



education

Department of
Education
FREE STATE PROVINCE

GRADE 12

Stanmorephysics.com

SBA TASK 2: FIRST TERM TEST

ACCOUNTING

Stanmorephysics.com

16 MARCH 2026

MARKS: 100

TIME: 1½ HOURS

EXAMINER: TELLO MOTLOUNG

MODERATOR: VALASHIYA J.

This question paper has 7 pages, formula sheet included, and 6-page answer book.

INSTRUCTIONS AND INFORMATION

Read the following instructions carefully and follow them precisely.

1. Answer ALL questions.
2. A special ANSWER BOOK is provided in which to answer ALL questions.
3. A Financial Indicator Formula Sheet is attached at the end of this question paper.
4. Show ALL workings to earn part-marks.
5. You may use a non-programmable calculator.
6. You may use a dark pencil or blue/black ink to answer the questions.
7. Where applicable, show ALL calculations to ONE decimal point.
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	Financial Statements and notes	55	45
2	Cash Flow Statement	30	30
3	Analysis and Interpretation of Financial Information	15	15
TOTAL		100	90

QUESTION 1: COMPANY FINANCIAL STATEMENTS

(55 marks; 45 minutes)

The information was extracted from books of KAMZA LTD. The financial year ended 30 June 2025.

REQUIRED:

- 1.1 **Refer to Information B:** Calculate the correct net profit after tax for the financial year ended 30 June 2025. Indicate a + for increase and a – for decrease. (14)
- 1.2 Prepare the Retained Income Note on 30 June 2025. (11)
- 1.3 Prepare the Statement of Financial Position (Balance Sheet) on 30 June 2025. Where notes are NOT required, workings must be shown to earn part marks. (28)
- 1.4 Explain why the shareholders of the shares re-purchased on 31 May 2025 do not qualify for final dividends. State ONE point. (2)

INFORMATION:

A. List of balances/totals on 30 June 2025:

BALANCE SHEET ACCOUNTS SECTION	
Ordinary share capital	R6 686 400
Retained income (1 July 2024)	2 700 000
Mortgage loan: De Val Bank	314 640
Fixed assets	10 340 000
Trading stock	230 280
Debtors' control	379 200
Directors' Fees	1 998 750
Provision for bad debts (1 July 2024)	13 680
Cash and cash equivalents	Balancing figure
SARS: Income tax (provisional tax payments)	870 000
Income receivable (accrued)	5 200
Creditors' control	313 200

B. Net profit before tax of R2 992 320 was determined BEFORE taking into account the following information:

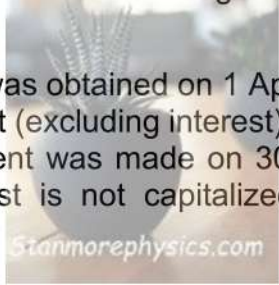
- (i) Trading stock on 30 June 2025 was valued at R243 840.
- (ii) Provision for bad debts must be adjusted to R10 800.
- (iii) Rent for July 2025, R3 360, has been received.
- (iv) An annual insurance premium of R7 200 was paid for the period 1 April 2025 to 31 March 2026.
- (v) The company had two directors on 1 July 2024, the beginning of the financial year. They both earned the same monthly directors' fees and were paid in full. A third director, Jeremy, was employed on 1 November 2024, earning a monthly fee of 25% less than the other directors. Jeremy was paid up to 31 July 2025.
- (vi) The auditor discovered that loss on the disposal of equipment, R8 160, was incorrectly shown as a profit.
- (vii) Income tax amounts to R900 000 for the year.

C. Dividends and shares:

- (i) Interim dividends of R720 000 were paid on 31 December 2024.
- (ii) The directors declared a final dividend of 22 cents per share on 30 June 2025 on all shares issued to date. Shares repurchased on 31 May 2025 do not qualify for final dividends.
- (iii) Share capital:

1 July 2024	3 600 000 shares were in issue.
15 August 2024	1 200 000 new shares were issued at R1,70 each.
31 May 2025	24 000 shares were repurchased at R2,50 each from an existing shareholder. This has not been recorded.

- D.** A debtor's debit balance of R1 000 in the Debtors' Ledger must still be transferred to his account in the Creditors' Ledger.
- E.** The mortgage loan from De Val Bank was obtained on 1 April 2024. This will be repaid for over 6 years. A fixed loan repayment (excluding interest) is made at the end of each month. The first monthly loan repayment was made on 30 April 2024. All other loan repayments have been made. Interest is not capitalized and has been correctly recorded.



