

HILLCREST HIGH SCHOOL



ECONOMIC AND MANAGEMENT SCIENCES GRADE 9 EXAMINATION – NOVEMBER 2019

EXAMINER: MRS J CHABANT
MARKS: 200

MODERATOR: MRS EDY & MRS WITTSTOCK
TIME: 2 Hours

INSTRUCTIONS

This question paper consists of THREE sections:

1. Read each question carefully.
2. This paper must be completed in 2 hours.
3. Write neatly and legibly
4. Answer ALL questions in the answer book provided
5. Show all your workings where applicable.

Sections	Questions	Mark Allocation	
A - The Economy and Financial Literacy	Question 1: True or False	10	55
	Question 2: Matching Columns	20	
	Question 3: Multiple Choice	20	
	Question 4: Choose the correct Sector	5	
B - The Economy	Question 5: Supply and Demand	7	91
	Question 6: Economic Systems	27	
	Question 7: Trade Unions	17	
C – Entrepreneurship	Question 8: Business Functions	40	
D – Financial Literacy	Question 9: Journals and Source Documents	36	54
	Question 10: General Ledger and Calculations	18	
Final Total		200	

Section A: Short Questions

Question 1: True and False

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

- 1.1 The Creditors Journal is used to record various items bought on Credit by a business.
- 1.2 Payments from debtors are recorded in a Cash Payments Journal.
- 1.3 Secondary sector provides tertiary sector with raw materials.
- 1.4 A trade union is an organization that was originally established to negotiate with employees.
- 1.5 Households are people trying to satisfy unlimited wants and needs.

(10)

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	COSATU	A	Bought office stationery on credit from Ndlovu Stationers for R1 000 as per invoice no. 50. This transaction will be recorded in the:
2.2	Economic System	B	Debtors Ledger
2.3	Supply	C	Theft of money or possessions in a business.
2.4	Creditors Journal	D	The flow of money among the participants in the economy as a result of economic activity.
2.5	Risk Management	E	The largest group of trade unions in South Africa.
2.6	C. Celeste, a debtor pays R500 by cheque in part payment of his account of R1 000. His balance will be reflected in:	F	How good the credit rating of a business or person is.
2.7	Fraud	G	The quantity of products that will be supplied by producers at each different price level.
2.8	Economic cycle	H	A rise in the level of prices over time
2.9	Credit worthiness	I	A business function.
2.10	Inflation	J	Debtors Journal
		K	A system that a country chooses by which to allocate and distributes its resources

(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 A

- 3.1 Which of the following are all assets?
A. Bank, Vehicles, Accounts Receivable, Stationery
B. Bank, Accounts Receivable, Sales, Loan
C. Vehicles, Bank, Trading Stock, Accounts Receivable
D. Vehicles, Bank, Trading Stock, Accounts Payable
- 3.2 An economic system which allows government intervention is called _____.
A. Mixed Economy
B. Market Economy
C. Planned Economy
D. Both A & C
- 3.3 A loan from the bank is a / an ...
A. Asset
B. Liability
C. Interest
D. Cash
- 3.4 If the selling price is R600 and the Cost Price is R450, the Mark-up is...
A. 10 %
B. 33.3 %
C. 25 %
D. 50 %
- 3.5 The department that is responsible for promoting the image of the business is called ...
A. Human resource
B. Public relations
C. Administration
D. Marketing
- 3.6 A business sells a product at a Selling Price of R25 600 with a 33,3 % Mark-up. Calculate the Cost Price.
A. R19 248,12
B. R1 924,81
C. R19 200
D. R20 000
- 3.7 A programme which was instituted by the ANC government aimed at redressing past social and economic imbalance and developing economic growth.
A. RDP
B. GDP
C. DRP
D. PAYE

- 3.8 It is important to look after workers' _____ in terms of health and leave
A. Security
B. Skills
C. Welfare
D. Homes
- 3.9 It is essential the job _____ takes place to ensure that more workers can find employment.
A. Creation
B. Skills
C. Welfare
D. Security
- 3.10 Cash received from a tenant is recorded as _____.
A. An expense in the Cash Receipts Journal
B. An income in the Cash Payments Journal
C. An expense in the Cash Payments Journal
D. An income in the Cash Receipts Journal

(10 x 2 = 20)

QUESTION 4:

Indicate on the table below which sector each of the businesses is most likely to fall.

