

NOVEMBER 2015

ECONOMIC AND MANAGEMENT SCIENCES

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

GRADE 9 \_\_\_\_\_ TEACHER: \_\_\_\_\_

HILLCREST HIGH SCHOOL



ECONOMIC AND MANAGEMENT SCIENCES EXAMINATION

GRADE 9  
TIME: 2 HOURS

NOVEMBER 2015  
MARKS: 200

EXAMINER: MRS WITTSTOCK

MODERATOR: MRS EDY

Q1	Q2	Q3	Q4	Q5	Q6	Q7	Q8	Q9	Q10	Q11	Q12	TOTAL
20	20	10	10	15	16	9	24	26	10	30	10	200
												%

**Instructions to candidates:**

- 1) Ensure your **name**, class and teacher's name is on this paper.
- 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.

PLEASE NOTE: Annexure A }  
Annexure B } Are at end of this exam paper. Please  
Annexure C } remember to put your name on each  
annexure attached.

**SECTION A****QUESTION 1: MULTIPLE-CHOICE QUESTIONS**

Four options are provided as possible answers to the following questions. Choose the correct answer and write ONLY THE LETTER (A–D) of your answer in the block that is provided, for example 1.1.11 E.

1.1

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 Globalisation

(2)

1.2

South Africa's economic system is an example of ...

- A a mixed economy.
- B a market economy.
- C a planned economy.
- D globalization

(2)

1.3

The calculation for the Cost of Sales is as follows:

- A Selling price  $\times$  100/mark-up
- B Selling price  $\times$  percentage mark-up
- C Selling price  $\times$  100/(100 + mark-up)
- D Cost price  $\times$  percentage mark-up

(2)

1.4

The ... function looks after the advertising and sales promotion for the business and develops strategies to persuade consumers to buy their products or services.

- A administration
- B general management
- C financial
- D marketing

(2)

1.5

This function records and controls all the financial activities and financial records of the business:

- A Administration function
- B General management function
- C Financial function
- D Marketing function

(2)

1.6

When demand is greater than the supply ...

- A price increases.
- B price decreases.
- C demand increases.
- D supply decreases.

(2)

1.7

Assets increase with an entry on the ... side and decrease with an entry on the ... side.

- A debit and debit
- B debit and credit
- C credit and debit
- D credit and credit

(2)

1.8

These costs do not change as the number of products manufactured changes.

- A Fixed costs
- B Variable costs
- C Mark-up
- D Break-even point

(2)

1.9

It pays the households for their labour and the other factors of production.

- A Government
- B Financial institutions
- C Households
- D Businesses

(2)

1.10

A/An ... is a check to see that every transaction has been recorded in two separate General Ledger accounts.

- A Income Statement
- B Balance sheet
- C Trial balance
- D General ledger

(2)

**[20]**

**QUESTION 2**

Choose a description from COLUMN B that matches the words in COLUMN A. Write ONLY the LETTER (A–J) of your answer next to the question number (2.1–2.10) for example 2.11 K.

COLUMN A	COLUMN B
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 Financial plan	D It is also known as a market economy
2.5 Recession	E Analysis of how the business will be structured and the resources that will be needed
2.6 Capital	F Identifying your target market by analysing exactly who your market is and where it is located
2.7 Transaction	G ... are business possessions
2.8 Management plan	H Period of low economic activity
2.9 Marketing plan	I Includes estimates of start-up costs and future income and expenses
2.10 Sundry Accounts	J An exchange of a financial nature between a buyer and a seller

**ANSWERS**

- 2.1 \_\_\_\_\_ (2)
- 2.2 \_\_\_\_\_ (2)
- 2.3 \_\_\_\_\_ (2)
- 2.4 \_\_\_\_\_ (2)
- 2.5 \_\_\_\_\_ (2)
- 2.6 \_\_\_\_\_ (2)
- 2.7 \_\_\_\_\_ (2)
- 2.8 \_\_\_\_\_ (2)
- 2.9 \_\_\_\_\_ (2)
- 2.10 \_\_\_\_\_ (2)
- [20]

**QUESTION 3**

State whether the following statements are TRUE or FALSE:

- 3.1 Gross domestic product (GDP) is the value of final goods and services produced within the borders of a country.

**Answer:** \_\_\_\_\_ (2)

- 3.2 A cheque counterfoil is used to record transactions representing cheque payments.

**Answer:** \_\_\_\_\_ (2)

- 3.3 Water and oil are in abundance in South Africa.

**Answer:** \_\_\_\_\_ (2)

- 3.4 At the end of the month all the journals are closed off and posted to the General Ledger.

**Answer:** \_\_\_\_\_ (2)

- 3.5 Variable costs stay the same from month to month.

