PROVERTO
Educational Publishers • Opvoedkundige Uitgewers

2021

Guiding the leaders of tomorrow

www.proverto.co.za

ACCOUNTING

GRADE 12

HIGH SCHOOL OLYMPIAD

PREPARATION STUDY GUIDE

ROUND 1 & 2

2020 PAST PAPERS and Memorandums

100 % CAPS Curriculum Assessment Policy Statements

Advertisers and Sponsors

SAICA
THE SOUTH AFRICAN INSTITUTE OF CHARTERED ACCOUNTANTS
develop.influence.lead.

CTU training solutions

NELSON MANDELA UNIVERSITY

higher education & training
Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

Tshwane South TVET College
"achieve the future"

UNIVERSITY OF JOHANNESBURG

Follow us on Facebook for the latest Olympiad updates
www.facebook.com/Proverto

PROVERTO
Educational Publishers • Opvoedkundige Uitgewers

www.proverto.co.za

NATIONAL HIGH SCHOOL OLYMPIAD

2021

Dear Olympiad Learner,

Thank you for entering the Proverto National High School Olympiad.

Proverto Educational Publishers designed this guide to help you prepare for the National Olympiad.

The guide consist of Olympiad Past Papers Round One and Round Two, 2020.

Study Tip:

Print the Red Answer Sheet provided or use a pen and paper to answer all questions, for example Section A, Question 1. A (answer A)

A memo is included for each question paper.

We hope this guide will help you prepare for the exams this year. The papers are 100 % aligned to the latest Curriculum.

Proverto designed online, interactive self tests (past papers) so that you can familiarise yourself with the olympiad exam papers.

Visit the website: www.proverto.co.za for more information and old past papers.

If you have any queries email your request to: school@proverto.co.za

Good luck with your studies preparing for the Olympiad!

Best wishes,
The Organiser,

PROVERTO
Educational Publishers • Opvoedkundige Uitgewers

Follow us on FACEBOOK for Olympiad Updates
www.facebook.com/Proverto

NELSON MANDELA UNIVERSITY

Change the World by applying for a qualification in one of the following study field:

Accounting • Advertising • Afrikaans • Agricultural Management • Analytical Chemistry • Anthropology • Applied Design • Applied Mathematics • Architectural Technology • Architecture • Art • Auditing • Biochemistry • Biokinetics • Botany • Broadcasting • Building • Business Management • Business Studies • Ceramic Design • Chemistry • Criminal Justice • Civil Engineering • Clinical Psychology • Computer Science • Communication Networks (IT) • Conservation Biology • Construction Economics • Construction Management • Construction Studies • Counselling Psychology • Chemical Process Technology • Development Studies • Dietetics • Economics • Ecology • Education • Electrical Engineering • English • Environmental Health • Environmental Management • Emergency Medical Care (Paramedic) • Fashion • Financial Accounting • Financial Planning • Fine Art • Foundation Phase Teaching • Forestry • French • FET Teaching • Game Ranch Management • Geography • Geology • Graphic Design • History • Hospitality Management • Human Movement Science • Human Resource Management • Human Settlement Development • Industrial Psychology • Industrial Engineering • Information Systems • Information Technology • Inorganic Chemistry • Interior Design • Internal Auditing • Inventory Management • Intermediate Phase Teaching • isiXhosa • Journalism • Language & Literature • Law • Logistics • Management • Marine Biology • Marine Engineering • Marketing • Mathematics • Mechanical Engineering • Mechatronics • Media, Communication & Culture • Microbiology • Music • Music Education • Medical Laboratory Science • Medicine & Surgery • Nature Conservation • Nursing • Operations Management • Painting • Pharmacy • Philosophy • Physiology • Photography • Physics • Political Studies • Polymer Technology • Psychology • Public Administration • Public Management • Public Relations Management • Quality Management • Quantity Surveying • Radiography (Diagnostic) • Restoration Ecology • Renewable Energy • Sculpture • Senior Phase Teaching • Social Work • Sociology • Software Development • Sport Management • Sport Science • Statistics • Support Services (IT) • Taxation • Textile Design & Technology • Tourism • Transport Economics • User Support Services (IT) • Veldfire Management • Visual Arts • Wood Technology • Youth Work • Zoology

Change the World

T 041 504 1111
E info@mandela.ac.za

myfuture.mandela.ac.za

PROVERTO NATIONAL OLYMPIAD

PROVERTO
Educational Publishers • Opvoedkundige Uitgewers

INSTRUCTIONS

- Use an HB pencil only
- Colour a circle completely
- Erase any faulty marks completely
- Do not make any stray marks on this form
- Do not fold, tear or damage this form

CORRECT MARK

●

INCORRECT MARKS

✓ ✗ ◒ ◔

SURNAME

FIRST NAME INITIALS

SCHOOL NAME

TODAY'S DATE			
DAY	MONTH	YEAR	
0 0	0 0	0 0	0 0
1 1	1 1	1 1	1 1
2 2		2 2	2 2
3 3		3 3	3 3
	4	4 4	4 4
	5	5 5	5 5
	6	6 6	6 6
	7	7 7	7 7
	8	8 8	8 8
	9	9 9	9 9

SCHOOL CODE
0 0 0
1 1 1
2 2 2
3 3 3
4 4 4
5 5 5
6 6 6
7 7 7
8 8 8
9 9 9

DATE OF BIRTH			
DAY	MONTH	YEAR	
0 0	0 0	0 0	0 0
1 1	1 1	1 1	1 1
2 2		2 2	2 2
3 3		3 3	3 3
	4	4 4	4 4
	5	5 5	5 5
	6	6 6	6 6
	7	7 7	7 7
	8	8 8	8 8
	9	9 9	9 9

CELLPHONE NUMBER									
0	0	0	0	0	0	0	0	0	0
1	1	1	1	1	1	1	1	1	1
2	2	2	2	2	2	2	2	2	2
3	3	3	3	3	3	3	3	3	3
4	4	4	4	4	4	4	4	4	4
5	5	5	5	5	5	5	5	5	5
6	6	6	6	6	6	6	6	6	6
7	7	7	7	7	7	7	7	7	7
8	8	8	8	8	8	8	8	8	8
9	9	9	9	9	9	9	9	9	9

RACE	
Asian	○
Black	○
Coloured	○
Indian	○
White	○
Other	○

GRADE	
Grade 10	○
Grade 11	○
Grade 12	○

GENDER	
Female	○
Male	○

EMAIL

Select the subject/s that you are answering (Mark all that apply)	Accounting ○	Business Studies ○	Economics ○

ACCOUNTING

1 Ⓐ Ⓑ Ⓒ Ⓓ Ⓔ	6 Ⓐ Ⓑ Ⓒ Ⓓ Ⓔ	11 Ⓐ Ⓑ Ⓒ Ⓓ Ⓔ	16 Ⓐ Ⓑ Ⓒ Ⓓ Ⓔ	21 Ⓐ Ⓑ Ⓒ Ⓓ Ⓔ	26 Ⓐ Ⓑ Ⓒ Ⓓ Ⓔ
2 Ⓐ Ⓑ Ⓒ Ⓓ Ⓔ	7 Ⓐ Ⓑ Ⓒ Ⓓ Ⓔ	12 Ⓐ Ⓑ Ⓒ Ⓓ Ⓔ	17 Ⓐ Ⓑ Ⓒ Ⓓ Ⓔ	22 Ⓐ Ⓑ Ⓒ Ⓓ Ⓔ	27 Ⓐ Ⓑ Ⓒ Ⓓ Ⓔ
3 Ⓐ Ⓑ Ⓒ Ⓓ Ⓔ	8 Ⓐ Ⓑ Ⓒ Ⓓ Ⓔ	13 Ⓐ Ⓑ Ⓒ Ⓓ Ⓔ	18 Ⓐ Ⓑ Ⓒ Ⓓ Ⓔ	23 Ⓐ Ⓑ Ⓒ Ⓓ Ⓔ	28 Ⓐ Ⓑ Ⓒ Ⓓ Ⓔ
4 Ⓐ Ⓑ Ⓒ Ⓓ Ⓔ	9 Ⓐ Ⓑ Ⓒ Ⓓ Ⓔ	14 Ⓐ Ⓑ Ⓒ Ⓓ Ⓔ	19 Ⓐ Ⓑ Ⓒ Ⓓ Ⓔ	24 Ⓐ Ⓑ Ⓒ Ⓓ Ⓔ	29 Ⓐ Ⓑ Ⓒ Ⓓ Ⓔ
5 Ⓐ Ⓑ Ⓒ Ⓓ Ⓔ	10 Ⓐ Ⓑ Ⓒ Ⓓ Ⓔ	15 Ⓐ Ⓑ Ⓒ Ⓓ Ⓔ	20 Ⓐ Ⓑ Ⓒ Ⓓ Ⓔ	25 Ⓐ Ⓑ Ⓒ Ⓓ Ⓔ	30 Ⓐ Ⓑ Ⓒ Ⓓ Ⓔ

