

NAME: _____

CLASS : _____



Hillcrest High School

Department:
Economic Management Sciences

GRADE 9

ECONOMIC AND MANAGEMENT SCIENCES
MAY 2019 EXAM

MARKS: 200

EXAMINER: J Chabant

TIME: 2 Hours

MODERATOR: T Wittstock

INSTRUCTIONS TO CANDIDATES:

1. All questions are compulsory.
2. Answer on the special answer booklet that is provided.
3. Write your name, surname, grade and your EMS educator on your answer booklet.
4. Read questions carefully and answer in full sentences.
5. Marks will be deducted for untidy work and incorrect spelling.

Section A: Short Questions

Question 1: True and False

State whether the following is true or false. If false then correct the underlined word.

- 1.1 A cheque counterfoil is used to record transactions representing cheque payments.
- 1.2 When retailers sell on credit, they get their money immediately.
- 1.3 A retail business usually has more cash customers than credit customers.
- 1.4 South Africa has a traditional economic system.
- 1.5 When you sell on credit you will be able to sell more stock.

(7)

Question 2: Matching Columns

Choose a description from Column B that matches the words in Column A. Write only the letter of your answer next to the question number. Eg. 2.1 K

2.1	Banks	A	Money used to start a business
2.2	Assets	B	Where you record all the transactions that do not have special columns.
2.3	Capitalism	C	These are examples of financial institutions.
2.4	Capital	D	It is also known as a market economy
2.5	Transaction	E	Assets are valued at their original purchase price.
2.6	Sundry Accounts	F	The amount of money the business sells his product for.
2.7	Cost Price	G	... are business possessions
2.8	Debtors	H	Document issued when cash is received by a business for any reason other than cash sales.
2.9	Historical Cost Rule	I	The amount of money it takes to manufacture or obtain a product.
2.10	Receipt	J	An exchange of a financial nature between a buyer and a seller.
		K	People or businesses who owe money to a business.

(20)

Question 3: Multiple Choice

Four options are provided as possible answers to the following questions. Choose the correct answer and write only the letter of your answer in the block that is provided, Eg. 3.1 C

- 3.1 The economic system in which the factors of production are owned by private individuals and businesses.
- A Mixed Economy
 - B Market Economy
 - C Planned Economy
 - D Traditional System
- 3.2 North Korea's economic system is an example of ...
- A a mixed economy
 - B a market economy
 - C a planned economy
 - D Globalisation
- 3.3 The calculation for the Cost of Sales is as follows:
- A Selling price X 100/mark-up
 - B Selling price X percentage mark-up
 - C Selling price X 100/(100+mark-up)
 - D Cost price X percentage mark-up
- 3.4 Purchased new cash register from Vryheid Machine for R1500 and packing material for R800; paid by cheque 210. Amount to be recorded in the bank column of the CPJ will be:
- A R23 000
 - B R 800
 - C R 1 500
 - D R 2 300
- 3.5 The credit rating of a business or a person can be described as
- A Debtors
 - B Credit Worthiness
 - C Creditors
 - D None of the above

(5 x 2 = 10)

QUESTION 4:

Provide a suitable term to describe the following:

Economic System	Assets	Expenses	Liabilities
Trading stock	Capital	Income	Consumable Stores

- 4.1 Wages, Repairs, Stationery
- 4.2 Product, Stock, Merchandise
- 4.3 Vehicle, Equipment, Bank
- 4.4 Accounts Payable, Loan
- 4.5 Planned Economy, Market Economy, Mixed Economy

(5)

QUESTION 5:

Secret Cost Code: Break the code for the following items if CNA uses the code BOYFRIENDS where B=0.

- 5.1 Ruler = R/RS
- 5.2 Pencil Bag = ES/EO
- 5.3 A5 Hardcover Book = DI/RR
- 5.4 Ream of Paper = FB/SI
- 5.5 Sharpener = I/ON

(5 x 2 = 10)

[50]

SECTION B: THE ECONOMY

QUESTION 6:

Read the adapted extract and answer the questions.

