



GAUTENG PROVINCE
EDUCATION
REPUBLIC OF SOUTH AFRICA

2021
ACCOUNTING
GRADE 12
CONTROL TEST ONE
DURATION: 1.5 HOURS
9 APRIL 2021

INSTRUCTIONS AND INFORMATION

1. You are provided with a question paper and answer sheet
2. This question paper comprises of TWO Compulsory questions.
3. Make use of the time allocation given.
4. Non- programmable calculators may be used.
5. A BLUE/BLACK PEN may be used

QUESTION	TOPIC	MARKS	TIME ALLOCATED
1	Concepts and Statement of Comprehensive Income	35	30
2	Statement of Financial Position and Corporate Governance	65	60
TOTAL		100	90 minutes

This question paper consists of 6 pages

QUESTION 1: CONCEPTS AND STATEMENT OF COMPREHENSIVE INCOME
(35 Marks; 30 Minutes)

Match the concepts in Column A with the descriptions in Column B. Write only the letter (A – E) next to the question number (1.1.1 – 1.1.5) in the ANSWER BOOK.

1.1 CONCEPTS

COLUMN A		COLUMN B	
1.1.1	External Audit	A	They attend board meetings and work at the company on a full-time basis.
1.1.2	Corporate governance failure	B	Sets out the rights, duties and responsibilities of shareholders and directors.
1.1.3	Memorandum of incorporation	C	Guidelines for the preparation of financial statements of companies to ensure a degree of consistency.
1.1.4	Executive directors	D	The examination of the truth and fairness of the financial statements of an entity by an independent auditor who is independent of the organisation in accordance with reporting framework such as IFRS.
1.1.5	GAAP and IFRS	E	Management deliberately undermines the role and various structures by circumventing/ avoiding the internal controls and making misinterpretations to auditors and the Board

(5)

1.2 The following was taken from the financial records of Star Limited for the financial year ended 30 June 2020.

1.2.1 Calculate the correct net profit **after tax** for the year ended 30 June 2020. Indicate (+) for increase and (–) for decrease. (15)

INFORMATION:

A. List of balances/totals on 30 June 2020 (before taking into account all adjustments below):

Vehicles	320 000
Equipment	174 000
Mortgage loan: Time Bank	252 000
Creditors Control	170 000
Debtors Control	192 000
Provision for bad debts	2 550
Packing Material	50 100
Rent Income	50 850
SARS: Income tax (provisional tax payments)	150 000

B. Net profit before tax, R989 900.

C. The following adjustments and other information were not taken into account.

- (i) The rent income was increased by 10% on 1 March 2020. The tenant has not yet paid rent for June 2020.
- (ii) Rates and taxes for June 2020 is outstanding, R12 300.
- (iii) Stock to the value of R6 500 was destroyed in fire. The insurance company agreed to pay R4 700.
- (iv) Packing material used during the financial year amounted to R46 000.
- (v) The amount due by T Tom, R1 500 must be written off and the provision for bad debts must be adjusted to R2 100.
- (vi) Insurance included an annual premium of R8 640 paid for a period ending 31 October 2020.
- (vii) R10 500 is still owed to SARS in respect of the income tax for the financial year ending 30 June 2020.

1.3 The Fixed asset information appeared in the books of PM Traders for financial year ended 28 February 2021.

1.3.1 Calculate the missing amount denoted by (i) to (iv) on the incomplete Fixed Asset note provided (15)

INFORMATION:

A. Incomplete Fixed Asset Note on 28 February 2021:

	Land and Buildings	Vehicles	Equipment
Book value (1 March 2020)	3 450 000	(i)	1 026 400
Cost	3 450 000	1 080 000	(iv)
Accumulated depreciation	(0)	(940 000)	(1 123 600)
Movements			
Additions	(ii)		250 000
Disposals		0	
Depreciation		(iii)	(217 780)
Book value (28 February 2021)	3 530 000		
Cost	3 530 000		
Accumulated depreciation	(0)		(v)

B. Fixed/Tangible Assets

Land and buildings

- A security office costing, R320 000, was destroyed in fire on 31 July 2020. Instead of repairing the old security office, the funds claimed from insurance and additional funds were used to build a new security office in September 2020 within the business premises.

Vehicles

- A new vehicle was bought for cash, R350 000, on 1 November 2020. Depreciation on vehicles is written off at 15% p.a. on the cost.