QUESTION 2: CASH FLOW STATEMENT**(30 marks; 30 minutes)**

PEYPER LIMITED provided you with extracts from their records. Their financial year ended 28 February 2026.

REQUIRED:

- 2.1 Prepare the Cash Flow Statement for the year ended 28 February 2026. (Show calculations/workings in brackets to earn part marks.) (30)

INFORMATION:**A. Extract from the Income Statement**

Depreciation	R167 849
Interest paid	R187 200
Income Tax	R237 888

B. Extract from the Balance Sheet on 28 February 2026

	2026	2025
ASSETS		
Fixed/Tangible Assets	1 530 394	1 293 312
Financial Assets	559 200	345 600
Cash and cash equivalent	115 996	16 285
EQUITY AND LIABILITIES		
Ordinary Share Capital	?	1 440 000
Loan	1 128 000	1 620 000
Bank overdraft	0	192 156
Shareholders for Dividends	374 400	32 160
SARS Income Tax	(Cr.) 38 940	(Dr.) 17 760

C. Share Capital and Dividends

- On 1 March 2025 the business had 240 000 shares in issue.
- The business paid interim dividends of 72 cents per share on 30 June 2025.
- On 1 September 2025 the business issued 60 000 new shares at R7,60 per share.
- On 28 February 2026, business repurchased 21 600 shares at R7,76 per share.
- A final dividend was declared on 28 February 2026.

D. Fixed Assets

- Equipment was sold at carrying value for R399 979.
- A new vehicle was bought during the year.

QUESTION 3: INTERPRETATION OF FINANCIAL INFORMATION (15 marks; 15 minutes)

This information relates to LETHABO Ltd for the year ended 31 January 2026.

REQUIRED:

3.1 Liquidity

Comment on the working capital of the company over the past two years. Quote TWO financial indicators, with figures and trends, to support your answer. (6)

3.2 Decisions by directors and risk

3.2.1 The Cash Flow Statement revealed decisions taken by the directors.

Identify TWO major decisions taken by the directors in 2026 that were different from the previous year. Give ONE effect of these decisions. (6)

3.2.2 Explain the impact of these decisions on the degree of financial risk over the two years. Quote ONE financial indicator, with figures and trends. (3)

INFORMATION:

A. Financial indicators and additional information on 31 January:

	2026	2025
Debt-equity ratio	0,5 : 1	0,1 : 1
Current ratio	0,8 : 1	1,5 : 1
Acid-test ratio	0,4 : 1	0,8 : 1
Average debtors' collection period	44 days	28 days

C. Extract from the Cash Flow Statement on 31 January:

	2026 (R)	2025 (R)
Cash flow from financing activities	3 737 500	2 242 500
Shares	(287 500)	4 312 500
Loans	4 025 000	(2 070 000)

GRADE 12 ACCOUNTING FINANCIAL INDICATOR FORMULA SHEET	
$\frac{\text{Gross profit}}{\text{Sales}} \times \frac{100}{1}$	$\frac{\text{Gross profit}}{\text{Cost of sales}} \times \frac{100}{1}$
$\frac{\text{Net profit before tax}}{\text{Sales}} \times \frac{100}{1}$	$\frac{\text{Net profit after tax}}{\text{Sales}} \times \frac{100}{1}$
$\frac{\text{Operating expenses}}{\text{Sales}} \times \frac{100}{1}$	$\frac{\text{Operating profit}}{\text{Sales}} \times \frac{100}{1}$
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	
$\frac{\text{Average trading stock}}{\text{Cost of sales}} \times \frac{365}{1}$ (See Note 1 below)	$\frac{\text{Cost of sales}}{\text{Average trading stock}}$
$\frac{\text{Average debtors}}{\text{Credit sales}} \times \frac{365}{1}$	$\frac{\text{Average creditors}}{\text{Cost of sales}} \times \frac{365}{1}$ (See Note 2 below)
$\frac{\text{Net income after tax}}{\text{Average shareholders' equity}} \times \frac{100}{1}$	$\frac{\text{Net income after tax}}{\text{Number of issued shares}} \times \frac{100}{1}$ (See Note 3 below)
$\frac{\text{Net income before tax} + \text{Interest on loans}}{\text{Average shareholders' equity} + \text{Average non-current liabilities}} \times \frac{100}{1}$	
$\frac{\text{Shareholders' equity}}{\text{Number of issued shares}} \times \frac{100}{1}$	$\frac{\text{Dividends for the year}}{\text{Number of issued shares}} \times \frac{100}{1}$
$\frac{\text{Interim dividends}}{\text{Number of issued shares}} \times \frac{100}{1}$	$\frac{\text{Final dividends}}{\text{Number of issued shares}} \times \frac{100}{1}$
$\frac{\text{Dividends per share}}{\text{Earnings per share}} \times \frac{100}{1}$	$\frac{\text{Dividends for the year}}{\text{Net income after tax}} \times \frac{100}{1}$
$\frac{\text{Total fixed costs}}{\text{Selling price per unit} - \text{Variable costs per unit}}$	
<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. 	