Business	Primary sector	Secondary sector	Tertiary Sector
Sugar Mill			
Catching Fish			
Transport			
Canning Food			
Hospital			

(5)

TOTAL SECTION A: 55

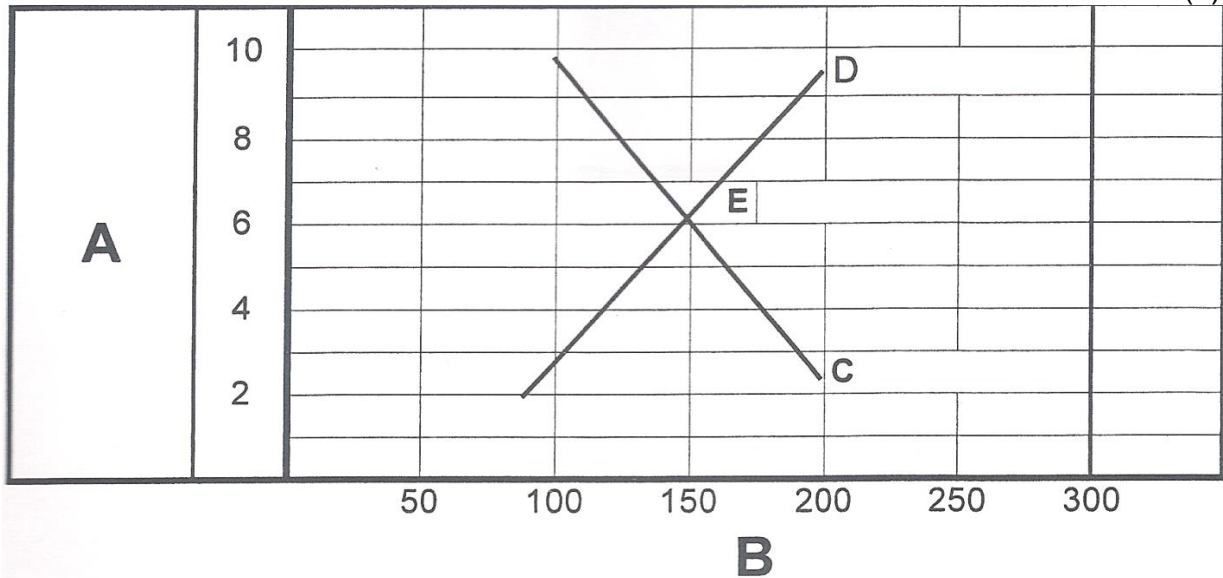
SECTION B: THE ECONOMY

QUESTION 5: SUPPLY AND DEMAND

Analyse the graph below and answer the questions that follow. The graph is based on RT jeans that is a clothing line at Mr Price.

5.1 Provide labels for A – E

(5)



5.2 State the equilibrium price and quantity.

(2)

[7]

QUESTION 6: ECONOMIC SECTORS

A potato farm, must get the services of an accountant to do its books and taxes. The farmer needs fertiliser and pesticides that farming operations use in large quantities.

6.1 Identify the THREE sectors in the economy from the extract above and briefly discuss the interrelationship between the three economic sectors.

(9)

6.2 Read the following passage and answer the questions which follow:

Peanuts (also known as groundnuts) are not nuts at all but legumes, which have the peculiar habit of ripening underneath the earth. Peanuts are native to South America but are grown today in many countries with warm climates, such as India, China, West Africa, the USA and Australia.

The grinding of peanuts into an edible paste goes back 1 000 years to South America. The making of a more refined peanut butter began in the USA just over 100 years ago.

Sanitarium started making and selling peanut butter in Australasia in 1898. Today Sanitarium’s Peanut Butter factory is located at Berkeley Vale, New South Wales.

Cleaning and Preparation – *As peanuts grow in the ground, they have to be cleaned of stones, soil and any other contaminants. In a process called aspiration we blow through them to remove unwanted material. We also shake them on a*

gravity table which removes lighter contaminants at one end and heavier contaminants at the other.

