



GRADE 12: ACCOUNTING
TERM 1 CONTROLLED TEST

DURATION: 1½ hours

MARKS: 100

INSTRUCTIONS AND INFORMATION:

1. The question paper consists of FOUR questions.
2. Answer ALL questions in the special answer-book provided.
3. Show all workings to earn part marks.
4. Non-programmable calculators may be used. You may use a dark pencil or blue/black ink to answer the questions.
5. Questions and time-guide are as follows: Manage time effectively.

QUESTION	ASPECT / SECTION COVERED	MARKS	DURATION
1	Company concepts, general ledger and transaction analysis	15	10 minutes
2	Statement of Comprehensive Income and Retained Income note	45	40 minutes
3	Ordinary share capital note and Statement of Financial Position	20	20 minutes
4	Cash Flow Statement calculations	20	20 minutes
TOTAL		100	90 minutes

QUESTION 1: Concepts and analysis

(15 marks; 10 minutes)

- 1.1 Choose the correct term from the list, that completes each statement. Write only the term next to the number (1.1.1–1.1.3) in the ANSWER BOOK.

Shareholders; Directors; External Auditor; Statement of Financial Position; Statement of Comprehensive Income; Cash Flow Statement

- 1.1.1 ... are appointed to manage and control operations within the company.
- 1.1.2 The ... will express an unbiased opinion on the financial statements of a company.
- 1.1.3 All the assets, liabilities and equity of a business will be reflected on the ... prepared at the end of a specific accounting period.

(3)

1.2 Prepare the **SARS: Income tax** account in the General Ledger. (6)

The information relates to Ovayo Ltd for the year ended 28 February 2022.

INFORMATION:

1 March 2021	R12 720 was payable to SARS in respect of income tax due for the previous financial year.
7 March 2021	An EFT to settle the amount due to SARS was made.
30 August 2021	R75 000 was paid to SARS, as a provisional tax payment for the current financial year.
25 February 2022	A second provisional tax payment of R80 000 was paid by EFT, to SARS.
28 February 2022	The Profit and Loss account reflected a net profit of R595 600. Income tax at 30%, amounts to R178 680.

1.3 Study the following information and answer the questions.

**GENERAL LEDGER OF OVAYO LTD
SHAREHOLDERS FOR DIVIDENDS**

2021 Mar	7	Bank	CPJ	102 000	2021 Mar	1	Balance	b/d	102 000
Feb		Balance			2022 Feb	28	(a)	GJ	?
				264 500					264 500
					Mar	1	Balance	b/d	

1.3.1 Provide details for **(a)** in the account above. (1)

1.3.2 Calculate the final dividends declared on 28 February 2022. (1)

1.3.3 Explain why the opening balance is reflected as a credit balance. (1)

The business had 600 000 shares at the beginning of the year.
A further 50 000 shares was issued on 1 October 2021.
There were no other changes to the share capital.

1.3.4 Calculate the final dividend per share that was declared by directors. (2)

1.3.5 An interim dividend of 21 cents per share was paid on 31 August 2021.
Explain why this was not recorded in the account above. (1)

QUESTION 2: Statement of Comprehensive Income and Retained Income note
(45 marks; 40 minutes)

The information relates to Casio Ltd for the financial year ended 28 February 2022

REQUIRED:

- 2.1 Complete the Statement of Comprehensive Income for the financial year ended 28 February 2022. (37)
- 2.2 Prepare the Retained Income note on 28 February 2022. (8)

INFORMATION:

A. Information extracted from records on 28 February 2022:

Retained Income (1 March 2021)	R 199 720
Loan: MBank	691 000
Trading stock	455 700
Debtors control	416 000
Provision for bad debts (1 March 2021)	17 990
Sales	6 600 750
Cost of sales	4 482 500
Salaries and wages	575 500
Commission income	12 850
Audit fees	?
Directors fees	441 000
Interest on fixed deposit	?
Insurance	27 760
Rent income	200 200
Consumable stores	33 100
Sundry expenses	57 320

