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Province of the

**EASTERN CAPE**

EDUCATION

**SENIOR PHASE**

**GRADE 9**

**NOVEMBER 2010**

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

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

**MARKS: 100**

**TIME: 2 hours**

|  |
| --- |
| This question paper consists of 14 pages. |

|  |  |  |  |
| --- | --- | --- | --- |
| **INSTRUCTIONS** | | |  |
|  |  | |  |
| 1. | This question paper consists of FOUR SECTIONS. | |  |
|  |  | |  |
| 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. Use the mark allocation to determine the length of answers. | |  |
|  |  | |  |
| 5. | Write clearly and neatly. | |  |
|  |  | |  |
| MARK ALLOCATION | | |  |
|  | | |  |
|  | *SECTION* | *MARKS* |  |
| A | 15 |
| B | 17 |
| C | 7 |
| D | 61 |
| TOTAL | 100 |

|  |  |  |
| --- | --- | --- |
| **SECTION A** | |  |
|  | |  |
| **QUESTION 1** | |  |
|  | |  |
| Choose the correct answer from the ones given and circle the correct one. | |  |
|  |  |  |
| 1.1 | Which of the following entries would not affect owner’s equity? |  |
|  |  |  |
|  | 1. Purchased stationery on credit. 2. Pay the owner’s telephone account with a business cheque. 3. Received monthly rent from a tenant. 4. Bought a vehicle and paid by cheque. |  |
|  |  |  |
| 1.2 | The price at which the quantity demanded is the same as quantity supplied is known as … |  |
|  |  |  |
|  | 1. minimum price. 2. equilibrium price. 3. discount price. 4. reasonable price. |  |
|  |  |  |
| 1.3 | The act that provides guidelines for the maximum hours that one is allowed to work is the … Act. |  |
|  |  |  |
|  | 1. Skills Development 2. The Employment Equity 3. The Labour Relations 4. Basic Conditions of Employment |  |
|  |  |  |
| 1.4 | … is when the country produces more goods and services. |  |
|  |  |  |
|  | 1. Economic development 2. Economic growth 3. Economic prosperity 4. Economic sustainability |  |
|  |  |  |
| 1.5 | The total value of the final goods and services produced within the borders of a country in a given year, is called … |  |
|  |  |  |
|  | 1. Gross Profit 2. Gross Income 3. Gross Domestic Product 4. Gross National Product |  |
|  | (5 x 1*)* | **[5]** |

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **QUESTION 2** | | | | | | |  |
|  |  | | | | | |  |
| Fill in the missing words in the spaces provided. | | | | | | |  |
|  |  | | | | | |  |
| 2.1 | Marketing intends to inform the … about the business. | | | | | |  |
|  |  | | | | | |  |
| 2.2 | The … shows the flow of money, goods and services in an economy. | | | | | |  |
|  |  | | | | | |  |
| 2.3 | One of the RDP challenges is to redress the … of the past between the rich and the poor. | | | | | |  |
|  |  | | | | | |  |
| 2.4 | A … card gives you the benefit of using it electronically without the danger of carrying a large sum of money and also the spending of money you do not actually have. | | | | | |  |
|  |  | | | | | |  |
| 2.5 | The higher the price, the lower the … of a product. | | | | | |  |
|  | (5 x 1) | | | | | | **[5]** |
|  | | | | | | |  |
| **QUESTION 3** | | | | | | |  |
|  | | | | | | |  |
| CHOOSE the concept in COLUMN B that matches a description in COLUMN A. Write only the chosen letter next to the question in the grid provided e.g. 3.1 Z. | | | | | | |  |
|  |  | | | |  | |  |
|  | **COLUMN A** | | | | **COLUMN B** | |  |
| 3.1 | Import and export of goods and services from and to another country | | | | A | Public Relations |  |
| 3.2 | Difference between sales and cost of sales | | | | B | National Budget |  |
| 3.3 | Creating a positive image of a business | | | | C | Liabilities |  |
| 3.4 | A projected statement of government’s revenue and expenditure for the year | | | | D | Gross Profit |  |
| 3.5 | Everything that the business owe to others | | | | E | International Trade |  |
|  |  | | | | F | Taxation |  |
|  | (5 x 1) | | | | | | **[5]** |
|  |  |  | | | | |  |
| ANSWERS | | | | | | |  |
| 3.1 |  | | 3.4 |  | | |  |
| 3.2 |  | | 3.5 |  | | |  |
| 3.3 |  | |  |  | | |  |
|  |  | |  |  | | |  |
|  | **TOTAL SECTION A:** | | | | | | **15** |