THE MIXED ECONOMY IS HERE TO STAY

The (4.2) public and private sectors are not perfect, but both have important roles to play in South Africa, so we should start focusing on strengthening their capacities.

The reports on South Africa's economy by a variety of international agencies are all negative. Our leaders may continue to chant "we have a good story to tell" and indeed there is much to be proud of, but the economy is not one of them.

Perhaps it is because of dismay, in a country so rich in natural resources, that comments on our performance get increasingly dogmatic and strident. In particular those who believe in market economics are getting agitated about state performance with some justification. Poor management in several state-owned enterprises (SOEs) provides ample scope for the critics of all government interventions in the economy.

(Adapted extract: Sunday Independent. (2015). *The mixed economy is here to stay*. Available: <https://www.iol.co.za/business-report/opinion/the-mixed-economy-is-here-to-stay-1811778>. Last accessed 20190218.)

- 6.1 Which two economic systems are South Africa's mixed economy made up from? (2)
- 6.2 Which one of the economic systems in South Africa can be referred to as the 'public sector'? Motivate your answer. (2)
- 6.3 Give two reasons from the extract why agencies and some specific people's views of the economy of South Africa is negative. Do not copy from the text. (2)
- 6.4 Which type of economy do you think is the most just/fair system? Motivate your answer. (2)
- 6.5 Briefly discuss consumerism as either a positive or negative effect of globalisation. (2)
- 6.6 What is another word for a capitalist or free economy and give an example of a country which follows this system? (2)
- [12]

QUESTION 7:

Study the picture and answer the questions.



<https://marketbusinessnews.com/financial-glossary/> -economy-definition-meaning/

Autarky: a country, state, or society which is economically independent

- 7.1 Is the economy depicted in the picture an open or closed economy? Give two reasons for your answer. (3)

7.2 Say if the following statement is TRUE or FALSE and motivate your answer by giving two examples. (3)

The interdependence of the three role players in a closed economy as both producers and consumers will destroy an economy if any one of the role players do not fulfill their role as either producer or consumer.

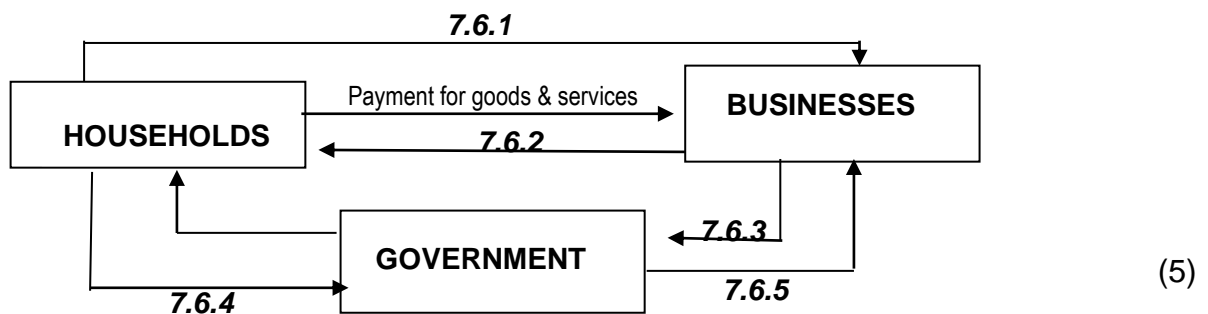
7.3 Which characteristic of a closed economy is vital for the economy to have a chance to survive? (1)

7.4 Do you think an open economy is more advantageous for the citizens? Motivate your answer. (2)

7.5 What is the currency of the flow of money in the open economy that you live in? (1)

7.6 **Complete** the following diagram by writing the most appropriate LETTER next to the correct number in the block. Choose from the following letters:

- A = Factors of production
- B = public goods and services
- C = payment for goods and services
- D = taxes on income
- E = payment/remuneration for factors of production
- F = transfer payments like old age pensions,
- G = taxes on profits.



