



Province of the  
**EASTERN CAPE**  
EDUCATION

**SENIOR PHASE**

**GRADE 9**

**NOVEMBER 2016**

**ECONOMIC AND MANAGEMENT SCIENCES**

**MARKS: 200**

**TIME: 2 hours**



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This question paper consists of 20 pages.

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**INSTRUCTIONS**

1. This question paper consists of SEVEN questions and FOUR sections.

SECTION A: 60 marks

SECTION B: 40 marks

SECTION C: 60 marks

SECTION D: 40 marks

2. Answer all the questions.
3. Use the same numbering system used in the question paper.
4. Read the instructions for each question carefully and answer only what is required.
5. SECTION C: must be answered on the ANNEXURE provided.  
SECTIONS A, B and D must be answered in your ANSWER BOOK.
6. Use the mark allocation to determine the length of answers.
7. Write clearly and neatly.

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

Four options are provided as possible answers to the following questions. Choose the answer and write ONLY THE LETTER (A–D) next to the question number (1.1–1.10), for example 1.11 E.

- 1.1 Cash received for services rendered and cash sales in a business are recorded in the ...
- A debtors journal.
  - B creditors journal.
  - C cash receipts journal.
  - D cash payments journal. (2)
- 1.2 The economic system of the USA is an example of a ...
- A mixed economy.
  - B market economy.
  - C planned economy.
  - D globalisation. (2)
- 1.3 BB's is a trader who sells his stock at a profit mark-up of  $33\frac{1}{3}\%$ . If the selling price of the article is R400, the cost price of the article will be ...
- A R200.
  - B R150.
  - C R300.
  - D R800. (2)
- 1.4 This function is concerned with the internal and external image of the business:
- A Public relations
  - B General management
  - C Financial function
  - D Marketing (2)
- 1.5 This section is **not** included in a business plan:
- A A marketing plan
  - B A strategic plan
  - C An operational plan
  - D A financial plan (2)

- 1.6 The Law of Supply states that when the prices of goods and services increase, the quantity of goods and services offered by suppliers, will ...
- A increase.
  - B decrease.
  - C remain unchanged.
  - D gradually decrease. (2)
- 1.7 The ... journal is used for goods returned to suppliers.
- A Debtors allowances
  - B Creditors allowances
  - C Debtors
  - D Creditors (2)
- 1.8 If the price of substitute products drop, the demand for our product will ...
- A decrease.
  - B increase.
  - C remain constant.
  - D gradually decrease. (2)
- 1.9 Which of the following does **not** belong to the tertiary sector?
- A Pillay and Meyer Attorneys
  - B Pick and Pay Wholesalers Ltd
  - C Frystark Furniture Manufacturers
  - D Drs Botha, Fourie and Gerber Dental Surgeons (2)
- 1.10 Liabilities increase with an entry on the ... side and decrease with an entry on the ... side.
- A debit and credit
  - B debit and debit
  - C credit and debit
  - D credit and credit (2)

**[20]**

**QUESTION 2**

Complete the sentences by choosing a suitable word from the list below.

Glossary: debit note; original invoice; fixed cost; variable costs; mixed; market; planned; break-even; credit note; business plan; current asset; consumers

- 2.1 A ... indicates the actions, goals and methods to achieve a business's goals. (2)
- 2.2 Trading stock is an example of a ... (2)
- 2.3 The National Credit Act was developed to protect ... (2)
- 2.4 The ... is the source document used for goods purchased from creditors. (2)
- 2.5 An economic system where the state provides all services and owns the factors of production is called a ... economy. (2)

**[10]**

**QUESTION 3**

Choose a description from COLUMN B that matches the words in COLUMN A. Write ONLY the letter (A–M) of your answer next to the question number (3.1–3.10), for example 3.11 O.

COLUMN A		COLUMN B	
3.1	Capital	A	A system that a country chooses by which to allocate and distributes its resources
3.2	Economic problem	B	Managing the assets and liabilities of the business
3.3	Mixed economic system	C	It represents the owner's investment in the business
3.4	Economic system	D	The incurring of costs for the purpose of generating income
3.5	Market equilibrium price	E	Government and private businesses are combined for good economic growth
3.6	Current liability	F	The price at which the supply and demand for a product are the same
3.7	Households	G	It is a closed system
3.8	Financial function	H	Consists of people who live together and take economic decisions together
3.9	Expense	I	A clear inspirational statement of what you are trying to achieve
3.10	Vision statement	J	The rand value for which a customer can buy
		K	It is repaid within a period of one year
		L	Consumers who buy a quality product instead of another product
		M	Working with limited resources to satisfy unlimited needs and desires

(10 x 2) [20]

**QUESTION 4**

Choose the correct word or term in brackets to correctly complete each statement below. Write only the correct word or term next to the question number (4.1–4.5).

