



GAUTENG PROVINCE
EDUCATION
REPUBLIC OF SOUTH AFRICA

**GAUTENG DEPARTMENT OF EDUCATION
PROVINCIAL EXAMINATION
NOVEMBER 2019
GRADE 9**

**ECONOMIC AND MANAGEMENT
SCIENCES**

TIME: 2 hours

MARKS: 200

16 pages

INSTRUCTIONS AND INFORMATION

1. ALL questions are compulsory.
2. Answer ALL questions in the ANSWER BOOK.
3. Read through the questions carefully and make sure that you allocate enough time for each question.
4. Write neatly and legibly.
5. The use of a non-programmable calculator is allowed.

SECTION	QUESTION	MARKS
A	SHORT QUESTIONS: ALL TOPICS	[60]
	Question 1.1: True or False	10
	Question 1.2: Missing words	10
	Question 1.3: Matching Items	20
	Question 1.4: Multiple-choice	20
B	THE ECONOMY	[40]
	Question 2:	
	Question 2.1 Economic Systems	15
	Question 2.2 Circular flow	14
	Question 3: Trade unions	11
C	FINANCIAL LITERACY	[60]
	Question 4: Trail Balance	16
	Question 5: Journals	23
	Question 6: Ledgers	21
D	ENTREPRENEURSHIP	[40]
	Question 7: Business plan	24
	Question 8: Functions of business & Sectors of the economy	16
	TOTAL	200

SECTION A: ALL TOPICS**QUESTION 1: TRUE OR FALSE**

- 1.1 Indicate whether the following statements are TRUE or FALSE. Write down only 'true' or 'false' next to the question number (1.1.1 to 1.1.5) in your ANSWER BOOK.
- 1.1.1 When demand is equal to supply we call it the equilibrium point.
- 1.1.2 Government, businesses and households do not form part of the circular flow.
- 1.1.3 A cheque is the source document that is issued to pay for expenses.
- 1.1.4 In poor countries most workers are employed in the secondary sector.
- 1.1.5 When you receive a trade discount, the price that you pay is less than the original selling price. (10)

MISSING WORDS

- 1.2 Complete the following statements by filling in the missing word/s. Write down only the correct answer in your ANSWER BOOK.
- 1.2.1 In the ... economy business and property are privately owned and are not managed by government policies.
- 1.2.2 The largest trade union for general workers in South Africa is
- 1.2.3 The ... account is debited in the General Ledger when goods are purchased with cash or on credit.
- 1.2.4 Pep Stores and ABSA bank form part of the ... sector.
- 1.2.5 Cost of Sales is an ..., it is money that the business pays when purchasing Trading Stock. (10)

MATCHING ITEMS

- 1.3 Choose a description from COLUMN B that matches a term in COLUMN A. Write only the letter (A–K) next to the question number (1.3.1 to 1.3.10) in your ANSWER BOOK.

COLUMN A		COLUMN B	
1.3.1	Collective bargaining	A	Households sell their factors of production.
1.3.2	Exchange rate	B	The debtor returned damaged goods.
1.3.3	Operational plan	C	A plan that outlines the expected cash receipts and payments of a business
1.3.4	Creditors' Control	D	Inform the target market about the business and its products
1.3.5	General Ledger	E	The total value of all goods and services which are produced in a country in a year
1.3.6	Gross Domestic Product	F	A summary of Balance Sheet and Nominal accounts of all transactions
1.3.7	Marketing	G	Increases on the credit side and decreases on the debit side
1.3.8	Cash budget	H	It shows how a business is managed
1.3.9	Credit note	I	The price at which a currency will be expressed in terms of another country's currency
1.3.10	Factor market	J	The process where the trade unions and employers negotiate industry-related issues
		K	Entered in the balance column of the Debtors' Control account

(10 x 2) (20)

MULTIPLE-CHOICE QUESTIONS

1.4 Various possible options are provided as answers to the following questions. Choose the answer and write only the letter (A–D) next to the question number (1.4.1 to 1.4.10) in your ANSWER BOOK.

