

HILLCREST HIGH SCHOOL



**ECONOMIC AND MANAGEMENT SCIENCES
GRADE 9
EXAMINATION – JUNE 2017**

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MODERATOR: MRS EDY

INSTRUCTIONS

This question paper consists of FOUR sections:

1. Read each question carefully.
2. This paper must be completed in 2 hours.
3. Write neatly and legibly
4. Answer ALL questions on the answer sheets provided
5. Use the numbering format that appears on your question paper

SECTION	QUESTIONS	MARKS ALLOCATION	
A. ▪ Economy ▪ Financial Literacy ▪ Entrepreneurship	1. Multiple Choice	20	40
	2. True or False	10	
	3. Matching Columns	10	
B. Economy	4. Economic Systems/Circular Flow	32	52
	5. Price Theory	20	
C. Financial Literacy	6. Subsidiary Journals	30	84
	7. Debtors Journal	17	
	8. Analysis of Transactions	9	
	9. General Ledger Account	4	
	10. General Ledger	24	
D. Entrepreneurship	11. Sectors of the Economy	24	24
TOTAL		200	

SECTION A

QUESTION 1 (40 MARKS)

MULTIPLE CHOICE QUESTIONS

Four possible options are provided as answers to the following questions.

Choose the correct answers and write only the letter (A-D) next to the question number.

- 1.1 Command economies are also known as..... Economies.
- A. Capitalist
 - B. Market
 - C. Planned
 - D. Mixed
- 1.2 A quantity of goods sold at a given price, time and place.
- A. Demand
 - B. Supply
 - C. Quantity Demanded
 - D. Quantity Supplied
- 1.3 In this sector we find all the businesses that are involved in the transformation of the raw materials into goods demanded by the consumers.
- A. Tertiary sector
 - B. Primary sector
 - C. Secondary sector
 - D. All of the above
- 1.4 The difference between sales and the cost of sales in a business is known as.....
- A. the net profit after tax
 - B. the net profit before tax
 - C. profit
 - D. net profit
- 1.5 A trial balance is a list of all the balances / totals in the of a business.
- A. general ledger
 - B. cash payments journal
 - C. cash receipts journal
 - D. debtors and creditors journal
- 1.6 A complex business enterprise will mostly need a(n) level of worker skills.
- A. Lower
 - B. Equal
 - C. Higher
 - D. Similar

1.7 The best way to create sustainable use of resources is through:

- A. Recycling
- B. Secondary
- C. Energy recovery
- D. Prevention

1.8 The economic sector that sells finished and semi-finished items.

- A. Primary
- B. Secondary
- C. Tertiary
- D. All of the above

1.9 The economic sector in which mining will primary fall.

- A. Primary
- B. Secondary
- C. Tertiary
- D. All of the above

1.10 The sector that provides services to the consumer and other businesses.

- A. Primary
- B. Secondary
- C. Tertiary
- D. All of the above

(2 x 10 = 20)

QUESTION 2 (10 MARKS)

State whether the following statements are TRUE or FALSE. Write only True or False in the space provided

- 2.1 Equilibrium is the point where the quantity supplied and quantity demanded for a good are equal.
- 2.2 The secondary sector is involved in the processing of minerals into mineral products such as steel.
- 2.3 The owner of a business may withdraw cash from the business to pay school fees for his/her children.
- 2.4 Private companies pay tax to the government.
- 2.5 Computers, Tables, Land and building are current assets of a business.

(2 x 5 =10)

QUESTION 3 (10 MARKS)

Choose a description/ statement from column A that matches the term in column B.
Write only the letter next to the question.

NO.	COLUMN A	COLUMN B
3.1	The amount that the business adds onto the cost price of a product so that it can make a profit.	A. Social grants
3.2	This is affected by a change in income	B. Primary Sector Business
3.3	An individual or business that owes money to another individual or business.	C. Mark up
3.4	A business that extracts or harvests raw materials from the earth.	D. Demand
3.5	Flow from the government to the households	E. Debtor
		F. Creditor

(2 x 5) =10

SECTION B – THE ECONOMY

QUESTION 4 (32 MARKS)

4.1 List any three roles of households in a circular flow. (6)

4.2 Name the remunerations for the following factors of production. (4)

- A. Natural resources/land
- B. Capital
- C. Entrepreneur
- D. Labour

4.3 Draw a diagram showing how the main role-players interact between economic participants. (12)

4.4 Explain what is meant by a closed economy. (2)

4.5 Complete the table below by stating who control the resources under each economic system indicated.

	Planned Economy	Market Economy	Mixed Economy
Control of resources			

(3)

4.6 If you were the president of a country, which economic system would you implement? Give reasons for your answer. (5)

QUESTION 5 (20 MARKS)

The following table represents the supply and demand schedule of Vuvuzelas sold at Mabhida Traders during the FIFA 2010 Soccer World Cup.



Use the table given below to answer the questions that follow:

PRICE OF VUVUZELAS	QUANTITY DEMANDED	QUANTITY SUPPLIED
R25	10	50
R20	20	40
R15	30	30
R10	40	20
R5	50	10

Refer to the table and answer the following questions:

- 5.1 Draw the demand and supply curve on the graph in your answer booklet.
(Remember to label your graph) (10)
- 5.2 At which price is the quantity supplied and quantity demanded equal? (2)
- 5.3 Provide a name given to a price where quantity supplied is equal to quantity demanded. (2)
- 5.4 At the price of R10 indicate whether there is excess supply or demand and by how many units. (2)
- 5.5 Define the following terms:
 - (a) Law of demand (2)
 - (b) Law of supply (2)

SECTION C – FINANCIAL LITERACY

QUESTION 6 (30 MARKS)

Soccer Scene started operating in March 2017. The following transactions took place in the first month of trading. Sean Topper (the owner) decided to keep all his terms strictly cash and uses a mark-up of 25% on cost.



