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|  Province of theEASTERN CAPEEDUCATION**DIRECTORATE SENIOR CURRICULUM MANAGEMENT (SEN-FET)****HOME SCHOOLING SELF-STUDY** **WORKSHEETS**

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| **SUBJECT** | ACCOUNTING | **GRADE** | 11 | **DATE** |  |
| **TOPIC** | Analysis and Interpretation of Financial statements: Revision of Grade 10 | **Term**  | 2 | **Week** | 5 |

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| **WORKSHEET 1** |  |
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| **GRADE** | 11 | **TERM**  | 2 | **WEEK** | 5 |

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| **ACTIVITY 1** |  |  |  |  |
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| 1. **Calculate the following financial indicators**
 |
| * 1. **Gross profit on sales**

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| **1.2 Gross profit on cost of sales** |
| **1.3 Net profit on sales** |
| * 1. **Operating expenses on turnover**
 |
|  **1.5 Return on owners’ equity (use average equity)**  |
|  **1.6 Current ratio**  |
|  **1.7 Acid test ratio**  |

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| 1. **Comment on the mark-up percentage achieved. Bear in mind that the business aims at a mark-up of 60% on cost.**
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| 1. **Comment on the percentage earned by the owner.**
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| 1. **Comment on the current and acid-test ratios.**
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| 1. **What is the amount of the owner’s drawings for the year? Bear in mind that he contributed a car valued at R56 800 as additional capital.**
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| **WORKSHEET 2** |  |
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| **GRADE** | 11 | **TERM**  | 2 | **WEEK** | 5 |

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| **ACTIVITY 2** |  |  |  |  |
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| **2.1 Calculate the percentage mark-up obtained by the business.** |
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| **2.2 Provide TWO reasons for the difference in the mark-up percentages.** **(See Information C)**  |
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| **2.3 Calculate the percentage gross profit on sales.** |
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| **2.4 Calculate the percentage net profit on sales.** |
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| **2.5 List ONE reason for the decrease in percentage in your calculations in**  **Questions 2.3 and 2.4**  |
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| **2.6 Calculate the return on average owner’s equity.** |
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| **2.7 Should the owner be satisfied with his percentage return?** **Explain quoting financial indicators to support your answer.** |
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| **2.8 Calculate the current ratio for 2020.** |
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| **2.9 Calculate the acid test ratio for 2020.** |
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| **2.10 Explain why trading stock is excluded in the calculation for the acid test** **ratio.** |
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| **WORKSHEET 3** |  |
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| **GRADE** | 11 | **TERM**  | 2 | **WEEK** | 5 |

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| **ACTIVITY 3** |  |  |  |  |
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| **3.1 Calculate the following financial indicators for the year ended**  **29 February 2020:** |
| * **Gross profit percentage on Cost of Sales**
 |
| * **Return on Owner’s Equity**
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| * **Solvency ratio**
 |
| * **Current ratio**

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| * **Acid-test ratio**
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| **3.2 Is the degree of solvency of the business satisfactory? Explain quoting**  **figures.** |
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| **3.3 Explain if the increase in the gross profit percentage was a good strategy.**  **Quote figures**  |
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| **3.4 Return on Owner’s Equity**  |
| * **Comment on the return on Owner’s Equity**
* **The owner is offered a maximum return on Investment of 8% by his financial Institution. Advise him about the offer.**
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| **3.5 Should the owner be satisfied with the profitability of the business? Explain**  **by quoting TWO relevant financial indicators.**  |
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| **3.6 Comment on the liquidity of the business by quoting TWO relevant financial**  **indicators.**  |
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| **WORKSHEET 4** |  |
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| **GRADE** | 11 | **TERM**  | 2 | **WEEK** | 5 |

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| **ACTIVITY 4** |  |  |  |  |
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| **4.1 Calculate the balance of the Capital account on 30 June 2019. The owner**  **contributed an additional R300 000 towards his capital during the year.**  |
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| **4.2 Calculate the following financial indicators:** |
| * **Mark-up % achieved**
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| * **% Net profit on turnover**
 |
| * **Current ratio**
 |
| * **Acid test ratio**
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| * **% Return on average owners’ equity earned**
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| **4.3 Should the owner be satisfied with the mark-up % achieved?**  **Explain quoting figures.**  |
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|  **4.4 In 2018 the owner earned 30% on his investment in this business.**  |
| * **Provide one reason why the owner should be satisfied with the return he received on his investment in 2019.**
 |
| * **Provide one reason why the owner would not be satisfied with the return on his investment in 2019.**
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| **WORKSHEET 5** |  |
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| **GRADE** | 11 | **TERM**  | 2 | **WEEK** | 5 |

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| **CLASS TEST** |  |  |  |  |
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| 1.1.1 |  |
| 1.1.2 |  |
| 1.1.3 |  |
| 1.1.4 |  |

**1.2 Calculate the following ratios for 2020 and comment.**

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| **1.2.1 Current ratio** |
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| **1.2.2 Acid test ratio** |
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| **1.2.3 Compare these results with those of 2019 and comment on the liquidity of**  **the business** |
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| **1.2.4 Calculate the percentage return on average owner’s equity.** |
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| **1.2.5 Should the owner be satisfied with this return? Motivate your answer.** |
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