- 1.4.1 When the price of goods decreases, the demand for the goods will ...
- A remain the same.
 - B increase.
 - C decrease.
 - D none of the above.
- 1.4.2 The Human Resources Manager is not responsible for ...
- A Employment Equity laws.
 - B finances of the business.
 - C purchasing of raw materials and producing of products.
 - D All of the above
- 1.4.3 The advantage to the business for selling goods on credit is that ...
- A more debtors buy on credit.
 - B more creditors buy cash.
 - C less debtors buy on credit.
 - D all of the above.
- 1.4.4 The Minister of Finance who was appointed on 29 May 2019 is ...
- A Malusi Gigaba.
 - B Pravin Gordhan.
 - C Nhlanhla Nene.
 - D Tito Mboweni.
- 1.4.5 The following accounts are examples of Assets:
- A Bank, Vehicles, Stationery, Trading Stock
 - B Bank, Equipment, Debtors' Control, Trading Stock
 - C Bank, Trading Stock, Creditors' Control, Sales
 - D Bank, Sales, Cost of Sales, Trading Stock
- 1.4.6 Which of the following is NOT an example of a trade union?
- A NGO
 - B NUMSA
 - C DENOSA
 - D SADTU

- 1.4.7 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, Threats
- 1.4.8 If you sell Trading stock for R2 500, and the mark-up is $66\frac{2}{3}\%$ on cost. The cost price of the Trading Stock is ...
- A. R1 666,67.
 - B. R1 666,75.
 - C. R1 500.
 - D. R4 166, 67.
- 1.4.9 When you post from the Cash Receipts Journal to the Rent Income account, you will ... it.
- A debit
 - B balance
 - C credit
 - D close
- 1.4.10 Which ONE of the following represents the correct accounting cycle?
- A Source documents; Journals; General Ledger; Trial Balance.
 - B Source Documents; General Ledger; Journals, Trial Balance.
 - C Journals; Source documents; General Ledger; Trial Balance.
 - D Source documents; Trial Balance; Journals; General Ledger

(10 x 2) (20)

TOTAL SECTION A: 60

SECTION B: THE ECONOMY**QUESTION 2**

2.1 Read the following extract and answer the questions that follow.

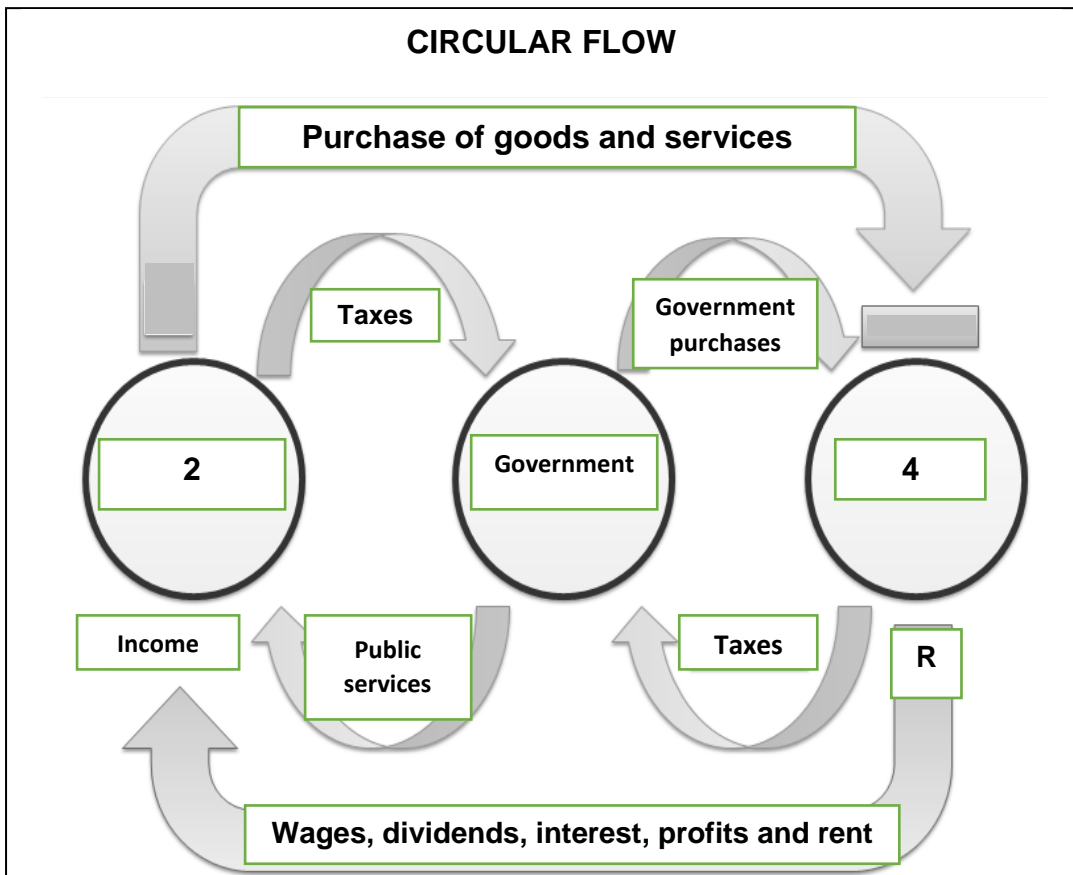
The BRICS summit was held in South Africa from 25 to 27 July 2018. This international conference was attended by the five heads of state. These five states account to approximately a fifth of the world's economic output and 40% of its population.

