

**NSC
ACCOUNTING
PAPER 1
SPECIAL ANSWER BOOK**

EXAMINATION STICKER

MAY/JUNE 2025

EXAMINATION NUMBER

--	--	--	--	--	--	--	--	--	--	--	--	--

CENTRE NUMBER

--	--	--	--	--	--	--	--	--	--

QUESTION	MARK		MARKER INITIAL	MODERATOR INITIAL
	Marker	Mod.		
1 (55)				
2 (45)				
3 (30)				
4 (20)				
TOTAL: [150]				

THIS ANSWER BOOK CONSISTS OF 11 PAGES



SOUTH AFRICAN COMPREHENSIVE ASSESSMENT INSTITUTE
SUID-AFRIKAANSE KOMPREENSIEWE ASSESSERINGSINSTITUUT

QUESTION 1: STATEMENT OF COMPREHENSIVE INCOME AND NOTES TO THE FINANCIAL STATEMENTS (55 marks; 45 minutes)

**1.1.1 ALHAVI LTD
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 SEPTEMBER 2024**

RETAINED INCOME

Balance on 1 October 2023	149 830
Re-purchase of shares	(233 580)
Ordinary share dividends	
Balance on 30 September 2024	

6

1.1.2 Refer to information D. Calculate the stock on hand for 30 September 2024 and trading stock deficit/surplus.

9

1.1.2 ALHAVI LTD

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

Sales		
Cost of Sales		
Gross profit		
Other income		
Rent income		
Gross income		
Operating expenses		
Salaries and wages		621 418
Sundry expenses		219 990
Directors' fees		
Depreciation		
Audit fees		
Repairs		
Packing material		
Advertising		
Operating profit		
Interest income		
Net profit before interest expense		
Interest expense		(67 524)
Net profit before tax		
Income tax		
Net profit after tax		

TOTAL MARKS
[55]

40

QUESTION 2: CASH FLOW STATEMENT AND FINANCIAL INDICATORS
(45 marks; 35 minutes)

2.1

2.1.1	
2.1.2	
2.1.3	
2.1.4	

4

2.2 OCTONAUTS LTD

2.2.1 ORDINARY SHARE CAPITAL

AUTHORISED SHARE CAPITAL	
1 020 000 ordinary shares	

ISSUED SHARE CAPITAL		
765 000	Ordinary shares on 1 May 2024	
	Ordinary shares on 30 April 2025	4 498 200

7

**2.2.2 OCTONAUTS LTD
CASH FLOW STATEMENT FOR THE YEAR ENDED 30 APRIL 2025**

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash generated from operations	
Interest paid	
Dividends paid	*
Income tax paid	*
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchases of fixed assets	*
*	*
Change in investments	68 000
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from issue of share capital	
Re-purchase of shares	(371 875)
Change in non-current liabilities	*
NET CHANGE IN CASH AND CASH EQUIVALENTS	*
Cash and cash equivalents at the beginning of the year	*
Cash and cash equivalents at the end of the year	19 890

20

2.2.3 a) Calculate the debt-equity ratio.

a) Calculate the debt-equity ratio.	
Calculations	Answer

4

b) Calculate the percentage operating profit on sales.	
Calculations	Answer

3

c) Calculate the dividends per share (DPS) of a shareholder who owned the same number of shares for the entire financial period.	
Calculations	Answer

5

2.2.4 Do you think the business has managed its cash flow responsibly? Quote figures to support your answer.

--

2

TOTAL MARKS
[45]

QUESTION 3: FINANCIAL INDICATORS AND INTERPRETATION (30 marks; 25 minutes)

3.1 MOTOWN LTD and AMELIA BEDELIA LTD

3.1.1 PURCHASE OF SHARES

a) Explain why directors should be interested in the price of their companies' shares on the JSE.

	1

b) Calculate the number of additional shares in MOTOWN LTD that Ella was able to buy on the JSE in 2024.

Calculations	Answer
	2

c) Comment on the price that Ella paid for these shares and give TWO reasons why she might have been satisfied to pay this price.

Comments (with figures):

Reason 1:

Reason 2:

	6

3.1.2 DIVIDENDS AND EARNINGS

a) Based on the dividend payment rate, explain in your opinion which company is more likely to expand. Quote figures.

--

6

b) Compare and comment on the percentage return on equity earned by EACH company. Quote figures.

--

4

c) Ella feels that the earnings per share of AMELIA BEDELIA LTD is much better than MOTOWN LTD. Explain why she feels this way. Quote figures or calculations.

--

5

3.1.3 Ella Bella feels that AMELIA BEDELIA LTD should repay the loan as soon as possible. Explain what you will say to her. Give TWO financial indicators (with figures) to support your opinion.

--

6

TOTAL MARKS
[30]

QUESTION 4: AUDIT REPORT AND CORPORATE GOVERNANCE (20 marks; 15 min)

4.1 AUDIT REPORT

4.1.1	To whom is the audit report addressed and why?	
		2

4.1.2	Who must ensure that the financial statements are prepared and presented at the annual general meeting?	
		1

4.1.3	What kind of audit report was given? Prove your answer by quoting from the audit report.	
		3

4.1.4	Explain why the independent auditors referred to pages 10 – 30 in the report.	
		2

4.1.5	What does the abbreviation IFRS stand for?	
		1

4.2 CORPORATE GOVERNANCE

4.2.1	Provide TWO possible reasons why the CEO was fined, and not the company.

4

4.2.2	Provide TWO reasons why the JSE took this action.

4

4.2.3	Identify ONE other party (stakeholder) that could also be accountable for allowing this situation. Provide a reason.

3

TOTAL MARKS
[20]