LIMPOPO
PROVINCIAL GOVERNMENT
REPUBLIC OF SOUTH AFRICA

DEPARTMENT OF
EDUCATION

LIMPOPO DEPARTMENT OF EDUCATION

NATIONAL SENIOR CERTIFICATE

GRADE 12

QUESTION PAPER

ACCOUNTING

TERM 1 SBA TASK 2

DATE OF ADMINISTRATION: 17 March 2026

MARKS : 100

DURATION: 90 MINUTES

This question paper consists of 09 pages, a formula sheet and a 08-page answer book.

INSTRUCTIONS:

1. Answer ALL the questions.

2. A special ANSWER BOOK is provided in which to answer ALL the questions.

3. Show all workings to earn part-marks.

4. You may use a non-programmable calculator.

5. You may use a dark pencil or blue/black ink to answer the questions.

6. Write neatly and legibly.

7. Use the information on the table below as a guide when answering the question paper. Try NOT to deviate from it.

QUESTION	TOPIC	MARKS	TIME ALLOCATED
1	Company Financial statements	40	30 minutes
2	Cash flow statement and financial indicators	30	30 minutes
3	Analysis and interpretation of financial information	20	20 minutes
4	Corporate governance	10	10 minutes
	TOTAL	**100**	**90 minutes**

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QUESTION 1 COMPANY FINANCIAL STATEMENTS (40 Marks;30 Minutes)

1.1 MORETELE LTD

You are provided with information for the financial year 28 February 2026.

REQUIRED:

Complete the following for the year ended 28 February 2026

1.1.1 Statement of Comprehensive income (20)

1.1.2 Retained Income note (6)

1.2.3 Equity and Liabilities section of the Statement of Financial position (14)

A **Balances/Totals on 28/29 February**

	2026	2025
Ordinary share capital	8 816 000	6 976 000
Retained Income	?	697 300
Loan: ASSA bank	?	1 725 500
Trade creditors	414 120	
SARS: Income tax (provisional payments)	152 200	
Sales	2 101 720	
Cost of sales	?	
Total operating Income	879 440	
Salaries and Wages	601 200	
Audit Fees	65 400	
Rent Expense	79 240	
Directors Fees	319 077	
Sundry expenses	91 714	
Interest on fixed deposit	?	

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B Adjustment and additional information

(i) The company maintains a mark up of 120% on cost. Trade discount totalling R33 600 have been granted and recorded.

(ii) 75% of the annual audit fees have been paid.

(iii) The company had two directors on 1 March 2025 who earn the same monthly fee. A third director was appointed on 1 September 2025, earning a monthly fee of R1 089 less than the existing directors. All the directors were paid their fees for March 2026.

(iv) Insurance was taken out on 1 May 2025. The annual premium of R97 320 was paid.

(v) A storeroom was rented from 1 June 2025 at R11 200 per month. Rent increases by 7,5% on the 1 December 2025. Provide for outstanding rent.

(vi) Loan from ASSA bank

- Fixed monthly repayments, including interest, R31 600
- Capitalized Interest amounted to R121 250 for the year ended 28 February 2026
- Interest for the next financial year is expected to be R162 000
- Part of the loan will be paid within the next financial year

(vii) R30 850 of the income tax is still due to SARS. The correct net profit after tax is R470 700. The tax rate is 28%.

(viii) **Share capital and dividends**

Authorised share capital: 1 600 000 ordinary shares

1 March 2025	80% of the shares were in issue
1 May 2025	150 000 shares were repurchased at R1,55 above the average share price.
31 August 2025	Interim dividends were paid at 30 cents per share
31 October 2025	500 000 additional shares were issued
28 February 2026	Final dividends of 13 cents per share were declared

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QUESTION 2 CASH FLOW STATEMENT AND FINANCIAL INDICATORS

(30 Marks; 30 Minutes)

2.1 You are provided with information relating to Lorraine Limited. The financial year end is 30 June 2025.

Required:

2.1.1 Complete Ordinary share capital note (7)

2.1.2 Complete the Cash Flow Statement for the year ended 30 June 2025. Show all workings in brackets. (18)

2.2 Calculate the following financial indicators on 30 June 2025:

2.2.1 Current ratio (2)

2.2.2 Dividends per share (3)

INFORMATION:

A. The following information was extracted from the Statement of Comprehensive Income for the year ended 30 June 2025:

Sales	5 950 000
Gross profit	2 700 000
Interest expense	120 100
Depreciation	196 700
Net profit after tax	1 160 600

NOTE: The income tax rate is 30%.

