



NAME:

**NATIONAL
SENIOR CERTIFICATE**

GRADE 12

JUNE 2026

**ACCOUNTING P1
ANSWER BOOK**

QUESTION	MAX. MARKS	MARKS OBTAINED	MODERATED MARKS		
			School	District	Province
1	60				
2	40				
3	35				
4	15				
TOTAL	150				

This answer book consists of 11 pages.

QUESTION 1

1.1 Calculate the carrying value of fixed assets on 28 February 2026.

WORKINGS	ANSWER
Land and Buildings:	
Vehicles:	
Equipment:	

11

1.2 **RETAINED INCOME**

Balance on 1 March 2025	4 018 500
Ordinary share dividends	
• Interim	300 000
Balance on 28 February 2026	

7

1.3 TALISON LTD

Statement of Comprehensive Income for the year ended 28 February 2026

Sales	
Gross Profit	12 188 750
Other Income	
Rent Income (115 175	
Gross Operating Income	
Operating Expenses	
Salaries and wages	
Stationery	
Directors' fees (1 065 000	
Audit fees (66 725	
Bad debts (10 160	
Operating Profit	
Interest Income	
Profit before Interest Expense	
Interest Expense	
Profit before Tax	
Net Profit for the year	7 084 000

20

1.4 Statement of Financial Position on 28 February 2026

ASSETS	
NON-CURRENT ASSETS	
Fixed assets	
Financial assets	
CURRENT ASSETS	
Inventories (2 152 800	
Trade and other receivables (5 674 300	
Cash and cash equivalents (2 180 940	
TOTAL ASSETS	
EQUITY AND LIABILITIES	
Shareholders' equity	
Ordinary share capital	18 400 000
Retained income	
NON-CURRENT LIABILITIES	
Loan: Twist Bank	
CURRENT LIABILITIES	3 776 540
Trade and other payables (1 351 000	
Bank overdraft	
TOTAL EQUITY AND LIABILITIES	

22

TOTAL MARKS

60

QUESTION 2

ABUKWE LTD

2.1 Reconciliation of Profit before Taxation and Cash Generated from Operations Note on 28 February 2026:

Profit before Taxation		
Adjustment for:		
Operating Profit before changes in working capital		
Changes in Working Capital		
Cash generated from operations		11

2.2 Cash flow from Operating Activities		
Cash generated from operations		
Interest paid	(77 300)	
Taxation paid		
Dividends paid		6

Cash flow from Financing Activities		
Proceeds from shares issued		
Loan obtained		
		4

Net change in Cash and Cash Equivalents		
Cash and Cash Equivalents at beginning of the year		
Cash and Cash Equivalents at end of the year		4

2.3 % return on average shareholders' equity (ROSHE)

WORKINGS	ANSWER

4

Earnings per share

WORKINGS	ANSWER

3

Acid-test ratio

WORKINGS	ANSWER

4

% operating expenses on sales

WORKINGS	ANSWER

2

2.4 The business is considering building its own premises for R2,5 million instead of renting one from Primadle Properties' buildings in Durban.

What funding options can the company consider, without taking out additional loan? Provide TWO sources with figures.

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2

TOTAL MARKS

40

QUESTION 3

3.1 Choose the category of indicators.

3.1.1	
3.1.2	
3.1.3	

3

3.2 Operating efficiency:

Comment on the operating efficiency of ONE company that showed an improvement in managing its expenses. Quote TWO financial indicators.

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4

3.3 Liquidity:

Explain how the credit policy has improved the liquidity of Dodo Ltd. Quote TWO financial indicators.

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4

3.4 Dividends, earnings and returns:

Comment on the dividend pay-out policy of Dodo Ltd and Pokolina Ltd. Which company's change in policy is irresponsible and why?

Dodo Ltd:

Pokolina Ltd:

8

Should the percentage return earned by Pokolina Ltd satisfy the shareholders? Explain by quoting a relevant financial indicator.

4

3.5 Share price:

Comment on the reasons for the current performance of the share price for each company on the Johannesburg Securities Exchange (JSE). Provide TWO financial indicators.

Dodo Ltd:

Pokolina Ltd:

6

QUESTION 4

4.1	Explain TWO consequences of corporate accounting fraud other than those mentioned in the extract.	2
	Explain why it is important for external auditors to report fraudulent entries identified in the financial statements during their audit. Give THREE points.	3
	Explain the meaning of the term <i>bankruptcy</i>.	2

4.2

Explain why public companies should be audited by external auditors. Mention TWO points.

4

4.3

Express your opinion on the above-mentioned scenario. Provide ONE point.

How should this scenario be handled by a board of directors or by shareholders? Provide ONE point.

4

TOTAL MARKS
15

TOTAL: 150