



# education

Department:  
Education  
North West Provincial Government  
**REPUBLIC OF SOUTH AFRICA**

## PROVINCIAL ASSESSMENT

GRADE 10

ACCOUNTING P1

NOVEMBER 2025

Stanmorephysics.com

**MARKS: 150**

**TIME: 2 hours**

**This question paper consists of 11 pages, a formula sheet and  
An 9-page answer book.**

## INSTRUCTIONS AND INFORMATION

Read the following instructions carefully and follow them carefully.

1. Answer ALL the questions.
2. A special ANSWER BOOK is provided in which you must answer ALL the questions.
3. A formula sheet with Financial Indicators is attached at the end of this question paper.
4. Show ALL the operations to earn partial marks.
5. You may use a non-programmable calculator.
6. You may use a dark pencil or black/blue ink to answer the questions.
7. Show ALL calculations to ONE decimal point, where applicable.
8. Write neatly and legibly.
9. Use the information in the table below as a guide when answering the question paper. Try NOT to deviate from it.

QUESTION	TOPIC	MARKS	MINUTES
1	Concepts and Analysis of Transactions	25	20
2	Statement of Comprehensive Income	45	35
3	Statement of Financial Position and notes	55	45
4	Financial Indicators	25	20
<b>TOTAL</b>		<b>150</b>	<b>120</b>

**QUESTION 1: CONCEPTS AND ANALYSIS OF TRANSACTIONS (25 marks; 20 minutes)**

**1.1 GAAP PRINCIPLES**

Match the example in column A to the concept in column B. Write only the letter (A–D) next to the question number (1.1.1. – 1.1.4) in the ANSWER BOOK. (4)

	<b>Example</b>	<b>Comprehension</b>	
		A	Materiality
1.1.1	A debtor who owes R1 270 is written off as a bad debt because he cannot be traced.	B	Entity
1.1.2	Interest on overdrafts is not shown as part of bank charges.	C	Matching
1.1.3	An amount of R450 for telephone is still due at the end of the financial year. This amount will be added to telephone in the Income Statement of the current year.	D	Prudence
1.1.4	Although the owner paid her personal cell phone bill with a business EFT, she does not record it as an expense of the business.		

**1.2 ANALYSIS OF TRANSACTIONS**

The transactions appear in the books of Leo Stores. The business maintains a gross profit markup of 50% on cost price.

**REQUIRED:**

Analyse the following transactions according to the headings in the ANSWER BOOK provided. (21)

Assume that the Bank Balance is **favourable** for all transactions.

**Example:** The owner takes goods for personal use, R500.

**TRANSACTIONS:**

- 1.2.1 Purchase trading stock on credit, R14 000 minus 8% trade discount.
- 1.2.2 A debtor returns goods, cost price R900, to the business.
- 1.2.3 Credit sales to U Kabi. Invoice total is R6 000.
- 1.2.4 A creditor charges the business R75 in interest on the overdue account that Leo Stores forgot to pay on time.

**QUESTION 2: STATEMENT OF COMPREHENSIVE INCOME**

**(45 marks; 35 minutes)**

**CONCEPTS**

2.1 Choose the correct word/term from the list provided that matches each description below. Write only the word/term next to the question numbers (2.1.1 to 2.1.5) in your ANSWER BOOK. (5)

Double-entry principle; Financial year; Statement of Comprehensive Income  
Adjustments; Statement of Financial Position

- 2.1.1 A statement that shows the net profit for the financial year in an easy and understandable manner.
- 2.1.2 The twelve-month period over which financial reporting is done and reported.
- 2.1.3 A statement that shows in an easy and understandable manner the financial position of the business on the last day of the financial year.
- 2.1.4 For each debit entry, a credit entry is made in another account and the accounts refer to each other.
- 2.1.5 Corrections made on the last day of the financial year to comply with Accounting requirements.

**CHEETAH STORES**

2.2 The information relates to Cheetha Stores.

**REQUIRED:**

State of Comprehensive Income for the year ended, 28 February 2025.

