STICKER

CENTRE NUMBER

EXAMINATION NUMBER

SENIOR CERTIFICATE EXAMINATIONS/ NATIONAL SENIOR CERTIFICATE EXAMINATIONS

ACCOUNTING P1

GRADE 12

MAY/JUNE 2026

SPECIAL ANSWER BOOK

QUESTION	MARKS	INITIAL	MOD.
1			
2			
3			
4			
TOTAL			

This answer book consists of 12 pages.

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QUESTION 1 2026

1.1 **Calculate the value of closing stock using the specific identification method on 28 February 2026.**

WORKINGS	ANSWER
Hidance	
Ketwood	

7

1.2 **Calculate the total amount of the fixed deposit on 28 February 2026.**

WORKINGS	ANSWER

5

1.3 STATEMENT OF FINANCIAL POSITION OF MENZI LTD ENDED 28 FEBRUARY 2026

ASSETS		
NON-CURRENT ASSETS		
Fixed assets		
CURRENT ASSETS		
Inventory		
Trade and other receivables (376 700		
Cash and cash equivalents		
TOTAL ASSETS		
EQUITY AND LIABILITIES		
SHAREHOLDERS' EQUITY		
Ordinary share capital		
Retained income	**820 000**	
NON-CURRENT LIABILITIES		
CURRENT LIABILITIES		
Trade and other payables (392 050		
Current portion of loan		
TOTAL EQUITY AND LIABILITIES		**38**

TOTAL MARKS
50

QUESTION 2

2.1

2.1.1		
2.1.2		
2.1.3		**3**

2.2 METRO LTD

2.2.1 RETAINED INCOME NOTE

Balance on 1 April 2025	**986 000**	
Ordinary share dividends		
Final	**1 302 000**	
Balance on 31 March 2026		**8**

2.2.2 CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2026

CASH FLOW FROM OPERATING ACTIVITIES	**(1 557 140)**
Cash generated from operations	
Interest paid	**(126 800)**
CASH FLOW FROM INVESTING ACTIVITIES	**(598 660)**
Purchase of fixed assets	
Proceeds from sale of fixed assets	
CASH FLOW FROM FINANCING ACTIVITIES	
NET CHANGE IN CASH AND CASH EQUIVALENTS	
Cash and cash equivalents at the beginning	
Cash and cash equivalents at the end	

18

2.2.3 Calculate the following financial indicators on 31 March 2026:

Debt-equity ratio	
WORKINGS	**ANSWER**

4

Net asset value per share	
WORKINGS	**ANSWER**

3

Acid-test ratio	
WORKINGS	**ANSWER**

4

TOTAL MARKS
40

QUESTION 3

3.1 Profitability/Operating efficiency:

Explain how the change in the mark-up percentage has benefitted the company. State ONE point with figures.

2

The directors are of the opinion that the company's operating expenses are being well controlled. Quote and explain TWO financial indicators to support their opinion.

4

3.2 Liquidity:

The directors are satisfied with the credit policy of the company. Quote and explain TWO relevant financial indicators to justify this statement.

4

The directors are not concerned with the decline of the acid-test ratio as they feel that the company is still in a favourable liquidity position. Quote and explain ONE other relevant financial indicator to support their opinion.

3

3.3 Returns, earnings and dividends:

Comment on why the shareholders should be satisfied with the return on their investment. Quote and explain ONE financial indicator.	**3**

The earnings per share (EPS) is higher than the dividends per share (DPS). Explain why the shareholders would have been pleased with the DPS. State TWO points with figures.	**4**

3.4 Share value:

Explain what the 'net asset value' per share represents. State ONE point.	**2**

Give TWO reasons why the share price on the stock exchange is much higher than the net asset value per share.	**4**

3.5 Risk and gearing:

Explain why it will be wise for Refined Interiors Ltd to use loans more often in the future. Quote and explain TWO financial indicators.	**4**

3.6 Shareholding:

Calculate the issue price per share for the new shares issued.	
WORKINGS	**ANSWER**

3

Calculate the number of new shares purchased by Nabeel.	
WORKINGS	**ANSWER**

4

Give ONE possible reason (with figures) why Nabeel decided to buy the new shares.

2

3.7 Cash flow:

The directors are pleased with the company's net change in cash flow on 31 March 2026. Explain why they consider this a good way of handling the cash in the operating, investing and financing activities. Give ONE reason for each with figures.	
ACTIVITY	**REASON (with figures)**
Operating activity	
Investing activity	
Financing activity	

6

TOTAL MARKS
45

QUESTION 4

4.1 **Explain the roles and responsibilities of the following within a company:**

- **Board of directors**
- **Remuneration committee**

State ONE point in each case.

Board of directors	
Remuneration committee	

2

4.2 **Identify the type of unethical and illegal conduct that Jeppy has committed.**

1

4.3 **Briefly explain TWO ways in which Jeppy's actions could potentially affect the company.**

4

4.4 **Make TWO recommendations that the other directors should present to the board of directors and the remuneration committee in response to Jeppy's conduct.**

4

4.5 **Effective corporate governance can reduce the risk of directors acting unethically.**

State TWO problems identified in relation to Top D Ltd and give a solution for EACH.

PROBLEM	SOLUTION

4

TOTAL MARKS
15

TOTAL: 150

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