



Hillcrest High School
Grade 8 EMS November Examination
2018

Name: _____ Teacher: _____

Time: 2 Hours

Marks: 200

Examiner: Mr B Moffatt

Moderator: Mrs C Edy

- There are four sections in this question paper, ALL sections are compulsory.
- Answer ALL questions in your answer booklet.

The sections of this question paper are as follows:

- Section A: Short Questions
 - Section B: The Economy
 - Section C: Entrepreneurship
 - Section D: Financial Literacy
-
- The first answer you give to any question is taken as the chosen answer unless it is clearly crossed out
 - It is in your best interest to write neatly and legibly
 - Good Luck!

SECTION A – SHORT QUESTIONS

QUESTION 1

Choose the most correct answer to the following questions / phrases. Write just the letter of your answer (A-E) in the table in the answer sheet at the end of this paper.

1.1 The following business name is an example of a _____ business ownership. (1)

Gavin's Gardens LTD

- | | |
|-------------------|----------------------|
| A. Sole trader | B. Close Corporation |
| C. Public Company | D. Private Company |

1.2 Essential information in a partnership agreement: (1)

- | | |
|---------------------------------|-----------------------------|
| A. Responsibilities of partners | B. Contribution of partners |
| C. Purpose of the business | D. All of the above |

1.3 Which of the following statements are true? (1)

- | | |
|---|---------------------------------------|
| A. No new CC's may be formed | B. companies may start with one owner |
| C. Financial records must be audited yearly | |
| D. All of the above | E. A and C |

1.4 A form of company ownership whose financial records do NOT have to be published yearly. (1)

- | | |
|--------------------|-------------------|
| A. Sole trader | B. Partnership |
| C. Private company | D. Public company |

1.5 A necessary part of sustainable jobs. (1)

- | | |
|---------------------------|------------------------|
| A. Sustainable businesses | B. Renewable resources |
| C. Entrepreneurship | D. None of the above |

1.6 Personal savings may be considered? (1)

- | | |
|---------------------|------------------|
| A. Borrowed capital | B. Capital goods |
| C. Stock | D. Own capital |

1.7 An essential requirement for all production processes and human life. (1)

- | | |
|---------------------|----------------------|
| A. Labour | B. Natural resources |
| C. Entrepreneurship | D. Money |

1.8 What does the Government provide to citizens who cannot satisfy their own needs? (1)

- | | |
|---------------------|-----------------|
| A. Social grants | B. Partnerships |
| C. Entrepreneurship | D. Credit Card |

1.9 A responsibility of labour in terms of the right of employment. (1)

- | | |
|--------------------|--------------------------|
| A. Annual leave | B. Joining a trade union |
| C. Healthy lunches | D. Productivity |

- 1.10 The level of management an entrepreneur will belong to. (1)
- A. Lower B. Middle
C. Top D. None of the above

[10]

QUESTION 2

Match Column A to the correct answer in Column B. Write your answers in the table in the answer book.

	COLUMN A		COLUMN B
2.1	Sole trader	A	Legal system
2.2	Double entry	B	The Owner's Money
2.3	A=OE+L	C	Metropolitan Municipality
2.4	OE	D	One owner
2.5	Ethekwini	E	A physical market
2.6	Fixed deposit	F	Location of first entry of transactions
2.7	Journals	G	Two accounts are always involved in a transaction
2.8	Receipt	H	A Source Document
2.9	Judiciary	I	Original documents used in accounting
2.10	SPAR	J	Accounting Equation
		K	Example of a financial asset

(10)

QUESTION 3

State whether the following statements are TRUE or FALSE.

NO marks will be allocated if ALL your answers are either TRUE or FALSE.

- 3.1 The income of the South African government is managed by SARS. (1)
- 3.2 The head of the cabinet in South Africa is President Jacob Zuma. (1)
- 3.3 The South African Government operates on a two-tier system. (1)
- 3.4 Municipalities are producers in basic education and training. (1)
- 3.5 Political parties all have their own idea on how to govern. (1)

[5]

QUESTION 4

Choose the correct word/s from the options provided.

