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Department of Education**

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GAUTENG DEPARTMENT OF EDUCATION

ACCOUNTING

CASS PORTFOLIO

GRADE 12

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1. What is a portfolio?

A portfolio is a collection of a learner's work and is determined by the Subject Assessment Guidelines (SAG).

A variety of items are organised in a certain format that will then form the learner's portfolio. It should **always** be available in the classroom, so that the learners can work on it whenever they find it necessary to do so. Items, which **can** be included in such a portfolio are, tasks (presentation-, case study-, writing report-), project, controlled tests and examinations, which are collected over a period of time and which serve a specific purpose.

Portfolios are also defined as an ongoing systematic collection of products that represent milestones in the learner's journey towards excellence. This collection includes items, which represent the whole curriculum, and also shows how the learner's journey has progressed towards completion of the curriculum.

The collection of portfolio tasks serves as a summary of the learner's progress throughout the year. Portfolios enable the teacher to find out more about the learner as an individual, but the learners also find out more about themselves.

Arter and Spandel summarise the main characteristics of portfolios when they describe it as follows: "A portfolio is a purposeful collection of student work that tells the story of the student's efforts, progress or achievement in given area(s). This collection must include student participation in selection of portfolio content, the guidelines for selection, the criteria for judging merit and evidence of student self-reflection."

It is thus emphasised that a portfolio is an arrangement of the characteristics of authentic assessment. It makes continuous assessment possible and includes a rich variety of items as evidence of that which the students know and can do. The content of portfolios can be created within realistic contents. In addition, it can also be a reflection of the process of product development. It provides an excellent opportunity to transform assessment into a learning experience. Think of the portfolio as a mechanism whereby a story is told – a story that will communicate something about the learner to the reader.

2. Purpose

The primary reasons for using portfolios as a collection of evidence include:

- authentic assessment of the learner's accomplishment of learning outcomes
- authentic assessment of the quality of learner's sustained work
- documenting improvement of learners' work

3. Assessment in Grade 12

In Grade 12, assessment consists of two components: a Programme of Assessment which makes up 25% of the total mark for Accounting and external assessment which makes up the remaining 75%. The Programme of Assessment for Accounting comprises seven tasks that are internally assessed. The external assessment component comprises of one written paper.

Together the programme of assessment and the external assessment component make up the annual assessment plan for Grade 12.

The following diagram shows the annual assessment plan for Accounting:

Annual assessment plan for Accounting, Grade 12

Assessment Tasks	Term One	Term Two	Term Three	Term Four	% of final promotion mark
Controlled Tests	1	1			20
Mid-year examination		1			10
Trial examination			1		25
Tasks (presentation-, case study-, writing reports-)	1		1		20
Project	1				25
Portfolio mark					100
External Assessment					
Final examination					300

} PORTFOLIO (25%)

} 75%

4. Content of portfolios

The content for portfolios for Accounting is guided by the programme of assessment as stipulated in the Subject Assessment Guidelines (SAG).

5. Programme of Assessment in Grade 12

Any activity (tasks, tests and examinations) must clearly indicate the Learning outcomes and assessment standards assessed by the relevant activity.

5.1 Controlled Tests

Two of the assessment tasks should be tests written under controlled conditions at a specified time. A test should last at least 60 minutes and count a minimum of 100 marks. Learning outcomes and different assessment

standards must be integrated when setting a test. Tests should also include aspects of internal control, ethics and problem solving questions

5.2 Assessment Tasks

The assessment tasks should be carefully designed tasks, which give learners multiple opportunities to research and explore the subject in exciting and varied ways.

Two assessment tasks are given for the year. The assessment tasks will contain topics related to assessment standards. Examples of assessment task are provided as a guide in Annexure F. The two tasks should have different topics.

5.2.1 Research Tasks

- **What is a Research task?**

In our modern society, information is freely available through multiple media sources ranging from books, periodicals to the internet. With such an abundance of information, most of it irrelevant and some of it unreliable, it is crucial that learners develop the ability to distinguish between “good” and “bad” information.

The research task does exactly this. When learners are doing research on a topic, the research should be structured and directed by the educator in order for learners to:

- Find relevance to the topic
- Develop critical thinking skills
- Interpret and summarize information

These points illustrate how it is then impossible for a learner to merely site and regurgitate a mass of information, rather than to sift, summarize and state findings upon completion of research.

