



Province of the
EASTERN CAPE
EDUCATION

SENIOR PHASE

GRADE 9

NOVEMBER 2013

ECONOMIC AND MANAGEMENT SCIENCES

NAME OF THE LEARNER: _____

MARKS: 100

TIME: 2 hours

This question paper consists of 17 pages which is also an answer book.

INSTRUCTIONS

1. This question paper consists of FIVE QUESTIONS.
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.
5. Use the mark allocation to determine the length of answers.
6. Write clearly and neatly.

SECTION A**QUESTION 1****1.1 MULTIPLE-CHOICE QUESTIONS**

Choose the most appropriate answer from the list given below. Encircle only the correct letter (A–D) next to the relevant number (1.1–1.7), for example

1.8 **A.**

1.1.1 Which of the following does not form part of the sectors of the economy?

- A Primary
- B Secondary
- C Informal
- D Tertiary

(1)

1.1.2 If the cost price of a product is R900,00, and the mark up profit is 40%, the selling price will be ...

- A R1 260.
- B R360.
- C R540.
- D R2 160.

(1)

1.1.3 Choose the correct formula of the accounting equation:

- A $A = L - O$
- B $A = O - L$
- C $L = A + O$
- D $O = A - L$

(1)

1.1.4 Which ONE of the following is a function of human resources?

- A Promoting the organisation
- B Building good relations between the company and third parties
- C Protecting the image of the business
- D Ensuring the business has the right skills in the right quantity at the right time

(1)

1.1.5 It is the quantity of goods offered for sale at a given price at a particular period:

- A Demand
- B Price
- C Supply
- D Demand curve

(1)

1.1.6 This current minister of finance in South Africa is ...

- A Tito Mboweni.
- B Gill Marcus.
- C Trevor Manuel.
- D Pravin Gordhan.

(1)

1.1.7 Which of the following would be viewed as an opportunity when preparing a SWOT analysis?

- A A good business concept which has been applied successfully
- B The possibility of gaining more market share
- C A large and loyal client base
- D Insufficient cash to finance expansion

(1)

1.2 State whether the following statements are TRUE or FALSE. Write ONLY the correct answer next to the number (1.2.1–1.2.7) of the question, for example 1.2.8 FALSE.

1.2.1 The four elements required to produce goods or services are called factors of production. (1)

1.2.2 Goods or merchandise bought for the purpose of selling at a profit are called Trading Stock. (1)

1.2.3 Target market is an association or group of workers in any trade for the purpose of protecting the interests of the workers. (1)

1.2.4 Capital is the money that the owner withdraws from the business for personal use. (1)

1.2.5 Tax is a compulsory payment by citizens of a country to the government. (1)

1.2.6 Trade agreement is a treaty made to promote trade between countries. (1)

1.2.7 Trial balance is a statement that shows the financial position of the business. (1)

ANSWERS:

1.2.1 _____

1.2.2 _____

1.2.3 _____

1.2.4 _____

1.2.5 _____

1.2.6 _____

1.2.7 _____

1.3 Choose a description from COLUMN B that matches the words in COLUMN A. Write only the letter (A–H) next to the question number (1.3.1–1.3.6) for example 1.3.7 A.

COLUMN A		COLUMN B	
1.3.1	Production plan	A	Costs that stay the same regardless of the level of production
1.3.2	Economic growth	B	A strategy for attracting more customers
1.3.3	Target market	C	Debit side of a T-account
1.3.4	Credit bureau	D	The increase in the value of goods and services produced in a country over a certain period
1.3.5	Fixed costs	E	Group of people to whom the advertising is directed to
1.3.6	Marketing plan	F	An organisation to which creditors report failure of payment by debtors
		G	A strategy for producing more goods at lowest cost
		H	Costs that are influenced by the level of production

(6 x 1) (6)

ANSWERS:

1.3.1 _____

1.3.2 _____

1.3.3 _____

1.3.4 _____

1.3.5 _____

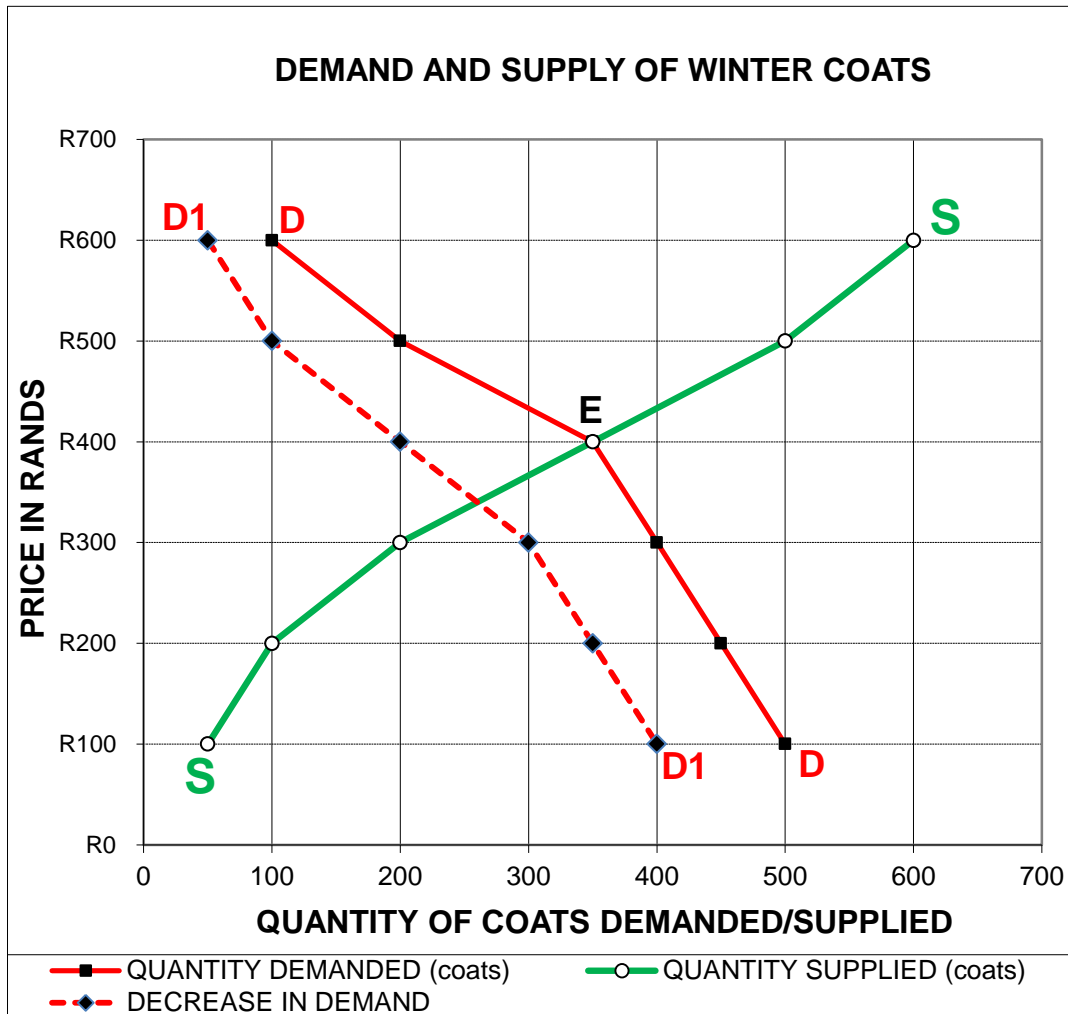
1.3.6 _____

TOTAL SECTION A: 20

SECTION B

QUESTION 2

2.1 The following graph shows the original supply (SS) and the original demand (DD), of wool clothes during the winter as well as the demand (D1D1) in September, at the beginning of summer.



2.1.1 At an original price of R500 per coat, what was the quantity supplied?

(1)

2.1.2 At a price of R500, what was the shortage or over-supply before the decrease in demand in September?

(1)

2.1.3 A movement from point S to point E is a ... (Encircle the correct answer.)

- A change in quantity supplied.
- B change in quantity demanded.
- C change in supply.
- D change in demand.

