

HILLCREST HIGH SCHOOL



ECONOMIC AND MANAGEMENT SCIENCES GRADE 9 ECONOMIC MANAGEMENT SCIENCE EXAMINATION - NOVEMBER 2021

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INSTRUCTIONS:

**This question paper consists of TWO Sections
And SIXTEEN Questions:**

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 Booklet.
5. Show all your workings where applicable.
6. Section B question 5 to 7 maybe done in pencil.

Questions SECTION A:	Mark Allocation
QUESTION 1: Multiple Choice	10
QUESTION 2: Matching Columns	10
QUESTION 3: Choose the correct word	10
QUESTION 4: Economic systems	14
QUESTION 5: Circular flow	12
QUESTION 6: Economic sectors	10
QUESTION 7: Trade unions	12
QUESTION 8: Business functions	08
QUESTION 9: Business plan	14

SECTION B:	Mark Allocation
QUESTION 1: Multiple Choice	10
QUESTION 2: Matching Columns	10
QUESTION 3: True or False	10
QUESTION 4: Classification of Accounts	10
QUESTION 5: Calculations	10
QUESTION 6: Journals	32
QUESTION 7: Debtor's Ledger	18
Final Total	200

SECTION A: THE ECONOMY AND ENTREPRENEURSHIP

Question 1: Multiple choice [10 Marks]

Choose the correct answer from the options provided below. Write only the letter next to the question number.

- 1.1 What does the acronym, SWOT, stand for?
- a. Strengths, Weaknesses, Opportunities and Teamwork
 - b. Services, Weaknesses, Opportunities and Threats
 - c. Strengths, Wisdom, Opposition and Teamwork
 - d. Strengths, Weaknesses, Opportunities and Threats
- 1.2 The following industry is part of the primary sector of our economy.
- a. Construction
 - b. Retail
 - c. Banking
 - d. Forestry
- 1.3 The marketing plan of a business should contain information on the following:
- a. Start-up capital
 - b. Target market
 - c. Break-even points
 - d. All of the above
- 1.4 The remuneration for capital as a factor of production is ...
- a. Rent
 - b. Salaries and wages
 - c. Profit
 - d. Interest
- 1.5 The circular flow diagram represents ...
- a. the flow of money and goods in the economy.
 - b. changes in the economic performances.
 - c. the determination of the prices of goods and services in the market.
 - d. the decline in economic activities.

[10]

Question 2: Matching columns [10 Marks]

Match the descriptions in COLUMN B with the terms in COLUMN A. Write only the correct letter (A – F) next to the question number (2.1 – 2.5) in the ANSWER BOOK.

COLUMN A	COLUMN B
2.1 Tradesmen	A. They own the factors of production and sell them to businesses and government.
2.2 Strike	B. Provides information about competitors and how to stay ahead of them.
2.3 Marketing plan	C. Refers to the way in which a country runs its economy
2.4 Planned economy	D. When workers stop work to protest about something.
2.5 Households	E. Employees with particular skills.
	F. The economic system where decision making is centralized.
	G. Skilled and unskilled workers in a particular industry.

[10]

Question 3: Choose the correct word [10 Marks]

Choose the correct word from the word bank below to complete the statements that follow. Write only the correct answer next to the question number (3.1 – 3.5) in the ANSWER BOOK.

Tertiary; Public Relations, Exploitation; Negotiation; Marketing; mixed; planned; collective bargaining

- 3.1 A ... is a combination of private and government ownership of factors of production.
- 3.2 The ... aims to maintain a positive image in the business.
- 3.3 When a person is being mistreated in the workplace for the benefit of another, this is known as ...
- 3.4 Pep Stores and ABSA bank form part of the ... sector.
- 3.5 When the trade union negotiates with the employers on behalf of workers, this is known as ...

[10]

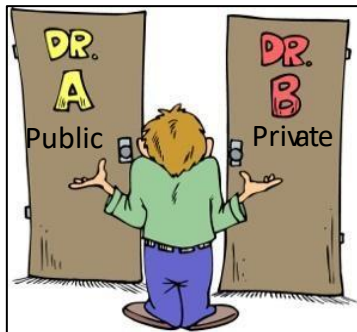
Question 4: Economic Systems [14 Marks]

4.1 Label the THREE images below by identifying the economic systems each picture represents.

A



B



C



(6)

4.2 Compare a planned economy to a market economy by referring to **ONE** advantage and **ONE** disadvantage of both economic systems. Complete the table in the ANSWER BOOK.

