Western Cape Government

## CURRICULUM FET

# ACCOUNTING

## MARKING GUIDELINE

## TERM ONE 2025




# BACK ON TRACK PROGRAMME

GRADE 12

Western Cape Government

QUALITY EDUCATION

for every child | in every classroom | in every school in the province.

## MARKING GUIDELINE: BASELINE ACTIVITY

| | |
|---|---|
| 1. | H |
| 2. | E |
| 3. | J |
| 4. | B |
| 5. | A |
| 6. | I |
| 7. | D |
| 8. | K |
| 9. | F |
| 10. | C |

## ACTIVITY 1: ISSUING OF SHARES

1. **ORDINARY SHARE CAPITAL**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 2024 June | 30 | Balance c/d | 2 250 000 | 2023 July | 1 | Balance b/d | 1 500 000 |
| | | | | 2024 April | 30 | Bank | 750 000 |
| | | | 2 250 000 | | | | 2 250 000 |
| | | | | 2024 July | 1 | Balance b/d | 2 250 000 |

2.

| ACCOUNT DEBIT | ACCOUNT CREDIT | ASSETS | OWNERS EQUITY | LIABILITIES |
|---|---|---|---|---|
| Bank | Ordinary Share Capital | + 750 000 | + 750 000 | 0 |

3.

| ORDINARY SHARE CAPITAL | | |
|---|---|---|
| Authorised share capital | | |
| 1 250 000 ordinary shares | | |
| Issued share capital | | |
| 750 000 | Ordinary shares at beginning of year | 1 500 000 |
| 250 000 | Ordinary shares issued during the year at R3 | 750 000 |
| 1 000 000 | Ordinary shares at the end of the year | 2 250 000 |

4. a) Average share price

$$\frac{R2\ 250\ 000}{1\ 000\ 000} = R2,25$$

b) Net asset value

$$\frac{R2\ 250\ 000 + R770\ 000}{1\ 000\ 000}\ X\ 100\ cents = 302\ c\ or\ R3,02$$

Note: Shareholders equity = Ordinary Share Capital + Retained income
R2 250 000 + (R450 000 + R320 000)

## COMPANIES: NEW TRANSACTIONS

## ACTIVITY 2: BUYING BACK SHARES

1. **ORDINARY SHARE CAPITAL**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 2024 May | 1 | Bank | 250 000 | 2023 July | 1 | Balance b/d | 1 000 000 |
| June | 30 | Balance c/d | 750 000 | | | | |
| | | | 1 000 000 | | | | 1 000 000 |
| | | | | 2024 July | 1 | Balance b/d | 750 000 |

**RETAINED INCOME**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 2024 May | 1 | Bank | 60 000 | 2023 July | 1 | Balance b/d | 260 000 |
| June | 30 | Balance c/d | 380 000 | 2024 June | 30 | Appropriation | 180 000 |
| | | | 440 000 | | | | 440 000 |
| | | | | 2024 July | 1 | Balance b/d | 380 000 |

2.

| ACCOUNT DEBIT | ACCOUNT CREDIT | ASSETS | OWNERS | LIABILITIES |
|---|---|---|---|---|
| Ordinary share capital | Bank | -250 000 | -250 000 | 0 |
| Retained income | Bank | -60 000 | -60 000 | 0 |

3.

| ORDINARY SHARE CAPITAL | | |
|---|---|---|
| Authorised share capital | | |
| 300 000 ordinary shares | | |
| Issued share capital | | |
| 200 000 | Ordinary shares at beginning of year: R5 | 1 000 000 |
| (50 000) | Shares repurchased at AV Price: R5 | (250 000) |
| 150 000 | Ordinary shares at the end of the year: R5 | 750 000 |

| RETAINED INCOME | |
|---|---|
| Retained income at the beginning of the year | 260 000 |
| Net profit after tax for the year | 180 000 |
| Repurchase of shares: (50 000 x R1.20) | (60 000) |
| Ordinary share dividends: | |
| Interim | |
| Final | |
| Retained income at the end of the year | 380 000 |

