

HILLCREST HIGH SCHOOL

GRADE 9 ECONOMIC AND MANAGEMENT SCIENCE

JUNE 2014

TIME : 2 HOURS

EXAMINATION

MARKS: 200

INSTRUCTIONS:

1. Answer all the questions on the answer booklet provided.
2. Write in blue or black pen or HB pencil.
3. NO tippex or correction fluid to be used.
4. Calculators may be used.
5. Use the table below as a guide as to your time allocation for each question.

Question	Topic	Marks	Time in mins.
1	Multiple choice	20	12
2	Matching definitions and source documents	15	9
3	Missing words and Accounting process	13	8
4	Calculations	22	13
5	Cash Journals	50	30
6	Posting to the General Ledger	40	24
7	The Economy	25	15
8	Trial Balance	15	9
	TOTAL	200	120

QUESTION 1 **MULTIPLE CHOICE** [20 MARKS]

Answer the following multiple choice questions by writing only the letter next to the correct option in the table in your answer booklet.

1.1 Which of the following is an expense of the business?

- A Stationery
- B Drawings
- C Trading stock
- D Petty cash

1.2 Which of the following is **not** a tangible (fixed) asset?

- A Equipment
- B Land and buildings
- C Vehicles
- D Bank

1.3 Which of the following accounts is **not** found in the Balance Sheet section of the General Ledger?

- A Capital
- B Incomes
- C Assets
- D Liabilities

1.4 Possessions of a business are known as

- A Capital
- B Income
- C Assets
- D Liabilities

1.5 People who owe money to the business are known as

- A Trade creditors
- B Receipts
- C Debtors
- D Accounts payable

- 1.6 Which of the following normally has a debit balance?
- A Liabilities
 - B Current assets
 - C Capital
 - D Revenue
- 1.7 Which one of the following usually has a credit balance?
- A Expenditure
 - B Fixed assets
 - C Capital
 - D Cost of sales
- 1.8 If a business possesses R4 000 cash, creditors of R 500 and vehicles worth R 15 000, then the owner's equity will be...
- A can't be calculated
 - B R 10 500
 - C R 15 000
 - D R 18 500
- 1.9 Rent expense account is usually classified as a/an...
- A Balance sheet account
 - B Nominal account
 - C Asset account
 - D Owner's account
- 1.10 The source document used to record wages paid to employees is a
- A Duplicate receipt
 - B Cash register roll
 - C Duplicate invoice
 - D Cheque counterfoil

(10 x 2)

QUESTION 2

2.1

MATCHING DEFINITIONS

[10 MARKS]

Use the information below to match the correct terms in List B with the correct definitions in List A. Write only the letter from List B next to the number from List A. e.g. 2.1.9 z

No.	List A	List B
2.1.1	Payment for items with no lasting value.	(a) Merchandise
2.1.2	Items which are purchased for resale.	(b) Liabilities
2.1.3	Cash or other assets provided in order to start the business.	(c) Business Entity Rule
2.1.4	The amounts owed by the business to a person or other business.	(d) Investments
2.1.5	Keep the business affairs and personal affairs separate.	(e) Expenses
		(f) Mortgage loans
		(g) Capital
		(h) Double entry Principle

(5x2)

2.2

SOURCE DOCUMENTS

[5 MARKS]

Match the item in the first column with its description in the second column. Write only the letter next to the number. E.g 7 G

Column 1	Column 2
2.2.1 Receipt	A This filled in when money is put into the bank.
2.2.2 Deposit slip	B This is a written instruction to the bank to pay an amount to another person or business.
2.2.3 Cheque	C This is issued to when a customer buys stock for cash.
2.2.4 Bank statement	D This document is issued when a person pays for something other than for cash sales.
2.2.5 Cash slip	E This is sent out by the bank to inform its customers of all the cash transactions for a month.