|  |  |  |
| --- | --- | --- |
| **SECTION B** | |  |
|  | |  |
| **QUESTION 4** | |  |
|  | |  |
| 4.1 | Differentiate between the following concepts/terms. |  |
|  |  |  |
|  | (a) Real and monetary flow in the circular flow diagram. (2 x 2) | (4) |
|  | ……………………………………………………………………………………………  ……………………………………………………………………………………………  ……………………………………………………………………………………………  ………………………………………………………………………………………….... |  |
|  |  |  |
|  | (b) Fixed and current assets and give ONE example of each. | (5) |
|  | ……………………………………………………………………………………………  ……………………………………………………………………………………………  ……………………………………………………………………………………………  …………………………………………………………………………………………… |  |
|  |  |  |
| 4.2 | Explain the following terms: (4 x 2) | (8) |
|  |  |  |
|  | (a) Exchange Rate:  …………………………………………………………………………………………  ………………………………………………………………………………………...  (b) Productivity:  …………………………………………………………………………………………  …………………………………………………………………………………………  (c) Inflation:  …………………………………………………………………………………………  …………………………………………………………………………………………  (d) Source document:  …………………………………………………………………………………………  ………………………………………………………...……………………………… |  |

|  |  |  |
| --- | --- | --- |
| 4.3 | Decide whether the following market events indicate an increase or a decrease in **quantity supplied or supply and quantity demanded or demand**. Give reasons for your answer. |  |
|  |  |  |
|  | 1. Market: Selling of chocolate bars   Event: The price of sugar decreases.  ………………………………………………………………………………………  ………………………………………………………………………………………   1. Market: Selling of bread   Event: The price of bread decreases.  ………………………………………………………………………………………  ………………………………………………………………………………………   1. Market: Selling mutton   Event: The price of beef decreases.  ……………………………………………………………………………………..  ……………………………………………………………………………………… |  |
|  | (3 x 2) | (6) |
|  |  |  |
| 4.4  **BUSINESS** | **PRODUCT**  **HOUSEHOLD**  **GOVERNMENT**  **FACTOR** | |

|  |  |  |  |
| --- | --- | --- | --- |
| Study the following activities and locate them in the circular flow diagram. Use only the given letters next to each activity to indicate the flow. Do not rewrite the activities. | | |  |
|  |  |  |  |
|  | **A**. | Jo buys a CD, pizza and sweets |  |
|  | **B**. | Anna pays for tickets to a rock concert |  |
|  | **C.** | Sasha paints housed for a summer job |  |
|  | **D.** | Spar supermarkets pay workers |  |
|  | **E.** | A defence department worker receives R60 000 per year for her work as a translator. |  |
|  | **F.** | A policeman applies for a job with the police department. |  |
|  | (6 x 1) | | (6) |
|  |  | |  |
| 4.5 | The graph below illustrates the demand and supply curves of Bafana Bafana T- shirts. Analyse it and then answer the questions that follow. | |  |
|  |  | |  |
|  | |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | | **SUPPLY AND DEMAND GRAPH** | | | | | | | | | **PRICE** | 350 | x |  |  |  | x |  | | 340 |  | x |  |  |  |  | | 330 |  |  | x |  |  |  | | 320 |  | x |  | x |  |  | | 310 | x |  |  |  | x |  | | 0 | 100 | 200 | 300 | 400 | 500 |  | |  | **QUANTITY** | | | | | | | |  |
|  |  | |  |
|  | (a) What quantity of T-shirts will be supplied if the price is R340?  …………………………………………………………………………………………… | | (1) |
|  |  | |  |
|  | (b) What will be the quantity demanded for T-shirts when the price is R350?  …………………………………………………………………………….…………….. | | (1) |
|  |  | |  |
|  | 1. What will happen in the demand curve for Bafana Bafana T shirts if there   are fake T-shirts selling at a cheaper price, and people are buying them?  .………………………………………………………………………………………….. | | (2) |
|  |  | |  |
|  | 1. What will happen to the supply curve, if a law is passed that all citizens of South Africa should buy the genuine Bafana Bafana T-shirts? | | (2) |
|  |  | |  |
|  | **TOTAL SECTION B:** | | **17** |

