SENIOR PHASE

GRADE 9

NOVEMBER 2013

**ECONOMIC AND MANAGEMENT SCIENCES
MEMORANDUM**

MARKS: 100

This memorandum consists of 8 pages.

SECTION A

QUESTION 1

1.1   1.1.1   C   informal   (1)

      1.1.2   A   R1 260   (1)

      1.1.3   D   E = B – L   (1)

      1.1.4   D   ensuring the business has the right skills in the right quantity at
                    the right time   (1)

      1.1.5   C   Supply   (1)

      1.1.6   D   Pravin Gordhan   (1)

      1.1.7   B   the possibility of gaining more market share   (1)

1.2   1.2.1   True   (1)

      1.2.2   True   (1)

      1.2.3   False   (1)

      1.2.4   False   (1)

      1.2.5   True   (1)

      1.2.6   True   (1)

      1.2.7   False   (1)

1.3   1.3.1   G   (1)

      1.3.2   D   (1)

      1.3.3   E   (1)

      1.3.4   F   (1)

      1.3.5   A   (1)

      1.3.6   B   (1)

                                                              TOTAL SECTION A: 20

SECTION B

QUESTION 2

2.1   2.1.1   200 coats   (1)

        2.1.2   500 – 200 = 300 oversupply   (1)

        2.1.3   B   change in quantity demanded   (1)

        2.1.4   350 coats   (1)

        2.1.5   R400   (1)

2.2   2.2.1   **Business plan:** Is a formal document that describes the future strategy
                  and financial development of the business. It shows a clear idea of
                  where the owners (business) want to go. It aims to convince people
                  outside the business that the business has a good chance of
                  succeeding.   (2)

        2.2.2   **Marketing research**: Finding out from possible customers their needs
                  and preferences, and whether they are likely to buy the product or
                  service at the proposed price.   (2)

        2.2.3   **Communism/Command economy**: An economic system in which all
                  property and resources are owned and controlled centrally, by the
                  government and the ruling political party.   (2)

        2.2.4   **Exports**: Goods and services that are produced in one's country and
                  sold to consumers in another country.   (2)

2.3   • Consumers and producers are brought together in the market for goods and
          services and the market for the factors of production.
        • Exchange in these markets cause goods and services, and money to flow in
          various directions.
        • Consumers receive income from businesses in exchange for the use of the
          factors of production.
        • They then use their income to buy domestic goods and services from
          producers.
        • Producers buy the services of the factors of production from consumers in
          order to produce the goods and services.
        • The producers then sell their goods and services to consumers.

                                                                              (6 x 1)   (6)
                                                                                              [19]

QUESTION 3

3.1   3.1.1
- Teachers must be trained. √
- Schools needs infrastructure such as classrooms, toilets, sports, fields and equipment. √
- Schools need to be built. √   (3 x 1)   (3)

3.1.2
- Social services √
- Disability grants √
- Old age grants √   (2 x 1)   (2)

3.1.3
- Build over a million houses. √
- Redistribution of land to landless people. √
- Provide clean water and sanitation to all. √
- Provide electricity to 2,5 million new homes. √
- Provide access to affordable health care and telecommunications √   (Any 3 x 1)   (3)

[8]

TOTAL SECTION B: **27**

SECTION C

QUESTION 4

4.1   •   There is no cash in the cash box. √
        •   There is an oversupply of stock. √ (Any relevant answer)   (2 x 1)   (2)

4.2   •   They need to plan their finances better – maybe draw up a budget. √
        •   Need to work out how much juice is demanded by the market. √
        •   Find a more suitable way of distributing the juices. √   (Any 2 x 1)   (2)

4.3   •   Insist that more planning is done. √
        •   The manager will want to see where the money that has been invested is
          being spent. √   (Any relevant answer)   (2 x 1)   (2)

4.4   •   They would know the needs of the market. √
        •   They would know the best price to sell the product for. √
        •   They would advertise to reach their target market, i.e. they would be able to
          develop new ways of distributing the product. √
        •   They could draw up a projected income statement to see if the ideas are
          viable. √
        •   They could better suppliers and better ways of preserving the product. √
        •   They could package the product in more suitable way. √
        •   They could find cheaper and better ways to produce the juice. √   (Any 4 x 1)   (4)

