



Province of the
EASTERN CAPE
EDUCATION

SENIOR PHASE

GRADE 9

NOVEMBER 2014

**ECONOMIC AND MANAGEMENT SCIENCES
MEMORANDUM**

MARKS: 200

This memorandum consists of 11 pages.

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

1.1	B ✓✓	(2)
1.2	A ✓✓	(2)
1.3	C ✓✓	(2)
1.4	D ✓✓	(2)
1.5	C ✓✓	(2)
1.6	A ✓✓	(2)
1.7	B ✓✓	(2)
1.8	A ✓✓	(2)
1.9	D ✓✓	(2)
1.10	C ✓✓	(2)
		[20]

QUESTION 2

2.1	production plan ✓✓	(2)
2.2	credit note ✓✓	(2)
2.3	break even ✓✓	(2)
2.4	duplicate invoice ✓✓	(2)
2.5	Planned ✓✓	(2)
		[10]

QUESTION 3

3.1	C ✓✓	(2)
3.2	G ✓✓	(2)
3.3	D ✓✓	(2)
3.4	I ✓✓	(2)
3.5	H ✓✓	(2)
3.6	A ✓✓	(2)
3.7	J ✓✓	(2)
3.8	E ✓✓	(2)
3.9	F ✓✓	(2)
3.10	B ✓✓	(2)
		[20]

