

Province of the

**EASTERN CAPE**

EDUCATION

**SENIOR PHASE**

**GRADE 9**

**JUNE 2010**

|  |
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| **ECONOMIC AND MANAGEMENT SCIENCES** |

**MARKS: 100**

**TIME: 1 hour**

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

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| This question paper consists of 13 pages. |

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| INSTRUCTIONS | |  |
|  |  |  |
| 1. | This question paper consists of SIX QUESTIONS.ALL the questions have to be answered. |  |
|  |  |  |
| 2. | Read the instructions for each question carefully and answer only what is required. |  |
|  |  |  |
| 3. | Questions must be answered on this question paper. |  |
|  |  |  |
| 4. | Use the mark allocation to determine the length of the answers. |  |

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| **QUESTION 1 (LO2: AS2 AND LO4: AS3)** | | |  |
|  |  | |  |
| 1.1 | MULTIPLE-CHOICE QUESTIONS | |  |
|  |  | |  |
|  | Carefully read the questions that follow and circle the correct answer. Three answers are provided for each question. | |  |
|  |  |  |  |
|  | 1.1.1 | MTN (PTY) LTD is an example of a . . . |  |
|  |  |  |  |
|  |  | 1. close cooperation. |  |
|  |  | 1. private company. |  |
|  |  | 1. public company. |  |
|  |  |  |  |
|  | 1.1.2 | A business with a minimum of one to maximum of ten members is a . . . |  |
|  |  |  |  |
|  |  | 1. close cooperation. |  |
|  |  | 1. company. |  |
|  |  | 1. sole trader. |  |
|  |  |  |  |
|  | 1.1.3 | Equilibrium is the point where . . . |  |
|  |  |  |  |
|  |  | 1. supply is greater than the demand. |  |
|  |  | 1. demand is equal to supply. |  |
|  |  | 1. demand is greater than supply. |  |
|  |  |  |  |
|  | 1.1.4 | … is the ability of a country to improve the standard of living of its people. |  |
|  |  |  |  |
|  |  | 1. Economic growth 2. Economic development 3. Economic sustainability |  |
|  |  |  |  |
|  | 1.1.5 | A budget is . . . |  |
|  |  |  |  |
|  |  | A an estimate of the state expected revenue and expenditure for the  coming year. |  |
|  |  | B an estimate of the profit and loss for the year. |  |
|  |  | C an estimate of the monetary movement. |  |
|  |  | (5 x 1) | (5) |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| 1.2 | Choose the term inCOLUMN B that matches a description in COLUMN A**.** Write only the selected term (A – E) next to the question number in the space provided for answers. | | | | |  | |
|  |  | | | | |  | |
|  | **COLUMN A** | | | **COLUMN B** | |  | |
|  | 1.2.1 | The physical and mental efforts used to create goods and services | |  | National Budget | |  |
|  |  |  | |  |  | |  |
|  | 1.2.2 | The three year budget period which is made up of the current year and the forecast for the next two years | |  | COSATU | |  |
|  |  |  | |  |  | |  |
|  | 1.2.3 | Government financial plan for the three year plan | |  | Globalisation | |  |
|  |  |  | |  |  | |  |
|  | 1.2.4 | The largest trade union in South Africa | |  | Naptosa | |  |
|  | 1.2.5 | A trend towards free trade between all countries in the world | |  | MTEF | |  |
|  |  |  | |  |  | |  |
|  |  |  | |  | Labour | |  |
|  |  |  | |  | Economic development | |  |
|  |  | |  | | |  | |
|  |  | |  | | |  | |
|  | **ANSWERS:** | | | | |  | |
|  |  | |  | | |  | |
|  | **1.2.1 ……………………………………………………………….**  **1.2.2 …………………………………………………………….…**  **1.2.3 ……………………………………….………………………**  **1.2.4 ……………………………………………………………….**  **1.2.5 …………………………………………………………….....** (5 x1) | | | | | (5) | |
|  |  | | | | | **[10]** | |

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| **QUESTION 2 (LO1: AS1)** | | |  |
|  |  |  |  |
| 1. Study the circular flow/economic cycle diagram below, and then answer the questions that follow. | | |  |
|  |  |  |  |
| **CIRCULAR FLOW/ECONOMIC CYCLE DIAGRAM**  A      D      C C    Goods and services | | |  |
|  |  | B |  |
|  |  |  |  |
|  | 1. Complete the diagram by filling in the missing words numbered A – D. | |  |
|  | .………………………………………………..………………………………………..  ……………………….…………………………..……………………………………..  .………………………………………………..………………………………………..  ……………………….…………………………..…………………………………….. | | (4) |

|  |  |  |
| --- | --- | --- |
|  | b Briefly explain the flow of money by referring to the numbers 1; 2; and 3. |  |
|  | …………………………………………………………………………………………..  …………………………………………………………………………………………..  ……………………………………………………………………………………………  .………………………………………………..………………………………………..  ……………………….…………………………..……………………………………..  ……………………………………………………………………………………………  .………………………………………………..………………………………………..  ……………………….…………………………..……………………………………..  ……………………………………………………………………………………………  .………………………………………………..………………………………………..  ……………………….…………………………..……………………………………..  ……………………………………………………………………………………………  .………………………………………………..……………………………………….. | (9) |
|  | c. Differentiate between imports and exports. |  |
|  | …………………………………………………………………………………………..  …………………………………………………………………………………………..  ………………………………………………………………………………………….. | (4) |
|  |  | **[17]** |