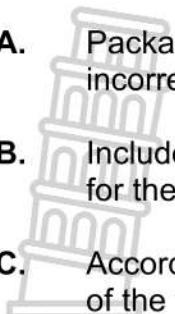
(40)

**INFORMATION:**

**Extract from the Pre-Adjustment Trial Balance on 28 February 2025:**

<b>Balance Sheet Accounts Section</b>	
Land and Buildings	15 000 000
Vehicles	3 600 000
Accumulated depreciation on Vehicles	2 160 000
Equipment	600 000
Accumulated depreciation on Equipment	85 000
Trading stock	820 000
Debtors control	70 000
Bank	31 000
Fixed Deposit (Interest Rate 6% p.a.)	700 000
 <b>Nominal accounts section</b>	
Sales	1 032 000
Cost of sales	427 000
Debtors allowance	32 000
Interest on fixed deposit	?
Rental income	91 000
Commission income	50 000
Bad debt	5 000
Insurance	30 000
Salaries and wages	350 000
Bad debt recovered	2 500
Packaging material	4 200
Bank charges	1 800
Telephone	2 300
Stationery	5 500
Donations	1 100
Cleaning products	12 000

**Adjustments and additional information:**



- A.** Packaging material worth R500 was purchased on 21 August 2024 but incorrectly posted to the stationery account.
- B.** Included in the insurance amount is an annual premium of R2 400 paid for the period 1 January 2025 to 31 December 2025.
- C.** According to a physical inventory, the following was on hand at the end of the year.
  - Trading stock, R815 000
  - Packaging material, R300
- D.** Cleaning products used during the financial year amounted to, R10 200
- E.** The rental income was received up to and including 30 April 2025.
- F.** The following entries appeared on the Bank Statement:
  - Electronic banking fees, R320
  - Debit order for the monthly donation to the children's home, R900.
  - A direct deposit of R3 000 by a debtor who was written off as bad debts during the previous financial year.
- G.** The telephone bill for February 2025 has been received but not yet paid, R1 300
- H.** The following information appears on the loan statement:

Balance on 1 March 2024	55 500
Interest is capitalized	?
Repayments throughout the financial year	10 000
Balance on 29 February 2025	51 000

- I.** The fixed deposit with ABSA was increased by R100 000 on 1 June 2024. This has already been recorded. Interest is received quarterly.
- J.** Depreciation calculated for the year was R40 600.

**QUESTION 3: NOTES TO THE STATEMENT OF FINANCIAL POSITION**

(55 marks, 45 minutes)

**3.1 CONCEPTS**

Indicate whether the following statements are True or False. Write only “True” or “False” next to the question number (3.1.1–3.1.4) in the ANSWER BOOK.

3.1.1 Interest on a bank overdraft is an income.

3.1.2 Consumables on hand is a current asset.

3.1.3 The part of the loan that must be repaid in the next financial year is seen as a current liability in the Statement of Financial Position.

3.1.4 The difference between current assets and current liabilities is known as Net working capital. (4)

3.2 The information is taken from the books of Dasty Traders. Their financial year ends on 28 February 2025.

**REQUIRED:**

3.2.1 Trade and other receivables (Debtors) (5)

3.2.2 Cash and Cash Equivalents (5)

3.2.3 Owners equity (5)

3.2.4 Trade and other payables (Creditors) (9)

3.2.5 Complete the Equity and Liability section of the Statement of Financial Position. (7)

INFORMATION:

TRIAL BALANCE OF DASTY TRADERS – FEBRUARY 2025

Balance Sheet Accounts Section	Fol.	Debit	Credit
Capital (1 March 2024)			1 270 000
Drawings		230 000	
Land and buildings		650 000	
Equipment (cost price)		52 000	
Vehicles (cost price)		475 000	
Accumulated depreciation on equipment			38 558
Accumulated depreciation on vehicles			122 200
Fixed deposit: ABC Bank (6% p.a.)		50 000	
Loan: FNB			120 000
Trading stock		47 655	
Debtors control		24 400	
Creditors control			39 790
Bank		65 460	
Petty cash		500	
Cash Float		300	
SARS – PAYE			1 367
Consumables on hand		2 000	
Prepaid expense		1 500	
Accrued expense			5 700
Income received in advance (Deferred income)			3 700
Accrued income		2 500	