- 4.1 (Retailers/Couriers) purchase goods from manufacturers and/or wholesalers. (1)
- 4.2 (Physical/Services) market is a market where goods are not traded. (1)
- 4.3 A type of tax that raises more income than corporate tax is (Tolls/VAT). (1)
- 4.4 A tax on the petrol price is called a (Levy/Allowance). (1)
- 4.5 The department that is responsible for the regulation of trains, aeroplanes and other vehicles is (Transport/Road Traffic Inspectorate). (1)

[5]

TOTAL SECTION A: 30 MARKS

SECTION B – THE ECONOMY
QUESTION 5 - GOVERNMENT

Read the following extract from the 'iol' website and answer the questions that follow:

'Economy back in safe hands with Tito Mboweni'

POLITICS / 10 OCTOBER 2018, 07:26AM / JASON FELIX

Cape Town - Tito Mboweni's appointment as the new finance minister has been hailed by analysts and economists as the best choice President Cyril Ramaphosa could have made and they say the economy is in safe hands.

Ramaphosa made a late afternoon announcement on Tuesday, first confirming that Nhlanhla Nene had tendered his resignation as finance minister, which the president accepted.

Nene quit following concerns raised around his admissions relating to misleading the public during his testimony at the state capture inquiry.

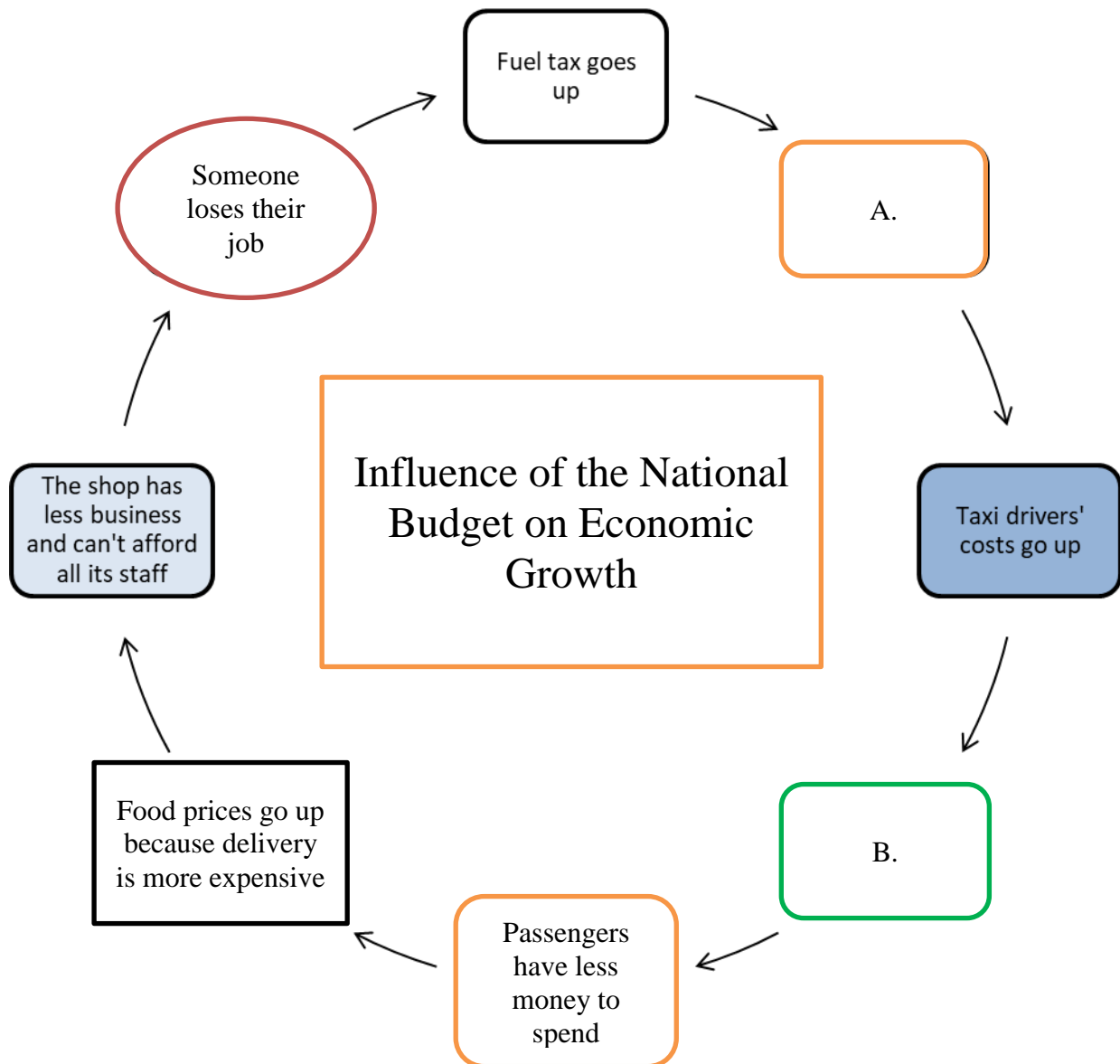
<https://www.iol.co.za/news/politics/economy-back-in-safe-hands-with-tito-mboweni-17419898>

