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| **ACCOUNTING GRADE 12 TEST 5 SELF-STUDY (LOCKDOWN)**  **ANSWER BOOK**  **TOPIC : CASH FLOW STATEMENT AND INTERPRETATION** |  |

**QUESTION 1: CASH FLOW STATEMENT AND INTERPRETATION (63 Marks; 35 Minutes)**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **1.1** | | **Choose an accounting concept from Column B that best matches the analysis questions in Column A.** | | | |  | |
|  | | **1.1.1** | |  | |  | |
|  | | **1.1.2** | |  | |  | |
|  | | **1.1.3** | |  | | **3** | |
|  | |  | |  | |  | |
|  | | **1.2.1** | | **Ordinary share capital** | |  | |
|  | |  | | |  |  |  | | --- | --- | --- | | **Authorised shares: 1 500 000**  **Issue** | | | |  |  |  | |  |  |  | |  |  |  | |  |  |  | | | |  | | --- | |  | | **8** | | |
|  | | **1.2.2** | | |  |  | | --- | --- | | **Calculations** | **Answers** | | **Tax paid** |  | |  |  | |  |  | |  |  | | **Dividend paid** |  | |  |  | |  |  | |  |  | | **Purchases of tangible assets** |  | |  |  | |  |  | |  |  | | | |  | | --- | |  | | **5** |  |  | | --- | |  | |  | | **4** | |  | |  | | **5** | | |
|  | | **1.2.3** | | **Calculate: Debt-equity ratio** | |  | |
|  | |  | | |  |  | | --- | --- | | **Workings** | **Answer** | |  |  |   **Calculate: Return on total capital employed (ROTCE)** | | |  | | --- | |  | | **4** | | |
|  | |  | | |  |  | | --- | --- | | **Workings** | **Answer** | |  |  | | | |  | | --- | |  | | **8** | | |
|  | |  | | **Calculate: Net asset value per share (NAV)** | |  | |
|  | |  | | |  |  | | --- | --- | | **Workings** | **Answer** | |  |  | | | |  | | --- | |  | | **4** | | |
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|  | | **1.2.4** | | **Calculate the minimum number of shares Matshayana must buy when the unissued shares have been issued.** | |  | |
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|  | |  | |  | | **4** | |
|  | |  | | **Matshayana wants to purchase the additional shares at R3,00 without advertising the shares to the public. Give TWO reasons why you would not approve of this.** | |  | |
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|  | |  | |  | | **4** | |
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|  | | **1.2.5** | | **The directors are of the opinion that the liquidity has decreased. Quote THREE financial indicators (with figures) to support this opinion.** |  | |
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|  | |  | |  | **6** | |
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|  | | **1.2.6** | | **How was the purchase of the buildings financed?** |  | |
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|  | |  | |  | **2** | |
|  | |  | | **Explain how this decision has had an impact on degree of risk and gearing of the company.** |  | |
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|  | |  | |  | **6** | |
|  |  | | |  | | --- | | **TOTAL MARKS** | |  | | **63** | | |  | |