Additional information:

- A** During the year the owner increased his capital contribution by an additional amount of R50 000.
- B** The net profit for the year amounts to R356 000.
- C** The telephone bill is still outstanding for February 2025, R 500.
- D** An employee's salary was accidentally omitted from the salary journal of February 2025. Gross salary is R15 000 and the only deduction was PAYE 30% of Gross salary.
- E** The fixed deposit is invested from September 2021. No interest on the fixed deposit has been calculated yet. Interest is not capitalized. Half of the fixed deposit matures on 1 July 2025.
- F** R20 000 of the loan will be repaid within the next twelve months.

3.3 You are provided with information from the books of Kabo Stores for the financial year ended 28 February 2025.

**REQUIRED:**

Complete the Note Tangible Asset Note for Kabo Stores with the given information. (20)

**INFORMATION:**

<b>Balances on 1 March 2024</b>				
		<b>Cost price</b>	<b>Accumulated Depreciation</b>	<b>Carrying value</b>
Land and buildings		400 000	(0)	400 000
Vehicles		300 000	(76 000)	224 000
Equipment		?	(20 000)	?

**TRANSACTIONS:**

**(a) Land and buildings**

- During June 2024, the owner made some extensions to the buildings at a total cost of R450 000.
- After heavy rain damaged some parts of the buildings, the owner spent R40 000 to repair the storeroom.

**(b) Vehicles**

- A new vehicle was purchased on 31 August 2024 for R150 000.
- Depreciation on vehicles is calculated at 20% per year on the diminishing balance method.

**(c) Equipment**

- Bella Traders purchased two new laptops on 1 December 2024 at a cost of R6 000 each.
- Depreciation on equipment is calculated at 10% per year on the cost price method.

**QUESTION 4: INTERPRETATION OF FINANCIAL INFORMATION**

(25 marks; 20 minutes)

The year end of Mkhwanazi Suppliers was on 30 June 2025. The owner is Becca Wanazi. You are provided with extracts of the 2025 financial statements and financial indicators.

**REQUIRED:**

4.1 Refer to the table in **Information C**:

Calculate the following financial indicators for 2025.

4.1.1 The percentage of operating expenses on sales (3)

4.1.2 Current ratio (3)

4.1.3 Acid test ratio (4)

4.1.4 The percentage return on average equity (5)

4.2 Explain whether Becca should be satisfied about the solvency of the business. Quote figure and trend. (2)

4.3 Explain why Becca should be satisfied with the liquidity of the business. Give **TWO** financial indicators and their trends in this case. (4)

4.4 Becca changed the markup % in 2025. Explain why Becca's decision was wrong. Provide figures to support your answer. (4)

**INFORMATION:**

**WANAZI SUPPLIERS**

<b>A. EXTRACT FROM STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE</b>		<b>2025</b>	<b>2024</b>
Sales		2 560 000	2 275 000
Cost of sales		1 600 000	1 300 000
Gross profit		920 000	975 000
Other operating income		80 000	60 000
Operating expenses		566 400	455 000
Operating profit		433 600	580 000
Interest income		45 000	55 000
Interest expense		55 000	38 000
Net profit		423 600	597 000

B.

**EXTRACT FROM STATEMENT OF FINANCIAL POSITION AS AT  
30 JUNE 2025**

	2025	2024
Owners Equity	1 647 000	1 213 000
Non-current assets	1 660 000	1 150 000
Current assets	270 000	408 000
Non-current liability	175 000	209 000
Current liability	108 000	136 000
Fixed assets	1 300 000	700 000
Stock	135 000	306 000
Investment in Fixed Deposit	360 000	450 000
Cash and cash equivalents	58 000	40 000
Trade and other receivables	77 000	62 000

C.