Planned Economy
Advantage
Disadvantage



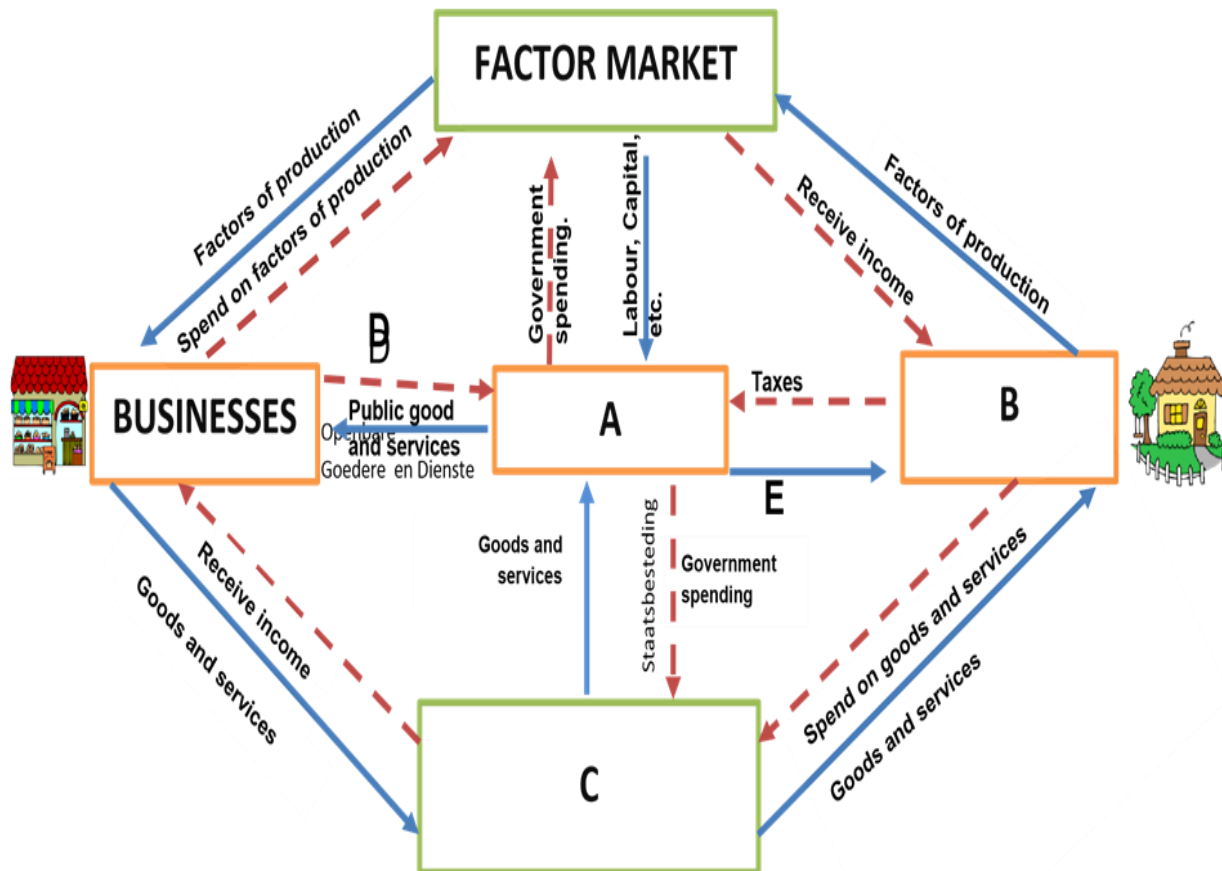
Market Economy
Advantage
Disadvantage

(8)

[14]

Question 5: Circular flow [12 Marks]

Study the following diagram and answer the questions that follow.



5.1 Identify A – E in the diagram above. (10)

5.2 Provide the remuneration for the following factors of production:

5.2.1 Land (1)

5.2.2 Entrepreneurship (1)

[12]

Question 6: Economic Sectors [10 Marks]

6.1 Complete the table below. Write only the answer next to the letter in your ANSWER BOOK.

Economic sector	Activity	Example
A	Extraction of natural and agricultural resources.	B
Secondary Sector	C	Oil Refinery

(6)

6.2 Explain the importance of the tertiary sector in the economy.

(4)

Question 7: Trade unions [12 Marks]

Read the following scenario and answer the questions that follow.