QUESTION 4

4.1	TRUE ✓✓	(2)
4.2	TRUE ✓✓	(2)
4.3	FALSE ✓✓	(2)
4.4	TRUE ✓✓	(2)
4.5	FALSE ✓✓	(2)
		[10]

TOTAL SECTION A: 60

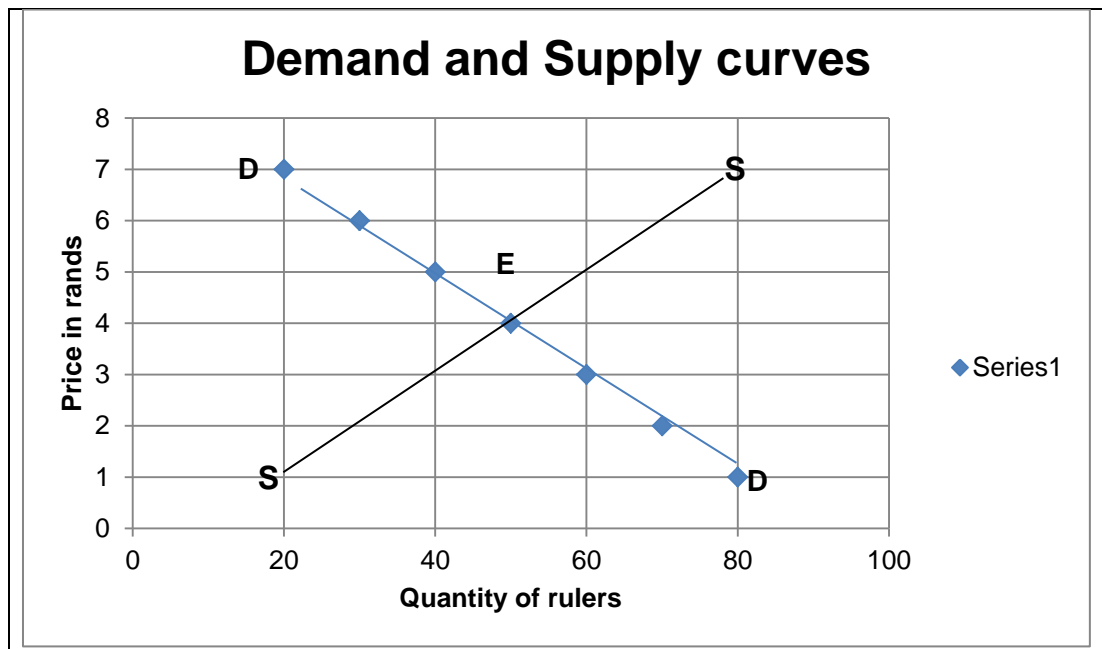
SECTION B: THE ECONOMY**QUESTION 5**

- 5.1 Thami buys holiday gifts and sweets for the entire family.
Answer: 1 (1)
- 5.2 Jane offers to paint houses as a summer job.
Answer: 3 (1)
- 5.3 George receives income from rental properties.
Answer: 4 (1)
- 5.4 Mary pays for tickets to a rock concert.
Answer: 2 (1)
- 5.5 General Motors SA manufactures trucks to sell to consumers.
Answer: 7 (1)
- 5.6 The Pirates Football Club receives money from season ticket sales.
Answer: 8 (1)
- 5.7 Le Parit Beauty Salon hires another hairdresser.
Answer: 5 (1)
- 5.8 Dynamic Body Fitness Center pays its personal trainers each Friday.
Answer: 6 (1)
- 5.9 Pick n Pay (Pty) Ltd pays annual rates to the local government.
Answer: 12 (1)
- 5.10 The Dzudzu family pays income taxes to the government.
Answer: 16 (1)
- 5.11 Miss Zizi, a translator at Kimberly Magistrate's Court receives her monthly salary.
Answer: 14 (1)
- 5.12 A recent police academy graduate is hired by the police department.
Answer: 13 (1)
- 5.13 The local municipality provides kerbside garbage pickup.
Answer: 15 (1)
- 5.14 A small company provides uniforms and medical equipment for the country's armed forces
Answer: 9 (1)
- 5.15 The government provides electricity to all local business in the Sarah Baartman (Cacadu) District.
Answer: 11 (1)

[15]

QUESTION 6

6.1

**MARK ALLOCATION**

- ✓ mark for the heading Demand and Supply curve (1)
- ✓ mark for label of Y-axis: Price in rand (1)
- ✓ mark for label of X-axis: Quantity of rulers (1)
- ✓ mark for correctly indicating equilibrium point at E (1)
- ✓ mark each for correct plotting of **demand and supply** points in the graph (12 ÷ 2) = (6) (10)

6.2 Consumers will buy more of rulers when its price is lower and less rulers when its price is higher. ✓ This means that as price increases, quantity demanded decreases, ✓ and as price decreases, quantity demanded increases. (3)

6.3 As the prices of goods (rulers) and services increase, the quantity of goods (rulers) and services offered by suppliers increases. ✓ In other words, the supplier is willing to provide more of a product (rulers) or service when the price goes up ✓ and less when the price goes down. ✓ (3)

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QUESTION 7

7.1 7.1.1 Possible losses for businesses:

- Raw materials used in the production process and unfinished products may spoil while the strike is on. ✓✓
- Buyers may go to other businesses to find products because they cannot wait until the strike is over and production continues. ✓✓
- Business sales (turnover) drops. ✓✓
- Any other relevant answer. (Any 2 x 2) (4)

7.1.2 Possible losses to employees:

- They will lose wages for the time that they are off work. This is called the 'no work, no pay' principle. ✓✓
- If the strikers are dismissed they will lose their income altogether. ✓✓
- Layoffs of employees. ✓✓
- Any other relevant answer. (Any 2 x 2) (4)

7.2 Congress of South African Trade Unions ✓ (1)
[9]

TOTAL SECTION B: 40

SECTION C: FINANCIAL LITERACY

QUESTION 8

- 8.1 8.1.1 R147 300 ✓ (1)
- 8.1.2 R54 000 ✓ (1)
- 8.1.3 R140 150 ✓ (1)
- 8.1.4 R54 150 ✓ (1)
- 8.1.5 R2 810 ✓ (1)
- 8.1.6 R95 040 ✓ (1)
- 8.1.7 Debtors Allowances ✓ (1)

