SOUTH AFRICAN ACCOUNTING OLYMPIADS

GRADE 10 - 12

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ANSWERS

NO.	GRADE TWELVE
1	B
2	B
3	A
4	B
5	C
6	C
7	B
8	B
9	B
10	A
11	A
12	A
13	A
14	D
15	B
16	A
17	B
18	B
19	A
20	B
21	D
22	B
23	B
24	B
25	A
26	A
27	A
28	B
29	A
30	B

CERTIFICATES:

Gold: 40+

Silver: 35-39

Bronze: 25-34

Participation: 0-24

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ANSWERS

NO.	GRADE TWELVE
31	To allocate the cost of the asset over its useful life and match it to the revenue it generates (matching principle).
32	The business is becoming less able to meet its short-term obligations.
33	Increases liabilities (Shareholders for dividends) and decreases equity (Retained income).
34	To ensure the full expense for the period is recorded, even if some interest is still owed (accrual basis).
35	It is shown as a negative adjustment under operating activities, reducing cash generated from operations.
36	It excludes inventory, providing a more accurate measure of immediate liquidity.
37	Increases both assets (Bank) and owner's equity (Share capital).
38	The company relies heavily on borrowed funds, increasing financial risk.
39	They ensure income is recorded in the correct financial period, following the accrual basis of accounting.
40	The company is not generating enough profit to justify the cost of borrowing, indicating inefficient use of capital.

1 – 30 = 30 X 1 MARKS = 30

31 – 40 = 10 X 2 MARKS = 20

TOTAL = 50

CERTIFICATES:

Gold: 40+

Silver: 35-39

Bronze: 25-34

Participation: 0-25