			STICKER	
	CENTR	E NUMBER		
	EXAMINA	TION NUMBER		
				_
SEN	OR CERTIFIC	ATE EXAMIN	ATIONS	
	ACCC	OUNTING		
	GR	ADE 12		
	2	2017		
	SPECIAL ANSWER BOOK			
QUESTION	MARKS	INITIAL	MOD.	
1				
2				
3				
4			┼────┤	
<u>5</u> 6			+	

This answer book consists of 18 pages.

Copyright reserved

TOTAL

Please turn over

1.1 TRUE OR FALSE

1.1.1	
1.1.2	
1.1.3	

3

1.2 MIZZY BOUTIQUE

Use the table provided to indicate corrections that must be made to the Debtors' Control Account and the debtors' list.

Provide figures and a plus (+) or minus (–) sign for each correction.

	Debtors' Control Account	Debtors' List
Balance/Total on 28 February 2017	R37 710	R39 490
(a)		
(b)		
(c)		
(d)		
(e)		
(f)		
Balance/Total on 28 February 2017		

1.3 GLENDALE TRADERS

1.3.1 Explain how a debtors' age analysis can assist with internal control over debtors.

1.3.2 Calculate the percentage of total debts exceeding the credit terms.

1.3.3 Explain ONE problem (with figures) relating to EACH of the following debtors:

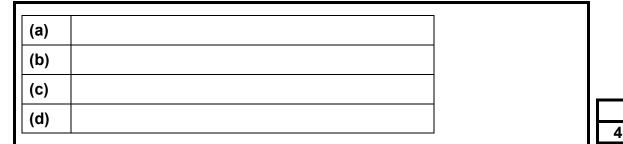
DEBTOR	PROBLEM WITH FIGURES
D Pillay	
W Patel	

1.3.4 Explain TWO problems (with figures) relating to debtor D Gouws.

TOTAL MARKS
30

2.1 VAT

2.1.1



2.1.2

No.	VAT AMOUNT	INCREASES THE AMOUNT DUE TO SARS	DECREASES THE AMOUNT DUE TO SARS	
(a)				
(b)				
(c)				10

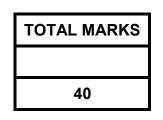
2.2 INVENTORY VALUATION

2.2.1 Give a reason why the business uses the weighted average method to value the stock of tyres.

2

2.2.2 Calculate: Value of closing stock on 28 February 2017

2.2.3	Calculate: Cost of sales	l
2.2.3	Calculate. Cost of sales	
	Calculate: Gross profit	3
	Calculate. Gross profit	
		3
	Calculate: Average stock-holding period (in days)	3
	Calculate. Average stock-holding period (in days)	
		5
		1
2.2.4	Should the owner be satisfied with the stock-holding period calculated above? Explain. Quote figures. NOTE: The stock-holding period for 2016 was 70 days.	

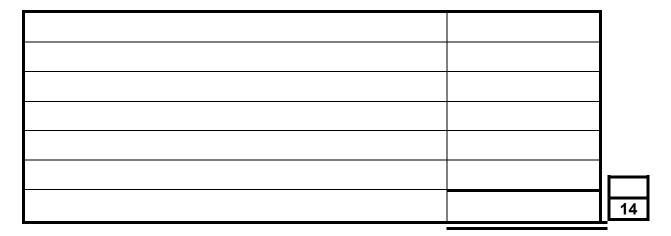


3.1

3.1.1		
3.1.2		
3.1.3		I.
3.1.4		

3.2

3.2.1 Factory Overhead Cost Note



3.2.2 Production Cost Statement for the year ended 28 February 2017

]
Prime cost		
Total manufacturing cost	4 824 000	
Cost of production of finished goods		10

3.2.3 Infinity Hats are considering importing raw materials at a lower price than they are currently paying.

Provide TWO points they should consider before deciding.

3.3 SANYATI BAKERY

3.3.1

	PROBLEM WITH FIGURES	SOLUTION
Doughnut factory		
Cake factory		

3.3.2 Provide workings to show that the break-even point of 158 298 units for the doughnuts in 2016 was correctly calculated.

