QUESTION 1

1.1

1.1.1	Internal auditor ✓	
1.1.2	External auditor ✓	
1.1.3	Directors ✓	

3

1.2 PRUDENCE LTD

1.2.1 ORDINARY SHARE CAPITAL

Mark shares repurchased first; use same ASP*

900 000 ✓ 1 200 000 x 75%	Balance on 1 March 2021 900 000 x 8,50* see below	7 650 000 ☑☑* No. of shares x ASP*
(80 000) *ignore brackets*	Shares repurchased *any one part correct* 80 000 x R8,50*	(680 000) ✓☑ *ignore brackets* *# do not accept 136 000 as a final answer*
150 000	Shares issued on 1 December 2021 Inspect correct operation	984 000 ☑ balancing figure
970 000 ☑ operation & one part correct	Balance on 28 February 2022	**7 954 000**

7

RETAINED INCOME

Balance on 1 March 2021 Check operation from bottom up; [+ OSD + SRepur – NPAT]	753 000 ☑ balancing figure
Net profit after tax 438 000 x 70/30	1 022 000 ✓✓
Shares repurchased ignore brackets	(136 000) ✓
Ordinary share dividends ignore brackets	(443 000) ☑ Interim + Final Div
Interim dividends 820 000 x 28 cents OR 28% / 0,28	229 600 ✓☑ one part correct
Final dividends	**213 400**
Balance on 28 February 2022	**1 196 000**

7

1.2.2 STATEMENT OF FINANCIAL POSITION (BALANCE SHEET) ON 28 FEBRUARY 2022

ASSETS	
NON-CURRENT ASSETS TA – CA	12 030 000 ☑
Fixed assets NCA – FD	11 781 000 ☑
Fixed deposit 489 000 – 240 000 **4**	249 000 ✓✓
CURRENT ASSETS	**2 080 000**
Inventory	966 600 ☑ balancing figure
Trade and other receivables 875 000 ✓ – 26 250 ✓✓ + 25 600 ✓✓ – 17 950 ✓ + 12 000*✓ 12 800 one mark Prov for BD (23 640 + 2 610); Rent inc (12 800 + 12 800) (102 400 x 2/8); Trf debtor; SARS (450 000 – 438 000) *SARS: Income tax may be shown separately; must be CA (wrong if CL)	868 400 ☑ Operation; one part correct See principle 4
Cash and cash equivalents (240 000 ✓ + 5 000 ✓)	245 000 two marks
TOTAL ASSETS see total SHE+NCL+CL	14 110 000 ☑
12	
EQUITY AND LIABILITIES	
SHAREHOLDERS' EQUITY	**9 150 000**
Ordinary share capital	**7 954 000**
Retained income	**1 196 000**
NON-CURRENT LIABILITIES 9 150 000 x 0,4	3 660 000 ✓✓*
Loan: XY Bank **2** *Award TWO marks if calculation shown on this line	3 660 000
CURRENT LIABILITIES 2 080 000 / 1,6	1 300 000 ✓✓
Trade and other payables 617 450 ✓ + 48 000 ✓ – 17 950 ✓ Audit fees; Trf Debtor Ignore SARS 12 000 / 450 000 / 438 000 if shown in CL	647 500 ☑ Operation one part correct See principle 4
Shareholders for dividends**	213 400 ✓
Current portion of loan** **May be part of workings of T&OP	228 000 ✓
Bank overdraft	211 100 ☑ operation; balancing figure can be negative
TOTAL EQUITY AND LIABILITIES SE + NCL + CL **10**	14 110 000 ☑

28

TOTAL MARKS	**45**