BUSINESS STUDIES

1 Ⓐ Ⓑ Ⓒ Ⓓ Ⓔ	6 Ⓐ Ⓑ Ⓒ Ⓓ Ⓔ	11 Ⓐ Ⓑ Ⓒ Ⓓ Ⓔ	16 Ⓐ Ⓑ Ⓒ Ⓓ Ⓔ	21 Ⓐ Ⓑ Ⓒ Ⓓ Ⓔ	26 Ⓐ Ⓑ Ⓒ Ⓓ Ⓔ
2 Ⓐ Ⓑ Ⓒ Ⓓ Ⓔ	7 Ⓐ Ⓑ Ⓒ Ⓓ Ⓔ	12 Ⓐ Ⓑ Ⓒ Ⓓ Ⓔ	17 Ⓐ Ⓑ Ⓒ Ⓓ Ⓔ	22 Ⓐ Ⓑ Ⓒ Ⓓ Ⓔ	27 Ⓐ Ⓑ Ⓒ Ⓓ Ⓔ
3 Ⓐ Ⓑ Ⓒ Ⓓ Ⓔ	8 Ⓐ Ⓑ Ⓒ Ⓓ Ⓔ	13 Ⓐ Ⓑ Ⓒ Ⓓ Ⓔ	18 Ⓐ Ⓑ Ⓒ Ⓓ Ⓔ	23 Ⓐ Ⓑ Ⓒ Ⓓ Ⓔ	28 Ⓐ Ⓑ Ⓒ Ⓓ Ⓔ
4 Ⓐ Ⓑ Ⓒ Ⓓ Ⓔ	9 Ⓐ Ⓑ Ⓒ Ⓓ Ⓔ	14 Ⓐ Ⓑ Ⓒ Ⓓ Ⓔ	19 Ⓐ Ⓑ Ⓒ Ⓓ Ⓔ	24 Ⓐ Ⓑ Ⓒ Ⓓ Ⓔ	29 Ⓐ Ⓑ Ⓒ Ⓓ Ⓔ
5 Ⓐ Ⓑ Ⓒ Ⓓ Ⓔ	10 Ⓐ Ⓑ Ⓒ Ⓓ Ⓔ	15 Ⓐ Ⓑ Ⓒ Ⓓ Ⓔ	20 Ⓐ Ⓑ Ⓒ Ⓓ Ⓔ	25 Ⓐ Ⓑ Ⓒ Ⓓ Ⓔ	30 Ⓐ Ⓑ Ⓒ Ⓓ Ⓔ

ECONOMICS

1 Ⓐ Ⓑ Ⓒ Ⓓ Ⓔ	6 Ⓐ Ⓑ Ⓒ Ⓓ Ⓔ	11 Ⓐ Ⓑ Ⓒ Ⓓ Ⓔ	16 Ⓐ Ⓑ Ⓒ Ⓓ Ⓔ	21 Ⓐ Ⓑ Ⓒ Ⓓ Ⓔ	26 Ⓐ Ⓑ Ⓒ Ⓓ Ⓔ
2 Ⓐ Ⓑ Ⓒ Ⓓ Ⓔ	7 Ⓐ Ⓑ Ⓒ Ⓓ Ⓔ	12 Ⓐ Ⓑ Ⓒ Ⓓ Ⓔ	17 Ⓐ Ⓑ Ⓒ Ⓓ Ⓔ	22 Ⓐ Ⓑ Ⓒ Ⓓ Ⓔ	27 Ⓐ Ⓑ Ⓒ Ⓓ Ⓔ
3 Ⓐ Ⓑ Ⓒ Ⓓ Ⓔ	8 Ⓐ Ⓑ Ⓒ Ⓓ Ⓔ	13 Ⓐ Ⓑ Ⓒ Ⓓ Ⓔ	18 Ⓐ Ⓑ Ⓒ Ⓓ Ⓔ	23 Ⓐ Ⓑ Ⓒ Ⓓ Ⓔ	28 Ⓐ Ⓑ Ⓒ Ⓓ Ⓔ
4 Ⓐ Ⓑ Ⓒ Ⓓ Ⓔ	9 Ⓐ Ⓑ Ⓒ Ⓓ Ⓔ	14 Ⓐ Ⓑ Ⓒ Ⓓ Ⓔ	19 Ⓐ Ⓑ Ⓒ Ⓓ Ⓔ	24 Ⓐ Ⓑ Ⓒ Ⓓ Ⓔ	29 Ⓐ Ⓑ Ⓒ Ⓓ Ⓔ
5 Ⓐ Ⓑ Ⓒ Ⓓ Ⓔ	10 Ⓐ Ⓑ Ⓒ Ⓓ Ⓔ	15 Ⓐ Ⓑ Ⓒ Ⓓ Ⓔ	20 Ⓐ Ⓑ Ⓒ Ⓓ Ⓔ	25 Ⓐ Ⓑ Ⓒ Ⓓ Ⓔ	30 Ⓐ Ⓑ Ⓒ Ⓓ Ⓔ

Designed and printed by CSX 011 663 9300 **CSX861** **04/2019**

PROVERTO

Educational Publishers • Opvoedkundige Uitgewers

Proverto National Olympiad 2020

Grade 12 - Round 1

Instructions to Candidates:

1. Make sure you have the correct paper for your grade.
2. The question paper consists of 3 sections with 30 multiple choice questions per section: Section A – Accounting; Section B – Business Studies; and Section C – Economics. You can choose which sections you want to complete. *(You can write 1, 2 or all 3 sections.)*
3. The answer sheet has 3 sections. Please answer the section on the space provided for the subject; Example if you are answering the Accounting questions you must mark the correct answer in the Accounting block on the answer sheet. Each section will be marked separately.
4. Each question have 4 possible answers *(A, B, C, or D)*. Only one answer is correct.

CTU training solutions
Private Tertiary Education Provider

For more information sms "Name, Surname and Olympiad" to **41721**

Company theory

Questions 1 to 4 relate to COLUMN A and B provided.

Match the term in COLUMN A to the best description in COLUMN B. Select therefore only A, B, C or D on the answer sheet.

	COLUMN A
1.	IFRS
2.	Memorandum of incorporation (MOI)
3.	AGM
4.	Companies Act 71 of 2008

	COLUMN B
A	Annual meeting for all shareholders where among others things, statements are approved, auditors and directors are elected.
B	Aims to ensure that consistency in accounting standards around the world are maintained throughout.
C	The law that provides protection to the company's shareholders, potential shareholders and its creditors through proper registration, reporting and management rules.
D	Document setting out agreed rules by the shareholders for the management and maintenance of the business.

Independent Audit report

Questions 5 to 8 relate to the report of the independent auditor below.

REPORT OF THE INDEPENDENT AUDITOR

ON THE SUMMARY CONSOLIDATED FINANCIAL STATEMENTS
TO THE SHAREHOLDERS OF REMGRO LIMITED

OPINION

The summary consolidated financial statements of Remgro Limited, set out on pages 127 to 143 of the 2019 Integrated Annual Report, which comprise the summary consolidated statement of financial position as at 30 June 2019, and the summary consolidated income statement and the summary consolidated statements of comprehensive income, changes in equity and cash flows for the year then ended, and related notes, are derived from the audited consolidated financial statements of Remgro Limited for the year ended 30 June 2019.

In our opinion, the accompanying summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements, in accordance with the JSE Limited's (JSE) requirements for summary financial statements, as set out in note 1 to the summary consolidated financial statements, and the requirements of the Companies Act of South Africa as applicable to summary financial statements.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on whether the summary consolidated financial statements are consistent, in all material respects, with the audited consolidated financial statements based on our procedures, which were conducted in accordance with International Standard on Auditing (ISA) 810 (Revised), *Engagements to Report on Summary Financial Statements*.