South Africa has the smallest economy and population of the five states. It is seen as representing African interests and is an economic gateway to the continent.

['Wikipedia.com']

- 2.1.1 Besides South Africa, identify any TWO of the other countries that form part of the BRICS summit (2)
- 2.1.2 Which economic system is used in South Africa? Briefly explain the characteristics of this system. (5)
- 2.1.3 Evaluate the planned economic system. Give TWO advantages and TWO disadvantages. (4 x 2) (8)
- (15)**

2.2 Study the diagram below and answer the questions that follow.



- 2.2.1 Identify the participants that are represented by numbers **2** and **4**. (2)
 - 2.2.2 Distinguish between the interaction of numbers **2** and **4** in the circular flow. (4)
 - 2.2.3 Name TWO public services that government provides to households. (2)
 - 2.2.4 Evaluate what impact that tax increases will have on households and businesses. (3 x 2) (6)
- (14)**

QUESTION 3

Look at the cartoon and answer the questions that follow.



- 3.1 Employees have identified their demands in the cartoon. Can you think of TWO other demands that can result in protest actions, apart from those that are identified in the cartoon? (2)
- 3.2 What effect do trade unions have on businesses? (2 x 2) (4)
- 3.3 Briefly explain the responsibilities of trade unions. (5)
- (11)

TOTAL SECTION B: 40

SECTION C: FINANCIAL LITERACY (60)**QUESTION 4**

- 4.1 An inexperienced bookkeeper has prepared the following Trial Balance. The owner is concerned as some mistakes were discovered.

INSTRUCTIONS

- Compile the correct Trial Balance in your ANSWER BOOK. (12)
- Calculate the missing amounts that are indicated by **A** and **B**. (4)

TRIAL BALANCE OF MUFASA TRADERS ON 30 NOVEMBER 2019			
	Folio	Debit	Credit
Capital	B1		A
Drawings	B2		4 160
Land & Buildings	B3	192 000	
Vehicles	B4	134 000	
Stationery	B5	3 100	
Trading Stock	B6		18 300
Bank (dr)	B7	26 420	
Water and Electricity	B8		14 800
Creditors' Control	N1		19 600
Sales	N2	220 000	
Cost of Sales	N3		170 000
Equipment	N4	24 800	
Rent Income	N5		35 000
Debtors' Control	N6		6 420
Salaries	N7		40 000
Insurance	B9		1 440
		B	B

(16)

QUESTION 5

The following information is taken from the books of David Traders.

5.1	Cash Receipts Journal	(CRJ)	(6)
5.2	Cash Payments Journal	(CPJ)	(7)
5.3	Creditors' Journal	(CJ)	(7)
5.4	Debtors' Journal	(DJ)	(3)

INSTRUCTIONS

- Record the transactions in the correct journals.
- The business uses a mark-up profit of 25% on cost.
- Do not close-off the journals.

Transactions for September 2019

- 3 Sold goods on credit to G. Huluma, R1 300. Issued invoice 76.
- 4 Purchased the following on credit from Nyla Wholesalers (invoice 101)
- | | |
|-----------------|---------|
| Filing cabinets | R10 120 |
| Stationery | R 480 |
- 10 Cash sales of merchandise, R14 800
- Issued receipt 105 to R Randall in part payment of his account, R4 600.
- 11 Cashed cheque no. 305 for:
- | | |
|------------|--------|
| Wages | R 810 |
| Cash float | R1 000 |
- 15 Paid Masimino Traders by cheque as payment of our account, R8 300.
- 27 Purchased goods on credit from NYC Wholesalers for R7 600 less 10 % trade discount, received invoice. **(23)**

QUESTION 6**INSTRUCTIONS**

- 6.1
- Use the extract taken from the journals of Rabada Traders and post it to the Debtors' Control account in the General Ledger for October 2019.
 - Balance the account at the end of the month.

