



Province of the
EASTERN CAPE
EDUCATION

GRADE 12 ACCOUNTING

TERM 1 CONTROLLED TEST 2025

MARKS: 100

DURATION: 90 Minutes

Stanmorephysics.com

INSTRUCTIONS AND INFORMATION:

1. This question paper consists of TWO questions
2. Answer ALL questions on the Answer Sheet provided
3. Non-programmable calculators may be used.
4. You may use a dark pencil or blue/black ink to answer the questions
5. The following table will provide you with the questions and time – guide.

| QUESTION | TOPIC/SECTION | MAX MARKS | DURATION |
|--------------|--|------------|-------------------|
| 1 | Concepts Statement of Comprehensive Income Statement of Financial position | 70 | 65 |
| 2 | Ordinary Share Capital Note Cash Flow Statement | 30 | 25 |
| TOTAL | | 100 | 90 minutes |

This question paper consists of pages 7 and a 6-page Answer Book

QUESTION 1: CONCEPTS, FINANCIAL STATEMENTS**(70 marks; 65 minutes)**

1.1 Choose the correct answer from the options given in brackets. Write only the answer next to the question numbers (1.1.1 to 1.1.4) in the ANSWER BOOK.

1.1.1 (Internal auditor/ External auditor) expresses an unbiased opinion on the reliability of the company's financial statements.

1.1.2 (Non-executive directors/ Executive directors) serve a watch-dog role to protect the interest of the shareholders.

1.1.3 (IFRS/ MOI) ensures that financial statements adhere to the rules and procedures that are internationally recognised. (4)

1.1.4 (SAICA/ IRBA) is a professional body where all registered auditors belong.

BRIGHT LTD

The information relates to the financial year ended on 28 February 2025. The business sells unisex blazers.

REQUIRED:

1.2. Refer to information B (i)

1.2.1 Calculate the total depreciation for the year ended 28 February 2025 (6)

1.2.2 Calculate the profit/loss on sale of the vehicle traded in on 28 February 2025. (5)

1.3 Complete the Statement of Comprehensive Income for the year ended 28 February 2025. (37)

1.4 Complete the Equity and Liabilities section of the Statement of Financial Position as at 28 February 2025. (18)

INFORMATION:

A Balances /totals, among others, that appeared in the books on:

| | 28 Feb. 2025 R | 29 Feb. 2024 R |
|---|-------------------|-------------------|
| Ordinary share capital | ? | ? |
| Retained income | ? | ? |
| Vehicles | ? | 1 300 000 |
| Accumulated depreciation on vehicles | ? | 450 000 |
| Equipment | 800 000 | 800 000 |
| Accumulated depreciation on equipment | 480 000 | 360 000 |
| Mortgage loan: Zebra Bank | 1 971 375 | 2 191 875 |
| Trading stock | 645 000 | |
| Provision for bad debts | | 20 100 |
| Bank overdraft | 112 500 | |
| Creditors control | 254 300 | |
| Shareholders for dividends | 614 250 | |
| SARS: Income Tax (provisional tax payments) | 340 000 | |
| Sales | 2 854 210 | |
| Cost of sales | 2 276 900 | |
| Fee income | 1 650 000 | |
| Rent income | 344 320 | |
| Advertising | 125 395 | |
| Consumable stores | 78 910 | |
| Interest income | ? | |
| Directors' fees | 393 700 | |
| Audit fees | 63 440 | |
| Salaries and wages | 296 300 | |

B Adjustments and additional information:**(i) Fixed Assets:****Vehicles:**

- An old vehicle with a carrying value of R240 000 on 1 March 2024 was traded-in on 28 February 2025 for a new model costing R510 000. After the trade-in, the dealer of the new model was owed R310 500. No entries were made in the books for this transaction.
- Vehicles are depreciated at 20% p.a. on the diminishing-balance method.

