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TOTAL MARKS

Sequence number

NATIONAL SENIOR CERTIFICATE EXAMINATION
NOVEMBER 2025

ACCOUNTING: PAPER I

EXAMINATION NUMBER

Time: 2 hours 200 marks

PLEASE READ THE FOLLOWING INSTRUCTIONS CAREFULLY

1. This question paper consists of 15 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 ALL the questions on the question paper and hand this in at the end of the examination. Remember to write your examination number 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 and VAT	**27**			
1A Inventories (16 minutes)	**15**			
1B Fixed Assets (9 minutes) **1C VAT (7 minutes)**	**12**			
Question 2: Company Financial Statements (36 minutes)	**59**			
Question 3: Cash Flow Statements (30 minutes)	**50**			
Question 4: Manufacturing (22 minutes)	**37**			
TOTAL	**200**			

QUESTION 1 ASSET MANAGEMENT AND VAT (54 marks, 32 minutes)

Refer to the information relating to Whelan WiFi.

This question consists of three parts: 1A, 1B and 1C.

QUESTION 1A INVENTORIES (27 marks, 16 minutes)

1.1 Calculate the weighted average for one router.

(8)

1.2 Calculate the number of routers that were **sold** during the year ended 28 February 2025.

(7)

1.3 1.3.1 The insurance policy allows for claims to be made at the highest unit cost price. Determine the actual Rand value of the routers that were stolen.

(3)

1.3.2 Show how the transaction for the loss of the routers would be recorded in the general ledger.

Account Debit	Account Credit

(2)

1.4 Calculate the value of the closing stock using the **First-in first-out (FIFO)** method on the 28 February 2025. The carriage on the closing stock using the FIFO method, totals R53 700. You may assume that the theft was from the November purchase for this calculation.

(6)

1.5 A local charity was quoted for a WiFi installation. Explain to the owner what the financial benefit to Whelan WiFi would be if they were to do the installation for free.

(1)

Part A 27

QUESTION 1B FIXED ASSETS (15 marks, 9 minutes)

1.6 Complete the Fixed Asset Note for the year ended 28 February 2025 by filling in all the relevant amounts indicated by an asterisk (*).

	Vehicles
Carrying value on 1 March 2024	760 000
Cost Price	1 450 000
Accumulated depreciation	(690 000)
Movement	**Do not calculate**
Additions at cost	*
Disposals at carrying value	*
Depreciation	*
Carrying value on 28 February 2025	**Do not calculate**
Cost Price	**Do not calculate**
Accumulated depreciation	*

(15)

Calculation space for the Fixed Asset Note:

Additions at cost
Depreciation on the vehicle that was sold
Depreciation on the remaining (old) vehicles
Depreciation for the year
Accumulated Depreciation on 28 February 2025

Part B **15**

QUESTION 1C VAT **(12 marks, 7 minutes)**

VAT is calculated at 15%.

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

You must clearly indicate the effect (+ or –) of each transaction on the amount owing to SARS.

	Calculation	VAT Amount	Effect on the SARS amount (increase or decrease)
Amount owed to SARS on 27 February 2025			R171 000
1			
2			
3			
4			

(12)

Part C **12**

QUESTION 2 COMPANY FINANCIAL STATEMENTS (59 marks; 36 minutes)

Refer to the information relating to Tshikhudo Technology 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 question.

Trading Stock and Deficit (adjustment 5, 9 and 10)
1 895 200
Loan and Interest on Loan (adjustment 11)

2.1 Complete the Statement of Comprehensive Income (Income Statement) for the year ended 28 February 2025.

Sales (24 840 000	
Cost of sales (13 800 000	
Gross Profit	**Do not calculate**
Operating Incomes	**Do not calculate**
Commission income (74 000	
Rent income (181 500	
Operating Expenses	**Do not calculate**
Advertising (405 000	
Telephone	
Bank charges (9 660	
Directors' fees (1 050 000	
Stationery (42 000	
Bad debts (87 280	
Sundry expenses	1 432 300
Auditors' fees	75 000
Salaries and wages	**Do not calculate**
Repairs and maintenance (12 100	
Operating Profit	**Do not calculate**
Interest income (18 950	
Net profit before interest expense	**Do not calculate**
Interest expense (1 300 000	
Net profit before taxation	**4 264 200**
Taxation for the year	
Net profit after taxation	**Do not calculate**

(37)

2.2 Complete the following notes to the financial statements as at 28 February 2025.

2.2.1 **Trade and Other Receivables**

Net trade debtors	**Do not calculate**
Debtors control (882 180	
Less: Provision for bad debts	
Prepaid expenses (	
Accrued income (6 000	
	Do not calculate

(9)

2.2.2 **Trade and Other Payables**

Trade creditors	**1 140 000**
Accrued expenses	
Income received in advance	
	Do not calculate

(13)

59

QUESTION 3 CASH FLOW STATEMENTS (50 marks, 30 minutes)

Refer to the information relating to Taylor Tiles Ltd.

3.1 The Income tax **paid** during the year, as it appeared on the **Cash Flow Statement** for the year ended 28 February 2025, was R1 040 000.

Calculate the income tax expense for the year ended 28 February 2025.

(4)

3.2 Calculate the depreciation for the year.

(4)

3.3 Calculate the interest expense for the year.

(5)

3.4 Complete the Reconciliation between profit before taxation and cash generated from an operations note for the year ended 28 February 2025.

Net profit before taxation	
Adjustments for:	
Depreciation	
Interest Expense	
Operating profit before changes in working capital	**Do not calculate**
Changes in Working Capital	**Do not calculate**
*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.* (17)

Calculation for the change in inventories

3.5 Calculate the **capital portion of the loan repayments** made during the year, as it would appear on the Cash Flow Statement for the year ended 28 February 2025.

(2)

3.6 Complete the Ordinary Share Capital Account as it would appear in the General Ledger for the year ended 28 February 2025 (no dates or folio numbers are required).

Ordinary Share Capital B1			

(7)

3.7 Calculate the number of shares that were repurchased by the company.

Calculate the weighted average price per share.
Calculate the number of shares repurchased.

(7)

3.8 Calculate the total **dividends paid** for the year as it would appear on the Cash Flow Statement for the year ended 28 February 2025.

(4)

50

QUESTION 4 MANUFACTURING (37 marks, 22 minutes)

Refer to the information relating to Kathan Kettles 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 question.

Indirect Labour
Insurance
Depreciation

4.1 Calculate the cost of raw materials issued into the production process for the year ended 28 February 2025.

(7)

4.2 Complete the factory overheads note for the year ended 28 February 2025:

Factory Overheads	
Indirect labour	
Consumable stores	
Water and electricity (123 200	
Insurance (91 900	
Depreciation	
	Do not calculate

(20)

4.3 Calculate the cost of production of finished goods for the year ended 28 February 2025.

(4)

4.4 **Break-even analysis**

Calculate how much (Rand value) the business needs to reduce its budgeted fixed costs by to achieve its targeted break-even point of 2 560 kettles in 2026.

(6)

37

Total: 200 marks