Equipment

- Additional equipment was purchased on 30 November 2020.
- At the end of the financial year an old equipment with accumulated depreciation of R263 380 was sold at book value.
- Equipment is depreciated at 20% p.a. using the diminishing-balance method.

QUESTION 2

STATEMENT OF FINANCIAL POSITION AND CORPORATE GOVERNANCE

(65 Marks; 60 Minutes)

2.1 BOOZER LTD

You are provided with information for the financial year ended 28 February 2021.

REQUIRED:

Complete the following for the year ended 28 February 2021:

- 2.1.1 Notes to the Balance Sheet (Statement of Financial Position) for:
- Ordinary share capital (9)
 - Retained income (9)
- 2.1.2 Balance Sheet (Statement of Financial Position) (38)
- 2.1.3 The personal vehicle of Mr P James, the CFO of Boozer Ltd is included in the company's register of assets. The maintenance and fuel expenses are paid by the company.
- As an internal auditor, state the GAAP principle that he must comply with and in **TWO** points explain how his conduct can negatively affect the company. (5)
- 2.1.4 Boozer Ltd will donate 500 tablets to Alexandra schools for virtual lessons. Explain how it benefits the company in **TWO** points. (4)

INFORMATION:

A. Balances/Totals for February:

	2021	2020
Ordinary share capital	8 960 000	6 020 000
Retained income	?	434 000
Fixed assets at book value	9 823 405	
Loan: Protea Bank	?	360 000
Fixed deposit	?	
Trading stock	75 680	
Debtors control	45 100	
Creditors control	285 000	
Petty cash	2 500	
Cash float	8 900	
Accrued expenses	7 850	
Accrued income	4 700	
Provision for bad debts	5 150	
Bank overdraft	92 000	
SARS: Income tax (Dr)	11 340	

B. Additional information to be used to complete the notes and statement of financial position (Balance sheet):

(a) Share capital and dividends:

Authorised share capital: 2 000 000 ordinary shares

1 March 2020	1 000 000 of the shares were in issue.
1 May 2020	New shares issued at a price of R5 per share.
31 January 2021	100 000 shares were repurchased at 25% above the average share price. These shares qualify for final dividends. The relevant entries have not been made in this respect.
31 April 2020	Interim dividends paid: 35 cents per share.
28 February 2021	NOTE: Only 80% of shares were in issue. A final dividend of 10 cents per share was declared.

(b) Consumable stores:

Consumable stores amounted to R9 500 and only 75% were used.

(c) Fixed deposit:

The interest on the fixed deposit was R112 500 for the financial year ended 28 February 2021. The fixed deposit was invested on 1 June 2020 at Ivory Bank at 12,5% interest p.a. Interest is not capitalised.

(d) Debtors:

A debtor with a credit balance of R5 450 is to be transferred to the creditors' ledger.

(e) Loan: Protea Bank

- Interest on loan is capitalised. Interest for the year ended 28 February 2021 was R36 000.
- Fixed monthly repayments excluding interest is R2 500.
- R30 000 is expected to be settled during the next financial year.

(f) Income tax for 2021:

- The correct net profit after tax is R850 000.



ACCOUNTING GRADE 12

CONTROL TEST

ANSWER BOOK

09 APRIL 2021

NAME OF LEARNER :

NAME OF SCHOOL :

QUESTION	TOPIC	MARKS	MARKS OBTAINED	MODERATED MARK
1	Concepts and Statement of Comprehensive Income	35		
2	Statement of Financial Position and Corporate Governance	65		
TOTAL		100		

This answer book consists of 6 pages

QUESTION 1: CONCEPTS, STATEMENT OF COMPREHENSIVE INCOME AND NOTES

1.1 CONCEPTS

1.1.1		
1.1.2		
1.1.3		
1.1.4		
1.1.5		

5

1.2 CORRECT NET PROFIT AFTER TAX

1.2.1 Calculate the correct net profit after tax for the year ended 30 June 2020. Indicate (+) for increase and (–) for decrease.

