

EDENVALE HIGH SCHOOL



ACCOUNTING
QUESTION PAPER
GRADE 12
February 2025

Stanmorephysics.com

EXAMINER: Mr K Narshai

MODERATOR: Mrs A van Wyk

MARKS: 100

TIME: 90 minutes

This question paper consists of 6 pages

INSTRUCTIONS AND INFORMATION:

1. Answer all questions in the answer book.
2. Show all calculations in order for part marks to be allocated.
3. Non-programmable calculators may be used.
4. Read the instructions carefully and follow them precisely.
5. The use of correcting fluid is NOT permitted.
6. Use the table below as a guide when answering the question paper and try not to deviate from it.

NAME: _____ Class: _____

Question	Topic	Marks	Time
1	Concepts and Income Statement	44	40 min
2	Ledger and Notes to Financial Statements	56	50 min
TOTAL		100	90 min

QUESTION 1: CONCEPTS and INCOME STATEMENT (44 marks; 40 minutes)

1.1 MATCHING ITEMS – GAAP CONCEPTS

REQUIRED:

Choose an example from COLUMN B that matches the concept relating to companies in COLUMN A. Write only the letter (A–E) next to the question number (1.1.1–1.1.4) in the ANSWER BOOK.

COLUMN A	COLUMN B
1.1.1 Directors	A Reports to the shareholders and provides an opinion on the reliability of the Financial Statements.
1.1.2 External Auditors	B The amounts earned by shareholders when profits are distributed by a company.
1.1.3 Dividends	C The directors' fees must be reflected separately from salaries and wages.
1.1.4 Shareholders	D The owners of a company who provide capital.
	E The people appointed by the shareholders to run the company.

(4 x 1) (4)

1.2 You are provided with the Pre-adjustment Trial Balance of Appliance Warehouse Limited for the year ended 30 June 2024. The company specialises and sells a wide range of appliances.

REQUIRED:

1.2.1 Complete the Income Statement for the year ended 30 June 2024. The notes to the financial statements are NOT required. Show workings in brackets. (40)

P.T.O.

INFORMATION:

1. **Appliance Warehouse LTD**
PRE-ADJUSTMENT TRIAL BALANCE AS AT 30 JUNE 2024

Balance Sheet Accounts Section	DEBIT R	CREDIT R
Ordinary share capital (1 800 000 ordinary shares)		8 460 000
Retained income		2 053 380
Mortgage loan: JP Sumner Bank		2 413 500
Land and buildings	6 291 000	
Vehicles	2 442 000	
Accumulated depreciation on vehicles (1 July 2023)		884 400
Equipment	1 848 000	
Accumulated depreciation on equipment (1 July 2023)		1 023 000
Trading stock	2 865 000	
Bank	994 200	
Debtors' control	1 188 000	
Creditors' control		1 461 900
SARS (Income tax)	785 400	
Provision for bad debts		54 000
Fixed deposit: JP Sumner Bank (8% p.a.)	1 485 000	
Nominal Accounts Section		
Sales		31 500 000
Debtors' allowances	435 600	
Cost of sales	22 461 000	
Rent income		530 640
Interest on fixed deposit		79 890
Bad debts recovered		9 200
Directors' fees	2 520 000	
Audit fees	295 200	
Salaries and wages	1 980 000	
Packing material	69 300	
Marketing expenses	1 440 000	
Sundry expenses	191 310	
Bad debts	36 000	
Ordinary share dividends	1 214 400	
	48 467 610	48 467 610

P.T.O.

2. **ADJUSTMENTS:**

- A. A physical stock-taking on 30 June 2024 revealed the following inventories on hand:
- Trading stock R2 706 450
 - Packing material R12 780
- B. Provision for bad debts must be adjusted to 5% of debtors.
- C. The rent increased by R3 960 on 1 April 2024. The tenant has paid rent until the end of July 2024.
- D. Audit fees of R79 770 are outstanding at the end of the financial period, while 10% of Directors Fees are outstanding.
- E. Make provision for outstanding interest on a fixed deposit. This investment has been in existence for the entire year. Interest is not capitalised.
- F. Make provision for depreciation as follows:
- Vehicles at 15% p.a. on cost price method.
 - Equipment at 10% p.a. on the diminishing balance method.

