



**GRADE 9**

**ECONOMIC AND MANAGEMENT SCIENCES**

**JUNE 2016**

**NAME:** \_\_\_\_\_

**GRADE: 9** \_\_\_\_\_

**EMS TEACHER:** \_\_\_\_\_

MARKS: 200

TIME: 2 hours

This question paper consists of 15 pages.

Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12	Q13
16	17	7	15	15	25	10	10	23	12	6	24	20

**TOTAL :** \_\_\_\_\_ % \_\_\_\_\_

**Instructions to candidates:**

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

## SECTION A

**[40 MARKS]**

## Question 1

[16 Marks]

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

CONCEPT	CORRECT ANSWER	OPTIONS	
Asset		A	Book of first entry where information is recorded from the source document.
Source document		B	Amount due to another person or business
Accounting		C	Someone to whom the business owes money
Journal		D	When income exceed expenses
Ledger		E	A business that renders a service
Liability		F	Business owned by one person
Debtor		G	The evidence of a transaction
Profit		H	A business that buys and sells merchandise for profit
Creditor		I	Amounts that generate money for the business e.g. sales
Owners' Equity		J	Event between two or more parties
Trading concern		K	Possessions of the business
Service undertaking		L	A collection of accounts of a business
Transaction		M	Someone who owes the business money
Sole trader		N	The interest of the owner in the business
Expenses		O	Recording, reporting and interpretation of information of a business
Income		P	Amounts directly or indirectly involved in operating the business, e.g. telephone, stationery

(16 x 1)

Question 2

[17 Marks]

Complete the sentences.

2.1 The money which the owner provides is called his \_\_\_\_\_(2)

2.2 This gives the owner an interest in the business, known as \_\_\_\_\_(2)

2.3 All money received by a business and deposited in the bank account of a business is called \_\_\_\_\_ (2)

2.4 All money paid by a business and deposited in the bank account of a business is called \_\_\_\_\_ (2)

2.5 What is relationship between the value of the assets of the business and the owner's equity? \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_ (4)

2.6 Indicate the type of asset in each of the following examples:

2.6.1 Motorcycle for delivery purposes \_\_\_\_\_ (1)

2.6.2 Shelves, tables and chairs \_\_\_\_\_ (1)

2.6.3 Computers, cash registers \_\_\_\_\_ (1)

2.6.4 Desks \_\_\_\_\_ (1)

2.6.5 Money in the current bank account \_\_\_\_\_ (1)

Question 3

[7 Marks]

Answer True or False

3.1 When you sell on credit you will be able to sell more stock, because customers won't have to wait until they have cash to buy. \_\_\_\_\_(1)

- 3.2 A retail business usually has more cash customers than credit customers.  
\_\_\_\_\_ (1)
- 3.3 Farmers usually buy their seeds, fertilisers and other input products for cash.  
\_\_\_\_\_ (1)
- 3.4 Offering credit means that you gain goodwill and loyalty from your customers.  
\_\_\_\_\_ (1)
- 3.5 Retailers can apply for a trade discount when they buy trading stock on credit.  
\_\_\_\_\_ (1)
- 3.6 When retailers sell on credit, they get their money immediately.  
\_\_\_\_\_ (1)
- 3.7 Customers will be more likely to buy from someone who is willing to extend credit to them than from someone who only demands cash.  
\_\_\_\_\_ (1)

SECTION B  
The Economy

[65 MARKS]

Question 4

[15 Marks]

4.1 Draw a mind-map that shows the factors of production.  
Your mind-map must include **two** examples of each. (8)

4.2 How do banks help entrepreneurs to raise capital to start a business?  
\_\_\_\_\_ (1)

4.3 Capital as a factor of production:

4.3.1 Briefly explain capital as a factor of production.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_ (2)

4.3.2 Define "borrowed capital" and "own capital" in your own words.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_ (4)

Question 5

[15 Marks]

5.1 What is meant by the term 'economic problem'?

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_ (2)

5.2 'The flow of money is a never-ending process but the flow changes constantly.'  
Discuss this statement.

