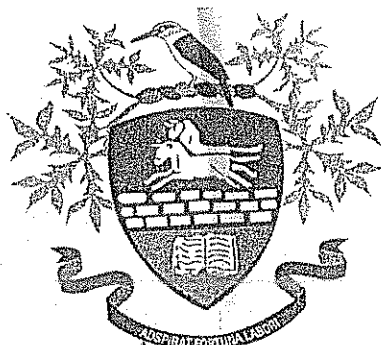


# HILLCREST HIGH SCHOOL



## ECONOMIC AND MANAGEMENT SCIENCES EXAMINATION

**GRADE 9**  
**TIME: 2 HOURS**

**NOVEMBER 2014**  
**MARKS: 200**

**EXAMINER: MRS D KENNY**

**MODERATOR: MRS EDY**

Q1	Q2	Q3	Q4	Q5	Q6	Q7	TOTAL
40	50	50	10	25	10	15	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

[40 MARKS].

1.1

MULTIPLE CHOICE

[10 MARKS]

1.1.1 Which of the following is an expense of the business?

- A Consumable stores
- B Drawings
- C Trading stock
- D Cash float

1.1.2 Which of the following is **not** a tangible (fixed) asset?

- A Equipment
- B Land and buildings
- C Vehicles
- D Bank

1.1.3 Which of the following methods of payment would not be considered a cash payment by a business?

- A Cheque
- B Credit card
- C Account card
- D Debit card

1.1.4 The payment of wages is recorded in which journal?

- A Cash receipts journal
- B Cash payments journal
- C Debtors journal
- D Creditors journal

1.1.5 People who are owed money by the business are known as

- A Creditors
- B Receipts
- C Debtors
- D Accounts receivable

1.2

## MATCHING DEFINITIONS

[20 MARKS]

Match the documents in Column A to the correct definitions in Column B.

COLUMN A		COLUMN B	
No.	Document	No.	Definition
1.2.1	Gross profit	A	People who owe money to a business.
1.2.2	Fixed assets	B	Provided by the owner to run the business .
1.2.3	Net profit	C	Person who combines all the factors of production to produce the goods or service.
1.2.4	Incomes	D	People or businesses to whom the business owes money.
1.2.5	Skilled labour	E	Possessions which will be used by the business for longer than one year.
1.2.6	Entrepreneur	F	The final profit earned by a business after deducting all expenses for a certain period.
1.2.7	Production	G	Items which can increase the business' profits.
1.2.8	Wants	H	Generally involved in manual labour.
1.2.9	Capital	I	Involves the transformation of inputs into useful outputs.
1.2.10	Debtors	J	The total mark-up on all goods in a business throughout a certain period.
		K	A good job and a luxury car.
		L	Workers with an expert knowledge in a particular field.

1.3

## MATCHING DOCUMENTS

[10 MARKS]

Match the documents in Column A to the correct definitions in Column B.

COLUMN A		COLUMN B	
No.	Document	No.	Definition
1.3.1	Invoice	A	Issued when goods are sold for cash.
1.3.2	Bank statement	B	Issued when payments are made.
1.3.3	Receipt	C	Issued when goods are sold on credit
1.3.4	Cash register slip	D	Issued by the bank as proof of transactions that have taken place.
1.3.5	Cheque	E	Issued when cash/cheque is received from a debtor to pay their account.

**QUESTION 2****COMPLETING JOURNALS****[50 MARKS]**

Hillcrest Traders is owned by C. Dowdall and sells antiques and collectables. The bookkeeper, Miss Naidoo, has become ill and has not been able to finish entering the transactions into the Cash Receipts, Cash Payments, Debtors and Creditors Journals for October 2014. You are required to take over and complete the entries from 23<sup>rd</sup> of the month.

Hillcrest Traders sells for cash and credit at a fixed mark-up of 50 % on cost unless they tell you otherwise.

**Required:**

Complete the journals of Hillcrest Traders by entering the transactions below. There are already transactions which have been entered up to 22 October 2014. Do not forget to include these in your totals at the end of the month.

