



GAUTENG PROVINCE
EDUCATION
REPUBLIC OF SOUTH AFRICA

**GAUTENG DEPARTMENT OF EDUCATION
PROVINCIAL EXAMINATION
NOVEMBER 2017
GRADE 9**

**ECONOMIC AND MANAGEMENT
SCIENCES**

TIME: 2 hours

MARKS: 200

19 pages

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INSTRUCTIONS AND INFORMATION

- This question paper consists of SECTION A, SECTION B, SECTION C and SECTION D based on the prescribed content framework in the CAPS-document.

SECTION A: ALL TOPICS

QUESTIONS 1.1:	Multiple-choice questions	(20)
QUESTIONS 1.2:	Matching items	(20)
QUESTIONS 1.3:	Word selection. Choose the correct word.	(10)
QUESTIONS 1.4:	True or False	(10)
		[60]

SECTION B: THE ECONOMY

QUESTION 2:	Economic systems	(10)
QUESTION 3:	Circular flow	(10)
QUESTION 4:	Price theory	(10)
QUESTION 5:	Trade unions	(10)
		[40]

SECTION C: FINANCIAL LITERACY

QUESTION 6:	Journals, Ledgers and Accounting equation	(41)
QUESTION 7:	Ledgers	(8)
QUESTION 8:	Trial balance	(11)
		[60]

SECTION D: ENTREPRENEURSHIP

QUESTION 9:	Economic sectors	(19)
QUESTION 10:	Business functions	(11)
QUESTION 11:	Business Plan	(10)
		[40]

- All questions are compulsory.
- Answer all questions (**Sections A – D**) in the **ANSWER BOOK** provided.
- Write neatly and legibly.
- The use of non-programmable and non-graphical calculators is permissible.

SECTION A

QUESTION 1

1.1 MULTIPLE-CHOICE QUESTIONS

Various options are provided as possible answers to the following questions. Choose the answer and write only the letter (A – D) next to question number (1.1.1 – 1.1.10) in the ANSWER BOOK provided.

1.1.1 Impala Mines operates in the ... sector of the economy.

- A secondary
- B business
- C primary
- D tertiary (2)

1.1.2 A business sells a product at a selling price of R16 800 with a 40% mark-up. Calculate the cost price.

- A R 6 720
- B R 23 520
- C R 4 800
- D R 12 000 (2)

1.1.3 The three main participants in a closed economy are ...

- A businesses, government and households.
- B state, households and secondary sector.
- C financial institutions, firms and households.
- D households, firms and the foreign sector. (2)

1.1.4 The double entry and influence on the accounting equation of the following transaction: “bought stationery on credit” is:

- A Dr Creditors (L -) ; Cr Stationery (OE +)
- B Dr Stationery (OE-) ; Cr Creditors (L+)
- C Dr Creditors (L+) ; Cr Stationery (OE -)
- D Dr Stationery (OE+) ; Cr Creditors (L+) (2)

- 1.1.5 Which ONE of the following is not one of the 4 Ps of marketing?
- A Product
 - B Planning
 - C Promotion
 - D Place
- (2)
- 1.1.6 The source document issued for the transaction: "Buy goods on credit" is a (an) ...
- A cheque counterfoil.
 - B invoice.
 - C receipt.
 - D credit note.
- (2)
- 1.1.7 The ... function is responsible for the good image of the business.
- A human resource
 - B production
 - C marketing
 - D public relations
- (2)
- 1.1.8 The economic system where the government owns all land and businesses is known as the ... economy.
- A socialist
 - B mixed
 - C market
 - D labour
- (2)
- 1.1.9 A group of employees who come together to regulate relations between themselves and their employers is called a ...
- A legal consultation.
 - B trade union.
 - C work industry.
 - D management group.
- (2)
- 1.1.10 When a debtor returns goods that were bought on credit it will be recorded in the ...
- A CPJ.
 - B DAJ.
 - C DJ.
 - D CAJ.
- (2)

[20]

1.2 MATCHING ITEMS

Match the **description** in COLUMN B with the **terms** in COLUMN A. Write only the correct letter (A – J) next to the question number (1.2.1. – 1.2.10) in the ANSWER BOOK.

