordinary share dividends	(443 000) ✓ Interim + Final Div
Interim dividends 820 000 x 28 cents OR 28% / 0,28	229 600 ✓✓ one part correct
Final dividends	213 400
Balance on 28 February 2023	1 196 000

7

1.2.2 STATEMENT OF FINANCIAL POSITION (BALANCE SHEET)
ON 28 FEBRUARY 2023

ASSETS		
NON-CURRENT ASSETS	TA – CA	12 030 000 ✓
Fixed assets	NCA – FD	11 781 000 ✓
Fixed deposit 489 000 – 240 000	4	249 000 ✓✓
CURRENT ASSETS		2 080 000
Inventory		966 600 ✓ balancing figure
Trade and other receivables		868 400 ✓
875 000 ✓ – 26 250 ✓✓ + 25 600 ✓✓ – 17 950 ✓ + 12 000* ✓		Operation; one part correct See principle 4
12 800 one mark		
Prov for BD (23 640 + 2 610)	Rent inc (12 800 + 12 800)	Trf debtor (450 000 – 438 000)
	(102 400 x 2/8)	
*SARS: Income tax may be shown separately; must be CA (wrong if CL)		
Cash and cash equivalents (240 000 ✓ + 5 000 ✓)		245 000 two marks
TOTAL ASSETS	see total SHE+NCL+CL	14 110 000 ✓
	12	
EQUITY AND LIABILITIES		
SHAREHOLDERS' EQUITY		9 150 000
Ordinary share capital		7 954 000
Retained income		1 196 000
NON-CURRENT LIABILITIES		9 150 000 x 0,4
Loan: XY Bank	2	3 660 000 ✓✓ *
	*Award TWO marks if calculation shown on this line	3 660 000
CURRENT LIABILITIES		2 080 000 / 1,6
Trade and other payables		647 500 ✓
617 450 ✓ + 48 000 ✓ – 17 950 ✓		Operation one part correct See principle 4
Audit fees	Trf Debtor	
Shareholders for dividends**		213 400 ✓
Current portion of loan**	**May be part of workings of T&OP	228 000 ✓
Bank overdraft		211 100 ✓ operation; balancing figure
TOTAL EQUITY AND LIABILITIES	SE + NCL + CL 10	14 110 000 ✓

28

TOTAL MARKS	45
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QUESTION 2 FIXED ASSETS, CASH FLOW AND FINANCIAL INDICATORS

2.1 CONCEPTS

2.1.1	current asset ✓
2.1.2	Operating activity ✓
2.1.3	directors' report ✓

3

2.2 MSABE LIMITED

2.2.1

WORKINGS <small>Accept T- accounts</small>	ANSWER
<p>(i) Carrying value of vehicles on 1 March 2022 2 350 000 – 840 000</p>	1 510 000 ✓
<p>(ii) Total depreciation on equipment 640 000 x 10% = 64 000 (CV is 28 000) Old: 28 000 – 1 = 27 999 ✓✓ <small>28 000 one mark</small> New: 195 000 x 10 % x [5/12] = 8 125 ✓✓ <small>any one part correct</small></p>	36 124 ✓ <small>any one part correct</small>
<p>(iii) Carrying value of the vehicle sold Current Depreciation: 80 000 x 20% x [9/12] = 12 000 <small>one mark one method mark</small> OR 298 000 – 286 000 = 12 000 252 000 ✓ + 172 000 ✓ – 12 000 ✓ ✓ <small>one part correct</small> 80 000 OR: 252 000 – (172 000 + 12 000) 184 000 <small>two marks + one m.mark</small></p>	68 000 ✓ <small>one part correct</small>