- 5.1. Can the president change Ministers at any time? Explain your answer. (2)
- 5.2. What important event will Tito Mboweni speak at in late February 2019? (1)
- 5.3. What level of Government will the new minister be a part of? (1)
- 5.4. Name ANY two other departments. (2)
- 5.5. The National Budget also has to provide for the provinces, name three of them. (3)
- 5.6. Who elects the President of South Africa? (1)
- 5.7. True or False: only one party runs the Government of South Africa. Explain your answer. (3)
- 5.8. How often does South Africa have a National Election? (1)
- 5.9. When was South Africa's first Democratic Election? (1)

[15]

QUESTION 6 – NATIONAL BUDGET

Study the diagram and answer the questions.



- 6.1. Complete the missing information at A and B. (4)
- 6.2. Who will be most affected by the situation shown in the diagram? Explain. (3)
- 6.3. Name three VAT free items. (3)

[10]

QUESTION 7 – NATIONAL BUDGET

Study the adapted extract and answer the questions.

2018 budget speech in a nutshell

Finance Minister Malusi Gigaba’s Budget Speech has seen him make “difficult decisions” to address a revenue shortfall and to fund free higher education.

An increase in value-added tax (VAT), fuel levy and a higher property tax are just some of the things South Africans will be faced with this year.

On the other hand, Minister Gigaba announced some relief for the poor and the working class in the form of below inflation increase in personal income tax, while ensuring an above average increase in social grants.



The main tax proposals for the 2018 Budget are: (extracted)

An increase in the excise duty rate on luxury goods from 7% to 9%;

A 52 cents per litre increase in the levies on fuel;

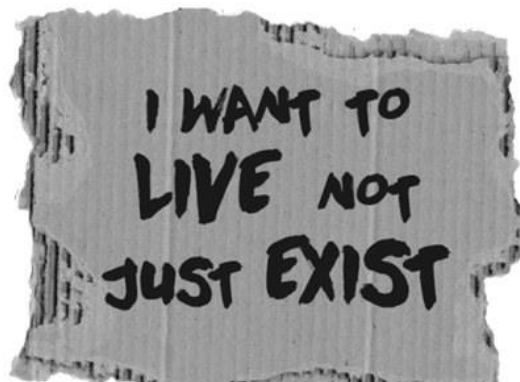
Increases in the alcohol and tobacco excise duties of between 6 and 10%.

(Adapted extract: SA News. (2018). *2018 budget speech in a nutshell*. Available: <https://businesstech.co.za/news/finance/226927/2018-budget-speech-in-a-nutshell/>. Last accessed 20180810.)

- 7.1 What are the main aims of the budget speech? (2)
- 7.2 Which increase do you think will affect the general population the most – VAT, fuel levy or property tax? Explain your answer. (2)
- 7.3 What is the current VAT percentage? (1)

[5]

QUESTION 8 – STANDARD OF LIVING



<http://www.lrs.org.za/projects/services/collective%20bargaining%20support>

- 8.1 What is the definition of unemployment? (2)
- 8.3 How does unemployment, in modern societies, have an effect on lifestyles? (3)

[5]

TOTAL SECTION B: 35 MARKS

SECTION C - ENTREPRENEURSHIP

QUESTION 9 – LEVELS AND FUNCTIONS OF MANAGEMENT



<https://www.hrexchangenetwork.com/hr-learning-development/articles/leadership-styles-across-cultures>

- 9.1 Which level of management is depicted by the cartoon? Explain your answer by referring to the description of this level. (3)
- 9.2 Do you think the manager in the cartoon is doing well in organising his staff? Motivate your answer. (2)
- 9.3 Name three other (besides organising), management tasks. (3)
- 9.4 Which management style will be the best if a fire breaks out in the office? Explain your answer. (2)

[10]

QUESTION 10 – DIVISIONS OF LABOUR

Read the adapted extract and answer the questions.