Trade unions are mainly established to protect and promote the rights of workers in the workplace focusing on, among others, negotiating with employers for their members. These negotiations often result in employees and trade unions taking to the streets to protest against unfair labour practices, working conditions and low wages. These protests or strike actions have a negative impact on businesses and the South African economy because of working hours lost and loss of income. They also create an image of instability in the country which may discourage foreign investment. Business contracts could be lost causing some businesses to close-down and causing more job losses. Workers usually suffer a loss of income for the duration of the strike, go-slow and stay-away because of the “no work, no pay” rule. After 1990 the government adopted the following laws that would protect the rights of workers: The Labour Relations Act, the Basic Conditions of Employment Act, the Employment Equity Act and the Skills Development Act.

- 7.1 List ONE reason for protest action. (2)
- 7.2 Differentiate between *go-slow* and *stay-away* strike action. (4)
- 7.3 Why do strikes have a negative impact on businesses? (2)
- 7.4 Provide TWO functions of trade unions. (4)

Question 8: Business functions [8 Marks]

Read the extract below and answer the questions that follow.

The functions of a business are the main activities needed in the business in order to function effectively and efficiently. These activities are divided into eight functional areas, namely, the general management, public relations, human resources, administration, finance, marketing, production and purchasing functions.



8.1 Indicate which function is responsible for the following:

8.1.1 Selecting the most suitable candidate for the position.

8.1.2 Managing all inputs and outputs in the production process.

8.1.3 Dealing with filing of documents and handling of mail.

8.1.4 Promoting and selling of the product.

8.1.5 Preparing the budget of the business.

(5)

8.2 List the three levels of management.

(3)

Question 9: Business plan [14 Marks]

MARY'S STORY



Mary dropped out of university after the passing on of her father. As the eldest in her family, she had the responsibility to provide for the family. With no experience, she decided to open the “Weekend Child Care Centre” in her garage, which operated on weekends only. She used the R20 000 she had as start-up capital to buy baby cots, blankets, toys, electronic games, kids' chairs and tables. She drew up the business plan so that she could attract further investment. She employed two ladies to assist her. Her business attracted many parents with children who work over weekends and those who have other commitments over weekends. There is currently one early child-care centre in the area with well-trained staff which does not operate over weekends. Mary and her staff never attended any form of training and their fees are very high. There is currently no child-care centre offering aftercare programmes during the week.

- 9.1 Provide THREE reasons why an entrepreneur should prepare a business plan. (3)
- 9.2 Name any THREE elements of a business plan. (3)
- 9.3 Complete a SWOT analysis for Mary's business, based on the information provided. (8)

SECTION B: FINANCIAL LITERACY

QUESTION 1: Multiple Choice [10 Marks]

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. 1.1 E

- 1.1 When a business sells goods on credit to a client, the source document issued is known as a \ an ...
- A. Receipt
 - B. Invoice
 - C. CRT
 - D. Bank Statement
- 1.2 This Act regulates consumer credit and prohibits unfair credit practices.
- A. National Credit Act
 - B. Consumer Protection Act
 - C. Employment Equity Act
 - D. Labour Relations Act
- 1.3 Which of the following businesses will most likely operate as a trade business?
- A. Coetzee and Partners Legal Advisors
 - B. Helena's Hair Salon.
 - C. Thelma Dry Cleaners
 - D. Candy's Retailer Shop
- 1.4 A creditor is know as a ...
- A. Current Asset
 - B. Current Liability
 - C. Current Income
 - D. Current Expense
- 1.5 A business buying goods with an agreement to pay for the goods at some stage in the future is known as a ...
- A. Wholesaler
 - B. Creditor
 - C. Debtor
 - D. Supplier

[10]

QUESTION 2: Matching Columns [10 Marks]

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

COLUMN A		COLUMN B	
2.1	Accounts Payable or Creditors	A	Item of goods/ merchandise which are bought with the aim to sell it at a profit.
2.2	Land and Buildings	B	Is achieved when the total income of a business for a specific period is more than the expenses incurred over the same period.
2.3	Trading Stock	C	A business owned by one person who invested his money in the business to make a profit.
2.4	Income	D	The money or goods taken out of the business by the owner for his/ her personal use.
2.5	Owner's Equity	E	A subsidiary journal (book of first entry) that summarises all money received from receipts and the cash register roll.
2.6	Profit	F	Businesses or suppliers who are owed money by a business, usually because the business has bought goods on account from them.
2.7	Sole Trader	G	Money used as change on a daily basis in a business.
2.8	Cash Receipts Journal (CRJ)	H	Money used to start a business.
2.9	Bank	I	Money used by a business for its operating activities.
2.10	Capital	J	Money received by a business from its operating activities.
		K	It represents the cash the business has available in its bank account.
		L	The owner's total interest in the business; it consists of Capital plus profit and minus drawings.
		M	Property owned by a business to run operations.