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B **Extract from the Statement of Financial Position on 30 June:**

	2025	**2024**
Fixed/tangible assets carrying value	5 445 900	5 040 600
Current assets	**4 180 200**	**2 892 800**
Inventories (all stock)	1 120 900	970 100
Trade and other receivables	490 700	520 600
Cash and cash equivalents	944 000	119 500
Ordinary shareholder's equity	**?**	
Ordinary share capital (see F.)	6 800 000	3 800 000
Retained Income	956 000	871 050
Loan: Bayern Bank (12,5% p.a.)	**3 840 000**	**4 255 000**
Current liabilities	**1 678 900**	**1 544 700**
Trade and other Payables	1 223 000	1450 000
Shareholders for dividends	212 500	198 000
Bank overdraft	0	419 800

C **Fixed assets on 30 June:**

- A vehicle was sold at carrying value for R60 800 cash during the year. This transaction was correctly recorded.
- Extensions to land and buildings were completed during the year.

D. Trade and other receivables on 30 June 2024 include a balance of R49 800 owed by SARS.

E. Trade and other payables on 30 June 2025 include a balance of R52 500 owed to SARS.

F. **Ordinary share capital and dividends:**

- 760 000 shares were in issue on 1 July 2024
- On 1 September 2024,150 000 additional shares were issued
- Interim dividends of R182 000 were paid on 28 February 2025
- A total amount of R600 000 was paid on 30 June 2025 to repurchase 60 000 shares from a disgruntled shareholder.
- A final dividend was declared on 30 June 2025.

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QUESTION 3 **(20 Marks; 15 Minutes)**

ANALYSIS AND INTERPRETATION OF FINANCIAL INFORMATION

TLK PERFUMES LTD

The financial year ends on 28/29 February each year.

REQUIRED:

NOTE: Where comments or explanations are required, you must:

- Quote financial indicators and trends with figures
- Give a reason or an explanation on the relevant financial indicators

3.1 **Choose the statement from COLUMN B that matches a category of financial indicators in COLUMN A. Write only the letter (A-C) next to the question numbers (3.1.1 to 3.1.2) in the ANSWER BOOK.** (2)

COLUMN A			COLUMN B
3.1.1	Liquidity	A.	Will the company be able to pay off all its debts using existing assets?
3.1.2	Risk and gearing	B.	Will the company be able to pay off its current debts?
		C.	How is the company managing loans or borrowed capital?

3.2 The directors are satisfied with the improvement in the current ratio and acid-test ratio. Explain why you would disagree with them regarding the company's liquidity position. Quote TWO financial indicators. (4)

3.3 Explain why the shareholders should be satisfied with the return they get from investing in the company. Quote ONE financial indicator and figures. (3)

3.4 Comment on the gearing and the degree of risk for 2026. Quote TWO financial indicators with figures and trends. (4)

3.5 All the new shares issued on 29 February 2026 were sold to the CEO, Ephraim, without advertising them to the public. Explain TWO points why you think the shareholders are not happy with this. Quote figures. (4)

3.6 Calculate Ephraim's percentage shareholding on 29 February 2026. Comment on your findings. (3)

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INFORMATION:

A. **Financial indicators, market prices of shares and interest rates:**

	2026	2025
Mark-up %	60%	70%
Current ratio	2.2:1	1,6:1
Acid test ratio	0,9:1	0,7:1
Debtors' collection period	49 days	30 days
Stockholding period	103 days	69 days
Debt equity ratio	0,4:1	0,1:1
Earnings per share	98 cents	96 cents
Dividends per share	85 cents	77 cents
Return on average shareholders' equity (ROSHE)	13,5%	11,9%
Return on capital employed (ROTCE)	16,4%	15,3%
Net asset value per share	778 cents	728 cents
Interest on loan	13%	12%
Market value on JSE	780 cents	725 cents
Interest on fixed deposit	10%	10%
Price at which new shares were issued	510 cents	

B. **Share capital and shareholding of Ephraim.**

	2026	2025
Number of shares Authorised	4 000 000	4 000 000
Number of shares issued	2 550 000	2 500 000
Number of shares owned by Ephraim	1 295 000	1 245 000