- 4.1 (Global economy/Global interest) refers to the way in which the economies of most of the countries in the world have become inter-connected. (2)
- 4.2 The (credit slip/credit note) is the source document used when unsatisfactory/damaged goods have been returned by the debtor. (2)
- 4.3 The (market/boardroom) is the place where buyers meets sellers. (2)
- 4.4 Money or goods that the owner takes out of the business, for personal use, are called (capital/drawings). (2)
- 4.5 In your own business, one of the best ways to keep track of your money is to write out a (budget/business plan). (2)

**[10]****TOTAL SECTION A: 60**

## SECTION B: THE ECONOMY

## QUESTION 5

## COSATU CAMPAIGN

“On 10 May 2000, more than 4 million workers throughout South Africa went on strike. The strike action was part of COSATU’s campaign to protest against job losses and to fight for new policies to create jobs.”



[Source: Shortened from the newspaper, *The Star*]

- 5.1 Define the term ‘*collective bargaining*’. (2)
- 5.2 Identify the TWO main issues about which trade unions usually negotiate. (2)
- 5.3 In your own words, why are trade unions so strong; that is what makes them so powerful? (4)
- 5.4 Outline the historical development of trade unions in South Africa. (8)
- 5.5 Evaluate the following statement:  
 “Trade unions are only involved in matters concerning wages and working conditions; they are not concerned with political matters.” (2)
- 5.6 Write a paragraph, using your own examples, of how trade unions can help businesses to develop and grow more sustainably. (8)



- 5.7 The statements below describe the flow of income in an economy. In each case **indicate the relevant participant**. Write down only the question number (5.7.1–5.7.7) and the correct answer.

**For example** 5.7.8 Pays personal Income tax to the SARS

**Answer:** 5.7.8 Households

- |       |  |     |
|-------|--|-----|
| 5.7.1 | Receives taxes from other participants             | (2) |
| 5.7.2 | Pays company taxes                                 | (2) |
| 5.7.3 | Earns wages from other participants                | (2) |
| 5.7.4 | Makes loans to households and businesses           | (2) |
| 5.7.5 | Sells goods and services to the other participants | (2) |
| 5.7.6 | Provides labour to the government and businesses   | (2) |
| 5.7.7 | Receives savings from households.                  | (2) |

**TOTAL SECTION B: 40**

**SECTION C: FINANCIAL LITERACY**

- PLEASE NOTE:**
- The answers for this section must be completed on the ANNEXURE.
  - The ANNEXURE must be removed and stapled to your ANSWER BOOK.

**QUESTION 6**

- 6.1 Use the information given below to draw up the following in the books of A Rosenberg, trading as ROSENBERG TRADERS.
- 6.1.1 Cash Receipts Journal with analysis columns for Analysis of Receipts, Bank, Sales, Cost of sales, Debtors Control and Sundry Accounts. Last receipt issued no. 445. (12)
- 6.1.2 Cash Payments Journal with analysis columns for Bank, Trading Stock, Creditors Control and Sundry Accounts. Last cheque issued no. 312. (16)
- 6.1.3 Debtors Journal with analysis columns for Sales and Cost of sales. Last invoice issued no. 92. (4)
- 6.1.4 Creditors Journal with analysis columns for Creditors Control, Trading Stock and Sundry Accounts. Last renumbered invoice no.145. (4)
- 6.2 Post the relevant amounts to the following accounts in the GENERAL LEDGER:
- 6.2.1 Capital (B1) (3)
- 6.2.2 Trading Stock (B2) (8)
- 6.2.3 Debtors Control (B3) (5)
- 6.3 Post the relevant transactions to the following account in the DEBTORS LEDGER:
- 6.3.1 S FONTANA (D2) (4)
- 6.4 Post the relevant transactions to the following account in the CREDITORS LEDGER:
- 6.4.1 A BOTHA (C2) (4)

**INFORMATION:****EXTRACT OF BALANCES ON 30 APRIL 2015****GENERAL LEDGER:**

Capital	(B1)	R160 400
Debtors Control	(B3)	R9 062
Bank (Dr)	(B4)	R55 611
Trading Stock	(B2)	R34 354
Creditors Control	(B5)	R6 554

**DEBTORS LEDGER:**

S Fontana	(D2)	R1 230
L May	(D1)	R786
M Solomon	(D3)	R2 000

**CREDITORS LEDGER:**

C Beku	(C1)	R2 660
A Botha	(C2)	R1 650
W de Vos	(C3)	R1 000

**NOTE:** ROSENBERG TRADERS HAS A MARK-UP OF 80% on cost FOR CREDIT SALES, and a MARK-UP OF 35% on cost FOR CASH SALES.

**TRANSACTIONS FOR MAY 2015**

- 1 A Rosenberg increased his capital contribution to R180 000. He received a receipt from the bookkeeper.  
Received R1 200 from Duzi Properties for the rent of one of the offices in the building.
- 2 Paid Chowan for trading stock, R6 600 and for stationery, R53.
- 3 Sold goods on credit to L May R894,60.
- 4 Received invoice no 708 from C Beku for goods purchased on credit, R650.
- 8 Credit sales of goods:
 

S Fontana	R1 429,20
L May	R934,20
- 9 Cashed a cheque for fortnightly wages, R2 650.
- 10 L May settled her account to date.  
Received R5 525 from M Solomon in payment of his account.
- 12 Bought goods on credit from A Botha for R1 800.

