



LIMPOPO

PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

DEPARTMENT OF
EDUCATION

**NATIONAL
SENIOR CERTIFICATE**

GRADE 12

**ACCOUNTING P1
SEPTEMBER 2026
MARKING GUIDELINES**

MARKS: 150

MARKING PRINCIPLES:

1. Unless otherwise stated in the marking guidelines, penalties for foreign items are applied only if the candidate is not losing marks elsewhere in the question for that item (no penalty for a misplaced item). No double penalty applied.
2. Penalties for placement or poor presentation (e.g. details) are applied only if the candidate is earning marks on the figures for that item.
3. Unless otherwise stated, give full marks for a correct answer. If the answer is incorrect, mark the workings.
4. If a pre-adjustment figure is shown as a final figure, allocate the part-mark for the working for that figure (not the method mark for the answer). Note: if figures are stipulated in memo for components of workings, these do not carry the method mark for final answer as well.
5. Unless otherwise indicated, the positive or negative effect of any figure must be considered to award the mark. If no + or – sign or bracket is provided, assume that the figure is positive.
6. Where indicated, part-marks may be awarded to differentiate between differing qualities of answers from candidates.
7. If candidates provide more than the required number of responses, inspect all responses to give benefit to the candidate. Penalties may be applied for foreign entries if candidates earn full marks on a question (max -2 per Q).
8. This memorandum is not for public distribution, as certain items might imply incorrect treatment. The adjustments made are due to nuances in certain questions.
9. Where penalties are applied, the marks for that section of the question cannot be a final negative.
10. Where method marks are awarded for operation, the marker must inspect reasonableness of answer.
11. Operation means 'check operation'. 'One part correct' means operation and one part correct. Note: check operation must be +, -, x, ÷, or per memo.
12. In calculations, do not award marks for workings if numerator & denominator are swapped – this also applies to ratios.
13. In awarding method marks, ensure that candidates do not get full marks for any item that is incorrect at least in part. Indicate with a ☒.
14. Be aware of candidates who provide valid alternatives beyond the marking guideline. Note that one comment could contain different aspects.
15. Codes: f = foreign item; p = placement/presentation.

These marking guidelines consist of 11 pages.

QUESTION 1**LIMPOPO LTD.****1.1 TRADE AND OTHER RECEIVABLES**

Trade debtors (52 000 – 25 000) 36 000 – 3 600 (6 000 one mark + 6 000 one mark) 4 920 000 + 27 000✓✓ – 32 400✓ + 500✓ + 12 000✓✓ (31 900) two marks	4 927 100✓*
Provision for bad debts 191 000 – 30 500 ignore brackets	(160 500)✓*
Net trade debtors	4 766 600✓#
Prepaid expenses 27 540✓ + 13 500✓✓ (90 000 one mark - 76 500 one mark)	41 040✓*
Accrued income $126\,000 \times \frac{3}{9}$ OR $\frac{126\,000}{3}$	42 000✓✓*
SARS Income tax	408 390✓
	5 258 030✓#

17

*one part correct and operation; # operation only
Do not split accuracy marks, where two marks are allocated, unless specified

1.2 RETAINED INCOME

Balance at the beginning of the year 45 000 000 – 38 730 000	6 270 000✓✓*
Net profit after tax	2 197 090
Repurchase of shares $100\,000 \times R1,70$ ✓✓ ignore brackets	(170 000)✓*
Ordinary share dividends ignore brackets	(1 804 000)✓#
Interim dividends paid	700 000✓
Final dividends declared $4\,600\,000 \times 24c$	1 104 000✓✓*
Balance at the end of the year	6 493 090✓\$

10

*one part correct and operation; # operation only; \$ operation; check repurchase and OSD MUST be subtracted
Do not split accuracy marks, where two marks are allocated, unless specified

1.3 STATEMENT OF FINANCIAL POSITION ON 28 FEBRUARY 2026

ASSETS	
NON-CURRENT ASSETS	41 660 330
Fixed assets	39 560 330
Fixed deposit	2 100 000
CURRENT ASSETS	30 342 160☑#
Inventory 6 396 000✓ + 6 300✓	6 402 300☑*
Trade and other Receivables see 1.1	5 258 030☑
Cash and cash equivalents balancing figure	18 681 830☑
TOTAL ASSETS must be the same as TE and Liabilities to earn mark 7	72 002 490☑
EQUITY AND LIABILITIES	
ORDINARY SHAREHOLDERS' EQUITY	50 143 090☑*
$\frac{44\,620\,000}{4\,600\,000} = R9,7 \times 100\,000$ two marks Ordinary share capital 38 730 000 + 5 890 000 – 970 000✓✓	43 650 000☑*
Retained Income balancing figure 5	6 493 090☑
NON-CURRENT LIABILITIES no mark allocated	4 200 000
Loan 8 400 000✓ – (600 000 × 6) ✓✓ – 600 000✓ 3 600 000 two marks 5	4 200 000☑*
CURRENT LIABILITIES	17 659 400☑*
Trade and other payables 15 870 000+12 000✓✓+14 600✓+ 51 500✓✓ (76 500 one mark - 25 000 one mark) + 7 300✓	15 955 400☑*
Shareholders for dividends see 1.2 final dividends	1 104 000☑
Current portion of loan see amount deducted from loan above	600 000 ☑
TOTAL EQUITY AND LIABILITIES 11	72 002 490☑*