<b>FINANCIAL INDICATORS</b>	<b>2025</b>	<b>2024</b>
Profit margin %	60.0 %	75.0%
Gross profit on sales	37.5%	42.9%
Operating expenses on sales	?	20%
Operating profit on sales	24.6%	25.5%
Net profit on sales	24.1%	26.3%
Solvency ratio	6.8:1	4.5 :1
Current ratio	?	3.0 : 1
Acid Test ratio	?	0.75 : 1
% Return on average equity	?	27.2%

25

**TOTAL: 150**

GRADE 10 ACCOUNTING FINANCIAL INDICATOR FORMULA SHEET		
$\frac{\text{Gross profit}}{\text{Sales}} \times 100$	$\frac{\text{Gross profit}}{\text{Cost of sales}} \times 100$	$\frac{\text{Net profit}}{\text{Sales}} \times 100$
$\frac{\text{Operating expenses}}{\text{Sales}} \times 100$		$\frac{\text{Operating profit}}{\text{Sales}} \times 100$
Current assets : Current liabilities		(Current assets – Inventories) : Current liabilities
(Trade and other receivables + Cash and cash equivalents) : Current liabilities		
$\frac{\text{Net profit}}{\text{Average Owner's equity}} \times 100$	Total assets : Total liabilities	



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## PROVINCIAL ASSESSMENT

Stanmorephy GRADE 10

ACCOUNTING P1

NOVEMBER 2025

ANSWER BOOK

Stanmorephysics.com

NAME OF LEARNER: \_\_\_\_\_

QUESTION	MARKS	MARKS AWARDED	MODERATOR
1	25		
2	45		
3	55		
4	25		
<b>TOTAL</b>	<b>150</b>		

This answer book consists of 9 pages.

**QUESTION 1**

1.1

1.1.1	
1.1.2	
1.1.3	
1.1.4	

4



1.2

**ACCOUNTING EQUATION**

	General Ledger		AMOUNT R	EQUATION		
	Account Debited	Account Credited		A	OE	L
Eg.	Drawings	Trading stock	500	—	—	0
1.2.1	Trading stock					
1.2.2		Debtors control				
		Cost of sales	900			
1.2.3		Sales	6 000			
	Cost of sales					
1.2.4		Creditors control	75			

21

**TOTAL MARK**

25

**QUESTION 2**

**2.1**

<b>2.1.1</b>	
<b>2.1.2</b>	
<b>2.1.3</b>	
<b>2.1.4</b>	
<b>2.1.5</b>	

<b>5</b>



## 2.2 CHEETHA STORES: STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 28 FEBRUARY 2025

Sales(	
Cost of sales	
<b>GROSS PROFIT</b>	
<b>OTHER OPERATING INCOME</b>	
Rental income (	
<b>GROSS OPERATING INCOME</b>	
<b>OPERATING EXPENSES</b>	
Bad debt	
Salaries and wages	
<b>OPERATING PROFIT</b>	
Interest income	
<b>PROFIT BEFORE INTEREST EXPENSE</b>	
Interest expense	
<b>NET PROFIT FOR THE YEAR</b>	

**TOTAL MARK**

**QUESTION 3**

**TRUE OR FALSE**

3.1.1

3.1.2

3.1.3

3.1.4

4

**3.2.1 TRADE AND OTHER RECEIVABLES (DEBTORS)**



5

**3.2.2 CASH AND CASH EQUIVALENTS**

5

**3.2.3 EQUITY / CAPITAL**

5

3.2.4 **TRADE AND OTHER PAYABLES (CREDITORS)**

9



3.2.5 **STATEMENT OF FINANCIAL POSITION ON 28 FEBRUARY 2025**

**EQUITY AND LIABILITIES**

7

**Owner's equity**

**Non-current liabilities**

**Current liabilities**

**TOTAL EQUITY and LIABILITIES**

3.3

Tangible Assets	Land and Buildings	Vehicles	Equipment
<b>Carrying value</b>	<b>400 000</b>	<b>224 000</b>	
Cost price	<b>400 000</b>	<b>300 000</b>	
Accumulated Depreciation		<b>(76 000)</b>	<b>(20 000)</b>
<b>Movement</b>			
Additions at Cost Price			
Depreciation			
<b>Carrying value</b>			
Cost price			<b>92 000</b>
Accumulated Depreciation			

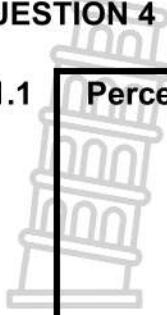
20

Calculations:

TOTAL MARK
<b>55</b>

## QUESTION 4

4.1.1 Percentage of operating expenses on sales



3

4.1.2 Current ratio



3

4.1.3 Acid Test Ratio

4

4.1.4 The percentage return on average equity



5

4.2 Explain whether Becca should be satisfied about the solvency of the business.

Quote indicator & trend:

Explanation:

2

4.3 Explain why Becca should be satisfied with the liquidity of the business. Give TWO financial indicators and their trends in this case.

