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TOTAL
MARKS

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NATIONAL SENIOR CERTIFICATE EXAMINATION
NOVEMBER 2024

ACCOUNTING: PAPER II

EXAMINATION NUMBER

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Time: 2 hours

100 marks

PLEASE READ THE FOLLOWING INSTRUCTIONS CAREFULLY

1. This question paper consists of 12 pages, an Information Booklet of 10 pages (i–x) 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 soft, dark pencil.**
6. All calculations should be rounded off to **two decimal places**.
7. The allocation of marks and appropriate time to be spent on each question are as follows:

	Possible marks	Actual marks	Marker signature	Moderator signature
Question 1: Reconciliations (29 minutes)	24			
Question 2: Company Analysis (54 minutes)	45			
Question 3: Budgets (37 minutes)	31			
TOTAL	100			

- 1.4 Refer to the transactions on 12 and 26 August and the accompanying note.

Explain why the entry for the administrative penalty fee could be deemed as allowable or compliant (legal), yet unethical.

(3)

- 1.5 Kalideck has identified the ever-increasing fuel prices when delivering sales to their customers as a challenge to the business.

Since they cannot control the fuel price, they must either:

- (a) increase their prices to compensate for this increase, or
- (b) pass it onto their customers (customers pay a delivery fee).

Explain which of these two options will benefit the business more in the long-term compared to the other option.

(2)

Part B: Creditors**(6 marks; 7 minutes)**

1.6 Complete the Creditor's Reconciliation for October 2024 using the table below.

Details and calculations	Creditor's Ledger	Creditor's Reconciliation	No Entry (X)
Balance	1 460 795	1 565 835	
(a)			
(b)			
(c)			
(d)			
(e)			
Do not calculate			

(6)

24

QUESTION 2 COMPANY ANALYSIS**[45 marks; 54 minutes]****Refer to the information relating to Sasol Group Limited.**

- 2.1 2.1.1 Calculate the percentage change in cost of sales from 2022 to 2023.

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(2)

- 2.1.2 Calculate the mark-up percentage achieved in **2022**.

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(2)

- 2.1.3 Why should the company be concerned with the change in sales and cost of sales based on the calculations above?

(2)

- 2.2 Suggest **THREE** measures Sasol can implement to remedy (fix) the issues identified in Question 2.1, keeping in mind that they are mostly a **manufacturing enterprise**.

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(3)

2.3 Calculate the Earnings per share (EPS) and Dividends per share (DPS) for **2022**.

Earnings per share (EPS)
Dividends per share (DPS)

(4)

2.4 2.4.1 By referring to the EPS, DPS and the effect on Retained Income, comment on the company's dividend policy for **2023**.

(4)

2.4.2 Why would SASOL do this?

(1)

2.5 Your uncle owns SASOL shares. He claims that they lost roughly 70% of their value over the last financial year. He wants to sell the shares and rather invest in RSA Retail Savings Bonds.

Evaluate why **he should keep** his SASOL shares and not invest in RSA Retail Savings Bonds.

(4)

2.6 Calculate the Debt-to-Equity ratio for **2023**.

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(3)

2.7 By analysing the Debt to Equity of the company, comment on the degree of financial risk.

(2)

2.8 Evaluate, with reference to risk and gearing, why SASOL would continue to raise loans as opposed to issuing more shares. Use figures/financial indicators (ratios) to substantiate your reasoning.

(4)

2.9 Analyse why a few shareholders would be satisfied with their investment at the close of trade on the JSE at the end of the financial year (June 2023), despite the decrease in the share price. Quote figures/financial indicators (ratios) **other than the Return on Shareholders' Equity**, to substantiate your answer.

(2)

2.11 Why would article E concern you **as a shareholder**? Provide THREE reasons.

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(3)

45

QUESTION 3 BUDGETS**[31 marks; 37 minutes]****Refer to the information relating to SDC Appliance Traders.**

3.1 Below is the partially completed creditor's payment schedule for February 2025.

Sales month	Credit purchases R	January 2025 R	February 2025 R
December 2024	386 100	77 220	
January 2025	3.1.2	?	Do not calculate
February 2025	347 100		263 796
		Do not total	

3.1.1 Calculate the percentage that credit purchases make up of total purchases.

(2)

3.1.2 Calculate the amount of total **credit** purchases for January 2025.

(3)

3.1.3 Calculate the **amount** (rand value) of discount received in February 2025.

(2)

3.2 Calculate the missing figures marked A–D in the Cash Budget.

A.	
B.	
C.	
D.	

(10)

3.3 SDC Appliance Traders wants to increase their gross profit without losing customers. Provide ONE suggestion how they could do this without additional costs such as advertising. They have already tried finding cheaper suppliers in the past but were unsuccessful.

(2)

3.4 Stavros is concerned about the cash situation of this business. It appears that raising a loan did not solve the cash flow problem.

Apart from borrowing further funds or asking Stavros to increase his capital, explain FOUR ways in which the business can improve the cash flow position for the budgeted period January 2025 to February 2025.

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(4)

- 3.5 Stavros has found that his biggest stock losses in 2024 were due to technological advances and damages when shipping/delivering.

How can he possibly reduce these losses in the year to come?

Technological advances:
Transportation damages:

(2)

- 3.6 Stavros wants to introduce the idea to allow customers to rent appliances for a period, after which it becomes theirs (rent-to-own). Study the advertisement he designed for this idea as displayed in the Information Booklet.

Critically evaluate the **financial viability** of this idea by breaking down the terms and conditions of the advertisement.

Criticism of the terms and conditions numbered ❶:
•
•
•
Criticism of the terms and conditions numbered ❷:
•
•
•

(6)

31

Total: 100 marks