FAC4864
NFA4864
ZFA4864
SECOND PAPER
APPLIED FINANCIAL ACCOUNTING II
REQUIRED

Duration: 3 Hours

100 Marks

EXAMINATION PANEL AS APPOINTED BY THE DEPARTMENT.

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

REQUIRED

<table>
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| (a) | Prepare the consolidated statement of cash flows of the Legu Ltd Group for the year ended 29 February 2012 using the direct method.  
The notes to the statement of cash flows are not required in this section. The amounts for cash received from customers and cash paid to suppliers and employees must be calculated.  
Communication skills: Presentation and layout | 42 |
| (b) | Prepare the note for the acquisition of Toys-For-Us Ltd to the consolidated statement of cash flows of the Legu Ltd Group for the year ended 29 February 2012. | 6 |
| (c) | Prepare the consolidated statement of changes in equity of the Legu Ltd Group for the year ended 29 February 2012.  
The total columns of the statement of changes in equity are not required.  
Communication skills: Presentation and layout | 10 |
| (d) | Describe the substantive audit procedures that would be performed to audit the accuracy and valuation of the amounts recognised in respect of the acquisition of Toys-For-Us Ltd in the consolidated financial statements of the Legu Ltd Group for the year ended 29 February 2012. | 10 |

Please note:

- Comparative figures are not required.
- Round all amounts to the nearest thousand Rand.
- Your answer should comply with International Financial Reporting Standards (IFRS).
### QUESTION 3

**REQUIRED**

| (a) | Prepare the journal entries that Extreme Ltd should process in their **separate accounting records** for the year ended 30 June 2012 in order to account for the dividend declared. | 11 |
| (b) | Assume that Extreme has correctly accounted for the transaction in its separate financial statements. Prepare **all** the pro forma consolidation journal entries for the Extreme Lid Group in respect of their investment in Learn4U for the year ended 30 June 2012. | 18 |

**Please note:**

- Journal narrations are required.
- Round all amounts to the nearest Rand.
- Your answer should comply with International Financial Reporting Standards (IFRS).