

QUESTION 1**REQUIRED**

		Marks
1.	<p>Draft a memorandum to the financial director of Nepsa Pharmaceuticals Ltd in which you discuss how (including which period and at what amount, if applicable) revenue should be recognised for the three contracts with the South African Department of Health.</p> <p>Limit your answer to specific considerations applicable to each contract, and therefore you do not need to go through the full five-step process in detail for each contract.</p> <p style="text-align: center;"><i>Communication skills – clarity of expression and logical argument</i></p>	28 2
2.	<p>Discuss how the swap of the intellectual property for the hepatitis and measles vaccines should be accounted for in the financial statements of Nepsa Pharmaceuticals Ltd for the year ended 28 February 2019.</p> <p style="text-align: center;"><i>Communication skills – clarity of expression</i></p>	14 1
3.	<p>Briefly discuss how the termination benefits of R2 million should be accounted for in the financial statements of Nepsa Pharmaceuticals Ltd for the year ended 28 February 2019.</p>	5
	TOTAL	50

QUESTION 2

REQUIRED

		Marks
1.	<p>Prepare all the journal entries to correctly account for the metal lathe in the financial statements of Perimeter Technologies Ltd for the year ended 31 March 2019.</p> <p>Include journal entries related to deferred taxation, but ignore current taxation. Dates, narrations and closing entries are not required.</p>	14
2.	<p>Prepare the following sections of the financial statements of Perimeter Technologies Ltd for the ended 31 March 2019 related only to the lease of the drill press:</p> <p>(a) The <u>assets</u> and <u>liabilities</u> sections on the face of the statement of financial position;</p> <p>(b) The statement profit or loss.</p> <p>Comparatives, sub-totals and note disclosure are not required. Perimeter Technologies Ltd separately presents non-current and current assets and liabilities on the face of the statement of financial position in accordance with IAS 1.60. Ignore bank.</p>	26
	TOTAL	40