



NAME:

SCHOOL:

**NATIONAL
SENIOR CERTIFICATE**

GRADE 12

SEPTEMBER 2026

**ACCOUNTING P1
ANSWER BOOK**

QUESTION	MAX. MARKS	MARKS OBTAINED	MODERATED MARKS		
			School	District	Province
1	55				
2	40				
3	40				
4	15				
TOTAL	150				

This answer book consists of 10 pages.

QUESTION 1**1.1 Calculate:**

(a)	Depreciation on equipment	
	WORKINGS	ANSWER
(b)	Carrying value of equipment on 30 June 2026	
	WORKINGS	ANSWER
(c)	Disposal at carrying value for vehicle	
	WORKINGS	ANSWER

6

2

2

1.2 STATEMENT OF COMPREHENSIVE INCOME ON 30 JUNE 2026

Sales	
Cost of sales	(4 120 000)
Gross profit	
Other operating income	
Gross operating income	
Operating expenses	
Audit fees	199 000
Salaries and wages	767 000
Advertising	34 900
Insurance	
Packing material	
Directors' fees (240 000	
Operating profit	
Interest income	
Profit before interest expense	
Interest expense	(237 600)
Profit before tax	
Income tax	
Net profit for the year	872 550

1.3 Statement of Financial Position on 30 June 2026**Equity and Liabilities**

Shareholders' equity		
Ordinary share capital	3 300 000	
Non-current liabilities		
Current liabilities		
Trade and other payables		
(364 200		
Total equity and liabilities		17

TOTAL MARKS
55

QUESTION 2

2.1 ZURIE LTD

ORDINARY SHARE CAPITAL NOTE

920 000		7 180 000	7

2.2 Calculate the following for the Cash Flow Statement:

Taxation Paid		
WORKINGS	ANSWER	
		4
Dividends Paid		
WORKINGS	ANSWER	4
Net change in cash and cash equivalents		
WORKINGS	ANSWER	4

2.3 CASH FLOWS FROM FINANCING ACTIVITIES

		10

2.4 Calculate the following financial indicators for the year ended 28 February 2026:

Mark-up %		
WORKINGS	ANSWER	
		2

Acid-test ratio		
WORKINGS	ANSWER	
		5

Stock-turnover rate		
WORKINGS	ANSWER	
		4

TOTAL MARKS
40

QUESTION 3**3.1 Profitability:**

Quote and explain TWO financial indicators to show which company is managing its expenses more efficiently.

4

3.2 Liquidity:

One of the shareholders at Lyfo Ltd is of the opinion that trading stock is not well managed. Quote TWO financial indicators to explain why he feels this way.

4

With reference to the above, provide a recommendation to the directors on how they can more effectively manage their trading stock. State TWO points.

2

3.3 Dividends, earnings and returns:

Comment on each company's dividend payout policy and explain the reasons for any changes made to the policy.

4

Should the shareholders of Adel Ltd be satisfied with the return on their investment? Explain by quoting a relevant financial indicator.

4

3.4 Shareholding of Mr Long at Lyfo Ltd:

Calculate Mr Long's % shareholding after the repurchase of shares.

WORKINGS	ANSWER

4

An internal auditor expressed concerns over the decision taken by the CEO to persuade the board of directors to repurchase shares. State TWO reasons for this concern.

4

Explain TWO reasons why certain shareholders were pleased with the board of directors' decision to buy back the company's shares.

4

3.5 Financing strategies and gearing: Adel Ltd

To what extent does the company rely on debt financing? Explain by referring to a relevant financial indicator.

3

Comment on whether borrowed funds were effectively utilised by the directors of the company. Quote ONE financial indicator.

3

3.6 Share price:

Based on the current performance of share prices, which company would be better investment? Comment and quote TWO financial indicators.

4

TOTAL MARKS
40

QUESTION 4

4.1	4.1.1		
	4.1.2		
	4.1.3		

3

4.2.1 Explain the difference between *unethical conduct* and *criminal acts* within a company.

4

4.2.2 Discuss why it is essential for a company to establish an ethical code of conduct for its employees. State TWO points.

4

4.3.1 Discuss the impact of this audit report on the company and its directors with regards to the following aspects:

Existing investors' confidence

Credit ratings

4

TOTAL MARKS
15

TOTAL: 150