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_ (3)

5.3 Match Column A to the correct answer in Column B.

	<b>COLUMN A</b>		<b>COLUMN B</b>
5.3.1	Planned Economy	A	Balance of free market and government controls
5.3.2	Market Economy	B	Control of an industry by one company
5.3.3	Mixed Economy	C	Disadvantage of market economy
5.3.4	Socialism	D	Government decides the pricing of goods
5.3.5	Monopoly	E	Operate freely and easily all over the world.
5.3.6	Globalisation	F	Source of market needs
5.3.7	Technical & Social skills	G	Laws to protect personal property
5.3.8	Government intervention in the economy	H	Principle of supply and demand determines what is produced
5.3.9	Target market	I	Advantage of market economy
5.3.10	Increase in crime	J	Economic and political system

5.3.1 \_\_\_\_\_ (1)

5.3.2 \_\_\_\_\_ (1)

5.3.3 \_\_\_\_\_ (1)

5.3.4 \_\_\_\_\_ (1)

5.3.5 \_\_\_\_\_ (1)

- 5.3.6 \_\_\_\_\_ (1)
- 5.3.7 \_\_\_\_\_ (1)
- 5.3.8 \_\_\_\_\_ (1)
- 5.3.9 \_\_\_\_\_ (1)
- 5.3.10 \_\_\_\_\_ (1)

Question 6

[25 Marks]

6.1 Explain the types of businesses that make up each of the following sectors of the economy:

a) The primary sector



A field of wheat

b) The secondary sector



A baker

c) The tertiary sector



A cake and pastry shop

(3 x 2 = 6)

6.1.1. a) \_\_\_\_\_  
 \_\_\_\_\_ (2)

6.1.2. b) \_\_\_\_\_  
 \_\_\_\_\_ (2)

6.1.3. c) \_\_\_\_\_  
 \_\_\_\_\_ (2)

6.2 Explain two roles that each of the following sectors plays in the South African economy:

6.2.1 The primary sector \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_ (2)

6.2.2 The secondary sector \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_ (2)

6.2.3 The tertiary sector \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_ (2)

6.3 In which sector are most of the workers unskilled?  
\_\_\_\_\_ (1)

6.4 Which sector would the following belong to? Write primary or secondary or tertiary.

6.4.1 Software engineering \_\_\_\_\_ (1)

6.4.2 Agriculture \_\_\_\_\_ (1)

6.4.3 Metalworking \_\_\_\_\_ (1)

6.4.4 Healthcare \_\_\_\_\_ (1)

6.4.5 Quarrying \_\_\_\_\_ (1)

6.4.6 Waste disposal \_\_\_\_\_ (1)

6.4.7 Chemical industry \_\_\_\_\_ (1)

6.4.8 Forestry \_\_\_\_\_ (1)

6.4.9 Education \_\_\_\_\_ (1)

6.4.10 Clothing industry \_\_\_\_\_ (1)

6.4.11 Engineering \_\_\_\_\_ (1)

6.4.12 Restaurants \_\_\_\_\_ (1)

**Demand and supply curve**

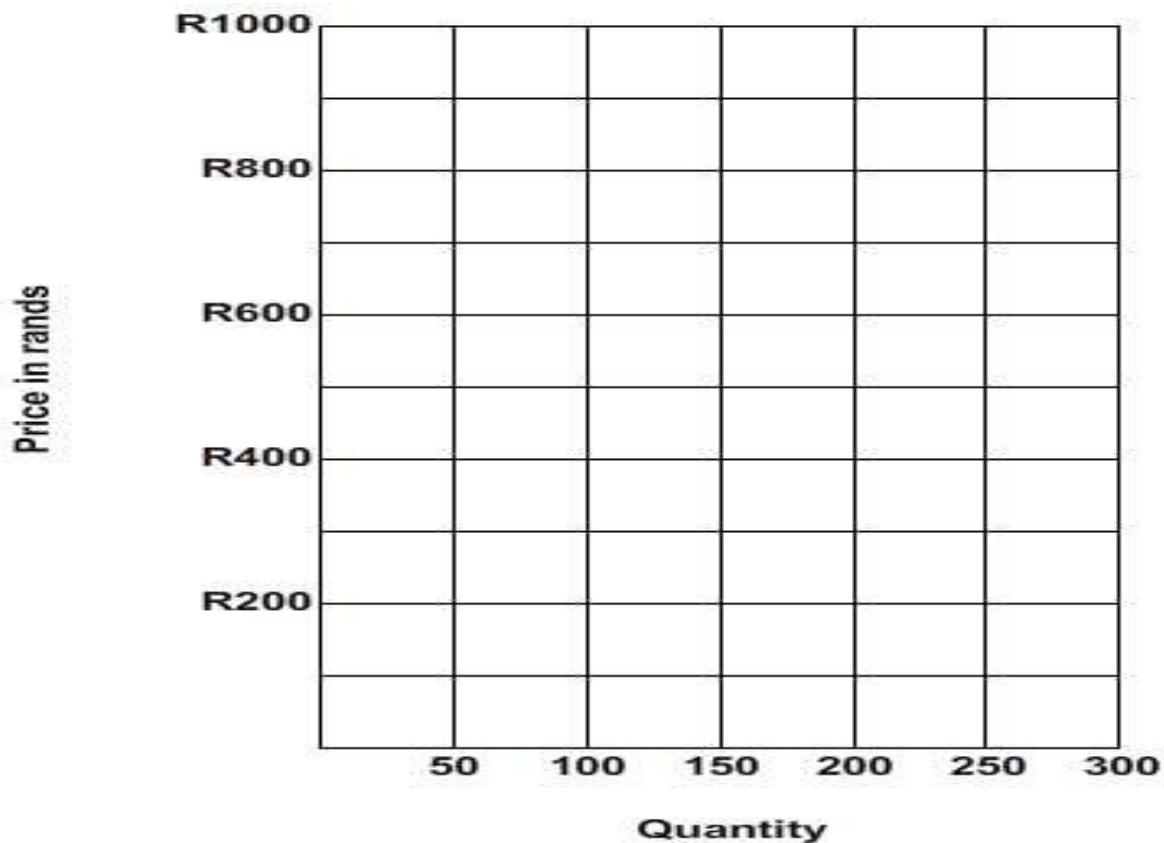
Study the tables below and answer the questions that follow.