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ACCOUNTING

MARCH 2026

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NAMES: _____

SCHOOL: _____ CLASS: _____

QUESTION	MARKS	INITIAL	MOD.
1			
2			
3			
TOTAL			

This answer book consists of 6 pages.

MARKS: 100

QUESTION 1: COMPANY FINANCIAL STATEMENTS

1.1 Calculate the correct net profit after tax for the year ended 30 June 2025. Indicate a + for increase and a – for decrease.

Calculation of the correct after tax	
Incorrect net profit	2 992 320
Correct net profit before tax	
Income tax	
Net profit after tax	

14

1.2 Prepare the Retained Income Note on 30 June 2025.

Balance at beginning of year	2 700 000
Dividends	
Balance at end of year	

11

1.3 Prepare the Statement of Financial Position (Balance Sheet) on 30 June 2025.

ASSETS	
NON-CURRENT ASSETS	10 340 000
Fixed assets at carrying value	10 340 000
CURRENT ASSETS	
Trade and other receivables 379 200	
TOTAL ASSETS	
EQUITY AND LIABILITIES	
ORDINARY SHAREHOLDERS' EQUITY	
Ordinary share capital	6 686 400
NON-CURRENT LIABILITIES	
CURRENT LIABILITIES	
TOTAL EQUITY AND LIABILITIES	

1.4 Explain why the shareholders of the shares re-purchased on 31 May 2025 do not qualify for final dividends. State ONE point.



2

TOTAL MARKS
55



QUESTION 2: CASH FLOW STATEMENT

2.1 Prepare the Cash Flow Statement for the year ended 28 February 2026.

PEYPER LTD: CASH FLOW STATEMENT FOR YEAR ENDED 28 FEBRUARY 2026.

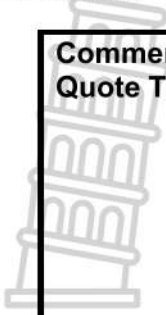
CASH FLOWS FROM OPERATING ACTIVITIES	
Cash generated from operations	1 687 362
CASH FLOWS FROM INVESTING ACTIVITIES	
CASH FLOWS FROM FINANCING ACTIVITIES	
Net change in cash and cash equivalents	

30

TOTAL MARKS
30

QUESTION 3 INTERPRETATION OF FINANCIAL INFORMATION

3.1 Comment on the working capital of the company over the past two years. Quote TWO financial indicators, with figures, to support your answer.



6

3.2.1 The Cash Flow Statement revealed decisions taken by the directors. Identify TWO major decisions taken by the directors in 2026 that were different to those from the previous year. Quote figures.



Give ONE effect of these decisions.

6

3.2.2 Explain the impact of these decisions on the degree of financial risk over the two years. Quote ONE financial indicator, with figures and trends.

Explanation

3

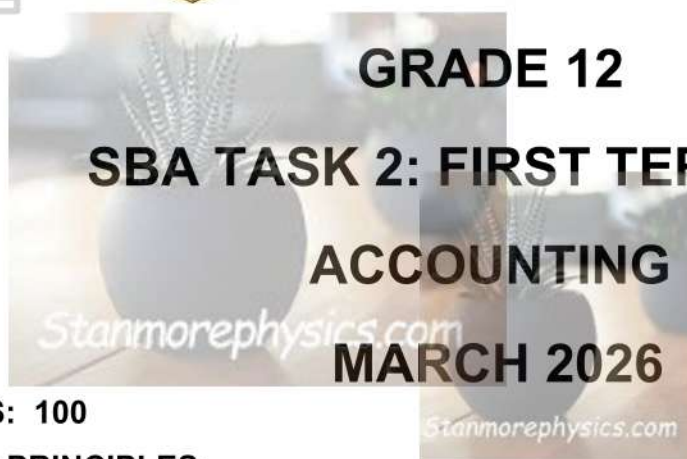
TOTAL MARKS
15

TOTAL MARKS: 100



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MARKS: 100

MARKING PRINCIPLES:

1. Unless otherwise stated in the marking guidelines, 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. Unless otherwise stated, give full marks for correct answer. If answer is incorrect, mark workings.
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. If candidates provide more than the required number of responses, inspect all responses to give benefit to the candidate. Penalties may be applied for foreign entries if candidates earn full marks on a question (max -2 per Q).
8. This memorandum is not for public distribution as certain items might imply incorrect treatment. The adjustments made are due to nuances in certain questions.
9. Where penalties are applied, the marks for that section of the question cannot be a final negative.
10. Where method marks are awarded for operation, marker must inspect reasonableness of answer.
11. Operation means 'check operation'. 'One part correct' means operation and one part correct. Note: check operation must be +, -, x, ÷, or per memo.
12. In calculations, do not award marks for workings if numerator & denominator are swapped – this also applies to ratios.
13. 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 ☒.
14. Be aware of candidates who provide valid alternatives beyond the marking guideline. Note that one comment could contain different aspects.
15. Codes: f = foreign item; p = placement/presentation.

This marking guideline consists of 5 pages.

QUESTION 1: COMPANY FINANCIAL STATEMENTS

1.1 Calculate the correct net profit after tax for the year ended 30 June 2025. Indicate a + for increase and a – for decrease.

Calculation of the correct after tax <small>Accept brackets instead of –. Positive/negative effect must be correct</small>	
Incorrect net profit	2 992 320
Trading stock surplus	+13 560 ✓✓
Provision for bad debts adjustment	+2 880 ✓✓
Rent income	-3 360 ✓
Insurance	+5 400 ✓✓
Directors' Fees	+48 750 ✓✓
Correction of error: Asset disposal	-8 160 one mark -16 320 ✓✓
Correct net profit before tax	<small>Operation, one part correct</small> 3 043 230 ✓
Income tax	<small>Accept if no sign</small> -900 000 ✓
Net profit after tax	<small>stanmorephysics.com Check operation, Correct NP – tax</small> 2 143 230 ✓

14

Foreign entries -1 (max-2)

1.2 Prepare the Retained Income Note on 30 June 2025.

Balance at beginning of year		2 700 000
Net profit after tax	<small>see 1.1 above</small>	2 143 230 ✓
Repurchase of shares <small>(24 000 ✓ x R1,10 ✓✓) OR (60 000 – 33 600)</small>	<small>1 mark 2 marks One part correct</small>	(26 400) ✓ <small>Must be -ve / in brackets</small>
Dividends	<small>One part correct, must be negative / brackets</small>	(1 770 720) ✓
Interim		720 000 ✓
Final <small>(4 776 000 ✓ x 0,22 ✓)</small>	<small>One part correct</small>	1 050 720 ✓
Balance at end of year	<small>stanmorephysics.com Operation, one part correct</small>	3 046 110 ✓

11

1.3 Prepare the Statement of Financial Position (Balance Sheet) on 30 June 2025.

ASSETS		
NON-CURRENT ASSETS		10 340 000
Fixed assets at carrying value		10 340 000
CURRENT ASSETS	TA-NCA	1 103 230 ✓
Inventories		243 840 ✓
Trade and other receivables		426 750 ✓
379 200 – 10 800 ✓ – 1 000 ✓ + 5 200 ✓ + 48 750 ✓ + 5 400 ✓		Operation, one part correct
Cash and cash equivalents	Balancing figure	432 640 ✓
TOTAL ASSETS	Transfer OE + L	11 443 230 ✓
		10
EQUITY AND LIABILITIES		
ORDINARY SHAREHOLDERS' EQUITY	Operation	9 732 510 ✓
Ordinary share capital		6 686 400
Retained income	see 1.2	3 046 110 ✓
		2
NON-CURRENT LIABILITIES		248 400
Mortgage loan: Custom Bank		248 400 ✓
314 640 ✓ – 66 240 ✓ ✓ ✓ Any figure if subtracted		one part correct
314 640 / 57 = 5 520 x 12 Three marks / 314 640 x 12/57 Three marks		
		5
CURRENT LIABILITIES	Operation	1 462 320 ✓
Trade and other payable	Operation, one part correct	315 360 ✓
(313 000 ✓ + 3 360 ✓ – 1 000 ✓)		
Current portion of loan	See NCL	66 240 ✓
SARS: Income tax (900 000 ✓ – 870 000 ✓)	Operation, one part correct	30 000 ✓
Shareholders for dividends	see 1.2	1 050 720 ✓
TOTAL EQUITY AND LIABILITIES	Operation	11 443 230 ✓
Foreign entries -1 (max -2). Poor Presentation / Incorrect or incomplete details -1 (max -2)		
SARS may not be shown as a current asset; final balance must be under CL		11

28

1.4 Explain why the shareholders of the shares re-purchased on 31 May 2025 do not qualify for final dividends. State ONE point.