Equipment:

- No equipment was purchased or disposed of during the year.
- (ii) Old blazers were sold for cash on 27 February 2025 for R20 790, which was 10% below cost. This transaction was not recorded.
- (iii) According to the physical stock-take it was discovered that consumable stores to the value of R2 400 were unused.
- (iv) Provision for bad debts must be increased by R1 620.
- (v) 25 blazers were destroyed by fire. A gross profit of R350 would have been made on each blazer if it was sold. After the insurance claim was submitted, the insurance company agreed to pay 80% of the total loss of stock.
Note: Blazers were marked-up at 25% on cost.
- (vi) Rent was received until 31 January 2025.
Note: Rent was decreased by 8% for the first quarter of the financial year, due to renovations that took place.
- (vii) The company had one director at the beginning of the financial year, Mrs Van Tonder. Mrs Van Tonder was paid her fees until 31 March 2025. A second director, Mr Abraham, was appointed on 1 September 2024 and earns R2 100 less than Mrs Van Tonder. Mr Abraham only received three months fees this financial year.
- (viii) Bright Ltd entered into a four-month advertising contract with Mega-Moon starting from 1 December 2024. Mega-Moon was paid in full, R4 980, for this contract period and the relevant entries were recorded in the books.
Note: The terms and conditions of the contract stipulate that an increase of 5% is effective on 1 January each year.
- (ix) The repayments on the loan are fixed at R18 375 per month (including interest capitalised).
The balances according to the loan statement received from Zebra Bank are as follows:
- 1 March 2024 R 2 191 875
 - 28 February 2025 R 2 114 700

The capital portion of the loan repayments will increase by 12% in the next financial year.

- (x) After taking all the adjustments into account, the income tax for the year was correctly calculated at 30% of the net profit before tax and amounts to R360 000.
- (xi) A debtor with a credit balance of R1 200 must be transferred to his account in the creditors' ledger

C Shares and dividends:

1 March 2024: 812 500 shares were in issue.

30 June 2024: New shares were issued. This was recorded.

31 January 2025: 37 500 shares were repurchased at R1,25 above the average share price of R10,25. This was recorded.

28 February 2025: 945 000 shares were in issue.

- A final dividend was declared on 28 February 2025 to all shareholders on the share register

QUESTION 2: SHARE CAPITAL AND CASH FLOW STATEMENT (30 marks; 25 minutes)

MYBERG LTD

The information below relates to Myberg Ltd for the financial year ended on 28 February 2025.

REQUIRED:

- 2.1 Prepare the Ordinary share capital Note on 28 February 2025. (6)
- 2.2 Complete the Cash Generated from Operations note. (9)
- 2.3 Calculate the following amounts for the Cash Flow Statement for the year ended 28 February 2025: (5)
- Income tax paid (3)
 - Dividends paid (3)
 - Funds used to repurchase shares (3)
- 2.4 Complete the following section of the Cash Flow Statement:
- 2.4.1 Net change in Cash and Cash Equivalents (4)

INFORMATION:

A. Extract from the Statement of Comprehensive Income on 28 February 2025.

| | |
|-----------------------|-----------|
| Depreciation | 283 400 |
| Interest expense | 123 375 |
| Net profit before tax | 2 095 000 |
| Net profit after tax | 1 466 500 |

B. Extract from the Statement of financial Position on:

| | 28 Feb 2025 | 29 Feb 2024 |
|-----------------------------|-------------------|------------------|
| Trading stock | R 423 000 | R 532 000 |
| Trade debtors | 312 400 | 216 200 |
| Trade creditors | 200 100 | 222 100 |
| Accrued expenses | 0 | 5 200 |
| Cash and cash equivalents | 10 800 | 105 000 |
| Shareholders' equity | 10 350 675 | 8 271 675 |
| Ordinary share capital | ? | 7 848 000 |
| Retained income | 432 675 | 423 675 |
| SARS: Income tax | 7 850 (Dr) | 11 200 (Cr) |
| Shareholders for dividends | 229 000 | 211 500 |
| Bank overdraft | 95 200 | 0 |

C. Share Capital and Dividends

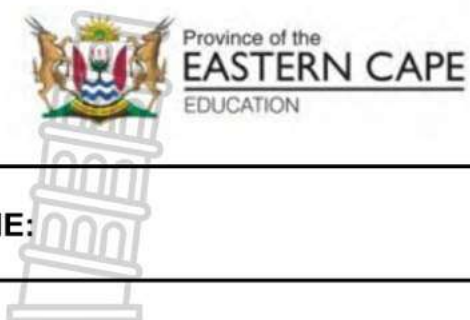
Myberg Ltd's authorised share capital consists of 1 800 000 ordinary shares.

