



**Western Cape
Government**
Education

Directorate: Curriculum FET

TELEMATICS 2019

WORKBOOK

ACCOUNTING **Grade 12**

ACTIVITY 1: Concepts; Income statement

1.1	1.1.1	
	1.1.2	
	1.1.3	
	1.1.4	
	1.1.5	

1.2 Income statement

1.2.1	Explain the purpose of an Income statement.
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1.2.2	No	Calculations	Income Statement		
			Amount	Section	Item
	(a)				
	(b)				
	(c)				
	(d)				
	(e)				

No	Calculations	Amount	Section	Item
(f)				
(g)				
(h)				
(i)				

1.2.3 INCOME STATEMENT (STATEMENT of COMPRHENSIVE INCOME) FOR THE YEAR ENDED 28 FEBRUARY 2018

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Cost of sales	(4 275 000)
Other operating income	
Commission Income	
Gross operating income	
Operating expenses	
Salaries and wages	
Audit fees	
Operating profit	
Income tax	
Net profit after tax	998 550

ACTIVITY 2: Balance Sheet; Notes and/or calculations**2.1 Calculate the following:**

(a)	Additions to Land and Buildings	Answer
(b)	Carrying value of Land and Buildings	Answer
(c)	Depreciation on vehicles for the year ended 28 February 2018	Answer
(d)	Carrying value of Vehicles on 28 February 2018	Answer
(e)	Carrying value of Equipment sold on 30 June 2017	Answer
(f)	Depreciation on equipment for the year ended 28 February 2018	Answer

(g)	Carrying value of Equipment on 28 February 2018	Answer
(h)	Total carrying value of fixed assets on 28 February 2018	Answer
NOTE: The amount to be entered as ' <i>Fixed Assets</i> ' in the Balance sheet is <p style="text-align: center;">.....</p>		

2.2 Trade and other receivables (show calculations in brackets)

Net trade debtors	
Trade debtors	

Calculation for accrued rent income:

Calculation of prepaid insurance:

**2.3 BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) ON
28 FEBRUARY 2018**

ASSETS	
NON-CURRENT ASSETS	
Fixed/Tangible Assets	
CURRENT ASSETS	
Inventory	
TOTAL ASSETS	3 842 200

ACTIVITY 3: Balance Sheet with Notes and calculations

- 3.1** The Balance Sheet reflects the net worth of a business. Explain this statement. Support your explanation with a calculation.

- 3.2** Calculate the amount due to / by SARS for income tax on 30 June 2018:

3.3.1 ORDINARY SHARE CAPITAL**AUTHORISED****ISSUED**

		2 400 000
	ordinary shares in issue at the end of the year	

Calculation of Average share price:

3.3.2 Retained Income

Retained Income at the beginning of the year	350 000
Net profit AFTER tax	
Dividends on ordinary shares	
 Paid	
 Recommended	
Retained Income at the end of the year	

3.3.3 Trade and other payables

Trade creditors	

3.4 BALANCE SHEET ON 30 JUNE 2018 (EQUITY SECTION)

EQUITY AND LIABILITIES	
SHAREHOLDERS' EQUITY	
NON-CURRENT LIABILITIES	
Mortgage Loan: Khaya Bank	
CURRENT LIABILITIES	
Trade and other payables	
TOTAL EQUITY AND LIABILITIES	4 816 600

ACTIVITY 4: Balance Sheet and notes**4.1 Calculate on 1 February 2019:**

Average share price:

Value of repurchased shares:

4.2 Retained income

Balance at beginning of year	1 850 000
Ordinary share dividends	
Paid (Interim)	
Recommended (Final)	
Balance at end of year	

**4.3 BALANCE SHEET (STATEMENT OF FINANCIAL POSITION) ON
28 FEBRUARY 2019**

ASSETS	
NON-CURRENT ASSETS	
Fixed assets	11 388 400
CURRENT ASSETS	
TOTAL ASSETS	
EQUITY AND LIABILITIES	
ORDINARY SHAREHOLDERS' EQUITY	
Ordinary share capital	10 450 000
Retained income	
NON-CURRENT LIABILITIES	
CURRENT LIABILITIES	
Trade and other payables	
TOTAL EQUITY AND LIABILITIES	

ACTIVITY 5: Cash flow calculations**5.1 Explain the difference between a Balance Sheet and a Cash Flow Statement****Balance Sheet:****Cash Flow Statement:****5.2 Calculations for Cash Flow Statement:**

		Answer
(a)	Income tax paid	
(b)	Dividends paid	
(c)	Fixed Assets purchased	
(d)	Repurchase of shares	

(e)	Change in long-term loans	Answer

(f)	Cash and Cash equivalents beginning of year	Answer

(g)	Net change in Cash and Cash equivalents	Answer

5.3 **Comment on the dividend pay-out policy of the company. Make reference to both financial years and quote relevant figures.**

ACTIVITY 6 **Cash Flow Statement and analysis****6.1 CASH GENERATED FROM OPERATIONS**

Net profit before income tax	
Depreciation	356 000
Interest Expense	104 000
Operating profit before changes in working capital	
Cash effects of changes in working capital	
Cash generated from operations	

6.2 CASH FLOW STATEMENT FOR THE YEAR ENDED 31 AUGUST 2018

CASH FLOW FROM OPERATING ACTIVITIES	566 000
Cash generated from operations	
Interest paid	(104 000)
Dividends paid	(304 000)
CASH FLOW FROM INVESTING ACTIVITIES	
Purchases of fixed assets	
Change in investments	160 000
CASH FLOW FROM FINANCING ACTIVITIES	
NET CHANGE IN CASH AND CASH EQUIVALENTS	
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	28 700
CASH AND CASH EQUIVALENTS AT END OF YEAR	

6.3 Calculate the debt / equity ratio on 31 August 2018

6.4 The directors decided to pay back a large portion of the loan. Do you think that this was a wise decision? Quote TWO relevant financial indicators and figures to support your opinion.

6.5 Besides paying back the loan, the directors have taken other major decisions that have affected the cash balances. State TWO other major decisions (exceeding R400 000) and quote the figures. In EACH case, state how the decision will affect the future of the company.

DECISION (with figures)	EFFECT ON THE FUTURE OF THE COMPANY

ACTIVITY 7: Cash Flow and Interpretation**Financial indicators for 2018**

7.1.1	Calculate: % operating expenses on sales	Answer

7.1.2	Calculate: Acid test ratio	Answer

7.1.3	Calculate: % return on shareholders' equity	Answer

Figures for 2018 Cash Flow Statement

7.2.1	Calculate: Change in Investments	Answer

7.2.2	Calculate: Income tax paid	Answer

7.2.3 Calculate: Fixed assets sold (at carrying value)

Answer

7.3

Identify THREE decisions in the Cash Flow Statement that the directors made to pay for land and buildings.

Decision 1 (with figures)	
Decision 2 (with figures)	
Decision 3 (with figures)	
Explain how these decisions (above) affected the ...:	
Capital employed	
Financial gearing	

7.4 Dividends and shareholding

7.4.1	Calculate: Total interim dividends paid	Answer
	Calculate: Interim dividends per share for 2018	
7.4.2	Calculate total dividends earned by Joy Finch for the 2018 financial year.	
7.4.3	Calculate the minimum number of additional shares that Joy should have bought.	

7.5

Give advice to the CEO on the:
Earnings per share

% return earned on shareholders' equity (ROSHE)

Share price on the JSE

Practise it!
Smash it!

