LIMPOPO
PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

DEPARTMENT OF
EDUCATION

STICKER

SCHOOL:

LEARNER NAME & SURNAME:

NATIONAL SENIOR CERTIFICATE

ACCOUNTING P1

GRADE 12

JUNE 2026

SPECIAL ANSWER BOOK

QUESTION	MARKS	MARKS ACHIEVED	SCHOOL MODERATOR	DISTRICT MODERATOR
1	60			
2	40			
3	35			
4	15			
TOTAL	150			

This answer book consists of 11 pages.

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QUESTION 1
BOUTIQUE LTD

1.1.1

ORDINARY SHARE CAPITAL		
	Shares issued during the year	11 175 000
(500 000)		
	Issued shares on 28 February 2026	

10

1.1.2 RETAINED INCOME

Balance at the beginning	
Ordinary share dividends	
Balance at the end	

8

1.1.3 TRADE AND OTHER RECEIVABLES

Debtors control (3 260 000	
Provision for bad debts	
Net trade debtors	

10

1.2 STATEMENT OF FINANCIAL POSITION AS AT 28 FEBRUARY 2026
NOTE: NO ANSWERS ARE REQUIRED IN THE SHADED AREAS

NON-CURRENT ASSETS	
Fixed assets	
Financial assets	
CURRENT ASSETS	
Inventory	**8 602 400**
TOTAL ASSETS	
SHAREHOLDERS' EQUITY	
Ordinary share capital	
Retained Income	
NON - CURRENT LIABILITIES	
CURRENT LIABILITIES	
Trade and other Payables (7 252 400	
TOTAL EQUITY AND LIABILITIES	

32

TOTAL MARKS
60

QUESTION 2

2.1 ELLIS LTD

2.1.1 RECONCILIATION BETWEEN PROFIT BEFORE TAX AND CASH GENERATED FROM OPERATIONS

Adjustments in respect of:	
Deprecation	**615 000**
Operating profit before changes in working capital	
Cash effects of changes in working capital	
Decrease in receivables	**154 000**
Cash generated from operations	**3 632 000**

7

2.1.2 CASH FLOW STATEMENT FOR THE YEAR ENDED 28 FEBRUARY 2026

CASH EFFECTS OF OPERATING ACTIVITIES	
Cash generated from operations	**3 632 000**
Interest paid	
CASH EFFECTS OF INVESTING ACTIVITIES	
Purchase of fixed assets	
Investment placed (fixed deposit)	**(300 000)**
CASH EFFECTS OF FINANCING ACTIVITIES	
Proceeds of shares issued	**2 053 000**
NET CHANGE IN CASH EQUIVALENTS	

25

2.1.3 Calculate the following on 28 February 2026:

NOTE: Where applicable, show ALL calculations to ONE decimal point.

% Mark-up	
WORKINGS	**ANSWER**

4

% Return on average shareholders' equity (ROSHE)	
WORKINGS	**ANSWER**

4

TOTAL MARKS
40

QUESTION 3

3.1 Match the financial indicator in COLUMN A with the most appropriate interpretation in COLUMN B. Write only the letter (A–D) next to the question number (3.1.1–3.1.5) in your ANSWER BOOK.

3.1.1	
3.1.2	
3.1.3	
3.1.4	
3.1.5	

5

3.2.1 Assess the liquidity position of BOTH companies.
State which company has the stronger liquidity and quote TWO relevant financial indicators.

4

3.2.2 Comment on the level of risk and gearing of BOTH companies.
Quote TWO relevant financial indicators in your answer.

ORBIT LTD	
NOVA LTD	

6

3.2.3 **Compare the dividend payout rates of the TWO companies and explain why the directors of EACH company may have decided on their payout rate.**

ORBIT LTD	
NOVA LTD	

4

3.2.4 **Evaluate the performance of ORBIT LTD in terms of its Return on Shareholders' Equity. Give ONE reason why shareholders are likely to be satisfied.**

4

3.2.5 **Analyse the market value of NOVA LTD.'S shares.**
Explain TWO observations based on the information provided.

OBSERVATION 1:	OBSERVATION 2:

4

3.2.6 **Thabo wants to increase his investment in ORBIT LTD to become the majority shareholder. Calculate the amount he will need to pay for the additional shares required, at the current market price.**

4

3.2.7 **Thabo wants to convince the directors of ORBIT LTD to let him buy the shares he needs to become the majority shareholder, at the current net asset value, without advertising them to the public. As an existing shareholder, why would you not be satisfied with this arrangement? Explain. Provide TWO points.**

4

TOTAL MARKS
35

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QUESTION 4:

BRIGHT FUTURE LTD.

4.1 **Identify the type of audit opinion expressed in the audit report.**

1

4.2 **Explain TWO possible consequences of this audit report for the shareholders of Bright Future Ltd.**

4

4.3 **Explain the TWO main differences between internal auditors and external auditors. Mention TWO points in each case.**

INTERNAL AUDITORS:

EXTERNAL AUDITORS:

4

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4.4 **Suggest TWO internal control measures the company could implement to improve control over cash receipts.**

4

4.5 **Explain how the board of directors should apply the King Code principles of ethical leadership and effective control to address the weaknesses identified. Mention any TWO points.**

2

TOTAL MARKS
15

TOTAL 150 MARKS