Price per pair of jeans	Quantity demanded
R1000	50
R800	100
R500	200
R300	300

Price per pair of jeans	Quantity supplied
R1000	300
R800	200
R500	100
R300	50

- 7.1 Draw a demand and supply curve on the graph below. This graph will show the quantity supplied and the quantity demanded. (8)
- 7.2 Mark the point on the graph where the two curves intersect (meet) (2)

**The demand and supply curve**



Section C  
Financial Literacy

[95 MARKS]

Question 8

[10 Marks]

State which journal & source document will be used for each of the following transactions. **It is important to state whether it in an original or a duplicate document where necessary.**

TRANSACTION	JOURNALS	SOURCE DOCUMENTS
8.1 Cash sales of R3 500		
8.2 Purchases of equipment, R9 000		
8.3 Issued a cheque to City of Tswane for water and electricity, R1 300		
8.4 Paid rent of R4 500		
8.5 Owner paid R5 500 for his personal telephone account		
8.6 Sold goods on account to WCA Stores, R4 000		
8.7 Owner increased his capital contribution by R25 000		
8.8 Received R1 500 from a debtor, in part-payment of their account		
8.9 Used money for postage stamps, R12		
8.10 Services rendered to customers for cash, R10 000		

Question 9

[23 Marks]

Analyse the following transactions according to the example.

- 9.1 Pay wages with a cash cheque, R3 230
- 9.2 The owner, T Rasenyallo, started a business by contributing R140 000 as capital contribution to the business.
- 9.3 Bought vehicle from Toyota Traders for R234 500
- 9.4 The owner paid his personal rent for R1 540 using a business cheque
- 9.5 Sold merchandise (Cost price R 3 000) to A Adams on credit for R6 000.
- 9.6 Received R3 500 rent for the month
- 9.7 Applied for a loan from ABSA Bank, R15 000 which was paid directly into the business bank account

	Account Debit	Account Credit	Amount	A	OE	L
9.1	Wages	Bank	3 230	-	-	0
9.2						
9.3						
9.4						
9.5						
9.6						
9.7						

Question 10

[12 Marks]

Enter these transactions in the Debtors journal of Hansen Stationers  
 Close off the Debtors Journal at the end of the month. NOTE: Hansens Stationers maintains a mark up of 25% on the cost price.