In short, research helps us to:

- ✓ Systematically investigate, search in order to discover facts, collect information on a subject.
- ✓ Interpret / sift and summarize information.
- ✓ Establish logic order in information (technological process)
- ✓ Verify principles / concepts
- ✓ Give recognition of the information utilized and its sources

A research task will typically contain:

1. A research brief – Designed by the educator
2. Assessment Criteria – Stipulated by the educator
3. Time frames for submission
4. Completed research task of the learner.
5. Presentation of findings (This would in most instances be the completed task, but educators may want to add a visual presentation as an added challenge to stronger candidates.)

When learners submit their tasks, it is the educator's responsibility to fully assess the whole task. After the final submissions have been made, the assessment thereof is final and no further opportunities are given for learners to improve on their efforts.

5.2.2 What is a Case study?

A case study is an ideal methodology when a holistic, in depth investigation is needed (Faegin, Orum & Sjoberg, 1991)

Specific types of case studies include exploratory, explanatory, descriptive, intrinsic, instrumental and collective case studies. In Accounting the focus of case studies are directed mainly toward explanatory and instrumental case studies, which are case studies that intend to illustrate principles and drive home certain principles needed to develop understanding of curriculum.

The selection of cases must be done so as to maximize what can be learned in the period of time available for the study. In other words, the educator will structure the information and responses learners can give in a case study, as opposed to the rather open response you would find in a research task. Case studies are shorter in terms of time. Case studies tend to be selective, focussing on one or two issues that are fundamental to understanding the system being examined.

The procedure for setting a case study includes:

- Design the case study protocol:
 - a. Determine the required skills
 - b. Develop and review the protocol (The HOW)
- Conduct the case study
 - c. Prepare for data collection
 - d. Distribute the questionnaire
 - e. Conduct interviews (if needed)
- Analyse case study evidence
 - f. Analytic strategy (How will the learner show evidence of learning?)
- Develop conclusions, recommendations, and implications based on the evidence.

In an Accounting case study you will then typically have:

- Specific information on a range of related topics (e.g.. Budget: content ethics and internal control.)
- Instructions / Questions relating to the information given. This is one in order to limit the time. The learner does not have to search outside of the given information to answer the questions.
- Interpretation of information. This could also include simulations and presentation.

5.2.3 Presentation

Presentations can be given as a separate task or assignment. Written proof of the presentation must be included in the portfolio. All criteria used to assess

the presentation must be discussed with the learners prior to the commencement of the presentation.

This is an activity that allows learners to demonstrate manual and/or behavioural skills. The assessment may be based on the end-result of the activity (the product), or the carrying-out of the activity (the process), or a combination of both.

Possible uses:

Demonstration of skill (Record information in the books of first entry or interpret financial statement and write a report on the findings)

5.2.4 **Project:**

A project is a “natural lifelike” learning activity involving investigation and solving problems by an individual or small groups of learners. Ideally it should consist of a task in which the learner sets out to attain some definite goal of real personal value.” (Clarke and Starr: 1981)

Learners will be required to complete 1(one) project.

A suggestion is that projects are dealt with towards the end of the 1st term for submission during the second term. However, schools will decide projects dates according to their programme.

The resources required for the project should be accessible to your learners. The learners and parents must not be unduly burdened with extra expenses.

Learners should be given the necessary guidance prior to commencement of the project and progress must be monitored. All criteria used to assess the project must be discussed with the learners.

When preparing a project the following minimum requirements should be met:

- a front page
- a table of contents.
- text must be divided into paragraphs / sections
- references of sources must be indicated.
- text could include inter alia: pictures, photos, diagrams, graphs etc
- be bound or stapled in an acceptable way.

A project is any exercise or investigation in which the time constraints are more relaxed.

Projects are:

- Practical
- Comprehensive and open-ended
- Tackled without close supervision, but with assessor guidance and support

The assessor directs the choice of the project, usually by providing the learner with a topic or brief for the investigation.

Possible uses:

- Comprehensive range of skills can be assessed
- Integration of activities

When assessing a project the following rubric can help teachers to score the learners. With the rubric different aspect of the project can be assessed, namely:

- The research process
- Technical aspects (the framework)
- The content
- How the project is communicated

See **SAG** page 25 for a rubric example.