Workings	Answer
Incorrect net profit before tax	989 900
Correct net profit after tax	

15

1.3 STAR LTD

1.3.1

(i) Calculate: Book value on Vehicles on 1 March 2020	
Workings	Answer
(ii) Calculate: Additions on land and buildings	
Workings	Answer
(iii) Calculate: Depreciation on Vehicles for the year 28 February 2021	
Workings	Answer
(iv) Calculate: The cost price of Equipment on 1 March 2020	
Workings	Answer
(v) Calculate: Accumulated depreciation on Equipment 28 February 2021	
Workings	Answer

4

2

5

2

2

TOTAL MARKS
35

QUESTION 2

STATEMENT OF FINANCIAL POSITION, NOTES AND CORPORATE GOVERNANCE

2.1.1 ORDINARY SHARE CAPITAL

AUTHORISED SHARE CAPITAL

2 000 000 ordinary shares

ISSUED SHARE CAPITAL

	Ordinary shares on 28 February 2021	8 960 000

9

RETAINED INCOME

Balance on 1 March 2020	434 000
Ordinary share dividends	
Balance on 28 February 2021	

9

2.1.2 BALANCE SHEET OF BOOZER LTD ON 28 FEBRUARY 2021

ASSETS	
NON-CURRENT ASSETS	
CURRENT ASSETS	
Inventory	
Trade and other receivables	
Cash and cash equivalents	
TOTAL ASSETS	
EQUITY AND LIABILITIES	
SHAREHOLDERS' EQUITY	
Ordinary share capital	
Retained income	
NON-CURRENT LIABILITIES	
CURRENT LIABILITIES	
TOTAL EQUITY AND LIABILITIES	

2.1.3 As an internal auditor, state the GAAP principle that he must comply with and in **TWO** points explain how his conduct can negatively affect the company.

GAAP PRINCIPLE

Negative effect on the company

5

2.1.4 Boozer Ltd will donate 500 tablets to Alexandra schools for virtual lessons. Explain how it benefits the company in **TWO** points.

4

TOTAL MARKS

65



GAUTENG PROVINCE

EDUCATION

REPUBLIC OF SOUTH AFRICA

2021

ACCOUNTING GRADE 12

CONTROL TEST ONE

MARKING GUIDELINES

09 APRIL 2021

These marking guidelines consists of 6 pages.

QUESTION 1: CONCEPTS, STATEMENT OF COMPREHENSIVE INCOME AND NOTES

1.1 CONCEPTS

1.1.1	D	✓	
1.1.2	E	✓	
1.1.3	B	✓	
1.1.4	A	✓	
1.1.5	C	✓	

5

1.2 CORRECT NET PROFIT AFTER TAX

1.2.1 Calculate the correct net profit after tax for the year ended 30 June 2020. Indicate (+) for increase and (–) for decrease.

Workings	Answer
Incorrect net profit before tax	989 900
Rent Income	✓✓ +4 950
Rates and taxes	✓ -12 300
Loss on stock / fire (6 500 - 4 700)	✓✓ - 1 800
Packing Material (50 100 - 46 000)	✓✓ +4 100
Bad debts	✓ -1 500
Provision for bad debts adjustment (2 550 – 2 100)	✓✓ +450
Insurance (8 640 x 4/12)	✓✓ +2 880
Income tax (150 000 + 10 500)	✓✓ -160 500
Correct net profit after tax	✓ 826 180

15

Brackets () may be used for subtraction and if there's no sign assume it's a plus sign.

1.3 STAR LTD

*one part correct

1.3.1

(i) Calculate: Book value on Vehicles on 1 March 2020	
Workings	Answer
1 080 000 – 940 000	140 000✓✓
(ii) Calculate: Additions on land and buildings	
Workings	Answer
3 530 000 ✓ + 320 000 ✓ – 3 450 000 ✓	400 000☑*
Accept ledger account	
(iii) Calculate: Depreciation on Vehicles for the year 28 February 2021	
Workings	Answer
350 000 x 15/100 x 4/12 = 17 500 ✓✓ 1 080 000 x 15/100 = 139 999 ✓☑*	157 499 ☑*
(iv) Calculate: The cost price of Equipment on 1 March 2020	
Workings	Answer
1 026 400 + 1 123 600	2 150 000✓✓
(v) Calculate: Accumulated depreciation on Equipment 28 February 2021	
Workings	Answer
1 123 600 + 217 780 – 263 380	1 078 000 ✓☑*
Accept ledger account	