PricewaterhouseCoopers Inc.

PricewaterhouseCoopers Inc.

Director: A Wentzel
Registered Auditor

Stellenbosch
19 September 2019

5. REMGRO LIMITED received an/a … audit report for their financial position on 30 June 2019.

A qualified **B** unqualified **C** disclaimer **D** perfect

6. PricewaterhouseCoopers Inc. director, A. Wentzel, is the … auditor.

A international **B** internal **C** external **D** dependent

7. PricewaterhouseCoopers Inc. director, A. Wentzel, is a registered auditor (RA) at …

A IRBA **B** SAICA **C** SAIPA **D** SAICA en IRBA

8. Why is it important for the auditors of public companies to be members of a professional body?

i. Complaints against auditors can be investigated by the body.
ii. The body ensures that the auditors have sufficient knowledge of accounting and audit procedures, enabling them to do their job properly.
iii. The body ensures a universal code of good practice and ethics.
iv. The body ensures that the audit and reporting standards are universal and comparable.

Choose the correct combination:

A (i), (iii) and (iv) **B** (ii) and (iv) **C** (iii) and (iv) **D** All of the above

Company – Year-end adjustments

Questions 9 to 13 relate to the information below. Evaluate each transaction and select how it will affect the two financial statements at the end of the financial year, 30 June 2019.

Information:

A. Extract from the Trial Balance on 30 June

	30 June 2019 R	30 June 2018 R
Debtors control	412 600	
Provision for bad debts	?	12 100
Loan: Standard Bank	?	1 836 500
SARS (Income tax)	?	18 700
Rent income	374 000	
Bad debts recovered	15 420	
Directors fees	1 026 000	
Bad debts	58 140	

9. Loan: Standard Bank

- **Fixed monthly repayment for the full loan period, including interest, is R25 000.**
- Capitalised interest for the year ending 30 June 2019 is R216 000.
- Interest for the next financial year is expected to be R162 000.
- A portion of the loan will be repaid within the next financial year.

	Statement of Comprehensive Income for the year ending 30 June 2019		Statement of Financial Position on 30 June 2019	
	Income	Expenses	Non-current liabilities	Current liabilities
A		216 000	1 536 500	300 000
B		216 000	1 752 500	162 000
C		216 000	1 614 500	138 000
D		216 000	1 752 500	162 000

10. A portion of the building has been let out since 1 January 2018. The rent is increased annually by 12% on the same day the contract commenced. Rent is received two months in advance.

	Statement of Comprehensive Income for the year ending 30 June 2019		Statement of Financial Position on 30 June 2019	
	Income	**Expenses**	**Current assets**	**Current liabilities**
A	318 000			56 000
B	308 138			65 862
C	314 160			59 840
D	313 468			60 532

11. On 1 July 2018, the business had two directors earning the same monthly fee. A third director was appointed on 1 November 2018 for the same fee. Two of the directors were overseas at the end of June, so they will only receive their last month's salary during July 2019.

	Statement of Comprehensive Income for the year ending 30 June 2019		Statement of Financial Position on 30 June 2019	
	Income	**Expenses**	**Current assets**	**Current liabilities**
A		1 094 400	68 400	
B		1 090 125		64 125
C		1 094 400		68 400
D		1 090 125	64 125	

12. On 24 June 2019, an amount of R8 050 was received from C. Trouw, whose account was previously written off as irrecoverable. The amount was incorrectly entered in the Debtors control column of the CRJ.

Adjust the provision for bad debts of debtors to 4%.

	Statement of Comprehensive Income for the year ending 30 June 2019		Statement of Financial Position on 30 June 2019	
	Income	**Expenses**	**Current assets**	**Current liabilities**
A	16 182	50 090	404 550	4 082
B	23 470	4 726	403 824	
C	23 470	16 826	404 550	4 726
D	23 470	4 082	388 368	

13. On 1 July 2018 the SARS Income tax account had a credit balance of R18 700. A provisional tax payment of R358 700 was made to SARS as first provisional tax payment and to settle the outstanding balance. Another provisional tax payment of R340 000 was made to SARS at the end of the year. The net profit for the year, after tax, is R1 680 000. Tax is calculated at 30% on net profit.

	Statement of Comprehensive Income for the year ending 30 June 2019		Statement of Financial Position on 30 June 2019	
	Income	**Expenses**	**Current assets**	**Current liabilities**
A		504 000	176 000	
B		720 000		2 600
C		504 000	213 400	
D		720 000		40 000

Company – Financial statements and Analysis

You are provided with information on Cloud 19 Limited for the past two financial years, ending 30 June. The company is located in the Eastern Cape and trades in bedroom furniture, mattresses and pillows.

Information:

A. Extract from the Statement of Comprehensive Income for the year ending 30 June 2019

	R
Depreciation	618 000
Interest expense	①
Income tax	1 228 500
Net profit after tax	2 866 500

B. Extract from the Statement of Financial Position on 30 June

	30 June 2019 R	30 June 2018 R
Fixed assets	18 231 000	12 046 500
Investments	937 500	900 000
Current assets	?	3 135 000
Inventories	2 476 000	1 875 000
Trade and other receivables	547 500	1 230 000
SARS: Income Tax	0	22 500
Cash and cash equivalents	?	7 500
Shareholders' equity	18 168 000	10 786 500
Non-current liabilities	2 775 000	3 900 000
Current liabilities	1 866 000	1 395 000
Trade and other payables	630 000	772 500
SARS: Income Tax	111 000	0
Shareholders for dividends	1 125 000	420 000
Bank overdraft	?	202 500

C. Note 7: Ordinary share capital on 30 June 2019

	R
1 200 000 shares at the beginning of the year	8 400 000
300 000 shares issued on 1 January 2019	③
75 000 shares repurchased on 31 May 2019	②
	14 820 000

D Note 8: Retained Income on 30 June 2019

	R
Balance at the beginning of the year	2 386 500
Net profit after tax	2 866 500
75 000 shares repurchased	②
Ordinary share dividends	
Interim	④
Final	1 125 000
Balance at the end of the year	

E. Cash flow statement for the year ending 30 June	30 June 2019 R	30 June 2018 R
Cash flow from operating activities		1 569 000
Cash generated from operations	4 985 000	2 983 500
Interest paid		(390 000)
Dividends paid	(780 000)	(381 000)
Taxation paid	⑤	(643 500)
Cash flow from investing activities		(250 500)
Purchase of fixed assets	(7 260 000)	0
Proceeds from the sale of fixed assets	⑥	574 500
Changes in investment	⑦	(825 000)
Cash flow from financing activities		(600 000)
Proceeds from issue of shares		0
Repurchase of shares	(1 200 000)	(1 500 000)
Changes in non-current liabilities	(1 125 000)	900 000
Net changes in cash and cash equivalents	812 000	718 500
Cash and cash equivalents at the beginning of the year	⑧	(913 500)
Cash and cash equivalents at the end of the year	⑨	⑧

F. Financial indicators on 30 June	2019	2018
Current ratio	1,95 : 1	2,25 : 1
Acid test ratio	0,62 : 1	0,90 : 1
Debt/equity ratio	0,15 : 1	0,36 : 1
Return on shareholders' equity	19,8%	14,4%
Return on capital employed	24,9%	18,3%
Earnings per share	201 cent per share	130 cent per share
Dividends per share	109 cent per share	52 cent per share
Net asset value	1275 cent per share	899 cent per share
Market price on JSE	1500 cent per share	1350 cent per share
Average interest rate on alternative investment	8%	8%
Average interest rate on loans	11%	11%

Questions 14 to 30 are related to the given statements. Study the statements above and choose the correct answer to the question.

14. Cloud 19 LTD paid a monthly instalment fee on the loan of R121 500. Interest is capitalised. Calculate the interest expense (number ①).

A R333 000 **B** R367 125 **C** R305 250 **D** R429 000

15. In terms of the Companies Act No. 71 of 2008, the company may decide to repurchase shares from its shareholders if the company meets the following requirements:

Choose the **correct combination** from the requirements below regarding **repurchase (buy-back) of shares:**

i. Favourable solvency test
ii. Favourable liquidity test
iii. Subject to the availability of cash surplus
iv. Fairness to shareholders must be investigated

Possible alternatives:

A Only (i), (ii) and (iv) **B** Only (ii) and (iii)
C All of the above **D** None of the above

16. Evaluate the accounting equation below. Which entry is the correct posting for the repurchase of shares by Cloud 19 LTD on 31 May 2019 (number ②).