QUESTION 3

3.1

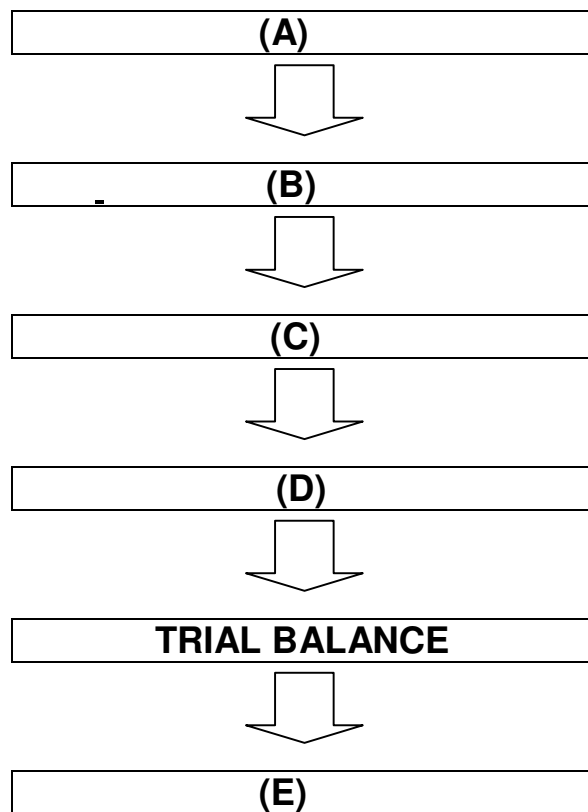
ACCOUNTING PROCESS

[5 MARKS]

Select the correct steps to complete the accounting process shown in the chart below.

NOTE: One step has been entered already.

Financial statements, Journals, Source document, Transaction, Ledger



3.2

COMPLETING SENTENCES

[8 MARKS]

Write down the missing word or words which will complete the following sentences correctly.

3.2.1 A _____ is a book of accounts.

3.2.2 Debtors are _____ of a business.

3.2.3 If an account which is part of the Owner's equity is credited, the total or balance on the account will _____.

- 3.2.4 The official name for goods is _____.
- 3.2.5 When a tenant pays his rent he will receive a/an _____ receipt from the business.
- 3.2.6 The Double Entry rule states that for every debit there is an equal _____.
- 3.2.7 Complete the Accounting Equation : Assets = Owner's _____ + _____.

QUESTION 4

CALCULATIONS

[22 MARKS]

- 4.1 Complete the table below by calculating the missing amounts. (18)

No.	Cost price	%mark-up	Selling price	Gross profit
4.1.1	R 56,00	80%	?	?
4.1.2	?	50%	R240,00	?
4.1.3	R288	?	?	R72,00

- 4.2 Find the cost price of each of the following items:
- 4.2.1 A business uses the secret price code VOLKSWAGEN where V=1
LOK/EN (2)
- 4.2.2 A business uses the secret price code VOLKSWAGEN where
V=0
AGES/NN (2)

QUESTION 5**CASH JOURNALS**

[50 MARKS]

Stander Stores is a business which sells bicycles and cycling equipment. It started operating in June 2013. The following are their transactions for June 2013.

REQUIRED:

- 5.1 Complete the Cash Receipts Journal of Stander Stores for June 2013.
- 5.2 Complete the Cash Payments Journal of Stander Stores for June 2013.

Note: The business uses a fixed mark-up on cost price of 50%

Transactions:

- June 01 The owner, B. Stander, deposited R200 000 as his capital contribution. Receipt no. 01 was issued.
- 02 Purchased spare parts and other consumable stores from Armstrong Wholesalers, R4 500. Cheque 201 was issued.
- 04 Mr. Stander has been granted a loan from Hills Bank for R60 000. Deposited the cheque and issued receipt 02. Part of the building has been rented out to Eric Electrics for R1 850 per month. Rent for June has been received.
- 05 Issued a cheque to Makro for office equipment, R10 550 as well as consumable stores, R1 025.
- 06 Bought stationery from PNA for R 430 and paid by cheque.
- 07 Sold goods for cash, R7 200. (Cost of sales R4 800) as per CRT.
- 09 Cashed a cheque to pay wages, R750.
- 11 Paid Municipality R1 200 for electricity.
- 15 Banked cash from sales, R16 200.
- 21 Issued a cheque to Bike Enterprises for consumables, R3 145. Cashed a cheque for R2 400; R1 400 for wages and the rest for consumable stores.
- Cash sales as per Cash Register Tape, R8 040
- 24 Purchased goods for sale from Cycle Centre for R15 000 (less 10% trade discount.
- 27 Paid wages, R1 350.
- 28 Purchased equipment from Cycle World for R 14 000 and paid by cheque.
- 29 Owner cashed a cheque for R6 000 for personal use.
- 30 Banked takings R13 440. Received bank statement from Hills Bank indicating that R65 interest was paid on the positive balance on the current account and bank charges were deducted, R120.

