

GRADE 12

Name: _____

Examination Number:

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Time: 2 hours

Marks: 200

PLEASE READ THE FOLLOWING INSTRUCTIONS CAREFULLY:

1. This question paper consists of 14 pages and an Information Booklet of 10 pages, as well as a separate Ratio Sheet. Please check that your question paper is complete.
2. Read the questions carefully.
3. Answer all the questions in the space provided. Show all workings to earn part-marks.
4. It is in your own interest to write legibly and to present your work neatly.
5. You may use a dark pencil or black/blue ink to answer the questions. You may not use red or green ink. You may use a non-programmable calculator.
6. All calculations should be rounded off to two decimal places.
7. The allocation of marks and appropriate time to be taken for each question are as follows:

QUESTION	TIME ALLOCATED	POSSIBLE MARK	ACTUAL MARK
1. Inventory and Asset Management	30 min	48	
2. Company Financial Statements	35 min	60	
3. Cash Flow Statement	26 min	44	
4. Manufacturing and Vat	29 min	48	
TOTAL	120 min	200	

QUESTION1 INVENTORY AND ASSET MANAGEMENT

(48 Marks; 30 Minutes)

1.1

1.1.1 Calculate the value of Interactive Boards on hand on 30 June 2025. (3)

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1.1.2 Calculate the value of the Glass Boards on hand on 30 June 2025. (8)

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1.2

1.2.1 Calculate the gross profit achieved on the sale of the Interactive Boards for the year ended 30 June 2025. (5)

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- 1.2.2 Calculate the profit mark-up achieved by FutureTech Boards on the sale of Interactive Boards for the year ended 30 June 2025. (3)

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- 1.2.3 On average the business adds a profit mark-up of 140% to the cost price of Interactive Boards. Supply two reasons why the mark-up percentage calculated in 1.2.2 is different from the average mark-up added. (2)

- _____

- _____

1.3

- 1.3.1 Aaliyah Khan, the owner of FutureTech Boards is concerned that a number of Glass Boards have gone missing. Are her concerns warranted? Show a calculation to prove/disprove that Glass Boards have gone missing. (5)

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1.3.2 Explain one control measure that Aaliyah could implement to ensure that stock is not stolen. Note: You may not use security cameras as a control measure and your control measure must be applicable to the nature of the business.(2)

- _____

1.4 Refer to information point 4.1. on page 4 of your information booklet. Why do you think that the price of both Interactive Boards and Glass Boards decreased on 1 December 2025? (2)

1.5 Determine the method of depreciation that is being applied to delivery vehicles. Show a calculation to support your answer. (4)

Calculation:

Method of depreciation: _____

1.6 Supply two suitable reasons why you think that installation van 1 was being traded in on installation van 3. (2)

- _____

- _____

1.7 Calculate the price at which vehicle 1 was traded in on vehicle 3. Hint: Prepare the asset disposal account. (6)

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1.8 What amount would be recorded in the Statement of Comprehensive Income for depreciation on 30 June 2025? (6)

Installation van 1	
Installation van 2	
Installation van 2	

Total amount to be recorded in the Statement of Comprehensive Income:

QUESTION 2 COMPANY FINANCIAL STATEMENTS (60 marks; 35 min)

Refer to the Information Booklet for information relating to Lumina Beauty Ltd.

All workings need to be shown as part marks will be allocated to them. The number of lines does not represent the number of entries required.

1.1 Complete the **extract** of the Statement of Comprehensive Income (Income Statement) for the year ending 28 February 2025.

LUMINA BEAUTY LTD

Extract of Statement of Comprehensive Income for year ending 28 February 2025

Sales	
Cost of sales	
Gross profit	
Other operating income	DO NOT TOTAL
Rent income (173 000	
Gross operating income	DO NOT TOTAL
Operating expenses	DO NOT TOTAL
Director's Fees (1 545 000	
Bad debts (10 475	
Stationery (30 000	
Advertising (21 300	
Operating profit	DO NOT TOTAL
Interest income	12 000
Dividend income	
Profit before taxation	DO NOT TOTAL
Taxation	
Net profit for the year	

(32)

Calculations should be shown in the boxes below or in the Statement of Comprehensive Income and/or Statement of Financial Position to be awarded part marks.

