



LIMPOPO

PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

DEPARTMENT OF
EDUCATION

CAPRICORN SOUTH DISTRICT

**NATIONAL
SENIOR CERTIFICATE**

GRADE 12

QUESTION PAPER

ACCOUNTING

WRITTEN REPORT

TERM 1 SBA TASK 1

DATE OF ADMINISTRATION : 02 FEBRUARY 2022
DURATION : 1 HOUR
MARKS : 50



This question paper consists of 5 pages including the cover page

INSTRUCTIONS

Read the following instructions carefully and answer the questions precisely

1. You are provided with a question paper and an answer book.
2. All questions are compulsory.
3. The task should be administered in class under supervised conditions.
4. Use of non-programmable is allowed

QUESTION 1**COMPANY CONCEPTS****(13 Marks)**

Prof Mathobs and his colleagues are retired soldiers. They are now shareholders of **SHAPS^{LTD}**, a Company that was registered two months ago. The two shareholders don't have a clear understanding of some the company concepts. As a recently qualified chartered accountant, they came to you for assistance with respect to the explanation of concepts related to public companies. You have been requested to prepare a detailed report on the questions that were raised below:



The following questions were asked:

- 1.1. What is the difference between executive and non-executive director?
Explain ONE point in each case (4)
- 1.2. Explain the difference between the roles and responsibility of internal auditors and external auditors. Mention Two points in each case. (4)
- 1.3. Briefly explain why a company is required to have "Limited" or "Ltd" in its name. (1)
- 1.4. Give Two implication of the fact that a company has a separate Legal personality (2)
- 1.5. Explain the concept of "separation of ownership and control with regard to a company. (2)

13

QUESTION 2**ACCOUNTING EQUATION (12 Marks)**

2.1 For each of the following transactions use the table provided to show their effect on the Accounting Equation and also the account debited and account credited in the General Ledger.

Example: Insurance paid, R5 200

No	Assets	Owners' Equity	Liabilities	Account Debited	Account Credited
e.g.	-5 200	-5 200	0	Insurance	Bank

2.1.1 Bought back 20 000 shares from disgruntled shareholder (Mr Jack) at 50c above the average price of R2.

2.1.2 Final dividends of R43 500 that was declared last year, is paid on the 2nd day of the current financial period.

12

QUESTION 3 COMPANY LEDGER ACCOUNTS (25 Marks)

Use the given information to prepare the following ledger accounts in the books of Busoga stores LTD.

- 3.1. SARS (Income tax) (9)
 3.2. Ordinary share dividends (7)
 3.3. Appropriation (9)

Information extracted from the books of Busoga stores LTD

- A. The business has an authorised share capital of 500 000 ordinary shares. On 1 March 2020, the business issues 60% of the authorised share capital.
 B. On 20 November 2020, the business issued a further 80 000 ordinary shares at an issue price of R5,20 each. These shareholders were not entitled to interim dividends but they will receive final dividends.

C.

	28 Feb 2021	28 Feb 2020
Ordinary share capital		1 425 000
Retained income		34 500
SARS (Income tax)	3 400 (Dr)	6 300 (Cr)
Shareholders for dividends	228 000	165 000

- D. On 5 March 2020, amounts due to SARS and shareholders were paid.
- E. On 31 August 2020, the directors declared and paid interim dividends of 45 cents per share. A final dividend was declared on 28 February 2021.
- F. R256 000 was paid to SARS in respect of provisional income tax for the year. This was done in two equal instalments on 1 September 2020 and 25 February 2021 respectively.
- G. The net profit before tax for the year was correctly calculated to be R842 000.

25

TOTAL: 50



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ANSWER BOOK

ACCOUNTING

WRITTEN REPORT

TERM 1 SBA TASK 1

Stanmorephysics.com

QUESTION	MARKS	MARKS OBTAINED	INTERNAL MODERATION	EXTERNAL MODERATION
1	13			
2	12			
3	25			
TOTAL	50			

This ANSWER BOOK consists of 4 pages including the cover page

QUESTION 1

1.1 What is the difference between executive and non-executive directors? Explain ONE point in each case.

Executive director

Non-executive director

04

1.2 Explain the difference between the roles and responsibility of internal and external auditors. Mention Two points in each case.