TOTAL MARKS
35

QUESTION 2

STATEMENT OF FINANCIAL POSITION, NOTES AND CORPORATE GOVERNANCE

2.1.1 ORDINARY SHARE CAPITAL

AUTHORISED SHARE CAPITAL

2 000 000 ordinary shares

ISSUED SHARE CAPITAL

*one part correct

✓ 1 000 000	Ordinary shares at the beginning	✓ 6 020 000
☑ 700 000	Ordinary shares at R5	*☑ 3 500 000
✓ (100 000)	Repurchase of shares at R5,60 ✓	*☑ (560 000)
✓✓ 1 600 000	Ordinary shares on 28 February 2021	8 960 000

9

RETAINED INCOME

Balance on 1 March 2020	434 000
Net profit after tax	✓ 850 000
Repurchase of shares (1 000 000 x 1,40) OR (560 000 x 25/100)	#☑✓ (140 000)
Ordinary share dividends	#☑ (520 000)
Paid (1 000 000 x 35/100)	✓✓ 350 000
Recommended (1 700 000 x 10/100)	*☑✓ 170 000
Balance on 28 February 2021 # figures must be subtracted	*☑ 624 000

9

2.1.2 BALANCE SHEET OF BOOZER LTD ON 28 FEBRUARY 2021

*one part correct

ASSETS		
NON-CURRENT ASSETS		<input checked="" type="checkbox"/> 11 023 405
Fixed assets		✓ 9 823 405
Fixed deposit (112 500 ✓ x 100/12,5 ✓ x 12/9 ✓)	6	* <input checked="" type="checkbox"/> 1 200 000
CURRENT ASSETS		* <input checked="" type="checkbox"/> 150 895
Inventory (75 680 ✓ + 2 375 ✓✓)		* <input checked="" type="checkbox"/> 78 055
Trade and other receivables (45 100 ✓ – 5 150 ✓ + 4 700 ✓ + 11 340 ✓ + 5 450 ✓)		* <input checked="" type="checkbox"/> 61 440
Cash and cash equivalents (2 500 + 8 900)		✓✓ 11 400
TOTAL ASSETS	14	* <input checked="" type="checkbox"/> 11 174 300
EQUITY AND LIABILITIES		
SHAREHOLDERS' EQUITY		9 584 000
Ordinary share capital		✓ 8 960 000
Retained income	See 2.1.1 2	<input checked="" type="checkbox"/> 624 000
NON-CURRENT LIABILITIES		300 000
Loan (360 000 ✓ - 30 000 ✓✓ – 30 000 ✓) 2 500 x 12	5	* <input checked="" type="checkbox"/> 300 000
CURRENT LIABILITIES		* <input checked="" type="checkbox"/> 1 290 300
Trade and other payables (285 000 ✓ + 7 850 ✓ + 5 450 ✓)		* <input checked="" type="checkbox"/> 298 300
Shareholders for dividends	see 2.1.1	<input checked="" type="checkbox"/> 170 000
Current portion of loan	see NCL	<input checked="" type="checkbox"/> 30 000
Bank overdraft (92 000 ✓ + 700 000 <input checked="" type="checkbox"/> (560 000 + 140 000) See 2.1.1		* <input checked="" type="checkbox"/> 792 000
TOTAL EQUITY AND LIABILITIES	11	* <input checked="" type="checkbox"/> 11 174 300

38

Items under current liabilities can be disclosed separately or be included under trade and other payables-allocate marks accordingly.

2.1.3 As an internal auditor, state the GAAP principle that he must comply with and in TWO points explain how his conduct can negatively affect the company.

GAAP PRINCIPLE

Business entity ✓

Negative effect on the company

TWO valid responses ✓✓ ✓✓ one mark for partially correct answer

- Profit of the company will be understated.
- Investors will loose confidence in the company / they will withdraw their investment /share price might drop
- This will result to a qualified audit report.
- Credibility of the CFO would be questioned, and will affect the market value of shares.
- SARS will impose a fine.

5

2.1.4 Boozer Ltd will donate 500 tablets to Alexandra schools for virtual lessons. Explain how it benefits the company in TWO points.

TWO valid responses ✓✓ ✓✓ one mark for partially correct answer

- This will increase goodwill of the company.
- This will also have good tax implication / reduce the amount of taxation
- Social Corporate Responsibility (CSR) /Adherence to laws that govern corporates

4

TOTAL MARKS

65