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**TOTAL MARKS**

NATIONAL SENIOR CERTIFICATE EXAMINATION
MAY 2025

# ACCOUNTING: PAPER I

**EXAMINATION NUMBER**

Time: 2 hours | 200 marks

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**PLEASE READ THE FOLLOWING INSTRUCTIONS CAREFULLY**

1. This question paper consists of 17 pages, an Information Booklet of 12 pages (i–xii) 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: Inventories & VAT**<br>**1A Inventories (15 minutes)** | **25** | | | |
| **1B VAT (7 minutes)** | **12** | | | |
| **Question 2: Company Financial Statements (41 minutes)** | **69** | | | |
| **Question 3: Cash Flow Statement (26 minutes)** | **43** | | | |
| **Question 4: Manufacturing & Fixed Assets**<br>**4A Fixed Assets (10 minutes)** | **16** | | | |
| **4B Manufacturing (21 minutes)** | **35** | | | |
| **TOTAL** | **200** | | | |

## QUESTION 1 INVENTORIES & VAT (37 marks, 22 minutes)

**Refer to the information relating to Bullah's Biltong.**

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

## QUESTION 1A INVENTORY SYSTEMS (25 marks, 15 minutes)

**Biltong – First In First Out (FIFO)**

1.1 **Using the FIFO method,** calculate the cost of sales for the kilograms of biltong sold for the year ending 29 February 2024.

(7)

1.2 Calculate the actual mark-up percentage on cost that was achieved by the business for the year ending 29 February 2024.

(3)

**Knives – Weighted average method**

1.3 Calculate the number of knives purchased during the year.

(6)

1.4 Calculate the weighted average of one knife.

(7)

1.5 The local farmers have indicated that from 2025 they will no longer deliver the biltong to the storage warehouse for free and will need to charge R2 000 per delivery for this service. The owner is considering fetching the biltong herself. Explain to the owner what needs to be considered and what the best solution would be.

Consideration: ______________________________

______________________________

Solution: ______________________________

______________________________

(2)

| |
|---|
| **25** |

## QUESTION 1B VAT (12 marks, 7 minutes)

**VAT is calculated at 15%**

1.6 Calculate the VAT amount for each of the transactions that were not recorded.

Your calculations must clearly indicate the effect (increase or decrease) of each transaction on the amount owing to SARS.

| | Calculation | VAT amount | Indicate the effect (increase or decrease) on the amount owing to SARS |
|---|---|---|---|
| Credit balance owed to SARS | | | R9 200 |
| 1 | | | |
| 2 | | | |
| 3 | | | |
| 4 | | | |

(12)

| |
|---|
| |
| **12** |

**QUESTION 2 COMPANY FINANCIAL STATEMENTS (69 marks; 41 minutes)**

**Refer to the information relating to Tatiana Traders Limited.**

**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** |
|---|
| |
| **Rent income (adjustment 7)** |
| |
| **Directors' fees (adjustment 8)** |
| |
| |
| |
| |
| |
| |
| |

2.1 Complete the Statement of Comprehensive Income (Income Statement) of Tatiana Traders Ltd for the year ending 29 February 2024.

| | |
|---|---|
| Sales (37 900 500 | |
| Cost of sales | (12 571 000) |
| **Gross profit** | Do not calculate |
| **Operating incomes** | Do not calculate |
| Fee income (1 256 000 | |
| Rent income (251 250 | |
| Discount received | 28 900 |
| Sundry incomes | Do not calculate |
| | |
| | |
| | |
| **Operating expenses** | Do not calculate |
| Water & electricity (176 500 | |
| Packing material (48 600 | |
| Advertising (213 500 | |
| Bank charges (9 790 | |
| Discount allowed (32 500 | |
| Insurance (112 500 | |
| Directors' fees | |
| Depreciation | 142 000 |
| Salaries & wages, including contributions | Do not calculate |
| | |
| | |
| | |
| **Operating profit** | Do not calculate |
| Interest income (58 400 | |
| **Net profit before interest expense** | Do not calculate |
| Interest expense | (72 000) |
| **Net profit before taxation** | Do not calculate |
| Taxation for the year | |
| **Net profit after taxation** | **2 226 000** |

(34)

2.2 Complete the following notes to the Financial statements as at 29 February 2024.

2.2.1 **Trade & other receivables**

| | |
|---|---|
| Net trade debtors | Do not calculate |
| Debtors' control (3 260 000 | |
| Less: Provision for bad debts (97 800 | |
| Prepaid expenses | |
| | |
| | |
| | Do not calculate |