8.2

Dr		TRADING STOCK						Cr	
2014					2014				
Oct	31	Bank	CPJ	109 050 ✓	Oct	31	Cost of sales	CRJ	43 200 ✓
		Creditors Control ✓	CJ	40 500 ✓			Cost of sales ✓	DJ	95 040 ✓
		Cost of sales ✓	DAJ	1 525 ✓			Creditors control ✓	CAJ	2 560 ✓
							Balance ✓	c/d	10 275 ✓
				151 075 ✓					151 075
Nov	1	Balance	b/d	10 275 ✓✓					

(15)

Dr					DEBTORS CONTROL					Kr	
2014					2014						
	31	Sales	DJ	118 800 ✓	Oct	31	Bank	CRJ	53 000 ✓		
							Debtors Allowances ✓	DAJ	2 030 ✓✓		
							Balance ✓	c/d	63 770 ✓		
				118 800					118 800		
Nov ✓	1	Balance ✓	b/d	63 770 ✓							

(10)

8.3 ACCOUNTING EQUATION

TRANSACTION	ASSETS	OWNER'S EQUITY	LIABILITIES
May 2014			
2. Cash sales as per CRT no. 201, R5 600 (cost of sales R2 300)	+ R5 600 ✓	+ R5 600 ✓	
	- R2 300 ✓	- R2 300 ✓	

(4)

[36]

QUESTION 9

- 9.1 Creditors Control / Incredible cyclist ✓✓ (2)
- 9.2 Loan ✓✓ (2)
- 9.3 $R125\ 000 \times 6\% \times \frac{1}{2} = R625$ ✓✓✓✓ (4)
- 9.4 Account used to record the cost price of goods sold (1 x 2) (2)
- 9.5
- He can gain more customers. ✓✓
 - Increased profit and loyalty from customers. ✓✓
 - More sales and the business grows. ✓✓
 - Less risk of robbery – no large amounts of money is held on the business premises. ✓✓ (Any 1 x 2) (2)
- 9.6
- He might not get his money – bad debts. ✓✓
 - He might need to pay other expenses, but has money outstanding from debtors. ✓✓
 - Additional administration costs of collecting outstanding money. ✓✓ (Any 1 x 2) (2)

[14]

QUESTION 10

10.1

Trial Balance of Mentone Clothing on 30 June 2014		
Balance Sheet Account Section ✓	Debit	Credit
Capital		350 000 ✓
Vehicle	265 000 ✓	
Trading stock	150 200 ✓	
Debtors Control	46 662 ✓	
Creditors Control		8 500 ✓
Bank		3 070 ✓
Nominal Accounts Section ✓		
Sales		441 232 ✓
Cost of sales	200 560 ✓	
Debtors Allowances	12 560 ✓	
Salary	98 320 ✓	
Rent Expense	15 600 ✓	
Interest income		260 ✓
Telephone	8 560 ✓	
Water and electricity	5 600 ✓	
	803 062 ✓	803 062 ✓

(18 ÷ 2) (9)

10.2 Bank balance R3 070 ✓

(1)
[10]

SECTION D: ENTREPRENEURSHIP**QUESTION 11**

- 11.1 11.1.1 (a) Primary sector ✓ (1)
- (b) Secondary sector ✓ (1)
- (c) Tertiary sector ✓ (1)

11.1.2 INTERRELATIONSHIP BETWEEN THE THREE SECTORS:

- Although primary, secondary and tertiary businesses are different, they usually work together cooperatively to produce the products that we buy. ✓
- Goods move through a supply chain (also called the chain of production). ✓
- The supply chain follows the construction of a good from extraction as raw material through to its final sale to the consumer. ✓
- In the given example wheat is grown and harvested on a farm/in agriculture (primary sector). ✓
- Transported (tertiary sector) to the mill/factory where it is grounded into flour (secondary sector) ✓
- The flour is then used with other ingredients (which also comes from the primary sector) to bake bread. ✓
- The bread is then distributed by road transport (tertiary sector)
- to the retailer/shop where it is made available for sale to the consumer. ✓
- Any other correct explanation. (6 x 1) (6)

