



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)					

<b>No</b>	<b>Calculations</b>	<b>Amount</b>	<b>Section</b>	<b>Item</b>
<b>(f)</b>				
<b>(g)</b>				
<b>(h)</b>				
<b>(i)</b>				

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

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

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

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

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

**2.2 Trade and other receivables (show calculations in brackets)**

Net trade debtors	
Trade debtors	

<p><b>Calculation for accrued rent income:</b></p>
<p><b>Calculation of prepaid insurance:</b></p>

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

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

**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**

		<b>2 400 000</b>
	<b>ordinary shares in issue at the end of the year</b>	

**Calculation of Average share price:**



**3.3.2 Retained Income**

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

**3.3.3 Trade and other payables**

<b>Trade creditors</b>	

**3.4 BALANCE SHEET ON 30 JUNE 2018 (EQUITY SECTION)**

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

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

<b>Average share price:</b>
<b>Value of repurchased shares:</b>

**4.2 Retained income**

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

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

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

**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:**

<b>(a) Income tax paid</b>	<b>Answer</b>
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<b>(b) Dividends paid</b>	<b>Answer</b>
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<b>(c) Fixed Assets purchased</b>	<b>Answer</b>
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<b>(d) Repurchase of shares</b>	<b>Answer</b>
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<b>(e) Change in long-term loans</b>	<b>Answer</b>
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<b>(f) Cash and Cash equivalents beginning of year</b>	<b>Answer</b>
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<b>(g) Net change in Cash and Cash equivalents</b>	<b>Answer</b>
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**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	<b>356 000</b>
Interest Expense	<b>104 000</b>
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**

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

**6.3 Calculate the debt / equity ratio on 31 August 2018**

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**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.**

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**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	<b>Calculate: % operating expenses on sales</b>	<b>Answer</b>
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7.1.2	<b>Calculate: Acid test ratio</b>	<b>Answer</b>
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7.1.3	<b>Calculate: % return on shareholders' equity</b>	<b>Answer</b>
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**Figures for 2018 Cash Flow Statement**

7.2.1	<b>Calculate: Change in Investments</b>	<b>Answer</b>
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7.2.2	<b>Calculate: Income tax paid</b>	<b>Answer</b>
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<b>7.2.3</b>	<b>Calculate: Fixed assets sold (at carrying value)</b>	<b>Answer</b>

<b>7.3</b>	<b>Identify THREE decisions in the Cash Flow Statement that the directors made to pay for land and buildings.</b>	
	<b>Decision 1 (with figures)</b>	
	<b>Decision 2 (with figures)</b>	
	<b>Decision 3 (with figures)</b>	
	<b>Explain how these decisions (above) affected the ...:</b>	
	<b>Capital employed</b>	
	<b>Financial gearing</b>	

**7.4 Dividends and shareholding**

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

7.5

<b>Give advice to the CEO on the: Earnings per share</b>
<b>% return earned on shareholders' equity (ROSHE)</b>
<b>Share price on the JSE</b>