COLUMN A		COLUMN B	
1.2.1	Law of Demand	A	The statement which lists all the balances on all accounts in the double entry system
1.2.2	Trial balance	B	Unprocessed information used in a business organisation
1.2.3	Collective bargaining	C	The lack of sufficient resources to meet all human needs
1.2.4	Economic problem	D	Goods or services purchased directly for the running of the business
1.2.5	Overdraft	E	A person or another business that the business owes money to
1.2.6	Manufacturer	F	The reduction of output by workers whilst still carrying on tasks
1.2.7	Go-slow	G	Deficit in a bank account caused by drawing more money than the account holds
1.2.8	Creditor	H	When the price is high, demand is low.
1.2.9	Data	I	Businesses that are involved in the making or producing of goods and services
1.2.10	Expenses	J	Negotiation between a trade union and employer

[20]

1.3 CHOOSE THE CORRECT WORD

Choose the correct word from the word bank below and complete the statements that follow. Write only the correct answer next to the question number (1.3.1 – 1.3.5) in the ANSWER BOOK.

market; products; business plan; exchange rate; break-even point; SWOT-analysis; labour; sales

- 1.3.1 The place where buyers and sellers meet is known as a (2)
- 1.3.2 The combination of strengths, weaknesses, opportunities and threats is called the (2)
- 1.3.3 $\text{Cost of Sales} + \text{Mark-up \%} = \dots$. (2)
- 1.3.4 In a circular flow the businesses offer their ... to households. (2)
- 1.3.5 An indication of how many units you need to sell in order to cover all your expenses. (2)

[10]

1.4 TRUE OR FALSE

Indicate whether the following statements are TRUE or FALSE. Write only 'true' or 'false' next to the question number (1.4.1 – 1.4.5) in your ANSWER BOOK.

- 1.4.1 The Debtors' Ledger is a list of all the debtors' accounts in the business. (2)
- 1.4.2 The global economy refers to business being conducted inside the borders of a country. (2)
- 1.4.3 A retailer sells goods to customers at a lower price than he has paid. (2)
- 1.4.4 Top level management is responsible for developing the vision and the mission of the business operation. (2)
- 1.4.5 The Analysis of Receipts column in the CRJ is totalled and posted to the General Ledger. (2)

[10]**TOTAL SECTION A: 60**

SECTION B

THE ECONOMY

QUESTION 2 – ECONOMIC SYSTEMS

2.1 Read the scenario below and answer the questions that follow.

Ana works at a coffee bean plantation owned by the government of the country. She works 10 hours a day and she and her co-workers all receive the same income at the end of each month, even when the production of coffee increases or decreases. Her family stays for free on the plantation. Her government also pays her children's school fees. Ana's husband is a teacher and the government also pays his salary.

[Viva ; 35]

Discuss TWO disadvantages of the economic system in the above scenario.

(2x2) (4)

2.2 Identify the characteristics of the different economic systems by completing A and B in the table below in the ANSWER BOOK.

Characteristic	Market Economy	Mixed Economy
Government control	<i>The government has little control</i>	A
Profit Motive	B	<i>Yes, it is the driving force</i>

(2x2) (4)

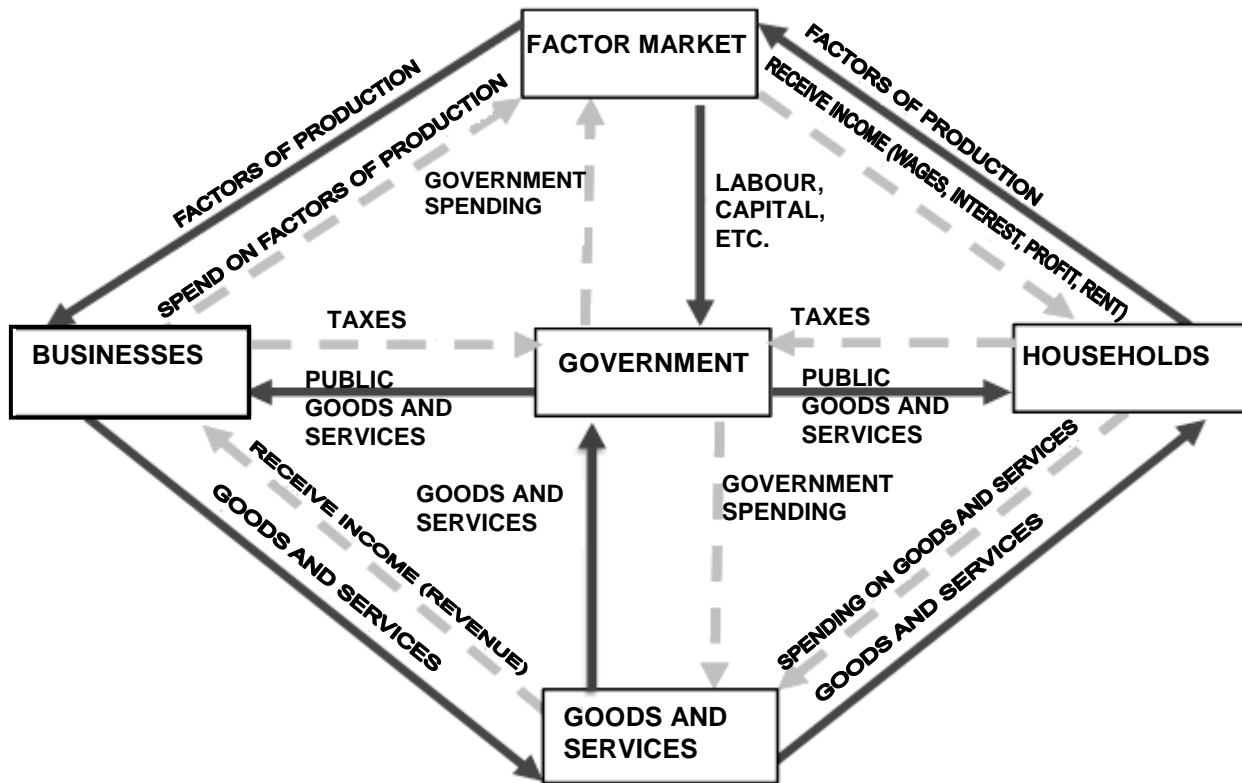
2.3 Identify the **economic term** that is represented by the three pictures below.