5.3 Examinations

The mid-year and trial examinations for Grade 12 should each consist of one paper and each will count 300 marks. The suggested duration of the paper is 3 hours. All the questions are compulsory.

For the weighting of the learning outcome refer to the SAG page 16.

6. Learner's portfolio

The learners' portfolio should be well planned, organised and presented in a neat manner, for example, a file. It should include the following:

- a contents page;
- a declaration by the learner;
- a summary of marks;
- the tests, examinations and assessment tasks each clearly separated from the next in accordance with the contents page.

7. Teacher's portfolio

It is required from the Department of Education that a teacher's portfolio should accompany the learners' portfolios. It should follow the same logical order as the learner portfolio. This portfolio should include the following:

- a contents page;
- the formal Programme of Assessment;
- record sheets for each class (working mark sheets).
- a continuous moderation report; (school, cluster & district)
- the requirements of each of the assessment tasks (e.g. tasks, tests and examination papers); and
- the tools / model answers used for assessment for each task (e.g. memorandums, checklists, rubrics).

8. Evaluating portfolios

Periodic monitoring and evaluation of portfolios should be conducted at a time predetermined by the teacher and his learners. Logical times for evaluation would be at the conclusion of a project, the end of a programme or unit, term or academic year.

The teacher must make sure that every assessment task is marked and captured. Marks on the teacher's record sheets (mark sheet) must correspond with the marks in the learners' portfolios.

Moderation of the assessment tasks should take place at three levels during the year.

LEVEL	MODERATION REQUIREMENTS
School	The Programme of Assessment should be submitted to the subject head and School Management Team before the start of the academic year for moderation purposes. Each task which is to be used as part of the Programme of Assessment should be submitted to the subject head for moderation before learners attempt the task. Teacher portfolios and evidence of learner performance should be moderated thrice a year by the head of the subject or her/his delegate.
Cluster/ District	Teacher portfolios and a sample of evidence of learner performance must be moderated thrice during the first three terms of each year.
Provincial/ National	Teacher portfolios and a sample of evidence of learner performance must be moderated once a year.

Example of Portfolio Assessment Grid / Tool

Teacher & Learner Portfolio Assessment Grid		Assessment Level					
		Yes	No	4	3	2	1
Working Mark sheet (Y/N)							
Index in file?							
File in logical and easily accessible order?							
Assignments	Is the assignment brief clear?						
	Are assessment criteria listed?						
	Are performance indicators listed?						
	Is the marking grid / rubric included?						
	Is the marking grid / rubric relevant to the assessment task?						
	Memorandum / possible answers included						
	Was Developmental feedback given to learners?						
	Was assessment done on a Grade 12 level?						
	Preparation and Presentation						
	Assessment of assignment accurate / relevant and on par with requirements. If not please see comments.						
Calculations	Are calculations representative of the curriculum?						
	Are memoranda included?						
	Are all tests / worksheets marked and scored?						
Assignments	Is information clear and concise?						
	Did the educator use alternative measures to ensure that learners understand the brief?						
	Are assessment criteria listed?						
	Are performance indicators listed?						
	Is the marking grid / rubric included?						
	Is the marking grid / rubric relevant to the assessment task?						
	Memorandum / possible answers included						
	Was Developmental feedback given to learners?						
	Was assessment done on a Grade 12 level?						
	Preparation and Presentation						
Assessment of assignment accurate / relevant and on par with requirements. If not please see comments.							
Overall	Is the assessment of learners work reliable / credible and in line with the rest of Gauteng Province?						
	Do the educators need additional support? If yes, please see comments.						
	Are there any specific areas of concern? If yes, please see comments.						

Comments

Educator

HOD / Peer Educator

Cluster Leader

Date

	1	2	3	4
Assessment Levels	Unacceptable, immediate intervention required	Not Yet competent: additional support is needed	Competent and on standard	Exceeded all expectations and performed above standard

ACCOUNTING GRADE 12 LEARNER'S PORTFOLIO

NAME OF SCHOOL: _____

NAME OF CANDIDATE: _____

EXAMINATION NO: _____

CENTRE NO: _____

ACCOUNTING GRADE 12 EDUCATOR'S PORTFOLIO

NAME OF SCHOOL:

NAME OF EDUCATOR:

CENTRE NO:

Annexure C

**GAUTENG DEPARTMENT OF EDUCATION
DISTRICT _____****NAME OF SCHOOL:** _____**SUBJECT AND GRADE:** _____**NAME OF LEARNER:** _____**STATEMENT BY LEARNER:**

I declare that the work contained in this portfolio is my own or our group's original work.