- 1 March 2024, 80% of the shares were in issue.
- 1 May 2024, 337 500 shares were repurchased at R523 125 more than the average share price.
- 31 August 2024, interim dividends were paid.
- 31 October 2024, additional shares were issued.
- Final dividends were declared on 28 February 2025.
- Total dividends for the year amounted to R435 000.

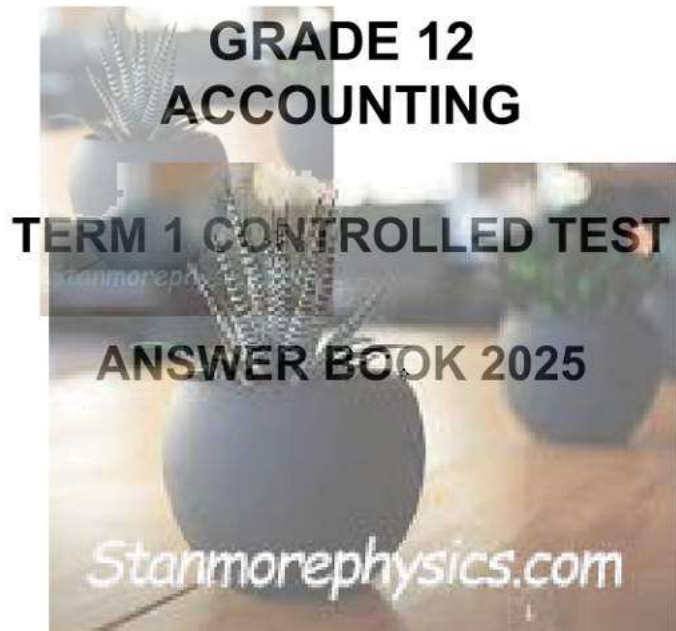
TOTAL: 100 MARKS

GRADE 12 ACCOUNTING FINANCIAL INDICATOR FORMULA SHEET

| | |
|---|---|
| $\frac{\text{Gross profit} \times 100}{\text{Sales}} \quad 1$ | $\frac{\text{Gross profit} \times 100}{\text{Cost of sales}} \quad 1$ |
| $\frac{\text{Net profit before tax}}{\text{Sales}} \times \frac{100}{1}$ | $\frac{\text{Net profit after tax}}{\text{Sales}} \times \frac{100}{1}$ |
| $\frac{\text{Operating expenses} \times 100}{\text{Sales}} \quad 1$ | $\frac{\text{Operating profit}}{\text{Sales}} \times \frac{100}{1}$ |
| 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 | |
| $\frac{\text{Average trading stock}}{\text{Cost of sales}} \times \frac{365}{1}$ | $\frac{\text{Cost of sales}}{\text{Average trading stock}}$ |
| $\frac{\text{Average debtors}}{\text{Credit sales}} \times \frac{365}{1}$ | $\frac{\text{Average creditors}}{\text{Cost of sales}} \times \frac{365}{1}$ |
| $\frac{\text{Net income after tax}}{\text{Average shareholders' equity}} \times \frac{100}{1}$ | $\frac{\text{Net income after tax}}{\text{Number of issued shares}} \times \frac{100}{1}$ |
| $\frac{\text{Net income before tax} + \text{Interest on loans}}{\text{Average shareholders' equity} + \text{Average non-current liabilities}} \times \frac{100}{1}$ | |
| $\frac{\text{Shareholders' equity}}{\text{Number of issued shares}} \times \frac{100}{1}$ | $\frac{\text{Dividends for the year}}{\text{Number of issued shares}} \times \frac{100}{1}$ |
| $\frac{\text{Interim dividends}}{\text{Number of issued shares}} \times \frac{100}{1}$ | $\frac{\text{Final dividends}}{\text{Number of issued shares}} \times \frac{100}{1}$ |
| $\frac{\text{Dividends per share}}{\text{Earnings per share}} \times \frac{100}{1}$ | $\frac{\text{Dividends for the year}}{\text{Net income after tax}} \times \frac{100}{1}$ |
| $\frac{\text{Total fixed cost}}{\text{Selling price per unit} - \text{Variable costs per unit}}$ | |
| <p>NOTE:</p> <ol style="list-style-type: none"> 1. Trading stock at the end of a financial year may be used if required in a question. 2. Credit purchases may be used instead of cost of sales (figures will be the same if stock is constant). 3. 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. | |