	Account debited	Account credited	Amount	A	E	L
A	Ordinary share capital	Bank	525 000	-	-	0
	Retained income	Bank	675 000	-	-	0
B	Bank	Ordinary share capital	525 000	-	-	0
	Bank	Retained income	675 000	-	-	0
C	Ordinary share capital	Bank	780 000	-	-	0
	Retained income	Bank	420 000	-	-	0
D	Ordinary share capital	Bank	1 200 000	-	-	0

17. Calculate the correct amount for the issued shares by Cloud 19 LTD on 1 January 2019 (number ③).

A R6 945 000 **B** R7 620 000 **C** R7 200 000 **D** R6 420 000

18. Calculate the interim dividend declared and paid by Cloud 19 LTD on 31 December 2018 (number ④).

A R420 000 **B** R1 125 000 **C** R705 000 **D** R360 000

19. Calculate the taxation paid by Cloud 19 LTD for the year ending 30 June 2019 (number ⑤).

A R1 362 000 **B** R1 095 000 **C** R1 140 000 **D** R1 317 000

20. Calculate the proceeds from the sale of fixed assets by Cloud 19 LTD for the year ending 30 June 2019 (number ⑥).

A R457 500 **B** R1 075 500 **C** R6 184 500 **D** R6 802 500

21. In the Cash flow statements, why is depreciation shown as an inflow in Note 1 (cash generated from operating activities)?

A Depreciation is an expense, therefore it must be shown as an outflow on the cash flow statement.
B Depreciation is a non-cash item and decreases the profit. Therefore, because it was previously deducted from profits in the Income statement, it is now added back on the cash flow statement.
C Depreciation is a financing activity and is therefore shown as an inflow on the face of cash flow.
D Depreciation is an investment activity and is therefore shown as an outflow on the face of cash flow.

22. Calculate the changes in external investments made by Cloud 19 LTD for the year ending 30 June 2019 (number ⑦).

A R900 000 inflow **B** R37 500 outflow
C R937 500 outflow **D** R37 500 inflow

23. Calculate the correct balance for cash and cash equivalents of Cloud 19 LTD on 1 July 2018 (number ⑧).

A R7 500 **B** (R202 500) **C** (R7 500) **D** (R195 000)

24. Calculate the correct balance for cash and cash equivalents of Cloud 19 LTD on 30 June 2019 (number ⑨).

A R817 500 **B** R607 500 **C** R1 007 000 **D** R617 000

25. From the above Cash flow statement, identify the decisions made by the directors of Cloud 19 LTD during 2019 that they did NOT make in 2018.

GIVEN OPTIONS:

i. Purchased new fixed assets
ii. Decreasing external investments
iii. Shares were issued
iv. Shares were repurchased
v. Increase in long-term loan
vi. Repayment of bank overdraft

Choose the **correct combination** from the given options:

A Only (i), (iii) and (vi)
B Only (ii), (iii) and (vi)
C Only (i), (ii), (iv) and (v)
D All of the aboves

26. How did the Cloud 19 LTD directors' decision regarding the Loan affect the financial gearing of the company in 2019?

GIVEN OPTIONS:

i. A large repayment portion of the loan had a positive effect on the financial gearing.
ii. Repayment of the loan puts strain on the financial gearing and alternatives need to be considered.
iii. Current ratio has weakened from 2,25:1 to 1,95:1, which indicates a negative cash flow.
iv. Return on capital employed improved from 18,3% to 24,9%. It is much higher than the average interest on loans of 11% p.a.
v. Return on shareholders' equity improved from 14,4% to 19,8%.
vi. Debt/equity ratio decreased from 0,36:1 to 0,15:1. It is low geared for both years.

Choose the **correct combination** from the given options:

A Only (i), (iv) and (vi)
B Only (ii) and (iii)
C Only (i), (v) and (vi)
D Only (ii), (iii) and (v)

27. Cloud 19 LTD changed its dividend policy from 2018 to 2019. Choose the correct change and the correct reason for the change.

GIVEN OPTIONS:

i. Dividend policy has changed from 40% in 2018 to 60% in 2019.
ii. Dividend policy has changed from 40% in 2018 to 54% in 2019.
iii. Dividend policy has changed from 47% in 2018 to 65% in 2019.
iv. Dividend policy has changed from 47% in 2018 to 54% in 2019.
v. Larger percentage of dividends were paid out to shareholders, therefore less invested in Retained income.
vi. Larger percentage of dividends were paid out to shareholders, therefore less paid to SARS for income tax.

A Only (i) and (vi)
B Only (ii) and (v)
C Only (iii) and (vi)
D Only (iv) and (v)

Shareholder Andy Thomas's shares held in the business consist of the following:

SHARES PURCHASED	NUMBER OF SHARES
1 July 2012	504 000
1 January 2019	216 000
TOTAL:	**720 000**

28. Andy did not purchase enough shares on 1 January 2019 to become the majority shareholder. How many shares does Andy still need on the issue date?

A 30 001 shares **B** 30 000 shares **C** 29 999 shares **D** None of the above

29. How did the repurchase of shares on 31 May 2019 affect Andy's shareholding?
Note that no shares were repurchased from Andy.

A No shares were repurchased from Andy; therefore, his shareholding remains unchanged.
B Andy's shareholding percentage will decrease due to the repurchase of shares.
C Andy's shareholding percentage will increase due to the repurchase of shares.
D Andy's shareholding percentage will increase due to the repurchase of shares; he is now the majority shareholder.

30. Will Andy be satisfied with the performance of Cloud 19 LTD?

A All return on investments indicators have increased from 2018 to 2019, which is higher than the average interest on alternative investments. Andy is satisfied with his investment in Cloud 19 LTD.
B Andy is concerned that the Net Asset Value is lower than the market price on the JSE.
C All return on investment indicators have increased from 2018 to 2019, which is higher than the average interest on alternative loans. Andy is satisfied with his investment in Cloud 19 LTD.
D Andy is concerned about the decrease in liquidity ratios since 2018. Therefore, Andy is not satisfied with the growth in his investment in Cloud 19 LTD.

higher education & training

Department:
Higher Education and Training
REPUBLIC OF SOUTH AFRICA

Tshwane South TVET College

"achieve the future"

Courses offered at Tshwane South TVET College are:

NATIONAL CERTIFICATE VOCATIONAL - NC (V)

*L2 – L4

- Information Technology & Computer Science
- Hospitality
- Tourism
- Civil Engineering & Building Construction
- Electrical Infrastructure Construction
- Engineering & Related Design
- Office Administration
- Finance Economics & Accounting

Pre-learning Programme

- PLP – Pre Learning Programme

REPORT 191: GENERAL STUDIES

*N4 – N6

- First Introductory N4 - Business Studies (compulsory)
- Management Assistant
- Financial Management

REPORT 191: NATURAL SCIENCE (ENGINEERING STUDIES)

*N1 – N6

- Electrical, Mechanical & Civil Engineering

SKILLS PROGRAMMES, LEGACY TRADES & SHORT COURSES

- Fibre-processing and Manufacturing (formerly known as clothing production)
- Process Instrumentation, Electronics
- Civil
- Cosmetology
- Mechanical
- Automotive
- Electrical

GANDHI MANDELA CENTRE OF SPECIALIZATION FOR ARTISAN SKILLS (Pretoria West Campus)

Centre of specialization courses at Pretoria West Campus are:

- Electrician
- Boilermaking
- Mechanical Fitter
- Millwright

CENTRE OF SPECIALIZATION COURSE AT CENTURION CAMPUS IS:

- Fitting and Turning

LEARNERSHIPS

- As determined by funders

For more info visit our website:
www.tsc.edu.za

CONTACT DETAILS

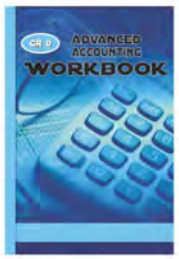
General enquiries: 012 401 5000

Email: info@tsc.edu.za

Follow us on social pages

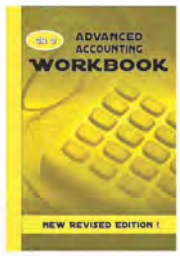
Facebook: Tshwane South TVET College Instagram: @tsc_vet Twitter: @tsc_tvet Youtube: Tshwane South TVET College

www.lucem.co.za



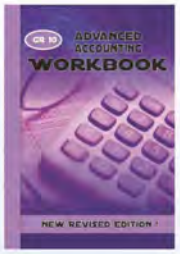
INPERKING - GEEN PROBLEEM!!

