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TOTAL MARKS

NATIONAL SENIOR CERTIFICATE EXAMINATION
NOVEMBER 2024

ACCOUNTING: PAPER I

EXAMINATION NUMBER

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Time: 2 hours

200 marks

PLEASE READ THE FOLLOWING INSTRUCTIONS CAREFULLY

1. This question paper consists of 14 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 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: Inventories & VAT	30			
1A Inventories (18 minutes)				
1B VAT (6 minutes)	10			
Question 2: Company Financial Statements (40 minutes)	67			
Question 3: Cash Flow Statement (27 minutes)	45			
Question 4: Manufacturing & Fixed Assets	15			
4A Fixed Assets (10 minutes)				
4B Manufacturing (19 minutes)	33			
TOTAL	200			

QUESTION 1 INVENTORIES & VAT

(40 marks, 24 minutes)

Refer to the information relating to Caitlin's Coffee.

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

QUESTION 1A INVENTORY SYSTEMS

(30 marks, 18 minutes)

Bags of beans – First in First Out (FIFO)

1.1 Calculate the number of bags of beans that were on hand at the end of the financial year, 29 February 2024.

(6)

1.2 **Using the FIFO method** calculate the cost of sales for the bags of beans for the year ended 29 February 2024.

(7)

1.3 Caitlin is concerned that the value of her stock of beans has increased from R198 000 to R408 500 during the year. She says the risk to her business is that the beans go stale after 6 months and she won't be able to sell the stock.

1.3.1 Calculate the average length of time (number of days stock is on hand) it takes to sell her stock of beans.

(4)

Coffee mugs – Weighted Average

1.4 1.4.1 Calculate the weighted average of one coffee mug.

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(7)

1.4.2 Determine the actual percentage mark-up achieved by the business on **one** coffee mug.

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(3)

1.5 Briefly explain why the business chose to use the weighted average method to value the coffee mugs.

(1)

1.6 Explain to the owner how offering a loyalty card that would entitle regular customers to a 10% discount could both be a **financial** advantage and a **financial** disadvantage to the business.

Advantage:

Disadvantage:

(2)

30

QUESTION 1B VAT

(10 marks, 6 minutes)

VAT is calculated at 15%

1.7 Calculate the VAT amount for each of the transactions that were not recorded so that you can determine the correct amount owing to/by SARS for VAT.

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

	Calculation	VAT Amount	Indicate the effect on the SARS amount (increase or decrease)
Incorrect amount owing to SARS			R39 000
1			
2			
3			
Correct amount of VAT			
*Due by SARS		*Owing to SARS	

**Indicate the correct option*

(10)

10

- 2.1 Complete the Statement of Comprehensive Income (Income Statement) of Dhlamini Distributors Limited for the year ending 29 February 2024.

Sales (18 450 000)	
Cost of sales (8 200 000)	
Gross profit	Do not calculate
Operating incomes	Do not calculate
Commission income	
Discount received	186 000
Operating expenses	Do not calculate
Advertising (160 600)	
Rent expense	
Bank charges (31 600)	
Insurance (73 500)	
Directors fees (2 601 000)	
Packing material (90 000)	
Water & electricity	86 700
Bad debts	183 400
Auditors fees	12 500
Salaries & wages	Do not calculate
Discount allowed	97 200
Operating Profit	Do not calculate
Interest income (126 000)	
Net profit before interest expense	Do not calculate
Interest expense	(1 081 300)
Net profit before taxation	
Taxation for the year	
Net profit after taxation	2 197 090

(32)

2.2 Complete the following notes to the financial statements as of 29 February 2024.

2.2.1 Trade & Other Receivables

Net trade debtors	Do not calculate
Debtors control (4 920 000	
Less: Provision for bad debts	
Prepaid expenses (25 500	
Accrued income	
	Do not calculate

(14)

2.2.2 Retained income/Accumulated profits

Balance at the beginning of the year	
Net profit after tax	2 197 090
Repurchase of shares	
Ordinary dividends	
Paid	
Recommended	
Balance at the end of the year	Do not calculate

(11)

Calculation space for the repurchase of shares:
Additional calculation space for the retained income/accumulated profit note:

2.2.3 Trade & Other Payables

Trade creditors (15 870 000	
Accrued expenses	
Income received in advance	
	Do not calculate

(10)

67

QUESTION 3 CASH FLOW STATEMENTS

(45 marks, 27 minutes)

Refer to the information relating to Nkosi Neon 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.

3.1 Complete the investing activities section as it would appear in the Cash flow statement for the year ended 29 February 2024:

Cash flow from investing activities	
Fixed assets purchased	
*	
*	

(6)

Calculation for fixed assets purchased

(6)

3.2 Calculate the taxation **paid** for the year ended 29 February 2024.

(5)

3.3 Calculate the **total dividends** (interim and final) for the year ended 29 February 2024.

(4)

3.4 Complete the loan account as it would appear in the General Ledger for the year ended 29 February 2024: (no dates or folio numbers are required)

Loan: Kat Bank B6			

(7)

3.5 Complete Note 1: Reconciliation between profit before taxation and cash generated from operations.

Net profit before taxation	
Adjustments for:	
Profit on sale of asset	(25 000)
Depreciation	
Interest Expense	
Operating profit before changes in working capital	
Changes in Working Capital	
Increase 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. (13)

3.6 Determine the cash movement for the year and indicate if it was an inflow or outflow of cash.

Inflow / Outflow	
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(4)

QUESTION 4 MANUFACTURING AND FIXED ASSETS (48 marks, 29 minutes)

Refer to the information relating to Caragh Cables Ltd.

PART A FIXED ASSETS (15 marks, 10 minutes)

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

		Delivery Vehicles
Carrying value on 1 March 2023		*
Cost Price		940 000
Accumulated depreciation		(510 000)
Movement		Do not calculate
Additions at cost	A	*
Disposals at carrying value		(34 000)
Depreciation	B	*
Carrying value on 29 February 2024		Do not calculate
Cost Price		1 060 000
Accumulated depreciation	C	*

(15)

Calculation space for the fixed asset note:

A Additions at cost
B Depreciation on the remaining (old) vehicles
C Accumulated Depreciation on 29 February 2024

Part A
15

PART B MANUFACTURING

(33 marks, 19 minutes)

4.2 Production cost statement notes

4.2.1 Complete the raw materials note for the year ended 29 February 2024:

Raw Materials	
Opening stock	
Purchases	
Carriage on purchases	
Closing stock	
	Do not calculate

(7)

4.2.2 Complete the factory overheads note for the year ended 29 February 2024:

Factory Overheads	
Indirect labour	
Consumable stores	
Depreciation	
Sundry expenses	
Water & electricity	81 312
Insurance	
Security costs	
	Do not calculate

(16)

Calculation space for indirect labour

(5)

4.3 Calculate the total cost of production for the year ended 29 February 2024:

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(5)

Part B
33

Total: 200 marks