



# education

Department:  
Education  
North West Provincial Government  
**REPUBLIC OF SOUTH AFRICA**

## PROVINCIAL ASSESSMENT

**GRADE 12**

**ACCOUNTING P1**

**JUNE 2024**

**ANSWER BOOK**

**NAME OF LEARNER** \_\_\_\_\_

QUESTION	MARKS	TEACHER	MOD.
1			
2			
3			
4			
<b>TOTAL</b>			

**This answer book consists of 8 pages.**

**QUESTION 1**

**1.1 BROOKLYN LTD  
STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED  
29 FEBRUARY 2024.**

<b>Sales (1 960 000</b>	
<b>Cost of sales</b>	
<b>Gross profit</b>	
<b>Other Income</b>	
<b>Discount received</b>	<b>15 500</b>
<b>GROSS INCOME</b>	
<b>Operating expenses</b>	
<b>Audit fees</b>	<b>22 600</b>
<b>Depreciation</b>	<b>54 200</b>
<b>Operating Profit</b>	
<b>Profit before interest expense</b>	
<b>Net profit before income tax</b>	
<b>Net profit for the year</b>	

**1.2.1 ORDINARY SHARE CAPITAL ISSUED**

<b>350 000</b>			
<b>150 000</b>			
	<b>Ordinary shares (closing balance)</b>	<b>4 231 200</b>	<b>6</b>

**RETAINED INCOME**

<b>Balance (1 March 2023)</b>			
<b>Net profit after income tax</b>		<b>996 000</b>	
<b>Ordinary share dividends`</b>			
- Interim dividends		<b>192 500</b>	
<b>Balance (29 February 2024)</b>		<b>1 304 100</b>	<b>6</b>

**1.2.2 Explain whether the Louw family was offered a fair value for their shares. Quote figures.**

4

**1.2.3 Give TWO ways how the repurchase of shares benefitted the existing shareholders.**

4

<b>TOTAL MARKS</b>
<b>70</b>

**QUESTION 2**

**2.1 Complete the Note for Reconciliation between net profit before tax and cash generated from operations for the year ended 30 June 2023:**

<b>Net profit before tax</b>		
<b>Adjustment in respect of:</b>		
<b>Operating profit before changes in working capital</b>		<b>4</b>

**2.2.1 Calculate: Taxation paid**

<b>WORKINGS</b>	<b>ANSWER</b>
	<b>4</b>

**2.2.2 Calculate: Fixed assets purchased**

<b>WORKINGS</b>	<b>ANSWER</b>
	<b>6</b>

**2.2.3 Calculate: Net change in financial assets**

<b>WORKINGS</b>	<b>ANSWER</b>
	<b>2</b>

**2.2.4 Calculate: Shares issued**

<b>WORKINGS</b>	<b>ANSWER</b>
	<b>2</b>

**2.2.5 Calculate: Net change in cash and cash equivalents**

<b>WORKINGS</b>	<b>ANSWER</b>
Net change in cash and cash equivalents	
Cash and cash equivalents at the beginning	
Cash and cash equivalents at the end	<b>4</b>

<b>2.3.1</b>	<b>Calculate: Current ratio</b>	
	<b>WORKINGS</b>	<b>ANSWER</b>

3

<b>2.3.2</b>	<b>Calculate: Debt-equity ratio</b>	
	<b>WORKINGS</b>	<b>ANSWER</b>

3

<b>2.3.3</b>	<b>Calculate: Return on average capital employed</b>	
	<b>WORKINGS</b>	<b>ANSWER</b>

7

<b>TOTAL MARKS</b>
35

**QUESTION 3****3.1 CONCEPTS**

<b>3.1.1</b>	
<b>3.1.2</b>	
<b>3.1.3</b>	
<b>3.1.4</b>	

<b>4</b>

**3.2 OMEGA LTD**

**3.2.1** Comment on the overall liquidity position of the company. Quote **THREE** relevant financial indicators (with figures).

<b>8</b>

**3.2.2** One of the directors feels that the company should pay back the loan as soon as possible. What are your views about this? Quote and explain **TWO** relevant financial indicators with figures to support your view.

<b>6</b>

**3.2.3** The directors decided to change the dividend pay-out policy in 2024. Provide calculations that indicate the policy change.

4

Explain the effect of this change of policy on the company. State TWO points.

4

**3.2.4** Explain why the shareholders are satisfied with the market price of the shares on the JSE. Quote figures/financial indicators to state TWO points.

6

Explain why the shareholders are satisfied with the price at which the shares were repurchased. Quote figures/financial indicators.

3

<b>TOTAL MARKS</b>
35

**QUESTION 4**

4.1

**What is the difference between the roles of an internal auditor and an independent external auditor? Provide TWO points.**

4

4.2

**External independent auditors may charge high audit fees for their specialised work. What do you think will be the consequences for the auditor if it is proven that the auditor was negligent in the performance of his responsibilities? Name TWO consequences.**

4

4.3

**A Chief Executive Officer (CEO) of a company has prior knowledge that the company will be sued for R500 million due to faulty products they market once the relevant investigations are complete. The CEO decides to sell his shares as soon as possible, before the news reaches the general public.  
Give ONE possible consequence of the CEO's unethical behaviour.**

2

<b>TOTAL MARKS</b>
10

**TOTAL: 150**