

Monyetla Project – Accounting Gr 12 (2022)

Lesson 2: Companies: Selling and buying of shares – Notes 7 & 8

ACTIVITY 1: MANI LTD (20 marks; 16 minutes)

The following information was extracted from the books of Mani Ltd for the year ended 30 June 2020.

REQUIRED:

Prepare the following notes to the Balance Sheet on 30 June 2020:

- Ordinary Share Capital (10)
- Retained Income (10)

INFORMATION:

A. Extract from the Income Statement on 30 June 2020:

Sales	R11 440 000
Gross profit	4 290 000
Depreciation	510 000
Interest expense	132 000
Net profit before tax	1 048 000
Income tax	314 400

B. Extract from the Balance Sheet on 30 June:

	30 June 2020	30 June 2019
Fixed assets (carrying value)	R9 806 000	R8 410 800
Investments / Fixed deposit	80 000	120 000
Shareholder's equity	?	?
Ordinary share capital	?	7 600 000
Retained income	388 600	?
Loan: Viva Bank	1 250 000	950 000
Cash and cash equivalents	2 500	98 500
Bank overdraft	65 300	-
SARS (Income tax)	(Cr) 22 300	(Dr) 31 000
Shareholders for dividends	264 000	320 000

C. Share capital

The authorised share capital comprises 1 200 000 ordinary shares.

1 July 2019	Issued shares capital comprised 800 000 ordinary shares
1 October 2019	Additional shares issued at R9,80 per share
31 March 2020	120 000 ordinary shares repurchased at R10 per share
30 June 2020	Closing balance comprised 880 000 ordinary shares

D. Dividends

- Total dividends for the year amounted to R514 000
- An interim dividend was paid on 1 December 2019 and a final dividend was declared on 30 June 2020. Only shareholders in the share register were entitled to dividends.

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B. Extract from the Balance Sheet on 30 June:

	30 June 2020	30 June 2019
Fixed assets (carrying value)	R9 806 000	R8 410 800
Investments / Fixed deposit	80 000	120 000
Shareholder's equity	8 801 400	7 821 800
Ordinary share capital	8 412 800	?
Retained income	388 600	?
Loan: Viva Bank	1 250 000	950 000
Cash and cash equivalents	2 500	98 500
Bank overdraft	65 300	-
SARS (Income tax)	(Cr) 22 300	(Dr) 31 000
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ACTIVITY 3: MANI LTD**(20 marks; 16 minutes)**

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- Ordinary Share Capital (10)
- Retained Income (10)

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Shareholder's equity	8 801 400	7 821 800
Ordinary share capital	?	7 600 000
Retained income	?	221 800
Loan: Viva Bank	1 250 000	950 000
Cash and cash equivalents	2 500	98 500
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