(2)
[10]

QUESTION 3 – CIRCULAR FLOW

Study the following circular flow diagram before answering the questions.



3.1 The statements below describe the flow of income in an economy. In each case indicate the relevant participant. For example: 3.1.4 – Households.

3.1.1 Receives taxes from other participants.

3.1.2 Provides labour to the government and business.

3.1.3 Sells goods and services to the other participants.

(3x1) (3)

3.2 Discuss ONE way in which households receive an income.





(2)

3.3 Complete the following sentence:

“A model that describes the movement of money through the economy between participants is called the ...”

(1)

3.4 Identify the remuneration for the following four factors of production:

<p>A.</p> 	<p>B.</p> 
<p>C.</p> 	<p>D.</p> 

(4x1)

(4)

[10]

QUESTION 4 – PRICE THEORY

Study the pictures below and answer the questions that follow.



Lily is an entrepreneur. She lives in a small town at the coast. Lily earns money by making kites and selling them on the beach to the tourists who visit the town during the summer months.



The weather affects the demand for Lily's kites.

The following table represents the supply and demand schedule for Lily's kites:

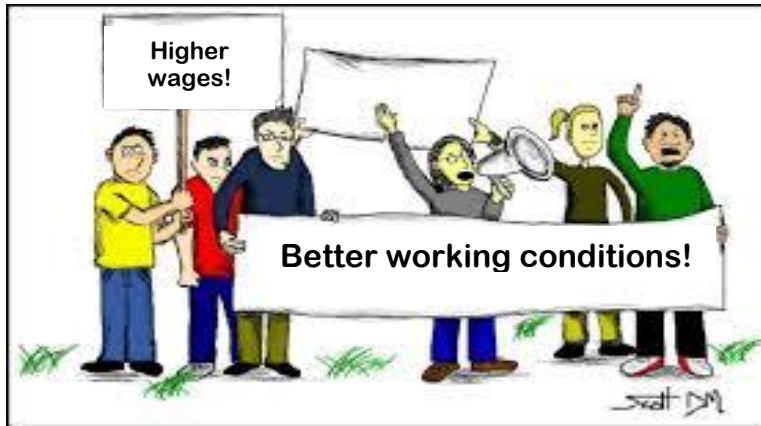
Price of kites	Quantity demanded (number of kites)	Quantity supplied (number of kites)
R20	100	20
R40	80	40
R60	60	60
R80	20	80

- 4.1 Use the above schedule to draw a demand and supply curve on the same axes and indicate the equilibrium point. (6)
- 4.2 How much is the *equilibrium price*? (1)
- 4.3 Define the *Law of Supply*. (2)
- 4.4 Name ONE factor affecting the demand for Lily's kites. (1)

[10]

QUESTION 5 – TRADE UNIONS

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



- 5.1 Define the term *trade union*. (2)
- 5.2 Identify the TWO main issues about which trade unions usually negotiate. (2x1) (2)
- 5.3 Write an explanation on how strike action can have a negative impact on a business. (2x2) (4)
- 5.4 List ONE responsibility of trade unions in South Africa. (1x2) (2)
- [10]**

TOTAL SECTION B: 40

SECTION C

FINANCIAL LITERACY

QUESTION 6 – JOURNALS AND LEDGERS

K. Lincoln is the owner of Lincoln Boutique. He buys and sells clothing for cash as well as on credit. The business maintains a profit mark-up of **40%** on cost price.