Signature of learner: _____ Date: _____

STATEMENT BY SUBJECT EDUCATOR:

As far as I am able to ascertain, the work in this portfolio is the original work of this learner or his/her group. All required work has been included in the portfolio.

Signature of educator: _____ Date: _____

SCHOOL STAMP

Annexure D

INDIVIDUAL LEARNER'S MARK SHEET FOR ACCOUNTING

NAME OF LEARNER: _____

GRADE: _____

NAME OF EDUCATOR: _____

1. Tasks

1 (%)	2 (%)	TOTAL (200)	CONVERT (20)

2. Project

(%)	CONVERT (25)

3. Control tests

1 (%)	2 (%)	TOTAL (200)	CONVERT (20)

4. June examination

(%)	CONVERT (10)

5. Trial examination

(%)	CONVERT (25)

PORTFOLIO MARK (1+2+3+4+5 = 100)	
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Annexure F**Task 1: REPORT****[120]****LEARNING OUTCOMES AND ASSESSMENT STANDARDS:**

LO1	Financial Information
12.1.4	Analyses and interprets bank, debtors and creditors reconciliation
LO3	Managing Resources
12.3.3	Interprets and reports on asset disposal
12.3.5	Discusses disciplinary and punitive measures to be applied for non-compliance to the code of ethics and the role of professional bodies
12.3.6	Apply internal control and internal audit processes in a business environment

CRITICAL AND DEVELOPMENTAL OUTCOMES:

CO1	Identify and solve problems and make decisions using critical and creative thinking
CO4	Collect, analyse, organise and critically evaluate information
CO5	Communicate effectively using, visual, symbolic and/or language skills
CO7	Demonstrate an understanding of the world as a set of related systems by recognizing that problem solving contexts do not exist in isolation
DO1	Explore a variety of strategies to learn more effectively
DO5	Develop entrepreneurial opportunities

ASSESSMENT METHOD(S) AND TOOLS:

METHOD(S)	TOOLS
Educator	Marking memorandum
Educator	Rubrics

SKVAs:

KNOWLEDGE	Concepts Calculations
SKILLS	Planning Communication Listening Calculating
VALUES AND ATTITUDE	Responsibility Working ethics

Activity 1

You have been approached by 2 different businesses to become a partner in the respective operations. You will be required to invest a considerable sum of money in the business so you are particularly concerned about the liquidity control being exercised. The 2 businesses have furnished you with the figures regarding their liquidity for the past 2 years.

You are asked to prepare a report in which you make a thorough analysis of the figures, the following calculations are necessary: **rate of stock turnover, debtor's average collection period, creditor's average payment period**, and then a substantiated decision on which business you would invest in. The report must address the following aspects:

- Terms of reference
- Procedure
- Findings
- Conclusion
- Recommendations

	SURFER GIRL		BILLABONG	
	2007	2006	2007	2006
Sales	500 000	450 000	600 000	800 000
Cost of sales	300 000	275 000	400 000	700 000
Debtors	36 000	24 000	85 000	90 000
Creditors	60 000	72 000	38 000	48 000
Trading stock	44 000	30 000	100 000	110 000
Gross Profit				

NOTE: ASSUME ALL SALES AND PURCHASES ARE ON CREDIT

SUGGESTED RUBRIC

CRITERIA	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 4
Terms of reference	Totally wrong	Three or four aspects had been left out	One or two aspects of the background had been left out	Learners addressed the WHO? Instructed then to do WHAT? HOW it should be done and WHEN it should be completed.
Procedure	No mentioning of what is analysed and compared	Three to four aspects are omitted	One or two aspects are omitted	A thorough analysis of the rate of stock turnover, debtor's average collection period and creditors average payment period of Surfer Girl and Billabong was made and then compare