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| **QUESTION 3 (LO1 AS1; LO4 AS1)** | | |  |
|  | | |  |
| Read the case study below and answer the questions that follow. | | |  |
|  | | |  |
| Nomzamo had a lemon tree at home full of lemons. It was very hot in summer and she decided to make refreshing ice-cold lemonade. She sold it to people in her busy street. The business grew to such an extent that she decided to buy a machine and add an assistant to help in the production process. She could not do her financial record books properly and she still needs to do training on bookkeeping.  When winter began, Nomzamo noticed that fewer people wanted ice-cold lemonade, and so she came up with the idea of selling hot soup. | | |  |
|  |  |  |  |
| 3.1 | Is Nomzamo an entrepreneur? Explain your answer. | |  |
|  | …………………………………………………………………………………………..  ………………………………………………………………………………………….. | | (2) |
|  |  |  |  |
| 3.2 | Identify the FOUR factors of production in the case study and give examples of each and also their remuneration. | |  |
|  |  |  |  |
|  | |  |  |  | | --- | --- | --- | | **FACTORS OF PRODUCTION** | **EXAMPLE** | **REMUNERATION** | |  |  |  | |  |  |  | |  |  |  | |  |  |  | | |  |
|  | (4) (2) (4) = | | (10) |
|  |  |  |  |
| 3.3 | What are the outputs of Nomzamo’s business? | |  |
|  | ………………………………………………………………………………………….. | | (1) |
|  |  |  |  |
| 3.4 | What form of ownership is Nomzamo’s business? | |  |
|  | ………………………………………………………………………………………….. | | (1) |
|  |  |  |  |
| 3.5 | Name and explain TWO advantages of the form of ownership mentioned above. | |  |
|  | …………………………………………………………………………………………..  ………………………………………………………………………………………….. | | (2) |
|  |  |  |  |
| 3.6 | What would happen to her business if she died? | |  |
|  | ……………………………………………………………………………………….. | | (1) |

|  |  |  |  |
| --- | --- | --- | --- |
| 3.7 | Do a SWOT analysis of Nomzamo’s business based on the case study. Also explain what SWOT stand for. | |  |
|  | ……………….  ……………………………………………………………………………………………  …………………………………………………………………………………………………………….  ……………………………………………………………………………………………  …………………………………………………………………………………………….……………….  …………………………………………………………………………………………..  ……………………………………………………………………………………………………………  …………………………………………………………………………………………  ………………………………………………………………………………………… | | (8) |
|  |  |  | **[25]** |
|  |  |  |  |
| **QUESTION 4 (LO1 AS3)** | | |  |
|  |  |  |  |
| The following table represents the supply and demand schedules for the Bafana Bafana T-shirts sold at Woolworths for the 2010 Fifa World Cup. | | |  |
|  |  |  |  |
| |  |  |  | | --- | --- | --- | | **Price of T-shirts** | **Quantity demanded** | **Quantity Supplied** | | R310 | 500 | 100 | | R320 | 400 | 200 | | R330 | 300 | 300 | | R340 | 200 | 400 | | R350 | 100 | 500 | | | |  |
|  |  |  |  |
| 4.1 | Draw and clearly label the demand and supply curves for the T-shirt of Bafana Bafana using the information on the above table. | | (10) |

|  |  |  |  |
| --- | --- | --- | --- |
| 4.2 | What do you notice about quantity demanded as the price increases? | |  |
|  | ………………………………………………………………………………………  ………………………………………………………………………………………. | | (1) |
|  |  | |  |
| 4.3 | What do you notice about the quantity supplied as the price decreases? | |  |
|  | ……………………………………………………………………………………….  ……………………………………………………………………………………….. | | (1) |
|  |  |  |  |
| 4.4 | Mention TWO factors affecting demand. | |  |
|  | ………………………………………………………………………………………  ……………………………………………………………………………………….  ………………………………………………………………………………………. | | (2) |

|  |  |  |  |
| --- | --- | --- | --- |
| 4.5 | Define the Law of Supply.  ………………………………………………………………………………………  ……………………………………………………………………………………… | | (1) |
|  |  |  |  |
| 4.6 | Identify the equilibrium price from the graph. | |  |
|  | ……………………………………………………………………………………… | | (1) |
|  |  |  |  |
| 4.7 | Calculate the total sales at the equilibrium point. | |  |
|  | ………………………………………………………………………………………  ………………………………………………………………………………………  ………………………………………………………………………………………  ………………………………………………………………………………………  ……………………………………………………………………………………… | | (2) |
|  |  |  | **[18]** |