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QUESTION 4 COPORATE GOVERNANCE (10 Marks; 10 Minutes)

4.1 Choose the audit opinion from COLUMN B that describes the audit report in COLUMN A. Write only the letter (A–C) next to the question numbers (4.1.1 to 4.1.2) in the ANSWER BOOK **(2)**

	COLUMN A		COLUMN B
4.1.1	Unqualified audit report	A	We were not able to obtain sufficient evidence to provide for an audit opinion. Accordingly, we do not express an opinion on the financial statements of Orion Ltd for the year ended.
4.1.2	Disclaimer of opinion	B	Except for the effect of the unauthorized CFO trip expenditure to Mauritius, the annual financial statements present fairly, in all material respects, the financial position of Swiss Ltd.
		C	The annual financial statements fairly present, in all material respects, the financial position of Latino Ltd.

4.2 **Extract from an article in the Other News:**

> Mr. Simon Sizzle, one of the non-executive directors, expressed a concern over the news that broke about the involvement of Mr Munnuy, the company CEO in dodgy deals. An investigation revealed that Mr Munnuy created large numbers of purchase orders outside of regular work hours, totalling to R4 million. It was also believed that the CEO received kickbacks from various suppliers.

4.2.1 Explain the difference between the roles performed by the executive and non-executive directors in a company. (4)

4.2.2 Explain your concern as a shareholder in the company regarding the CEO's actions. Give ONE point. (2)

4.2.3 What implications will this have for the CEO. Mention TWO points (2)

TOTAL:100

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GRADE 12 ACCOUNTING FINANCIAL INDICATOR FORMULA SHEET	
$\frac{\text{Gross profit}}{\text{Sales}} \times \frac{100}{1}$	$\frac{\text{Gross profit}}{\text{Cost of sales}} \times \frac{100}{1}$
$\frac{\text{Net profit before tax}}{\text{Sales}} \times \frac{100}{1}$	$\frac{\text{Net profit after tax}}{\text{Sales}} \times \frac{100}{1}$
$\frac{\text{Operating expenses}}{\text{Sales}} \times \frac{100}{1}$	$\frac{\text{Operating profit}}{\text{Sales}} \times \frac{100}{1}$
Total assets : Total liabilities	Current assets : Current liabilities
(Current assets – Inventories) : Current liabilities	Non-current liabilities : Shareholders' equity
(Trade and other receivables + Cash and cash equivalents) : Current liabilities	
$\frac{\text{Average trading stock}}{\text{Cost of sales}} \times \frac{365}{1}$ (See Note 1 below)	$\frac{\text{Cost of sales}}{\text{Average trading stock}}$
$\frac{\text{Average debtors}}{\text{Credit sales}} \times \frac{365}{1}$	$\frac{\text{Average creditors}}{\text{Cost of sales}} \times \frac{365}{1}$ (See Note 2 below)
$\frac{\text{Net income after tax}}{\text{Average shareholders' equity}} \times \frac{100}{1}$	$\frac{\text{Net income after tax}}{\text{Number of issued shares}} \times \frac{100}{1}$ (See note 3 below)
$\frac{\text{Net income before tax + Interest on loans}}{\text{Average shareholders' equity + Average non-current liabilities}} \times \frac{100}{1}$	
$\frac{\text{Shareholders' equity}}{\text{Number of issued shares}} \times \frac{100}{1}$	$\frac{\text{Dividends for the year}}{\text{Number of issued shares}} \times \frac{100}{1}$
$\frac{\text{Interim dividends}}{\text{Number of issued shares}} \times \frac{100}{1}$	$\frac{\text{Final dividends}}{\text{Number of issued shares}} \times \frac{100}{1}$
$\frac{\text{Dividends per share}}{\text{Earnings per share}} \times \frac{100}{1}$	$\frac{\text{Dividends for the year}}{\text{Net income after tax}} \times \frac{100}{1}$
$\frac{\text{Total fixed costs}}{\text{Selling price per unit – Variable costs per unit}}$	
NOTE: 1. Trading stock at the end of a financial year may be used if required in question. 365 days is applicable only if relevant to the whole year. 2. Credit purchases may be used instead of cost of sales (figures will be the same if stock is constant). 3. If there is a change in the number of shares issued during a financial year, the weighted average number of shares is used in practice.	

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