Calculations/ Findings	Shows evidence that they do not understand which calculations to make	Some of the calculations are made	All necessary calculations are made but with some errors	All necessary calculations are made accurately
Comments on calculations/ Conclusions	Comments not appropriate to the calculations	Some attempt to make appropriate comments	Good comments made on calculations	Excellent comments showing great insight made on calculations/ findings
Recommendations	Inappropriate recommendations made	Some attempt to make appropriate recommendations	Good recommendations based on figures and conclusions	Excellent recommendations based on figures and conclusions

POSSIBLE SOLUTION

Learners are to write a report on which business to invest in. They are to include the workings of the calculations given below as well as comments thereon. Finally they are to make a suggestion. There is no right or wrong answer – it is important that the learners substantiate the decision based on the calculations and comments. Use the rubric to assess the report

Broad format of the report

1. Terms of reference:
Who instructed them to investigate (the compiler); the feasibility of investing in Surfer Girl or Billabong? The report had to include recommendations. The report had to be completed by a certain date.
2. Procedure
Learners have to indicate how they collected their information.
3. Findings
When Surfer Girl and Billabong were compared the following was found.
Learners must indicate their calculations

CALCULATIONS

4. Conclusion

Learners must draw a conclusion from the findings – they must comment on the calculations

- Period taken by debtors to pay
- Period taken to pay creditors
- Period taken to sell the stock

5. Recommendations

Learners must make recommendations, based on the conclusion.

ACTIVITY 2

You are involved in the process of auditing the books of Molapo Distributors Ltd. The chief financial accountant advises you that there is suspicion that the bookkeeper has purchased listed shares using company funds for personal use.

Required:

1. What can you do to establish whether the suspicion is true or not? (4)
2. If you were the accountant of the company what steps would you take to avoid a similar situation? (4)

3. If the bookkeeper were found guilty what disciplinary measures would you recommend and give a reason to support your view. (4)

ACTIVITY 3**INFORMATION:**

The following information of two debtors was taken from the books of Bakwar & Warbak partners. Answer the question after completing the debtors' age analysis statement.

Name of debtor	Balance	Current amount	1 month	2 Months	3 Months	More than 3 months
L Ngwenya						
B JayZee						
Total						
% of Total						

Transactions with L Ngwenya from 01 February 2008 to 31 July 2008

Date	Description	Debit	Credit	Balance
01/02/08	Balance	3 400		
28/02/06	Sales	1 600		5 000
11/03/06	Payment received		5 000	0
15/03/06	Sales	6 200		6 200
20/03/06	Sales	2 400		8 600
31/03/06	Payment received		5 000	3 600
06/04/06	Sales	3 700		7 300
30/04/06	Payment received		2 000	5 300
11/05/06	Sales	7 900		13 200
27/05/06	Payment received		6 000	7 200
05/06/06	Sales	2 900		10 100
12/06/06	Sales	3 300		13 400
29/06/06	Payment received		7 400	6 000
10/07/06	Sales	8 600		14 600

Transactions with B JayZee from 01 February 2008 to 31 July 2008

Date	Description	Debit	Credit	Balance
01/02/08	Balance	2 400		
08/02/06	Sales	3 600		6 000
01/03/06	Payment received		5 000	1 000
18/03/06	Sales	4 200		5 200
22/03/06	Sales	12 400		17 600
31/03/06	Payment received		9 700	7 900
06/04/06	Sales	6 700		14 600
28/04/06	Payment received		12 000	2 600
13/05/06	Sales	7 800		10 400
25/05/06	Sales	3 500		13 900
29/05/06	Payment received		12 000	1 900
04/06/06	Sales	9 400		11 300
10/06/06	Sales	2 300		13 600
19/07/06	Sales	4 600		18 200

REQUIRED:

1. Use the information and complete the debtor age analysis by using the following format. (24)
2. What conclusion can you make when looking at the percentage of outstanding debtors? (2)
3. Do you think that the credit arrangement policy of Bakwar & Warbak partners is effective? Explain. (6)
4. You have been asked to give advice to Bakwar & Warbak partners how they could handle the two accounts. What will be your recommendation? (6)

Task 2: PRESENTATION**LEARNING OUTCOMES & ASSESSMENT STANDARDS:**

LO 2	Managerial Accounting
12.2.3	Analyse and interpret projected income statements and cash budgets for sole traders
LO3	Managing Resources
12.3.6	Apply internal control and audit processes in a business environment