*one part correct and operation; # operation only; Inspect: SFD may be included in T&OP; - 1 foreign item (max -2); presentation -1 (max -1); misplaced items, award marks for workings only

28

TOTAL MARKS**55**

QUESTION 2**JACSON TILES LTD**

2.1.1 Calculate the following as it would appear in Cash Generated from operations note for the year 28 February 2026:

CHANGE IN INVENTORIES. Make use of the Stock turnover rate in your calculation.		
WORKINGS	ANSWER	INFLOW / OUTFLOW
Stock turnover = Cost of sales ÷ Average stock $7,5 \checkmark = 6\,450\,000 \checkmark \div \text{Average stock}$ $\text{Average stock} = 6\,450\,000 \div 7,5$ $= 860\,000 \checkmark \checkmark$ Average stock = (Opening stock + Closing stock) ÷ 2 $860\,000 = (900\,000 + \text{Closing stock}) \div 2$ $860\,000 \times 2 = 900\,000 + \text{Closing stock}$ $1\,720\,000 = 900\,000 + \text{Closing stock}$ $\text{Closing stock} = 820\,000$ $900\,000 \checkmark - 820\,000 \checkmark^*$	$80\,000 \checkmark^*$ OR: $6\,450\,000 \text{ one mark} \div [\frac{1}{2}(900\,000 + x)] \text{ two marks} = 7,5 \text{ one mark}$ $6\,450\,000 \div [(900\,000 + x) \div 2] = 7,5$ $6\,450\,000 = 7,5 \times [(900\,000 + x) \div 2]$ $6\,450\,000 = 3,75(900\,000 + x)$ $6\,450\,000 - 3\,375\,000 = 3,75x$ $(6\,450\,000 - 3\,375\,000) \div 3,75 = x$ $x = 820\,000$ $900\,000 \text{ one mark} - 820\,000 \text{ m.mark}$	Inflow ✓

*one part correct and operation

8

CHANGE IN PAYABLES		
WORKINGS	ANSWER	INFLOW / OUTFLOW
$[(984\,000 + 21\,000) = 1\,005\,000]$ $[(821\,000 + 18\,000) = 839\,000]$ $1\,005\,000 \checkmark - 839\,000 \checkmark$	$166\,000 \checkmark$	Inflow ✓

4

2.1.2 Complete the following:

ORDINARY SHARE CAPITAL		
$\begin{array}{r} 324\,000 \checkmark \\ \underline{0,36 \checkmark} \\ = 900\,000 \checkmark^* \end{array}$	Issued shares on 1 March 2025	18 450 000
250 000	Shares issued during the year @ 25,10	6 275 000 ✓
$\begin{array}{r} (50\,000) \checkmark \\ \text{balancing figure} \end{array}$	Repurchased shares @ 21,50	$(1\,075\,000) \checkmark$ balancing figure, ignore brackets
$\begin{array}{r} 23\,650\,000 \checkmark \\ \underline{21,50 \checkmark \text{see above}} \\ 1\,100\,000 \checkmark^* \end{array}$	Issued shares on 28 February 2026	23 650 000

9

*one part correct and operation

CASH FLOW STATEMENT

CASH EFFECTS FROM OPERATING ACTIVITIES	2 126 000 ✓@
Cash generated from operations	4 360 000
Interest paid	(576 000)
Dividends paid 324 000 + 294 000	(618 000) ✓✓ must be in brackets
Taxation paid 3	(1 040 000)
CASH EFFECTS FROM INVESTING ACTIVITIES	(650 000)
Purchase of fixed assets	(850 000)
Proceeds from the sale of fixed assets	200 000
CASH EFFECTS FROM FINANCING ACTIVITIES 7	5 835 000 ✓@
Proceeds in issue of shares see 2.1.2	6 275 000 ✓
Repurchase of shares 50 000 x (R21,50 + R6,50) R28	(1 400 000) ✓✓* must be in brackets
\$Increase in loan	1 800 000 ✓
\$Repayment of loan [(118 000 x 12) – 576 000]	(840 000) ✓✓* must be in brackets
NET CHANGE IN CASH AND CASH EQUIVALENTS	

10

*one part correct and operation. @Brackets/ or Not as per learner calculation, operation only

\$ Note if learners' combined loan (increase and repayment) as 960 000 inflow; award 3 marks for positive 960 000, three or nothing, must be inflow.