Transactions from 23 October 2014:

- 23 Bought merchandise from Kloof Stores on credit for R 13 200 less 25 % trade discount
- 25 Sold goods on credit to A. Fox for R 1 200.  
Paid Westville Wholesalers, a creditor, R 3 425 as part payment of our account.
- 26 Sent a cheque to PMB Stores for R 16 400. This is in respect of trading stock for R 15 800 and the rest was for stationery to be used in the office.  
Received a cheque from a tenant, C. Mostert, for R 4 000.
- 27 Issued an invoice to K. Chavoos for stock sold on credit. The cost price of these goods was R 480.  
Sold goods for cash to E. Page for R 1 680.  
Received a cheque from A. Fox for R 635 as part payment of her account.
- 28 A cash customer, H. Zondi, bought goods for R 763. The secret code on these goods was CKT/SS. The code word is ARTICHOKE (A=1).  
Received an invoice from Computer World for R 400 for repairs to a computer.
- 29 Issued a cheque to FNB for R 16 480: this was as payment on a loan of R 16 000 and the interest which was owed at 18% p.a. for 2 months.  
Sold goods for on credit to A. Duma for R 400. The cost price of these goods was R 250.
- 31 Cashed a cheque for R 210 to pay the cell-phone contract of the owner's son.  
The bank statement received from FNB showed bank charges of R 185 and interest on the fixed deposit, R 105.

**QUESTION 3      POSTING TO THE GENERAL LEDGER      [50 MARKS]**

You are provided with information relating to Pumi's Party Supplies for September 2014.

**Information:**

Balances and totals on 1 September 2014:

Trading stock	R122 000	Debtors control	R44 800
Bank	R51 500	Creditors control	R37 700
Sales	R492 200	Cost of sales	R360 000
Packing material	R 0		

**REQUIRED;**

1. Open all the accounts listed above using the balances or totals provided.
2. Post from the journals below to these accounts in the General Ledger.
3. Balance or total the accounts at the end of the month.

**TOTALS APPEARING IN THE JOURNALS ON 30 SEPTEMBER 2014:**

**Cash Receipts Journal – September 2014**

**CRJ 4**

Bank	Sales	Cost of sales	Debtors control	Sundry accounts
130 200	88 400	66 300	27 800	14 000

**Cash Payments Journal – September 2014**

**CPJ4**

Bank	Trading stock	Wages	Creditors control	Packing material	Sundry accounts
144 000	67 300	29 400	35 900	4 400	7 000

**Debtors Journal – September 2014      DJ4**

Sales	Cost of sales
124 000	93 000

**Creditors Journal – September 2014**

**CJ 4**

Creditors control	Trading stock	Equipment	Packing material	Sundry accounts
145 000	102 000	19 400	12 600	11 000

**QUESTION 4****SECTORS OF THE ECONOMY****[10 MARKS]**

41 Pep stores is a tertiary enterprise selling products which are purchased from a secondary enterprise, which in turn has transformed them from natural material extracted by the primary enterprise.

Required:

List the 5 activities below in the table provided to indicate whether they are primary, secondary or tertiary enterprises (sectors). (5)

- a) 100% cotton shirts sold by Pep Stores
- b) The shirts were manufactured by a clothing factory from cotton material.
- c) Raw cotton was processed into material bales.
- d) Raw cotton extracted from cotton plants.
- e) Raw cotton was transported to the factory.

Example: Accounting services were recorded for Pep Stores

Primary enterprise	Secondary enterprise	Tertiary enterprise
		e.g Accounting services were recorded for Pep Stores

4.2 Read the following case study and answer the questions below:

**FROM WHEAT TO FLOUR**

Nelson the farmer produces wheat. He ploughs his land, sows and waters the crops, and then harvests the wheat when it has grown tall and strong.

Every summer, he delivers his harvest to the Milling Company for processing. As wheat in its natural state cannot be eaten or cooked it must be transformed into flour and cereals.