4. 50 000 x 620c or R6,20 = R310 000 / (R250 000 + 60 000) = R310 000

5. **a) Average share price**

$$\frac{R750\ 000}{150\ 000} = R5$$

**b) Net asset value**

$$\frac{R750\ 000 + R380\ 000}{150\ 000}\ x\ 100\ cents = 753,3\ cents$$

**COMPANIES: NEW TRANSACTIONS**

**ACTIVITY 3: DIVIDENDS PER SHARE**

1. **DIVIDENDS ON ORDINARY SHARES**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 2024 Aug | 31 | Bank (300 000 x 60c) | 180 000 | 2025 Feb | 28 | Appropriation | 505 000 |
| 2025 Feb | 28 | Shareholders for dividends (500 000 x 65c) | 325 000 | | | | |
| | | | 505 000 | | | | 505 000 |
| | | | | | | | |

**SHAREHOLDERS FOR DIVIDENDS**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 2024 Mar | 31 | Bank | 150 000 | 2024 Mar | 1 | Balance b/d | 150 000 |
| 2025 Feb | 28 | Balance c/d | 325 000 | 2025 Feb | 28 | Dividends on ordinary shares | 325 000 |
| | | | 475 000 | | | | 475 000 |
| | | | | 2025 Mar | 1 | Balance b/d | 325 000 |

2.

| ACCOUNT DEBIT | ACCOUNT CREDIT | ASSETS | OWNERS EQUITY | LIABILITIES |
|---|---|---|---|---|
| Dividends on ordinary shares | Bank | -180 000 | -180 000 | 0 |
| Dividends on ordinary shares | Shareholders for dividends | 0 | -325 000 | +325 000 |

3. R505 000 – retained income note.
R325 000 – current liabilities, trade and other payables.

4. R150 000 + R180 000 = R330 000

**COMPANIES: NEW TRANSACTIONS**

**ACTIVITY 4: INCOME TAX**

1. **SARS: INCOME TAX**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 2023 July | 30 | Bank | 4 800 | 2023 July | 1 | Balance b/d | 4 800 |
| Dec | 31 | Bank | 60 000 | 2024 June | 30 | Income tax | 133 056 |
| 2024 June | 30 | Bank | 65 000 | | | | |
| | | Balance c/d | 8 056 | | | | |
| | | | 137 856 | | | | 137 856 |
| | | | | 2024 July | 1 | Balance b/d | 8 056 |

**INCOME TAX**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 2024June | 30 | SARS: income tax (475 200 x 28%) | 133 056 | 2024 June | 30 | Appropriation | 133 056 |

2.

| ACCOUNT DEBIT | ACCOUNT CREDIT | ASSETS | OWNERS EQUITY | LIABILITIES |
|---|---|---|---|---|
| SARS: Income Tax | Bank | -60 000 | 0 | -60 000 |
| Income tax | SARS: Income tax | | -133 056 | +133 056 |

3. R8 056 – it will appear in the Statement of Financial Position, current liabilities.

4. R4 800 + R133 056 – R8 056 = R129 800 (or R4 800 + R60 000 + R65 000)

## ACTIVITY 5: INCOME TAX

1.

**SARS: INCOME TAX**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 2024 Mar | 20 | Bank | 18 000 | 2024 Mar | 1 | Balance b/d | 18 000 |
| Aug | 31 | Bank | 250 000 | 2025 Feb | 28 | Income tax | 492 000 |
| 2025 Feb | 28 | Bank | 250 000 | | | Balance c/d | 8 000 |
| | | | 518 000 | | | | 518 000 |
| 2025 Mar | 1 | Balance b/d | 8 000 | | | | |

**INCOME TAX**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 2025 Feb | 28 | SARS: Income tax | 492 000 | 2025 Feb | 28 | Appropriation | 492 000 |

2.

| ACCOUNT DEBIT | ACCOUNT CREDIT | ASSETS | OWNERS | LIABILITIES |
|---|---|---|---|---|
| SARS: Income Tax | Bank | -60 000 | 0 | -60 000 |
| Income tax | SARS: Income tax | | -492 000 | +492 000 |

3.

R8 000 – it will appear in the Statement of Financial Posisiton, current assets

4.

