

CENTRE NUMBER

--	--	--	--	--	--	--	--

EXAMINATION NUMBER

--	--	--	--	--	--	--	--	--	--	--	--	--

SENIOR CERTIFICATE EXAMINATION

ACCOUNTING

GRADE 12

2015

SPECIAL ANSWER BOOK

QUESTION	MARKS	INITIAL	MOD.
1			
2			
3			
4			
5			
6			
TOTAL			

This answer book consists of 17 pages.

QUESTION 1

BANK RECONCILIATION

1.1.1 CASH RECEIPTS JOURNAL

NAME OF ACCOUNT AFFECTED IN THE GENERAL LEDGER	AMOUNT

7

CASH PAYMENTS JOURNAL

NAME OF ACCOUNT AFFECTED IN THE GENERAL LEDGER	AMOUNT

8

1.1.2 BANK RECONCILIATION STATEMENT ON 31 MAY 2015

10

- 1.1.3 As internal auditor you are not happy with the manner in which cash is being controlled in this business. Identify TWO problems and provide figures to support your answer. Give advice on how these problems can be avoided in future.

	PROBLEMS IDENTIFIED	ADVICE
1		
2		

6

1.2 CREDITORS' RECONCILIATION

	ACCOUNT OF METEOR SUPPLIERS IN CREDITORS' LEDGER OF COMET TRADERS	STATEMENT RECEIVED FROM METEOR SUPPLIERS
Balance	R10 705	R19 120
A		
B		
C		
D		
E		
Final balance		

9

TOTAL MARKS
40

QUESTION 2**2.1.1 FACTORY OVERHEAD COST NOTE**

Indirect material cost	R11 040
Indirect labour cost	33 345

10

PRODUCTION COST STATEMENT FOR THE YEAR ENDED 30 APRIL 2015

Prime cost	
Total manufacturing cost	
Work-in-process (1 May 2014)	18 680
COST OF PRODUCTION OF FINISHED GOODS	

14

2.1.2 The accountant is of the opinion that the workers are not properly supervised.

	IDENTIFY SEPARATE PROBLEMS (WITH FIGURES)	POSSIBLE SOLUTION
Problem 1		
Problem 2		

8

2.2 ZIPHO WOODWORK MANUFACTURERS

2.2.1 Should the business be satisfied with the number of tables that were produced and sold during this financial year? Explain. Quote relevant figures in your answer.

3

2.2.2 Nozipho, the owner of the business, aimed for a profit of R200 000 for this financial year. How many tables must she make to achieve the target of R200 000 profit? Provide a suitable calculation to support your answer.

5

TOTAL MARKS
40

KEEP THIS PAGE BLANK

QUESTION 3

3.1.1 What does *FIFO* stand for?

1

3.1.2 Calculate the value of closing stock on 28 February 2015 according to the FIFO method.

7

3.1.3 The suppliers informed the owner that the cost price of shampoo will increase to R96 per unit and the carriage will increase to R8 per unit. Calculate the selling price that the owner will have to charge for these goods in order to achieve a mark-up of 60%.

3

3.1.4 The insurance company is prepared to pay out only 80% of the total value of the goods destroyed by a fire. Calculate the loss that should be reflected in the Income Statement.

4

3.1.5 The owner has submitted the claim form for the loss of stock as a result of the fire to the insurance company. However, the number of units destroyed in the fire was reflected as 1 500. Explain what you would say to the owner regarding this insurance claim.

2

3.2.1

NO.	CALCULATIONS	AMOUNT
(i)		
(ii)		
(iii)		

7

3.2.2

ASSET DISPOSAL

13

3.2.3

(a) Explain how the Fixed Assets Register will assist you in your duties as internal auditor. Provide ONE point.

2

(b) The stock of trolleys and baskets is classified as a fixed asset. Give ONE suitable reason for this.