Balance

Debtors' Control R 20 800

INFORMATION

Cash Receipts Journal of Rabada Traders for October 2019					
Bank	Sales	Cost of Sales	Debtors' Control	Sundry accounts	
R88 500	R58 500	R39 000	?	R6 500	
Cash Payments Journal of Rabada Traders for October 2019					
Bank	Trading Stock	Wages	Creditors' Control	Equipment	Sundry accounts
R50 200	R6 200	R3 400	R23 400	R8 800	R8 400
Creditors' Journal of Rabada Traders for October 2019					
Creditors' Control	Trading Stock	Equipment	Stationery	Sundry accounts	
R30 680	R18 400	R9 400	R1 280	R1 600	
Creditors' Allowance Journal of Rabada Traders for October 2019					
Creditors' Control	Trading Stock	Equipment	Stationery	Sundry accounts	
R3 640	R2 100	R900	R240	R400	
Debtors' Journal of Rabada Traders for October 2019					
Sales		Cost of Sales			
R13 500		R9 000			
Debtors' Allowance Journal of Rabada Traders for October 2019					
Debtors' Allowance		Cost of Sales			
R1 800		R1 080			

(10)

6.2 Study the information taken from the books of Maynard Stores and answer the questions in your ANSWER BOOK.

XANGELE TRADERS									
2011 Sept	Code	Details/Document	Fol	Debit		Credit		Balance	
1		Account rendered						800	-
5	01	Invoice: 675	6.2.3			700	-	6.2.4	-
15	02	6.2.5 :112	CPJ	1000	00			500	-
27	01	Invoice: 697	CJ1			450	20	950	20

- 6.2.1 Which ledger was used to complete this account?
Give a reason for your answer. (2)
- 6.2.2 What was the outstanding balance on 31/08/2011? (1)
- 6.2.3 Which journal was used to post to the ledger? (1)
- 6.2.4 Calculate the outstanding amount. (2)
- 6.2.5 Identify the source document that was used. (1)
- 6.2.6 What effect will the transaction on 15 September have on the accounting equation? (4)
- (11)**

TOTAL SECTION C: 60

SECTION D: ENTREPRENEURSHIP**QUESTION 7**

Read the following article and answer the questions that follow.

Thabo Jabu repairs shoes on the pavement outside the City Hall. He is an entrepreneur. He makes sure that his customers' shoes are properly repaired. His desire is to open a small shop in town. His income of R2 000 per week is enough to survive on. These include monthly groceries of R1 000, R500 for rent, a daily R20 taxi fare, and school fees for his fifteen year old child.

Thabo started working in 2015, with just R500 that he saved from his previous employment. Since that time he has been on the street, from 07:00 to 16:00, six days a week. It was difficult at the beginning, because he did not have any customers. However, through perseverance and hard work, he managed to get people to support his business. His customers included people in his area, people working in town, and he also has customers that support him from other areas.

A minor concern is other hawkers who operate in the area. "I can handle that," says this determined gentleman.

- 7.1 Is Thabo's informal business a service or retail business?
Give a reason for your answer. (2)
- 7.2 What is his income per month? (1)
- 7.3 Prepare a SWOT analysis of Thabo's business. (4 x 2) (8)
- 7.4 Name any THREE components of a business plan. (3)
- 7.5 Thabo wants to approach a local bank for financial assistance to expand his business operations. Give a brief description of THREE aspects that should be included in his financial plan. (3 x 2) (6)
- 7.6 Differentiate between *mass production* and *job production*. (4)
- (24)**

QUESTION 8

- 8.1 Read through each of the scenarios below and decide which management function will be applicable.
- 8.1.1 Employees want to strike because of poor working conditions.
- 8.1.2 The workers work with very hazardous chemicals that could cause an accident if not handled carefully. The company needs to take precautions and protect itself.
- 8.1.3 Sales figures have dropped and the company needs to do something about this.
- 8.1.4 The company would like to invest some of the profits by buying shares in other companies.
- 8.1.5 The company was recently involved in a big scandal regarding the dumping of toxic waste. They need to establish good relations with the outside world again.
- (5 x 2) (10)
- 8.2 Tabulate the types of skills required in each of the 3 economic sectors. (6)
(16)
- TOTAL SECTION D: 40**
- GRAND TOTAL: 200**