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| Province of the  EASTERN CAPE  EDUCATION  **DIRECTORATE SENIOR CURRICULUM MANAGEMENT (SEN-FET)**  **HOME SCHOOLING SELF-STUDY**  **WORK SHEETS**   |  |  |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | | **SUBJECT** | | ACCOUNTING | **GRADE** | 11 | **DATE** |  | | | | | **TOPIC** | Analysis and Interpretation of Financial statements: Consolidation of Grade 10 and 11 | | | | | **Term** | 2 | **Week** | 7 | |

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| **WORKSHEET 1** | | | | | |  |
| **GRADE** | 11 | **TERM** | 2 | **WEEK** | 7 | |

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| **ACTIVITY 1** | |  |  |  |  |
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| * 1. **Calculate the following:** |
| * + 1. **Percentage mark-up on cost** |
| * + 1. **Percentage operating expenses on sales** |
| * + 1. **Total earnings of Zweli** |
| * + 1. **The percentage return earned by Themba** |
| **1.1. 5 The debt equity ratio for 2019** |

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| * 1. **Comment on the liquidity of the business. Quote and explain TWO financial indicators (with figures) in your answer.** |
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| * 1. **Were the partners justified in increasing the loan? Explain. Quote TWO financial indicators, with figures, in your explanation.** |
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| * 1. **Zweli is not happy with his return on Investment. Explain why you think he feels this way. Quote figures.** |
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| **WORKSHEET 2** | | | | | |  |
| **GRADE** | 11 | **TERM** | 2 | **WEEK** | 7 | |

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| **ACTIVITY 2** | |  |  |  |  |
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| * 1. **Calculate the following financial indicators on 30 June 2019:** |
| **2.1.1 Acid test ratio** |
| * + 1. **Debt equity ratio** |
| * + 1. **Percentage return on average partners equity** |

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| **2.2 The partners are pleased that the liquidity of the partnership has improved.**  **Quote THREE financial indicators to support their statement.** |

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| **2.3 The partners decided to increase the loan during the current financial year.**  **Quote TWO financial indicators that are relevant to their decision.**  **Explain why this was a wise decision or not.** |
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| **2.4 Should the partners be satisfied with the percentage return on average**  **partners equity? State TWO points to support your answer.** |
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| **WORKSHEET 3** | | | | | |  |
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| **GRADE** | 11 | **TERM** | 2 | **WEEK** | 7 | |

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| **ACTIVITY 3** | |  |  |  |  |
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| * 1. **Calculate the Net Profit for the year by drafting the Appropriation account in**   **the General Ledger.** |
| **FINAL ACCOUNTS SECTION**  **APPRORIATION ACCOUNT**   |  |  |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | |  |  |  |  |  |  |  |  |  |  | |  |  |  |  |  |  |  |  |  |  | |  |  |  |  |  |  |  |  |  |  | |  |  |  |  |  |  |  |  |  |  | |  |  |  |  |  |  |  |  |  |  | |

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| * 1. **Calculate the mark-up percentage achieved by Kei Curios.** |
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| * 1. **Do you feel that it is ethical for Tshabalala and Mfeya to earn such large**   **income while the members of the community get paid very little for the craft**  **works that they provide to the shop? Give TWO reasons for your answer.** |
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| * 1. **Is the business solvent? Complete the necessary ratio and explain your decision.** |
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| * 1. **Calculate the following:** |
| * + 1. **Partners’ equity on 29 February 2020.** |
| * + 1. **The return on average equity for the business for 2020.** |
| * + 1. **The interest rate on the mortgage loan.** |

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| * 1. **Comment on the business’s return and gearing for 2020. Quote figures to support your answer.** |
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| **WORKSHEET 4** | | | | | |  |
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| **GRADE** | 11 | **TERM** | 2 | **WEEK** | 7 | |

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| **ACTIVITY 4** | | |  |  |  |  | |
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| **4.1 Complete the Current Account note to the Balance Sheet**  **(Refer to point B)** | | | | | |
| **CURRENT ACCOUNT NOTE**   |  |  |  |  | | --- | --- | --- | --- | |  | **SAM** | **TOM** | **TOTAL** | |  |  |  |  | |  |  |  |  | | **Bonus** | **-** | **20 160** | **20 160** | | **Primary distribution of profits** | **192 600** | **196 680** | **389 280** | |  |  |  |  | | **Net profit as per Income Statement** | **206 100** | **205 680** | **411 780** | |  |  |  |  | | **Retained income for the year** | **30 960** | **82 272** | **113 232** | |  |  |  |  | | **Balance at end of the year** | **39 060** | **70 512** | **109 572** | | | | | | |

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| * 1. **Calculate the following financial indicators:** |
| **4.2.1 Debt equity ratio** |
| * + 1. **Acid test ratio** |
| * + 1. **Percentage return on investment earned by Sam.** |

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| **4.3 Should Sam be satisfied with his return on investment?**  **Explain and quote relevant figures or financial indicators to support your**  **answer.** |
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| **4.4 Tom was concerned that the percentage net profit on sales decreased although the operating profit on sales has improved. Provide him with an explanation. Quote appropriate figures in your explanation.** |
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| **4.5 Comment on the liquidity position of the business.**  **Quote TWO financial indicators (with figures) in your response.** |
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| **4.6 Sam wants to increase the loan by an additional R150 000 to make improvements to the existing buildings. What advice would you offer him? You must make reference to financial indicators and figures to support your advice.** |
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| **WORKSHEET 5** | | | | | |  |
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| **GRADE** | 11 | **TERM** | 2 | **WEEK** | 7 | |

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| **ACTIVITY 5** | |  |  |  |  |
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| **5.1 Calculate the missing amounts on the table provided (denoted by A to G)** |
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| * 1. **Calculate the following financial indicators:** |
| **5.2.1 Debt equity ratio** |
| * + 1. **Percentage return earned by Yolisa. (Use the average equity)** |

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| **5.3 Yonela feels that the business is in a sound liquidity position.**  **Explain why you think he feels this way.**  **Quote TWO financial indicators (with figures) to motivate your answer.** |
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| **5.4 Yolisa is not satisfied with her percentage return on equity compared to that**  **of Yonela.**  **Give ONE possible reason why she feels this way.**  **Quote figures to motivate your answer.** |
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| **5.5 The business wants to expand their operations and have discussed**  **extending the existing building. This venture is expected to cost R200 000.**  **By looking at the financial statements and the financial indicators, suggest**  **different ways in which this project can be financed. Give TWO points.** |
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