**Answer:** \_\_\_\_\_ (2)  
**[10]**

**QUESTION 4**

Complete the sentences by filling in the blank spaces from the list of words provided. Only write the answer next to the question number (4.1–4.5) you have selected.

credit note; duplicate invoice; fixed cost; variable costs; mixed market; planned; planning production; debit note; purchasing; break-even

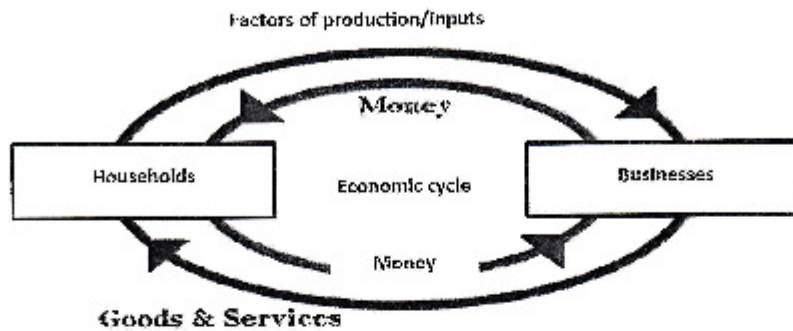
- 4.1 The ... schedules are to maximise machine capacity and staff levels.
- 4.2 The ... is the source document used for goods returned by debtors.
- 4.3 The ... department is responsible for obtaining raw materials and supplies for the business.
- 4.4 The ... is the source document used for goods purchased by debtors.
- 4.5 One of the disadvantages of a ... economy is that people do not have choices, because the government controls everything.

**ANSWERS:**

- 4.1 \_\_\_\_\_ (2)
- 4.2 \_\_\_\_\_ (2)
- 4.3 \_\_\_\_\_ (2)
- 4.4 \_\_\_\_\_ (2)
- 4.5 \_\_\_\_\_ (2)
- [10]**

## SECTION B: THE ECONOMY

## QUESTION 5



5.1 Name the **FOUR** inputs or factors of production in the diagram.

Answer: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_ (4)

5.2 Who sells the factors of production to the businesses?

Answer: \_\_\_\_\_  
 \_\_\_\_\_ (2)

5.3 The market for goods and services is called the .....

Answer: \_\_\_\_\_ (2)

5.4 The person responsible for organising, controlling and allocating the factors of production is called the .....

Answer: \_\_\_\_\_ (2)

5.5 The reward for capital is .....

Answer: \_\_\_\_\_ (2)

- 5.6 Households pay the government tax in return for public goods and services. If the Government were to increase household tax substantially, what would the impact be on consumer spending?

Answer: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_ (3)

[15]

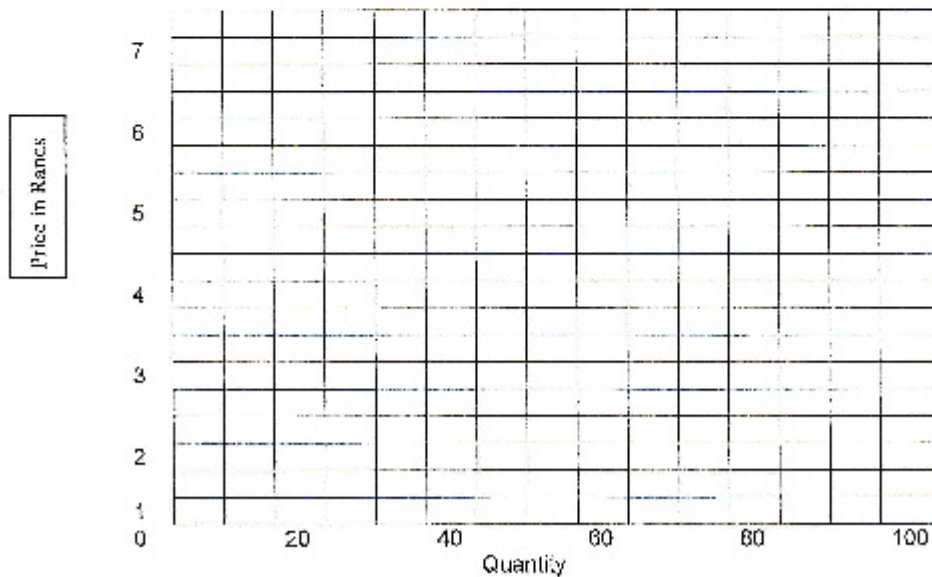
**QUESTION 6**

The table below indicates the combined market demand and supply schedules for pens:

PRICE IN RAND	QUANTITY DEMANDED	QUANTITY SUPPLIED
1	80	20
2	70	30
3	60	40
4	50	50
5	40	60
6	30	70
7	20	80

**REQUIRED:**

- 6.1 Plot the DEMAND and the SUPPLY curves onto the graph. (10)



6.2 Define the term "demand".

Answer: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_ (3)

6.3 At which point in the above schedule will equilibrium be reached?

Answer: \_\_\_\_\_ (3)

[16]

### QUESTION 7

A strike is a challenge which many businesses in South Africa must face today. Strikes, wildcat strikes and go-slows are often very costly for businesses and/or the workers



7.1 7.1.1 Write an explanation on how strike action can be dangerous to the business.