Adjustment 2:	Adjustment 3:
Adjustment 5:	Adjustment 10:
Adjustment 11:	Adjustment 12: Trading stock deficit/surplus
Other adjustments:	

2.2 Complete the following notes to the financial statements as at 28 February 2025.
All workings must be shown.

2.2.1 Trade and Other Receivables

Net trade debtors	
Trade debtors (750 000)	
Provision for bad debts (42 000)	
	DO NOT TOTAL

(12)

2.2.2 Cash and Cash Equivalents

Cash float	5 000
Petty cash (	
	DO NOT TOTAL

(4)

2.2.3 Trade and Other Payables

Creditors Control (459 000)	
	DO NOT TOTAL

(12)

Question 3: Cash Flow Statements**(44 Marks;26 Minutes)**

- 3.1 Complete the note for the reconciliation of profit before tax and cash generated from operations for the year ended 30 June 2025 by filling in the information denoted by an *. Note: Certain information has been filled in for you and this information is correct. (13)

Reconciliation of profit before tax and cash generated from operations	
Net profit before tax	*
Adjustment for:	333 000
Depreciation	275 000
Interest expense	64 000
Interest income	(6 000)
Net profit before changes in working capital	873 000
Changes in working capital	*
Increase/Decrease in inventories	*
Increase/Decrease in trade and other receivables	*
Increase/Decrease in trade and other payables	*
Cash generated from operations	396 750

Calculation for changes in inventories
Calculation for changes in trade and other receivables
Calculations for changes in trade and other payables

3.2 Complete the Statement of Cash Flows for the year ended 30 June 2025 by filling in the information denoted by an *. Note: Certain information has been filled in for you and this information is correct.
(29)

Cash flows from operating activities	*
Cash generated from operations	396 750
Interest on mortgage bond	(64 000)
Interest on investments	*
Income tax paid	*
Dividends paid	(133 000)
Cash flows from investing activities	(965 000)
Fixed assets purchased	(1 105 000)
Disposals of fixed assets at carrying value	*
Increase/decrease in fixed deposit	*
Cash flows from financing activities	1 210 000
Proceeds from the issue of shares	*
Repurchase of shares	*
Repayment of long-term borrowings	*
Increase in long-term borrowings	*
Net change in cash and cash equivalents	*
Balance on 1 June 2024	*
Balance on 30 June 2025	140 000

3.3 Suggest how this business could improve their cash flow situation. (2)

QUESTION 4 MANUFACTURING AND VAT**(48 marks; 29 minutes)****PART A: MANUFACTURING**

Refer to the information on Freedom Stationers (Pty) Ltd to answer the following questions.

- 4.1 Complete the direct raw materials note. (9)

DIRECT RAW MATERIALS

Opening Stock	
Net Purchases (	
Carriage on Purchases	
•	
Closing Stock	
Direct Raw Materials cost for the year	

- 4.2 Complete the Factory Overheads note. (15)

FACTORY OVERHEADS

Consumable Stores (	
Indirect Labour (	
Rent (	
Insurance (	
Depreciation (	
Factory Overheads	

4.3 Complete the Production Cost Statement of Freedom Stationers (Pty) Ltd on 30 June 2025. (9)

PRODUCTION COST STATEMENT FOR THE YEAR ENDED 30 JUNE 2025

Direct Costs	DO NOT CALCULATE
Direct Raw Materials	
Direct Labour	
•	
Total Cost of Manufacturing	
Work-in-Progress at beginning of year	
Work-in-Progress at end of year	
Cost of Production of Finished Goods	

Direct Labour calculation

4.4 Calculate the cost of finished goods on hand at 30 June 2025. (4)

4.5 Is the business managing the different categories of stock well? Explain your reasoning. (There is no need to do a stock turnover calculation). (3)

PART B: VAT**(8 marks; 6 minutes)**

Calculate the VAT amount and indicate if it Increases or Decreases the amount owed to SARS.

VAT is calculated at 15%.

(10)

	Calculation:	VAT Amount:	Indicate <u>Increase</u> OR <u>Decrease</u> in the amount owing to SARS:
1			
2			
3			