Rekeningkunde lesse by jou huis op jou rekenaar.
ALLE TEORIE, VOORBEELDE, OEFENINGE WORD IN DETAIL VERDUIDELIK



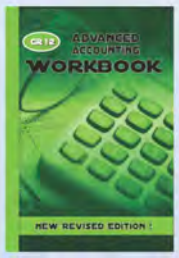
Rekeningkunde lesse op USB met werkboek - Graad 8 tot 12

Geen rede om jou huis te verlaat nie!!!
No reason to leave your home!!!



Gevorderde Rekeningkunde werkboeke
Lesse op USB stokkie
Eksamenhersieningsboeke
Wiskunde oefeninge Gr 11 & 12 op 'n USB stokkie
Advanced Accounting workbooks
Lessons on a USB stick
Examination revision books
Mathematics exercises Gr 11 & 12 on USB stick

Accounting lessons on USB stick with workbook - Gr 8 to 12



LOCKDOWN - NO PROBLEM!!

Accounting lessons at home on your PC
ALL THEORY, SAMPLES, AND EXERCISES EXPLAINED IN DETAIL.

carl@lucem.co.za 083 235 48148

LUCEM PUBLISHERS

www.lucem.co.za

LUCEM PUBLISHERS

PROVERTO

Educational Publishers • Opvoedkundige Uitgewers

SAICA

THE SOUTH AFRICAN INSTITUTE OF CHARTERED ACCOUNTANTS

develop.influence.lead.

Subject Content Sponsor
2020 Caps Aligned

Proverto National Olympiad 2020

GRADE 12 ROUND TWO

Instructions to Candidates:

1. Make sure you have the correct paper for your grade.
2. The question paper consists of 3 sections with 30 multiple choice questions per section: Section A – Accounting; Section B – Business Studies; and Section C – Economics. You can choose which sections you want to complete. *(You can write 1, 2 or all 3 sections.)*
3. The answer sheet has 3 sections. Please answer the section on the space provided for the subject; Example if you are answering the Accounting questions you must mark the correct answer in the Accounting block on the answer sheet. Each section will be marked separately.
4. Each question have 4 possible answers *(A, B, C, or D)*. Only one answer is correct.

Olympiad Gold Sponsor

CTU training solutions

www.ctutraining.ac.za

For more information
SMS "Name, Surname and Olympiad" to 41721

PROVERTO EMS OLYMPIAD 2020 – GRADE 12 Accounting

ROUND 2

Reconciliation

1. Study the statement from Red Hot Racers sent to debtor, A Smooth.

RED HOT RACERS

P.O. BOX 677 BOKSBURG 0108
TEL: 012 758 0773

A Smooth
Postnet Suite 1099
Silverton
0070

STATEMENT DATE: 20 OCTOBER 2020
CREDIT LIMIT: **R30 000**
PAYMENT TERMS: **30 DAYS**
INTEREST ON OVERDUE ACCOUNT: **10% PER MONTH AFTER 60 DAYS**

DATE:			DEBIT	CREDIT	BALANCE
Aug	1	Balance			12 000
		Receipt 99		5 700	6 300
		Discount		300	6 000
	4	Invoice 181	9 000		15 000
	6	Credit note 27		1 200	13 800
	29	Invoice 192	3 500		17 300
Sep	3	Receipt 108		3 500	13 800
	4	Credit note 33		350	13 450
	12	Invoice 201	4 800		18 250
	30	Invoice 207	5 900		24 150
		Interest	250		24 400
Oct	1	R/D cheque	3 500		27 900
	14	Invoice 219	6 200		34 100

CURRENT	30 DAYS	60 DAYS	90 DAYS +

Choose the correct debtors' age analysis for the above statement.

	CURRENT	30 DAYS	60 DAYS	90 DAYS +
A	R9 700	R7 100	R5 300	R12 000
B	R6 200	R10 950	R10 950	R6 000
C	R9 700	R7 100	R17 300	R 0
D	R6 200	R10 600	R11 300	R6 000

2. Which is NOT a benefit of debtors' age analysis?

A It helps with the internal control processes of a business.
B It helps to determine how much interest or discount should be charged or granted to a debtor.
C It helps to reconcile the debtors' control account with the debtors' list.
D It helps to determine the effectiveness of the debtors' collection processes.

3. A Smooth discovered an error on the statement received from Red Hot Racers. What action should be taken by him?

A Inform Red Hot Racers of the error and add it to the creditors' reconciliation statement.
B Inform Red Hot Racers of the error and add it to the debtors' reconciliation statement.
C Inform Red Hot Racers of the error and add it to the creditors' ledger account.
D Inform Red Hot Racers of the error and add it to the debtors' ledger account.

4. Study the statement provided in question 1.

Which control measures were put in place by Red Hot Racers to ensure timely payment from A Smooth?

i. Interest is charged on overdue accounts.
ii. Discount is offered on early settlement.
iii. Statements are sent regularly.
iv. Credit limits are placed on the debtor's accounts.
v. Accounts are frozen/blocked for further sales until accounts are settled.

Choose the correct combination of control measures.

A i, ii and iv
B i, ii, iii and iv
C i, ii and iii
D All of the above

Value Added Tax

5. A business has to register as a VAT vendor and pay VAT every two months if their annual turnover exceeds …

A R1 500 000 in any 12 consecutive months.
B R1 000 000 in any 12 consecutive months.
C R2 500 000 in any 12 consecutive months.
D R5 000 000 in any 12 consecutive months.

6. Once the business exceeds an annual turnover of … they have to pay VAT every month.

A R20 000 000 in any 12 consecutive months
B R35 000 000 in any 12 consecutive months
C R45 000 000 in any 12 consecutive months
D R30 000 000 in any 12 consecutive months

7. **Lula Ltd** is a registered VAT vendor and VAT is added at 15%, and owed to SARS according to the invoice basis. The business uses a mark-up of 75% on cost.

A debtor disappeared without a trace. The business decided to write off her debt of R1 656.

Select the CORRECT accounting equation option associated with the entry.

	Account debited	Account credited	Assets	Equity	Liabilities
A	Debtors Control	Bad debts	-1 656	-1 656	0
	Output VAT	Debtors Control	-216	0	-216
B	Debtors Control	Input VAT	±248	0	0
	Bad debts	Debtors Control	-1 440	-1 440	0
C	Input VAT	Debtors Control	-1 656	-1 656	0
	Bad debts	Debtors Control	±248	0	0
D	Bad debts	Debtors Control	-1 440	-1 440	0
	Output VAT	Debtors Control	-216	0	-216

8. **Lula Ltd** is a registered VAT vendor and VAT is added at 15%, and owed to SARS according to the invoice basis. The business uses a mark-up of 75% on cost.

Send a cheque of R6 900 to a creditor in settlement of the business's account of R7 590.

Select the CORRECT accounting equation option associated with the entry.

	Account debited	Account credited	Assets	Equity	Liabilities
A	Creditors control	Bank	-6 900	0	-6 900
	Creditors control	Discount received	0	+600	-600
	Creditors control	Input VAT	-90	0	-90
B	Creditors control	Bank	-6 000	0	-6 000
	Creditors control	Input VAT	-900	0	-900
	Creditors control	Discount received	0	+690	-690
C	Creditors control	Bank	-6 000	0	-6 000
	Input VAT	Bank	±900	0	0
	Creditors control	Discount received	0	+600	-600
	Creditors control	Input VAT	-90	0	-90
D	Creditors control	Bank	-6 900	0	-6 900
	Creditors control	Discount received	0	+690	-690

9. At the end of the financial year, after all adjustments were taken into account, the following information appeared in the books of Lula Ltd:

	Pre-adjustment Trial Balance	Post-adjustment Trial Balance
VAT control account	R9 450 (DR)	
VAT control account		R12 420 (CR)

Where would the final VAT control account balance appear in the financial statements?

A Statement of comprehensive income (as an income).
B Statement of comprehensive income (as an expense).
C Statement of financial position (in Trade and other receivables note).
D Statement of financial position (in Trade and other payables note).

