

HILLCREST HIGH SCHOOL



ECONOMIC AND MANAGEMENT SCIENCES EXAMINATION

GRADE 9
TIME: 2 HOURS

JUNE 2015
MARKS: 200

EXAMINER: MRS T WITTSTOCK

MODERATOR: MRS EDY

Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	TOTAL
20	30	20	16	20	35	25	12	12	10	200

Instructions to candidates:

- 1) Ensure your name, class and teacher's name are on the answer booklet.
- 2) Work neatly. You may lose marks if work is illegible.
- 3) Answer all the questions.
- 4) Answer only on the answer booklet.
- 5) The use of calculators is permitted.
- 6) Do NOT use tippex. If you make a mistake, cross out neatly and rewrite the correct answer.
- 7) Use only blue or black ink or an HB pencil.

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

Mark the letter next to the most correct answer on the sheet provided.

- 1.1 The formula used to calculate gross profit is:
- A Selling Price – Cost Price = Profit
 - B Cost Price + Mark Up = Selling Price
 - C Loss = Profit + Cost Price
 - D Cost Price = Profit - Expenses
- 1.2 Method to test the accuracy of the double entry system:
- A Trial Balance
 - B General Journal
 - C Balance Sheet
 - D Trial Ledger
- 1.3 If the sales are R40 000 and the cost of sales are R28 000 how much is the gross profit?
- A R68 000
 - B R22 000
 - C R12 000
 - D R14 268
- 1.4 Which of the following is **not** a tangible (fixed) asset?
- A Fixed deposits
 - B Land and buildings
 - C Vehicles
 - D Equipment
- 1.5 The report which shows the financial position of a business is called:
- A An income statement
 - B A balance sheet
 - C A trail balance
 - D An asset statement
- 1.6 Which of the following is the source document of the business when goods are sold on credit?
- A Duplicate receipt
 - B Original invoice
 - C Duplicate invoice
 - D Cash register tape

1.7 Which of the following transactions is not entered in the Cash Payments Journal?

- A The owner drew R 1000 for personal use.
- B Purchased equipment from Makro for R 2000 and paid by cheque
- C Cashed a Cheque for R 400 for cash float.
- D The bank paid interest on a positive balance, R 35.

1.8 Accounting Equation

- A $A = OE - L$
- B $L = A - OE$
- C $OE = A + L$
- D $OE = A - L$

1.9 When the owner takes a business cheque for his own use, the procedure is to credit Bank and debit _____


- A Capital
- B Drawings
- C Sundry expenses
- D Some other account

1.10 Dischem is a _____ business

- A Service
- B Food
- C Health
- D Retail

[10 X 2 = 20 Marks]

QUESTION 2**THE ECONOMY****[30 MARKS]**

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2.1

Compare three economic systems by their characteristics. Complete your answer in the table in the ANNEXURE. (6)

2.2 Why do you think the above cartoon is ironic? (2)

2.3 Which economic system would you prefer to live in?
Give a reason for your answer. (2)

2.4 Fill in the missing words in the following sentences. Choose for the following words:

earn, produce, spends, collects, profit, taxes, distribute, sell, produce

2.4.1 Business _____, _____ and _____ goods and services. (3)

2.4.2 Businesses aim to make a _____ (1)

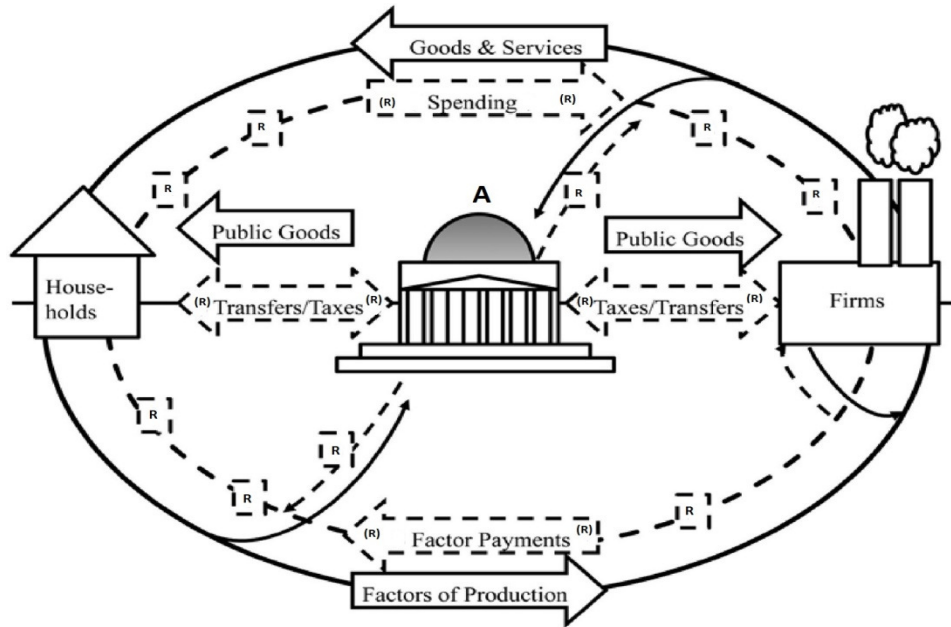
2.4.3 Workers help to _____ goods and services (1)