Roasting and Blanching – *We do this either by brushing the peanuts with stout bristles or rolling them against rubber rollers.*

Grinding – *Peanuts are ground into a paste in a mill.*

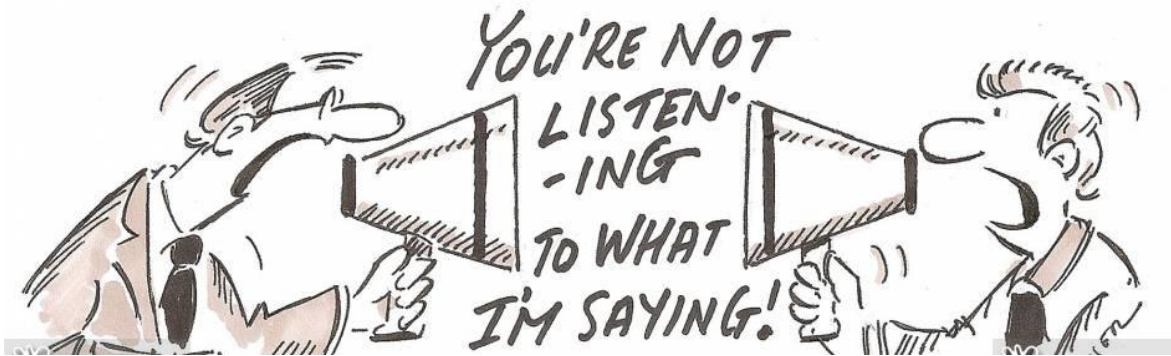
Setting and Packing – *During milling we heat the peanut butter to 80°C and add molten stabiliser. This stops the peanut butter from separating in the jar. The peanut butter is then cooled to between 35°C and 50°C, poured into jars and allowed to set. The whole process, from roasting to sealing in the jar, only takes approximately three hours.*

From the Factory to the Store – *After setting, cartons of jars of peanut butter are stored in a company warehouse either next to the factory or transported to company warehouses interstate. From each of these warehouses we distribute the product to wholesale warehouses and then to retail stores.*

From Sanitarium.com

- 6.2.1 In the production of peanut butter there are 4 steps that need to be followed. Explain why the factory workers in a peanut butter factory are semi-skilled. (2)
- 6.2.2 Give one example of workers that you can find in a factory that are unskilled. (2)
- 6.2.3 People all over the world enjoy peanut butter. Explain how the tertiary sector in the economy helps in the peanut business. (2)
- 6.2.4 Explain why the primary sector in particular needs to use resources sustainably. (2)
- 6.3 Why do we cut down trees? (3)
- 6.4 What is one of the biggest negatives to all development in the world? (1)
- 6.5 What should businesses do to protect trees? (6)
- [27]

QUESTION 7: TRADE UNIONS



- 7.1 What is the main aim of a Trade Union? (2)
- 7.2 What does the acronym COSATU stand for? (2)
- 7.3 Name 3 functions of a Trade Union? (3)
- 7.4 Give 3 rights and 3 responsibilities of the workers. (6)
- 7.5 List 4 strategies to translate growth into good jobs. (4)
- [17]**

SECTION C: ENTREPRENEURSHIP

QUESTION 8:

Read the case study below and answer the questions which follow.



THE XD CLOTHING COMPANY

The XD Clothing Company specializes in a popular range of children's clothing that is shipped to retail stores in all the major towns in South Africa. This progressive business carries out market research regularly to keep up with changing fashions and consumer preferences. It also checks on what the competition is doing and what the consumer market thinks of XD Clothing Company.

Xolisa Dumani is proud of her growing business and is pleased to have a supportive board of directors. The management team is enthusiastic and competent – new suggestions for staff canteen and gymnasium facilities by Lunga Makeleni, the PR manager, have been well received.

Upgraded computer technology has improved information access. In addition, purchasing has identified a new supplier of raw materials that will keep XD Clothing's products competitive.

The cash flow is healthy and a firm of consultants has suggested ways to reduce any business risks.

- 8.1 Make a list of the business functions of XD Clothing Company, in the same order in which they appear in the case study.