6.1 Record the following entries in the Cash Receipts Journal and Cash Payments Journals. Cast the journals.

Transactions

- 1 Sean started his soccer shop by investing R20 000 cash in the business (receipt 001)
- 3 A cheque (cheque 001) for R1 500 was drawn in favor of Pro Estate to pay the rent for March.
- 6 Shop equipment was bought from Edmal Ltd for R3 400. Paid by cheque.
Paid Highway News R134 for an advertisement in the newspaper to announce the official opening of the shop.
Purchased stock for SA Clothing for R5 600. Paid by cheque.
- 8 Cash register sales for R895.
- 10 Two sales clerks are employed, each at a wage of R145 per week. A cheque is cashed to pay the sales clerks their wages for the week.
- 14 Cash register sales amounted to R925.
- 17 Paid the telephone account of R98 by cheque.
- 18 Bought stock from KZN Wear for R1 200. Paid by cheque.
- 27 Sean took R200 cash for personal use.
Paid the wages for the week.
- 28 Paid the bookkeeper, Tom Wave, R2 500

QUESTION 7 (17 MARKS)

Samantha Supplies is a furniture store that buys and sells furniture on credit. They use a mark-up of 33⅓% on cost price. Help her prepare the Debtors Journal.

Required:

- 7.1 Prepare the Debtors Journal on 1 November 2016. Close off the journal at the end of the month. (ROUND OFF TO THE NEAREST RAND) (15)
- 7.2 Do you think Samantha will sell more furniture by offering credit to customers? Give a reason for your answer. (2)

Transactions:

- 2 Sold the following on credit to B. Bartlett and issue invoice 001.
 - * Dining room table for R2 400
 - * Four dining room chairs at R500 each.
- 6 Issued invoice 002 to M. Naidoo for selling goods on credit, R5 600
- 12 Sold merchandise on credit to K. Motloung for R12 800 and issued invoice 003.
- 17 Sold goods on credit to B. Bartlett and issued invoice 004. The cost price of the goods is R1 800.
- 24 Sold goods on credit to M. Motloung for R2 400 and issued invoice 005.
- 29 Issued invoice 006 to B. Bartlett for selling goods on credit, R980.

QUESTION 8 (9 MARKS)

ANALYSIS OF TRANSACTIONS

INSTRUCTION:

Fill in the missing information on the table given below. Write down only the answer in the Answer Booklet.

TRANSACTION DETAILS	SOURCE DOCUMENT	NAME OF JOURNAL	ACCOUNT DEBITED	ACCOUNT CREDITED
Cash sales	A	CRJ	B	Sales
			Cost of Sales	C
Payment for a computer	D	CPJ	E	F
G	Receipt (duplicate)	H	I	Rent income

QUESTION 9 (4 MARKS)

YOU ARE REQUIRED TO:

Study the ledger account given below and answer the questions that follow.

Dr.		TRADING STOCK				B7					
Cr.											
Date		Details		F	Amount	Date		Details		F	Amount
2017						2017					
MAY	1	Balance		b/d	10 000	MAY	31	?	DJ		4 000
	31	Bank		CPJ	30 000			Cost of sales	CRJ		12 000
								Balance	c/d		?

- 9.1 Is the Trading Stock account classified as an Asset or Liability account? Give a reason for your answer. (1)
- 9.2 Describe the entry for R30 000 on the debit side. (1)
- 9.3 What is the contra account missing on the credit side on the 31st ? (1)
- 9.4 Calculate the balance c/d on 31 May 2017. (1)

QUESTION 10 (24 MARKS)

Greshan Park Trading Stores sells a variety of products including groceries, clothing and homeware.

Required:

- 10.1 Use the information given below to complete accounts in the General Ledger of Greshan Park Trading Stores for March 2017.
 - Trading Stock (10)
 - Bank (6)
 - Sales (4)
 - Stationery (4)

10.2 The following information appeared in the General Ledger on 1 March 2017:

- Bank R 8 960
- Trading Stock R 7 780
- Sales R10 002
- Stationery R 1 880

Cash Receipts Journal of Greshan Park Trading Stores for March 2017

CRJ3

Analysis of Receipts	Bank	Sales	Cost of Sales	Sundry Accounts
0	?	17 050	14 400	26376

Cash Payments Journal of Greshan Park Trading Stores for March 2017

Bank	Trading Stock	Wages	Stationery	Sundry Accounts
28 230	13 270	5 600	2 310	7 050

SECTION D - ENTREPRENEURSHIP

QUESTION 11 (24 MARKS)

- 11.1 Explain why pollution is likely to be more of a problem in the secondary sector rather than in the primary and tertiary sector. (2)
- 11.2 Describe any two roles played by tertiary sector. (4)
- 11.3 What skills are required in the secondary sector? (2)
- 11.4 Explain how a farmer can be involved in both primary and tertiary sector. (2)
- 11.5 Kellogg's Corn Flakes are distributed throughout the country. Using a diagram, show all the sectors Kellogg's Corn Flakes would have passed through to finally be in the consumer's hands. Your diagram must name the sector, explain what happens in that sector and how the cereal moves between the sectors. (14)