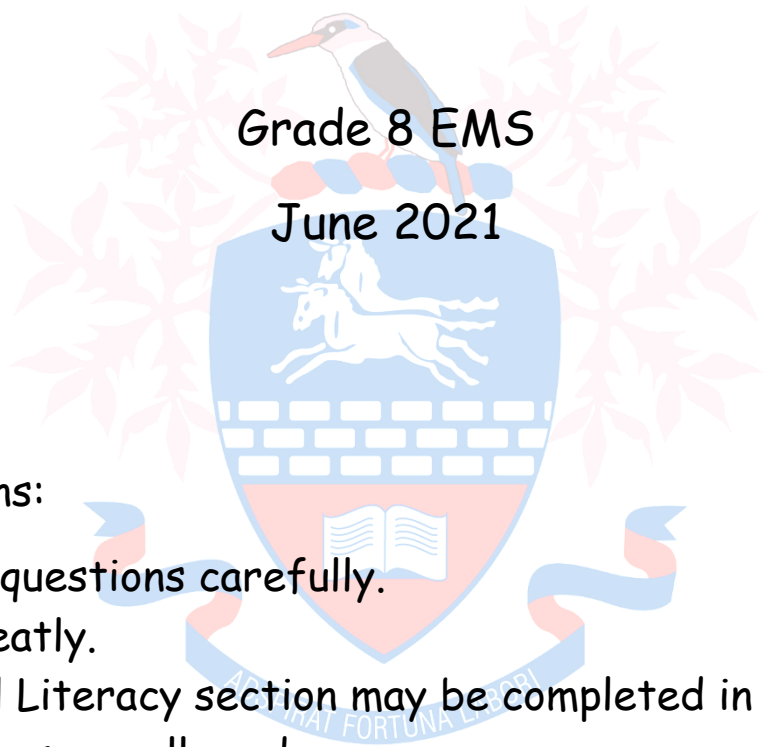


HILLCREST HIGH SCHOOL



Grade 8 EMS
June 2021

2 Hours

200 Marks

Instructions:

1. Read all questions carefully.
2. Write neatly.
3. Financial Literacy section may be completed in pencil.
4. Calculators are allowed.

NAME: _____

TEACHER: _____

GRADE: _____

Section A	Section B	Total	Percentage
_____	_____	_____	_____
100	100	200	%

SECTION A

[100]

1. Choose the correct term from the table below which matches the definition: (10)

Physical Market	Skills market	Capital
Natural Resources	Market for immediate goods	Exports
Role of workers	Knowledge Market	Imports
	Basic Conditions of Employment Act	

A.	This deals with the exchange of information and knowledge.
B.	Goods that are brought into the country.
C.	To produce goods or services. Some are involved in management and administration.
D.	Is a place where buyers and sellers meet.
E.	Goods sold to other countries.
F.	An individual or business offers their expertise, knowledge and skills in exchange for money.
G.	Money the entrepreneur invests in the business.
H.	These markets sell raw materials (goods) required for the final production of other goods.
I.	Available to us, such as agricultural and urban land, forests, mineral deposits, fauna and flora, sunlight, rain, fresh water and oceans.
J.	This law outlines the rights and responsibilities of employees and employers.

A	
B	
C	
D	
E	

F	
G	
H	
I	
J	

2. Fill in the missing word/s. (10)

- a. A government is one of _____ role players in the economy.
- b. In _____ the ANC was voted in and in _____ the constitution was given to the country.
- c. The three levels of Government are: _____, _____ and _____.
- d. The National Budget is presented at the end of _____ every year.
- e. VAT is charged at _____ %.
- f. _____ societies produce all goods and services they need to survive.
- g. Possessions of the business are known as _____.

20

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

South Africa is set on fixing its economy. But will poor people benefit.

Adapted from: <https://theconversation.com/south-africa-is-set-on-fixing-its-economy-but-will-poor-people-benefit-106481>

President Cyril Ramaphosa has been working hard to improve South Africa's economic situation. In October he hosted a jobs summit that's expected to produce 275 000 new jobs a year. More recently he organised an investment summit at which participants announced commitments worth R290 billion. He also announced initiatives to promote the construction of infrastructure and reform the tax regime.

This all sounds very impressive.

Unfortunately, it's possible that all these initiatives could simply result in growth that reinforces the structural weaknesses in South Africa's economy. As a consequence they will not significantly reduce South Africa's high levels of inequality and poverty – both hallmarks of apartheid's legacy.