3

6

3.3.3 Explain why Damon should be concerned over the break-even point of doughnuts. Quote figures.

3.3.4

PRODUCT	COMMENT ON PRICE AND DEMAND (WITH FIGURES)
Doughnuts	
Cakes	

6

TOTAL MARKS
50

KEEP THIS PAGE BLANK.

4.1

4.1.1		
4.1.2		
4.1.3		
4.1.4	IF-	Δ

4.2 MTOMBENI LTD

4.2.1	Calculate: Carrying value of the vehicle sold on 30 November 2016	
		5
	Calculate: Total depreciation on equipment on 28 February 2017	
		7

4.2.2 MTOMBENI LTD

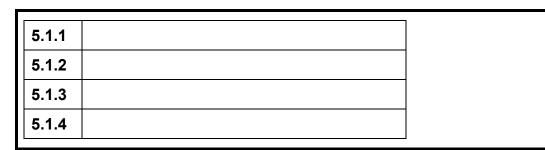
Income Statement (Statement of Comprehensive Income) for the year ended 28 February 2017:

Sales (5 500 000	
Cost of sales (3 150 000	
Operating expenses	
Directors' fees	380 000
Audit fees	54 000
Operating profit	
Interest income	
Net profit after interest income	
Net profit before tax	
Income tax	
Net profit after tax	864 000

54	

TOTAL MARKS
70

5.1



4

5.2 MIHKA LTD

5.2.1 ORDINARY SHARE CAPITAL

Authorised Share Capital

800 000 ordinary shares

Issued Share Capital

600 000	Ordinary shares on 1 January 2016	4 200 000	
100 000			
			6

RETAINED INCOME

Balance on 1 January 2016	276 000	
		9

5.2.2

CASH EFFECTS OF OPERATING ACTIVITIES		
Cash generated from operations	1 237 400	
		9

6

5.2.3 Amounts in the Cash Flow Statement:

Calculate: Change in fixed deposit

Calculate: Proceeds on disposal of equipment

Calculate: Mark-up percentage on cost	
Calculate: Debt-equity ratio	
Calculate: Net asset value (in cents)	

- 5.2.5 The financial director was questioned about the decision to increase the loan. Explain what he should say to justify this decision. Quote TWO financial indicators (with figures).
- 5.2.6 Ashraf, a new shareholder, bought 70 000 shares on 31 August 2016. He expected the company to distribute at least 80% of its earnings as it did in 2015.

Ashraf is unhappy with the dividend pay-out policy for 2016. Provide a calculation to support his opinion.

		-					
Explain TWO points dividends for 2016.	to	support	the	company's	decision	regarding	3
							4

5.2.7 Comment on the re-purchase price paid for the 40 000 shares on 30 December 2016. Provide TWO financial indicators (with figures) in your comment.

Λ

TOTAL MARKS
65

6.1 Comment on the control of EACH item and give ONE point of advice in each case.

	COMMENT	ADVICE
Telephone		
Staff training		

6.2 Identify TWO items incorrectly entered in the Cash Budget.

6.3

CREDITORS' PAYMENT SCHEDULE

MONTH	CREDIT PURCHASES	MAY	JUNE
March	R64 000	6 400	
April	R72 000	10 800	
Мау		57 000	
June	R96 000		
		74 200	

9

4

6.4

CALCULATIO	ON AMOUNT
Cash sales	
(i)	
Cash purchases of stock	
(ii)	
Delivery expenses	
(iii)	
Salaries and wages	
(iv)	
Repayment of Ioan	
(v)	
Cash at end of month	
(vi)	
Cash deficit for the month	
(vii)	

6.5 Piet wants to save on costs by not offering a free delivery service. Is this a good idea? Explain.

6.6

Explain ONE advantage and ONE disadvantage of each option.

OPTION	ADVANTAGE	DISADVANTAGE
Raise a new Ioan		
Hire (lease) the assets from Computer Solutions		
Ask a friend to become equal partner		

TOTAL MARKS				
45				

TOTAL: 300