

GRADE 12

Name: _____

Time: 2 hours

Marks: 100

PLEASE READ THE FOLLOWING INSTRUCTIONS CAREFULLY:

- 1. This question paper consists of 13 pages and an Information Booklet of 9 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. Reconciliations	36 min	30	
2. Analysis of Financial Statements	48 min	40	
3. Budgets	36 min	30	
TOTAL	120 min	100 marks	

QUESTION 1 RECONCILIATIONS AND CONTROLS (30 marks; 36 minutes)

PART A: DEBTORS AGE ANALYSIS (16 marks; 19 minutes)

Refer to the Information Booklet for information on HealthyChoice Pharmacy.

1.1.1 Update the Debtors age analysis in HealthyChoice Pharmacy’s accounting records on 31 August after taking into account the errors and omissions. Do NOT total each debtor. Show workings.

Debtors	Credit Limit	90 + Days	60 + Days	30 + Days	Current (August)
M. Thomas	10 000	3 750	2 900	950	
T. Madidimalo	8 000		2 610	3 940	2 450
M. Nefari	8 500	400	5 760	3 280	790
K. MacKenzie	4 200			870	1 370

(14)

1.1.2 Looking at the debtors holistically after recording the errors and omissions, identify TWO other problems regarding debtors. Quote debtor surnames and amounts.

Problem 1:

(1)

Problem 2:

(1)

PART B: CREDITORS RECONCILIATION

(14 marks; 17 minutes)

Refer to the Information Booklet for information on Cullen Stores and Nebraska Inc.

- 1.2 Compare Nebraska Inc’s account in the creditors ledger to the statement of account and use the additional information to complete the following:

Calculation of transactions	Creditors Ledger of Cullen Stores	Creditors Reconciliation of Nebraska Inc
Opening balances:	9 090	19 450
1)		
2)		
3)		
4)		
5)		
6)		

(9)

- 1.3 Why would internal auditors require a monthly reconciliation of all creditors to be completed?

(2)

- 1.4 Cullen Stores has always sold for cash only. They are considering offering credit sales to customers. Other than offering settlement discounts or charging interest, advise Cullen Stores on THREE steps that they can take to manage their debtors well.

1.

2.

3.

(3)

QUESTION 2 ANALYSIS OF FINANCIAL STATEMENTS (40 marks; 48 minutes)

Refer to the published Annual Financial Statements of Shoprite Holdings Ltd in the Information Booklet and answer the following questions.

- 2.1 Calculate the mark-up on cost that Shoprite Holdings achieved for 2024. (2)

- 2.2 Pick 'n Pay achieved a mark-up on cost of 22% for 2024. Explain why you think Shoprite Holdings Ltd was able to achieve a higher mark-up. (1)

- 2.3 Inflation unexpectedly rose in 2024, reaching 7% p.a. according to data released by Statistics South Africa.

Calculate the rand value by which revenue increased AFTER taking inflation into account. (3)

- 2.4 Calculate how many shares were in issue on 30 June 2024. (2)

2.5 Calculate the percentage of the 2024 EPS (earnings per share) that will be paid out to shareholders as a dividend. (3)

2.6 Shoprite Holdings Ltd will be having their AGM (Annual General Meeting) on 28 August 2024.

2.6.1 Which key stakeholder gets invited to the AGM? (1)

2.6.2 Discuss three reasons why Shoprite Holdings Ltd might think it beneficial to shareholders to retain a high percentage of EPS (i.e. have a lower dividend per share). (3)

2.6.3 Which stakeholder group would likely not be happy with a low dividend payout? (1)

2.7 Calculate Shoprite Holdings Ltd 2024 stock turnover period in days and assess whether it is acceptable for this kind of business. (5)

2.8 Why would Shoprite Holdings Ltd not necessarily have cash flow problems if their debtors' days exceeded their creditors' days. (1)

2.9 Explain why Shoprite Holdings Ltd could have a bank overdraft as well as cash and cash equivalents at the same time. (2)

2.10 Shoprite Holdings Ltd claims to be the biggest food retailer in Africa and South Africa’s low-price leader. They say they do everything in their power to keep consumer prices down. When local chicken prices were very high, Shoprite sourced high quality frozen chickens on the international market in an effort to reduce the price of frozen chicken for South African consumers.

2.10.1 What does the increase in exchange rate losses from 2023 to 2024 suggest about the strength of the ZAR vs USD in the 2024 financial year? (1)

2.10.2 Indicate two ways in which importing chicken complies with the King Code and two ways it does not comply with the King Code? (4)

Complies:

Does not comply:

2.11 Shoprite Holdings Ltd 2024 Debt : Equity ratio was 0.19:1 in 2024 and 0.13:1 in 2023.

2.11.1 Explain *two* reasons for the movement in the Debt : Equity ratio. (2)

Reason 1: _____

Reason 2: _____

2.11.2 Give one advantage of having a low Debt : Equity ratio. (1)

2.12 You want to build your wealth and are considering investing in shares on the JSE. Your bank manager has suggested that you invest in a fixed deposit at 8% p.a. Provide a suitable calculation and comment on whether you think investing in Shoprite Holdings Ltd would give you a better return on equity. (4)

2.13 Shoprite Holdings Ltd are keen to expand the number of stores they have by 512 during the 2025 financial year.

2.13.1 With reference to the articles in the Information Booklet, indicate a concern the government might have with the proposed expansion and how Shoprite Holdings Ltd might respond. (2)

Government concern:

Shoprite Holdings Ltd possible response:

2.13.2 Shoprite Holdings Ltd has approached the bank for an increased loan to fund its expansion ambitions. Discuss two factors the bank would consider before deciding to extend additional funding to Shoprite. (2)

Refer to the Information Booklet relating to TechWave Traders.

3.1 Identify TWO items that have been INCORRECTLY included in the cash budget. Give a **full explanation** of why each item should Not be included in the cash budget.

Item 1:

Item 2:

(4)

3.2 Identify THREE items that have been CORRECTLY included under RECEIPTS in the cash budget that would Not appear in the Projected Income Statement.

Item 1:

Item 2:

Item 3:

(3)

3.3 Complete the debtors' collection schedule for May 2024. Show workings. (6)

	Credit sales	April	May
March	88 000	39 600	
April	70 400		
May	61 600		
		DO NOT TOTAL	DO NOT TOTAL

3.4 Calculate A – F in the Cash Budget for April and May 2024. (13)

A		(3)
B		(3)
C		(3)
D		(1)
E		(1)
F		(2)

3.5 Calculate the percentage increase in Fee income from April to May 2024. (1)

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3.6 Calculate the full purchasing price of the new vehicle. (3)

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