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| **ACCOUNTING GRADE 12 TEST 6 SELF-STUDY (LOCKDOWN)**  **ANSWER BOOK****TOPIC : CASH FLOW STATEMENT AND INTERPRETATION**  |  |

**QUESTION 1**

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| 1.1 | **Calculate the missing figures indicated by (a) – (e) in the Fixed Asset Note.** |  |
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|  | **CALCULATIONS** | **AMOUNT** |
| (a) |  |  |  |
| (b) |  |  |  |
| (c) |  |  |  |
| (d) |  |  |  |
| (e) |  |  |  |

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| 1.2 |

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| **CASH FLOW STATEMENT FOR THE YEAR ENDED** **29 FEBRUARY 2020** |
|  | **R** |
| **Cash effects of operating activities**  |  |
| **Cash generated from operations** |  |
| **Interest paid** | **(208 800)**  |
| **Dividends paid**  |  |
| **Income Tax paid** |  |
| **CASH EFFECTS FROM INVESTING ACTIVITIES** |  |
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| **CASH EFFECTS FROM FINANCING ACTIVITIES**  |  |
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| **Net change in cash and cash equivalents**  |  |
| **Cash and cash equivalents at beginning of year**  |  |
| **Cash and cash equivalents at end of year** |  |

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| 1.3 | **Calculate the Debt-Equity ratio for 2020.** **(Round-off to TWO decimal points.)** |

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| 1.4 | **The directors decided to increase the loan during the current financial year. Explain TWO financial indicators to indicate why this was a good decision. Quote figures.** |  |
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| 1.5 | **The board of directors is of the opinion that the shareholders should be happy with their percentage return and the market price of their shares. Quote and explain TWO financial indicators with figures to support their opinion.** |  |
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| 1.6 | **The Cash Flow Statement reflects some important decisions taken by the Directors.****Apart from the loans, identify TWO good decisions. Explain the effect of these decisions on the company. Quote figures.** |  |
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| **DECISION**  | **EFFECT ON COMPANY**  |
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| **TOTAL MARKS** |
|  |
| **70** |