



# higher education & training

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Department:  
Higher Education and Training  
**REPUBLIC OF SOUTH AFRICA**

## **MARKING GUIDELINE**

**NATIONAL CERTIFICATE**

**FINANCIAL ACCOUNTING N6**

**9 June 2025**

**This marking guideline consists of 7 pages.**

## SECTION A

### QUESTION 1

- 1.1 B
- 1.2 C
- 1.3 A
- 1.4 D
- 1.5 D
- 1.6 B
- 1.7 C
- 1.8 C
- 1.9 A
- 1.10 C
- 1.11 B

(11 × 2) [22]

### QUESTION 2

- 2.1
  - 2.1.1 Internal
  - 2.1.2 External
  - 2.1.3 External
  - 2.1.4 Internal
  - 2.1.5 Internal
  - 2.1.6 External

(6 × 2) (12)

- 2.2 Qualified opinion✓
  - It means there are problems in the accounting practices of the company.✓✓ (3)

- Unqualified opinion✓
  - It means financial statements are a fair presentation of the company's finances, and the accounting policies are consistent with those of previous years.✓✓
  - Shareholders will only be pleased to have it.✓ (4)

- Disclaimer/Withheld audit opinion✓
  - It means external auditors are unable to find enough information and documents to be able to form an opinion about financial statements.✓✓
- OR
  - It means directors are not doing the best possible job on behalf of the shareholders.✓
  - It means that the ethics and internal control of the business should be assessed and improved.✓ (3)

## 2.3 Risk assessment

- Plan the audit and know exactly what will be investigated.

### Control procedures

- Follow up the findings of the audit report to determine whether the necessary steps have been taken.

### Checking

- Examine and evaluate the information that was collected about related matters.

### Reporting

- Communicate the results of the audit in an audit report. (4 × 2) (8)

## 2.4

### 2.4.1 Public

- Name of company ends with Ltd. (2 × 2) (4)

### 2.4.2 (a) Employees

- There might be future retrenchments
- No wage increment/bonus/overtime
- Losing benefits in future regarding pensions or medical aid
- Company may be liquidated or closed down
- Uncertain economy (Any 3 × 2) (6)

### (b) Investors (shareholders)

- Their investments/savings are now depleted or finished or lost due to a decrease in the share price.
- Loss of earnings (dividends)/unable to cope with daily living costs
- Low investors' confidence in directors/auditors as there was negligence or deliberate fraudulent activities
- Would make it difficult/impossible to sell their shares because of the reputation of the company (Any 3 × 2) (6)

### 2.4.3

- Unreliable audit reports/external or internal reports were biased or negligent.
- Directors have been acting out of character/in an unethical or fraudulent way.
- Personnel were expected/influenced to follow irregular practices which were sanctioned or overlooked by senior managers.
- Bribery/collusion/kickback payments/producing or overlooking material transactions.
- Lack of regular/effective internal control measures.
- No proper application of GAAP/IFRS in compiling financial statements. (Any 4 × 2) (8)

[54]

### QUESTION 3

80 200 + 1 650✓ + 3 600 ✓✓ + 9 000✓✓✓ + 2 070✓✓✓ - 6750 ✓✓ - 14 150✓✓ - 500✓✓  
-135✓✓✓ - 27 500✓ = 46 485☑ Payable

| VAT CONTROL |          |
|-------------|----------|
| ✓✓6 750     | 80 500   |
| ✓✓14 150    | ✓1 650   |
| ✓✓1 500     | ✓✓3 600  |
| ✓✓✓135      | ✓✓✓9 000 |
| ✓27 500     | ✓✓✓2 070 |
| ☑46 485     |          |
| 96 520      | 96 520   |

| CALCULATIONS                                                                           |
|----------------------------------------------------------------------------------------|
| 5. $12\,900 \times 0,08 = 1\,032$ one mark<br>$1\,032 \times 15/115 = 135$ three marks |
| 6. $126\,250 - 122\,650 = 3\,600$                                                      |
| 8. $181\,000 - 112\,000 = 69\,000$<br>$69\,000 \times 15/115 = 9\,000$                 |
| 9. $141\,500 \times 100/150 = 94\,333$<br>$94\,333 \times 15/100 = 14\,150$            |

[20]

**TOTAL SECTION A: 96**

## SECTION B

### QUESTION 4

**LEWRON CC**  
**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED**  
**31 MARCH 2024**

|                                                              |                |                  |
|--------------------------------------------------------------|----------------|------------------|
| Sales (6 250 000 – 15 000✓)                                  | ✓6 235 000     |                  |
| Less cost of sales (3 500 000 – 10 000✓)                     | ✓3 490 000     |                  |
| Gross profit                                                 |                | 2 745 000        |
| Other operating income                                       |                | 215 750          |
| Rent income (217 000 – 31 000✓)                              | ✓186 000       |                  |
| Discount received                                            | ✓6 000         |                  |
| Bad debts recovered                                          | ✓5 000         |                  |
| Profit on disposal                                           | ✓✓15 000       |                  |
| Provision for bad debts (24 000 – (420 000 – 15 000) × 5%)✓✓ | ✓3 750         |                  |
| <b>Gross operating income</b>                                |                | <b>2 960 750</b> |
| Operating expenses                                           |                | 1 711 434        |
| <b>Insurance</b>                                             | <b>180 000</b> |                  |
| <b>Advertisement</b>                                         | <b>45 000</b>  |                  |
| <b>Bad debts</b>                                             | <b>8 400</b>   |                  |
| <b>Vehicle repairs</b>                                       | <b>65 000</b>  |                  |
| Stationery (44 000 – 4 000✓)                                 | ✓40 000        |                  |
| Water and electricity                                        | ✓96 000        |                  |
| Salaries                                                     | ✓420 000       |                  |
| Members' salaries: Lewis                                     | ✓204 000       |                  |
| Aaron                                                        | ✓180 000       |                  |
| Rent expenses (270 000 + 54 000✓)                            | ✓324 000       |                  |
| Trading stock deficit                                        | ✓✓8 000        |                  |
| Depreciation (90 000✓ + 10 000✓ + 7 500✓ + 33 534✓✓)         | ✓141 034       |                  |
| Operating profit                                             |                | ✓1 249 316       |
| Interest income (50 000 at 8%)                               |                | ✓40 000          |
| Profit before interest expenses                              |                | <b>1 289 316</b> |
| Interest expenses (180 000 + 34 000)                         |                | ✓(214 000)       |
| Profit before tax                                            |                | ✓1 075 316       |
| Less income tax (270 000 + 20 335)                           |                | ✓290 335         |
| Net profit after tax                                         |                | <b>784 981</b>   |