CRITICAL & DEVELOPMENTAL OUTCOMES:

CO1	Identify and solve problems and make decisions using critical and creative thinking
CO4	Collect, analyse, organise and critically evaluate information
CO5	Communicate effectively using, visual, symbolic and/or language skills
CO7	Demonstrate an understanding of the world as a set of related systems by recognizing that problem solving contexts do not exist in isolation
DO1	Explore a variety of strategies to learn more effectively
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ASSESSMENT METHOD(S) AND TOOLS:

METHOD(S)	TOOLS
Educator	Marking memorandum
Educator	Rubrics

SKVAs:

KNOWLEDGE	Concepts Calculations
SKILLS	Planning Communication Listening Calculating
VALUES AND ATTITUDE	Responsibility Working ethics

Activity 1

Sasha, who is involved in the tourism industry, has guest house that is located at Pimville Zone 7 in Soweto. This guesthouse can currently accommodate 20 people at the time. Sasha has signed a contract with an international recognised travel agent from Brazil. As result of this agreement and the anticipated increase in the number of tourists for the 2010 Soccer World Cup, turnover is expected to increase by 60%.

Sasha has taken the last financial year's figures and has produced a budget for the next financial year taking into account the expected increased turnover. Sasha employs five people at present to run the guesthouse. She is intending to employ five people on temporary (part time) basis. Sasha intends to purchase the property next to her guesthouse.

**REKETLILE GUEST HOUSE
BUDGET FOR THE YEAR ENDED 28 FEBRUARY 2008**

	ACTUAL 2007	ACTUAL 2008
CASH RECEIPTS		
Cash Sales	500000	700000
Collection from debtors	50000	90000
Loan from Standard bank	0	250000
Fee income from Promoters	80000	85000
TOTAL RECEIPTS	630000	1125000
CASH PAYMENTS		
Wages	200000	250000
Salary of Manager	65000	195000
Drawings	110000	290000
Materials : Linen	75000	220000
Loan : Repayment	0	65000
Interest on loan		70000
Sundry Expenses	75000	182000
TOTAL PAYMENTS	525000	1272000
Surplus (Deficit)	105000	(147000)
Opening cash balance	30000	135000
	135000	(12000)

REQUIRED

1. What is the purpose of preparing a cash budget? (4)
2. Why is depreciation not shown in the cash budget? (2)
3. Name two other examples of expenses that will not appear in the cash budget. (4)
4. In your own opinion, explain why there was a loan in 2008? (2)
5. Can you advise Sasha on the ways of financing possible purchasing of the property next to her guesthouse? (Substantiate your answer with figures from the given cash budget.) (6)

6. Calculate the interest rate paid on the loan received from Standard bank. (4)
7. What is your opinion with regard to figures for wages and salary for manager? (4)
8. The business is experiencing a cash flow problem. Advise Sasha on how to improve cash flow in the business. (4)
9. Draw a bar graph to show the actual cash receipts for 2007 and 2008. Comment on your findings of the graph. (6 marks graph, 4 marks comment) (10)
10. Draw a bar graph to show the actual cash payments for 2007 and 2008. Comment on your findings of the graph. (6 marks graph, 4 marks comment) (10)

ACTIVITY 2

It is important to understand that the stock must be valued properly as this affects the Income Statement and the Balance Sheet and also because the capital expenditure on stock is usually quite high in a business. If the valuation is incorrect, it affects the various items in the Financial Statements i.e. the cost price of the goods sold and therefore the gross and net profit for the period in which the calculation is incorrectly done while also affecting the value of trading stock in the Balance Sheet and the Owner's Equity (via the net profit). As the closing stock of one period becomes the opening stock of the next period then any inaccuracies will be carried through to the next year as well.