11.2 FIVE FUNCTIONS OF HUMAN RESOURCES

- Finds out what staff management need to employ and what skills and personal qualities these jobs require ✓
- Advertises for new employees ✓
- Interviews and hires new employees ✓
- Analyses staff workloads ✓
- Keeps records of all employees ✓
- Ensures the correct payment to employees ✓
- Arranges in-service training for staff ✓
- Evaluates staff performance ✓ (Any 5 x 1) (5)

11.3 THE SCHOOL'S MARKET DAY

- 11.3.1
- It is important that an entrepreneur does market research to see if there are people interested in buying the product ✓
 - Market research can answer the following questions: ✓
 - Who is willing to buy my product? ✓
 - What price will they be willing to pay? ✓
 - Where is the best place to sell my product? ✓
 - What quantity will we be able to sell? ✓
- (Any 3 x 1) (3)

- 11.3.2
- In order to plan the marketing mix, the following should be examined:
 - What need does the product satisfy? Give details about the need for your **product** and why consumers are willing to purchase it
 - How much will you charge for this product? Give details about **prices** you intend to charge, indicating how you arrived at the decision to charge these prices.
 - How will you promote your product and persuade customers to purchase your goods or services? Give details of your **promotion** strategies and the advertising you plan to use to convince customers to buy the product. (Packaging details can also be given here.)
 - How will you distribute your products and services and how will it reach customers? Give a description of the **place** where you intend to sell your goods.
- (THESE FOUR FACTORS: PRODUCT, PRICE, PROMOTION AND PLACE MAKE UP THE MARKETING MIX AND ARE SOMETIMES CALLED THE 4 P'S OF MARKETING)
- (6)

11.4 RISK MANAGEMENT

- Assessing the degree of risk. ✓
 - Planning and implementing risk management for any identified risks. ✓
 - Evaluating and testing risk management decisions. ✓
 - Risk control ✓
 - Protects workers and the public against disasters like fires and terrorism. ✓
 - Reduce the negative effects of risk. ✓
- (Any 4 x 1) (4)

11.5 THE EXECUTIVE SUMMARY

- The executive summary gives a brief overview of the business plan. ✓
 - You present it at the beginning of the document, but you only write it after you have done all the other tasks involved in drawing up the plan. ✓
 - This is so that you can be really clear about your plan before you write the summary. ✓
- (3)

OR

- It is a short summary of the whole document. ✓✓✓
- (3)

OR

- A brief summary of the contents of the business plan ✓
 - Gives a clear idea of the content ✓
 - Should be done last ✓
- (Any 3 x 1) (3)

11.6 SWOT-analysis

STRENGTHS:

- Daylo has a degree in Business Management ✓
 - Jenö has a diploma in Marketing ✓
 - Increase in demand for their products ✓
 - They sell affordable shoes ✓
- (Any 2 x 1) (2)

WEAKNESSES:

- Frank, the cashier has no experience. ✓
 - Cashier treats customers unprofessionally/rude to customers. ✓
- (2)

OPPORTUNITIES:

- They opened branches in Durban and Cape Town. ✓
 - They trade in imported shoes and designer jeans. ✓
 - Competitors closed down (ABC Traders). ✓
- (Any 2 x 1) (2)

THREATS:

- Compulsory e-tolling on their route. ✓
 - Rise in fuel price ✓
 - Increase in municipal rates ✓
- (Any 2 x 1) (2)

- 11.7 • It transforms inputs from the environment into output offered by business to consumers. ✓✓

OR

- Uses resources to manufacture goods and services for consumers. ✓✓
 - Make sure that the product or service is made available in the right quality and quantity at the right time, keeping costs low all the time. ✓✓
 - Increase productivity. ✓✓
- (Any 1 x 2) (2)

TOTAL SECTION D: 40
GRANDTOTAL: 200