Quote indicator & trend:

Explanation:

4

4.4 Becca changed the markup % in 2025. Explain why Becca's decision was wrong. Provide figures to support your answer.

Quote indicator & trend:

Explanation:

4

**TOTAL MARK**

25

**TOTAL: 150**



**PROVINCIAL ASSESSMENT**

**GRADE 10**

**Final ACCOUNTING P1**

**NOVEMBER 2025**

**MARKING GUIDELINE**

**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 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 answer 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). Note: if figures are stipulated in memo for components of workings, these do not carry the method mark for final answer as well.
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. Where penalties are applied, the marks for that section of the question cannot be a final negative.
8. Operation means 'check operation'. 'One part correct' means operation and one part correct. Note: check operation must be +, -, x, ÷, or per memo.
9. 'One part correct' means 'operation and one part correct'. Where method marks are awarded for one part correct, the marker must inspect the reasonableness of the answer and at least one part must be correct before awarding the mark. If a figure has earned a method-mark, this will be regarded as 'one part correct'.
10. In calculations, do not award marks for workings if numerator and denominator are swapped – this also applies to ratios.
11. In awarding method marks, ensure that candidates do not get full marks for any item that is incorrect at least in part. Indicate with a .
12. Be aware of candidates who provide valid alternatives beyond the marking guideline.
13. Codes: f = foreign item; p = placement/presentation.

**MARKS: 150**

**This marking guideline consists of 9 pages.**

**QUESTION 1**

1.1

1.1.1	D ✓ / Prudence
1.1.2	A ✓ / Materiality
1.1.3	C ✓ / Matching
1.1.4	B ✓ / Entity

4

1.2

**ACCOUNTING EQUATION**

	General Ledger		AMOUNT R	EQUATION		
	Account Debited	Account Credited		B	E	L
Eg.	Drawings	Trading stock	500	–	–	0
1.2.1	Trading stock	Creditors control ✓	12 880 ✓	+ ✓	0	+ ✓
1.2.2	Debtors allowance ✓	Debtors control	1 350 ✓	- ✓	- ✓	0
	Trading stock ✓	Cost of sales	900	+ ✓	+ ✓	0
1.2.3	Debtors control ✓	Sales	6 000	+ ✓	+ ✓	0
	Cost of sales	Trading stock ✓	4 000 ✓	- ✓	- ✓	0
1.2.4	Interest expense ✓	Creditors control	75	0	- ✓	+ ✓

21

**TOTAL MARK**

25

**QUESTION 2**

<b>2.1</b>	<b>2.1.1</b>	Statement of Comprehensive Income ✓	
	<b>2.1.2</b>	Financial year ✓	
	<b>2.1.3</b>	Statement of Financial Position ✓	
	<b>2.1.4</b>	Double-entry principle ✓	
	<b>2.1.5</b>	Adjustments ✓	<b>5</b>