NOTE: New equipment to the value of R144 000 was purchased on 1 September 2023. This has been correctly recorded.

- G. The business has paid for an advert that will take place in July 2024. The cost of the advert was R24 450.
- H. The loan statement received from JP Sumner Bank on 30 June 2024 reflected the following:

	R
Balance at the beginning of the financial year	3 375 000
Repayments during the year	1 374 000
Interest capitalised	?
Balance at the end of the financial year	2 413 500

QUESTION 2

LEDGER AND NOTES: FINANCIAL STATEMENTS

(56 marks; 50 minutes)

Required:

Use the following information to prepare the following General Ledger Accounts and Notes to the Balance Sheet of Corporate Gifts Ltd on 30 April 2024:

- 2.1. SARS (Income Tax) (General Ledger) (9)
- 2.2. Shareholder for dividends (General Ledger) (7)
- 2.3. Appropriation (General Ledger) (15)
- 2.4. Ordinary Share Capital (Note to the Balance Sheet) (14)
- 2.5. Retained Income (Note to the Balance Sheet) (11)

Information:

Corporate Gifts Ltd have an Authorised Share Capital of 1 500 000 ordinary shares.

1 May 2023	The following balances appeared in the books:	R's
	Ordinary Share Capital (750 000 shares)	3 375 000
	Retained income	11 835 000
	SARS (Income Tax)	157 500 (CR)
	Shareholder for Dividends	731 250
	Creditors Control	810 000
	Bank	10 997 000
	Directors fees	2 470 000

15 May 2023 The shareholders and SARS were paid the amounts due to them.

31 Oct 2023 The company paid interim dividends of 112,5 cents per share and provisional tax of R945 000.

1 Nov 2023 The company decided to issue a further 300 000 ordinary shares at R23,75 each. The proceeds of the issue were banked.

30 Apr 2024 The company has three directors who earn the same fee. One director was paid two months in advance.

30 Apr 2024 Contractors repairing our buildings are owed an additional amount for unpaid services, R360 000.

P.T.O

- 30 Apr 2024** At the end of the accounting period, the company made a second provisional tax payment of R1 125 000 and the directors declared a final dividend of 420 cents per share. This was applicable to all shareholders.
- 30 Apr 2024** The directors bought back shares from a shareholders deceased estate. It was decided to repurchase 270 000 shares at R32,00 per share. A direct transfer was completed. The net income according to the profit and loss account was R6 570 000 (**before the adjustments were taken into consideration**). Income tax is calculated at 30% of the net income.

TOTAL 100 MARKS



EDENVALE HIGH SCHOOL



**ACCOUNTING
ANSWER BOOK
GRADE 12
February 2025**

Stanmorephysics.com

EXAMINER: Mr K Narshai

MARKS: 100

MODERATOR: Mrs A van Wyk

TIME: 90 minutes

This answer book consists of 4 pages

NAME: _____

SURNAME: _____

TEACHER: _____



Question	Topic	Mark	Moderated	Total	Time
1	Concepts and Income Statement			44	40 min
2	Ledger and Notes: Financial Statements			56	50 min
TOTAL				100	90 min

QUESTION 1: CONCEPTS and INCOME STATEMENT

(44 marks; 40 minutes)

1.1 MATCHING ITEMS – GAAP CONCEPTS

- 1.1 Choose an example from COLUMN B that matches the concept relating to companies in COLUMN A.