INFORMATION AND INSTRUCTIONS:

JOURNALS:

Use the information provided to record the transactions in the following journals:

- 6.1 Cash Receipts Journal with analysis columns for Analysis of Receipts; Bank; Sales; Cost of Sales; Debtors' Control and Sundry Accounts. (8)
- 6.2 Cash Payments Journal with analysis columns for Bank; Trading Stock, Creditors' Control and Sundry Accounts. (7)
- 6.3 Debtors' Journal with columns for Sales and Cost of Sales. (5)
- 6.4 Debtors' Allowances Journal with columns for Debtors' Allowances and Cost of Sales. (5)
- 6.5 Creditors' Journal with analysis columns for Creditors' Control; Trading Stock and Sundry Accounts. (3)

PLEASE NOTE: DO NOT close off the journals on 31 October 2017.

6.6 **DEBTORS' LEDGER:**

Opening balances on 1 October 2017

Debtors' List

Kelly Hoover R1 890
Hennie Alberts R3 710

Creditors' List

Jozi Fashion Stores R1 220

- Prepare the account of Kelly Hoover in the Debtors' Ledger. (8)

ACCOUNTING EQUATION

- 6.7 Show the effect of transaction 08 on the elements of the accounting equation. (5)

TRANSACTIONS FOR OCTOBER 2017:

- 03 Issued invoice 88 to Kelly Hoover for goods supplied on credit, R3 920.
Issued cheque 100 to Jozi Fashion Stores for trading stock bought, R11 800.
- 08 Bought summer range stock, R7 900 on account from GP Retailers, received invoice 91. (renumbered F76)
- 14 Kelly Hoover returned unsatisfactory goods to the value of R1 680. The goods were not according to the sample. Issued credit note 31.
- 24 Issued cheque 101 for R9 770 to GP Retailers in payment of amount owed on purchases on the 8 October and the rest was for packing material bought for cash.
- 30 Cash sales according to the cash register roll, R4 060. (CRR 56)
Received a cheque for R2 900 from Kelly Hoover in part payment of his account. Issued receipt 21.

[41]

QUESTION 7 – GENERAL LEDGER

You are supplied with information from the books of Muzi Traders.

REQUIRED TO DO:

- 7.1 Post the following completed journals to the partially completed Trading Stock Account in the General Ledger.
- 7.2 Balance the account at the end of September 2017.

INFORMATION

Opening Balance: Trading Stock: R 33 475

CASH RECEIPTS JOURNAL OF MUZI TRADERS FOR SEPTEMBER 2017 CRJ6

Doc no.	Day	Details	Fol	Analysis of Receipts	Bank	Sales	Cost of Sales	Fol	Sundry Accounts		
									Amount	Fol	Details
					52 400	16 800	10 500		12 385		

CASH PAYMENTS JOURNAL OF MUZI TRADERS FOR SEPTEMBER 2017 CPJ6

Doc no.	Day	Name of Payee	Fol	Bank	Trading Stock	Creditors' Control	Fol	Sundry Accounts		
								Amount	Fol	Details
				39 575	11 650	8 444		9 325		

CREDITORS' JOURNAL OF MUZI TRADERS FOR SEPTEMBER 2017 CJ6

Doc no.	Day	Details	Fol	Creditors' Control	Trading Stock	Packing material	Fol	Sundry Accounts		
								Amount	Fol	Details
				13 772	10 985	2 330		899		

CREDITORS' ALLOWANCES JOURNAL OF MUZI TRADERS FOR SEPTEMBER 2017 CAJ6

Doc no.	Day	Details	Fol	Creditors' Control	Trading Stock	Packing material	Fol	Sundry Accounts		
								Amount	Fol	Details
				3 540	924	1 167		385		

DEBTORS' JOURNAL OF MUZI TRADERS FOR SEPTEMBER 2017 DJ6

Doc No.	Day	Debtor	Fol	Sales	Cost of Sales

DEBTORS' ALLOWANCES JOURNAL OF MUZI TRADERS FOR SEPTEMBER 2017 DAJ6

Doc No.	Day	Debtor	Fol	Debtors allowances	Cost of Sales

[8]

QUESTION 8 – TRIAL BALANCE

The inexperienced bookkeeper of Brookes Traders prepared the Trial balance below with some errors.

You are required to assist her by preparing the correct Trial Balance on 31 October 2017 and calculate the missing amount.