Be alert to alternative workings such as ledger account or use of brackets or signs reversed. Ensure that only one option is marked consistently.

If final answers are not in brackets, assume an inflow of cash. Use of inflow/ outflow must be strictly applied in awarding marks.

2.1.3 Calculate the following indicators for the year 28 February 2026:

Earnings per share	
WORKINGS	ANSWER
$\frac{2\,240\,000 \checkmark}{1\,100\,000 \checkmark \text{ see 2.1.2 Closing OSC}} \times 100$	203,6 cents ☒ one part correct DO NOT accept 204c Accept R2, 04 Cent sign not necessary, must be x 100
OR: <i>Alternative answer using weighted-average shares:</i> $\frac{2\,240\,000 \text{ one mark}}{1\,091\,667 \text{ one method mark}} \times 100$ $900\,000 + 208\,333 - 16\,667 = 1\,091\,667 \text{ (rounded) one part correct}$ $= 205,2 \text{ cents } \checkmark \text{ one part correct, and same conditions as above}$	

Note: x 100 is not seen as one part correct

3

Dividend payout rate	
WORKINGS	ANSWER
$\frac{\overset{634\,000 \text{ one mark}}{(294\,000 + 340\,000)} \checkmark}{2\,240\,000 \checkmark} \times 100/1$	28,3% ☒ one part correct DO NOT accept 28/29% % sign not necessary, must be x 100

Note: x 100 is not seen as one part correct

3

Debt-Equity ratio	
WORKINGS	ANSWER
$\frac{(23\,650\,000 + 5\,496\,000)}{5\,160\,000 \checkmark : 29\,146\,000 \checkmark}$	0,2 : 1 ☒ One part correct in the form of x:1

3

TOTAL MARKS
40

QUESTION 3**VUTLHARI STATIONERS LTD**

- 3.1 Choose the correct GAAP principle from the list of accounting principles to best fit the statements. Write only the term next to the question number.**

3.1.1	Historical cost ✓
3.1.2	Materiality ✓
3.1.3	Matching ✓
3.1.4	Going-concern ✓

4

- 3.2 “Vutlhari Stationers Ltd has shown an improved liquidity position for 2026.” Quote TWO relevant indicators (with figures), to agree with this statement.**

Financial indicator ✓ ✓ figure and trend ✓ ✓

The current ratio increased from 1,5:1 to 2,3:1

The acid-test ratio increased from 0,9:1 to 1,4:1

Do not accept the debtor's collection period

4

- 3.3 Despite the strong liquidity indicators, cash flow problems were reported. Explain TWO possible reasons, with figures, by referring to Information C.**

Two marks per valid reason, with figures ✓✓ ✓✓ one mark for reason, one for figure

Cash flow problems may have arisen because R1 100 000 was tied up in working capital, which may indicate increased debtors or inventory.

Large cash outflows for dividends paid (R600 000) reduced available cash resources.

Purchase of new delivery vehicles (R750 000).

4

- 3.4 Discuss the current financial risk of Vutlhari Stationers Ltd. Quote ONE financial indicator with figures to motivate your answer.**

Financial indicator ✓ figure and trend ✓ Comment: must refer to risk ✓

The Debt-Equity ratio decreased from 0,9:1 to 0,4:1.

Low financial risk.

3

3.5

Comment on the company's financial gearing position in 2026 and advise the directors on further borrowing. Quote ONE relevant indicator and other data (with figures).

Financial indicator ✓ figure and trend ✓ Comment: must refer to gearing ✓ Advise ✓

ROTCE increased from 16% to 20%. ROTCE is higher than the interest rate on loans (13%); the company is positively geared.

The directors may consider further borrowing, provided profitability remains strong and cash flow is effectively managed.

4

3.6

Analyse the profitability for the current year. Quote TWO relevant indicators, with figures to indicate whether the profitability has improved or not. Provide a brief comment on each indicator.

Financial indicator ✓ ✓ figure and trend ✓ ✓ Comment: per indicator ✓ ✓

Net profit on sales increased from 8% to 11%, indicating better cost control or an increased selling price.

Operating expenses decreased from 21% to 18%, reflecting improved efficiency.

Profitability improved during the year.

Do not accept % mark-up as it does not adequately reflect overall profitability and only changed marginally (40% to 41%).

4

3.7

Evaluate the change in the company's dividend policy and explain why the directors might have decided on this change.

