

STICKER

CENTRE NUMBER

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EXAMINATION NUMBER

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**SENIOR CERTIFICATE EXAMINATIONS /  
NATIONAL SENIOR CERTIFICATE EXAMINATIONS**

**ACCOUNTING P1**

**GRADE 12**

**MAY/JUNE 2024**

***SPECIAL ANSWER BOOK***

QUESTION	MARKS	INITIAL	MOD.
1			
2			
3			
4			
TOTAL			

**This answer book consists of 10 pages.**



**1.3 STATEMENT OF FINANCIAL POSITION ON 29 FEBRUARY 2024****ASSETS**

<b>NON-CURRENT ASSETS</b>	<b>10 377 480</b>
<b>Fixed assets</b>	<b>9 952 480</b>
<b>Investment: Fixed deposit</b>	<b>425 000</b>
<b>CURRENT ASSETS</b>	
<b>Cash and cash equivalents</b>	<b>1 956 220</b>
<b>TOTAL ASSETS</b>	

**EQUITY AND LIABILITIES**

<b>ORDINARY SHAREHOLDERS' EQUITY</b>	
<b>Retained income</b>	
<b>NON-CURRENT LIABILITIES</b>	
<b>CURRENT LIABILITIES</b>	
<b>TOTAL EQUITY AND LIABILITIES</b>	

<b>30</b>

<b>TOTAL MARKS</b>
<b>55</b>

**QUESTION 2**

2.1

2.1.1	
2.1.2	
2.1.3	

3

2.2

**RETAINED INCOME NOTE**

Balance at the beginning of the year	2 819 000
Ordinary share dividends	
Final dividends	2 338 000
Balance at the end of the year	

8

2.3

**CASH FLOW STATEMENT FOR THE YEAR ENDED 29 FEBRUARY 2024**

Cash effects of operating activities	
Cash generated from operations	
Interest paid	(966 000)
Dividends paid	(5 728 000)
(i)	
Cash effects of investing activities	
(ii)	
Proceeds of sale of fixed assets	232 000
Change in investments	
Cash effects of financing activities	
(iii)	
(iv)	
Change in loans	
Net change in cash & cash equivalents	
Cash & cash equivalents on 1 March 2023	1 030 000
(v)	

17

- 2.4 Calculate the following financial indicators for the financial year ended 29 February 2024:

Acid-test ratio	
WORKINGS	ANSWER

4

Interim dividend per share (in cents)	
WORKINGS	ANSWER

4

% return on average shareholder's equity (ROSHE)	
WORKINGS	ANSWER

4

TOTAL MARKS
40

**QUESTION 3**

3.1

**Explain how the customers reacted to the change in the mark-up percentage and whether this benefited the company or not.**

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4

3.2

**Comment on the operating efficiency of the company over the past two years. Quote TWO financial indicators.**

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4

3.3.1

**One of the shareholders cannot understand why the debt-equity ratio increased in 2024 despite the increase in the loan. Provide an explanation for him.**

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2

3.3.2

**The chief financial officer (CFO) is of the opinion that the increase in loan was a good decision. Apart from the debt-equity ratio, provide TWO points to support his opinion, including ONE relevant financial indicator.**

<b>POINT 1</b>	
<b>POINT 2</b>	

4

**3.4.1** Comment on whether the shareholders should be satisfied with the return on their investment. Provide TWO points, including ONE relevant financial indicator.

<b>POINT 1</b>	
<b>POINT 2</b>	

<b>4</b>

**3.4.2** Comment on the earnings per share (EPS) and explain its impact on the dividend pay-out policy adopted by directors.

<b>EARNINGS PER SHARE</b>	
<b>DIVIDEND PAY-OUT POLICY</b>	

<b>4</b>

**3.5** Comment on the performance of the share price on the stock exchange (JSE). Provide TWO points, with figures and trends.

<b>POINT 1</b>	
<b>POINT 2</b>	

<b>4</b>

**3.6.1** Allan Ashwin owns shares in Britesun Ltd. He is pleased with his investment in the shares of this company. Provide TWO points, with figures or calculations, to support his opinion.

<b>POINT 1</b>	
<b>POINT 2</b>	

<b>4</b>

**3.6.2** The company plans to issue additional new shares equal to 20% of the issued share capital, in the next financial year to existing shareholders. Allan has indicated that he will not take up this offer. Explain how this decision will affect his % shareholding. Provide a calculation or figures to support your explanation.

<b>CALCULATION</b>	
<b>EXPLANATION</b>	

<b>6</b>

**3.7** Apart from the points provided above, state TWO different factors that will influence shareholders to vote in favour of approving such bonuses.

<b>POINT 1</b>	
<b>POINT 2</b>	

<b>4</b>

<b>TOTAL MARKS</b>
<b>40</b>



**QUESTION 4**

- 4.1 The three board members implicated in this case each own 150 000 shares. Calculate the loss that Loma and the two directors each were able to avoid by selling their shares on 13 April 2023.

WORKINGS	ANSWER

3

- 4.2 Explain why the text message is so important to the investigators.

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Explain why you think this crime is referred to as 'insider trading'.

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4

- 4.3 Explain how the rapid decline in the share price and the fraudulent financial statements are likely to affect the existing shareholders and its workers.

Existing shareholders	          
Workers	          

4

4.4

**If you were a shareholder in Gadram Ltd, what other questions would you raise at the AGM? Explain TWO points.**

<b>POINT 1</b>	
<b>POINT 2</b>	

<b>4</b>

<b>TOTAL MARKS</b>
<b>15</b>

**TOTAL: 150**