B. Additional information: (information NOT taken into account)

- (i) Old goods were sold at 10% below cost. The total amount received was R56 250. This transaction was not recorded.
- (ii) The provision for bad debts must be adjusted to 4% of debtors.
- (iii) The rent for March 2022 was received and deposited. A fixed amount was payable for the entire financial year.
- (iv) External auditors are due a further R14 700. This is 15% of the total amount payable to them.
- (v) One of the four directors did not receive his fees for February 2022. Note that the fourth director assumed duties on 1 May 2021. They all receive the same monthly fee.
- (vi) With regards to the fire in the warehouse during February 2022, the insurance company paid 75% of the value of stock destroyed. The amount appeared on the February bank statement, but this transaction was not recorded. The stock loss to be recorded was correctly calculated at R14 500.
- (vii) Annual stock-take records on 28 February 2022:
Trading stock, R332 500
Consumable stores R 4 600

(vii) Insurance is a fixed monthly premium. This was increased by R220 per month from 1 January 2022. Monthly premiums are paid up to 30 April 2022.

(ix) The loan statement reflected a balance of R776 400 on 28 February 2022. A fixed monthly instalment of R13 500, including interest, was paid in full for the financial year. The capitalised interest must be taken into account.

(x) On 28 February 2022:

- The net profit before tax was correctly calculated at R996 000.
- Income tax is 32% of the net profit.

On 1 March 2021, there were 720 000 shares in issue.

On 1 December 2021, 40 000 shares were repurchased at R1,10 above the average share price. These shareholders do not qualify for final dividends.

- An interim dividend of 16c per share was paid on 31 August 2021.
- A final dividend of 29c per share was declared on 28 February 2022.

QUESTION 3: Ordinary Share Capital note and Statement of Financial Position
(20 marks; 20 minutes)

The information relates to WHART LTD for the financial year ended 28 February 2022.

REQUIRED:

- 3.1 Prepare the **Ordinary Share Capital note** for the financial year ended 28 February 2022. (7)
- 3.2 Complete the **EQUITY AND LIABILITIES** section of the Statement of Financial Position. (13)

INFORMATION:

A. Balances/totals on 28 February:

	2022	2021
Ordinary share capital	R 8 137 500	R 7 372 500
Retained income	318 400	20 560
Loan: Gemini Bank	648 000	
Trade creditors	552 000	
SARS: Income tax (provisional payments)	250 000	
Ordinary share dividends (interim dividends)	177 600	
Petty cash	5 000	
Bank overdraft	79 040	
Prepaid expenses	17 400	
Accured expenses	38 100	

B. Additional information:

(i) **Share capital:**

- The authorised share capital consists of 1 200 000 ordinary shares.
- On 1 March 2021, 80% of the shares were in issue.
- Additional shares were issued on 31 May 2021.
- On 30 November 2021, the company repurchased 60 000 ordinary shares and paid R8,40 per share.
- On 28 February 2022, there were 1 050 000 shares in issue.

- (ii) A debit balance of R7 600 must be transferred from the debtors ledger to the creditors ledger.

(ii) **Dividends:**

- Interim dividend was paid on 1 September 2021.
- A final dividend was declared on 28 February 2022. Total dividends as per the Retained Income note amounted to R366 600.

(iii) **Loan: Gemini Bank**

- The loan statement received on 28 February 2022 reflected interest of R82 000 capitalised. This was not recorded.
- The business expects to repay 15% of the balance, next year.

- (iv) The net profit after tax was R 703 440. Income tax is 28% of the net profit.

QUESTION 4: Cash Flow Statement

(20 marks; 20 minutes)

The information relates to BASHE LTD for the financial year ended 28 February 2022.

REQUIRED:

- 4.1 Complete the note for CASH GENERATED FROM OPERATIONS (10)
- 4.2 Calculate the following amounts for the Cash Flow Statement. The final answer must indicate either an inflow or an outflow of cash by the correct use of brackets.
- 4.2.1 Income tax paid (4)
- 4.2.2 Dividends paid (3)
- 4.3 Complete the NET CHANGE FOR CASH AND CASH EQUIVALENTS section of the Cash Flow Statement. (3)

INFORMATION:

A. Extract: Statement of Comprehensive Income on 28 February 2022

Interest expense	R 97 300
Depreciation	175 400
Net profit before tax	933 600
Net profit after tax	653 520

B. Extract: Statement of Financial Position on 28 February:

	2022	2021
Trading stock	426 200	313 900
Trade debtors	153 200	178 500
Trade creditors	438 600	410 000
Cash and cash equivalents	23 700	0
Bank overdraft	0	77 700
SARS: Income tax	9 950 (Cr)	17 600 (Cr)
Shareholders for dividends	160 600	216 000

C. Shares and Dividends:

- The share capital consists of 800 000 ordinary shares on 28 February 2022.
- 70 000 shares were repurchased on 1 April 2021. These shareholders did not qualify for interim dividends.
- An interim dividend of R109 500 was paid on 1 September 2021.
- A final dividend of 22 cents per share was declared on 28 February 2022.