Past experience suggests that there's a high risk this could happen. The South African economy grew an average of 2.78% a year between 1993 and 2017. Nevertheless, the unemployment rate increased from about 20% in 1994 to about 27% in 2018. And South Africa's Gini coefficient – a measure of income inequality – indicates that the country is more unequal today than it was in 1994.

- a. Who is the President of South Africa? _____ (1)
- b. The President elects people to certain portfolios. What are these people called?
_____ (1)
- c. According to the case study, how many jobs were expected to be produced in a year? _____ (1)
- d. From the information above, what was the amount that was announced at the investment summit? _____ (1)

e. Discuss TWO reasons for the high unemployment rate in South Africa. (2)

f. Levels of inequality and poverty determine one's standard of living. List THREE factors that determine one's lifestyle. (3)

g. List ONE characteristic and ONE disadvantage of living in a Modern Society. (4)

Characteristic: _____

Disadvantage: _____

h. Many South Africans live in Rural Societies. List ONE characteristic and ONE advantage of living in a Rural Society. (4)

Characteristic: _____

Advantage: _____

4. Read the following case study and answer the questions that follow:

Budget 2021: Here's how much less income tax you'll pay - and all the other big tax changes

A surprise surge in tax from mines, plus a faster-than-expected recovery in VAT income, have prevented income tax hikes this year, finance minister Tito Mboweni's 2021 Budget shows.

In fact, individual taxpayers will pay less this year.

But smokers and drinkers are hit hard.

A sharp increase in tax payments from mines and a faster-than-expected recovery in VAT, have helped to spare South African taxpayers in the 2021 national Budget announced by finance minister Tito Mboweni on Wednesday.

So, while SA's tax revenue for the past year will still be around 11% less than in 2019 – due in part to income from “sin taxes” halving because of alcohol and cigarette sales bans during lockdown – the new tax proposals for 2021 will be less harsh than previously feared.

Sin taxes

Excise duties on alcohol and tobacco will increase on average by 8% – double the rate of inflation.

Fuel levies

The general fuel levy will be increased by 15c a litre from 7 April

(Adapted extract: Wasserman, H. (2021). Budget 2021: Here's how much less income tax you'll pay - and all the other big tax changes. Available: <https://www.businessinsider.co.za/budget-2021-all-the-big-changes-in-tax-2021-2>. Last accessed 20210301.)

4.1 Who presented the 2021/2022 budget speech and what is his title? (2)

4.2 What percent is the rate of inflation? _____ (1)

4.3 What does VAT stand for? _____ (1)

4.4 Identify an example of a direct tax mentioned or referred to in the extract. (1)

4.5 Identify TWO examples of indirect taxes mentioned in the extract. (2)

4.6 Fill in the following table: (2)

	DIRECT TAX	INDIRECT TAX
WHO/WHAT IS CHARGED?		

5. Due to many South African's living on the breadline, the government has certain essential food items marked as VAT free. Name TWO food items that are VAT free. (2)

6. The google definition for an Entrepreneur is: *"a person who sets up a business or businesses, taking on financial risks in the hope of profit"*
Entrepreneurship is one of the FOUR Factors of Production. Complete the following table: (12)

Factors of Production	Reward
Example: Entrepreneurship	Example: Profit

7. Using the scenario below, answer the following questions:

Pamela Green, 16 years' old works in the local gift shop, Gifts on the Go, as a shop assistant. She wants to earn some money on the weekends. Her friend, Thabiso Bhengu, is busy studying to be a plumber while working at PlumbRite. Pamela's brother, LeRoy Green, is a qualified Electrician working for Switched On. (9)

Name of person	Job title	Division of labour

8. Name the Act that businesses must contribute 1% of their annual salary bill towards? _____ (1)

9.1 Name the Act that deals with, amongst other issues, the number of days leave, hours of work?
_____ (1)

9.2 Name TWO other components, apart from those mentioned in 9.1, that would appear in an employment contract. (2)

10. State which type of Capital the following items are: (4)

a. Motorbike _____

b. Petty cash _____

c. Building _____

d. Stock _____

11. Complete the following table: (8)

Business	Consumer or Factor Market	Goods, Service, Estate, Labour or Capital Market
Nedbank		
Spar		
Hillcrest dry cleaners		
Seeff Properties		

12. Define non-physical markets and give an example. (3)

13.1 Ryan O'Reilly went to an auction and bought a car. Explain your understanding of an auction. (2)

13.2 Give your own example of an item that can be bought at an auction. (1)

14. Rhino horns are sold illegally. What is this market called? (1)

15. Work out the following exchange rates:

15.1 The exchange rate for the United Kingdom is R19.93 to the Pound. If you want £300, what would it cost you in Rand. Show all calculations. (4)

