

Confidential



CENTRE NUMBER

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EXAMINATION NUMBER

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**SENIOR CERTIFICATE EXAMINATIONS/
NATIONAL SENIOR CERTIFICATE EXAMINATIONS**

ACCOUNTING P1

GRADE 12

MAY/JUNE 2025

SPECIAL ANSWER BOOK

QUESTION	MARKS	INITIAL	MOD.
1			
2			
3			
4			
TOTAL			

This answer book consists of 10 pages.



QUESTION 1**1.1 Statement of Comprehensive Income for the year ended 28 February 2025**

Sales	
Cost of sales	
Gross profit	
Other income	
Service fee income	174 580
Gross operating income	
Operating expenses	
Salaries and wages	763 000
Depreciation	285 860
Operating profit	
Interest income	
Profit before interest expense	
Interest expenses	
Net profit before tax	
Income tax	(397 800)
Net profit after tax	

34



1.2 Statement of Financial Position as at 28 February 2025

EQUITY AND LIABILITIES	
ORDINARY SHAREHOLDERS' EQUITY	
Ordinary share capital	2 480 000
NON-CURRENT LIABILITIES	
Loan: Oracle Bank	
CURRENT LIABILITIES	
	972 000
Trade and other payables (420 358)	
Bank overdraft	
Current portion of loan	126 600
TOTAL EQUITY AND LIABILITIES	

16

TOTAL MARKS
50



QUESTION 2

2.1

(i)	Calculate: Carrying value of buildings on 1 March 2024	
	WORKINGS	ANSWER
(ii)	Calculate: Disposal of vehicle at carrying value	
	WORKINGS	ANSWER
(iii)	Calculate: Total depreciation on equipment	
	WORKINGS	ANSWER

12

2.2

	Calculate: Taxation paid	
	WORKINGS	ANSWER
	Calculate: Dividends paid	
	WORKINGS	ANSWER

4

4



2.3 Cash effects from financing activities in the Cash Flow Statement for the year ended 28 February 2025

Cash effects from financing activities		
		8

2.4 Calculate: % operating expenses on sales

WORKINGS	ANSWER	
		3

Calculate: % return on average shareholders' equity

WORKINGS	ANSWER	
		4

Calculate: Dividends per share

WORKINGS	ANSWER	
		4

2.5

	SOURCE OF FUNDING (with figures)	NEGATIVE EFFECT ON CASH FLOW	
SOURCE 1			
SOURCE 2			6

TOTAL MARKS
45



QUESTION 3

3.1	3.1.1		<table border="1"><tr><td style="height: 20px;"></td></tr><tr><td style="text-align: center;">3</td></tr></table>		3
	3				
3.1.2					
3.1.3					

3.2 Liquidity:

<p>The liquidity position of the company has improved. Quote TWO financial indicators with figures to support this statement.</p>	<table border="1"><tr><td style="height: 20px;"></td></tr><tr><td style="text-align: center;">4</td></tr></table>		4
4			

3.3 Dividend pay-out policy:

Calculate the dividend pay-out rate for the year ended 28 February 2025.		<table border="1"><tr><td style="height: 20px;"></td></tr><tr><td style="text-align: center;">2</td></tr></table>		2
2				
WORKINGS	ANSWER			
<p>Explain why the directors decided to change the policy. Give ONE reason.</p>		<table border="1"><tr><td style="height: 20px;"></td></tr><tr><td style="text-align: center;">2</td></tr></table>		2
2				

3.4 % shareholding and repurchase decision-making:

Calculate the number of new shares that Denzel purchased on 31 July 2024.		<table border="1"><tr><td style="height: 20px;"></td></tr><tr><td style="text-align: center;">4</td></tr></table>		4
4				
WORKINGS	ANSWER			
Calculate Denzel's % shareholding on 28 February 2025.		<table border="1"><tr><td style="height: 20px;"></td></tr><tr><td style="text-align: center;">3</td></tr></table>		3
3				
WORKINGS	ANSWER			



The independent auditor discovered that Denzel had made the decision to repurchase the shares from the estate of a deceased relative on 1 December 2024 without informing the board of directors.

Why should the independent auditor be concerned about this? Give ONE reason.

2

3.5 Gearing and risk:

The directors of Venus Ltd want to expand the business by opening more branches in other provinces. Explain why you would recommend that they should not borrow more money. Quote TWO financial indicators, with figures.

6

The other option of financing the proposed expansions is to issue more shares. Explain how this will benefit the company. Provide TWO points.

4



3.6 Share value:

Explain why the shareholders should not be satisfied with the share prices of the company at the end of the financial year. Quote TWO relevant financial indicators and other related data.

4

3.7 Renewal of the CFO's contract:

Explain ONE reason why any company should appoint a suitably qualified person as their chief financial officer (CFO).

2

Apart from the factors and financial indicators covered in QUESTIONS 3.2 to 3.6, quote and explain TWO financial indicators why you feel that Denzel's contract should not be renewed.

4

TOTAL MARKS
40



QUESTION 4

4.1.1 Identify the type of audit report that Yungs Ltd received.

1

4.1.2 Name TWO reliable types of audit evidence that VC Auditors used as the basis for their opinion.

2

4.1.3 Explain how this audit report could have a positive influence on the company in the future. Provide TWO points.

4



4.2.1

What action would Vintage Ltd have taken against the two directors who appeared in court? Provide TWO points.

4

4.2.2

Explain TWO consequences that Josh, the external auditor, may face for his illegal conduct.

4

TOTAL MARKS
15

TOTAL: 150