(1)

2.1.4 At a price of R200, what was the quantity demanded after the decrease in demand?

(1)

2.1.5 What was the equilibrium price before the decrease in demand?

(1)

2.2 Define/explain the following terms:

2.2.1 Business plan

(2)

2.2.2 Marketing research

(2)

2.2.3 Communism/Command economy

(2)

2.2.4 Exports

(2)

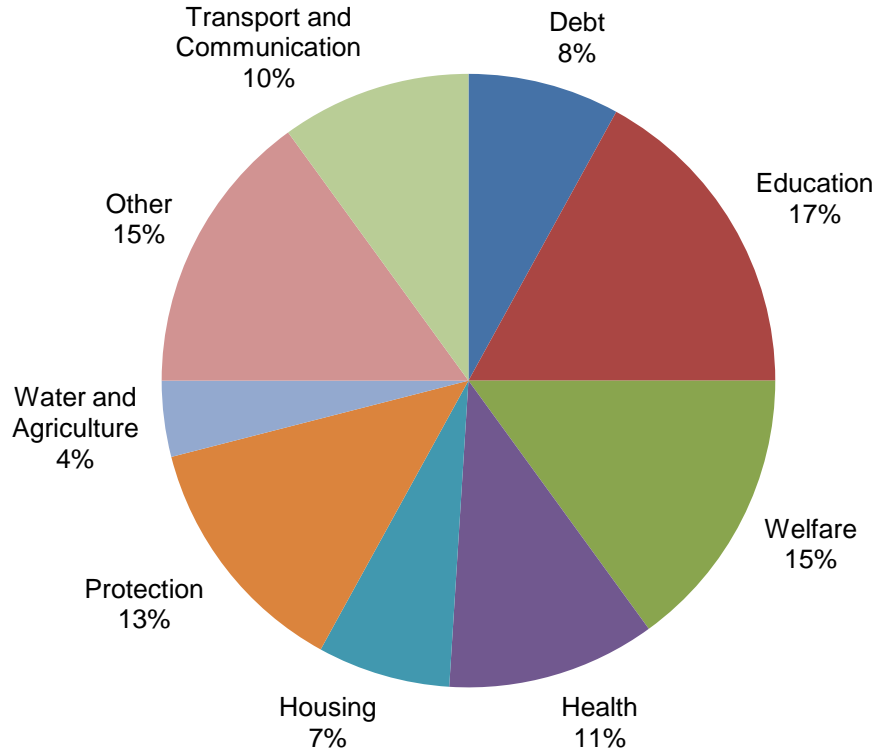
2.3 Write a paragraph (at least SIX facts) to explain how producers and consumers interact in the different markets.

(6 x 1)

(6)
[19]

QUESTION 3

3.1 The graph below shows the government expenditure in 2011/2012. Study the graph and answer the questions that follow.



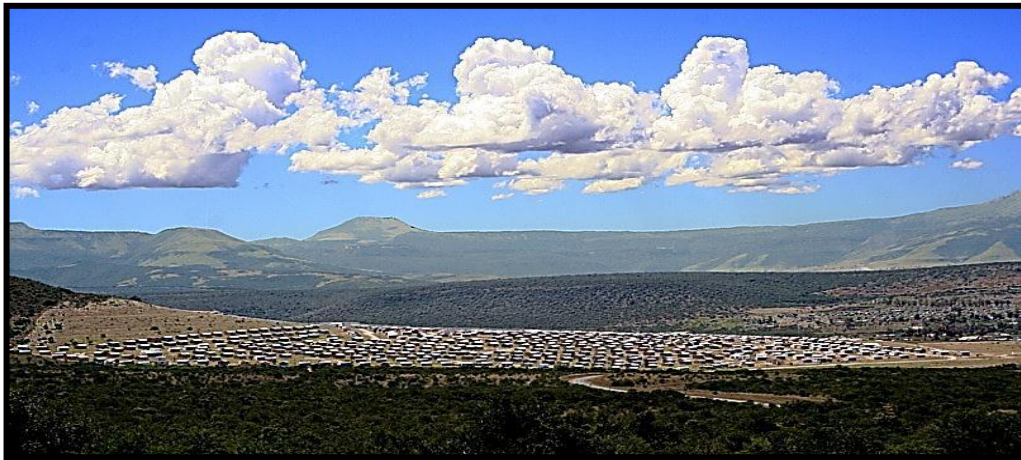
3.1.1 Education receives the largest chunk of the budget pie. Name THREE ways in which the education budget can be used to improve conditions for learners.