15.2 The exchange rate R14.13 to the US Dollar. If you want \$300, what would it cost you in Rand. Show all calculations. (4)

4

1. Use the following headings in the table below to classify each item. (12)

Owners' Equity Expense Income Current Asset Fixed Asset Liabilities
--

a. Vehicles	
b. Water and electricity	
c. Loan	
d. Fuel	
e. Stationery	
f. Overdraft	
g. Equipment	
h. Capital	
i. Current income	
j. Drawings	
k. Cash float	
l. Commission income	

2. Liabilities need to be kept as low as possible. Name and give an example of each of the TWO types of liabilities. (4)

3. Complete the following Accounting Equations:

a. Assets = _____ + _____ (2)

b. R30 000 = _____ + R10 000 (1)

c. _____ = R14 000 + R8 000 (1)

4. Fill in the following source document with the information provided. On the 5th of June 2021, Lulu’s Pool Cleaning Services received money from a customer, Mrs J Chandler, for monthly maintenance on her pool. Mrs Chandler paid Lulu Smith R330.00 via EFT. She issued Mrs Chandler with receipt number 0123. (10)

Lulu’ s Pool Cleaning Services	Receipt no.: _____
Issued to _____	
Amount _____	R

For _____	
Received by _____	
Date: _____	

4.1 What is the name of the business that issued the source document? (1)

4.2 Once the details were filled in, the customer was issued the: (1)

4.3 What is the source document the business keeps for its records. (1)

5. Look at the following till slip and answer the questions:



5.1 Which shop were the purchases made from? _____ (1)

5.2 What date did the purchase take place? _____ (1)

5.3 What time did the purchase take place? _____ (1)

5.4 How many items were bought? _____ (1)

5.5 What was the total amount of the purchase? _____ (1)

5.6 How did the customer pay for the items? _____ (1)

5.7 How much was paid towards VAT? _____ (1)

5.8 How much of the purchase was VAT-free? _____ (1)

7

5.9 Draw the symbol that represents VAT-free items on the till slip. _____ (1)

5.10 What was the cashier's name? _____ (1)

6.1 Name the THREE source documents that are used in a Cash Receipts Journal. (3)

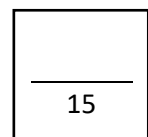
6.2 Name the TWO source documents used in a Cash Payments Journal. (2)

6.3 Discuss the difference between a Debit card and a Credit card. (4)

6.4 Discuss the reason for issuing bank statements. (1)

6.5 Name the source document that is usually computerised and gives more detail than a cash register tape. (1)

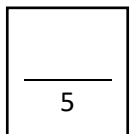
6.6 What does CRT stand for? _____ (1)



9. Lulu Smith, the owner of Lulu's Pool Cleaning Services, approached you to design her a business card. (5)

Make sure you have the following information on her business card:

- Name of the business
- A logo
- The contact person and a telephone number



Use these transactions for the Cash Receipt Journal and Cash Payments Journal on pages 15 and 16.

QUESTION 7 (20)

You are to draw up the **Cash Receipts Journal** for Lulu's Pool Cleaning Services for June 2021.

- 1 The owner, Lulu Smith, contributed R15 000 capital directly to the bank account of Lulu's Pool Cleaning Services. Issued receipt no. 001
Received R450 from Jonathan Khumalo for cleaning his pool (service rendered). Issued receipt no. 002.
- 4 Cash received for services rendered, R8 800. CRT 1 - 10
- 10 Received R500 from Mrs Green for services rendered. Issued receipt no. 003.
Cash received for services rendered, R6 750. CRT 11 – 19.
- 15 Received R4 000 rent from Paul Ngcobo. He paid it directly into the bank account. Issued him with receipt no. 004.
- 17 Cash received for services rendered, R9 500. CRT 20 – 25.
- 25 Received R450 from Sihle Shezi for cleaning his pool (services rendered).
Issued a receipt.
- 30 Received interest earned on the business bank account from FNB, R120.

QUESTION 8 (20)

You are to draw up the **Cash Payments Journal** for Lulu's Pool Cleaning Services for June 2021.

- 1 Bought stationery from Pick n Pay for R200 paid with a debit card.
- 7 Paid Game R1 500 with a debit card. R1 000 for a new printer, R500 for stationery.
- 10 Paid wages R2 500, cash.
- 12 The owner, Lulu, took her family to Spur for dinner and paid with the businesses debit card R750.
- 19 Paid wages R2 500, cash.
- 22 Paid R2 500 to eThekweni Municipality for water. Paid by EFT.
- 30 Paid monthly bank charges of R65 to FNB.