



Province of the  
**EASTERN CAPE**  
EDUCATION

**SENIOR PHASE**

**GRADE 9**

**NOVEMBER 2010**

**ECONOMIC AND MANAGEMENT SCIENCES**

**NAME OF THE LEARNER: .....**

**MARKS: 100**

**TIME: 2 hours**

---

This question paper consists of 14 pages.

---

**INSTRUCTIONS**

1. This question paper consists of FOUR SECTIONS.
2. Answer ALL questions.
3. Read the instructions for each question carefully and answer only what is required.
4. Questions must be answered ON THIS QUESTION PAPER. Use the mark allocation to determine the length of answers.
5. Write clearly and neatly.

**MARK ALLOCATION**

<u>SECTION</u>	<u>MARKS</u>
A	15
B	17
C	7
D	61
TOTAL	100

**SECTION A****QUESTION 1**

Choose the correct answer from the ones given and circle the correct one.

- 1.1 Which of the following entries would not affect owner's equity?
- A Purchased stationery on credit.
  - B Pay the owner's telephone account with a business cheque.
  - C Received monthly rent from a tenant.
  - D Bought a vehicle and paid by cheque.
- 1.2 The price at which the quantity demanded is the same as quantity supplied is known as ...
- A minimum price.
  - B equilibrium price.
  - C discount price.
  - D reasonable price.
- 1.3 The act that provides guidelines for the maximum hours that one is allowed to work is the ... Act.
- A Skills Development
  - B The Employment Equity
  - C The Labour Relations
  - D Basic Conditions of Employment
- 1.4 ... is when the country produces more goods and services.
- A Economic development
  - B Economic growth
  - C Economic prosperity
  - D Economic sustainability
- 1.5 The total value of the final goods and services produced within the borders of a country in a given year, is called ...
- A Gross Profit
  - B Gross Income
  - C Gross Domestic Product
  - D Gross National Product

(5 x 1) **[5]**

**QUESTION 2**

Fill in the missing words in the spaces provided.

- 2.1 Marketing intends to inform the ... about the business.
- 2.2 The ... shows the flow of money, goods and services in an economy.
- 2.3 One of the RDP challenges is to redress the ... of the past between the rich and the poor.
- 2.4 A ... card gives you the benefit of using it electronically without the danger of carrying a large sum of money and also the spending of money you do not actually have.
- 2.5 The higher the price, the lower the ... of a product.

(5 x 1) [5]

**QUESTION 3**

CHOOSE the concept in COLUMN B that matches a description in COLUMN A. Write only the chosen letter next to the question in the grid provided e.g. 3.1 Z.

COLUMN A		COLUMN B	
3.1	Import and export of goods and services from and to another country	A	Public Relations
3.2	Difference between sales and cost of sales	B	National Budget
3.3	Creating a positive image of a business	C	Liabilities
3.4	A projected statement of government's revenue and expenditure for the year	D	Gross Profit
3.5	Everything that the business owe to others	E	International Trade
		F	Taxation

(5 x 1) [5]

**ANSWERS**

3.1		3.4	
3.2		3.5	
3.3			

**TOTAL SECTION A: 15**

**SECTION B**

**QUESTION 4**

4.1 Differentiate between the following concepts/terms.

(a) Real and monetary flow in the circular flow diagram. (2 x 2) (4)

.....  
.....  
.....  
.....

(b) Fixed and current assets and give ONE example of each. (5)

.....  
.....  
.....  
.....

4.2 Explain the following terms: (4 x 2) (8)

(a) Exchange Rate:

.....  
.....

(b) Productivity:

.....  
.....

(c) Inflation:

.....  
.....

(d) Source document:

.....  
.....

4.3 Decide whether the following market events indicate an increase or a decrease in **quantity supplied or supply and quantity demanded or demand**. Give reasons for your answer.

(a) Market: Selling of chocolate bars  
Event: The price of sugar decreases.

.....  
.....

(b) Market: Selling of bread  
Event: The price of bread decreases.

