

|  |  |
| --- | --- |
| **ACCOUNTING GRADE 12 TEST 5 SELF-STUDY (LOCKDOWN)**  **ANSWER BOOK****TOPIC : CASH FLOW STATEMENT AND INTERPRETATION**  |  |

**QUESTION 1: CASH FLOW STATEMENT AND INTERPRETATION (63 Marks; 35 Minutes)**

|  |  |  |
| --- | --- | --- |
| **1.1** | **Choose an accounting concept from Column B that best matches the analysis questions in Column A.** |  |
|  | **1.1.1** |  |  |
|  | **1.1.2** |  |  |
|  | **1.1.3** |  | **3** |
|  |  |  |  |
|  | **1.2.1** | **Ordinary share capital** |  |
|  |  |

|  |
| --- |
| **Authorised shares: 1 500 000****Issue** |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |

 |

|  |
| --- |
|  |
| **8** |

 |
|  | **1.2.2** |

|  |  |
| --- | --- |
| **Calculations** | **Answers** |
| **Tax paid** |  |
|  |  |
|  |  |
|  |  |
| **Dividend paid** |  |
|  |  |
|  |  |
|  |  |
| **Purchases of tangible assets** |  |
|  |  |
|  |  |
|  |  |

 |

|  |
| --- |
|  |
| **5** |

|  |
| --- |
|  |
|  |
| **4** |
|  |
|  |
| **5** |

 |
|  | **1.2.3** | **Calculate: Debt-equity ratio** |  |
|  |  |

|  |  |
| --- | --- |
| **Workings** | **Answer** |
|  |  |

**Calculate: Return on total capital employed (ROTCE)**  |

|  |
| --- |
|  |
| **4** |

 |
|  |  |

|  |  |
| --- | --- |
| **Workings** | **Answer** |
|  |  |

 |

|  |
| --- |
|  |
| **8** |

 |
|  |  | **Calculate: Net asset value per share (NAV)** |  |
|  |  |

|  |  |
| --- | --- |
| **Workings** | **Answer** |
|  |  |

 |

|  |
| --- |
|  |
| **4** |

 |
|  |  |  |  |
|  | **1.2.4** | **Calculate the minimum number of shares Matshayana must buy when the unissued shares have been issued.** |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  | **4** |
|  |  | **Matshayana wants to purchase the additional shares at R3,00 without advertising the shares to the public. Give TWO reasons why you would not approve of this.** |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  | **4** |
|  |  |  |  |
|  | **1.2.5** | **The directors are of the opinion that the liquidity has decreased. Quote THREE financial indicators (with figures) to support this opinion.** |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  | **6** |
|  |  |  |  |
|  | **1.2.6** | **How was the purchase of the buildings financed?** |  |
|  |  |  |  |
|  |  |  | **2** |
|  |  | **Explain how this decision has had an impact on degree of risk and gearing of the company.** |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  |  |
|  |  |  | **6** |
|  |  |

|  |
| --- |
| **TOTAL MARKS** |
|  |
| **63** |

 |  |