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# NATIONAL SENIOR CERTIFICATE ACCOUNTING PAPER 1 SPECIAL ANSWER BOOK

NOVEMBER 2024

EXAMINATION NUMBER

|  |  |  |  |  |  |  |  |  |  |  |  |  |
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| QUESTION     | MARK   |      | MARKER<br>INITIAL | MODERATOR<br>INITIAL |
|--------------|--------|------|-------------------|----------------------|
|              | Marker | Mod. |                   |                      |
| 1 (40)       |        |      |                   |                      |
| 2 (55)       |        |      |                   |                      |
| 3 (35)       |        |      |                   |                      |
| 4 (20)       |        |      |                   |                      |
| TOTAL: [150] |        |      |                   |                      |

THIS ANSWER BOOK CONSISTS OF 12 PAGES



SOUTH AFRICAN COMPREHENSIVE ASSESSMENT INSTITUTE  
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**QUESTION 1: FINANCIAL STATEMENTS: Statement of Financial Position****(40 marks; 30 min)****1.1 Calculate the correct Net Profit after tax.**

| <b>Workings</b>                      | <b>Answer</b>    |
|--------------------------------------|------------------|
| <b>Incorrect Net Profit</b>          | <b>1 705 600</b> |
| Directors fee                        |                  |
| Rent income                          |                  |
| Packaging material                   |                  |
| Provision for bad debts adjustment   |                  |
| Repairs                              |                  |
| Interest on Loan                     |                  |
| Salaries                             |                  |
| <b>Correct Net Profit before tax</b> |                  |
| <b>Income tax</b>                    | <b>(617 000)</b> |
| <b>Net Profit after tax</b>          |                  |

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1.2

**Statement of Financial Position:  
FAST Ltd. on 29 February 2024**

|                                      |            |
|--------------------------------------|------------|
| <b>ASSETS</b>                        |            |
| <b>NON – CURRENT ASSETS</b>          |            |
|                                      |            |
| Fixed deposit                        | 1 150 000  |
|                                      |            |
| <b>CURRENT ASSETS</b>                |            |
| Inventory                            |            |
|                                      |            |
| Cash and cash equivalents            | 10 450     |
| <b>TOTAL ASSETS</b>                  |            |
|                                      |            |
| <b>EQUITY AND LIABILITIES</b>        |            |
| <b>ORDINARY SHAREHOLDERS' EQUITY</b> | 11 000 000 |
| Ordinary Shares Capital              | 10 150 000 |
| Retained Income                      | 850 000    |
| <b>NON – CURRENT LIABILITIES</b>     |            |
|                                      |            |
| <b>CURRENT LIABILITIES</b>           |            |
|                                      |            |
|                                      |            |
|                                      |            |
| <b>TOTAL EQUITY AND LIABILITIES</b>  |            |

25

TOTAL MARKS

[40]

**QUESTION 2: CASH FLOW STATEMENT, NOTES AND FINANCIAL INDICATORS****(55 marks; 50 min)**

|              |                                       |  |
|--------------|---------------------------------------|--|
| <b>2.1</b>   | <b>List of items in annual report</b> |  |
| <b>2.1.1</b> |                                       |  |
| <b>2.1.2</b> |                                       |  |
| <b>2.1.3</b> |                                       |  |

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**2.2.1 Ordinary Share Capital****1 200 000 ordinary shares**

|                |                                       |                  |
|----------------|---------------------------------------|------------------|
| <b>480 000</b> | <b>Shares issued on 1 May 2023</b>    |                  |
|                |                                       |                  |
|                |                                       |                  |
|                | <b>Shares issued on 30 April 2024</b> | <b>1 820 000</b> |

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**Retained income**

|                                     |                |
|-------------------------------------|----------------|
| <b>Balance at beginning of year</b> |                |
|                                     |                |
|                                     |                |
| <b>Ordinary share dividends</b>     |                |
| <b>Interim</b>                      |                |
| <b>Final</b>                        |                |
| <b>Balance at end of year</b>       | <b>942 500</b> |

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|              |                                                               |               |
|--------------|---------------------------------------------------------------|---------------|
| <b>2.2.2</b> | <b>Calculate the Income tax paid.</b>                         |               |
|              | <b>WORKINGS</b>                                               | <b>ANSWER</b> |
|              |                                                               |               |
|              | <b>Calculate the dividends paid.</b>                          |               |
|              | <b>WORKINGS</b>                                               | <b>ANSWER</b> |
|              |                                                               |               |
|              | <b>Calculate the net change in cash and cash equivalents.</b> |               |
|              | Net change in cash and cash equivalents                       |               |
|              | Starting balance                                              |               |
|              | Closing balance                                               |               |