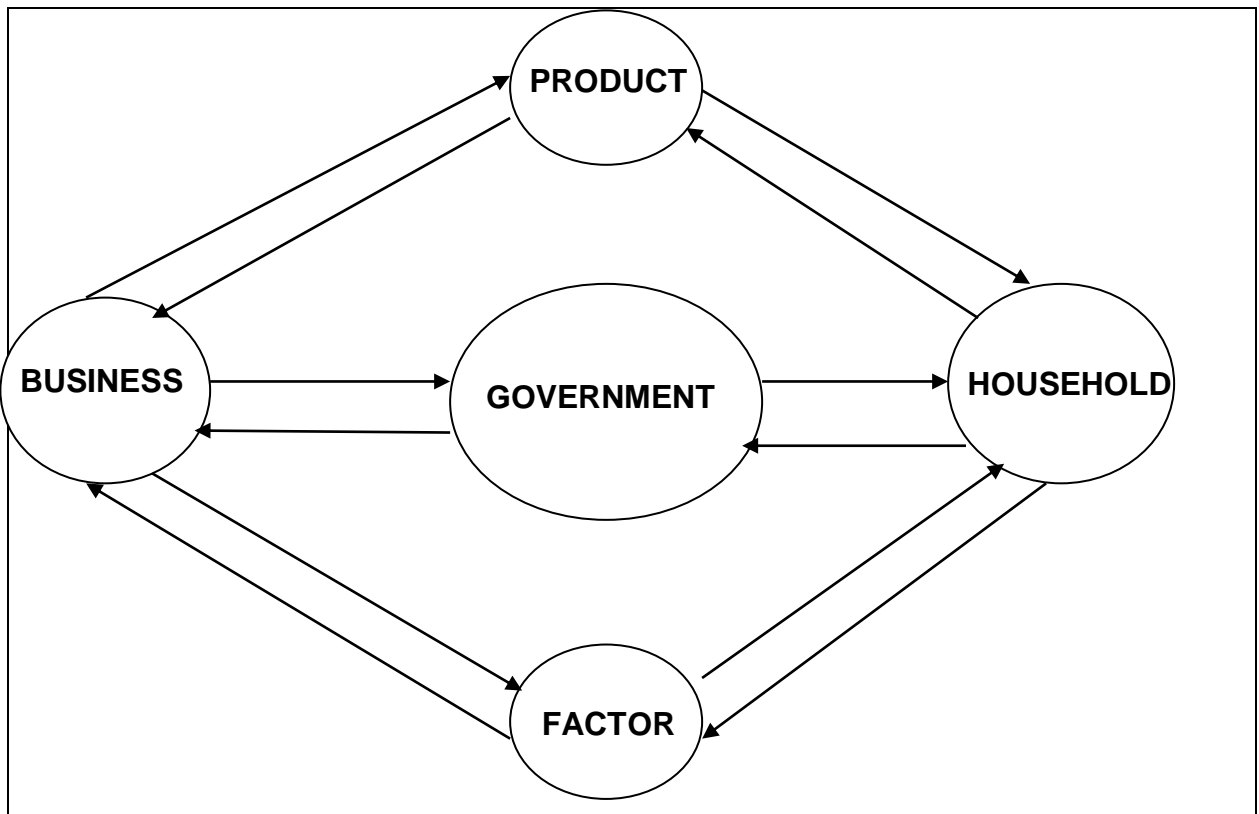
.....  
.....

(c) Market: Selling mutton  
Event: The price of beef decreases.

.....  
.....

(3 x 2) (6)

4.4

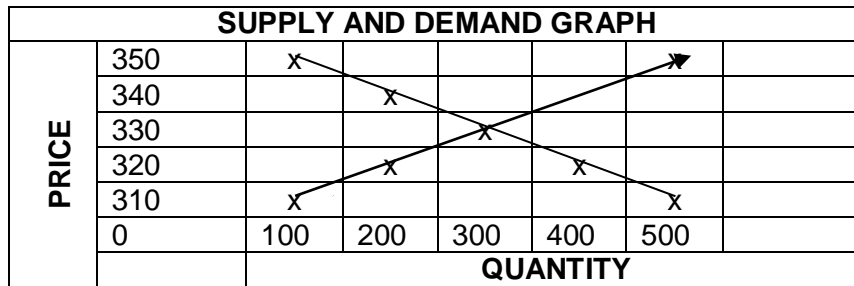


Study the following activities and locate them in the circular flow diagram. Use only the given letters next to each activity to indicate the flow. Do not rewrite the activities.

- A. Jo buys a CD, pizza and sweets
- B. Anna pays for tickets to a rock concert
- C. Sasha paints houses for a summer job
- D. Spar supermarkets pay workers
- E. A defence department worker receives R60 000 per year for her work as a translator.
- F. A policeman applies for a job with the police department.

(6 x 1) (6)

4.5 The graph below illustrates the demand and supply curves of Bafana Bafana T-shirts. Analyse it and then answer the questions that follow.



- (a) What quantity of T-shirts will be supplied if the price is R340?  
..... (1)
- (b) What will be the quantity demanded for T-shirts when the price is R350?  
..... (1)
- (c) What will happen in the demand curve for Bafana Bafana T shirts if there are fake T-shirts selling at a cheaper price, and people are buying them?  
..... (2)
- (d) What will happen to the supply curve, if a law is passed that all citizens of South Africa should buy the genuine Bafana Bafana T-shirts?  
..... (2)

**TOTAL SECTION B: 17**

**SECTION C**

**QUESTION 5**

Read the case study below and answer the questions.