QUESTION 6**GENERAL LEDGER**

[40 MARKS]

You have been provided with the Cash Receipts and Cash Payments journals for May 2014, as well as some of the balances and totals taken from the books of Sharks Traders.

REQUIRED:

Post from the cash journals to ALL the ledger accounts listed. Balance or total these accounts at the end of the month

Balances/ totals on 1 May 2014:

Drawings	R18 000
Trading stock	R68 200
Bank	R21 300
Sales	R501 310
Cost of sales	R260 820
Commission income	R25 000
Wages	R45 000
Water and electricity	R 23 400

Cash Receipts Journal of Sharks Traders for May 2014 CRJ5

Doc. No	Day	Details	Fol	Analysis of receipts	Bank	Sales	Cost of sales	Sundry accounts		
								Amount	Fol	Details
R001	1	Leopards Bank		<u>60 000</u>	60 000			60 000		Loan:FNB
CRT 31-41	5	Sales		<u>6 000</u>	6 000	6 000	3 000			
CRT 42-56	9	Sales		<u>2 610</u>	2 610	2 610	1 355			
CRT 57-68	17	Sales		5 500		5 500	3 200			
R002		B. Bulls		<u>5 000</u>	10 500			5 000		Commission income
CRT 69-81	24	Sales		<u>5 740</u>	5 740	5 740	3 820			
CRT 82-93	29	Sales		2 500	2 500	2 500	1 250			
					87 350	22 350	12 625	65 000		

Cash Payments Journal of Sharks Traders for May 2014 CPJ5

Doc. No	Day	Details	F	Bank	Trading stock	Stationery	Wages	Sundry accounts		
								Amount	F	Details
332	7	Cash		2 500			2 000	500		Cash float
333	9	Lion Traders		9 600	9 600					
334	11	Puma Stationers		1 400		1 400				
335	14	Cash		3 500			2 000	1 500		Drawings
336	16	Province Motors		45 000				45 000		Vehicles
337	20	Griqua Dealers		7 500	7 200	300				
338	21	Cash		2 000			2 000			
339	24	Vodacom		890				890		Telephone
340		Puma Products		10 000				10 000		Equipment
341	28	Municipality		1 245				1 245		Water and electricity
342		Cash		3 000			3 000			
343	29	J.White		12 000				12 000		Salary
344		Cash		2 000				2 000		Drawings
345		Leopards Bank		2 000				2000		Loan:FNB
B/S	30	Leopards Bank		210				210		Bank charges
				102 845	16 800	1 700	9 000	75 345		

QUESTION 7

THE ECONOMY

[25 MARKS]

7.1 Match the terms in column A with the most correct definition/ explanation in column B. (5)

COLUMN A		COLUMN B	
No.	Term	No.	Definition/ example/explanation
7.1.1	Fixed capital	A	Money obtained from financial institutions at an interest rate
7.1.2	Skilled Labour	B	Generally involved in manual labour
7.1.3	Borrowed capital	C	Provided by the owner to run the business.
7.1.4	Natural resources	D	Workers generally with qualifications
7.1.5	Unskilled labour	E	Workers with an expert knowledge in a particular field
		F	Raw material or land used in the production process.
		G	Land and buildings, equipment and vehicles

- 7.2.1 List TWO advantages of a market economy. (4)
- 7.2.2 List TWO disadvantages of a planned economy. (4)
- 7.2.3 What type of economy does South Africa have? (2)
- 7.3 Globalisation is the worldwide interaction of economies especially through trade. Briefly explain the negative effect globalization can have on a country such as South Africa. (4)
- 7.4 Complete the table showing the FOUR factors of production and the reward earned by each factor. (6)

Factors of production	Rewards for factors
Natural resources (raw materials)	Money for sale of product - profit

QUESTION 8

TRIAL BALANCE

[15 MARKS]

Use the information provided, below and on the answer sheet, to help you complete the Trail Balance of Gumbi Sweet Shop on 31 May 2014.

Note: Some information is missing completely and you will need to supply this in order to do this task correctly.

Information:

Some of the balances or totals from the ledger of Gumbi Sweet Shop on 31 May 2014:

Loan: Ilovo Bank R 50 000; Bank ???; Cost of sales R 23 500; Wages R 7 500
Rent income R 12 000.