Answer: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_ (4)

7.1.2 List 2 roles of Trade Unions.

Answer: \_\_\_\_\_  
 \_\_\_\_\_ (2)

7.1.3 Name **TWO** functions of a Trade Union that would encourage workers to join a labour union.

Answer: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_ (2)

7.2 What does the acronym COSATU stand for?

Answer: \_\_\_\_\_ (1)  
**[9]**

**TOTAL SECTION C: FINANCIAL LITERACY****QUESTION 8**

8.1

The following information appears in the accounting records of Jackson Traders on 31 October 2015. The business maintains a mark-up of 25% on cost.

**Cash Receipts Journal for Jackson Traders for October 2015**

Bank	Sales	Cost of sales	Debtors Control	Sundry accounts
78.1.1	78.1.2	R43 200	R53 000	R40 300

(Included in the Sundry Accounts is R5 200 for Rent income.)

**Cash Payments Journal for Jackson Traders for October 2015**

Bank	Trading stock	Creditors control	Sundry accounts
78.1.3	R109 050	R25 000	R6 100

(Included in the Sundry Accounts is R1 200 for new equipment purchased from Zama Supplies.)

**Creditors Journal for Jackson Traders for October 2015**

Creditors control	Trading stock	Equipment	Sundry accounts
78.1.4	R40 500	R8 650	R5 000

**Creditors Allowances Journal for Jackson Traders for October 2015**

Creditors control	Trading stock	Equipment	Sundry accounts
78.1.5	R2 560	R0	R250

**Debtors Journal for Jackson Traders for October 2015**

Sales	Cost of sales
R118 800	78.1.6

**Debtors Allowances Journal for Jackson Traders for October 2015**

78.1.7	Cost of sales
R2 030	R1 525

8.1 REQUIRED: Fill in the missing information in the sections marked B.1.1 – 8.1.7.

Answers:

- 8.1.1 \_\_\_\_\_ (1)
- 8.1.2 \_\_\_\_\_ (1)
- 8.1.3 \_\_\_\_\_ (1)
- 8.1.4 \_\_\_\_\_ (1)
- 8.1.5 \_\_\_\_\_ (1)
- 8.1.6 \_\_\_\_\_ (1)
- 8.1.7 \_\_\_\_\_ (1)

- 8.2 Post all relevant entries to the Trading Stock and Debtors Control Accounts in the General Ledger.

**COMPLETE ON ANNEXURE A****[24]****QUESTION 9**

The following transactions of Kew Stores took place during July 2015.

Required:

Record the relevant transactions in the:

- 9.1 Cash Receipts Journal (CRJ07)
- 9.2 Cash Payments Journal (CPJ07)
- 9.3 Creditors Journal (CJ07)
- 9.4 Debtors Journal (DJ07)

NOTE: The business uses a mark-up of 100% on cost.

- 3 Sold goods on account to the following:
  - S. Cedar R300 (invoice no. 55)
  - M. Mart no R450
  - R. Armstrong R900
- 4 Bought the following from Hloisen Stores and paid by cheque no. 789:
  - Merchandise R7 600 and Stationery R500
- 6 Cash sales as per cash register roll 081, R5 400
- 9 Received a cheque from S Cedar for R300 in settlement of his account.
- 12 Issued a cheque for R1 400 to BT Traders as part-payment towards our account.
- 14 Received a cheque from R. Armstrong for R400 as part-payment of his account.
- 19 Bought the following on credit from YX Wholesalers: (re-number invoice no. 25)
  - Merchandise R650, equipment R1 800, printing paper R250
- 22 Bought goods from Don's Traders for R800 less 10% trade discount -- issued a cheque for the account.
- 23 Issued a cheque XY Wholesalers for R1 200 in part-payment of our account.
- 25 Received a cheque from a tenant Billy Jones for R4 800
- 26 Purchased goods R4 200 and stationery R180 from SS Stationers on account.
- 28 Owner Tommy Kew draw a cheque for R900 for personal use.

**COMPLETE ON ANNEXURE B****[26]**

You are provided with an incorrect Trial Balance of DJ's Music Stores on 31 August 2015. Correct the errors and re-calculate the Trial Balance.

