

**NSC  
ACCOUNTING  
PAPER 1  
SPECIAL  
ANSWER BOOK**

EXAMINATION STICKER

**NOVEMBER 2025**

EXAMINATION NUMBER

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CENTRE NUMBER

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QUESTION	MARK		MARKER INITIAL	MODERATOR INITIAL
	Marker	Mod.		
1 (55)				
2 (45)				
3 (35)				
4 (15)				
<b>TOTAL: [150]</b>				

THIS ANSWER BOOK CONSISTS OF 11 PAGES



SOUTH AFRICAN COMPREHENSIVE ASSESSMENT INSTITUTE  
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**QUESTION 1: STATEMENT OF COMPREHENSIVE INCOME AND RETAINED INCOME NOTE**

**(55 marks; 45 min)**

**1.1 Retained income**

<b>Balance at the beginning of year</b>	
<b>Net profit after tax</b>	
<b>Ordinary share dividends</b>	
<b>Balance at the end of year</b>	

<b>10</b>

**1.2.1 Calculations**

<b>Total depreciation for the year</b>		
<b>Vehicles</b>	<b>Equipment</b>	<b>Answer</b>
<b>Profit/Loss on sale of fixed asset</b>		
		<b>Answer Indicate Profit/Loss</b>

<b>7</b>

<b>3</b>

**1.2.2 Trading stock surplus/deficit**

	<b>Answer</b>

<b>5</b>

**Note: The amounts calculated above must be transferred to Question 1.3, the Statement of Comprehensive Income.**

1.3 Statement of Comprehensive Income for the year ended 30 June 2025.

<b>Sales</b>	<b>13 500 000</b>
<b>Gross profit</b>	
<b>Other operating income</b>	
<b>Commission income (589 070)</b>	
<b>Gross operating income</b>	
<b>Operating expenses</b>	
<b>Salaries and Wages</b>	<b>2 740 000</b>
<b>Audit fees (356 250)</b>	
<b>Sundry operating expenses (252 500)</b>	
<b>Directors' fees (1 278 800)</b>	
<b>Consumables stores (815 800)</b>	
<b>Operating profit</b>	<b>2 094 320</b>
<b>Interest income</b>	
<b>Profit before interest expense</b>	
<b>Interest expense</b>	
<b>Net Profit before tax</b>	
<b>Income tax</b>	
<b>Net Profit after tax</b>	

<b>30</b>

<b>TOTAL MARKS</b>
<b>[55]</b>

**QUESTION 2: CASH FLOW STATEMENT AND FINANCIAL INDICATORS**

(45 marks; 35 min)

<b>2.1</b>	<b>Choose the correct word.</b>	
<b>2.1.1</b>		
<b>2.1.2</b>		
<b>2.1.3</b>		

<b>3</b>

<b>2.2.1</b>	<b>Calculate the following financial indicators:</b>	
	<b>Debt – Equity ratio</b>	
	<b>WORKINGS</b>	<b>ANSWER</b>
	<b>Earnings per share (EPS)</b>	
	<b>WORKINGS</b>	<b>ANSWER</b>
	<b>Net asset value</b>	
	<b>WORKINGS</b>	<b>ANSWER</b>
	<b>% Return on average shareholders' equity (ROSHE)</b>	
	<b>WORKINGS</b>	<b>ANSWER</b>

<b>3</b>

<b>4</b>

<b>4</b>

<b>4</b>

<b>2.2.2</b>	
<b>CASH FLOW STATEMENT ON 28 FEBRUARY 2025</b>	
<b>CASH FROM OPERATING ACTIVITIES</b>	
Cash from Operations	
Interest paid	(88 000)
Dividends paid	
Income tax paid	
<b>CASH FROM INVESTING ACTIVITIES</b>	
Proceeds from the sale of assets	48 000
Change in Fixed deposit	
<b>CASH FROM FINANCING ACTIVITIES</b>	
Change in Loans	(300 000)
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	
<b>CASH AND CASH EQUIVALENTS – BEGIN</b>	
<b>CASH AND CASH EQUIVALENTS – END</b>	<b>56 500</b>

27

<b>TOTAL MARKS</b>
<b>[45]</b>

**QUESTION 3: INTERPRETATION OF FINANCIAL INFORMATION (35 marks; 30 min)**

**3.1 REDBULL Ltd.**

3.1.1	<b>Solvency and Liquidity:</b>
	<b>Comment on the solvency of the company. Quote ONE financial indicator with figures.</b>
	<b>Explain why the directors are concerned with the change in the liquidity of the company. Quote TWO financial indicators with figures.</b>

6







**QUESTION 4: AUDIT REPORTS AND CORPORATE GOVERNANCE (15 marks; 10 min)**

<b>4.1</b>	<b>Types of independent auditor's reports</b>	
<b>4.1.1</b>		
<b>4.1.2</b>		
<b>4.1.3</b>		

<b>3</b>

<b>4.2</b>	<b>Explain why directors should be interested in the price of their company's shares on the JSE.</b>

<b>2</b>

<b>4.3.1</b>	<b>Explain where, why and when the financial statements and audit report are expected to be presented.</b>
	<p><b>Where:</b></p> <p><b>Why:</b></p> <p><b>When:</b></p>

<b>3</b>

<b>4.3.2</b>	<b>State TWO practices that can help to maintain the integrity of accounting records within the company.</b>

<b>4</b>

<b>4.4</b>	<b>Consider the scenario which arose in a business. In your opinion:</b>
•	<b>Comment on CEO's choice to sell his shares:</b>
•	<b>Shareholders' reaction:</b>
•	<b>Consequence for guilty party:</b>

<b>3</b>

<b>TOTAL MARKS</b>
<b>[15]</b>