R18 000 +R492 000 +R8 000 = R518 000 (or R18 000 + R250 000 + R250 000)

## COMPANIES: ORDINARY SHARE CAPITAL AND RETAINED INCOME NOTE

## ACTIVITY 6

6.1

| ORDINARY SHARE CAPITAL | | |
|---|---|---|
| **Authorised share capital** | | |
| 2 000 000 ordinary shares | | |
| **Issued share capital** | | |
| **800 000** | **Ordinary shares at beginning of year** | **R5 600 000** |
| **200 000** | **Shares issued during the year** | 1 960 000 |
| (120 000) | **Shares repurchased at** R7.56 | (907 200) |
| 880 000 | **Ordinary shares at the end of the year** | 6 652 800 |

| RETAINED INCOME | |
|---|---|
| **Retained income at the beginning of the year** | 490 000 |
| Net profit after tax for the year (810 000 – 243 000) | 567 000 |
| Repurchase of shares (120 000 x R 2.44) | (292 800) |
| Ordinary share dividends: | (514 000) |
| Interim dividends | 224 000 |
| Final dividends | 290 000 |
| **Retained income at the end of the year** | 250 200 |

| STATEMENT OF FINANCIAL POSITION ON | |
|---|---|
| **EQUITY AND LIABILITIES** | |
| **Shareholders' equity** | 6 903 000 |
| Ordinary share capital | 6 652 800 |
| Retained income | 250 200 |

**ACTIVITY 7**

7.1

| **ORDINARY SHARE CAPITAL** | | |
|---|---|---|
| **Authorised share capital** | | |
| 1 600 000 ordinary shares | | |
| **Issued share capital** | | |
| 1 280000 | **Ordinary shares at beginning of year** | 6 976 000 |
| (300 000) | **Shares repurchased at** R 5.45 | (1 635 000) |
| 500 000 | **Shares issued during the year** | 3 475 000 |
| **1 480 000** | **Ordinary shares at the end of the year** | **8 816 000** |

| **RETAINED INCOME** | |
|---|---|
| **Retained income at the beginning of the year** | **376 600** |
| Net profit after tax for the year | 959 400 |
| Repurchase of shares | (465 000) |
| Ordinary share dividends: | (486 400) |
| Interim dividends | 294 000 |
| Final dividends | 192 400 |
| **Retained income at the end of the year** | 384 600 |

| **STATEMENT OF FINANCIAL POSITION ON** | |
|---|---|
| **EQUITY AND LIABILITIES** | |
| **Shareholders' equity** | 9 200 600 |
| Ordinary share capital | 8 816 000 |
| Retained income | 384 600 |

**ACTIVITY 8**

8.1

| **ORDINARY SHARE CAPITAL** | | |
|---|---|---|
| **Authorised share capital** | | |
| | | |
| **Issued share capital** | | |
| 700 000 | **Ordinary shares at beginning of year** | 3 005 000 |
| 200 000 | **Shares issued during the year at** R14 | 2 800 000 |
| (60 000) | **Shares repurchased at** R6.45 | (387 000) |
| 840 000 | **Ordinary shares at the end of the year** | **5 418 000** |

| **RETAINED INCOME** | |
|---|---|
| **Retained income at the beginning of the year** | **1 221 000** |
| Net profit after tax for the year (2 500 000 x 70/100) | 1 750 000 |
| Repurchase of shares (60000 x R6.55) | (393 000) |
| **Ordinary share dividends:** | (856 000) |
| Interim dividends | 268 000 |
| Final dividends | 588 000 |
| **Retained income at the end of the year** | 1 722 000 |

| **STATEMENT OF FINANCIAL POSITION ON** | |
|---|---|
| **EQUITY AND LIABILITIES** | |
| **Shareholders' equity** | 7 140 000 |
| Ordinary share capital | 5 418 000 |
| Retained income | 1 722 000 |

**INFORMAL ASSESSMENT**

| **ORDINARY SHARE CAPITAL** | | |
|---|---|---|
| **Authorised share capital** | | |
| | | |
| **Issued share capital** | | |
| **3 000 000** | **Ordinary shares at beginning of year** at R6.00 | 18 000 000 |
| 1 000 000 | **Shares issued during the year** | 7 800 000 |
| (200 000) | **Shares repurchased at** R6.45 | (1 290 000) |
| **3 800 000** | **Ordinary shares at the end of the year** | **24 510 000** |

| **RETAINED INCOME** | |
|---|---|
| **Retained income at the beginning of the year** | **1 370 000** |
| Net profit after tax for the year | **3 250 000** |
| Repurchase of shares (200 000 x R2.55) | (510 000) |
| **Ordinary share dividends:** | (3 100 000) |
| Interim dividends | **1 200 000** |
| Final dividends ( 3 800 000 x 0.50) | 1 900 000 |
| **Retained income at the end of the year** | 1 010 800 |

| **STATEMENT OF FINANCIAL POSITION ON** | |
|---|---|
| **Equity and liabilities** | |
| **Shareholders' equity** | 25 520 800 |
| Ordinary share capital | 24 510 000 |
| Retained income | 1 010 800 |

