



UNIVERSITY
OF
JOHANNESBURG

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DEPARTMENT OF ACCOUNTANCY

2021

POSTGRADUATE DIPLOMA IN ACCOUNTING SCIENCE

SESSION 1

OCTOBER ASSESSMENT OPPORTUNITY
25 October 2021

This document consists of 3 pages including the cover page

MARKS: 100

READING TIME: 30 MINUTES
WRITING TIME: 150 MINUTES

ASSESSORS

Auditing:

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REQUIRED DOCUMENT

SESSION 1 QUESTION 1

(100 MARKS)

Answer PART I in the GREEN answer book.

PART I

(50 MARKS)

REQUIRED:		Marks	
		Sub-total	Total
(a)	In respect of the online shopping proposal, determine the maximum price per kilometre MyHyper Food should be willing to pay to outsourced riders for deliveries to customers.	10	10
(b)	Determine the fee MyHyper Food would need to charge per delivery if a gross profit margin of 25% (as opposed to 30% on in store sales) is required on each delivery.	5	5
(c)	Question the reasonability of the forecasts and assumptions made by Queen Hyper in anticipation of the potential acquisition by MyHyper. <ul style="list-style-type: none"> • Do not criticise the valuation that was performed. • No calculations are required. <p style="text-align: right;"><i>Communication skills – clarity of expression</i></p>	12 1	13
(d)	Criticise the valuation performed by Queen Hyper. You need to both identify and elaborate on any errors or omissions you identify. <ul style="list-style-type: none"> • No calculations are required. • Assume the underlying assumptions are reasonable. • Assume all calculations are mathematically correct. <p style="text-align: right;"><i>Communication skills – appropriate style</i></p>	11 1	12
(e)	With reference to the information regarding Queen Hyper’s board meeting, presented on page 6 of the information, about both the price increases and the non-payment of property rentals: <ul style="list-style-type: none"> (i) discuss whether the actions by the board can be considered ethical; and (ii) discuss what actions the CFO, a CA(SA), should consider. <p style="text-align: right;"><i>Communication skills – layout and structure</i></p>	5 4 1	10
TOTAL PART I		50	

SESSION 1 QUESTION 1

(100 MARKS)

PART II

(50 MARKS)

Answer PART II in the YELLOW answer book.

REQUIRED:		Marks	
		Sub-total	Total
(f)	Prepare the consolidated Statement of Changes in Equity for the MyHyper Group for the year ended 30 September 2021. - Ignore VAT implications for this Part only. - Assume a post-tax discount rate of 5.3% p.a. compounded monthly for this Part only. - Ignore comparatives. - Round all amounts to the nearest rand. <i>Communication skills – presentation and layout</i>	43	
		2	45
(g)	Provide some input to the CFO regarding the correct presentation of the inventory write-down costs.	5	5
TOTAL PART II		50	