2.4.4 Workers _____ money (1)

2.4.5 The government _____ money through _____ (2)

2.4.6 The government then _____ money on improving people's lives. (1)

2.5 Study the flow diagram and answer the questions.



- 2.5.1 What type of economy is being depicted by the diagram? (1)
- 2.5.2 Explain how money flows from households to businesses and from businesses to households. (6)
- 2.5.3 Who owns the factors of production? (2)
- 2.5.4 Explain why the circular flow model is circular. (2)

QUESTION 3

SUPPLY AND DEMAND

[20 MARKS]

Price	Quantity demanded	Quantity supplied
R9,50	1500	600
R10	1300	700
R10,50	1200	900
R11	1000	1000
R11,50	800	1100
R12	700	1200
R12,50	500	1400

- 3.1 Use the information given in the table to construct an equilibrium graph. Complete your answer on the graph provided in the Annexure. (7)

- 3.2 Identify point A on the graph and also explain what it means. (3)
- 3.3
- 3.3.1 Indicate on the graph, with a **B**, the general area where a surplus will be shown. (1)
- 3.3.2 Indicate on the graph, with a **C**, the general area where a shortage will be shown. (1)
- 3.4 In a short paragraph discuss two factors which influence the demand consumers have for a product. (4)
- 3.5 In a short paragraph discuss two factors which influence the supply of goods and services. (4)

QUESTION 4**MATCHING DEFINITIONS****[16 MARKS]**

Match the words/explanations in the first column with the explanations in the second column.

4.1	Receipt	A	When income exceeds expenses.
4.2	Statement of Net Worth	B	A business that trades in items of stock.
4.3	Retailer	C	People who owe money to a business.
4.4	Deposit Slip	D	A business that offers a service to its clients.
4.5	Profit	E	Proof of money being received.
4.6	Service business	F	What the owner withdraws from the business.
4.7	Drawings	G	Completed when money / cheques are deposited in the bank.
4.8	Debtors Journal	H	Shows what you own, what you owe and what you are worth.

[8 x 2 = 16 marks]

QUESTION 5**FINANCIAL LITERACY****[20 MARKS]**

Calculate the missing amounts

	Cost Price	Mark-up / Profit	Mark-up%	Selling Price
E.g.	R 60.00	R 30.00	50	R 90.00
1	R 20.00	?	50%	?
2	R 10.00	R 1.00	?	?
3	R 8.00	?	25%	?
4	R 40.00	?	?	R 50.00
5	R 20.00	R 20.00	?	?

[10 x 2 = 20 Marks]

QUESTION 6**JOURNALS****[35 MARKS]**

You are provided with the following accounting information pertaining to SuStudio for October 2014. SuStudio is a professional photographer and also sells frames at the studio. Picture frames are sold at a mark-up of 50% on cost.

REQUIRED:

- 6.1 Complete the **Cash Receipts Journal** of SuStudio for October 2014
 6.2 Complete the **Debtors Journal** of SuStudio for October 2014
 6.2 Complete the **Cash Payments Journal** of SuStudio for October 2014

No: 165	No: 167	No: 168	No: 170
Date: 1 Oct 2014	Date: 15 Oct 2014	Date: 15 Oct 2014	Date: 27 Oct 2014
To: Canon	To: Outsurance	To: Owner	To: Epson
For: Materials	For: Insurance	For: Drawings	For: Materials
Amount: R6 250	Amount: R450	Amount: R5 000	Amount: R11 625

Transactions:

- October 01 The owner, P Sophi, deposited R150 000 as her capital contribution. Receipt no. 01 was issued.
 Stock was delivered to T Rae with invoice no. 30 which showed the sales totaled R450. The cost of sales was R280.
- 02 SuStudio receives a cheque for R150 for picture frames. Till slip 10 was issued.
 Purchase picture frames from Square Frames for R5 000.
- 05 Received a cheque from Mr and Mrs Naidoo for photographing their wedding. R3 300.
 Merchandise was sold on account to A N Gel. The selling price was R250, the invoice no. 31
- 14 Received a cheque from Arboretum High School for R8 000 for the photographs of the matric farewell.
- 17 Banked takings for sales, R16 200. (Rec11-15)
 Received R600 commission from Photo Fast
 C Arol bought goods with a selling price of R900 on credit. The cost of sales was R280 as per invoice no. 32
- 20 Issued a cheque to Makro for consumables, R3 145.
- 25 C Arol was sold goods with a selling price of R900 on credit as per invoice no. 33
- 28 Issue a cheque to Square Frames for R3 200
 Goods with a selling price of R82 were sold to X Mas on account. Invoice 34 showed that the cost of sales has a mark-up of 50%
- 31 The Standard Bank bank statement shows the following transactions:
 Bank fees R415 and cheque deposit fees of R90
 Interest of R122

QUESTION 7**LEDGER ACCOUNTS****[25 MARKS]**

You have been provided with the Cash Receipts and Cash Payments journals of Sijaji Traders for May 2015

REQUIRED:

- 7.1 Post from the cash journals to ALL the ledger accounts listed. Balance the bank and trading stock account at the end of the month
 Bank balance on 1 May R22 300

Cash Receipts Journal of Sijaji Traders for May 2015 CRJ5

Doc. No	Day	Details	Fol	Analysis of receipts	Bank	Sales	Cost of sales	Sundry accounts		
								Amount	Fol	Details
R001	1	Owner		<u>60 000</u>	60 000			60 000		Capital
CRT 31-41	5	Sales		<u>6 000</u>	6 000	6 000	3 000			
CRT 42-56	9	Sales		<u>2 510</u>	2 510	2 510	1 255			
CRT 57-68	17	Sales		4 600		4 600	2 300			
R002		B. Bulls		<u>5 000</u>	9 600			5 000		Rent 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	1 250			
B/S		Leopards Bank		105	2 605			105		Interest income
					86 455	21 350	11 625	65 105		

Cash Payments Journal of Sijaji Traders for May 2015 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		Leopards Bank		2 000				2 000		Loan: Leopards Bank
B/S	30	Leopards Bank		210				210		Bank charges
				88 845	16 800	1 700	9 000	61 345		

QUESTION 8**[12 MARKS]**

Read the case study below and answer the questions that follow.

Zola Mbambi started a business 2 years ago. He sells racing bicycles, racing tyres, cycling gear etc., as well as repairing broken racing bikes.

He took out a loan for R125 000, from ZEN BANK to start the business. He will repay this over five years and owes 6% interest per annum on it. Zola buys his racing bikes on credit from Incredible Cyclists. Incredible Cyclists request payment within 30 days from the date of sale. He buys the Sprinter bikes for R1 000 and sells them for R1 650. He bought 33 new Sprinter bikes in March. He only allows his customers to buy on credit and they have 60 days to repay him.

During March he made a profit of R12 340 from selling bicycles and cycling equipment. He did not repair any bicycles. He incurs the following costs during March:

- * Water and electricity R600
- * Rent expense R4 500
- * Insurance R200
- * Material costs R5 600
- * Fuel R500
- * Wages R6 000

- 8.1 Select an example of a current liability from the story. (1)
- 8.2 Select an example of a non-current liability from the story. (1)
- 8.3 How much profit does Zola make if he sells four Sprinter bikes? (4)
- 8.4 Explain your understanding of the account "cost of sales". (2)
- 8.5 Justify Zola's decision to sell goods to his customers on credit. (2)
- 8.6 Selling on credit to customers can also be dangerous for Zola. Give TWO reasons why this could be dangerous. (2)

QUESTION 9**TRIAL BALANCE****[12 MARKS]**

Mentone Clothing has the following accounts and balances in the General Ledger on 30 June 2015: Bank, ?; Capital, R350 000; Cost of sales, R200 560; Debtors control, R46 662; Interest income, R260; Rent expense, R15 600; Salaries, R98 320; Sales, R441 232; Telephone, R8 560; Trading stock, R150 200; Vehicle, R265 000; Water and electricity, R5 600.

- 9.1 Draw up a Trial Balance for Mentone Clothing on 30 June 2015 (11)
- 9.2 Calculate the bank amount. (1)

QUESTION 10**SOURCE DOCUMENT****[10 MARKS]**

Complete the source document for the following transaction in the answer book at the end of the paper.

1 May 2015: Francois Stationary sells the following items to M. Mohapi on account:

5 packets of black pens @ R24 each.

8 permanent markers with a total value of R48

The source document number is 076.

(10)