2.2 CHEETHA STORES: STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 28 FEBRUARY 2025

Sales( 1 032 000 – 32 000 ✓	one part correct + operation	1 000 000	✓
Cost of sales		(427 000)	✓
<b>GROSS PROFIT</b>		573 000	✓
<b>OTHER OPERATING INCOME</b>		133 500	✓
Rental income ( 91 000 –13 000✓ )	one part correct + operation	78 000	✓
Commission income		50 000	✓
Bad debts recovered(2 500+3 000✓ )	one part correct + operation	5 500	✓
<b>GROSS OPERATING INCOME</b>	GP + OOI	706 500	✓
<b>OPERATING EXPENSES</b>	one part correct	(455 920)	✓
Bad debt		5 000	✓
Salaries and wages		350 000	✓
Insurance 30 000 – 2 000 ✓	one part correct + operation	28 000	✓
Packing material 4 200 + 500✓ -300✓	one part correct + operation	4 400	✓
Bank charges 1 800 + 320 ✓	one part correct + operation	2 120	✓
Telephone 2 300 + 1 300 ✓	one part correct + operation	3 600	✓
Stationery 5 500 – 500 ✓	one part correct + operation	5 000	✓
Donations 1 100 + 900 ✓	one part correct + operation	2 000	✓
Cleaning products 12 000 – 1 800		10 200	✓✓
Trading stock deficit 820 000 – 815 000		5 000	✓✓
Depreciation		40 600	✓
<b>OPERATING PROFIT</b>	GOI - OE	250 580	✓
Interest income		40 500	✓✓
<b>PROFIT BEFORE INTEREST EXPENSE</b>	OP + Int inc	291 080	✓
Interest expense (55 500 – 10 000 ✓ – 51 000 ✓ )	one part correct + operation	(5 500)	✓
<b>NET PROFIT FOR THE YEAR</b>	PbIE – Int ex	285 580	✓
			40

Note: One part correct includes the pre-adjustment figure.  
Operation is + or -.

TOTAL MARK
45

**QUESTION 3**

<b>TRUE OR FALSE</b>	
3.1.1	False ✓
3.1.2	True ✓
3.1.3	True ✓
3.1.4	True ✓

**4**

<b>TRADE AND OTHER RECEIVABLES</b>	
Trade debtors	24 400 ✓
Accrued income $2\ 500 + 3\ 000$	one part correct 5 500 ✓ <input checked="" type="checkbox"/>
Prepaid expenses	1 500 ✓
	one part correct 31 400 <input checked="" type="checkbox"/>

**5**

<b>CASH AND CASH EQUIVALENTS</b>	
Fixed deposit matures	25 000 ✓
Bank	65 460 ✓
Petty cash	500 ✓
Cash float	300 ✓
	one part correct 91 260 <input checked="" type="checkbox"/>

**5**

<b>EQUITY / CAPITAL</b>	
Balance at the beginning of the year	1 270 000 ✓
Additional capital	50 000 ✓
Net profit for the year	356 000 ✓
Less Drawings	(230 000) ✓
Balance at the end of the year	one part correct 1 446 000 <input checked="" type="checkbox"/>

**5**

3.2.4

**TRADE AND OTHER PAYABLES (CREDITORS)**

Trade creditors	39 790 ✓	
Accrued expenses 5 700 + 500	6 200 ✓ <input checked="" type="checkbox"/>	one part correct + operation
Income received in advance	3 700 ✓	
SARS (PAYE) 1 367 + 4 500	5 867 ✓ <input checked="" type="checkbox"/>	one part correct + operation
Creditors for salaries 15 000 – 4500	10 500 ✓ ✓	
	66 057 <input checked="" type="checkbox"/>	one part correct

9

3.2.5

**STATEMENT OF FINANCIAL POSITION ON 28 FEBRUARY 2025**

**EQUITY AND LIABILITIES**

Owner's equity	1 446 000 <input checked="" type="checkbox"/>	see 3.2.3
<b>Non-current liabilities</b>	100 000	
Loan: FNB (120 000 – 20 000✓)	100 000 <input checked="" type="checkbox"/>	one part correct + operation
<b>Current liabilities</b>	86 057 <input checked="" type="checkbox"/>	one part correct and operation
Trade and other payables	66 057 <input checked="" type="checkbox"/>	see 3.2.4
Short term loan	20 000 <input checked="" type="checkbox"/>	see loan above
<b>TOTAL EQUITY and LIABILITIES</b>	1 632 057 <input checked="" type="checkbox"/>	OE+NCL+CL