11

2.2.2 Calculate the following amounts for the 2023 Cash Flow Statement:

WORKINGS	ANSWER
<p>Fixed assets purchased</p> <p>334 124 two marks (Depreciation)</p> <p>✓ <input checked="" type="checkbox"/> 2.2.1 (iii) ✓ <input checked="" type="checkbox"/> 2.2.1 (ii) ✓</p> <p>7 988 000 – 68 000 – 298 000 – 36 124 – 8 746 500</p> <p>Accept alternative arrangement for calculations e.g. signs reversed, ledger / note format.</p> <p>Calculating CV(CB) from Note:</p> <p>one mark one mark one mark one mark one mark</p> <p>1 144 000 + 186 876 – 8 746 500 + 6 450 000 – 195 000</p> <p>OR: –1 144 000 – 186 876 + 8 746 500 – 6 450 000 + 195 000</p>	<p>1 160 624 <input checked="" type="checkbox"/></p> <p>one part correct</p>
<p>Dividends paid</p> <p>288 000 two marks</p> <p>180 000 ✓ + 552 500 ✓ – 264 500 ✓</p> <p>OR: signs reversed or ledger -288 000 two marks</p> <p>one mark one mark one mark</p> <p>–180 000 – 552 500 + 264 500</p>	<p>468 000 <input checked="" type="checkbox"/></p> <p>one part correct</p>
<p>Decrease in loan</p> <p>Payments – interest = 456 000 – 216 000</p> <p>OR: Beginning – end = 2 057 600 – 1 817 600</p> <p>OR: signs reversed or ledger format</p> <p>–456 000 + 216 000 OR –2 057 600 + 1 817 600</p>	<p>240 000 ✓✓<input checked="" type="checkbox"/></p> <p>one part correct</p>

6

4

3

2.2.3	NET CHANGE IN CASH AND CASH EQUIVALENTS <small>*One mark if no bracket</small>	(254 000) ✓ <input checked="" type="checkbox"/> *	
	Opening balance + 129 000 + 5 000	134 000 ✓ <input checked="" type="checkbox"/> Or 129 000	
	Closing balance – 125 000 + 5 000 <small>must have brackets</small>	(120 000) ✓ <input checked="" type="checkbox"/> Or (125 000)	4

2.2.4 Calculate the following financial indicators on 28 February 2023:

WORKINGS	ANSWER	
% mark-up achieved $\frac{5\,400\,000 \checkmark}{7\,200\,000 \checkmark} \times \frac{100^*}{1}$ <small>(12 600 000 – 5 400 000)</small>	75% ✓ <input checked="" type="checkbox"/> operation; one part correct & as a %;	3
Acid-test ratio (1 323 000 – 514 500) two marks; <small>no part marks</small> 808 500 ✓✓ : 735 000 ✓	1,1 : 1 ✓ <input checked="" type="checkbox"/> operation; one part correct & if in form x : 1	4
Net asset value per share (NAV) $\frac{8\,840\,700 \checkmark}{1\,150\,000 \checkmark} \times 100^* \text{ (for cents)}$ <small>(1 000 000 + 200 000 – 50 000) one mark</small>	768,8 cents ✓ <input checked="" type="checkbox"/> operation; one part correct cannot be % accept 769 cents or R7,69	3
% return on average shareholders' equity (ROSHE) $\frac{609\,200 \checkmark}{\frac{1}{2} \checkmark (7\,600\,000 + 8\,840\,700) \checkmark} \times 100^*$ <small>16 440 700 one mark 8 220 350 two marks</small>	7,4% ✓ <input checked="" type="checkbox"/> operation; one part correct as a % sign not necessary	4

* x 100 is not considered as one part correct

TOTAL MARKS	45
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QUESTION 3

COMPANY TRANSACTIONS

GENERAL LEDGER			
NO.	ACCOUNT DEBITED	ACCOUNT CREDITED	AMOUNT
e.g.	Water and Electricity	Bank	5 000
1.	Ordinary share dividends ✓	Shareholders for dividends ✓	840 000 ✓
2.	Income tax ✓	SARS: Income tax ✓	1150 000
3.	Ordinary share capital ✓	Bank ✓	550 000 ✓
	Retained income ✓	Bank	200 000 ✓

TOTAL MARKS	10
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TOTAL: 100