1.1.1	
1.1.2	
1.1.3	
1.1.4	

4

1.2.1 APPLIANCE WAREHOUSE LTD
INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2024

Sales	
Cost of sales	
Gross Profit	
Other operating income	
Rent income	
Bad debts recovered	9 200
Gross operating income	
Operating expenses	
Directors fees	
Audit fees	
Salaries and wages	1 980 000
Packing material	
Marketing expenses	
Sundry expenses	191 310
Bad debts	36 000
Operating profit	
Profit before interest expenses/Finance cost	
Profit before tax	
Net profit after tax	40

QUESTION 2 LEDGER AND NOTES: FINANCIAL STATEMENT

(56 marks; 50 minutes)

2.1.

Dr	SARS (Income Tax)						B12	Cr	
									9

2.2

Dr	Shareholder for dividends						B13	Cr	
									7

2.3.

Dr	Appropriation						F3	Cr	
									15

Show ALL calculations:

Incorrect net profit		
Directors fees		
Repairs		
Net profit before tax		
Income tax		
Net profit after tax		

2.4. Notes to the Balance Sheet of Corporate Gifts Ltd on 30 April 2024

Note 7: Ordinary Share Capital

Authorised			
1 500 000 Ordinary Shares			
Issued			
			14

Calculations:

2.5. Note 8: Retained income

		11

Calculations:

TOTAL 100 MARKS



EDENVALE HIGH SCHOOL



ACCOUNTING
MEMO
GRADE 12
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MARKS: 100

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This memo consists of 4 pages



Question	Topic	Total
1	Concepts and Income Statement	44
2	Financial Statements	56
TOTAL		100

QUESTION 1: CONCEPTS and INCOME STATEMENT (44 marks; 40 minutes)

1.1 MATCHING ITEMS – GAAP CONCEPTS

1.1 Choose an example from COLUMN B that matches the concept relating to companies in COLUMN A.

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

4

**1.2.1 APPLIANCE WAREHOUSE LTD
INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2024**

Sales (31 500 000 – 435 600)	31 064 400 ✓✓
Cost of sales	(22 461 000) ✓
Gross Profit	8 603 400 ✓
Other operating income	496 280 ✓
Rent income (530 640 ✓ - 43 560 ✓✓)	487 080 ✓
Bad debts recovered	9 200
Gross operating income	9 099 680 ✓
Operating expenses	(7 464 700) ✓
Directors fees (2 520 000 ✓ x 100 / 90 ✓✓)	2 800 000 ✓
Audit fees (295 200 + 79 770) ✓	374 970 ✓✓
Salaries and wages	1 980 000
Packing material (69 300 - 12 780)	56 520 ✓✓
Marketing expenses (1 440 000 – 24 450)	1 415 550 ✓✓
Sundry expenses	191 310
Bad debts	36 000
Trading stock deficit (2 865 000 – 2 706 450)	158 550 ✓✓
Provision for bad debts adjustment ((1 188 000 ✓ x 5% ✓) – 54 000 ✓)	5 400 ✓
Depreciation (366 300 ✓ + 68 100 ✓ + 12 000 ✓✓)	446 400 ✓
Operating profit	1 634 980 ✓
Interest income (79 890 ✓ + 38 910 ✓)	118 800 ✓
Profit before interest expenses/Finance cost	1 753 780 ✓
Interest expense (2 413 500 + 1 374 000 – 3 375 000)	(412 500) ✓✓
Profit before tax	1 341 280 ✓
Income tax (1 341 280 x 30%)	(402 384)
Net profit after tax	938 896
	40

Foreign items -1 each (max. -2)

QUESTION 2

LEDGER AND NOTES: FINANCIAL STATEMENTS

(56 marks; 50 minutes)

2.1.

