

|  |  |
| --- | --- |
| **ACCOUNTING GRADE 12 TEST 3 SELF-STUDY (LOCKDOWN)**  **ANSWER BOOK****TOPIC : INCOME STATEMENT, NOTES, RATIO ANALYSIS AND AUDIT REPORT**  |  |

|  |
| --- |
| **QUESTION 1** |
|  |  |
| **GOVENDER LTD.** |
|  |  |

|  |  |
| --- | --- |
| **1.1.1** | **INCOME STATEMENT FOR THE YEAR ENDED 30 JUNE 2019** |
|  |

|  |  |  |
| --- | --- | --- |
| **Sales** **(5 590 000** |  |  |
| **Cost of sales (4 300 000**  |  |  |
| **Gross profit**   |  |  |
| **Other income**  |  |  |
| **Rent income** |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
| **Operating expenses**  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
|  |  |  |
| **Operating profit** |  |  |
| Interest income  |  |  |
| **Profit before interest expense**  |  |  |
| Interest expense |  **(251 460)** |  |
| **Profit before income tax**  |  |  |
| **Income tax**  |  |

|  |
| --- |
|  |
| **48** |

 |
| **Net profit for the year** | **630 000** |

 |
|  |  |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **1.1.2** | **Trade and other receivables**

|  |  |
| --- | --- |
|  |  |
| **Debtors (174 250** |  |
|  |  |
|  |  |
|  |  |
|  |  |

 |

|  |
| --- |
|  |
| **10** |

 |
|  |  |  |
| **1.1.3** | **Calculate the following financial indicators on 30 June 2019:** |  |
|  | **Net profit percentage on turnover** |

|  |
| --- |
|  |
| **3** |

|  |
| --- |
|  |
| **4** |

 |
|  |  |
|  | **Debt-equity ratio** |
| **1.1.4** | **The board of directors wants to acquire an additional loan to fund expansions within the company. Comment on why you think this is a good idea or not. Quote TWO financial indicators (with figures) to support your opinion.** |

|  |
| --- |
|  |
| **4** |

 |
| **1.2** | **Explain each audit opinion underlined in the extract below.**

|  |  |
| --- | --- |
| **Audit report** | **Description (audit opinion)** |
| **Qualified** |  |
| **Unqualified** |  |
| **Disclaimer** |  |

 |

|  |
| --- |
|  |
| **6** |

 |
|  |  |  |
|  |  |  |

|  |
| --- |
| **TOTAL MARKS** |
|  |
| **75** |