NAME:



| QUESTION | MAX MARKS | Mark allocated | Moderated mark |
|-----------------|------------------|-----------------------|-----------------------|
| 1 | 70 | | |
| 2 | 30 | | |
| TOTAL | 100 | | |

QUESTION 1

| | | |
|------|--------|--|
| 1.1. | 1.1.1. | |
| | 1.1.2. | |
| | 1.1.3. | |
| | 1.1.4. | |

| |
|---|
| |
| 4 |

1.2. BRIGHT LTD

| | | |
|-------|--|---------------|
| 1.2.1 | Calculate the total depreciation for the year ended 28 February 2025 | |
| | WORKINGS | ANSWER |
| | Vehicles | |
| | Equipment | |

| |
|---|
| |
| 6 |

| | | |
|-------|---|---------------|
| 1.2.2 | Calculate profit/ loss on sale of vehicle | |
| | WORKINGS | ANSWER |
| | | |

| |
|---|
| |
| 5 |

1.3

Statement of Comprehensive Income for the financial year ended 28 February 2025

| | |
|--------------------------------|-----------|
| Sales (2 854 210) | |
| Cost of sales (2 276 900) | |
| Gross profit | |
| Other operating income | |
| Fee income | 1 650 000 |
| | |
| Gross operating income | |
| Operating expenses | |
| Audit fees | 63 440 |
| Salaries and wages | 296 300 |
| | |
| | |
| | |
| | |
| | |
| | |
| | |
| Operating profit | |
| Interest income | |
| Profit before interest expense | |
| Interest expense | |
| Net profit before tax | |
| Income tax | (360 000) |
| Net profit after tax | |

1.4

Extract of the Statement of Financial Position on 28 February 2025

| | |
|---------------------------------------|-------------------|
| EQUITY AND LIABILITIES | |
| SHAREHOLDERS' EQUITY | 11 095 000 |
| | |
| NON-CURRENT LIABILITIES | |
| | |
| CURRENT LIABILITIES | |
| Trade and other payables (254 300) | |
| | |
| | |
| | |
| TOTAL EQUITY AND LIABILITIES | |

| |
|----|
| |
| 18 |

QUESTION 2

2.1. Ordinary Share Capital

| | | |
|------------------|--|------------------|
| | Shares in issue on 1 March 2024 | 7 848 000 |
| | | |
| 1 665 000 | Shares in issue on 28 February 2025 | |

| |
|---|
| |
| 6 |

2.2. Cash Generated from Operations

| | |
|--|-----------|
| Net profit before tax | 2 095 000 |
| Adjustments in respect of: Depreciation | 283 400 |
| Interest expense | 123 375 |
| Operating profit before changes in working capital | 2 501 775 |
| Changes in working capital | |
| | |
| | |
| | |
| Cash generated from operations | |

| |
|---|
| |
| 9 |

2.3. Calculate the following amounts for the Cash Flow Statement

| WORKINGS | ANSWER |
|---------------------------------|--------|
| Income tax paid | |
| Dividends paid | |
| Funds used to repurchase shares | |

| |
|----|
| |
| 11 |

2.4.1.