**TOPIC 2 : STATEMENT OF COMPREHENSIVE INCOME**

**15 MARCH 2025**

**MARKING GUIDELINE TO BASELINE ASSESSMENT: YEAR-END ADJUSTMENTS**

| | **Adjustments and additional information** | **Adjustment calculation** | **Account(s) affected in the SOCI** | **Amount entered in the SOCI** |
|---|---|---|---|---|
| 1. | The stock count on 30 June revealed:<br>• Trading stock R369 100<br>• Packing material R2 400 | 384 200 – 369 100 = | Trading stock deficit | R15 100 |
| | | 15 750 – 2 400 = | Packing material | R13 350 |
| 2. | A debtor was declared insolvent. His total outstanding debt is R8 500 and 20% of this was received from his insolvent estate. The difference must be written off as a bad debt. | 8 500 x 80/100 = | Bad debts | R6 800 |
| 3. | Adjust the provision for bad debts to R28 500. | 33 700 – 28 500 = | Provision for bad debts adjustment | R5 200 Income |
| 4. | Advertising includes an annual contract of R60 000 which was paid on 1 March 2024. | 60 000 x 8/12 = | Advertising | R40 000 |
| 5. | A vacant storeroom was rented out from 1 July 2023. On 1 May 2024 the rent was increased by R2 700 per month. The rent for June 2024 is still outstanding. | 129 200 – 2 700 = 126 500<br>126 500/11 = 11 500<br>11 500 + 2 700 = 14 200<br>129 200 + 14 200 | Rent income | R143 400 |

| | | | | |
|---|---|---|---|---|
| 6. | The loan statement received from Borrow Bank on 30 June 2024 indicated the following:<br><br>Balance at beginning of financial year: 720 000<br>Repayments during financial year: 161 280<br>Interest capitalised: **?**<br>Balance at end of financial year: 576 000<br><br>Calculate the interest capitalised for the year. | 720 000 – 161 280 – 576 000 = | Interest on loan | R17 280 |
| 7. | Only 70% of the annual fees have been paid. | 65 380 x 100/70 | Audit fees | R93 400 |
| 8. | Vehicles are depreciated at 20% on the diminishing balance. Take note: A new vehicle was purchased on 1 January 2024 for R800 000. This transaction was correctly recorded. | 3 000 000 – 1 464 000 = 1 536 000<br><br>1 536 000 x 20% = 307 200<br><br>800 000 x 20% x 6/12 = 80 000<br><br>307 200 + 80 000 = | Depreciation | R387 200 |
| 9. | The net profit after tax for the financial year was calculated as R1 296 144. Income tax amounts to 28% of the net profit before tax. Calculate the Income tax for the year. | 1 296 144 x 28/72 =<br><br>or<br><br>1 296 144 x 100/72 = 1 800 200<br><br>1 800 200 – 1 296 144 = | Income tax | R504 056 |
| 10. | The company has four directors who earn the same fee. One director did not receive her directors' fees for June yet. | 4 x 12 = 48 – 1 = 47<br><br>2 937 500 ÷ 47 x 48 = 3 000 000 | Directors' fees | R3 000 000 |

**MARKING GUIDELINE TO ACTIVITY 1**

| **OTHER INCOME** | | |
|---|---|---|
| **Bad debts recovered** | (11 300 + 500) | 11 800 |
| **Rent income** | (72 655 – 5 885) | 66 700 |
| *** Provision for bad debts adjustments (**4 700 – 4 640) | | 60 |
| **OPERATING EXPENSES** | | |
| **Telephone** | (16 500 + 1 620) | 18 120 |
| **Bad debts** | 7 400 | 7 400 |
| **Audit fees** | (15 000 / 2 x 3) | 22 500 |
| **Directors' fees** | (275 500 /29 x 270 or – 19 000 | 256 500 |
| **Advertising** | (3 360 – 760) | 2 600 |
| *** Provision for bad debts adjustments** | | |
| **Interest on loan** | 321 000 – 279 000 | 42 000 |
| | | |

