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| Province of the  EASTERN CAPE  EDUCATION  **DIRECTORATE SENIOR CURRICULUM MANAGEMENT (SEN-FET)**  **HOME SCHOOLING SELF-STUDY**  **WORKSHEETS**   |  |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | --- | | **SUBJECT** | ACCOUNTING | **GRADE** | 11 | **DATE** |  | | | | | **TOPIC** | Analysis and Interpretation of Financial statements: Revision of Grade 10 | | | | **Term** | 2 | **Week** | 5 | |

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| **WORKSHEET 1** | | | | | |  |
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| **GRADE** | 11 | **TERM** | 2 | **WEEK** | 5 | |

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| **ACTIVITY 1** | |  |  |  |  |
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| 1. **Calculate the following financial indicators** |
| * 1. **Gross profit on sales** |
| **1.2 Gross profit on cost of sales** |
| **1.3 Net profit on sales** |
| * 1. **Operating expenses on turnover** |
| **1.5 Return on owners’ equity (use average equity)** |
| **1.6 Current ratio** |
| **1.7 Acid test ratio** |

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| 1. **Comment on the mark-up percentage achieved. Bear in mind that the business aims at a mark-up of 60% on cost.** |
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| 1. **Comment on the percentage earned by the owner.** |
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| 1. **Comment on the current and acid-test ratios.** |
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| 1. **What is the amount of the owner’s drawings for the year? Bear in mind that he contributed a car valued at R56 800 as additional capital.** |
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| **WORKSHEET 2** | | | | | |  |
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| **GRADE** | 11 | **TERM** | 2 | **WEEK** | 5 | |

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| **ACTIVITY 2** | |  |  |  |  |
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| **2.1 Calculate the percentage mark-up obtained by the business.** |
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| **2.2 Provide TWO reasons for the difference in the mark-up percentages.**  **(See Information C)** |
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| **2.3 Calculate the percentage gross profit on sales.** |
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| **2.4 Calculate the percentage net profit on sales.** |
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| **2.5 List ONE reason for the decrease in percentage in your calculations in**  **Questions 2.3 and 2.4** |
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| **2.6 Calculate the return on average owner’s equity.** |
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| **2.7 Should the owner be satisfied with his percentage return?**  **Explain quoting financial indicators to support your answer.** |
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| **2.8 Calculate the current ratio for 2020.** |
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| **2.9 Calculate the acid test ratio for 2020.** |
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| **2.10 Explain why trading stock is excluded in the calculation for the acid test**  **ratio.** |
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| **WORKSHEET 3** | | | | | |  |
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| **GRADE** | 11 | **TERM** | 2 | **WEEK** | 5 | |

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| **ACTIVITY 3** | |  |  |  |  |
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| **3.1 Calculate the following financial indicators for the year ended**  **29 February 2020:** |
| * **Gross profit percentage on Cost of Sales** |
| * **Return on Owner’s Equity** |
| * **Solvency ratio** |
| * **Current ratio** |
| * **Acid-test ratio** |

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| **3.2 Is the degree of solvency of the business satisfactory? Explain quoting**  **figures.** |
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| **3.3 Explain if the increase in the gross profit percentage was a good strategy.**  **Quote figures** |
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| **3.4 Return on Owner’s Equity** |
| * **Comment on the return on Owner’s Equity** * **The owner is offered a maximum return on Investment of 8% by his financial Institution. Advise him about the offer.** |

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| **3.5 Should the owner be satisfied with the profitability of the business? Explain**  **by quoting TWO relevant financial indicators.** |
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| **3.6 Comment on the liquidity of the business by quoting TWO relevant financial**  **indicators.** |
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| **WORKSHEET 4** | | | | | |  |
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| **GRADE** | 11 | **TERM** | 2 | **WEEK** | 5 | |

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| **ACTIVITY 4** | |  |  |  |  |
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| **4.1 Calculate the balance of the Capital account on 30 June 2019. The owner**  **contributed an additional R300 000 towards his capital during the year.** |
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| **4.2 Calculate the following financial indicators:** |
| * **Mark-up % achieved** |
| * **% Net profit on turnover** |
| * **Current ratio** |
| * **Acid test ratio** |

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| * **% Return on average owners’ equity earned** |

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| **4.3 Should the owner be satisfied with the mark-up % achieved?**  **Explain quoting figures.** |
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| **4.4 In 2018 the owner earned 30% on his investment in this business.** |
| * **Provide one reason why the owner should be satisfied with the return he received on his investment in 2019.** |
| * **Provide one reason why the owner would not be satisfied with the return on his investment in 2019.** |

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| **WORKSHEET 5** | | | | | |  |
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| **GRADE** | 11 | **TERM** | 2 | **WEEK** | 5 | |

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| **CLASS TEST** | |  |  |  |  |
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| 1.1.1 |  |
| 1.1.2 |  |
| 1.1.3 |  |
| 1.1.4 |  |

**1.2 Calculate the following ratios for 2020 and comment.**

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| **1.2.1 Current ratio** |
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| **1.2.2 Acid test ratio** |
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| **1.2.3 Compare these results with those of 2019 and comment on the liquidity of**  **the business** |
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| **1.2.4 Calculate the percentage return on average owner’s equity.** |
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| **1.2.5 Should the owner be satisfied with this return? Motivate your answer.** |
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