| | |
|---|--|
| Net change in cash and cash equivalents | |
| Balance @ beginning | |
| Balance @ end | |

| |
|---|
| |
| 4 |

| |
|-------|
| TOTAL |
| |
| 100 |

QUESTION 1

| | | |
|------|--------|---------------------------|
| 1.1. | 1.1.1. | External auditor ✓ |
| | 1.1.2. | Non-executive directors ✓ |
| | 1.1.3. | IFRS ✓ |
| | 1.1.4. | IRBA ✓ |

| |
|---|
| |
| 4 |

1.2. BRIGHT LTD

| | |
|--|---|
| 1.2.1 Calculate the total depreciation for the year ended 28 February 2025 | |
| WORKINGS | ANSWER |
| <p>Vehicles $1\,300\,000 - 450\,000$ $850\,000 \checkmark \boxtimes \times 20\% \times 12/12 = 170\,000 \boxtimes$</p> <p style="text-align: center;">OR</p> <p>S: $240\,000 \times 20\% \times 12/12 = 48\,000 \checkmark$ $1\,300\,000 - 450\,000$ O: $(850\,000 - 240\,000) \times 20\% \times 12/12 = 122\,000 \boxtimes$ $48\,000 + 122\,000 = 170\,000 \boxtimes$</p> <p>Equipment $480\,000 - 360\,000 = 120\,000 \checkmark \checkmark$</p> | <p>290 000 <input checked="" type="checkbox"/> veh + equip</p> |

| |
|---|
| |
| 6 |

| | |
|---|--|
| 1.2.2 Calculate profit/ loss on sale of vehicle | |
| WORKINGS | ANSWER |
| <p>$(510\,000 - 310\,500) \checkmark \boxtimes - (240\,000 - 48\,000) \checkmark \boxtimes$ $199\,500 \qquad \qquad \qquad 192\,000$</p> <p style="text-align: center;">OR</p> <p>$510\,000 - 310\,500 \quad \text{see veh 1.2.1}$ $[240\,000 \checkmark - 199\,500 \checkmark \checkmark] - 48\,000 \boxtimes$</p> | <p>7 500 <input checked="" type="checkbox"/> profit one part correct</p> |

| |
|---|
| |
| 5 |

1.3

Statement of Comprehensive Income for the financial year ended 28 February 2025

| | | |
|--|------------------|-----------|
| Sales (2 854 210 + 20 790 ✓) | 2 875 000 ✓ | |
| Cost of sales (2 276 900 + 23 100 ✓) | (2 300 000) ✓ | |
| Gross profit | 575 000 ✓ | |
| Other operating income | 2 033 820 ✓ | |
| Fee income | 1 650 000 | |
| Rent income (344 320 ✓ + 32 000 ✓✓) | 376 320 ✓* | |
| Profit on sale of asset ** see 1.2.2 | 7 500 ✓ | |
| Gross operating income | 2 608 820 ✓ | |
| Operating expenses | (1 296 405) ✓ | |
| Audit fees | 63 440 | |
| Salaries and wages | 296 300 | |
| Depreciation see 1.2.1 | 290 000 ✓ | |
| Advertising (125 395 ✓ – 1 260 ✓✓) | 124 135 ✓* | |
| Consumable stores (78 910 – 2 400) | 76 510 ✓✓* | |
| Directors fees (393 700 ✓ – 25 000 ✓ + 68 700 ✓✓) | 437 400 ✓* | |
| Provision for bad debts adjustment | 1 620 ✓ | |
| Loss of stock due to fire (25 x 350 x 100/25 ✓ x 20/100 ✓) OR [1 400 x 25] ✓ x 20/100 ✓ | 7 000 ✓* | |
| Operating profit | 1 312 415 ✓ | |
| Interest income PBIE – OP | 30 910 ✓ | |
| Profit before interest expense NPBT + Int Exp | 1 343 325 ✓ | |
| Interest expense (2 114 700 – 1 971 375) or (2 114 700 + 220 500 - 2 191 875) | (143 325) ✓✓ | |
| Net profit before tax (360 000 x 100/30) OR NPAT – IT ✓ | 1 200 000 ✓✓ | |
| Income tax | (360 000) | |
| Net profit after tax NPBT – Inc Tax OR 360 000 x 70/30 ✓✓ | 840 000 ✓ | 37 |

*one part correct

** If calculated as a loss in 1.2.2 award method mark under op. expenses; check if carrying value is greater than R199 500.