**MARKING GUIDELINE TO ACTIVITY 2** (Eastern Cape – Sept 2022)

**STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2024**

| | | |
|---|---|---|
| **Sales** | | **6 720 000** |
| **Cost of sales** | Sales - GP | (4 200 000) |
| **Gross profit** | GOI – RI or OOI | 2 520 000 |
| **Other operating Income** | | 142 080 |
| Rent income | 153 120 - 11 040 | 142 080 |
| **Gross operating Income** | | **2 662 080** |
| **Operating expenses** | | (1 738 080) |
| Directors' fees | 158 400 two marks<br>1/12 of 172 800<br>384 000 + 172 800 – 14 400 | 542 400 |
| Salaries and Wages | see above<br>812 000 – 384 000 – 172 800 + 9 720 | 264 920 |
| Employers' contribution | 22 080 + 1 920 | 24 000 |
| Advertising | (7 500 – 4 500) two marks<br>11 650 + 3 000 | 14 650 |
| **Audit fees** | | **120 000** |
| **Depreciation** | | **340 000** |
| **Sundry expenses** | | **432 110** |
| **Operating profit** | GOI – OE | 924 000 |
| **Interest income** | Balancing Figure OPBIE – OP | 21 000 |
| **Operating profit before interest expense** | NPBT + IE | 945 000 |
| **Interest expense** | | (36 000) |
| **Net profit before tax** | *(272 700 x $\frac{100}{30}$) | 909 000 |
| **Income tax** | | (272 700) |
| **Net profit after tax** | *NPBT – income tax | 636 300 |

**Or Net profit before tax: (NPAT+ 272 700)*

*Net profit after tax: 272 700 x $\frac{70}{30}$ = 636 300*

**INFORMAL ASSESSMENT: TOPIC 2**

**MARKING GUIDELINES**

**GLOBAL TRADING LTD**

| **Calculation of the correct net profit after tax** | | | |
|---|---|---|---|
| **Incorrect net profit** | | | 1 089 238 |
| i. | 10 600 – 7 800 | | + 2 800 |
| ii. | Cost (8 712 ÷ 90% ÷ 160%) = 6 050<br>8 712 – 6050 | | + 2 662 |
| iii. | 5 600 + 5 600 | | + 11 200 |
| iv. | | | + 5 400 |
| v. | 648 000 ÷ 54 x 6 OR<br>648 000 ÷ 4,5 ÷ 2 | | - 72 000 |
| vi. | | | - 30 000 |
| vii. | | | - 3 300 |
| viii. | 7 200 ÷ 6 = 1 200 x 4 | | + 4 800 |
| **Correct net profit before tax** | | | 1 010 800 |
| **Income tax** | | | (333 564) |
| **Net profit after tax** | | | 677 236 |

| |
|---|
| **25** |

**MARKING GUIDELINE TO ACTIVITY 3**

**3.1.1 % Operating expenses on Sales**

| WORKINGS | ANSWER |
|---|---|
| 1 500 000 / 6 000 000 x 100 / 1 | 25% |

**3.1.2 % Gross profit on Cost of sales**

| WORKINGS | ANSWER |
|---|---|
| 2 000 000 / 4 000 000 x 100 / 1 | 50% |

**3.2.1 % Net profit after tax on sales**

| WORKINGS | ANSWER |
|---|---|
| 591 500 / 4 050 000 x 100 / 1 | 14,6% |

**3.2.2 % Gross profit on Sales**

| WORKINGS | ANSWER |
|---|---|
| 1 350 000 / 4 050 000 x 100 / 1 | 33,3% |

**3.3.1** **Calculate the mark-up % for the year**

$$\frac{9\,000\,000 - 5\,625\,000}{5\,625\,000} \times 100$$

$$\frac{3\,375\,000}{5\,625\,000} \times 100 = 60\%$$

**3.3.2** **% Net profit after tax on Sales**

$$\frac{931\,000}{9\,000\,000} \times 100$$

**= 10,3%**