Stock control

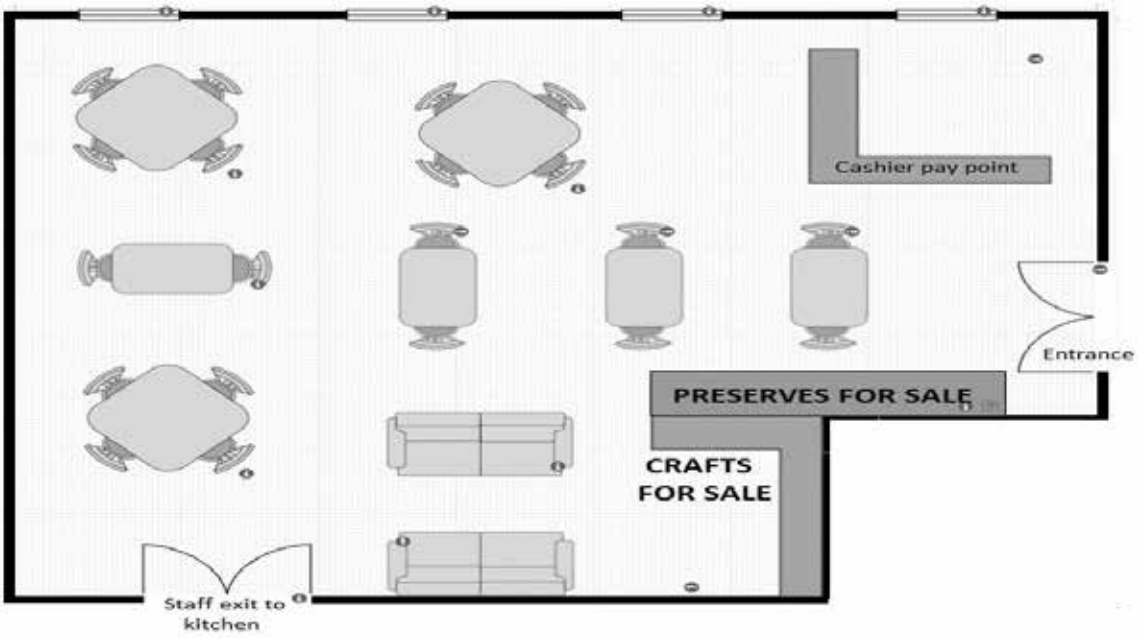
10. Brenda is the owner of Buzy Beez Coffee Shop. She has a sit-down restaurant and sells homemade crafts, jams and fruit preserves as an additional service. She asked for your help regarding the specific identification method of stock valuation at the end of the year.

STOCK ITEM	UNITS			
	OPENING STOCK	PURCHASES DURING THE YEAR	RETURNS TO SUPPLIERS	SALES
PRESERVES	113	490	12	532
CRAFTS	168	540	36	210

Study the table above and help the owner to calculate the amount of closing stock units at the end of the year.

	CLOSING STOCK UNITS	
	PRESERVES	CRAFTS
A	83	212
B	59	462
C	1 147	1 276
D	71	176

11. Study the floor plan of Buzy Beez Coffee Shop.



Brenda, the owner, is concerned about the slow sales of the crafts and high stock losses of the preserves. Choose the most probable cause.

	PRESERVES	CRAFTS
A	Poor record keeping when delivered.	Not easily accessible.
B	Staff take goods past the sell-by date without informing Brenda.	Too costly.
C	Too close to the entrance.	The crafts are hidden away and not in clear sight.
D	Can easily be knocked over (broken) by customers.	Can easily be stolen by staff through kitchen entrance.

12. SALLY'S SUNGLASSES PTY (LTD) imports sunglasses from Europe and resells them to local boutiques. She uses the FIFO (first-in-first-out) method for stock valuation. Study the information below and calculate the cost of sales for the **first six months of 2020**.

DATE	NUMBER OF UNITS	PRICE PER UNIT	CARRIAGE ON PURCHASES	CUSTOMS DUTIES	TOTAL COST
STOCK TAKE:					
1 JAN 2020	102				R13 464
30 JUN 2020	540				R ?
PURCHASES:					
10 FEB 2020	130	R124	R4 550	R1 934	R22 604
5 MAR 2020	160	R135	R5 600	R2 592	R29 792
10 APR 2020	200	R160	R7 000	R3 840	R42 840
8 JUN 2020	600	R240	R21 000	R17 280	R182 280
TOTAL PURCHASES	**1 090**				**R277 516**

A R126 928
B R161 380
C R290 980
D R164 052

13.

DATE	NUMBER OF UNITS	PRICE PER UNIT	CARRIAGE ON PURCHASES	CUSTOMS DUTIES	TOTAL COST
STOCK TAKE:					
1 JAN 2020	102				R13 464
30 JUN 2020	540				R ?
PURCHASES:					
10 FEB 2020	130	R124	R4 550	R1 934	R22 604
5 MAR 2020	160	R135	R5 600	R2 592	R29 792
10 APR 2020	200	R160	R7 000	R3 840	R42 840
8 JUN 2020	600	R240	R21 000	R17 280	R182 280
TOTAL PURCHASES	**1 090**				**R277 516**

Suppose the cost of sales (calculated in question 12) of SALLY'S SUNGLASSES PTY (LTD) was R150 000 for the first six months. Calculate the stock turnover rate for the period.

A 11,14 times
B 1,69 times
C 0,91 times
D 2,14 times

Olympiad Gold Sponsor
CTU training solutions
www.ctutraining.ac.za
For more information
SMS "Name, Surname and Olympiad" to 41721

14. Covid-19 nationwide lockdown was announced to start in South Africa on 26 March 2020.

DATE	NUMBER OF UNITS	PRICE PER UNIT	CARRIAGE ON PURCHASES	CUSTOMS DUTIES	TOTAL COST
STOCK TAKE:					
1 JAN 2020	102				R13 464
30 JUN 2020	540				R ?
PURCHASES:					
10 FEB 2020	130	R124	R4 550	R1 934	R22 604
5 MAR 2020	160	R135	R5 600	R2 592	R29 792
10 APR 2020	200	R160	R7 000	R3 840	R42 840
8 JUN 2020	600	R240	R21 000	R17 280	R182 280
TOTAL PURCHASES	**1 090**				**R277 516**

Suppose the correct answers to questions 12 and 13 are:

	First 6 months of 2020	First 6 months of 2019
Cost of sales	R150 000	R296 000
Stock turnover rate	1,9 times	5,4 times

Study the information above and choose the best combination to indicate the effect of Covid-19 on the stock of SALLY'S SUNGLASSES PTY (LTD).

i. Due to the nationwide lockdown, the imports were delayed.
ii. Due to the change in exchange rate, the purchase price increased drastically.
iii. Percentage charged for customs duty changed.
iv. Stock could not be supplied to boutique customers, causing a large quantity of stock on hand.
v. Stock turnover rate decreased, which was positive for Sally's Sunglasses.
vi. Cost of sales decreased, which would have a positive effect on gross profit.
vii. Customers bought less stock due to large price escalations.

Choose the best combination:

A i, ii, iv and vii
B i, ii, iv, v, vi and vii
C i, ii, iii, iv and v
D All of the above

Olympiad Gold Sponsor
CTU training solutions
www.ctutraining.ac.za
For more information
SMS "Name, Surname and Olympiad" to 41721

Companies

NONE OF THE QUESTIONS BELOW ARE RELATED TO ONE ANOTHER.

15. Study the extract from the Statement of Financial Position:

	NOTE	
CURRENT ASSETS		1 150 200
Inventory	4	520 000
Trade and other receivables	5	389 200
Cash and cash equivalents	6	241 000

Why should current assets be placed in this specific order on the Statement of Financial Position?

A Due to the alphabetical order.
B Due to the order of liquidity.
C Due to the numerical order.
D Due to the order of importance.

16. Fixed deposits maturing and short-term portions of loans are relocated on the Statement of Financial Position to enable better accuracy when analysing…

A solvency.
B return on equity.
C risk.
D liquidity.

17. Choose the correct explanation as to why an adjustment to net profit is needed for depreciation and interest expense in the Note: Cash generated by Operations on the Cash Flow Statement.