1. Show the stock card of binoculars for Makro Traders for the month of October 2008 using the Weighted average and FIFO method. (40)
2. Show the Trading stock account in the General Ledger. Assume all purchases and sales were cash transactions. (20)
3. By using which method will Makro Traders make the biggest profit if the sales for October were R317 880? Show your calculations. (6)

TRANSACTIONS

- 01 Stock of binoculars: 110 @ R840
- 05 Purchased 30 items @ R790
- 08 Issued 45 items
- 12 Issued 70 items
- 18 Purchased 90 items @ R870
- 24 Purchased 35 items @ R855
- 27 Issued 120 items

PROJECT: PUBLISHED FINANCIAL STATEMENT OF A LISTED COMPANY**LEARNING OUTCOMES AND ASSESSMENT STANDARDS:**

LO1	Financial Information
12.1.1	Defines and explains accounting concepts for companies (e.g. share capital, premium, debentures, dividends, earnings, headline earnings per share)
12.1.5	Prepare final accounts and financial statements, analyse and interpret the financial statements of a company
12.1.6	Analyses a company's published financial statements and audit report
LO3	Managing Resources
12.3.5	Discuss disciplinary and punitive measures to be applied for non-compliance to the code of ethics and the role of professional bodies (i.e. SAICA)
12.3.6	Apply internal control and audit processes in a business environment

CRITICAL AND DEVELOPMENTAL OUTCOMES:

CO1	Identify and solve problems and make decisions using critical and creative thinking
CO4	Collect, analyse, organise and critically evaluate information
CO5	Communicate effectively using, visual, symbolic and/or language skills
CO7	Demonstrate an understanding of the world as a set of related systems by recognizing that problem solving contexts do not exist in isolation
DO1	Explore a variety of strategies to learn more effectively
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ASSESSMENT METHOD(S) AND TOOLS:

METHOD(S)	TOOLS
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Educator	Rubrics

SKVAs:

KNOWLEDGE	Concepts Calculations
SKILLS	Planning Communication Listening Calculating
VALUES AND ATTITUDE	Responsibility Working ethics

INSTRUCTIONS:

1. You are required to study the abridged financial statements given to you.
2. Answer all questions.
3. Number your answers clearly.
4. Neatness and systematic representation are required.
5. Provide a bibliography of resources used in completing this project.

Questions:**Section A Concepts**

1. Which act makes provision for the establishment of Companies with Limited Liability? (1)
2. What is the company's financial period? (2)
3. Mention the name of the auditors of Cashbuild. (1)
4. Why does the name of this company ends with Limited? (2)
5. What does the word Limited implies for the owners of the company? (2)
6. What is the company's BEE initiative? (Provide proof of research done, e.g. fax received with information, printout of web information, etc.) (6)
7. What is the difference between a holding and subsidiary company? (4)
8. Mention **TWO** countries in which Cashbuild Limited has subsidiaries. (2)
9. Briefly report on the HIV policy of this company. (Provide proof of research done, e.g. fax received with information, printout of web information, etc.) (6)
10. Track the share price of Cashbuild Ltd for a four-week period, once a week – e.g. Fridays (see General Retailers of share price index in the recent newspapers). Prepare a graphical presentation and comment on the performance of the shares on the Securities Exchange. (10)
Criteria: Graph, Valid comments
11. Write the following abbreviations in full:
 - 11.1 BEE
 - 11.2 GAAP
 - 11.3 IFRS
 - 11.4 IAS (4)

[40]

Section B Analysis and interpretation

1. Calculate the following liquidity ratios for both years and comment on the company's liquidity position.
 - 1.1 Current ratio (8)
 - 1.2 Acid test ratio (8)
 - 1.3 Rate of stock turnover (only for 2006) (8)
 2. Mention **THREE** ways the company may use to improve its liquidity position. (6)
 3. Calculate the following profitability ratios for both years and comment on the company's profitability and control over expenses.
 - 3.1 Gross profit percentage on cost of sales (8)
 - 3.2 Operating profit as a percentage of sales (revenue) (8)
 - 3.3 Total expenses as a percentage of sales (revenue) (8)
 4. Return on average shareholders equity
 - 4.1 Calculate the return on average shareholders equity for 2006. Comment on whether you think the shareholders will be happy with this return and why. (5)
 - 4.2 Why does this return on average shareholders equity calculated in 4.1 differ from the return on average shareholders equity calculated by Cashbuild? (1)
 5. Calculate the earnings per share for both years and comment on the company's dividend policy. (8)
(Hint: Use the 'Net profit after tax attributable to equity holders of the company' and the 'weighted average number of ordinary shares issued during the year'.)
 6. Calculate the net asset value per share for both years. (6)
(Hint: Use 'Share capital & reserves' and 'ordinary shares in issue'.)
 7. One of the shareholders has been offered R50 per share. Give him advice as to whether he should accept this offer or not. (Hint: Refer to the net asset value per share and the market value per share in the latest newspaper.) (4)
 8. Study the cash flow statement of Cashbuild Limited and answer the following questions:
 - 8.1 Prepare the note **reconciliation of profit before tax and cash generated from operations** for the financial year ended 30 June 2006. (Hint: Treat amortisation and impairment of intangible assets in the same manner as depreciation on property, plant & equipment.) (16)
 - 8.2 Give reasons why your calculated cash generated from operations (see 8.1) may differ from the cash generated from operations as disclosed in the cash flow statement of Cashbuild Limited for the year ended 30 June 2006. (2)
 - 8.3 Differentiate between depreciation, amortisation and impairment of assets. (6)
- What is the current income tax rate for companies in South Africa? (1)