(3)

3.1.2 Which services provided by the government are covered under Welfare?

(2)

- 3.1.3 Over the past nineteen years, government spending, via the National Budget has been targeted towards the poor as part of the RDP (Reconstruction and Development Programme).



Name any THREE goals of the RDP.

(3)
[8]

TOTAL SECTION B: 27

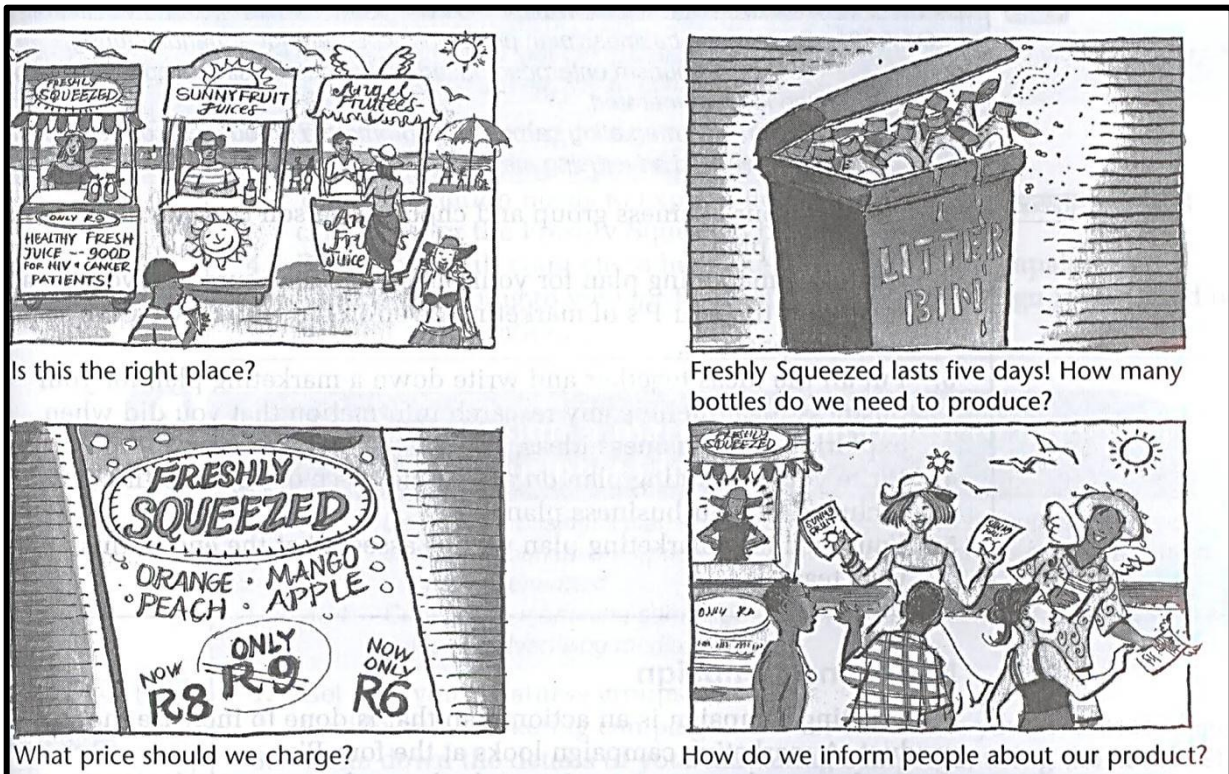
SECTION C

QUESTION 4

Read the case study of Moses and Devksha, trading as 'Freshly Squeezed' and answer the questions which follow.