(8)

- 8.2 Draw a diagram showing the different levels of management and who would be represented at these positions. (6)
- 8.3 What is the function of the marketing department? (2)
- 8.4 What are the four P's of the marketing mix? (4)
- 8.5 Name 4 types of promotion. (4)
- 8.6 What are the 3 main tasks of a Human Resource manager? (3)
- 8.7 What is the difference between Own Capital and Borrowed Capital. (4)
- 8.8 List 3 types of information that the administration department will keep. (3)
- 8.9 All managers have 4 main tasks which they have to apply constantly. What are they? (4)
- 8.10 Name 2 types of production systems. (2)
- [40]**

TOTAL SECTION B: 91

SECTION D: FINANCIAL LITERACY
QUESTION 9:

SUBSIDIARY JOURNALS

9.1 The following information was taken from the books of J. Ross, trading as Ross Traders.

INSTRUCTION:

Record the transactions given below in the:

- 9.1.1 Cash Receipts Journal. Last receipt issued no. 445
9.1.2 Cash Payments Journal. Last cheque issued no. 312
9.1.3 Debtors Journal. Last invoice issued no. 92
9.1.4 Creditors Journal

DO NOT CAST THE JOURNALS.

INFORMATION:

EXTRACT OF BALANCES ON 30 APRIL 2019

GENERAL LEDGER:	Capital	R160 000
DEBTORS LEDGER:	L. Dube	R780
CREDITORS LEDGER:	TT Wholesalers	R2 660

NOTE: ROSS TRADERS HAS A PROFIT MARK-UP OF 80% ON COST FOR CREDIT SALES AND A MARK-UP OF 50% ON COST FOR CASH SALES. DO NOT TOTAL YOUR JOURNALS.

TRANSACTIONS FOR MAY 2019

- 1 J. Ross increased his capital contribution to R180 000. He received a receipt from the bookkeeper.
Received R2 500 from Imati Properties for the rent of one of the offices in the building.
- 2 Issued cheque to KZN Stores for trading stock, R6 500 and for stationery, R450
- 3 Sold goods on credit to L. Dube for R900.
- 4 Received invoice no. 708 from TT Wholesalers for goods purchased on credit, R750
- 8 Credit sales of goods to:
S. Deda R3 600
L. Dube R450
- 9 Cashed a cheque for fortnightly wages, R3 500
- 10 L. Dube settled her account as at 1 May 2019.
Received R3 520 from debtor, P. Bonang in payment of his account.
- 12 Bought goods on credit from Super Stores as per invoice no. SS69 for R1 800.
- 14 Cash sales of goods with a **cost price** of R1 800 (CRT7)
Received a cheque of R1 600 on the account of debtor, F. Bayat.
- 22 Credit sales of goods with a **cost price** of R860 to D van Dyk
- 23 Paid part of the business debt of R1 500 to TT Wholesalers by cheque.
- 26 Bought the following on credit from Nkosi Traders as per invoice no. NK77:
Merchandise R1 334
Packing materials R936
Stationery R235
- 31 Wrote a cheque to the Town Council to pay the water and electricity account, R356; as well as the owner's personal water and electricity account, R644.

(36)

QUESTION 10

GENERAL LEDGER

At the beginning of October 2019, Pogba Stores had the following balance in their books:

General Ledger:

Trading Stock R21 500

Instruction:

You are required to:

- 10.1 Use the information given below and post to the **Trading Stock** account.
- 10.2 Balance the account at the end of October 2019
- 10.3 Calculate the "BANK" total in the Cash Receipts Journal

INFORMATION:

**TOTALS EXTRACTED FROM SUBSIDIARY JOURNALS OF POGBA STORES ON
31 OCTOBER 2019**

1. CASH RECEIPTS JOURNAL (CRJ10)

BANK	SALES	COST OF SALES	DEBTORS CONTROL	SUNDRY ACCOUNTS
?	7 660	4 475	2 700	16 850

2. CASH PAYMENTS JOURNAL (CPJ10)

BANK	TRADING STOCK	CREDITORS CONTROL	WAGES	SUNDRY ACCOUNTS
29 114	9 880	5 179	2 000	12 055

3. DEBTORS JOURNAL (DJ10)

SALES	COST OF SALES
11 390	7 593

4. DEBTORS ALLOWANCES JOURNAL (DAJ10)

DEBTORS ALLOWANCES	COST OF SALES
1 902	893

5. CREDITORS JOURNAL (CJ10)

CREDITORS CONTROL	TRADING STOCK	CONSUMABLE STORES	SUNDRY ACCOUNTS
9 778	8 367	1 037	374

[18]

**TOTAL SECTION C: 54
GRAND TOTAL : 200 MARKS**