THE STATE OF SKILLS DEVELOPMENT IN SOUTH AFRICA

It is common knowledge that South Africa has a huge and growing problem with its critical skills shortages in most sectors of the economy. We do not have a workforce with the requisite skills to make a difference in our local economy so what chance do we have of competing in the global marketplace?

Learnerships combine theoretical learning with the practical application of that theoretical learning, in other words, implementing the learned skills where it matters the most, in the workplace. It helps to fast track workplace experienced employees with the theoretical knowledge that helps them understand how they can make that difference in the workplace and the economy.

(Adapted extract: Greenwoord, A. (2014). THE STATE OF SKILLS DEVELOPMENT IN SOUTH AFRICA. Available: <http://www.cpt.co.za/the-state-of-skills-development-in-south-africa/>. Last accessed 20180811.)

- 10.1 What division of labour does the extract talk about? Give evidence to support. (2)
- 10.2 Labour is a Factor of Production, name three others. (3)

10.3 State whether the following statement is True or False and explain your answer: (3)

The Skills Development Fund is used to help people with a lot of money.

10.4 Which of the following laws will be the most important to you as a worker? Motivate your answer. (No motivation, no marks) (2)

- A Basic Conditions of Employment Act; or
- B Employment Equity Act; or
- C Labour Relations Act?

[10]

QUESTION 11 – FORMS OF OWNERSHIP

Complete the following table by using the space provided in your answer booklet.

	Number of Owners	Requirement in Name	What is/are owner/s called?	Liability	Continuity (yes/no)
Sole Trader	1	A.	Owner	B.	No
Partnership	C.	None	D.	Unlimited	E.
Close Corporation	F.	G.	Members	H.	I.
Private Company	J.	K.	L.	Limited	M.
Public Company	Unlimited	N.	Shareholders	O.	Yes

[15]

TOTAL SECTION C: 35 MARKS

SECTION D – FINANCIAL LITERACY

QUESTION 12 - JOURNALS

The following transactions are taken from the records of Indigo Landscapes (PTY) LTD for the month of November 2018, this is the first month of operation; you are required to transfer the relevant information into the cash receipts AND cash payments journals attached in the answer booklet. Close off the journals at the end of the month.

- 1 Mr Erikson (owner) made a capital contribution by cheque for R12 000, he was issued receipt 1.
- 5 Service fees amounted to R1 200; CRT 1-10.
Paid for internet to MWEB by cheque (1); R600.
- 8 Interest received from KINGBank on a positive bank balance; R80.
Service fees amounted to R10 000; CRT 11-30.
Received rent from tenant, B. Stinson; R6 000. Issued receipt.
Bought consumable stores from Makro and paid by cheque; R1 500.
- 10 Bought petrol from F&F Motors and paid by electronic transfer; R1 567.80.
Service fees amounted to R17 800; CRT31-45.
Received commission from Daffodil Nurseries; R325. Issued receipt.
- 11 Bought a new lawnmower from Hillcrest Lawnmowers, paid by cheque; R8 000.
Bank charges from KINGBank amounted to R120.
Service fees amounted to R15 500; CRT 46-63.
- 15 Mr Erikson filled his personal car with petrol at Engen and paid by cheque; R723.40.
Service fees amounted to R16 700; CRT 64-81.
- 18 Paid PG Glass R1 150.60 by cheque to repair a broken windscreen.
Paid wages; R3 500.
- 21 Service fees amounted to R20 000; CRT 82-105.
Bought petrol from F&F Motors and paid by cheque; R1 360.
- 23 Received a small loan from KINGBank; R5 000.
- 25 Service fees amounted to R13 500; CRT 106-119.
- 28 Paid the normal wages by cheque.
Bought consumable stores from GAME and paid by cheque; R480.
- 30 Mr Erikson took his family out for dinner at SPUR and paid by cheque; R640.
Service fees amounted to R18 400; CRT 120-135.
Received the rent for next month from B. Stinson.