[10]

QUESTION 3: True or False [10 Marks]

State whether the following is True or False. If False, then correct the underlined word.

- 3.1 The supplier delivers goods together with the original credit invoice.
- 3.2 One of the important points in the Consumer Protection Act ensures the Consumer's Right to return stock to a customer.
- 3.3 The journal used to record goods sold on credit is called the debtor's journal.
- 3.4 Fixed Assets are temporary in nature and can be converted into cash within a year.
- 3.5 Expense accounts are all those accounts that decrease the wealth of the business.

[10]

QUESTION 4: Classification of Accounts [10 Marks]

Classify the following items as Assets, Liabilities, Owners Equity, Expenses or Income by putting a cross in the correct column.

No.	Account Name	Assets	Liabilities	Owner's Equity	Expense	Income
EG.	Packing Material				X	
4.1	Sales					
4.2	Drawings					
4.3	Salaries and Wages					
4.4	Rent Income					
4.5	Bank					
4.6	Capital					
4.7	Creditor's Control					
4.8	Vehicles					
4.9	Fee Income					
4.10	Repairs					

[10]

QUESTION 5: Calculations [10 Marks]

Round off all numbers to a **whole number**.

COST OF SALES	MARK-UP	SALES
R140	20 %	1.
2.	150%	R300
R380	3.	R620
4.	25 %	R950
R200	5.	R450
R650	30%	6.
R220	20%	7.
8.	100%	R740
9.	60%	R880
R750	70%	10.

[10]

QUESTION 6: Journals [32 Marks]

The following information was extracted from the accounting records of Eksteen Wholesalers who buys on credit.

Instruction

Record the following transactions in the Creditors and Cash Payments Journals. Close off the journals at the end of the month.

Transactions for June 2021

- 3 Purchased trading stock, R2 400 on credit from O' Connor Wholesalers. Received invoice A533 (renumbered 001).
- 6 Bought consumable stores, R320 and trading stock, R2 120 from O' Connor Wholesalers. Received a 10% cash discount, as the amount was paid by EFT no. 345.
Paid Vodacom for phone bill and paid by EFT, R5 600
- 8 Received invoice 908 from Ntuli Traders for consumable stores, R470.
- 10 Paid wages cash, R8 200.
- 18 Paid O'Connor Wholesalers, R2 900 with an EFT as part payment on their account.
- 19 Paid with an EFT to Ntuli Traders to settle the amount owing to date.
- 22 Purchased a new cash register on credit from O' Connor Wholesalers for R6 510 subject to a trade discount of $33\frac{1}{3}\%$.
Paid wages the usual amount.
- 27 Bought the following on credit from Ntuli Traders:
Equipment, R1 200
Consumable stores, R800.
- 30 Paid electricity with an EFT to Eskom, R650.
On the bank Statement it showed the following:
Bank Charges R40
Loan payment to LNB Bank for R 3 400

[32]

QUESTION 7: Debtors Ledger [18 Marks]**Required:**

The Debtors Ledger for GDE Stores for April 2021.

DEBTORS JOURNAL OF GDE STORES - APRIL 2021**DJ4**

Inv. No.	Day	Debtor	Fol	Sales	Cost of Sales
001	5	P. Padayachee	D1	460	345
002	12	R.M Mamosa	D2	900	675
003	18	R.M Mamosa	D2	1 200	900
004	19	P. Padayachee	D1	580	435
				3 140	2 355

CASH RECEIPTS JOURNAL OF GDE STORES- APRIL 2021**CRJ1**

Doc No.	Day	Details	Fol	Analysis of receipts		Bank		Sales		Cost of sales		Debtors control	
CRR	8	Sales		890	-	890	-	890	-	670	-		
CRR	15	Sales		558	-			558	-	441	-		
077		P. Padayachee	D1	260	-	818	-					260	-
078	29	R.M Mamosa	D2	1 930	-	1 930	-					1 930	-
						3 638	-	1 448	-	1 111	-	2 190	-

[18]

GRAND TOTAL : 200 MARKS