1.3 Extract of the Statement of Financial Position on 28 February 2025

| | | |
|--|----------------|--------------------|
| EQUITY AND LIABILITIES | | |
| SHAREHOLDERS' EQUITY | | 11 095 000 |
| Ordinary share capital (945 000 ✓ x 10,25 ✓) | | 9 686 250 ✓ |
| Retained income | SE – OSC | 1 408 750 ✓ |
| NON-CURRENT LIABILITIES | | 2 028 264 |
| Mortgage loan (2 114 700 – 86 436 ✓✓) | | 2 028 264 ✓ |
| CURRENT LIABILITIES | | 1 447 096 ✓* |
| Trade and other payables | | 634 700 ✓* |
| (254 300 + 310 500 ✓ + 68 700 ✓ + 1 200 ✓) | see 1.3 d.fees | |
| Short-term loan | see NCL | 86 436 ✓ |
| SARS: Income tax (360 000 – 340 000) | | 20 000 ✓✓ |
| Shareholders for dividends | | 614 250 ✓ |
| Bank overdraft (112 500 – 20 790 ✓) | | 91 710 ✓ |
| TOTAL EQUITY AND LIABILITIES | | 18 |

*one part correct

QUESTION 2

2.1. Ordinary Share Capital

| | | | |
|------------------|--|---|----------|
| 1 440 000 ✓ | Shares in issue on 1 March 2024 | 7 848 000 | |
| (337 500) | Shares repurchased @ ASP: R5,45 ✓ | (1 839 375) <input checked="" type="checkbox"/> | |
| 562 500 ✓ | Shares issued during the year | 3 909 375 <input checked="" type="checkbox"/> | |
| 1 665 000 | Shares in issue on 28 February 2025 | 9 918 000 ✓ | 6 |

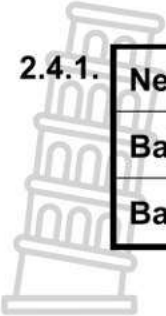
2.2. Cash Generated from Operations

| | | |
|---|--|----------|
| Net profit before tax | 2 095 000 | |
| Adjustments in respect of: Depreciation | 283 400 | |
| Interest expense | 123 375 | |
| Operating profit before changes in working capital | 2 501 775 | |
| Changes in working capital | (14 400) <input checked="" type="checkbox"/> | |
| Decrease in inventory (532 000 – 423 000) | 109 000 ✓✓ | |
| Increase in receivables (312 400 – 216 200) | (96 200) ✓✓ | |
| Decrease in payables (222 100 + 5 200 – 200 100) | (27 200) ✓✓ <input checked="" type="checkbox"/> * | |
| Cash generated from operations | 2 487 375 <input checked="" type="checkbox"/> | 9 |

*If R5 200 is not part of the calculation award ✓ on the final answer

2.3. Calculate the following amounts for the Cash Flow Statement

| WORKINGS | ANSWER | |
|---|--|-----------|
| Income tax paid $2\,095\,000 - 1\,466\,500$ $11\,200 \checkmark + 628\,500 \checkmark\checkmark + 7\,850 \checkmark$ <i>beware of the reversal of signs</i> | 647 550 <input checked="" type="checkbox"/> * | |
| Dividends paid $435\,000 - 229\,000$ $211\,500 \checkmark + 206\,000 \checkmark$ <i>beware of the reversal of signs</i> | 417 500 <input checked="" type="checkbox"/> * | |
| Funds used to repurchase shares <i>see 2.1 OSC</i> $523\,125 \checkmark + 1\,839\,375 \checkmark$ <i>beware of the reversal of signs</i> | 2 362 500 <input checked="" type="checkbox"/> * *one part correct | 11 |



| | | | |
|--------|---|-------------|----------|
| 2.4.1. | Net change in cash and cash equivalents | (189 400) ✓ | |
| | Balance @ beginning | 105 000 ✓ | |
| | Balance @ end (-95 200 + 10 800) | (84 400) ✓✓ | 4 |