7.7 Name one income households can receive from businesses. (1)

7.8 Name and explain the four factors of production. (8)

7.9 List the three types of labour and give an example of each. (6)

[30]

QUESTION 8:

Study the following table and answer the questions that follow.

Price per pair of shoes	Quantity requested	Quantity offered
R1 000	50	300
R800	100	200
R500	200	100
R300	300	50

- 8.1 Draw and label the demand and supply curve and mark the point where the two curves meet on the diagram given. (8)
- 8.2 Explain what this point is called where the two curves meet. (2)
- 8.3 Explain what is meant by the term 'Supply'. (2)
- 8.4 Briefly explain what will happen to the demand if the supplier increases the price of shoes. (2)
- 8.5 What is bidding? (4)
- 8.6 Name one auction website that we get. (2)

[20]

QUESTION 9:

Answer the following questions based on the Consumer Protection Act.

9.1 What is the purpose of the Consumer Protection Act? (2)

9.2 List 2 advantages of the Consumer Protection Act. (4)

National Credit Act

9.3 State 4 main points of the National Credit Act. (4)
[10]

SECTION C: FINANCIAL LITERACY

QUESTION 10:

State which journal and source document will be used for each of the following transactions.

TRANSACTION	JOURNAL	SOURCE DOCUMENT
10.1 Cash sales of R3 500		
10.2 Purchases of equipment, R9 000, issued cheque.		
10.3 Sold goods on account to WCA stores, R4 000.		
10.4 Owner increased his capital contribution by R25 000.		
10.5 Received R1 500 from a debtor, in part-payment of their account.		

(10)

QUESTION 11:

Complete the following calculations:

11.1 A dealer purchases an article for R42 and sells it for R62. Calculate the percentage profit on the cost price. (5)

11.2 A dealer bought 150 games. His percentage profit on is 30 %. Calculate the cost price of one article if he sold all the games for R300. (6)

11.3 A dealer purchased a book for R12. Calculate the selling price if percentage profit in the selling price is 20 %. (4)

11.4 A profit of R30 is made on an article which cost R80. Express the profit as a percentage of the selling price. (5)
[20]

QUESTION 12:

Analyse the following transactions according to the example.

	Bank	Trading Stock	Vehicles	Debtors Control			Loan		
11.1	-3 230				+3230				

- 12.1 Pay wages with a cash cheque, R3 230.
- 12.2 The owner, T Rasenyallo, started a business by contributing R140 000 as capital contribution to the business.
- 12.3 Bought vehicle from Toyota Traders for R234 500.
- 12.4 The owner paid his personal rent for R1 540 using a business cheque.
- 12.5 Sold Merchandise (Cost Price R3 000) to A Adams on credit for R6 000.
- 12.6 Received R3 500 rent for the month.
- 12.7 Applied for a loan from ABSA Bank, R15 000 which was paid directly into the business bank account.

[14]

QUESTION 13:

The transactions which follow are those of Stanleys Stationers which took place during May 2018:

- 2 Sold stationery on credit to Soltec Systems, R625 Duplicate invoice P45.
- 8 Sold stationery on credit to General Electric Appliances, R825.
- 15 Received a cheque from Soltec Systems in settlement of their account Receipt CT 015, R420.
- 20 Sold exclusive pens to Soltec Systems on credit R1 200.
- 24 Received R400 cash from General Electric Appliances in part payment of the outstanding balance.
- 28 Received a cheque of R500 from Soltech Systems as payment on their account.

Enter these transactions in the Debtors Journal and Cash Receipts Journal for Hansen Stationers.

- 13.1 Cast (total) your Journals at the end of the month. Note: Stanley Stationers maintains a mark up of 25 % on the cost price.
- 13.2 Debtors Ledger Soltec Systems Account for the Debtor. The balance of the debtor: Soltec Systems was R420 on the 1 May 2018.

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GRAND TOTAL : 200 MARKS