**DJ's MUSIC STORES**  
**TRIAL BALANCE AS AT 31 August 2015**

	Fol	DR	CR
Bank		44 000	
Bank charges			800
Equipment		95 500	
Capital			65 200
Telephone		3 200	
Trading Stock		57 540	
<b>Balance Sheet Section</b>			
Sales		400 000	
Vehicle Expense		10 520	
Cost of Sales		200 000	
Debtors Control		121 780	
<b>Nominal Accounts Section</b>			
Creditors Control			40 470
Debtors Allowances			1 238
Drawings		7 100	
Vehicle		50 534	
Loan: Nedbank			90 000
Rent Expense			12 500
Commission Income			5 500
Rent Income		15 000	
		<b>615 170</b>	<b>615 170</b>

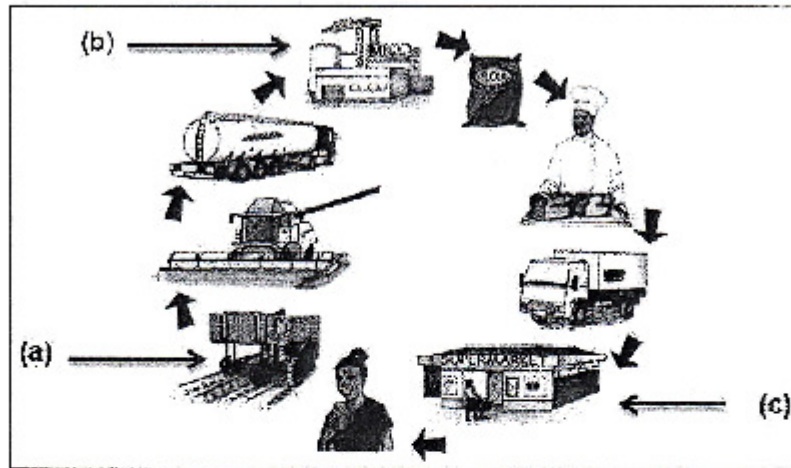
**COMPLETE ON ANNEXURE C**

**[10]**

**SECTION D: ENTREPRENEURSHIP**

**QUESTION 11**

**11.1 FLOWCHART FOR THE PRODUCTION OF BREAD**



11.1.1 Label the sectors of the economy represented by (a), (b) and (c) above.

**Answer:**

- (a) \_\_\_\_\_ (2)
- (b) \_\_\_\_\_ (2)
- (c) \_\_\_\_\_ (2)

11.1.2 Explain the interrelatedness between these three sectors, with reference to the production of BREAD.

---



---



---



---



---



---

(6)

11.2 List THREE important functions of the human resources function.

**Answer:**

---

---

---

---

(6)

11.3 The annual market day of your school will be held on the first Friday of the new term. Your group will be selling hotdogs on that day and the group has agreed on conducting market research during the current term.



11.3.1 State why you have to conduct market research during the current term.

**Answer:**

---

---

---

(3)

11.3.2 What is the marketing mix?

**Answer:**

---

---

---

---

(4)

11.4 Comment, briefly on the role of the General Manager and what are the functions.

**Answer:**

\_\_\_\_\_

\_\_\_\_\_

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

11.5 A CEO of a company would be Top, Middle or Lower Management?

**Answer:** \_\_\_\_\_ (1)

[30]

## QUESTION 12

### CASE STUDY:

#### DJ'S BOUTIQUE

Daylo and Jeno are the proud owners of DJ's Boutique, situated in Hillcrest. They sell affordable shoes for ladies and gentlemen. They also trade with imported shoes and designer jeans. Daylo has a degree in Business Management and his partner, Jeno has a diploma in Marketing. The demand for their products has increased so much that they have opened new branches in Koot and Westville.

ABC Traders that sold designer jeans in Hillcrest and Westville, has closed both their branches. The Kwa-Zulu Municipality introduced the e-tolling system on the route that they use for business purposes and increased the rates on all properties. The fuel price increase has increased their transport costs between branches significantly. They employed Frank, a new cashier with no experience. Customers have since lodged complaints that Frank treats them unprofessionally.

#### REQUIRED:

In order to assist them with a SWOT analysis for their business, you must identify at least TWO of EACH of the SWOT components present (8)

STRENGTHS \_\_\_\_\_

\_\_\_\_\_

WEAKNESSES \_\_\_\_\_

\_\_\_\_\_

OPPORTUNITIES \_\_\_\_\_

\_\_\_\_\_

THREATS \_\_\_\_\_

12.2 In your own words, explain what the production function does.

**Answer:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(2)  
**[10]**