Education and Sport Development

Department of Education and Sport Development
Departement van Onderwys en Sportontwikkeling
Lefapha la Thuto le Tlhabololo ya Metshameko
NORTH WEST PROVINCE

PROVINCIAL ASSESSMENT

GRADE 12

ACCOUNTING

JUNE 2017

ANSWER BOOK

Learner Name:.....School:.....

Questionno.	Marks	Initials	Mod.
1			
2			
3			
4			
5			
6			
TOTAL			

This answer book consists of 16 pages.

QUESTION 1: RECONCILIATIONS AND CONTROLS (48 marks; 29 minutes)

1.1 RECONCILIATIONS

A	
B	
C	

(6)

1.2 MTHIMKULU BLANKETS

1.2.1Explain the importance of doing regular reconciliations with regard to creditors. (3)

1.2.2 Reconcile the creditor's statement with the Creditors Ledger account. (12)

No.	Creditors reconciliation statement Description	Showtime (Pty) Ltd		Mthimkulu Blankets	
		Debit R	Credit R	Debit R	Credit R

1.2.3The debtor's clerk at Showtime (Pty) Ltd has contacted Bongiwe as they are concerned about the conduct of the account. Do you agree with the concerns of the debtor's clerk? Analyze TWO areas to back up your argument. (8)

1.3 CONTROLS

1.3.1Identify ONE problem area with regard to the bank reconciliation statement, which shows Bongiwe has problems controlling the cash in her business. (2)

1.3.2 Explain TWO control measures that Bongiwe needs to put in place to ensure that this does not happen in the future.(4)

1.3.3 Compete the bank reconciliation statement for September so that it balances, after taking into account the additional information given

Bank reconciliation statement

Details	Debit R	Credit R

(13)

[48]

QUESTION 2: INVENTORY SYSTEMS (44 marks; 26 minutes)

2.1.1 Name **and explain another method of valuing stock. (2)**

2.1.2 Calculate **the number of units sold during the period. (8)**

2.1.3 Calculate **the total number of units on hand on 31 March 2016. (5)**

2.1.4 Calculate **the value of the closing stock using the FIFO valuation method. (7)**

2.1.5 Calculate the gross profit for the period 1 January to 31 March 2016 (12)

2.1.6TWO reasons why the FIFO /SPECIFIC IDENTIFICATION method is best suited to Bahati Boards rather than the other method named in 2.1.1. (4)

2.1.7 How **to identify whether the stock is going missing or not. (4**)

2.1.8 Controls that would be effective for this particular product.	**(2)**

[44]

QUESTION 3: VALUE ADDED TAX (23 marks; 33 minutes)

1.1.1 Choose a word or phrase

(a)	
(b)	
(c)	
(d)	

8

1.1.2 (a) Calculate the amount ofVAT that Billy willeitherpay to or receive fromSARS

11

(b) Explain whyBilly benefitsfrom being registeredforVAT. Quotefigures to supportyouranswer.

2

(c) What advise will you give to Billy?

2

QUESTION 4: COMPANY FINANCIAL STATEMENTS (73 marks; 44 minutes)

CONCEPTS (6)
4.1.1
4.1.2
4.1.3

4.2 GIGANE SPORTS ACCESSORIES LTD INCOME STATEMENT FOR THE YEAR ENDED 28 FEBRUARY 2016 (35)		
	Notes	**R**
Gross profit		
Other Operating income		
Gross operating income		
Operating expenses		
Profit before interest income / finance cost		
Profit before tax		
Net profit for the year		

4.2.2

GIGANE SPORTS ACCESSORIES LTD NOTES TO THE BALANCE SHEET		
Trade and other receivables (10)		
Retained income (10)		
Trade and other payables (12)		

QUESTION 5: ASSET MANAGEMENT, CASH FLOW STATEMENT AND ANALYSIS (79 marks; 47 minutes)

5.1 MULTIPLE CHOICE QUESTION	**(10)**
5.1.1	
5.1.2	
5.1.3	
5.1.4	
5.1.5	

5.2 UMKHANYA LTD

5.2.1 UMKHANYA LTD

TANGIBLE ASSET NOTE FOR THE YEAR ENDED 28 FEBRUARY 2015 **(21)**

Fixed assets	Land & Building	Vehicles	Equipment
Carrying value at the beginning of the year	8 200 000	3 330 000	2 340 000
Cost			3 215 000
Accumulated depreciation		(3 170 000)	
Movements			
Additions at cost	500 000	0	
Disposal at carrying value			0
Depreciation			
Carrying value at the end of the year		2 235 000	
Cost		5 750 000	
Accumulated depreciation			(1 349 500)

5.2.2 (a)

Cash generated from operating activities (12)	**R**

5.2.2 (b)

Income tax paid (4)	
Amount at the beginning	
Amount paid	

5.2.2 (c)

Dividends paid(4)	

5.2.2. (d)

Cash effects of investing activities (4)	

5.2.2. (e)

Cash flow from financing activities (4)	

5.2.3 (a)

Calculate the debt to equity ratio (3)

5.2.3 (b)

Calculate the return on capital employed (12)

5.2.3 (c)

The directors of the company decided to expand the business by purchasing additional tangible assets. Comment on whether you agree with the directors' approach of financing the expansion by calculating risk and return on capital employed. (5)

YES / NO

QUESTION 6 COMPANY CONCEPTS (33 marks; 20 minutes)

6.1MATCH THE TERMS AND DEFINITIONS

A	
B	
C	
D	
E	

(10)

6.2 TECHNO GEEKS LTD

6.2.1

ORDINARY SHARE CAPITAL (11)	
Issued share capital	

6.2.2

What was the unit value of the shares before the buy-back of shares on 21 August 2016.(6)

6.2.3

Give THREE possible reasons of what could have caused the increase in the market price of the shares over the years. (6)