Explanation ✓ ✓ part-mark for incomplete / partially correct explanations

The repurchase occurred before the dividend record date / Dividends declared after their shares have been repurchased / They are no longer "owners" of the company.

2

TOTAL MARKS
55

QUESTION 2: CASH FLOW STATEMENT

2.1 Prepare the Cash Flow Statement for the year ended 31 March 2026.

PEYPER LTD: CASH FLOW STATEMENT FOR YEAR ENDED 31 MARCH 2026.

	CASH FLOWS FROM OPERATING ACTIVITIES	1 114 014 <input checked="" type="checkbox"/> Operation one part correct	
	Cash generated from operations	1 687 362	
	Interest paid	(187 200) ✓	
	Dividends paid 32 160 ✓ + 172 800 ✓✓ 32 160 + 547 200 – 374 400 1 mark 1 mark 1 mark	(204 960) <input checked="" type="checkbox"/>	
10	Income tax paid 237 888 ✓ - 17 760 ✓ – 38 940 ✓ OR – 237 888 + 17 760 + 38 940	(181 188) <input checked="" type="checkbox"/>	
	CASH FLOWS FROM INVESTING ACTIVITIES	(618 531) <input checked="" type="checkbox"/> Operation one part correct	
	Purchases of fixed assets 1 530 394 ✓ + 167 849 ✓ + 399 979 ✓ – 1 293 312 ✓ OR -1 530 394 – 167 849 – 399 979 + 1 293 312	(804 910) <input checked="" type="checkbox"/>	
	Proceeds from sale of fixed assets	399 979 ✓	
9	Change in investments (345 600 – 559 200)	(213 600) ✓✓	
	CASH FLOWS FROM FINANCING ACTIVITIES	(203 616) <input checked="" type="checkbox"/> Operation one part correct	
	Proceeds from issue of share capital (60 000 x R7,60)	456 000 ✓✓	
	Repurchase of shares (21 600 x R7,76)	(167 616) ✓✓	
7	Change in non-current liabilities (1 128 000 – 1 620 000)	(492 000) ✓✓	
	Net change in cash and cash equivalents	291 867 <input checked="" type="checkbox"/>	
	Cash and cash equivalents – opening balance (16 285 one mark – 192 156 one mark)	(175 871) ✓✓	
4	Cash and cash equivalents – closing balance	115 996 ✓	30

The inflow / outflow of money must be considered for allocating part mark

TOTAL MARKS
30

QUESTION 3 INTERPRETATION OF FINANCIAL INFORMATION

3.1

Comment on the working capital of the company over the past two years. Quote TWO financial indicators, with figures, to support your answer.

Financial indicator ✓ ✓ figure and trend ✓ ✓ any ONE explanation ✓✓

Any two indicators:

- Current ratio decreased (from 1,5:1) to 0,8:1 / by 0,7:1
- Acid test ratio decreased (from 0,8:1) to 0,4:1 / by 0,4:1
- Av. debtors' collection period increased (from 28 days) to 44 days / by 16 days.

Possible explanations for TWO marks:

The business will have trouble meeting short term debts / does not have enough liquid assets (cash) to cover current liabilities / debtors take too long to settle accounts / too much stock on hand.

6

3.2.1

The Cash Flow Statement revealed decisions taken by the directors. Identify TWO major decisions taken by the directors in 2026 that were different to those from the previous year. Quote figures.

TWO decisions ✓ ✓ Figures ✓ ✓

- The company repurchased shares for R287 500.
- They took additional loan of R4 025 000. Do not accept R1 955 000 as a valid figure.

Give ONE effect of these decisions.

ONE valid reason ✓✓ part marks for incomplete/unclear responses

- Cash flow from financing activities increased by 1 495 000 (or is now 3 737 500) / The company is now more reliant on loans / pay more on interest / increased financial risk.

6

3.2.2

Explain the impact of these decisions on the degree of financial risk over the two years. Quote ONE financial indicator, with figures and trends.

Financial indicator ✓ with figure(s) and trend ✓

Debt/equity ratio increased (from 0,1: 1) to 0,5: 1 / by 0,4: 1)

Explanation ✓

High financial risk / more reliance on loans / Increased Risk / Moving towards high risk.

3

TOTAL MARKS
15

TOTAL MARKS: 100