

QUESTION 2

2.1

2.1.1	
2.1.2	
2.1.3	

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2.2

MIMOSOA LTD

2.2.1

Cash Flow Statement for the year ended 30 September 2023

CASH EFFECTS OF OPERATING ACTIVITIES	
Cash generated from operations	2 229 940
Interest paid	(195 750)
Taxation paid	
Dividends paid	
CASH EFFECTS OF INVESTING ACTIVITIES	
CASH FLOWS OF FINANCING ACTIVITIES	
NET CHANGE IN CASH AND CASH EQUIVALENTS	
Cash (balance at the beginning of the year)	
Cash (balance at the end of the year)	

25

2.2.2 RETAINED INCOME NOTE

Balance on 1 October 2022	914 020
Ordinary share dividends	
Balance on 30 September 2023	

8

- 2.2.3** The directors issued more shares to improve the cash flow. Thandi Manning, a shareholder, was against the decision and has raised her concerns at the AGM.
Provide a reason for Thandi's opinion.

2

- 2.2.4** Calculate: Debt-equity ratio

WORKINGS	ANSWER
Calculate: Acid test ratio	
WORKINGS	ANSWER

3

4

TOTAL MARKS

45