

**CENTRE NUMBER**

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**EXAMINATION NUMBER**

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**NATIONAL SENIOR CERTIFICATE**

**ACCOUNTING**

**GRADE 12**

**NOVEMBER 2014**

***SPECIAL ANSWER BOOK***

<b>QUESTION</b>	<b>MARKS</b>	<b>INITIAL</b>	<b>MOD.</b>
<b>1</b>			
<b>2</b>			
<b>3</b>			
<b>4</b>			
<b>5</b>			
<b>6</b>			
<b>TOTAL</b>			

**This answer book consists of 19 pages.**

**QUESTION 1**

1.1

1.1.1	
1.1.2	
1.1.3	
1.1.4	

4

1.2 Calculate the final amount payable to SARS on 31 July 2014.

9

1.3 1.3.1 Calculate the total amount paid for carriage on the purchases on 11 June 2014.

4

1.3.2 Calculate the value of the closing stock on 30 June 2014 using the weighted-average method.

8

**1.3.3 Explain the effect that this will have on the gross profit.**

**ONE valid reason for changing the stock valuation method:**

**ONE valid reason against changing the stock valuation method:**

6

**1.3.4 Harry is concerned about the control of his stock of blazers. He has sold 2 900 blazers during the year. Give a calculation to support his concern.**

4

<b>TOTAL MARKS</b>
35

**QUESTION 2**

- 2.1 The bookkeeper, Litzie, says it is not necessary for her to prepare a **Creditors' Reconciliation Statement** because the creditors send monthly statements to the business anyway. What would you say to her? State **TWO** points.

4

- 2.2

No.	Creditors' Ledger of KZ Stores	Statement of account received from Valley Ltd
Balance	112 820	182 150
A	- 9 000	- 9 000
B		
C		
D		
E		
F		
G		
H		

16

2.3 2.3.1 Explain what action should be taken against J van Wyk. State TWO points.

4

2.3.2 What must the business do to prevent a similar incident in future? Explain THREE points.

6

TOTAL MARKS
30

**QUESTION 3****3.1 3.1.1 SHARE CAPITAL****AUTHORISED SHARE CAPITAL**

<b>750 000 ordinary shares</b>
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**ISSUED SHARE CAPITAL**

_____	<b>Ordinary shares in issue on 1 March 2013</b>		
<b>80 000</b>	<b>Ordinary shares issued during the year</b>		
<b>(75 000)</b>	<b>Ordinary shares re-purchased (average price of _____)</b>		
_____	<b>Ordinary shares in issue on 28 February 2014</b>		
			<b>9</b>

**3.1.2 RETAINED INCOME**

<b>Balance on 1 March 2013</b>	<b>322 500</b>	
<b>Ordinary share dividends</b>		
<b>Balance on 28 February 2014</b>		<b>11</b>

**3.2 VIJAY LIMITED**  
**BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) ON**  
**28 FEBRUARY 2014**

<b>ASSETS</b>	
<b>Non-current assets</b>	
<b>Financial asset: Fixed deposit</b>	<b>650 000</b>
<b>Current assets</b>	
<b>Inventories</b>	<b>275 400</b>
<b>Trade and other receivables</b>	
<b>Cash and cash equivalents</b>	<b>336 600</b>
<b>TOTAL ASSETS</b>	
<b>EQUITY AND LIABILITIES</b>	
<b>Shareholders' equity</b>	
<b>Non-current liabilities</b>	
<b>Current liabilities</b>	
<b>TOTAL EQUITY AND LIABILITIES</b>	

**3.3 Calculate the return on average shareholders' equity for 2014.**

5

**3.4 From 2013 to 2014 the directors made a deliberate decision to change the policy on the distribution of profits in the form of dividends. Comment on this change. Quote financial indicators or figures to support your answer.**

4

**3.5 Comment on whether the shareholders should be satisfied with the percentage return and the market price of their shares. Quote TWO relevant financial indicators (actual figures/ratios/percentages) and their trends. Give an additional comment in each case.**

6



**3.6** The external auditors, Hassan and Jacob, have employed Janet to work on the audit of Vijay Ltd. Janet owns 10 000 shares in Vijay Ltd.

**Explain why this is a problem.**

**Give a valid solution.**

4

<b>TOTAL MARKS</b>
65

**QUESTION 4**

4.1 Calculate the missing amounts (indicated by a, b and c) in the Fixed/Tangible Asset Note for the year ended 28 February 2014.