	Depreciation	**Interest expense**
A	Non-cash item, should be excluded from cash operations.	Exclude from net profit in note 1, to show more prominently on the face of the cash flow statement.
B	Exclude from net profit in note 1, to show more prominently on the face of the cash flow statement.	Non-cash item, should be excluded from cash operations.
C	Non-cash item, should be excluded from cash operations.	Non-cash item, should be excluded from cash operations.
D	Exclude from net profit in note 1, to show more prominently on the face of the cash flow statement.	Exclude from net profit in note 1, to show more prominently on the face of the cash flow statement.

18. **SHARES**

The following information relates to shares during the year ending 30 September 2020:

- The business has 2 500 000 authorised shares.
- 1 500 000 ordinary shares were in issue at the end of the previous financial year.
- 400 000 ordinary shares were issued on 1 November 2019.
- 100 000 ordinary shares were repurchased on 31 August 2020 from the estate of a shareholder who had died. The shares were repurchased at R6 above the average issue price.

Extract from the Statement of financial position on 30 September:

	2020	2019
Ordinary Share Capital	R36 000 000	R27 000 000
Retained Income	R14 740 000	R10 580 000

Which amounts would be disclosed for shares on the Cash flow statement for the year ending 30 September 2020?

	Proceeds from shares issued	Repurchase of shares
A	R11 000 000	(R2 600 000)
B	R9 000 000	(R600 000)
C	R7 200 000	(R2 400 000)
D	R10 800 000	(R1 800 000)

19. **INCOME TAX**

Study the information below for the year ending 31 July 2020.

List of balances on 31 July

	2020	2019
Retained income	R983 748	R423 000
SARS (Income tax)	R20 150 (DR)	R70 380 (CR)
Net profit before tax	R1 940 200	

Total dividends for the year: R875 000.

No shares were repurchased during the current financial year.

Indicate how the **INCOME TAX** would affect each statement.

	Statement of comprehensive income for the year ending 31 July 2020	Statement of financial position on 31 July 2020		Cash flow statement for the year ending 31 July 2020
		Trade and other receivables	Trade and other payables	
A	(R560 748)	R20 150		(R610 978)
B	(R1 625 948)	R20 150		(R1 535 418)
C	(R504 452)	R20 150		(R594 982)
D	(R1 065 200)		R20 150	(R1 115 430)

20. **DIVIDENDS**

List of balances on 28 Feb

	2020	2019
Shareholders for Dividends	850 000	642 000

- **Financial indicators on 28 February 2020:**
  - Earnings per share: 179,2 cents per share.
  - Dividend pay-out policy: 65% p.a.
  - 1 200 000 shares were in issue on 28 February 2020.

Indicate how the **DIVIDENDS** would affect each statement.

	Statement of financial position on 28 February 2020 (Note 8: Retained Income)	Statement of financial position on 28 February 2020 (Current Liabilities)	Cash flow statement for the year ended 28 February 2020
A	(R2 150 400)	R850 000	(R1 942 400)
B	(R1 493 333)	R850 000	(R1 285 333)
C	(R1 397 760)	R850 000	(R1 189 760)
D	(R1 492 000)	R850 000	(R642 000)

21. **FIXED ASSETS**

List of balances on 30 September

	2020	2019
Land and building	4 500 000	2 100 000
Vehicles	572 500	425 000
Accumulated depreciation on Vehicles	?	170 000

Vehicles:

- On 1 October 2019, the business owned two identical vehicles, bought on the same date.
- On 31 May 2020, the business traded in one of their vehicles at carrying value. On the same date, the business purchased a new vehicle.
- The business depreciates vehicles at 15% on cost.

Indicate how the above **FIXED ASSET** information would affect each statement.

	Statement of comprehensive income for the year ending 30 September 2020	Statement of financial position on 30 September 2020	Cash flow statement for the year ending 30 September 2020	
			Proceeds from sale of fixed asset	Purchase of fixed asset
A	(R49 875)	R4 937 625	R127 500	(R2 547 500)
B	(R81 750)	R4 820 750	R95 625	(R2 760 000)
C	(R85 875)	R4 816 625	R127 500	(R2 547 500)
D	(R71 125)	R4 937 625	R106 250	(R2 760 000)

22. **LOAN AND INTEREST**

The following loan statement was received from Capitec Bank:

Balance on 1 March 2019	1 120 000
Repayments per month (R12 500 p.m.) (includes interest)	?
Interest is capitalised	?
Balance on 28 February 2020	1 080 000

During the next financial year, a repayment of R8 000 per month will be made on the capital portion of the loan.

Indicate how the above **LOAN AND INTEREST** information would affect each statement.

	Statement of comprehensive income for the year ending 28 Feb 2020	Statement of financial position on 28 Feb 2020		Cash flow statement for the year ending 28 Feb 2020	
		Non-current liabilities	Current Liabilities	Operating Activities	Financing Activities
A	(R110 000)	R1 080 000	R150 000	(R110 000)	(R96 000)
B	(R190 000)	R984 000	R150 000	(R190 000)	(R40 000)
C	(R110 000)	R984 000	R96 000	(R110 000)	(R40 000)
D	(R190 000)	R1 080 000	R96 000	(R190 000)	(R150 000)

23. A business has a total of R82 415 outstanding debtors at the end of the financial year, 30 April 2020.

The following entries must still be taken into consideration before preparing the Statement of financial position on 30 April 2020.

- Charge interest, R385, to debtors with arrear accounts.
- Bad debts of R1 600 must still be written off.
- Provision for bad debts (1 May 2019) totalled to R3 800.
- Provide for 5% provision on outstanding debt.

Calculate the net trade debtors on 30 April 2020.

A R81 200
B R77 140
C R77 400
D R80 940

24. **STATEMENT OF FINANCIAL POSITION ON 28 FEBRUARY**
NOTE 9: TRADE AND OTHER PAYABLES

	2020	2019
Trade creditors	63 500	47 100
Income received in advance	12 150	10 200
Accrued expenses	870	1 120
Shareholders for dividends	83 200	75 200
SARS (Income tax)	15 100	-
	174 820	**133 620**

Calculate the changes in trade and other payables in Note 1: Cash generated from operations in the Cash flow statement for the year ending 28 February 2020.

A R41 200
B R16 400
C R18 100
D R18 600

Olympiad Gold Sponsor

www.ctutraining.ac.za
For more information
SMS "Name, Surname and Olympiad" to 41721

25. Study the information from the extract provided:

Statement of comprehensive income

	2020	2019
Interest income	15 000	15 000
Interest expense	158 500	183 000
Net profit before tax	844 300	648 200
Net profit after tax	591 010	453 740

Statement of financial position

	2020	2019
Non-current assets	2 568 800	3 117 500
Current assets	318 000	231 300
Non-current liabilities	300 000	1 525 000
Current liabilities	389 600	280 800

Calculate the net asset value (NAV) for the 2020 financial year if there were 240 000 shares in issue.

A 1 202,8 cents
B 915,5 cents
C 1 070,3 cents
D 351,8 cents

26. Study the information from the extract provided:

Statement of comprehensive income

	2020	2019
Interest income	15 000	15 000
Interest expense	158 500	183 000
Net profit before tax	844 300	648 200
Net profit after tax	591 010	453 740

Statement of financial position

	2020	2019
Non-current assets	2 568 800	3 117 500
Current assets	318 000	231 300
Non-current liabilities	300 000	1 525 000
Current liabilities	389 600	280 800

Calculate the Return on total capital employed (ROTCE) for the 2020 financial year.

A 53,6%
B 40,1%
C 29,9%
D 36,0%

27. Study the financial indicators provided for the year ending 31 May 2020.

	MUSTANG LTD	CADILLAC LTD
Current ratio	1,8:1	5,2:1
Acid test ratio	1,2:1	1,4:1
Stock holding period	55 days	215 days
Average debtors collection period	23 days	63 days
Percentage net profit on turnover	11%	6%
Return on shareholders' equity	18,5%	11,3%
Return on total capital employed	13,1%	11,8%
Interest rate on alternative investments	9,5%	9%
Interest rate on loan	10,5%	13%

Which business manages their working capital more effectively?

i. Current ratio of MUSTANG LTD is better than that of CADILLAC LTD; CADILLAC LTD is too high, indicating that funds are tied up in stock.
ii. Stock holding period of CADILLAC LTD is more effective, as they don't run the risk of running out of stock.
iii. MUSTANG LTD has better control over their debtors, which indicates more effective management of working capital.
iv. MUSTANG LTD has a better net profit on turnover percentage, which indicates more effective operating efficiency.
v. Return on shareholders' equity of MUSTANG LTD outperformed that of CADILLAC LTD.