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## QUESTION 5

### STATEMENT OF FINANCIAL POSITION FOR LIZBETH LTD FOR 30 JUNE 2024

|                                                                    |             |
|--------------------------------------------------------------------|-------------|
| <b>ASSETS</b>                                                      |             |
| <b>Non-current assets</b>                                          | ✓8 183 500  |
| Tangible assets (7 838 500✓ – 380 000✓)                            | ✓7 458 500  |
| Investment – Fixed deposit at TIME Bank                            | ✓✓725 000   |
|                                                                    |             |
| <b>Current assets</b>                                              | ✓2 972 000  |
| Inventories                                                        | ✓1 432 000  |
| Trade and other receivables                                        | ✓1 097 000  |
| Cash and cash equivalents (18 000✓ + 425 000✓)                     | ✓443 000    |
|                                                                    |             |
| <b>TOTAL ASSETS</b>                                                | ✓11 155 500 |
|                                                                    |             |
| <b>EQUITY AND LIABILITIES</b>                                      |             |
| <b>Ordinary shareholders' equity</b>                               | ✓9 261 000  |
| Ordinary share capital                                             | ✓✓8 400 000 |
| Retained income                                                    | ✓729 000    |
|                                                                    |             |
| <b>Non-current liabilities</b>                                     | 449 000     |
| Mortgage loan from Kwit Bank<br>1 050 000✓ – 234 000✓✓✓ – 367 000✓ | ✓449 000    |
|                                                                    |             |
| <b>Current liabilities</b>                                         | ✓✓1 432 000 |
| Trade and other payables (38 000✓ + 500✓)                          | ✓38 500     |
| Bank overdraft (14 500✓ + 825 000✓✓)                               | ✓839 500    |
| SARS income tax                                                    | ✓✓7 000     |
| Shareholders for dividends                                         | ✓180 000    |
| Current portion of loan                                            | ✓✓367 000   |
|                                                                    |             |
| <b>TOTAL EQUITY AND LIABILITIES</b>                                | ✓11 142 000 |

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## QUESTION 6

### 6.1 STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 DECEMBER 2024

| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>                                         |            |                  |
|------------------------------------------------------------------------------------|------------|------------------|
| Replacement of plant and equipment<br>(468 513✓ – 639 968 ✓ – 14 000 ✓ + 124 000✓) | ✓(61 455)  |                  |
| Additions to plant and equipment                                                   | ✓(124 000) |                  |
| Proceeds from the sale of plant and equipment<br>(4 811✓ + 980✓)                   | 5 791      |                  |
| Increase in fixed deposit                                                          | ✓(6 676)   |                  |
| Net cash flow from investing activities                                            |            | <b>(186 340)</b> |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>                                         |            |                  |
| Long-term borrowings raised (214 024✓ – 198 248✓)                                  | 15 776     |                  |
| Short-term loan raised (60 540✓ – 21 800✓)                                         | 38 740     |                  |
| Net cash flow from financing activities                                            |            | <b>54 516</b>    |

(13)

### 6.2 6.2.1 RECONCILIATION OF NET PROFIT BEFORE TAXATION TO CASH GENERATED FROM OPERATIONS

|                                                 |           |                |
|-------------------------------------------------|-----------|----------------|
| Net profit before tax                           |           | ✓73 420        |
| ADJUSTED FOR:                                   |           |                |
| Depreciation                                    |           | ✓27 870        |
| Profit on sale of plant and equipment           |           | ✓(980)         |
| Dividends received                              |           | ✓(8 660)       |
| Interest received                               |           | ✓(5 842)       |
| Finance cost                                    |           | ✓19 840        |
| Operating profit before working capital changes |           | <b>105 648</b> |
| WORKING CAPITAL CHANGES:                        |           | (9 058)        |
| Increase in inventory                           | ✓(16 529) |                |
| Increase in trade and other receivables         | ✓(12 069) |                |
| Increase in trade and other payables            | ✓19 540   |                |
| Cash generated                                  |           | <b>96 590</b>  |

(9)

### 6.2.2 TAXATION AND DIVIDENDS PAID

|                                              | <b>TAXATION</b>  | <b>DIVIDENDS</b> |
|----------------------------------------------|------------------|------------------|
| Amounts payable at the beginning of the year | ✓(45 524)        | ✓(12 582)        |
| Amounts according to the income statement    |                  |                  |
| Taxation                                     | ✓(38 208)        |                  |
| Dividends                                    |                  | ✓(31 320)        |
| Amounts payable at the end of the year       | ✓27 476          | ✓15 228          |
| Amounts paid                                 | <b>✓ 56 256)</b> | <b>✓(28 674)</b> |

(8)

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**TOTAL SECTION B:  
GRAND TOTAL:**