NO.	WORKINGS	AMOUNT
a		
b		
c		

12
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4.2

<b>METEOR SUPERMARKETS LTD</b>	
<b>CASH FLOW STATEMENT FOR YEAR ENDED 28 FEBRUARY 2014</b>	
<b>Cash flow from operating activities</b>	
Cash generated from operations	969 600
Interest paid	(88 500)
<b>Cash flow from investing activities</b>	
<b>Cash flow from financing activities</b>	
<b>Net change in cash and cash equivalents</b>	
<b>Cash and cash equivalents at beginning of year</b>	2 488 000
<b>Cash and cash equivalents at end of year</b>	

31
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**4.3** At the AGM, a shareholder stated that the Cash Flow Statement reflects poor decisions by the directors. Explain TWO points, with relevant figures, to support his opinion.

**Point 1:**

**Point 2:**

4

**4.4 4.4.1** Calculate the net asset value per share for 2014.

3

**4.4.2** Calculate the debt-equity ratio for 2014.

3

**4.5** Comment on the liquidity position of the company. Quote **THREE** relevant financial indicators (actual figures/ratios/percentages) and their trends.

**Financial indicator 1 and trend:**

**Financial indicator 2 and trend:**

**Financial indicator 3 and trend:**

**General comment:**

9

**4.6** The directors decided to increase the loan during the current financial year. Quote **TWO** financial indicators (actual figures/ratios/percentages) that are relevant to their decision. Explain why this was a good decision, or not.

**Financial indicator 1:**

**Financial indicator 2:**

**Explanation:**

8

- 4.7 The Bakker family owns 740 000 shares in this company. Explain the effect that the repurchase of shares on 31 December 2013 had on their control of the company. Give a calculation(s) to support your answer.

5

TOTAL MARKS
75

**QUESTION 5**

- 5.1 List **FOUR** items that should not have been placed in this Cash Budget.

4

5.2 **CREDITORS' PAYMENT SCHEDULE**

MONTH	CREDIT PURCHASES	OCTOBER	NOVEMBER	DECEMBER
August	64 000	9 600		
September	67 200	50 400	10 080	
October	74 000	7 030	55 500	*
November	68 000		6 460	*
December	*			*
		67 030	72 040	*

9

- 5.3 5.3.1 Calculate the total sales for September 2014.

3

- 5.3.2 Calculate the percentage increase in rent income in December 2014.

3

**5.3.3 Calculate the salaries and wages amount for December 2014.**

3

**5.3.4 Calculate the rate of interest on the loan.**

4

**5.4 5.4.1 Calculate the period for which enough stock is on hand (in days) on 30 September 2014.**

**Explain whether this is appropriate for the business.**

6

**5.4.2 Calculate the mark-up percentage achieved for the year ended 30 September 2014.**

4

**5.4.3** Comment on whether or not the change in the mark-up percentage has benefited the business. Give a calculation(s) to support your opinion.

4

<b>TOTAL MARKS</b>
40



**QUESTION 6****6.1 BRIAN'S BRELLIES**

6.1.1 Calculate the direct labour cost.

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5

6.1.2 **FACTORY OVERHEAD COST**

<b>Sundry factory expenses</b>	<b>30 975</b>

19

6.1.3 **PRODUCTION COST STATEMENT FOR THE YEAR ENDED  
31 JULY 2014**

<b>Direct material cost</b>	<b>623 700</b>
<b>Prime cost</b>	
<b>Total production cost</b>	
<b>Cost of production of finished goods</b>	

10

**6.2 BEN'S CATERING**

**6.2.1 Identify ONE unit cost for doughnuts and TWO unit costs for pies that were major problems in 2014, considering that the inflation rate was 5%.**

<b>ONE unit cost for doughnuts (Quote figures.)</b>	<b>Problem and advice</b>
	<b>Possible cause of the problem:</b>   <b>Advice:</b>
<b>TWO unit costs for pies (Quote figures.)</b>	<b>Problem and advice</b>
	<b>Possible cause of the problem:</b>   <b>Advice:</b>
	<b>Possible cause of the problem:</b>   <b>Advice:</b>

- 6.2.2 Calculate the number of extra doughnuts he must produce and sell to make an additional profit of R15 000. Assume that the unit costs and selling price for 2014 remain unchanged.

4

- 6.2.3 Name the product which has been negatively affected by the new competitor.

Comment on how this would have affected the net profit on this product.

5

TOTAL MARKS
55

TOTAL: 300