Dr					SARS (Income Tax)		B12		Cr	
2023 May	15	Bank	CPJ	157 500 ✓	2023 May	1	Balance	b/d	157 500 ✓	
Oct	31	Bank	CPJ	945 000 ✓	2024 Apr	30	Income tax ✓	GJ	1 902 000 ✓ See 2.3	
2024 Apr	30	Bank	CPJ	1 125 000 ✓			Balance	c/d	168 000 ✓	
				2 227 500					2 227 500	
May	1	Balance	b/d	168 000 ✓						8

Detail and amount, where applicable

2.2

Dr					Shareholder for dividends		B13		Cr	
2019 May	15	Bank	CPJ	731 250 ✓	2019 May	1	Balance	b/d	731 250 ✓	
Oct	31	Bank	CPJ	843 750 ✓	Oct	31	Ordinary share dividends	GJ	843 750 ✓ See 2.3	
2020 Apr	30	Balance	c/d	4 410 000 ✓			Ordinary share dividends	GJ	4 410 000 ✓ See 2.3	
				5 985 000					5 985 000	
					May	1	Balance	b/d	4 410 000 ✓	7

Detail and amount, where applicable

2.3.

Dr					Appropriation		F3		Cr	
2020 April	30	Income tax	GJ	1 902 000 ✓✓	2020 April	30	Profit and loss	GJ	6 340 000 ✓	
		Ordinary share dividends	GJ	5 253 750 ✓			Retained income	GJ	815 750 ✓✓	
				7 155 750					7 155 750	
										16

Detail and amount, where applicable

Calculations:

Incorrect net profit	6 570 000 ✓	Int. div.: $750\,000 \times 1,125 = 843\,750$ ✓✓
Directors fees (2 470 000 ✓ – 2340 000 ✓✓)	130 000 ✓	Fin. div.: $(750\,000 + 300\,000) \times 4,20 = 4\,410\,000$ ✓✓
Repairs	(360 000) ✓	O/S div.: $843\,750 + 4\,410\,000 = 5\,253\,750$
Net profit before tax	6 340 000	Ret. inc.: $6\,340\,000 - 1\,902\,000 - 5\,253\,750 = (815\,750)$ i.e. Debit.
Income tax ($6\,340\,000 \times 30\%$)	(1 902 000)	
Net profit after tax	4 438 000	

2.4. Notes to the Balance Sheet of Corporate Gifts Ltd on 30 April 2024

Note 7: Ordinary Share Capital

Authorised		
1 500 000 Ordinary Shares		
Issued		
750 000 ✓ ordinary shares @ R4,50 ✓ in issue at year start	3 375 000 ✓	
300 000 ✓ ordinary shares @ R23,75 ✓ issued during the year	7 125 000 ✓	
(270 000) ✓ ordinary shares @ R10 ✓ repurchased during the year	(2 700 000) ✓	
780 000 ✓ ordinary shares @ R10 ✓ in issue at year end	7 800 000 ✓	14

Foreign items -1 each (max. -2) Presentation -1

Calculations:

$$3\,375\,000 / 750\,000 = R4,50$$

$$300\,000 \times 23,00 = 7\,125\,000$$

$$(3\,375\,000 + 7\,125\,000) \checkmark / (750\,000 + 300\,000) \checkmark = R10$$

$$270\,000 \times R10 = 2\,700\,000$$

$$780\,000 \times 10 = 7\,800\,000 \text{ OR } 3\,375\,000 + 7\,125\,000 - 2\,700\,000 = 7\,800\,000$$

2.5. Note 8: Retained income

Retained income at year start	11 835 000 ✓	
Net profit after tax (6 340 000 ✓ - 1 902 000 ✓) See 2.3	4 438 000 ✓	
Retained income on 270 000 ordinary shares repurchased	(5 940 000) ✓✓✓	
Dividends	(5 253 750) ✓	
Interim (750 000 x 1,125)	843 750 ✓ See 2.3	
Final ((750 000 + 300 000) x 4,20)	4 410 000 ✓ See 2.3	
Retained income at year end	5 079 250 ✓	11

Foreign items -1 each (max. -2) Presentation -1

Calculations:

$$270\,000 \times (32 - 10) = 5\,940\,000$$