The Milling Company grinds some of the wheat into flour, and processes the rest into cereals. Flour is a semi-finished product which can be baked into bread. It is also an intermediary product that can be used to produce and sell other goods. Nelson's wife, for example, can use flour to bake cakes, which she can sell to people in the community. Cereals are finished products that are ready for use.

- 4.2.1 In which sector/ enterprise is Nelson's farm operating? (1)
- 4.2.2 Which process must take place in order to turn wheat into flour? (1)
- 4.2.3 Is wheat in its natural state an input or output? (1)
- 4.2.4 Give an example of a finished product made from wheat. (1)
- 4.2.5 In what way is flour a semi- finished product? (1)

## QUESTION 5

## ENTREPRENEURSHIP

[25 MARKS]

- 5.1 Read the following case study and answer the questions which follow:

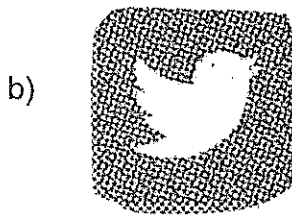
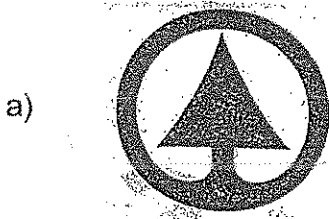
Ben lives in a small rural town in Kwa-Zulu Natal and has been unemployed since the beginning of the year. He attends a support group for unemployed people in the community at the church hall every Tuesday. Ben notices that every week more and more people are coming to the centre and hoping to find employment. Last week Samuel came to talk about creating their own business as a means to finding employment. Samuel also brought a lady from the Tourism Board who spoke about the growing demand by overseas visitors to buy South African products of a cultural nature. Ben and three of his friends have come together and discussed the possibility of setting up a bead-making business. One of his friends Anele, is a Zulu lady and she has knowledge of making beadwork. John has a car and was employed by a company in the marketing department. Sindi has worked previously in a factory where they made globes. Ben studied Accounting at school and was previously as filing clerk for a local business.

- 5.1.1 Using the information given, draw up a SWOT analysis of this potential business in which you identify at least THREE points under each heading. Use the table in your answer book. (12)
- 5.2.1 What are the four P's in the marketing mix? (4)
- 5.2.2 What does the term "target market" mean? (2)
- 5.3 List three types of promotion which could be used to sell products. (3)

54.1 Identify the following well-known slogans:

- a) Just do it.
- b) People with a taste for life (2)

54.2 Identify the following well-known logos:



(2)

**QUESTION 6**

**TRADE UNIONS**

**[10 MARKS]**

- 6.1 What is a trade union? (2)
- 6.2 List three rights of workers. (3)
- 6.3 What is a strike? (2)
- 6.4 What is lock-out? (2)
- 6.5 What does SADTU stand for? (1)

**QUESTION 7****TRIAL BALANCE****[15 MARKS]**

An inexperienced Grade 9 EMS learner prepared the following Trial Balance for her mother's business, Diva Dress Shop on 30 September 2014. It does not balance and has a number of errors. She has even omitted two figures; cost of sales and Capital.

You are required to re-write this trial balance correctly and to calculate the missing figures. The Business uses a mark-up of 50 % on cost price.

**Trial Balance of Diva Dress Shop on 30 September 2014**

Balance Sheet Section	Fol	Debit	Credit
Capital			?
Drawings	B2	46 000	
Loan: Umbilo Bank	B3		150 000
Land and buildings	B4	430 000	
Equipment	B5		60 000
Fixed deposit: KZN Bank		50 000	
Trading stock			216 000
Debtors Control		31 000	
Bank		9 000	
Rent income			30 000
Creditors control		84 000	
Cost of sales	N2	??	
Commission income	N3		12 000
Sales	N1		750 000
Repairs		8 000	
Interest expense( on loan)			18 000
Interest income			5 000
Salaries and wages			230 000
Water and electricity		11 000	
Packing material		7 000	
Insurance		6 000	
Sundry expenses		14 000	
Cash float		1 000	
		?	?

**TOTAL: [200]**

