



NATIONAL SENIOR CERTIFICATE EXAMINATION
SUPPLEMENTARY EXAMINATION – MARCH 2019

ACCOUNTING: PAPER I

EXAMINATION NUMBER

--	--	--	--	--	--	--	--	--	--	--	--

Time: 2 hours

200 marks

PLEASE READ THE FOLLOWING INSTRUCTIONS CAREFULLY

1. This paper consists of 10 pages and an Information Booklet of 10 pages (i–x) with a Formula Sheet included as a separate insert. 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 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: Manufacturing (28 minutes)	47			
Question 2: Cash flow statement (29 minutes)	48			
Question 3: Companies (42 minutes)	70			
Question 4: Inventory and VAT (21 minutes)	35			
TOTAL	200			Checker

1.1.4 Calculate the cost of production of finished goods.

--

(4)
[32]

PART B

1.2 Refer to the information in the Information Booklet relating to Lever Sleeves and answer the questions that follow.

1.2.1 Calculate the break-even point for 2018.

--

(5)

1.2.2 Calculate how much the selling price should have been increased to in 2018 to ensure that the business broke even on the number of items that they produced for the year.

--

(4)

1.2.3 Provide a reason for the decrease in the break-even point from 2017 to 2018. (Do not mention the fact that the selling price was not increased.)

--

(2)

1.2.4 Provide ONE reason for the change in the direct material costs per unit and the direct labour costs per unit.

--

(4)
[15]

QUESTION 2 CASH FLOW STATEMENT

(48 marks; 29 minutes)

Refer to information in the Information Booklet relating to Outdoor Expo LTD.

- 2.1 Prepare the note to the Cash Flow Statement for the reconciliation of profit before taxation and cash generated from operations on 30 November 2018.

Net profit before taxation	
Adjustment in respect of:	
Operating profit before the changes in working capital	
Changes in working capital	

(17)

CALCULATION OF INVESTING ACTIVITIES	

(5)

- 2.2 Complete the Cash Flow Statement of Outdoor Expo LTD for the year ended 30 November 2018. Show all working details in brackets.

Cash flows from operating activities	DO NOT CALCULATE
Cash generated from operations	
Interest paid	
Dividends paid	
Taxation paid	
Cash flows from investing activities	DO NOT CALCULATE
Purchase of tangible assets	
Proceeds from the sale of tangible assets	
Cash flows from financing activities	DO NOT CALCULATE
Proceeds from the issue of shares	
Buy-back of shares	
Repayment of capital portion of long-term borrowings	
Net change in cash and cash equivalents	
Cash and cash equivalents at the beginning of the year	
Cash and cash equivalents at the end of the year	

(26)

QUESTION 3 COMPANIES**(70 marks; 42 minutes)****Refer to the information in the Information Booklet relating to Greystone LTD.**

3.1 Complete the following notes to the Balance Sheet on 28 February 2018.

3.1.1 Fixed (tangible) assets

	LAND & BUILDINGS	VEHICLES	EQUIPMENT
Cost			751 000
Accumulated depreciation		(1 350 000)	(283 000)
Carrying value		Do not calculate	468 000
MOVEMENTS	Do not calculate	Do not calculate	Do not calculate
Additions at cost			
Disposals at carrying value			
Depreciation			
Carrying value	Do not calculate	Do not calculate	Do not calculate
Cost		1 687 500	800 600
Accumulated depreciation			

(10)

Show the following calculations:	
Vehicles:	Equipment:
Disposal at carrying value:	
Depreciation on vehicles:	
Accumulated depreciation at year end 2018	

(11)

3.1.2 Ordinary share capital

(11)

3.1.3 Retained income

RETAINED INCOME	
Balance as at 1 March 2017	
Dividends for the year	
Interim dividend	
Final dividend	
Balance as at 28 February 2018	

(15)

3.1.4 Trade and other payables (Show calculations in order to earn part marks. The number of lines given do not indicate the number of entries to be made.)

[illegible]

(19)

3.2 Calculate the net asset value per share after the repurchase of shares.

--

(4)

70

QUESTION 4 INVENTORY AND VAT**(35 marks; 21 minutes)****PART A****Refer to the information in the Information Booklet relating to Balls and Bags.**

- 4.1 Hector suspects that rugby balls are being stolen from his business and asks you to investigate whether his suspicion is correct.

(5)

- 4.2 Calculate the value of Hector's closing stock.

4.2.1 Rugby balls

(6)

4.2.2 Kit bags

(3)

- 4.3 Calculate the following for kit bags:

4.3.1 The cost of sales figure

(4)

4.3.2 The mark-up that was achieved on cost

(3)

4.3.3 The rate of stock turnover

(4)

PART B (this DOES NOT relate to Part A)

Refer to the information in the Information Booklet relating to Bling Girl Fashion Jewellery.

- 4.4 Calculate the amount owing to SARS in respect of VAT at the end of June 2018. (Use brackets to indicate a minus or decrease in the amount owing to SARS)

Transaction number	Amount SARS
VAT output	R11 120
VAT input	(3 210)
4.4.1	
4.4.2	
4.4.3	
4.4.4	
4.4.5	
4.4.6	
4.4.7	

(8)

- 4.5 The owner of Bling Girl Fashion Jewellery is concerned about the impact of the 14% to 15% increase in VAT. Discuss if his concerns are valid.

--

(2)

35

Total: 200 marks