Things were not looking too good for Freshly Squeezed. They sell their juice at a regular flea market set-up.



Is this the right place?

Freshly Squeezed lasts five days! How many bottles do we need to produce?

What price should we charge?

How do we inform people about our product?

Refer to the case study above and answer the questions that follow.

4.1 Name any TWO problems that the business seems to be experiencing.

(2)

4.2 What could be done to solve the two problems mentioned in QUESTION 4.1?

(2)

4.3 If you are the manager of the local bank, what conditions would you give to Moses and Devksha, before you will lend them any more money for the business?

(2)

4.4 How could proper **planning** have predicted some of these problems? Name any FOUR facts.

(4)

4.5 Name the FIVE most important aspects which should be covered in their businessplan.

(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 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 R 3 000) to A Adams on credit for R6 000.

ANSWER SHEET: ACCOUNTING EQUATION

No.	Assets	Owners' Equity	Liabilities
Ex.	-3 230	-3 230	0
1			
2			
3			
4			

(10)

5.2 The following information was extracted from the books of Patricia Traders.

- Use the following information to complete the following General Ledger accounts.
- **NOTE:** Balance the accounts at the end of the month
- Some balances on 1 April 2012: Trading Stock R44 600; Stationery R4 800
- Totals of the subsidiary journals for April 2012

Cash Receipts Journal of Patricia Traders

Bank	Sales	Cost of sales	Debtors control	Sundry Accounts
R45 600	R38 000	R19 000	R4 500	R3 100

Cash Payments Journal of Patricia Traders

Bank	Trading stock	Stationery	Creditors control	Sundry Accounts
R35 400	R18 000	R1 900	R6 500	R9 000

Creditors Journal of Patricia Traders

Creditors Control	Trading stock	Stationery	Equipment	Sundry Accounts
R25 900	R15 300	R840	R8 500	R1 260

Debtors Journal of Patricia Traders

Sales	Cost of sales
R12 800	R6 400

WRITE ON THE ANSWER SHEET PROVIDED.

GENERAL LEDGER OF PATRICIA TRADERS

Dt.		Trading Stock				B5		Cr.
Date	Details	Fol.	Amount	Date	Details	Fol.	Amount	

(9)

Dt.		Stationery				N8		Cr.
Date	Details	Fol.	Amount	Date	Details	Fol.	Amount	

(5)

- 5.3 Enter the relevant transactions listed below in the CRJ, CPJ and CJ of LUXA Lawns Garden Services for the month of March 2013.

The owner, L Luxa, deposits R100 000 in the bank account as start-up capital (Receipt LL01)

- 1 Purchases petrol lawnmowers from Lawnmower Sales and Services for R49 500 and paid by cheque no. 5201.

Purchases fuel to the amount of R1 200 from Pete's Garage and paid by cheque

- 7 Receives R3 250 from customers for garden services (CRT 371 – 380)

- 8 Bought cleaning material on credit from Toivo Traders for R1 350, invoice no. 65

- 12 Pays wages to the amount of R2 000.

- 15 Receives an amount of R1 000 from the tenant, B Black, for use of a storeroom.

- 17 Receives R1 660 from customers for garden services (CRT 381–390).

- 18 Receive a grass cutter on credit from Blue Bells Manufacturers, for R3 000, Invoice 75.

- 19 Pays the weekly wages to the employees. A 10% wage increase is due today

(28 x $\frac{1}{2}$) (14)
[38]

TOTAL SECTION C: 53
GRAND TOTAL: 100

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							
CRT 371-380	7	Services		3 250							
	15	B Black		1 000							
CRT 381-390	17	Services		1 660							
									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									
5202	2	Pete's Garage									
	12	Cash									
	20	Cash									
					49 500		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							Cleaning material
Inv. 75	18	Blue Bells Manufacturers							
					3 000		1 350		

(28 ÷ 2) (14)

[38]**TOTAL SECTION C: 53****GRAND TOTAL: 100**