Choose the best combination.

A i and iii
B i, iii and iv
C iii, iv and v
D All of the above

28. Study the financial indicators provided for the year ending 31 May 2020.

	MUSTANG LTD	CADILLAC LTD
Debt/equity ratio	0,7:1	0,2:1
Return on shareholders' equity (ROSHE)	18,5%	11,3%
Net asset value (NAV)	1 138 cents	1 045 cents
Market value on JSE	1 250 cents	804 cents
Return on total capital employed (ROTCE)	14,1%	10,8%
Interest rate on alternative investments	9,5%	9%
Interest rate on loan	12%	12%

Which business is more likely to apply for more loans?

A CADILLAC LTD has a debt/equity ratio of 0,2:1 and is low geared. They are positively geared for more loans, as the ROTCE is higher than the interest rate on alternative investments. More loans could be applied for.
B CADILLAC LTD has a higher NAV than the market value on the JSE. The ROSHE also exceeds the interest rate on alternative investments. This indicates a positive gearing towards more loans.
C MUSTANG LTD has a higher market value on the JSE, which exceeds the NAV. Therefore, banks would loan more money to the business. The ROSHE also exceeds the interest rate on loans, so the business is positively geared for more loans.
D MUSTANG LTD has a debt/equity ratio of 0,7:1 and is moving towards high risk. They are positively geared for more loans, as the ROTCE is higher than the interest rate on loans. More loans could be applied for, but should not exceed the total shareholders equity.

29 Study the financial indicators provided for the year ending 31 May 2020.

	MUSTANG LTD	CADILLAC LTD
Return on shareholders' equity (ROSHE)	18,5%	11,3%
Net asset value (NAV)	1 138 cents	1 045 cents
Market value on JSE	1 250 cents	904 cents
Earnings per share (EPS)	420 cents	254 cents
Dividends per share (DPS)	212 cents	180 cents
Return on total capital employed (ROTCE)	14,1%	10,8%

Both businesses issued more shares during the current financial year.

- MUSTANG LTD issued more shares at R10 per share.
- CADILLAC LTD issued more shares at R12 per share.

Which business's existing shareholders would be happy with the price of the new issued shares?

A MUSTANG LTD's existing shareholders would be very pleased with the price of the new shares issued and the return, as the ROSHE and ROTCE is highly competitive with alternative investments. They also have a 65% dividend pay-out rate.
B CADILLAC LTD issued the new shares at R12 each, which exceeds both the NAV and market value. The company raised more ordinary share capital than expected; this would please the existing shareholders.
C The market price of MUSTANG LTD is higher; this would prove in favour of the existing share price when compared to the R10 per share new share issue price.
D CADILLAC LTD had a dividend pay-out rate of 71%; the NAV is also higher than the market value. This would make the existing shareholders happy if compared to the price for the new shares issued.

30. Gareth is the CEO of the company. His shareholding on 30 September 2020 is as follows:

NUMBER OF SHARES	DATE PURCHASED	% SHAREHOLDING	SHARES IN ISSUE ON 30 SEPTEMBER 2020
420 000	10 January 2015	40%	?

220 000 ordinary shares were repurchased on 1 October 2020 (none of Gareth's shares).

The independent auditor discovered that Gareth had made the decision to repurchase the shares without informing the board of directors. Why should the independent auditor be concerned about this?

i. Not good corporate governance in accordance to King Code.
ii. Consider that insider trading may have taken place.
iii. He misused his position to gain majority shareholding after the repurchase.
iv. Consider that nepotism may have taken place.
v. Gareth's percentage shareholding increased to 61% after the repurchase.
vi. Not transparent; therefore unethical.

Choose the best combination.

A i, iv, v and vi
B i, ii, iii, iv and vi
C i, ii, iii and vi
D All of the above

Olympiad Gold Sponsor

www.ctutraining.ac.za

For more information
SMS "Name, Surname and Olympiad" to 41721

SAICA
THE SOUTH AFRICAN INSTITUTE OF CHARTERED ACCOUNTANTS

YOUR ROADMAP TO BECOMING A CA(SA)

1 THE RIGHT CHOICE

When picking your subjects, make the right career choices. **Take Maths**, and English and study hard to achieve a Level 5 pass (or more) in Grade 12.

2 THE RIGHT UNIVERSITY

Study a BCom undergraduate and postgraduate degree (Certificate in the Theory of Accounting [CTA] or equivalent) from a university accredited by the South African Institute of Chartered Accountants (SAICA).

3 THE RIGHT TRAINING

Enter a 3-year training programme with a SAICA accredited training office to gain real life, on-the-job work experience.

4 THE RIGHT SKILL

Study for and pass the 2 SAICA qualifying exams – the Initial Test of Competence (ITC) and the Assessment of Professional Competence (APC).

5 THE RIGHT CAREER

Leaders never quit! Cas(SA) are leaders in their industries – once you've passed your exams and completed your training programme, register with SAICA to become a CA(SA).

www.saica.co.za\becomeaCA

PROVERTO
Educational Publishers • Opvoedkundige Uitgewers
www.proverto.co.za

ACCOUNTING OLYMPIAD GRADE 12 - 2020

past paper

MEMORANDUM

	ANSWER
	LOWER LEVEL
	MODERATE LEVEL
	HIGHER LEVEL

ROUND ONE: 30 Questions

TOPICS		A		B		C		D	
THEORY	1.								
	2.								
	3.								
	4.								
AUDIT REPORT	5.								
	6.								
	7.								
	8.								
ADJUST-MENTS	9.								
	10.								
	11.								
	12.								
	13.								
	14.								
	15.								

TOPICS		A		B		C		D	
COMPANIES – FINANCIAL STATEMENTS	16.								
	17.								
	18.								
	19.								
	20.								
	21.								
	22.								
	23								
	24.								
	25.								
	26.								
	27.								
	28.								
	29.								
	30.								

	ANSWER
	LOWER LEVEL
	MODERATE LEVEL
	HIGHER LEVEL

ROUND TWO: 30 Questions

	A		B		C		D	
1.								
2.								
3.								
4.								
5.								
6.								
7.								
8.								
9.								
10.								
11.								
12.								
13.								
14.								
15.								

	A		B		C		D	
16.								
17.								
18.								
19.								
20.								
21.								
22.								
23								
24.								
25.								
26.								
27.								
28.								
29.								
30.								

DON'T JUST STRIVE FOR EXCELLENCE, BECOME IT.

Be a #YoungDifferenceMaker

AT NEDBANK WE BELIEVE IN USING OU FINANCIAL EXPERTISE TO DO GOOD BY ASSISTING BRIGHT YOUNG LEADERS TO PURSUE THEIR ACADEMIC DREAMS.

The Nedbank External Bursary Programme aims to fund academically deserving students who do not have the financial means to study fulltime towards a first undergraduate degree or diploma at a South African public university or university of technology.

Bursaries are awarded to address scarce and future skill requirements in the financial sector with specific focus on **Green Economy** skills.

CRITERIA FOR SELECTION:

To be eligible for the Nedbank bursary, you must:

- **be a South African citizen;**
- **have a proven financial need, as determined by your**
- **household income;**

have achieved:

- a minimum academic average of 65% in the year that you are applying for the bursary; and
- a minimum academic average of 65% for the required subjects aligned with the qualification you plan to study towards at university; and
- **not have completed your grade 12 or senior certificate with mathematics literacy; and**
- **have successfully obtained admission approval to a South African public university or university of technology for the undergraduate qualification you plan to study towards.**

THE APPLICATION PROCESS:

We screen bursary applications against our external bursary selection criteria and we award bursaries through the Nedbank Educational Trust, at the sole discretion of the trust.

IF YOU ARE SHORTLISTED, WE WILL ASK YOU TO:

- submit the relevant documents for financial review;
- participate in psychometric and other assessments; and
- attend an interview.

For the complete application process and a list of required documents, please visit our website at **www.nedbank.co.za/bursary.**

There you can also find more information on opening dates and apply online.

All candidates will receive **feedback on the status** of their application at the completion of the recruitment and selection process (expected to be completed by the end of 2021).

Contact information
Email: Unlockyourambition@nedbank.co.za

Bursaries are granted at Nedbank's sole discretion.

see money differently

NEDBANK