MPUMALANGA PROVINCE
REPUBLIC OF SOUTH AFRICA

NAME OF SCHOOL

NAME OF CANDIDATE

CLASS

NATIONAL SENIOR CERTIFICATE

ACCOUNTING

GRADE 12

PAPER 1

SEPTEMBER 2025

SPECIAL ANSWER BOOK

QUESTION	MARKS	INITIAL	MOD.
1			
2			
3			
4			
TOTAL			

This answer book consist of 10 pages

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QUESTION 1

1.1 Calculate:

(a)

Disposal of Land and Building at Carrying Value during the year.	
WORKINGS	**ANSWER**

2

(b)

Accumulated depreciation on vehicles on 1 March 2024	
WORKINGS	**ANSWER**

2

(c)

Depreciation on vehicles on 28 February 2025	
WORKINGS	**ANSWER**
Depreciation on new vehicle	
Depreciation on old vehicle	
TOTAL DEPRECIATION ON VEHICLES	

6

(d)

Depreciation on equipment on 28 February 2025	
WORKINGS	**ANSWER**

2

(e)

Cost price of equipment on 28 February 2025	
WORKINGS	**ANSWER**

4

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1.2 ORDINARY SHARE CAPITAL NOTE FOR THE YEAR ENDED 28 FEBRUARY 2025

800 000			
200 000			
	Shares repurchased @		
			8

1.3 Statement of financial position for the year ended 28 February 2025

ASSETS		
NON CURRENT ASSETS	**2 776 921**	
Fixed assets	**1 861 921**	
Fixed deposit	**915 000**	
CURRENT ASSETS		
TOTAL ASSETS		
EQUITY AND LIABILITIES		
ORDINARY SHAREHOLDERS EQUITY		
NON CURRENT LIABILITIES		
Loan: DBSA Bank		
CURRENT LIABILITIES		
Short term loan		
TOTAL EQUITY AND LIABILITIES		31

TOTAL MARKS
55

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QUESTION 2: CASH FLOW STATEMENT (40 marks; 35 minutes)

HOPE LIMITED

2.1 Reconciliation of profit before taxation and cash generated by operations

Net profit before tax	1 283 100	
Adjustments		
Depreciation	65 000	
Interest paid	42 600	
Operating profit before change in working capital	1 390 700	
Cash generated by operations		10

2.2 Cash Flow Statement on 30 April 2025

Cash flow from operating activities		
Cash Generated from Operations		
Interest Paid	(42 600)	
Taxation paid	(290 300)	
Cash Flow from Investing Activities		
Purchase of tangible assets	(839 800)	
Cash Flows from Financing Activities		
Net Change in Cash and Cash Equivalents		
Cash and cash equivalents at the beginning of the year		
Cash and cash equivalents at the end of the year		16

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2.3. Calculate the following on 30 April 2025:

2.3.1

Acid test ratio	
Workings	**Answer**

4

2.3.2

% Return on shareholders' equity	
Workings	**Answer**

4

2.4

What major decisions by the directors are reflected in the Cash Flow Statement? State TWO decisions and quote the relevant figures. Also explain how EACH of these decisions would benefit the company in future.	
Decision and figures	**Benefit for company**

6

TOTAL MARKS
40

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QUESTION 3:

3.1

Which company is not handling its working capital effectively?
Explain what the main problem is in respect of their working capital, by quoting TWO financial indicators.
TWO financial indicators
Explanation

7

3.2

The directors of Jerry Ltd decided to increase the loan during the current financial year. Explain whether this was a good decision or not. Quote Two financial indicators.		
	DEGREE OF RISK	FINANCIAL GEARING
Jerry Ltd		
Comment		

6

3.3

Comment on the % return to shareholders of each company. Quote financial indicators to support your opinion.		
Financial indicator	Tom Ltd	Jerry Ltd
Comment		

4

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3.4 **Comment on the value of shares on the JSE for each company. Explain how this will influence your decision in which shares to buy.**

	EXPLANATION
Tom Ltd	
Comment	
Jerry Ltd	
Comment	

6

3.5 **Refer to information A and B.**

3.5.1 **Calculate the maximum number of shares you can afford to purchase in each company today. Note that you will have to buy in lots of 100 (i.e 100 shares, 200 shares, 300 shares, etc)**

	Workings/Calculations	Answer/Shares
Tom Ltd		
Jerry Ltd		

6

3.5.2 **If dividends per share remain the same next year, what is the amount of dividends you can expect from each company?**

	Workings	Answer
Tom Ltd		
Jerry Ltd		

4

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3.5.3	**Apart from dividends, what other factors would you consider to be important in deciding on the company in which should invest? List Two points.**	2

3.6	**Refer to information C** **Jerry Ltd will issue a further 300 000 shares during the new financial year. The Mzanzi family is interested to buy 180 000 of these shares.**	
3.6.1	**Calculate the % percentage shareholding of the Mzanzi family if they buy these shares.**	

Workings	Answer

2

3.6.2	**As a shareholder, why would you be concerned about the interest shown by the Mzanzi family? Provide Two points**	2

TOTAL MARKS
40

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QUESTION 4

4.1 Where, why and when is this audit report expected to be presented?

Where	
Why	
When	

3

4.2 Explain TWO points on the **impact** of this report on the company.

4

4.3 One of the most important decisions that shareholders have to make at the annual general meeting (AGM) is to appoint directors to serve on the board.
Explain why the shareholders have been given this responsibility.

2

If you were a shareholder, what factors or characteristics would you want to find out about the directors who would get your vote? Explain TWO points and give a reason for each.

	EXPLANATION	REASON
POINT 1		
POINT 2		

6

TOTAL MARKS
15

TOTAL:150

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