Calculation 2026 ✓✓ Comment: Must be based on learner calculation, decrease = growth/increase = to keep shareholders happy ✓✓

The dividend payout rate decreased from 53% to 40% (52/130). This indicates that a smaller percentage of earnings is being distributed as dividends. The company may be retaining more profits to finance expansion and future growth.

4

3.8

The shareholders have indicated at the AGM that they are not satisfied with the Market Price of their shares on the JSE. Quote ONE financial indicator and other data to prove them wrong.

Comparison of MP to NAV ✓ figures and trend for 2026 ✓ Comment ✓

The market price per share of 780 cents is higher than the net asset value (NAV) per share of 560 cents (by 220 cents).

OR

The NAV of 560 cents is lower than the MP of 780 cents (by 220 cents).

This indicates that the shares are trading above their intrinsic value and are in demand. Investors are willing to pay more than the underlying value due to strong performance and positive growth expectations.

3

3.9 An important decision like this is called a special resolution, which requires a 75% shareholder approval vote.

3.9.1 Calculate whether Mr Nkuna can pass a special resolution on his own.

$$\frac{420\,000 \checkmark}{975\,000 \checkmark} \times 100$$

$$= 43\% \checkmark \text{ one part correct}$$

He cannot pass a special resolution alone, as he does not meet the 75% requirement.

3

3.9.2 If two other shareholders each own 14% of the shares and vote against Mr Nkuna, will the resolution pass? Show calculations to motivate your answer.

Calculation of 72% ✓ Comment ✓

Opposition has $14\% + 14\% = 28\%$

Mr Nkuna has 43%

$$43\% + \text{remaining } 29\% (100 - 28 - 43) = 72\%$$

Even if all remaining shareholders vote with Mr Nkuna, it is still less than 75%, and the resolution will NOT pass.

2

3.9.3 How many additional shares would Mr Nkuna need to acquire in order to pass the special resolution on his own?

$$975\,000 \times 75\%$$

$$731\,250 \text{ shares } \checkmark - 420\,000 \text{ current shares } \checkmark$$

$$= 311\,250 \text{ shares needed } \checkmark \text{ one part correct}$$

3

3.10 Discuss ONE concern and suggest ONE solution in line with good corporate governance.

CONCERN	SOLUTION
Any ONE valid concern ✓	Any ONE valid solution ✓
Spreading negative rumours is unethical and manipulates shareholders, potentially unfairly affecting the share price.	The board/company secretary should investigate, issue a formal warning/legal notice where appropriate, communicate accurate information to shareholders, and protect minority shareholder rights.
It disadvantages minority shareholders and undermines transparency and integrity.	The company should enforce ethical conduct in line with the King's Code Report on Corporate Governance and protect shareholder rights.
Note: Disciplinary action may not apply unless Mr Nkuna is also an employee/director; in this case, he is just a shareholder.	

2

TOTAL MARKS

40

QUESTION 4**4.1 AUDITING CONCEPTS**

Match the description in COLUMN B with the correct term in COLUMN A.
Write only the letter (A–F) next to the question number (4.1.1–4.1.5).

4.1.1	C ✓
4.1.2	E ✓
4.1.3	A ✓
4.1.4	D ✓
4.1.5	B ✓

5

4.2 CORPORATE GOVERNANCE AND ETHICS

4.2.1 Identify the unethical practice described in the article.

Nepotism ✓

1

4.2.2 Explain why awarding the tender to a relative is a corporate governance concern.

Any ONE relevant point; ✓✓

- It creates a conflict of interest.
- It is unfair to other suppliers/ tender applicants.
- It undermines transparency and accountability.
- It violates procurement policies.

2

4.2.3 Explain the role of the Auditor-General in this investigation.

Any ONE relevant point; ✓✓

- Audits public sector institutions/Investigates or audits the use of public funds in government institutions.
- Ensures public funds are used correctly.
- Checks compliance with legislation.
- Reports findings to Parliament/Public.

2

4.2.4 Give ONE possible negative consequence for this education department if corruption is proven.

Any ONE valid consequence; ✓✓

- Legal action against officials.
- Financial penalties/ Financial losses to the department.
- Reputational damage.
- Loss of public trust.

2

4.2.5 Explain ONE reason why it is important to protect whistleblowers in an organisation.

Any ONE relevant point; ✓✓

- Protects employees from victimisation.
- Encourages reporting of unethical behaviour.
- Promotes transparency and accountability.
- Helps detect fraud early.

2

4.2.6 Suggest ONE internal control measure that could prevent this type of situation in future.

Any ONE valid control measure ✓

- Independent tender committee approval.
- Declaration of conflict-of-interest forms.
- Rotation of procurement officials.
- Internal audit review of contracts.

1

TOTAL MARKS
15

TOTAL 150 MARKS