Internal Auditor

External auditor

04

1.3 Briefly explain why a company is required to have "Limited" or "Ltd" in its name

01

1.4. Give Two implication of the fact that a company has a separate Legal personality



02

1.5. Explain the concept of "separation of ownership and control with regard to a company"

02

13

QUESTION 2 ACCOUNTING EQUATION

2.1 For each of the following transactions use the table provided to show their effect on the Accounting Equation and also the account debited and account credited in the General Ledger.

Example: Insurance paid, R5 200

No	Assets	Owners' Equity	Liabilities	Account Debited	Account Credited
e.g.	-5 200	-5 200	0	Insurance	Bank
2.1.1					
2.1.2					

12



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MARKING GUIDELINE

ACCOUNTING

WRITTEN REPORT

Stanmorephysics.com
TERM 1 SBA TASK 1

MARKS: 50

This marking guideline consists of 4 pages including the cover page

QUESTION 1

1.1. What is the difference between executive and non-executive director? Explain one point in each case

Executive director

- Executive directors are involved with internal functioning (operations) of the company / hands-on / decisions may be based on a narrow view. ✓✓

Non-executive director

- The non-executive directors are not involved in day to day operations of the company. ✓✓
- The non-executive directors play a watch-dog role; keep executive directors in check.

04

1.2 Explain the difference between the roles and responsibility of internal and external auditors. Two points in each case.

Internal Auditor

- Employed by the company/In the payroll of the company ✓
- Report to directors of the Company ✓
- **Internal auditors** will examine issues related to company business practices and risks
- **Internal** audits are conducted throughout the year

External Auditor

- Appointed by shareholders at the AGM ✓
- Report to shareholders ✓
- **External auditors** examine the financial records.
- Express an opinion on the financial statements of the company
- **External auditors** conduct a single annual audit

04

1.3. Briefly explain why a company is required to have “Limited” or “Ltd” in its name.

Any valid explanation ✓

- The shareholder's liability is limited to the amount that they have invested
- This warns those dealing with the company that the shareholders have limited liability

01

1.4. Give Two implication of the fact that a company has a separate Legal personality

Any TWO implications ✓ ✓

- Company is liable for its own debts
- Company has an independent contractual ability
- Profit / losses and assets belong to the company not the shareholders. If the company becomes insolvent, the shareholders' personal assets remain protected.

02

1.5. Explain the concept of "separation of ownership and control" with regard to a company

Any good explanation ✓ ✓

- The company is owned by the shareholders but is managed/controlled by the directors that are appointed by the shareholders at the AGM
- This results in separation of ownership and management
- The directors run the company on a day- to- day basis and have control of the company subject to statutory law and requirements

02

13

QUESTION 2

ACCOUNTING EQUATION

2.1 For each of the following transactions use the table provided to show their effect on The Accounting Equation and also the account debited and account credited in the General Ledger.

Example: Insurance paid, R5 200

No	Assets	Owners' Equity	Liabilities	Account Debited	Account Credited
e.g.	-5 200	-5 200	0	Insurance	Bank
2.1.1	-40 000✓	- 40 000✓	0	Ordinary share capital✓	Bank✓
	-10000✓	-10000✓	0	Retained income✓	Bank✓
2.1.2	-43 500✓		-43 500✓	Shareholders for dividends✓	bank✓

QUESTION 3

SARS (INCOME TAX)

2020				2020			
Mar 5	Bank✓	CPJ	6 300✓	Mar 1	Balance	b/d	6 300
Sept 1	Bank✓	CPJ	128 000✓	2021	Income tax✓	GJ	252 600☑
				Feb 28			Bal figure
2021	Bank✓	CPJ	128 000✓		Balance	c/d	3 400✓
Feb 25							
			262 300				262 300
	Balance	b/d	3 400				

9

ORDINARY SHARE DIVIDENDS

2020	300 000x0,45			2021			
Aug 31	Bank✓	CPJ	135 000✓✓	Feb 28	Appropriation✓	GJ	363 000✓
2021	Shareholders	GJ	228 000✓				
Feb 28	for div✓						
			363 000				363 000

7

APPROPRIATION

2021				2021			
Feb 28	Income tax✓	GJ	252 600☑ See SARS	Feb 28	Profit and loss✓		842 000✓
	Ordinary share div ✓	GJ	363 000☑ See OSD				
	Retained income✓	GJ	226 400✓☑ Bal figure				
			842 000				842 000

9

25