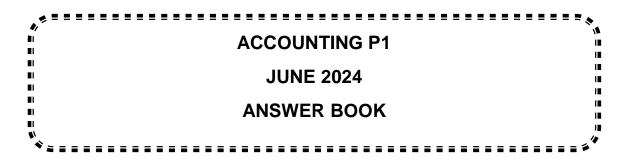


education

Department: Education North West Provincial Government REPUBLIC OF SOUTH AFRICA

PROVINCIAL ASSESSMENT

GRADE 12



NAME OF LEARNER

QUESTION	MARKS	TEACHER	MOD.
1			
2			
3			
4			
TOTAL			

This answer book consists of 8 pages.

Please turn over

QUESTION 1

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

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

50

1.2.1 ORDINARY SHARE CAPITAL

ISSUED

			-
350 000			
150 000			
			Í.—
	Ordinary shares (closing balance)	4 231 200	

RETAINED INCOME

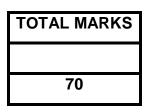
Balance (1 March 2023)		
Net profit after income tax	996 000	
Ordinary share dividends`		
- Interim dividends	192 500	
Balance (29 February 2024)	1 304 100	6

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

Δ	

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

4



QUESTION 2

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

Net profit before tax	
Adjustment in respect of:	
Operating profit before changes in working capital	4
capitai	

2.2.1 Calculate: Taxation paid WORKINGS ANSWER

2.2.2	Calculate: Fixed assets purchased		
	WORKINGS	ANSWER	
			6

2.2.3	Calculate: Net change in financial assets		
	WORKINGS	ANSWER	
			2

Calculate: Shares issued		
WORKINGS	ANSWER	
		2

WORKINGS	ANSWER
Net change in cash and cash equivalents	
Cash and cash equivalents at the beginning	
Cash and cash equivalents at the end	

WORKINGS	ANSWER

Calculate: Debt-equity ratio	
WORKINGS	ANSWER

2.3.3	Calculate: Return on average capital employed		
	WORKINGS	ANSWER	
			7
			Ľ

TOTAL MARKS
35

Accounting/P1

QUESTION 3

3.1 CONCEPTS

3.1.1	
3.1.2	
3.1.3	
3.1.4	

3.2 OMEGA LTD

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

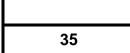
8

4

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.

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

TOTAL MARKS



QUESTION 4

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

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

TOTAL MARKS	
10	

TOTAL: 150