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**2.2.3 Cash flow from Investing activities.**

|                           |        |
|---------------------------|--------|
|                           |        |
| Proceeds on sale of asset | 22 000 |
|                           |        |
|                           |        |

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|       |                                               |        |
|-------|-----------------------------------------------|--------|
| 2.2.4 | Calculate the following financial indicators: |        |
|       | Mark-up percentage on Cost of Sales           |        |
|       | WORKINGS                                      | ANSWER |
|       | Debt – Equity ratio                           |        |
|       | WORKINGS                                      | ANSWER |
|       | % Return on shareholders' equity (ROSHE)      |        |
|       | WORKINGS                                      | ANSWER |

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| TOTAL MARKS |
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| [55]        |

**QUESTION 3: INTERPRETATION OF FINANCIAL INFORMATION****(35 marks; 25 min)**

|              |                                 |  |
|--------------|---------------------------------|--|
| <b>3.1</b>   | <b>Choose the correct word.</b> |  |
| <b>3.1.1</b> |                                 |  |
| <b>3.1.2</b> |                                 |  |
| <b>3.1.3</b> |                                 |  |
| <b>3.1.4</b> |                                 |  |

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**3.2 FURIOUS Ltd.**

|              |                                                                                                                                                                                                        |
|--------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>3.2.1</b> | <b>The directors are satisfied with the improvement in the current ratio and the acid-test ratio. Explain why you would disagree with them. Quote TWO other financial indicators in your response.</b> |
|              | <b>Financial indicators</b>                                                                                                                                                                            |
|              | <b>Explanation</b>                                                                                                                                                                                     |

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|              |                                                                                                                                                                         |
|--------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>3.2.2</b> | <b>Dividends:</b>                                                                                                                                                       |
| •            | <b>Comment on the dividend per share over the last two years. Quote figures.</b>                                                                                        |
|              |                                                                                                                                                                         |
| •            | <b>Explain the change in the dividend pay-out rate and give a reason for this change. Quote figures.</b>                                                                |
|              | <p>Give a reason for this change.</p>                                                                                                                                   |
| •            | <b>Jakob Toretto feels that he is more satisfied with the dividends he received at FURIOUS Ltd. Explain why you agree with him. Show calculation and quote figures.</b> |
|              | <p>Show calculation</p> <p>Explanation</p>                                                                                                                              |

|       |                                                                                                           |
|-------|-----------------------------------------------------------------------------------------------------------|
| 3.2.3 | <p>Comment on the risk and gearing for both years.<br/>Quote TWO financial indicators (with figures).</p> |
|       | <p>Financial indicators</p> <p>Comment</p>                                                                |

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| 3.2.4 | <p>Existing shareholders are unhappy that the new shares issued on 1 July 2023 have been sold to the CEO, Brian O'Conner.</p> <p>Give TWO reasons why you think their feelings are justified. Show calculation and quote figures.</p> |
|       | <p>Show calculation</p> <p>Reasons</p>                                                                                                                                                                                                |

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|       |                                                                                                                                                       |
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| 3.2.5 | The Cash Flow Statement showed a positive change of R1 470 000. Give TWO reasons why this should still be a concern for the directors. Quote figures. |
|       |                                                                                                                                                       |

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| TOTAL MARKS |
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| [35]        |

**QUESTION 4: SHAREHOLDING AND CORPORATE GOVERNANCE (20 marks; 15 min)**

|              |                                 |  |
|--------------|---------------------------------|--|
| <b>4.1</b>   | <b>Choose the correct word.</b> |  |
| <b>4.1.1</b> |                                 |  |
| <b>4.1.2</b> |                                 |  |
| <b>4.1.3</b> |                                 |  |
| <b>4.1.4</b> |                                 |  |
| <b>4.1.5</b> |                                 |  |

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| <b>5</b> |

|              |                                                                        |
|--------------|------------------------------------------------------------------------|
| <b>4.2.1</b> | <b>Calculate the percentage shareholding of Canal+ in Multichoice.</b> |
|              |                                                                        |
| <b>4.2.2</b> | <b>Why is Canal+ so determined to acquire the shares?</b>              |
|              |                                                                        |
| <b>4.2.3</b> | <b>Provide TWO benefits for Canal+ if they acquire the shares.</b>     |
|              |                                                                        |

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| 4.3.1 | Why does the CEO use the above as an argument to Multichoice as a reason to why they are interested in the shares? |
|       |                                                                                                                    |
| 4.3.2 | In which report will the non-financial information be communicated in the AGM?                                     |
|       |                                                                                                                    |
| 4.3.3 | What do you understand by the “Three part baseline” reporting?                                                     |
|       |                                                                                                                    |
| 4.3.4 | Briefly explain what you understand by “good corporate governance”.                                                |
|       |                                                                                                                    |

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TOTAL MARKS

[20]

GRAND TOTAL: [150]