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| --- | --- | --- | --- |
| **QUESTION 5 (LO2, AS1)** | | |  |
|  |  |  |  |
| |  | | --- | | **R1,2 BILLION FOR RURAL WATER AND SANITATION**  Rural development was not forgotten by Finance Minister when he delivered the National Budget speech yesterday.  “In addition to the funds allocated to the Department of Rural Development and Land Affairs for the Comprehensive Rural Development Strategy, we are setting up a new grant to support on site water and sanitation infrastructure as part of rural housing programme. An initial R1,2 billion over three years is provided.”  In the Division of Revenue Bill, gazetted in January, poverty stricken farmers have found some relief in conditional allocations.  In the Eastern Cape, a conditional allocation of R20 million was given to Llima/ Letsema Project Grants – aimed at assisting vulnerable farming communities to achieve an increase in agricultural production.  Another R8,7 million additional allocation was given to the province as part of the land care poverty relief programme.”  **[Extract from Budget 2010, *Daily Dispatch*,Thursday, 18 February 2010]** | | | |  |
|  |  |  |  |
| 5.1 | Who is the new Minister of Finance? | |  |
|  | …………………………………………….. | | (1) |
|  |  | |  |
| 5.2 | Where does the government get the money to allocate to the development of rural water and sanitation? | |  |
|  | ………………………………………………………………………………………… | | (1) |
|  |  | |  |
| 5.3 | According to the extract, how will citizens living in the rural areas benefit from the allocation? Give TWO points. | |  |
|  | …………………………………………………………………………………………  …………………………………………………………………………………………  …………………………………………………………………………………………  ………………………………………………………………………………………… | | (2) |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| 5.4 | | List TWO departments that you feel strongly that mostmoney from the national budget should be spent on. Explain reasons for your answer. | |  |
|  | |  | |  |
|  | | ………………………………………………………………………………………….  ………………………………………………………………………………………….  ………………………………………………………………………………………….  ………………………………………………………………………………………….. | | (4) |
|  | |  | | **[8]** |
|  | |  | |  |
| **QUESTION 6 (LO4, AS1, AS2, AS3)** | | | |  |
|  |  | | |  |
| 6.1 | Why is it important for a business to draw up a business plan? | | |  |
|  | ……………………………………………………………………………………………  ……………………………………………………………………………………………  …………………………………………………………………………………………… | | | (1) |
|  |  | |  |  |
| 6.2 | **MORE CHAOS AS MUNICIPAL STRIKE CONTINUES**  Roads were blockaded, rubbish again dumped in streets, workers intimidated and elderly people holding a meeting inside auditorium in Newton Park municipal library were forced to leave a library as the municipal strike in Nelson Mandela Bay continued into its second day.  The strike continued yesterday despite a new 13% wage hike offer by the SA Local Government Association (Salga) in response to union demands for 15%.  Economist Mike Schussler estimated the strike was costing South Africa in the region of R15-million. “I can’t work out the damage of all the shops and the traders, but the cost is around R15-million a day in workers’ wages, I guess,” he said.  The longer the strike continued, the more the cost would escalate.  **[*The Herald,* 29 July 2009]** | | |  |

|  |  |  |
| --- | --- | --- |
|  | 1. What was the strike about?   …………………………………………………………………………………………… | (1) |
|  |  |  |
|  | (b)Explain the impact of the municipal strike on:  (1)Business  ……………………..…………………………………………………………  ………………………………………………………………………………    (2) The South African economy  ………………………………………………………………………………  ………………………………………………………………………………  (2 x 2) | (4) |
|  |  |  |
| 6.3 | Tom asks you to assist him in calculating the projected income statement for his business. He plans to sell office desks. The cost of one desk is R750 and he plans to make a profit of 50% per desk. He estimated that by the end of the month he would sell at least 50 desks. He provides you with the following additional information:  Wages for employees R3 700  Telephone R800  Water and electricity R1 200  Transport R1 500  Advertising R700  ……………………………………………………………………………………..…  ………………………………………………………………………………….…….  ………………………………………………………………………………………..  ……………………………………………………………………………………..…  ………………………………………………………………………………………..  ………………………………………………………………………………………..  ………………………………………………………………………………………..  ………………………………………………………………………………………..  ………………………………………………………………………………………..  ……………………………………………………………………………………..…  ………………………………………………………………………………………..  ………………………………………………………………………………………..  ………………………………………………………………………………………..  ………………………………………………………………………………………..  ……………………………………………………………………………………..…  ………………………………………………………………………………………..  ……………………………………………………………………………………….. | (10) |

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| --- | --- | --- | --- |
| 6.4 | Your friend asks you to advise him on which is the best form of ownership to choose between a partnership and close cooperation. In order to help him you need to first explain the following: | |  |
|  |  |  |  |
|  | |  |  |  | | --- | --- | --- | |  | PARTNERSHIP | COOPERATION | | Composition |  |  | | Profit sharing |  |  | | Liability |  |  | | | (6) |
|  |  | | **[22]** |
|  |  | |  |
|  |  | **TOTAL:** | **100** |