7

3.3

Tangible Assets	Land and Buildings	Vehicles	Equipment
<b>Carrying value</b>	<b>400 000</b>	<b>224 000</b>	60 000 ✓
Cost price	<b>400 000</b>	<b>300 000</b>	80 000 ✓
Accumulated Depreciation		<b>(76 000)</b>	<b>(20 000)</b>
<b>Movement</b>			
Additions at Cost Price	450 000 ✓	150 000 ✓	12 000 ✓✓
Depreciation		44 800 ✓ + 15 000 ✓✓ (59 800) <input checked="" type="checkbox"/> <small>one part correct + operation</small>	8 000 ✓ + 300 ✓✓ (8 300) <input checked="" type="checkbox"/> <small>one part correct + operation</small>
<b>Carrying value</b>	850 000 ✓	314 200 <input checked="" type="checkbox"/> <small>one part correct + operation</small>	63 700 <input checked="" type="checkbox"/> <small>one part correct + operation</small>
Cost price	850 000	450 000 ✓	<b>92 000</b>
Accumulated Depreciation		(135 800) <input checked="" type="checkbox"/> <small>one part correct + operation</small>	(28 300) <input checked="" type="checkbox"/> <small>one part correct + operation</small>

20

**TOTAL MARK**

**55**

## QUESTION 4

### 4.1.1 Percentage of operating expenses on sales

$$\frac{566\,400 \checkmark}{2\,560\,000 \checkmark} \times \frac{100}{1} = 22,1\% \quad \boxed{\checkmark \text{ one part correct}}$$

% sign not necessary in answer, but if units or cent or anything else, wrong  
Must be x by 100, 100 not 1 part correct. Nominator + denominator not be switched

3

### 4.1.2 Current ratio

$$270\,000 \checkmark : 108\,000 \checkmark = 2,5 : 1 \quad \boxed{\checkmark \text{ one part correct, must be x:1}}$$

3

### 4.1.3 Acid Test Ratio

77 000 **one mark** + 58 000 **one mark**

OR

(270 000 **one mark** – 135 000 **one mark**)

$$135\,000 \checkmark : 108\,000 \checkmark = 1,3 : 1 \quad \boxed{\checkmark \text{ accept 1,25:1 one part correct, must be x:1}}$$

4

### 4.1.4 The percentage return on average equity

$$\frac{423\,600 \checkmark}{\checkmark \frac{1}{2} (1\,647\,000 \checkmark + 1\,213\,000 \checkmark)} \times \frac{100}{1}$$

2860 000 **2 marks**  
1 430 000 **3 marks**

$$= 29,6\% \quad \boxed{\checkmark \text{ operation, one part correct}}$$

Must be x by 100, 100 not 1 part correct.

5

4.2

**Explain whether Becca should be satisfied about the solvency of the business.**

**Quote indicator & trend:**

Solvency ratio improve from 4,5:1 to 6,8:1 ✓

**Explanation:**

- The business should not have any problem in settling all its debts. ✓

Further valid clarification:

- Total assets exceed total liabilities by a considerable amount.
- Solvency increased with 2,3 basis points /by 51,1%

2

4.3

**Explain why Becca should be satisfied with the liquidity of the business. Give TWO financial indicators and their trends in this case.**

**Quote indicators & trends:**

- Current ratio improved / decreased from 3 :1 to 2,5 :1 see 4.1.2 ✓
- Acid-test ratio improved / increased from 0,75 ; 1 to 1,3: 1 see 4.1.3 ✓

**Note:** Explanations depend on learner's calculation

**Explanation:** ✓✓

- The business is able to settle its current debts.
- Acid-test ratio was too low in 2024 / now acceptable as liquid assets (T&OR and C&CE) now exceed CL
- Current ratio was acceptable in 2024 and has decreased, but still enough money to pay the debts.

4

4.4

**Becca changed the markup % in 2025. Explain why Becca's decision was wrong. Provide figures to support your answer.**

**Quote indicator & trend:**

Mark-up % ✓ changed from 75% to 60% ✓

**Explanation (with figures):** ✓✓

Although this led to an increase in sales of R285 000, the gross profit has decreased by R15 000

Or

Although this led to an increase in goods sold (cost of sales of R300 000) the gross profit has decreased by R15 000

Or

Gross profit on sales decreased from 42,9% to 37,5%/35,9%.

4

**TOTAL MARK**

**25**

**TOTAL: 150**