

**CENTRE NUMBER**

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**EXAMINATION NUMBER**

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**NATIONAL SENIOR CERTIFICATE**

**ACCOUNTING**

**GRADE 12**

**NOVEMBER 2010**

***SPECIAL ANSWER BOOK***

<b>QUESTION</b>	<b>MARKS</b>	<b>INITIAL</b>	<b>MOD.</b>
1			
2			
3			
4			
5			
6			
<b>TOTAL</b>			

**This answer book consists of 19 pages.**

**QUESTION 1**

1.1

NO.	GENERAL LEDGER		A	O	L
	ACCOUNT DEBIT	ACCOUNT CREDIT			
1.	SARS – Income tax	Bank	-	0	-
2.					
3.					
4.					
5.					

16

1.2

Provide the missing figures as indicated by (A) to (D). Show workings to earn part-marks.

A:

B:

C:

D:

15



1.3.1 Calculate the VAT payable to SARS or receivable from SARS.

State whether the amount is payable or receivable.

3

1.3.2 Calculate the VAT on net purchases of trading stock for February 2010.

3

1.3.3 Calculate the amount of VAT that would be reflected on the invoices that were issued to the debtors during February 2010.

3

TOTAL MARKS
40

**QUESTION 2**

2.1 Why does a business prepare a Bank Reconciliation Statement each month?

2

2.2 Calculate the correct totals in the CRJ and CPJ for October 2010.

	CRJ	CPJ
Provisional totals	510 000	463 600
Correct totals		

10

2.3

BANK RECONCILIATION STATEMENT ON 31 OCTOBER 2010		

10



2.4.1 If you were the owner of this business, what steps would you take against Joe Cryme? Provide TWO steps.

2

2.4.2 Explain why the rule of prudence will be used in accounting for the fraudulent activities in the books and the financial statements.

3

2.4.3 Explain what was wrong with the procedures in the accounting department which led to this type of fraudulent activity.

3

TOTAL MARKS
30

**QUESTION 3****3.1 MULTIPLE-CHOICE QUESTIONS**

3.1.1	
3.1.2	
3.1.3	
3.1.4	

8

**3.2.1 Calculate the value of the raw materials that were issued to the factory for the year ended 28 February 2010. (You may prepare the Raw Materials Stock Account to assist with your calculation.)**

7



**3.2.3 PRODUCTION COST STATEMENT OF FATIMA MANUFACTURERS FOR THE YEAR ENDED 28 FEBRUARY 2010**

	TOTAL
<b>Prime cost</b>	
<b>Total cost of production</b>	
<b>Total cost of production of finished goods</b>	

10

**3.2.4 (a) Explain whether Fatima should be concerned about the break-even point for 2010. Quote figures to support your answer.**

3





**(b) Give a possible reason, other than price changes, for the change in EACH of the unit costs provided above.**

<b>Raw materials cost per unit</b>	
<b>Direct labour cost per unit</b>	
<b>Factory overhead cost per unit</b>	

<b>6</b>

<b>TOTAL MARKS</b>
<b>55</b>

**QUESTION 4**

4.1

Choose an explanation from **COLUMN B** that matches a concept in **COLUMN A**.

COLUMN A	COLUMN B
4.1.1	
4.1.2	
4.1.3	
4.1.4	
4.1.5	

<b>10</b>

4.2

**APPROPRIATION ACCOUNT**

2010 Feb.	28			2010 Feb.	28	<b>Profit and loss</b>	<b>344 000</b>

<b>9</b>



## 4.3 MODJAJI LIMITED

## BALANCE SHEET AS AT 28 FEBRUARY 2010

<b>ASSETS</b>	
<b>Non-current assets</b>	
<b>Current assets</b>	
<b>TOTAL ASSETS</b>	
<b>EQUITY AND LIABILITIES</b>	
<b>Ordinary shareholders' equity</b>	
<b>Non-current liabilities</b>	
<b>Current liabilities</b>	
<b>TOTAL EQUITY AND LIABILITIES</b>	

37



4.4.1 What is an *external (independent) auditors' report*?

2

4.4.2 Why is it important for an external auditor to be 'independent'?

2

4.4.3 Why is it important for an external auditor of a public company to be a member of a professional body, such as SAICA?

2

4.4.4 You have been appointed as the external auditor of Modjaji Limited. The managing director, Tom Burke, has asked you to reflect his directors' fees of R3,6 million under Salaries and Wages in the Income Statement. Would you agree to his request? Give a reason.

3

TOTAL MARKS
65



**QUESTION 5**

<b>5.1 ASSET DISPOSAL</b>					
2009 Dec. 31			2009 Dec. 31		

9
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<b>5.2</b>	<b>FIXED (TANGIBLE) ASSETS</b>	<b>Land and Buildings</b>	<b>Equipment</b>
		R	R
	Carrying value at beginning of year	4 139 000	165 000
	Cost	4 139 000	300 000
	Accumulated depreciation	0	(135 000)
	<b>Movements</b>		
		0	160 000
	Carrying value at end of year		
	Cost		
	Accumulated depreciation		

15
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**5.3 OKUHLE LIMITED****CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2010**

<b>Cash effects of operating activities</b>	<b>327 100</b>
Cash generated from operations	<b>570 400</b>
Interest paid	<b>(89 200)</b>
Dividends paid	<b>(76 500)</b>
Income tax paid	<b>(77 600)</b>
<b>Cash effects of investing activities</b>	
<b>Cash effects of financing activities</b>	
<b>Net change in cash equivalents</b>	
<b>Cash equivalents – beginning of year</b>	<b>(1 295 000)</b>
<b>Cash equivalents – end of year</b>	

**5.4 List THREE of these significant decisions. Quote figures to support your answer.**

<b>6</b>

**5.5.1 Earnings per share**

<b>3</b>

**5.5.2 Debt-equity ratio**

<b>3</b>

**5.5.3 Return on average capital employed**

<b>5</b>



**5.6** Comment on the debt-equity ratio and the return on average capital employed. Quote the figures of these financial indicators and comment on EACH.

4

**5.7** Comment on the liquidity position for 2010. Quote THREE relevant financial indicators (actual ratios or figures) to support your answer.

**Comment:**

**Financial indicators (actual ratios or figures):**

8





**5.8** An existing shareholder is disappointed with the price of R5,60 at which the new shares were sold. Quote a financial indicator to support this opinion and comment on it.

3

**5.9** A friend of yours is not interested in buying shares in this company. Quote figures for TWO financial indicators, other than those discussed above, to support his opinion and comment on EACH.

6

<b>TOTAL MARKS</b>
80

**QUESTION 6**

6.1.1 Calculate the insurance figure for November 2010.

2

6.1.2 Calculate the % increase in Steffi Smit's salary in October 2010.

2

6.1.3 Calculate the mark-up % that is applied on the sale of refreshments.

3

6.1.4 Calculate the amount invested in the fixed deposit on 1 September 2010.

3

6.1.5 Calculate the interest on the fixed deposit for November 2010.

3

6.2.1 How many new customers did Piet expect to gain from the marketing strategy in September 2010?

4

**6.2.2** What TWO aspects of the marketing strategy could be improved? Give figures to support your answer and make suggestions for EACH.

6

**6.2.3** Has Steffi Smit been successful in the collection of fee income? Explain by quoting figures to support your opinion.

7

<b>TOTAL MARKS</b>
30

**TOTAL: 300**