(7)

2.2.2 **Retained income / Accumulated profits**

| | |
|---|---|
| Balance at the beginning of the year | 6 410 000 |
| * | |
| Repurchase of shares | |
| Ordinary dividends | |
| Paid | |
| Recommended/Declared | |
| Balance at the end of the year | Do not calculate |

(13)

| |
|---|
| Calculation space for the weighted average share price: |
| Calculation space for the repurchase of shares: |

2.2.3 **Trade & other payables**

| | |
|---|---|
| Trade creditors (7 240 000 | |
| Accrued expenses (12 400 | |
| Income received in advance | |
| | |
| | |
| | |
| | |
| | |
| | Do not calculate |

(15)

| |
|---|
| |
| **69** |

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***Should you wish to use it for Question 3's calculations, please clearly label the calculation.***

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

**Refer to the information relating to Kanegoni Clothing Ltd.**

3.1 Complete the SARS (Income Tax) account as it would appear in the general ledger for the year ended 29 February 2024 (no dates or folio numbers are required).

| SARS (Income Tax) B14 | | | |
|---|---|---|---|
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |

(6)

3.2 3.2.1 Calculate the following amounts required to complete note 1 below:

| |
|---|
| Depreciation (4) |
| Interest on loan (4) |
| Inventories movement (5) |
| Payables movement (3) |

(16)

3.2.2 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.*

(10)

3.3 Complete the extract of the financing activities section as it would appear in the cash flow statement for the year ended 29 February 2024.

| | |
|---|---|
| Cash flow from financing activities | |
| Sale of shares | |
| Repurchase of shares | 0 |
| * | |
| * | |

(7)

| |
|---|
| Calculation space for sale of shares: |

3.4 Calculate the total dividends that were **paid** (as it would appear on the cash flow statement) for the year ending 29 February 2024.

(4)

| |
|---|
| |
| **43** |

## QUESTION 4 MANUFACTURING & FIXED ASSETS (51 marks, 31 minutes)

**Refer to the information relating to Moloantoa Motors.**

### PART A FIXED ASSETS (16 marks, 10 minutes)

Calculation space for the fixed asset note.

| |
|---|
| Additions at cost |
| Depreciation on the remaining (old) vehicles |
| Disposals at carrying value |
| Cost price on 29 February 2024 |

4.1 Complete the extract of the fixed asset note for the year ending 29 February 2024 by filling in all the relevant amounts indicated by an asterisk (*).

| | **Vehicles** |
|---|---|
| **Carrying value on 1 March 2023** | 1 282 000 |
| Cost price | 3 465 000 |
| Accumulated depreciation | (2 183 000) |
| **Movement** | **Do not calculate** |
| Additions at cost | * |
| Disposals at carrying value | * |
| Depreciation | * |
| **Carrying value on 29 February 2024** | **Do not calculate** |
| Cost price | * |
| Accumulated depreciation | Do not calculate |

(16)

| |
|---|
| |
| **16** |

**PART B MANUFACTURING** **(35 marks, 21 minutes)**

4.2 Calculate the total factory overhead cost for the year ended 29 February 2024:

| | |
|---|---|
| Consumable stores | |
| Indirect labour | |
| Sundry factory expenses | **Do not calculate** |
| Water & electricity (132 000 | |
| Insurance (96 000 | |
| Security costs (104 800 | |
| Depreciation | |
| | **Do not calculate** |

(15)

| |
|---|
| Calculation of consumable stores (4) |
| Calculation of insurance (3) |

(7)

4.3 Calculate the direct labour cost as it would appear in the Production cost statement for the year ending 29 February 2024.

(6)

4.4 Calculate the rand value of the closing stock of finished goods for the year ending 29 February 2024.

(4)

4.5 An amount of R25 000 worth of raw materials were stolen from the storeroom as the storeroom manager had accidentally lost the lock. The administration department took two days to purchase a new one. This cost of the loss was billed to the administration department. The auditors do not agree that this is where it should have been recorded.

4.5.1 Name the general ledger account that the loss should be closed off to at the end of the year.

(1)

4.5.2 Briefly explain the auditors' reasoning for not recording it as an administrative cost.

(1)

4.5.3 Briefly suggest one viable internal control that could be put in place to avoid this loss happening in the future.

(1)

## 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.

| | |
|---|---|
| | |
| | |
| | |
| | |

| |
|---|
| |
| **35** |

**Total: 200 marks**