2

<p>(c) Identify and explain THREE major problems (with figures) relating to the control of the trolleys and baskets. In EACH case, provide a valid, practical solution to improve the control over these assets.</p>		
	<p>PROBLEM WITH FIGURES</p>	<p>PRACTICAL SOLUTION TO IMPROVE INTERNAL CONTROL</p>
<p>Problem 1</p>		
<p>Problem 2</p>		
<p>Problem 3</p>		

9

<p>TOTAL MARKS</p>
50

QUESTION 4

4.1 Write only the letter (A–E) next to the question number.

4.1.1	
4.1.2	
4.1.3	
4.1.4	

4

4.2.1 See Income Statement on the next page.

4.2.2 Ordinary Share Capital Note

Authorised		
1 000 000 ordinary shares		
Issued		
	Shares in issue on 1 Mar. 2014	
	Shares issued during the year at R12 each	
	Shares bought back (average issued price of _____)	
	Shares in issue on 28 Feb. 2015	

8

4.2.3 Retained Income Note

Balance at beginning of financial year	
Dividends	
Balance at end of financial year	

11

4.2.1 PRINCE LIMITED

INCOME STATEMENT FOR THE YEAR ENDED 28 FEBRUARY 2015

Sales	
Cost of sales	(14 974 000)
Gross profit	
Other income	
Gross operating income	
Operating expenses	
Auditors' fees	147 600
Advertising	960 000
Operating profit	
Income tax	(540 000)

42

TOTAL MARKS
65

QUESTION 5**5.1 CASH GENERATED FROM OPERATIONS**

Depreciation	178 000	
Interest expense	52 000	
Operating profit before changes in working capital		
Cash generated from operations		10

**5.2 MAXIE LTD
CASH FLOW STATEMENT FOR THE YEAR ENDED 28 FEBRUARY 2015**

CASH EFFECTS OF OPERATING ACTIVITIES		
CASH EFFECTS OF INVESTING ACTIVITIES		
CASH EFFECTS OF FINANCING ACTIVITIES	160 000	
Proceeds of shares issued	1 000 000	
Share repurchased	(540 000)	
Repayment of loan	(300 000)	
NET CHANGE IN CASH AND CASH EQUIVALENTS		
Cash and cash equivalents (1 March 2014)		
Cash and cash equivalents (28 February 2015)		21

5.3.1 Calculate the current ratio.

--

3

5.3.2 Calculate the debt-equity ratio.

--

3

5.3.3 Calculate the net asset value per share.

--

3

5.4 On 1 March 2014 additional shares were issued at R5,00 each. Will the existing shareholders be satisfied with this price? Explain. Quote relevant financial indicators with figures in your explanation.

--

5

- 5.5 The directors decided to pay back a large portion of the loan. Do you think that this was a wise decision? Quote TWO relevant financial indicators and figures to support your answer.

7

- 5.6 Besides paying back the loan, the directors have taken other major decisions that have affected the cash balances. State TWO other major decisions (exceeding R200 000) and quote the figures from the Cash Flow Statement. In EACH case, state how the decision will affect the future of the company.

DECISION (with figures)	FUTURE EFFECT ON COMPANY

6

5.7.1 Choose the correct word from those given in brackets. Write down the word and briefly explain your choice.

Maxie Ltd received a/an (unqualified/qualified/disclaimer) auditors' report.

Briefly explain your choice.

3

5.7.2 Explain the consequences of this auditors' report for the chief executive officer (CEO) and/or the company. State TWO points.

Point 1:

Point 2:

4

TOTAL MARKS
65

QUESTION 6**6.1 DEBTORS' COLLECTION SCHEDULE**

	CREDIT SALES	AUGUST
May	42 000	
June	49 200	
July		
August	33 600	

6

6.2

NO.	CALCULATIONS	AMOUNT
(i)		
(ii)		
(iii)		
(iv)		
(v)		

12

6.3.1

Give ONE reason (with figures) why the workers are dissatisfied.

2

6.3.2

Give ONE reason (with figures) that Charles could use to justify the increases that he is going to give the workers.

2

6.4.1

Charles decided to offer trade discounts to special customers in July 2015. In your opinion, has this benefitted the business? Provide figures to support your answer.

2

6.4.2 Explain what you would say to Charles about the control of the following:

ITEM	COMMENT WITH FIGURES	ADVICE
Delivery costs		
Advertising costs		

6

6.5.1 Calculate the purchase price of the new vehicle.

4

6.5.2 Apart from the deposit and the monthly instalment of R6 250, explain how the next Cash Budget will be affected. Provide THREE points.

Point 1:

Point 2:

Point 3:

6

TOTAL MARKS
40

TOTAL: 300