

**CENTRE NUMBER**

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**EXAMINATION NUMBER**

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**SENIOR CERTIFICATE EXAMINATIONS**

**ACCOUNTING**

**GRADE 12**

**2016**

***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 20 pages.**

**QUESTION 1****VALUE-ADDED TAX**

1.1

1.1.1	
1.1.2	
1.1.3	

3

1.2.1 **Calculate the VAT amount that is either payable to or receivable from SARS.**

--

12

1.2.2 **What comment would you offer Nelson concerning this practice? State ONE point.**

--

2

**1.3 CREDITORS' RECONCILIATION**

1.3.1

	CREDITORS' LEDGER	CREDITORS' RECONCILIATION STATEMENT
<b>Balance</b>	<b>110 170</b>	<b>111 600</b>
(a)		
(b)		
(c)		
(d)		
(e)		
(f)		
(g)		
(h)		

<b>14</b>

1.3.2 State **TWO** internal control measures that the business can use to prevent similar incidents from happening in future.

<b>4</b>

<b>TOTAL MARKS</b>
<b>35</b>



**2.2 NEW FASHION MANUFACTURERS**

**2.2.1** Gloria is concerned about the wastage of direct materials. Calculate the number of metres of fabric that was wasted.

5

Gloria feels that the wastage is significant. Provide a calculation to support her opinion.

3

**2.2.2** Give TWO possible reasons for this wastage and, in EACH case, give advice to prevent this from happening in future.

	Reason	Advice
1.		
2.		

4

**2.2.3** Calculate the break-even point for the year ended 29 February 2016.

4

Explain why the business should be satisfied with the number of units made during the current financial year. State TWO points.

4

2.2.4 What effect will it have on the production cost of a dress? Provide a calculation to support your answer.

3

State TWO other consequences of importing the direct material.

4

TOTAL MARKS
50

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**QUESTION 3****3.1 CONCEPTS**

<b>3.1.1</b>	
<b>3.1.2</b>	
<b>3.1.3</b>	
<b>3.1.4</b>	

<b>4</b>

**3.2 LYNN STORES**

**3.2.1 Calculate the value of the closing stock on 29 February 2016 using the weighted-average method.**

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<b>8</b>

**3.2.2 Calculate the following for the year ended 29 February 2016:**

**Cost of sales:**

**Gross profit:**

--

<b>6</b>

**3.2.3 Calculate the average stock-holding period (in days) on 29 February 2016.**

--

<b>5</b>

3.2.4 Calculate the value of the closing stock by using the FIFO method.

7

3.3.1 Identify ONE problem in Shop 1 and ONE problem in Shop 2. Quote figures. In EACH case, give ONE point of advice.

Branch	Problem	Advice
Shop 1		
Shop 2		

6

3.3.2 Explain TWO good decisions that Chad has made in respect of Shop 3. Quote figures.

4

<b>TOTAL MARKS</b>
40

**QUESTION 4**

**4.1 CONCEPTS**

4.1.1	
4.1.2	
4.1.3	
4.1.4	

4

**4.2 PARADISE LIMITED**

**4.2.1 Ordinary share capital**


6

**Retained income**

<b>Balance at beginning of year</b>	<b>1 634 000</b>
<b>Ordinary share dividends</b>	
<b>Balance at end of year</b>	

10

**4.2.2 BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) ON  
29 FEBRUARY 2016**

<b>ASSETS</b>	
<b>NON-CURRENT ASSETS</b>	
Fixed deposit: Sandton Bank	
<b>CURRENT ASSETS</b>	<b>3 538 600</b>
<b>TOTAL ASSETS</b>	
<b>EQUITY AND LIABILITIES</b>	
<b>ORDINARY SHAREHOLDERS' EQUITY</b>	
Ordinary share capital	
<b>NON-CURRENT LIABILITIES</b>	
<b>CURRENT LIABILITIES</b>	
Trade and other payables	
<b>TOTAL EQUITY AND LIABILITIES</b>	

35
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**4.3 AUDIT REPORT**

**4.3.1** What type of audit report did Topstar Ltd receive? Choose from the following: unqualified, qualified, disclaimer.

Reason:

3

**4.3.2** To whom is an audit report addressed?

Reason:

3

**4.3.3** Explain why the auditor mentioned IFRS in the audit report.

2

Explain why the auditor mentioned the Companies Act (Act 61 of 1973) in the audit report.

2

<b>TOTAL MARKS</b>
65

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**QUESTION 5**

**5.1 CONCEPTS**

<b>5.1.1</b>	
<b>5.1.2</b>	
<b>5.1.3</b>	
<b>5.1.4</b>	

4

**5.2 MAFUSA LTD**

**5.2.1**

<b>(a)</b>	
<b>(b)</b>	
<b>(c)</b>	
<b>(d)</b>	

16

**5.2.2 Calculate the income tax paid.**

5

**Calculate the net changes in cash and cash equivalents.**

4

5.2.3

<b>CASH FLOW FROM FINANCING ACTIVITIES</b>	

7

5.2.4

Calculate the return on average shareholders' equity.

5

Calculate the net asset value.

3

5.2.5

Comment on the overall liquidity position of the company. Quote **THREE** relevant financial indicators (with figures).

8

**5.2.6** The directors decided to change the dividend pay-out policy in 2016. Provide calculations that indicate the policy change.

4

Explain the effect of this change of policy on the company. State TWO points.

4

**5.2.7** One of the directors feels that the company should pay back the loan as soon as possible. What are your views about this? Quote and explain TWO relevant financial indicators with figures.

6

5.2.8

Explain why the shareholders are satisfied with the market price of the shares on the JSE (Quote figures/financial indicators.)

2

Explain why the shareholders are satisfied with the price at which the 75 000 shares were repurchased on 25 April 2016 (Quote figures/financial indicators.)

2

TOTAL MARKS
70

**QUESTION 6**

6.1

(a)	Operating profit
(b)	Cost of sales
(c)	Wages
(d)	Rent income

12

6.2.1

Calculate the monthly salary due to the sales manager in June 2016.

4

6.2.2

Calculate the total credit sales expected in July 2016.

4

6.2.3 Calculate the cost price of the new vehicle purchased on 1 May 2016.

4

6.3 Comment on the control of telephone and water and electricity. What advice would you offer Susan? State ONE point.

Comment:

Advice:

4

6.4 Susan wants to reduce the maintenance budget to R500 per month and then use this saving for staff training. What should she consider before making this change? State TWO points.

4

6.5

Explain how Susan responded to this threat. State **THREE** points. Provide figures/calculations to support your answer.

6

Explain whether Susan's response was successful or not. Provide figures.

2

<b>TOTAL MARKS</b>
40

TOTAL: 300