LIMPOPO
PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

DEPARTMENT OF
EDUCATION

NATIONAL SENIOR CERTIFICATE

GRADE 12

ACCOUNTING
TASK 2: CONTROLLED TEST 1
19 MARCH 2025
MARKING GUIDELINES

MARKS: 100

MARKING PRINCIPLES:

1. Unless otherwise stated in the marking guidelines, penalties for foreign items are applied only if the candidate is not losing marks elsewhere in the question for that item (no penalty for misplaced item). No double penalty applied.
2. Penalties for placement or poor presentation (e.g. details) are applied only if the candidate is earning marks on the figures for that item.
3. Unless otherwise stated, give full marks for correct answer. If answer is incorrect, mark workings.
4. If a pre-adjustment figure is shown as a final figure, allocate the part-mark for the working for that figure (not the method mark for the answer). Note: if figures are stipulated in memo for components of workings, these do not carry the method mark for final answer as well.
5. Unless otherwise indicated, the positive or negative effect of any figure must be considered to award the mark. If no + or – sign or bracket is provided, assume that the figure is positive.
6. Where indicated, part-marks may be awarded to differentiate between differing qualities of answers from candidates.
7. If candidates provide more that the required number of responses, inspect all responses to give benefit to the candidate. Penalties may be applied for foreign entries if candidates earn full marks on a question (max -2 per Q).
8. This memorandum is not for public distribution; as certain items might imply incorrect treatment. The adjustments made are due to nuances in certain questions.
9. Where penalties are applied, the marks for that section of the question cannot be a final negative.
10. Where method marks are awarded for operation, marker must inspect reasonableness of answer.
11. Operation means 'check operation'. 'One part correct' means operation and one part correct. Note: check operation must be +, -, x, ÷, or per memo.
12. In calculations, do not award marks for workings if numerator & denominator are swapped – this also applies to ratios.
13. In awarding method marks, ensure that candidates do not get full marks for any item that is incorrect at least in part. Indicate with a ☒.
14. Be aware of candidates who provide valid alternatives beyond the marking guideline. Note that one comment could contain different aspects.
15. Codes: f = foreign item; p = placement/presentation.

These marking guidelines consist of 7 pages.

Copyright reserved

QUESTION 1: COMPANY FINANCIAL STATEMENTS

1.1

1.1.1	D ✓	
1.1.2	C ✓	
1.1.3	B ✓	
1.1.4	E✓	

4

1.2.1 NOTES TO THE STATEMENT OF FINANCIAL POSITION:

ORDINARY SHARE CAPITAL If no brackets, check operation

1 200 000 ✓	**Ordinary shares on 1 March 2024**	8 400 000 ✓
(180 000)✓	Shares repurchased (ASP: R7,00) ✓	(1 260 000) ✓
☑230 000 operation	Shares issued balancing figure	1 237 500 operation ☑
1 250 000	**Ordinary shares on 28 February 2025**	**8 377 500**

7

RETAINED INCOME If no brackets, check operation

Balance on 1 March 2024	**975 000**
Net profit after tax	858 000 ✓
Shares repurchased (180 000 x 1,40)	(252 000) ✓✓
Ordinary share dividends	(840 500) ☑
Interim dividends	153 000 ✓
Final dividends (1 250 000 x 0,55)	687 500 ☑✓
Balance on 28 February 2025	740 500 ☑

8

TRADE AND OTHER RECEIVABLES

Net trade debtors	257 600 ☑
22 000 – 16 500 **Trade debtors** (288 500✓ – 5 500✓)	283 000 ☑
Provision for bad debts (24 900 + 500)	(25 400) ✓✓
Accrued income (33 300 / 9 x 3)	11 100 ✓✓
SARS - Income tax (289 750 – 286 000)	3 750 ☑✓
	272 450 ☑

11

Copyright reserved

1.2.2

TWENTY-FOUR LTD **STATEMENT OF FINANCIAL POSITION ON 28 FEBRUARY 2025**			
ASSETS			
NON-CURRENT ASSETS	TA - CA	9 540 000	
Fixed assets **(8 203 725** + 1 215 000✓ – 572 000✓ – 196 725✓)	one part correct	8 650 000	☑
Fixed Deposit: AME Bank	balancing figure **5**	890 000	☑
CURRENT ASSETS	C.L X 1,5	1 884 000	✓
Inventories	balancing figure	776 650	☑
Trade- and other receivables	see 1.2.1 (c)	272 450	☑
Cash and cash equivalents (**820 800** +10 850✓ + 3 250✓)		834 900	
TOTAL ASSETS	**5**	11 424 000	
EQUITY AND LIABILITIES			
SHAREHOLDERS EQUITY		9 118 000	☑
Share capital		**8 377 500**	
Retained Income	see 1.2.1 (b) **2**	740 500	☑
NON-CURRENT LIABILITIES		1 050 000	
Loan from Shona Bank (1 400 000 – 350 000)	see CL **1**	1 050 000	✓
CURRENT LIABILITIES		**1 256 000**	
Trade- and other payables **(151 800** + 28 500✓ + 19 500✓ + 18 700 ✓ audit fee rent income		218 500	✓
Short term loan	balancing figure	350 000	☑
Shareholders for dividends	see 1.2.1 b	687 500	☑
TOTAL EQUITY AND LIABILITIES	one part correct **7**	11 424 000	☑