CRJ- /25 CPJ- /25 Total: /50

[50]

QUESTION 13 – GENERAL LEDGER

Analyse the following cash receipts and cash payments journals. Transfer the information into the General Ledger attached in the annexure. Complete the folios in the journals and the ledger.

Cash Receipts Journal of Meridian Cleaners - March 2018								
Doc Number	Day	Details	Analysis of Receipts	Bank	Current Income	Sundry Accounts		
						Amount	Folio	Details
CRT 1-12	3	Service fees	5 500		5 500			
R1		P. Anson	20 000	25 500		20 000		Capital
CRT 13-21	5	Service fees	10 000	10 000	10 000			
R 2	7	Lily Inc.	300			300		Commission income
R3		K. Thomas	3 000	3 300	3 000			
BS	10	TFC Bank		84		84		Interest income
R4	15	L. Harper	6 500	6 500		6 500		Rent income
CRT 22-35	18	Service fees	12 000	12 000	12 000			
BS	25	TFC Bank		25 000		25 000		Loan: TFC Bank
CRT 36-50	30	Service fees	14 500	14 500	14 500			
				96 884	45 000	51 884		

Cash Payments Journal of Meridian Cleaners - March 2018								
Doc Number	Day	Details	Bank	Wages	Consumable Stores	Sundry Accounts		
						Amount	Folio	Details
C1	4	Makro	800		800			
C2		Cash	1 500	1 500				
C3	8	Engen	600			600		Petrol
C4	10	Municipality	350			350		Electricity and Water
C5	12	GAME	1 500			1 500		Equipment
C6	18	TFC Bank	120			120		Bank charges
C7		Cash	1 500	1 500				
C8	25	Pick 'n Buy	300			300		Drawings
C9	26	Iron Properties	6 500			6 500		Rent Expense
C10		Makro	1 000		1 000			
C11	31	Cash	1 500	1 500				
			15 670	4 500	1 800	9 370		

[25]

QUESTION 14 – TRIAL BALANCE

Using the following General Ledger, compile a Trial Balance. Use the blank Trial Balance in your answer booklet.

General Ledger of Mike’s Builders – June 2018.

Balance Sheet Accounts

Dr

Cr

CAPITAL

B1

					06/2018	7	Bank	CRJ1	23 000
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DRAWINGS

B2

06/2018	12	Bank	CPJ1	2 300					
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EQUIPMENT

B3

06/2018	30	Bank	CPJ1	8 000					
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VEHICLE

B4

06/2018	5	Bank	CPJ1	20 000					
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BANK

B5

06/2018	30	Total Receipts	CRJ1	114 400	06/2018	30	Total Payments	CPJ1	50 079
					06/2018	30	Balance	c/d	64 321
				114 400					114 400
07/2018	01	Balance	b/d	64 321					

Nominal Accounts

CURRENT INCOME

N1

					06/2018	30	Bank	CRJ1	90 300
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COMMISSION INCOME

N2

					06/2018	12	Bank	CRJ1	800
					06/2018	28	Bank	CRJ1	300
									1 100

WAGES

N3

06/2018	30	Bank	CPJ1	8 000					
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CONSUMABLE STORES

N4

06/2018	30	Bank	CPJ1	7 500					
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ELECTRICITY AND WATER

N5

06/2018	17	Bank	CPJ1	670					
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REPAIRS

N6

06/2018	20	Bank	CPJ1	3 000					
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INTERNET

N7

06/2018	29	Bank	CPJ1	609					
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[25]

TOTAL SECTION D: 100

PAPER TOTAL: 200 MARKS



Hillcrest High School
Grade 8 EMS November Examination
2018

ANSWER BOOKLET

NAME: _____

QUESTION 1

1.1	
1.2	
1.3	
1.4	
1.5	
1.6	
1.7	
1.8	
1.9	
1.10	

QUESTION 2

2.1	
2.2	
2.3	
2.4	
2.5	
2.6	
2.7	
2.8	
2.9	
2.10	

QUESTION 3

3.1.	
3.2.	
3.3.	
3.4.	
3.5.	

QUESTION 4

4.1.	
4.2.	
4.3.	
4.4.	
4.5.	

30

QUESTION 11

A.	B.	C.	D.	E.
F.	G.	H.	I.	J.
K.	L.	M.	N.	O.

15