The transactions which follow are those of Hansen Stationers which took place during May 2016

- 3 Sold stationery on credit to Soltec Systems, R 625 Duplicate invoice HAN45
- 8 Sold stationery on credit to General Electric Appliances, R 825 Duplicate invoice HAN46
- 15 Received a cheque from Soltec Systems in settlement of their account Receipt CT 015, R 420
- 20 Sold exclusive pens to Soltec Systems on credit R1 200 Duplicate invoice HAN47
- 24 Received R 400 cash from General Electric Appliances in part payment of the outstanding balance Receipt CT 016
- 28 Received a cheque of R 500 from Soltech Systems as payment on their account Receipt CT 017

Debtors Journal of ..... DJ 3

Inv. No.	D	Debtor	Fol	Sales	Cost of sales

Question 11

[6 Marks]

In each of the following cases, you are required to do the necessary calculations:

11.1 John buys a second-hand car for R15 000 and sells it Basil for R22 500. How much profit did he make?

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_ (2)

11.2 Marlene has a 30% mark up on her potatoes. She buys potatoes for R10 a pocket at the Somerset East Fresh Produce Market. For how much does she sell each pocket?

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_ (2)

11.3 Calvin's Hardware Store sells their paint at a mark-up of 60%. What do they buy it for if they charge R500 for a 20 litre drum?

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_ (2)

## TRADING BUSINESS – Hansen Stationers

The following information was taken from the books of Hansen Stationers, with owner T Rasenyallo. Hansen Stationers uses a mark up of 25% on cost price.

**INSTRUCTION**

Complete the CRJ and CPJ for the month of May 2016:

## TRANSACTIONS FOR May 2016:

- 2 The owner, T Rasenyallo, increased her capital in the business from R10 000 to R15 000. Issued Receipt R04.

Purchased the following from Natal Wholesalers:  
Trading stock R2 500 and Consumable stores R500. Issued cheque no. 020.

Sold goods to G. Smith for cash, R3 000. CRR 001  
The tenant, M. Boucher deposited his monthly rent of R2 000. Issued him a receipt.

- 7 Paid the weekly wages, R1 000. Issued cheque no. 021.

- 15 The owner withdrew R200 for personal use. Issued Cheque no.022.

- 21 Purchased the following from GoGetter Traders:  
Equipment, R1 000 and Trading stock, R500. Cheque no. 23.

- 23 Paid KZN Wholesalers R2 000 for Trading Stock. Issued Cheque no.024.

Sold goods for cash, R300. The gross profit resulting from this transaction amounted to R50.

Paid a salary to H. Gibbs, R2 500. Issued Cheque No.026.

- 29 Made a payment on a Loan to Nedbank, R3 000. Cheque No. 027.



Question 13

[20 Marks]

You are provided with some of the totals from the CRJ, CPJ and DJ of Link Pharmacy for May 2016

13.1 Prepare the following accounts in the general ledger

- 13.1.1 Bank
- 13.1.2 Trading Stock
- 13.1.3 Debtors Control
- 13.1.4 Sales
- 13.1.5 Cost of Sales

NOTE: Enter the opening balances / totals in the ledger accounts on the 1 May 2016 (The general ledger has a few entries already in for you)

The following balances appeared in the ledger on 1 May 2016:

Bank R12 000; Trading stock R160 000; Debtors control R26 000; Sales R240 000; Cost of sales R160 000

Cash Receipts Journal of Link Pharmacy for May 2016

CRJ3

Bank	Sales	Cost of Sales	Debtors Control	Sundry Accounts
?	81 000	54 000	23 000	10 000

Cash Payments Journal of Link Pharmacy for May 2016

CPJ3

Bank	Trading Stock	Equipment	Wages	Sundry Accounts
101 000	24 000	40 000	20 000	17 000

Debtors Journal of Link Pharmacy for May 2016

DJ3

Sales	Cost of Sales
80 000	57 000

**GENERAL LEDGER OF LINK PHARMACY**

**DR**

**BALANCE SHEET SECTION**

**CR**

**TRADING STOCK (6)**

2016 May	1	Balance	b/d		2016 May	31		CRJ	
	31		CPJ	24 000				DJ	
							Balance	c/d	
2016 June	1	Balance	b/d						

**DEBTORS CONTROL (3)**

		Balance	b/d		2016 May	31	Bank	CRJ	
			DJ				Balance	c/d	
2016 June	1	Balance	b/d						

**BANK (5)**

2016 May	1	Balance	b/d	12 000				CPJ	
			CRJ						
								c/d	
2016 June	1	Balance	b/d						

**NOMINAL ACCOUNTS SECTION**

**SALES (3)**

					2016 May	1	Total	b/f	
								DJ	
								CRJ	

**COST OF SALES (3)**

		Total	b/f						
	31		DJ	57 000					
			CRJ						