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TOTAL MARKS

NATIONAL SENIOR CERTIFICATE EXAMINATION
MAY 2024

ACCOUNTING: PAPER I

EXAMINATION NUMBER

Time: 2 hours | 200 marks

PLEASE READ THE FOLLOWING INSTRUCTIONS CAREFULLY

1. This question paper consists of 13 pages, an Information Booklet of 11 pages (i–xi) and a Formula Sheet of 1 page (i). Please check that your question paper is complete.

2. Read the questions carefully.

3. Answer the questions in the space provided.

4. It is in your own interest to write legibly and to present your work neatly.

5. You may **not** use red or green ink. **You may use a pencil, but please use a sharp, HB pencil.**

6. All calculations should be rounded off to two decimal places.

7. The allocation of marks and appropriate time to be taken for each question are as follows:

	Possible marks	Actual marks	Marker signature	Moderator signature
Question 1: Asset Management **1A VAT (6 minutes)**	**10**			
1B Inventories (18 minutes)	**30**			
Question 2: Company Financial Statements (43 minutes)	**71**			
Question 3: Cash Flow Statement (26 minutes)	**43**			
Question 4: Manufacturing **4A Fixed Assets (10 minutes)**	**16**			
4B Manufacturing (17 minutes)	**30**			
TOTAL	**200**			

QUESTION 1 INVENTORIES & VAT (40 marks, 24 minutes)

Refer to the information relating to Shah Soda.

This question consists of two parts: 1A and 1B.

QUESTION 1A VAT (10 marks, 6 minutes)

VAT is calculated at 15%

1.1 Analyse the transactions and their effect on the amount owing to SARS for VAT as per the table below.

	Calculation	VAT Amount	Effect on the amount owing to SARS
	Balance on 1 February 2023	R7 500 (cr)	
1			
2			
3			
4			

(10)

10

QUESTION 1B INVENTORY SYSTEMS (30 marks, 18 minutes)

1.2 Calculate the weighted average of one unit of cold drink for the year ended 28 February 2023.

(5)

1.3 Calculate the number of bottles of cold drink that were given to the employees.

(6)

1.4 Complete the Trading Statement for the sales of **cold drinks only** for the year ended 28 February 2023.

Sales	
Cost of sales	
Opening stock	
Closing stock	
Gross profit	**Do not calculate**

(10)

1.5 Calculate the cost of sales for the **blocks of ice** for the year ended 28 February 2023.

(6)

1.6 The owner has received a quote of R4 800 to repair the freezer.
Explain why it would be profitable for the business to repair the freezer when the value of the ice that melted was less than R1 000. Use figures to support your answer.

(3)

30

QUESTION 2 COMPANY FINANCIAL STATEMENTS (71 marks; 43 minutes)

Refer to the information relating to Mkhize Motors Ltd.

CALCULATION SPACE

Should you wish to use this space for calculations – please clearly label the details of the amount you are working out. All final amounts must be transferred correctly to the final question.

Trading stock deficit	Consumable stores

Depreciation

Rent income

Weighted average share price

2.1 Complete the Statement of Comprehensive Income (Income Statement) of Mkhize Motors Ltd for the year ending 28 February 2023.

Sales (15 900 000	
Cost of sales (5 300 000	
Gross profit	
Operating incomes	**Do not calculate**
Fee income (372 600	
Rent income (89 200	
Discount received (38 500	
Operating expenses	**Do not calculate**
Consumable stores	
Water & electricity (79 400	
Advertising (516 000	
Bank charges (4 290	
Bad debts (45 200	
Insurance	62 400
Sundry expenses	**Do not calculate**
Salaries & wages	1 086 000
Employers contributions	97 740
Discount allowed	23 850
Operating Profit	**Do not calculate**
Interest income (16 400	
Interest expense (23 040	
Net profit before taxation	
Taxation for the year	
Net profit after taxation	**1 402 800**

(41)

2.2 Complete the following notes to the financial statements as at 28 February 2023.

2.2.1 **Trade & Other Receivables**

Net trade debtors	
Debtors control (578 000	
Less: Provision for bad debts	
Accrued income	
Prepaid expenses	
	Do not calculate

(7)

2.2.2 **Retained Income / Accumulated Profits**

Balance at beginning of the year	16 420 000
Net profit …………… taxation	
Repurchase of shares	
Ordinary share dividends	
*	
*	
Balance at the end of the year	**Do not calculate**

(10)

2.2.3 **Trade & Other Payables**

Trade creditors (714 000	
Income received in advance	
Accrued expenses	
	Do not calculate

(13)

71

QUESTION 3 CASH FLOW STATEMENTS (43 marks, 26 minutes)

Refer to the information relating to Lenola Leads Ltd.

3.1 3.1.1 Calculate the following figures for note 1, and those relating to operating activities.

Net profit after taxation	(3)
Inventories	(3)
Trade and other payables	(3)

3.1.2 Complete Note 1: Reconciliation between profit before taxation and cash generated from operations.

Net profit before taxation	
Adjustments for:	
Depreciation	
Interest Expense	
Operating profit before changes in working capital	
Changes in Working Capital	
*Increase/*Decrease in inventory	
*Increase/*Decrease in receivables	
*Increase/*Decrease in payables	
Cash generated from operations	**Do not calculate**

**Delete that which does not apply or circle the correct definition of the movement.*

(8)

3.1.3 Calculate the following amounts as they would appear in the **operating activities section** of the Cash Flow Statement for the year ended 28 February 2023.

(a) Interest paid

(4)

(b) Dividends paid

(4)

(c) Taxation paid

(5)

3.2 Complete the **investing activities section** of the Cash Flow Statement for the year ended 28 February 2023.

Cash flow from investing activities	

Calculations for investing activities

(9)

3.3 Calculate the net change in cash and cash equivalents for the year ended 28 February 2023. Indicate if it is an inflow or outflow of cash.

Inflow	Outflow

(4)

43

QUESTION 4 MANUFACTURING (46 marks, 27 minutes)

Refer to the information relating to Caplan Carpets.

PART A FIXED ASSETS (16 marks, 10 minutes)

4.1 Calculate the following amount in the space provided below:
Please note that the final amount must be transferred correctly to the note below.

Depreciation on remaining (old) equipment

(5)

4.2 Complete the fixed asset note as it would appear in the financial statements for the year ended 28 February 2023.

	EQUIPMENT
Carrying value on 1 March 2022	1 356 400
Cost Price	2 460 000
Accumulated depreciation	(1 103 600)
Movement	**Do not calculate**
Additions	
Disposals	
Depreciation	
Carrying value on 28 February 2023	**Do not calculate**
Cost Price	
Accumulated depreciation	**Do not calculate**

(11)

16

PART B MANUFACTURING (30 marks, 17 minutes)

4.3 Complete the Production Cost Statement for the year ended 28 February 2023:

Direct (prime) costs	
Direct (raw) materials	19 010 000
Direct labour	
Factory overheads	1 475 060
Total manufacturing costs	
* at the beginning of the year	
* at the end of the year	
Cost of production of finished goods	

(11)

4.4 Factory overheads

Indirect labour	
Indirect materials	
Rent expense	
Insurance	
Depreciation	
Sundry factory expenses	**Do not calculate**
	1 475 060

(15)

4.5 Calculate the cost of sales for the year ended 28 February 2023:

(4)

CALCULATION SPACE

Should you wish to use this space for calculations – please clearly label the details of the amount you are working out. All final amounts must be transferred correctly to the final question.

Indirect labour
Direct labour
Indirect materials
Rent expense
Insurance

30

Total: 200 marks