

**NAME:**

**NATIONAL SENIOR CERTIFICATE**

**ACCOUNTING**

**GRADE 12**

**JUNE 2019**

***SPECIAL ANSWER BOOK***

<b>QUESTION</b>	<b>MAX MARKS</b>	<b>MARKS AWARDED</b>	<b>MODERATOR</b>
<b>1</b>	<b>35</b>		
<b>2</b>	<b>60</b>		
<b>3</b>	<b>65</b>		
<b>4</b>	<b>70</b>		
<b>5</b>	<b>35</b>		
<b>6</b>	<b>35</b>		
<b>TOTAL</b>	<b>300</b>		

**This answer book consists of 16 pages.**



**QUESTION 1**

1.1.1 Why should the auditor be concerned about ITEM 1? Mention TWO points.

4

1.1.2 Explain the correct treatment of ITEM 3 while preparing the financial statements.

2

1.1.3 Which ITEM was incorrectly treated in the CRJ?

2

Explain the correct treatment of the ITEM.

2

1.1.4 ONE item that must be recorded in the CPJ for July 2018.

2

ONE item that must be recorded in the CRJ for July 2018.

2



1.2.1

	Creditors 'Control	
	Adjustment	No entry
Balance	63 270	
1		
2		
3		
4		
5		
6		

10

1.2.2

CREDITORS' LIST	
Mango Traders (9 465	
Sphe Stores (6 123	
Post Network (13 874	
Serengeti Wholesalers (15 869	
Rivera Distributors (22 119	

11

35

**QUESTION 2: MANUFACTURING****2.1 AVRO VUMA MANUFACTURES**

2.1.1	Direct Materials Cost	
	Opening stock	465 000

6

2.1.2	Factory Overhead Cost	

15

<b>2.1.3</b>	<b>Production Cost Statement on 28 February 2019</b>	
	<b>Direct Labour Cost (900 000)</b>	

<b>10</b>

<b>2.1.4</b>	<b>ABRIDGED INCOME STATEMENT FOR YEAR ENDED 28 FEBRUARY 2019</b>	

<b>14</b>

**2.2 WOODEN MANUFACTURES**

<b>2.2.1</b>	<b>Explain the difference between fixed cost and variable cost.</b>

<b>4</b>

<b>2.2.2</b>	<b>(a) Total fixed cost</b>

<b>2</b>

<b>2.2.2</b>	<b>(b) Variable cost per unit.</b>

<b>3</b>

<b>2.2.3</b>	<b>Calculate the break-even point. Should the business be satisfied with their current production of 18 000 units? Explain.</b>
	<b>Comment</b>

<b>6</b>

<b>60</b>



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**QUESTION 3**

<b>3.1</b>	<b>Choose the correct word/s from those given below to complete the sentences:</b>	
3.1.1		
3.1.2		
3.1.3		
3.1.4		<b>4</b>

<b>3.2.1</b>	<b>ORDINARY SHARE CAPITAL</b>	
<b>AUTHORISED:</b>		
Number of authorized ordinary shares: 1 000 000 shares		
<b>ISSUED:</b>		
		<b>10</b>

<b>3.2.2</b>	<b>RETAINED INCOME</b>	
		<b>12</b>



**3.3 Joyco Limited**  
**BALANCE SHEET AS AT 28 FEBRUARY 2019**

	<b>ASSETS</b>	
	<b>NON-CURRENT ASSETS</b>	
<b>9</b>		
	<b>CURRENT ASSETS</b>	
<b>11</b>	<b>TOTAL ASSETS</b>	
	<b>EQUITY AND LIABILITIES</b>	
	<b>SHAREHOLDERS' EQUITY</b>	
<b>4</b>		
	<b>NON-CURRENT LIABILITIES</b>	
<b>6</b>		
	<b>CURRENT LIABILITIES</b>	
<b>9</b>	<b>TOTAL EQUITY AND LIABILITIES</b>	

<b>39</b>

<b>65</b>



**QUESTION 4**

<b>4.1</b>	<b>Choose the correct word/s from those given below to complete the sentences:</b>
4.1.1	
4.1.2	
4.1.3	
4.1.4	
4.1.5	

<b>5</b>

**4.2. FIGURES FOR 2019 CASH FLOW STATEMENT**

<b>4.2.1</b>	<b>Calculate: Income tax paid</b>	
	<b>Workings</b>	<b>Answer</b>

<b>5</b>

	<b>Calculate: Dividends paid</b>	
	<b>Workings</b>	<b>Answer</b>

<b>4</b>

	<b>Calculate: Purchases of tangible assets</b>	
	<b>Workings</b>	<b>Answer</b>

<b>6</b>



<b>Calculate: Buy-back of shares (repurchased of shares)</b>	
	<b>Workings</b>
	<b>Answer</b>

<b>3</b>

**4.2.2 FIGURES FOR 2019 FINANCIAL INDICATORS**

<b>4.2.2 Calculate: Return on total capital employed (ROTCE)</b>	
	<b>Workings</b>
	<b>Answer</b>

<b>8</b>

<b>Calculate: Dividends pay out % for 2019</b>	
	<b>Workings</b>
	<b>Answer</b>

<b>3</b>

## 4.2.3

**Explain the effect that the repurchase of shares on 31 January 2019 had on his control of the company. Give a calculation(s) to support your answer. Refer to Q 4.2.1**

**Before the repurchase his shareholding was:**

**After the repurchase his shareholding is:**

**Comment:**

8

**Mr. Pine wants to purchase additional shares at R10, 00 without advertising the shares to the public. Give TWO reasons why you would not approve of this.**

4

## 4.2.4

**The directors are of the opinion that the liquidity has improved. Quote THREE financial indicators (with figures) to support this opinion.**

6

## 4.2.5

**The shareholders are not happy with their return and earnings. Quote and explain TWO financial indicators (with figures) to support their opinion.**

4



4.3.1

**Is this a qualified/unqualified report?**

2

4.3.2

**Explain TWO major consequences for Snow and White should they be negligent in performing their duties**

4

4.3.3

**Provide TWO actions that Snow and White will have to take to verify the Fixed/ Tangible Assets figure in the Balance Sheet?**

4

4.3.4

**The CEO in charge was given a new laptop by Brats Computers on 31 March 2019. Brats Computers have tendered to supply computers to Zodwa Ltd next year. Comment on whether or not this will affect the audit report next year. Explain**

- **Comment:**
  
- **Advice:**

4

70



**QUESTION 5**

5.1.1

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

13
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5.1.2

**ASSET DISPOSAL**


11
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5.1.3 (a) Explain how the Fixed Assets Register will assist you in your duties as internal auditor. Provide ONE point.

2
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(b) Identify and explain THREE major problems (with figures) relating to the control of the display cabinets and shelves. In EACH case, provide a valid, practical solution to improve the control over these assets.

PROBLEM WITH FIGURES	SOLUTION

9
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35
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**QUESTION 6****6.1 TYRES GALORE**

6.1.1 Calculate the value of the closing stock on 28 February 2019 using the weighted-average method.

8

6.1.2 Calculate the following for the year ended 28 February 2019:  
Cost of sales:

Gross profit:

5

6.1.3 Calculate the average stock-holding period (in days) on 28 February 2019.

5



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

7

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

Branch	Problem and figure	Advice
Shop 1		
Shop 2		

6

6.2.2 Explain TWO good decisions that Sandra has made in respect of Shop 3. Quote figures.

4

35

TOTAL: 300