What is the effective tax rate for Cashbuild for the 2005/2006 tax year?
 Why is it higher than the current income tax rate on companies? (3)
 During the 2007/2008 budget speech, the Minister of Finance made an
 important announcement regarding STC (Secondary Tax on
 Companies). Briefly discuss. (4)

[100]

Section C Ethics and Auditing

1. Interrogate the audit report carefully and answer the questions that follow:
 - 1.1 Differentiate between a qualified and unqualified audit report. (4)
 - 1.2 What type of audit report did Cashbuild Limited receive?
Substantiate. (2)
 - 1.3 Mention **THREE** stakeholders who would be interested in the
audit report. (3)
 - 1.4 With reference to the audit report, identify any **FIVE** components of the
audit report. (5)
2. Differentiate between the external and internal audit. (4)
3. Why is it important for the public company that an external audit is performed on
an annual basis? (2)
4. What qualities should the external auditors of the company have? (4)
5. Directors, shareholders and auditors interact directly with the published financial
statements of this company. Summarise the roles played by each. (6)

[30]

Accuracy	=	170
Rubric	=	30
Total	=	200

ACCOUNTING GRADE 12
RUBRIC FOR ASSESSING PROJECT – PUBLISHED FINANCIAL STATEMENTS

Name of learner: _____

RAW MARKS	%
<hr/> 200	

ASSESSMENT CRITERIA	LEVEL 1	LEVEL 2	LEVEL 3	LEVEL 4	SCORE
Neatness and presentation ** (technical quality)	(1 MARK) Very little trouble taken – untidy, shabby presentation	(2 MARKS) Minimal effort made – presentation still acceptable	(4 MARKS) Presentation above average	(6MARKS) Excellent presentation – proof of pride and very hard work	
Time management (timeous submission)	(0 MARKS) Submitted three days (and more) late	(2 MARKS) Submitted two days late	(4 MARKS) Submitted one day late	(8 MARKS) Submitted on due date	
Resource material *1	(0 MARK) No resources	(2 MARKS) Resources but not correctly indicated	(4 MARKS) Only one resource and correctly indicated	(8 MARKS) Extra resources and correctly indicated	
Completeness of work	(0 MARKS) No sections completed	(2 MARKS) At least 25% of the sections completed	(4 MARKS) 50% completed	(8 MARKS) All aspects completed	
Accuracy *2					
FINAL SCORE					200

*1 Resources must be indicated as follow:

Text books:

Surname & initials of author(s), Year issued, Title of text book, Edition, City/town where publisher is situated, Name of publisher

E.g.

Niemand, A; Meyer, L; Botes, VL; Van Vuuren, SJ. 2004. **Fundamentals of Cost and Management Accounting**. Fifth edition. Durban: Lexisnesix Butterworths.

Web sites:

www.saica.co.za

*2 Record actual mark out of 170

** Both manually and electronically presentations are accepted.

**ASSESSMENT CRITERIA FOR ASSESSING QUESTION 10
(TRACKING OF SHARE PRICE)**

Section A

NAME OF LEARNER: _____

		Show a tick (✓) for "yes" and a cross (✗) for "no"	Total number of ticks	2 marks per tick	Score (out of 10)
1.	Horizontal axis correctly named (dates of recording share price)			x 2	
2.	Vertical axis correctly named (share price in cents)				
3.	Share price correctly plotted and linked with other prices plotted				
4.	Plotted share prices correctly named (share price of Cashbuild)				
5.	Valid comments given on performance of share price over 4 week period				