20

TOTAL MARKS
50

Copyright reserved

QUESTION 2

2.1 **Calculate the following for the Cash Flow Statement on 28 February 2025:**

Income Tax paid

WORKINGS	ANSWER
– 69 300 ✓ + 533 100✓ – 19 800✓ **OR** + 69 300 – 533 100 + 19 800	444 000 ☑ one part correct

4

Dividends paid

WORKINGS	ANSWER
835 000 one mark – 340 000 one mark 247 500✓ + 495 000 ✓✓ **OR** 247 500 + 835 000 – 340 000	742 500 ☑ one part correct

4

2.2 **Calculate the amount for the purchase of fixed assets on 28 February 2025.**

WORKINGS	ANSWER
(13 650 600✓ + 580 000✓ + 165 000✓ – 13 590 000✓ signs can be reversed accept T account	(805 600)☑✓

6

2.3 **Calculate the following financial indicators for the year ended 28 February 2025:**

% Operating profit on sales

WORKINGS	ANSWER
$\frac{2\ 262\ 100}{8\ 900\ 000}$ ✓ x $\frac{100}{1}$ ✓	25,4% ☑ one part correct and must x by 100

3

Acid-test ratio

WORKINGS	ANSWER
659 500 one mark - 276 500 one mark 383 000 ✓✓ : 611 900 ✓	0,6 : 1 ☑ accept 0,62:1 / 0,63:1

4

Debt : Equity ratio

WORKINGS	ANSWER
2 300 000 ✓ : 9 200 000 ✓	0,25:1 ☑ Or 0,3:1

3

Net Asset Value per share (NAV)

WORKINGS	ANSWER
$\frac{9\ 200\ 000}{1\ 600\ 000}$ ✓ x $\frac{100}{1}$ ✓	575 cents ✓☑ answer must be in cents to earn full marks

4

TOTAL MARKS
28

Copyright reserved

QUESTION 3

BENTLY LTD

3.1 Profitability:

The CEO is of the opinion that Bently Ltd is managing their expenses more efficiently in 2025 and is, therefore, more profitable. Quote TWO financial indicators (with figures) to either support or dispute this opinion.

Any TWO financial indicators ✓✓ figures with trend ✓✓ comment ✓✓

- % Operating expenses on sales increased from 21% to 28, 2% / by 7, 2% points.
- % Net Profit on sales decreased from 9, 2% to 7% / by 2, 2% points.

Comment:
All indicators show a decline in profits / expenses are not well managed, with increases higher than the inflation rate of 6%.

6

3.2 Liquidity:

Comment on the liquidity position of the business on 28 February 2025. Quote TWO financial indicators.

Any TWO financial indicators ✓✓ figures with trend ✓✓ comment ✓✓

- Current Ratio increased from 2, 4: 1 to 3, 6:1.
- Acid – Test Ratio decreased / dropped from 1, 2: 1 to 0, 6:1.
- Stock turnover rate decreased / dropped from 8 times to 4 times

Comment:
Part marks for incomplete / partial / unclear responses; figures may be included in the explanation

Expected comments – any one valid comment for two marks:

Too much cash held in the form of stock / Poor management of working capital or cash flow / Difficulty to meet short-term debts / Low demand for stock.

6

TOTAL MARKS
12

Copyright reserved

QUESTION 4:

WALLNUTS LTD

4.1 **Explain your understanding of corporate governance.**

Be aware of alternative valid responses/ Marks for incomplete / partial answers ✓✓

Corporate governance is the rules and practices that ensure that the decision-making processes in any business are accountable, fair, and transparent, and the reputation of the business is also protected by this.

2

4.2 **Explain the concept of "Corporate Social Responsibility".**

- Give back to the community and look after the immediate environment in a sustainable way.
- CSR expresses a situation in which a company not only strives for economic gains but also adopts a broader view and takes responsibility for its impact on society.

2

4.3 **Explain why companies such as Wallnuts Ltd engage in Corporate Social Responsibility (CSR) initiatives. Provide TWO reasons.**

TWO valid and different points ✓✓ ✓✓ Part marks for incomplete / partial answer

- This is part of good governance or, according to King Code
- Improve reputation of company / Goodwill
- Compliance with policies
- Tax implications
- BEE points / triple bottom line (economic, social and environment).

4

4.4 **Explain why the directors of Wallnuts Ltd. should reflect their CSR projects in the annual report.**

ONE valid point ✓✓

- Be included in the Director's Report (future plans) and impact on the budgeting for the next financial year / Materiality principle

FOR ONE MARK:

- Good for the business image.

2

TOTAL MARKS
10

TOTAL 100 MARKS

Copyright reserved