Use of a non-programmable pocket calculator is permissible.

Partial/limited open book examination. Specified material as indicated on examination paper, permissible.

This examination question paper remains the property of the University of South Africa and may not be removed from the examination venue.

This required consists of 3 pages (QUESTION 2 and QUESTION 3).

YOU HAVE 2,5 HOURS TO ANSWER THIS PAPER
## QUESTION 2

<table>
<thead>
<tr>
<th>REQUIRED</th>
<th>Marks</th>
</tr>
</thead>
<tbody>
<tr>
<td>(a) Provide the journal entries in the accounting records of Blueberry Ltd to account for the fabric that was imported from Italy <em>(transaction 1)</em> for the financial year ended 30 June 2012.</td>
<td>17</td>
</tr>
<tr>
<td>(b) Provide the outstanding journal entries in the accounting records of Blueberry Ltd in order to fully account for the loan and swap from Benchmark Bank Ltd <em>(transaction 2)</em> for the financial year ended 30 June 2012.</td>
<td>7</td>
</tr>
<tr>
<td>(c) In respect of the investment in Guessed Ltd bonds <em>(transaction 3)</em>:</td>
<td></td>
</tr>
<tr>
<td>(i) Provide the journal entries in the accounting records of Blueberry Ltd to account for the investment in the Guessed Ltd bonds for the year ended 30 June 2012.</td>
<td>10</td>
</tr>
<tr>
<td>(ii) With regards to the reclassification, prepare the note as required by IFRS 7 <em>Financial Instruments: Disclosures</em> for the financial year ended 30 June 2013. Comparative amounts are not required.</td>
<td>7</td>
</tr>
<tr>
<td>(d) Calculate the amount/(s) at which the convertible debentures <em>(transaction 4)</em> must be recognised in the accounting records of Blueberry Ltd on 1 July 2011.</td>
<td>7</td>
</tr>
<tr>
<td>(e) Provide the journal entries in the accounting records of Blueberry Ltd to account for the loan provided to Kapestorm Ltd <em>(transaction 5)</em> for the financial year ended 30 June 2012.</td>
<td>8</td>
</tr>
<tr>
<td>(f) For the investment in the equity shares of Region Buttons Ltd <em>(transaction 6)</em>, calculate the closing balance of the mark-to-market reserve, net of tax, for the year ended 30 June 2012.</td>
<td>4</td>
</tr>
</tbody>
</table>

**Please note:**
- Your answer must comply with International Financial Reporting Standards (IFRS).
- Ignore tax for purposes of (a) – (e) above.
- Journal narrations are not required.
- Round off all amounts to the nearest Rand.
- Round off all effective interest rates calculated to five decimals.
QUESTION 3

REQUIRED

<table>
<thead>
<tr>
<th></th>
<th></th>
<th>Marks</th>
</tr>
</thead>
</table>
| (a) | Prepare a memorandum to the managing director in which you explain how the performance bonuses, in terms of IFRS 2, *Share-based Payment*, should be treated for accounting purposes **AND** how they should be disclosed in the annual financial statements.  

Communication skills – logical flow and conclusion | 10 | 1 |

**Please note:**  
• Show all calculations.  
• Ignore taxation.

(b) | Provide the journal entry to account for the remeasurements on the defined benefit obligation and plan assets that arose as a result of changes in financial assumptions for the year ended 30 June 2012. Journal narrations are not required. Ignore taxation. | 5 |

(c) | Prepare the profit before tax note to the financial statements of Bekele Ltd for the year ended 30 June 2012. Comparative information is not required.  

Communication skills – presentation and layout | 5 | 1 |

(d) | Provide the journal entry to account for leave pay for the year ended 30 June 2012, if the paid annual leave is first taken out of the previous year’s entitlement (FIFO utilisation). Journal narrations are not required. | 3 |

(e) | Discuss the appropriate fair value of the investments and debentures (refer points 4, 5 and 6) at 30 June 2012 **AND** identify the level of the fair value hierarchy under which the investments and debentures will be disclosed in terms of IFRS 13 *Fair Value Measurement*.  

Communication skills – logical flow and conclusion | 14 | 1 |

**Please note:**  
• Round off all amounts to the nearest Rand.  
• Your answer must comply with International Financial Reporting Standards (IFRS).  

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