20

TOTAL: 100



GRADE 12: ACCOUNTING TERM 1 CONTROLLED TEST

ANSWER BOOK

NAME: _____ SCHOOL: _____

QUESTION 1:

1.1

1.1.1	
1.1.2	
1.1.3	

3

1.2

**GENERAL LEDGER OF OVAYO LTD
SARS: INCOME TAX**

6

1.3.1

(a)

1.3.2

Calculate the final dividend on 28 February 2022.

1.3.3

Explain why the opening balance is a credit balance.

1.3.4

Calculate the final dividend per share.

1.3.5

Explain why the interim dividends are not recorded in the above account.

6

Q1

15



QUESTION 2

2.1 STATEMENT OF COMPREHENSIVE INCOME ON 28 FEBRUARY 2022

Sales		
Cost of sales		
Gross profit		
Other income		
Commission income		12 850
Gross income		
Operating expenses		
Salaries and wages		575 500
Sundry expenses		57 320
Operating profit		
Interest income		
Profit before interest expense		
Net profit before income tax		996 000
Income tax		
Net profit after income tax		

37

2.2 RETAINED INCOME

Balance on 1 March 2021		199 720
Ordinary share dividends		
•		
•		
Balance on 28 February 2022		

8

Q2		45
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QUESTION 3:

3.1 ORDINARY SHARE CAPITAL

Issued share capital

	Balance on 1 March 2021	7 372 500	
1 050 000	Balance on 28 February 2022	8 137 500	7

3.2 EQUITY AND LIABILITIES SECTION

SHAREHOLDERS' EQUITY	8 455 900	
Ordinary share capital	8 137 500	
Retained income	318 400	
NON-CURRENT LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables		
Bank overdraft	79 040	
TOTAL EQUITY AND LIABILITIES		13

Q3		20
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QUESTION 4:

4.1 CASH GENERATED FROM OPERATIONS

Adjustment in respect of:		
Depreciation		175 400
Interest on Loan		97 300
Operating profit before changes in working capital		
Net change in working capital		
Cash generated from operations		10

4.2.1

Calculate: Income tax paid

4

4.2.2

Calculate: Dividends paid

3

4.3

Net change in cash and cash equivalents

3

Q4		20
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**GRADE 12: ACCOUNTING TERM 1 CONTROLLED TEST
MARKING GUIDELINE**

QUESTION 1:

1.1

1.1.1	Directors ✓
1.1.2	External auditor ✓
1.1.3	Statement of Financial Position ✓

3

1.2

**GENERAL LEDGER OF OVAYO LTD
SARS: INCOME TAX**

2021 Mar	7	Bank	✓	12 720	2021 Mar	1	Balance	b/d	12 720 ✓
Aug	30	Bank	✓	75 000	2022 Feb	28	Income tax ✓		178 680 ✓
2022 Feb	25	Bank		80 000					
	28	Balance	c/d	23 680 ✓					
		Amount and details for one mark		191 400					191 400
		One mark for both provisional payments (no part marks)			Mar	1	Balance	b/d	23 680

6

1.3.1

Ordinary share dividends or dividends on ordinary shares ✓

1.3.2

Calculate the final dividend on 28 February 2022

$$264\,500 - 102\,000 = 162\,500 \quad \checkmark$$

1.3.3

Explain why the opening balance is a credit balance

Amount due to shareholders / debt of the business / ✓
amount owing / current liability