A.B. Jacobs started a shoe business, AJ Stores, in Woodstock Cape Town. He raised capital by asking his parents to assist. Jacobs manufactured shoes for sports brands, security firms and schools. He professionally runs his business in a small factory with 10 staff members. They are able to produce 30 pairs of shoes every 3 hours.

All the people who work for AJ Stores were previously unemployed. His workers are very happy as he treats them fairly and pays them well. Jacobs has also taken on young school leavers who are interested in shoe making and has started training them. Jacobs has also been saving his profits. Although he has to compete with cheaper imports his business is running successfully. As a result, he is thinking of expanding his business. He is looking for investors who can invest into his business.

5.1 Will AJ Stores attract investors from overseas? Explain your answer.

.....

.....

.....

.....

(3)

5.2 What form of ownership is AJ Stores?

.....

(1)

5.3 Give TWO advantages of the type of ownership mentioned in QUESTION 5.2.

.....

.....

(2)

5.4 Explain how investment contributes to economic growth.

.....

(1)

**TOTAL SECTION C: 7**



**SECTION D****QUESTION 6**

## 6.1 INFORMATION

(A) The mark-up is as follows:

1. Cash sales 25%
2. Credit sales 40%

(B) The journals for October have been summarised as follows:

**CASH RECEIPTS JOURNAL**

Bank	Sales	Cost of sales	Debtors control	Sundry accounts
R71 400	R39 000	R?	R20 200	R12 200

**CASH PAYMENTS JOURNAL**

Bank	Wages	Trading stock	Creditors control	Sundry accounts
R101 400	R28 200	R51 000	R14 400	R7 800

**CREDITORS JOURNAL**

Creditors	Trading Stock	Stationery	Sundry accounts
R99 500	R71 500	R20 000	R8 000

**DEBTORS JOURNAL**

Sales	Cost of Sales
R?	R78 000

**INSTRUCTION:**

1. Use the information provided to post from the journals to the following ledger accounts.

- |                       |      |
|-----------------------|------|
| (a) Trading stock     | (14) |
| (b) Creditors control | (7)  |
| (c) Sales             | (5)  |

GENERAL LEDGER OF BOXER STORES

BALANCE SHEET ACCOUNTS SECTION

**TRADING STOCK**

2010	1	Balance	b/d	69 000							
Oct											

(14)

**CREDITORS CONTROL**

						2010	1	Balance	b/d	51400	
						Oct					

(7)

**SALES**

							1	Total	b/f	31000	

(5)

**QUESTION 7**

Use the following Trial Balance of Golden Eagles Traders to prepare the following:

- (a) Income Statement of Golden Eagles Traders for the year ended 30 November 2010 (17)
- (b) Balance Sheet of Golden Eagles Traders for the year ended 30 November 2010 (18)

**GOLDEN EAGLES TRADERS  
TRIAL BALANCE AS AT 30 NOVEMBER 2010**

BALANCE SHEET ACCOUNT SECTION	FOLIO	DEBIT	CREDIT
Capital	B1		106 000
Drawings	B2	10 802	
Land and building	B3	85 000	
Vehicles	B4	21 861	
Equipment	B5	18 794	
Trading Inventory	B6	3 431	
Debtors control	B7	8 520	
Bank	B8	200	
Cash Float	B9	60	
Creditors	B10		6 475
NOMINAL ACCOUNT SECTION			
Sales	N1		104 944
Cost of Sales	N2	52 472	
Rent income	N3		7 106
Telephone	N4	2 223	
Stationery	N5	813	
Salaries	N6	12 155	
Fuel	N7	4 059	
Advertising	N8	613	
Water and electricity	N9	1 542	
Cleaning material	N10	1 980	
		224 525	224 525



**BALANCE SHEET OF GOLDEN EAGLES FOR THE YEAR ENDED 30 NOVEMBER 2010**

	Notes	R
<b>ASSETS</b>		
<b>NON-CURRENT ASSETS</b>		
<b>CURRENT ASSETS</b>		
<b>TOTAL ASSETS</b>		
<b>EQUITY AND LIABILITIES</b>		
<b>TOTAL EQUITY AND LIABILITIES</b>		

<b>NOTES TO THE FINANCIAL STATEMENTS AS ON 30 NOVEMBER 2010</b>

[35]

**TOTAL SECTION D: 61**

**GRAND TOTAL: 100**