 Province of the

EASTERN CAPE

EDUCATION

**DIRECTORATE SENIOR CURRICULUM MANAGEMENT (SEN-FET)**

 **SELF-STUDY**

**ACTIVITIES AND WORKSHEETS MARKING GUIDELINES**

|  |  |  |  |  |  |
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| **SUBJECT** | ACCOUNTING | **GRADE** | 12 | **DATE** |  |
| **TOPIC** | COMPANIES | **Term**  | 3 | **Week** |  |
| **TIME ALLOCATION** | 1  |

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| **TIPS TO KEEP HEALTHY** |
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| 1. | **WASH YOUR HANDS** thoroughly with soap and water for at least 20 seconds. Alternatively, use hand sanitizer with an alcohol content of at least 60%. |
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| 2. | **PRACTICE SOCIAL DISTANCING** – keep a distance of 1m away from other people. |
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| 3. | **PRACTISE GOOD RESPIRATORY HYGIENE**: cough or sneeze into your elbow or tissue and dispose of the tissue immediately after use. |
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| 4. | **WEAR A MASK AND TRY NOT TO TOUCH YOUR FACE.** The virus can be transferred from your hands to your nose, mouth and eyes. It can then enter your body and make you sick. |
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| 5. | **STAY AT HOME.**  |

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| **INSTRUCTIONS** | See requirements per activity |
| **RESOURCES** | **TEXTBOOK(S) & PREVIOUS ACTIVITIES** |

 **QUESTION 1**

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
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| **1.1** | **Write only the letter (A–E) next to the question number.**

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| --- | --- |
| **1.1.1** | E 🗸 |
| **1.1.2** | C 🗸 |
| **1.1.3** | D 🗸 |
| **1.1.4** | B 🗸 |
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| **1.2.1** | **See Income Statement on the next page.** |  |
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| **1.2.2** | **Ordinary Share Capital Note** |  |
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| **Authorised Share Capital**  |
| **1 200 000 ordinary shares**  |
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| **Issued Shares:**  |
| 1 200 000 x 75%900 000 PP | 8 925 000 **(on trial balance)** – 1 140 000 (shares issued)**Shares in issue on 1 March 2019** | 7 785 000 | ☑  |
| 120 000 | **Shares issued during the year at** **R9,50 each**  | 1 140 000 | PP |
| (170 000) |  8 925 000 / 1 020 000 or (900 000 + 120 000) **Shares repurchased: ASP**: R8,75 P☑ | (1 487 500) | ☑\* |
| 850 000 ☑\* | **Shares in issue on 29 February 2020** | 7 437 500 | ☑\* |

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|  | \*operation, one part correct  |  |
|  | # mark from top down (final balance is the balancing figure) |  |
| **1.2.3** | **Retained Income** |  |
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| **Balance at beginning of financial year** | 555 500 P |
| Net profit after tax see 1.2.1 below |  1 225 000 ☑ |
|  R9,70 – ASP end of yearBuy back of shares (170 000 🗸 x 0,95c ☑) ignore brackets  |  (161 500) ☑\* |
| **Ordinary share dividends** ignore brackets | (1 101 000) ☑\*  |
| * Interim (900 000 🗸x 60c) or 0,6 or 60%
 | 540 000 ☑\*  |
| * Final (1 020 000 🗸 x 55c) or 0,55 or 55%
 | 561 000 ☑\*  |
| **Balance at end of financial year** SBB and OSD must be subtracted to get this method mark | 518 000 ☑\* |

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|  | \*operation; one part correct  |  |

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| **1.2.1 QUEENIE LTD** |  |
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|  **INCOME STATEMENT FOR THE YEAR ENDED 29 FEBRUARY 2020** |  |
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|  | 15 370 000**Sales** (10 600 000🗸x145% 🗸– 35 000🗸) | 15 335 000  | ☑\* |
|  | **Cost of sales** | (10 600 000) | P |
| **6** | **Gross profit** subtracted  |  4 735 000 | ☑ |
|  | **Other income** operation |  255 000 | ☑\* |
|  | Rent income (264 420 🗸 – 21 060 🗸🗸) | 243 360  | ☑\* |
|  | Bad debts recovered |  8 140 | P |
|  | Provision for bad debt adjustment (21 340 – 17 840)  |  3 500 | PP |
| **9** | **Gross operating income** GP + OI | 4 990 000  | ☑ |
|  | **Operating expenses** GOI – OP  | (3 084 600) | ☑ |
|  | Audit fees |  150 000 | P |
|  | Trading stock deficit (1 142 000 – 1 130 000)  |  12 000 | PP |
|  | Salaries and wages (1 054 260🗸 +23 400🗸P + 2 340🗸) |  1 080 000 | ☑\* |
|  | Directors' fees (932 200🗸 + 15 800🗸P) |  948 000 | ☑\* |
|  | Packing material (55 400🗸 – 7 900🗸) |  47 500 | P |
|  | Depreciation (189 500 P + 3 500 PP) |  193 000 | ☑\* |
|  | Bad debts (14 000🗸 + 19 000🗸) |  33 000 | P |
|  | **Advertising**  | **345 500** |  |
|  | **Sundry expenses** Balancing figure |  275 600 | ☑ |
| **25** | **Operating profit** PBIE – int inc | 1 905 400 | ☑ |
|  | Interest income 620 000 x 8% |  49 600 | PP |
|  | **Profit before interest expense** NPBT + int exp |  1 955 000 | ☑ |
|  | Interest expense 1 671 000 + 384 000 – 1 850 000 |  (205 000) | P☑ |
|  | **Net profit before tax** (525 000 x 100 ÷ 30)or NPAT + tax | 1 750 000 | ☑☑^ |
|  | **Income tax** |  (525 000) | P |
| **10** | **Net profit after tax**  (525 000 x 70 ÷ 30)or NPBT - tax | 1 225 000 | ☑☑^ |

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| **50** |

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^Check method applied by candidate

 Foreign items -1; max -2 Misplaced items to be marked as incorrect

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| **TOTAL MARKS** |
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| **75** |