4.5   Goals of the business √
      Feasibility Study √
      Marketing Plan √
      Financial Plan (Projected Income Statement) √
      Management √   (5 x 1)   (5)

                                                                       [15]

QUESTION 5: TRANSACTION ANALYSIS, JOURNALS AND GENERAL LEDGER

5.1   Analyse the following transactions according to the example. At the accounting equation, show an increase with a "+" before the amount, a decrease with a "–" before the amount and no effect with a "0". Assume that bank has a debit balance.

Example: Pay wages with a cash cheque, R3 230.

Transactions:

1   The owner, T Rasenyallo, started a business by contributing R140 000 as capital contribution to the business.

2   Bought a vehicle from Toyota Traders on credit for R234 500.

3   The owner paid his personal rent for R1 540 using a business cheque.

4   Sold merchandise (Cost price R3 000) to A Adams on credit for R6 000.

ANSWER SHEET: ACCOUNTING EQUATION

No.	Assets	Owners' Equity	Liabilities
Ex.	**-3 230**	**-3 230**	**0**
1	+ 140 000 √	+ 140 000 √	
2	+ 234 500 √		+ 234 500 √
3	- 1 540 √	- 1 540 √	
4	- + 6 000 √ - 3 000 √	- +6 000 √ - 3 000 √	

(10)

GENERAL LEDGER OF PATRICIA TRADERS

Dt. **Trading Stock** **B5** **Cr.**

Date	Details	Fol.	Amount	Date	Details	Fol.	Amount
April 1	**Balance**	**b/d** √	**44 600** √	**April 1**	**Cost of sales**	**CRJ**	**19 000** √
30	Bank	CPJ	18 000 √	30	Cost of sales	DJ	6 400 √
	Creditors	CJ	15 300 √				
					Balance	c/d √	52 500 √√
			77 900				**77 900**
May 1	Balance	b/d	52 500 √				

(9)

Dt. **Stationery** **N8** **Cr.**

Date	Details	Fol.	Amount	Date	Details	Fol.	Amount
April 1	**Total**	**B/d**	**4 800** √				
30	Bank	CPJ	1 900 √				
30	Creditors	CJ	840 √				
			7 540 √√				

(5)

Cash Receipt Journal of LUXA Lawns Garden Service – March 2013 CRJ

Doc	Day	Details	Fol.	Analysis of Receipts	Bank	Current Income	Cost of sales	Debtors control	Sundry accounts		
									Amount	Fol.	Details
LL01	1	L Luxa		100 000	100 000 √				100 000 √		Capital √
CRT 371-380	7	Services		3 250	3 250 √	3 250 √					
	15	B Black		1 000	1 000 √	1 000 √			1 000 √		Rent income √
CRT 381-390	17	Services		1 660	1 660 √	1 660 √					
					105 910 √	4 910 √			101 000		

Cash Payments Journal of LUXA Lawns Garden Service – March 2013 CPJ

Doc	Day	Name of payee	Fol.	Bank	Equipment	Wages	Fuel	Creditors Control	Sundry accounts		
									Amount	Fol.	Details
5201	2	Lawnmower Sales and Services		49 500 √	49 500 √						
5202	2	Pete's Garage		1 200 √			1 200 √				
	12	Cash		2 000 √		2 000 √					
	20	Cash		2 200 √		2 200 √					
				54 900 √	49 500	4 200 √	1 200				

Creditors Journal of LUXA Lawns Garden Service – March 2013 CJ

Doc	Day	Name of Creditors	Fol.	Creditors Control	Equipment	Stationery	Sundry accounts		
							Amount	Fol.	Details
Inv 65	8	Toivo Traders		1 350 √			1 350 √		Cleaning material
Inv 75	18	Blue Bells Manufacturers		3 000 √	3 000 √				
				4 350 √	3 000		1 350		

(28 ÷ 2) (14)

[38]

TOTAL SECTION C: 53

GRAND TOTAL: 100