

**DIRECTORATE SENIOR CURRICULUM MANAGEMENT (SEN-FET)**

**HOME SCHOOLING SELF-STUDY QUESTIONS AND ANSWER BOOK**

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| **SUBJECT** | **ACCOUNTING** | **GRADE** | 11 | **DATE** | 18 May 2020 |
| **TOPIC** | **Analysis and interpretation of financial statements** |  **Term 2** |
| **TIME ALLOCATION** | **1 Hour** | **TIPS TO KEEP HEALTHY**1. **WASH YOUR HANDS** thoroughly with soap and water for at least 20 seconds. Alternatively, use hand sanitizer with an alcohol content of at least 60%.2. **PRACTICE SOCIAL DISTANCING** – keep a distance of 1m away from other people.3. **PRACTISE GOOD RESPIRATORY HYGIENE**: cough or sneeze into your elbow or tissue and dispose of the tissue immediately after use.4. **TRY NOT TO TOUCH YOUR FACE.** The virus can be transferred from your hands to your nose, mouth and eyes. It can then enter your body and make you sick. 5. **STAY AT HOME.**  |
| **INSTRUCTIONS** | **See Required**  |

**ACTIVITY 1: Financial indicators**

**REQUIRED:**

* Write the formula for the financial indicator and indicate which financial statement is the source.
* Place the relevant financial indicators from the list provided, into an appropriate category box. Put **X**.

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| **No**  | **Description**  | **Formula**  | **Source**  | **Profitability**  | **Operating efficiency** | **Liquidity**  | **Solvency**  | **Risk**  | **Returns**  |
| 1. | % gross profit on sales | Gross profit/sales x 100 | I.S | **x** |  |  |  |  |  |
| 2. | Net assets |  |  |  |  |  |  |  |  |
| 3.  | Current ratio |  |  |  |  |  |  |  |  |
| 4. | % operating profit on |  |  |  |  |  |  |  |  |
| 5. | Solvency ratio |  |  |  |  |  |  |  |  |
| 6. | Acid test ratio |  |  |  |  |  |  |  |  |
| 7. | % net profit on sales |  |  |  |  |  |  |  |  |

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| 8. | Net current assets |  |  |  |  |  |  |  |  |
| 9. | % operating expenses on sales |  |  |  |  |  |  |  |  |
| 10 | Debtors’ collection period |  |  |  |  |  |  |  |  |
| 11. | % gross profit on cost of sales |  |  |  |  |  |  |  |  |
| 12. | Creditors payment period |  |  |  |  |  |  |  |  |
| 13. | % return on partners equity |  |  |  |  |  |  |  |  |
| 14. | Debt equity ratio |  |  |  |  |  |  |  |  |
| 15. | Total amount earned by each partner |  |  |  |  |  |  |  |  |