1.3.4

Calculate the final dividend per share

$$162\,500 / 650\,000 = 25 \text{ cents} \quad \checkmark \checkmark$$

1.3.5

Explain why the interim dividends are not in the above account

The amount was paid / it was not a debt (liability) / bank was credited ✓

6

Q1

15

QUESTION 2

2.1 STATEMENT OF COMPREHENSIVE INCOME ON 28 FEBRUARY 2022

Sales	6 600 750 + 56 250	6 657 000	✓✓
Cost of sales	4 482 500 + 62 500 ✓✓	(4 545 000)	✓*
Gross profit	6	2 112 000	✓
Other income		199 000	
Commission income		12 850	
Rent income	200 200 ✓ – 15 400 ✓	184 800	✓*
Provision for bad debts adjustment	17 990 – 16 640	1 350	✓✓
Gross income	6	2 311 000	✓
Operating expenses		(1 250 800)	✓
Salaries and wages		575 500	
Audit fees	14 700 x 100/15	98 000	✓✓
Directors fees	441 000 + 9 800 or x 46/45	450 800	✓✓*
Stock loss		14 500	✓
Trading stock deficit	455 700 – 62 500 ✓ – 58 000 ✓✓ – 332 500 ✓ (43 500 one mark + 14 500 one mark)	2 700	✓*
Consumable stores	33 100 – 4 600	28 500	✓✓*
Insurance	27 760 ✓ – 4 280 ✓✓	23 480	✓*
Sundry expenses		57 320	
Operating profit	17	1 060 200	✓
Interest income	Balancing figure	21 200	✓
Profit before interest expense		1 081 400	✓
Interest expense	776 400 – 691 000	(85 400)	✓✓
Net profit before income tax		996 000	
Income tax		(318 720)	✓✓
Net profit after income tax	7	677 280	✓

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* one part correct ; all other method marks for correct operation

2.2 RETAINED INCOME

Balance on 1 March 2021		199 720	
Net profit after tax	see above	677 280	✓
Shares repurchased 40 000 x R1,10		(44 000)	✓✓
Ordinary share dividends		(312 400)	
• Interim dividend 16c x 720 000		115 200	✓✓*
• Final dividend 29c x 680 000		197 200	✓✓*
Balance on 28 February 2022		520 600	✓

8

Q2		45
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QUESTION 3:

3.1 ORDINARY SHARE CAPITAL

Issued share capital

960 000 ✓✓	Balance on 1 March 2021	7 372 500	
150 000 ✓	Shares issued	1 230 000 ✓	
(60 000)	Shares repurchased ASP 7,75 ✓✓	(465 000) ✓	
1 050 000	Balance on 28 February 2022	8 137 500	7

3.2 EQUITY AND LIABILITIES SECTION

SHAREHOLDERS' EQUITY	8 455 900	
Ordinary share capital	8 137 500	
Retained income	318 400	
NON-CURRENT LIABILITIES	620 500	
Loan: Gemini Bank 648 000 + 82 000 ✓ – 109 500 ✓✓	620 500	✓
CURRENT LIABILITIES	983 600	
Trade and other payables 552 000 + 38 100 ✓ – 7 600 ✓	582 500	✓
SARS: Income tax 273 560 – 250 000	23 560	✓✓*
Current portion of loan <small>see loan above</small>	109 500	✓
Shareholders for dividends 366 600 – 177 600	189 000	✓✓
Bank overdraft	79 040	
TOTAL EQUITY AND LIABILITIES	1 006 000	✓

* one part correct

Q3		20
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QUESTION 4:

4.1 CASH GENERATED FROM OPERATIONS

Net profit before tax	933 600 ✓	
Adjustment in respect of:		
Depreciation	175 400	
Interest on Loan	97 300	
Operating profit before changes in working capital	1 206 300 ☑	
Net change in working capital	(58 400) ☑	
Change in inventories 313 900 – 426 200	(112 300) ✓✓	
Change in debtors 178 500 – 153 200	25 300 ✓✓	
Change in creditors 438 600 – 410 000	28 600 ✓✓	
Cash generated from operations	1 147 900 ☑	10

4.2.1

Calculate: Income tax paid	
$17\ 600\ \checkmark + 280\ 080\ \checkmark - 9\ 950\ \checkmark = 287\ 730\ \checkmark$	
Be alert to alternative calculations: signs reversed; ledger format	4

4.2.2

Calculate: Dividends paid	
$109\ 500\ \checkmark + 216\ 000\ \checkmark = 325\ 500\ \checkmark$	
Be alert to alternative calculations: signs reversed; ledger format	3

4.3

Net change in cash and cash equivalents	101 400 ✓	
Cash (opening balance)	(77 700) ✓	
Cash (closing balance)	23 700 ✓	3

Q4		20
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