- 14 Cash sales of goods with a **cost price** of R1 340 (CRR).  
Received a cheque of R1 500 on the account of S Fontana.
- 22 Credit Sales of goods with a **cost price** of R860 to M Solomon.
- 23 Paid the business debt of R2 660 to C Beku.
- 26 Bought the following on credit from A Botha:
- |                  |        |
|------------------|--------|
| Trading Stock    | R1 334 |
| Packing material | R932   |
- 28 The owner paid his home insurance of R320 with a business cheque to Solo Insurers.
- 31 Wrote a cheque to the City Council to pay the water and electricity account, R356; as well as the owner's personal water and electricity account, R652.

**TOTAL SECTION C: 60**

**SECTION D: ENTREPRENEURSHIP****QUESTION 7**

Read the case study below, and answer the questions which follow.

**THE XD CLOTHING COMPANY**

The XD Clothing Company specialises in a popular range of children's clothing that is shipped to retail stores in all the major towns in South Africa. This progressive business carries out market research regularly to keep up with changing fashions and consumer preferences. It also checks on what the competition is doing and what the consumer market thinks of XD Clothing Company.

Xolisa Dumani is proud of her growing business and is pleased to have a supportive board of directors. The management team is enthusiastic and competent – new suggestions for staff canteen and gymnasium facilities by Lunga Makeleni, the PR manager, have been well received.

Upgraded computer technology has improved information access. In addition, purchasing has identified a new supplier of raw materials that will keep XD Clothing's products competitive.

The cash flow is healthy and a firm of consultants has suggested ways to reduce any business risks.

- 7.1 Make a list of the business functions of XD Clothing Company, in the same order in which they appear in the case study. (8)
- 7.2 Draw an organisation chart of XD Clothing Company, showing all these functions. (20)
- 7.3 Which function has been outsourced? (2)
- 7.4 Describe the target market that the marketing function is focusing on. (4)
- 7.5 7.5.1 In the organisation chart above (QUESTION 7.2), which function does Xolisa's colleague represent? (2)
- 7.5.2 Mention TWO possible reasons for Lunga Makeleni's request. (4)

**TOTAL SECTION D: 40**  
**GRAND TOTAL: 200**

**ANNEXURE**

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

**QUESTION 6**

**CASH RECEIPTS JOURNAL OF ROSENBERG TRADERS FOR MAY 2015 (CRJ5)**

Doc No.	Day	Details	Analysis of receipts	Bank	Sales	Cost of sales	Debtors Control	Sundry Accounts	
								Amount	Details

(12)

**CASH PAYMENTS JOURNAL OF ROSENBERG TRADERS FOR MAY 2015 (CPJ5)**

Doc. no.	Day	Details	Bank	Trading Stock	Wages	Creditors Control	Sundry Accounts	
							Amount	Details

(16)



**DEBTORS JOURNAL OF ROSENBERG TRADERS FOR MAY 2015 (DJ5)**

<b>Doc. no.</b>	<b>Day</b>	<b>Debtor</b>	<b>Fol.</b>	<b>Sales</b>		<b>Cost of Sales</b>	

(8 ÷ 2) = (4)

**CREDITORS JOURNAL OF ROSENBERG TRADERS FOR MAY 2015 (CJ5)**

Doc. no.	Day	Creditor	Fol.	Creditors Control	Trading Stock	Sundry accounts		
						Amount	Fol.	Details

(8 ÷ 2) = (4)

**GENERAL LEDGER OF ROSENBERG TRADERS**

Dr					CAPITAL (B1)					Cr				
2015					2015					2015				
May					May					May				

(3)

Dr					TRADING STOCK (B2)					Cr				
2015					2015					2015				
May					May					May				
2015														
Jun														

(8)

Dr					DEBTORS CONTROL (B3)					Cr				
2015					2015					2015				
May					May					May				
2015														
Jun														

(5)

**DEBTORS LEDGER OF ROSENBERG TRADERS**

S FONTANA (D2)

Date		Details/Document	Fol.	Debit(+)		Credit(-)		Balance	
2015									
May									

(8 ÷ 2) = (4)

**CREDITORS LEDGER OF ROSENBERG TRADERS**

A BOTHA (C2)

Date		Details/Document	Fol.	Debit(-)		Credit(+)		Balance	
2015			.						
May									

(8 ÷ 2) = (4)