Trial balance of Brookes Traders on 31 October 2017

	Fol	Debit	Credit		
Balance Sheet Accounts Section					
Sales		47 050	-		
Packing material		8 565	-		
Rent income		2 500	-		
Cost of sales				27 525	-
Creditors' Control		32 500	-		
Nominal Accounts Section					
Bank		45 150	-		
Consumables				2 810	-
Vehicles				63 000	-
Capital		?			
		137 765		93 335	

[11]

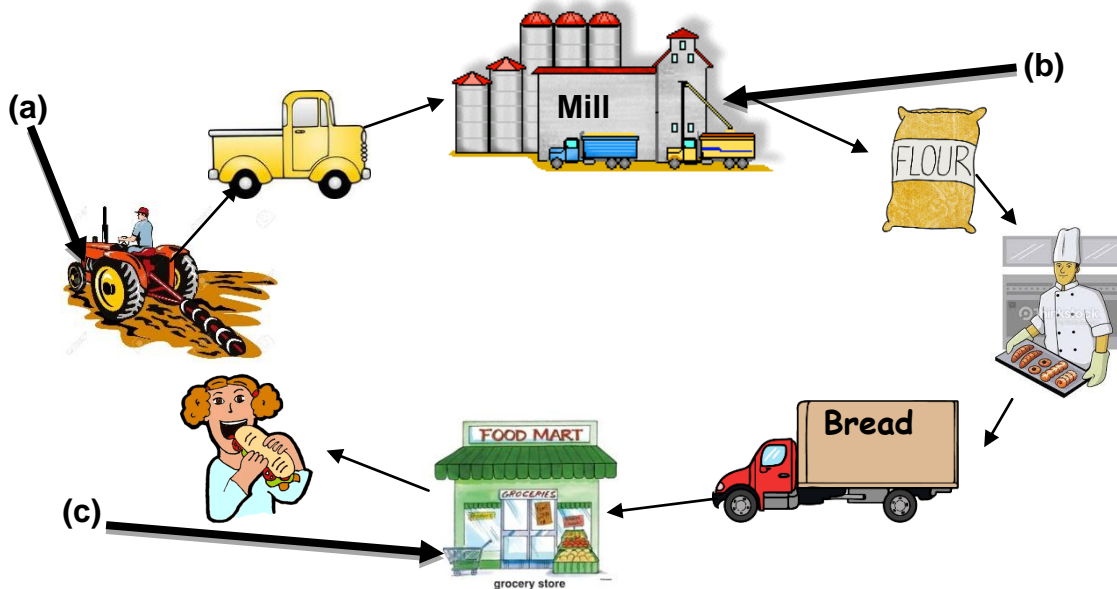
TOTAL SECTION C: 60

SECTION D

ENTREPRENEURSHIP

QUESTION 9 – SECTORS IN THE ECONOMY

Study the flow chart for the production of bread and answer the questions that follow.



- 9.1 Label the sectors of the economy represented by (a), (b) and (c) above. (3)
- 9.2 Name TWO examples of businesses found in sector (a). (2x2) (4)
- 9.3 Briefly discuss the interrelationship of the three sectors in the production of bread. (3x2) (6)
- 9.4 List THREE ways in which businesses can promote the sustainable use of resources. (3x1) (3)
- 9.5 Name the THREE types of labour that are found in the three sectors that form part of the economic sectors. (3)

[19]

QUESTION 10 – FUNCTIONS OF A BUSINESS

BELLA’S CLOTHING COMPANY

Bella’s Clothing Company specialises 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 customer preferences. It also checks on what the competition is doing and what the consumer market thinks of Bella’s Clothing Company.

Bella Tsele 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 a staff canteen and gymnasium facilities by Trishen Maraj, 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 Bella’s Clothing products competitive.

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

[EC:2016]

- 10.1 Read the following extracts taken from the case study above. Identify the relevant business function in each one.
- 10.1.1 “Upgraded computer technology has improved information access.” (2)
- 10.1.2 “The cash flow is healthy...” (2)
- 10.1.3 “ ...a firm of consultants has suggested ways to reduce any business risks.” (2)
- 10.1.4 “Bella ... is pleased to have a supportive board of directors.” (2)
- 10.2 Define the concept *target market*. (3)



[11]

QUESTION 11 – THE BUSINESS PLAN

- 11.1 Briefly explain the importance of a business plan. (4)
- 11.2 You want to approach a local bank for financial assistance to expand your business operations. Name TWO important components which should be covered in your business plan. (2x2) (4)
- 11.3 Give ONE example of a fixed cost in a business. (1x2) (2)
- [10]**



TOTAL SECTION D: 40

TOTAL: 200