|  |  |  |
| --- | --- | --- |
| **SECTION C** | |  |
|  | |  |
| **QUESTION 5** | |  |
|  | |  |
| Read the case study below and answer the questions. | |  |
|  | |  |
| A.B. Jacobs started a shoe business, AJ Stores, in Woodstock Cape Town. He raised capital by asking his parents to assist. Jacobs manufactured shoes for sports brands, security firms and schools. He professionally runs his business in a small factory with 10 staff members. They are able to produce 30 pairs of shoes every 3 hours.  All the people who work for AJ Stores were previously unemployed. His workers are very happy as he treats them fairly and pays them well. Jacobs has also taken on young school leavers who are interested in shoe making and has started training them.  Jacobs has also been saving his profits. Although he has to compete with cheaper imports his business is running successfully. As a result, he is thinking of expanding his business. He is looking for investors who can invest into his business. | | |
|  |  |  |
| 5.1 | Will AJ Stores attract investors from overseas? Explain your answer.  …………………………………………………………………………………………  …………………………………………………………………………………………  …………………………………………………………………………………………  ………………………………………………………………………………………… | (3) |
|  |  |  |
| 5.2 | What form of ownership is AJ Stores?  ………………………………………………………………………………….…… | (1) |
|  |  |  |
| 5.3 | Give TWO advantages of the type of ownership mentioned in QUESTION 5.2.  ……………………………………………………………………………………………  …………………………………………………………………………………………… | (2) |
|  |  |  |
| 5.4 | Explain how investment contributes to economic growth.  …………………………………………………………………………………………… | (1) |
|  |  |  |
|  | **TOTAL SECTION C:** | **7** |

|  |  |  |
| --- | --- | --- |
| **SECTION D** | |  |
|  | |  |
| **QUESTION 6** | |  |
|  | |  |
| 6.1 | INFORMATION |  |
|  |  |  |
|  | 1. The mark-up is as follows: 2. Cash sales 25% 3. Credit sales 40% 4. The journals for October have been summarised as follows: |  |
|  |  |  |
| **CASH RECEIPTS JOURNAL**   |  |  |  |  |  | | --- | --- | --- | --- | --- | | **Bank** | **Sales** | **Cost of sales** | **Debtors control** | **Sundry accounts** | | R71 400 | R39 000 | R? | R20 200 | R12 200 | | | |
|  |  |  |
| **CASH PAYMENTS JOURNAL**   |  |  |  |  |  | | --- | --- | --- | --- | --- | | **Bank** | **Wages** | **Trading stock** | **Creditors control** | **Sundry accounts** | | R101 400 | R28 200 | R51 000 | R14 400 | R7 800 | | | |
|  |  |  |
| **CREDITORS JOURNAL**   |  |  |  |  | | --- | --- | --- | --- | | **Creditors** | **Trading Stock** | **Stationery** | **Sundry accounts** | | R99 500 | R71 500 | R20 000 | R8 000 | | | |
|  |  |  |
| **DEBTORS JOURNAL**   |  |  | | --- | --- | | **Sales** | **Cost of Sales** | | R? | R78 000 | | | |
|  |  |  |
| **INSTRUCTION:** | |  |
|  |  |  |
| 1. Use the information provided to post from the journals to the following ledger accounts. | |  |
|  |  |  |
|  | 1. Trading stock | (14) |
|  | 1. Creditors control | (7) |
|  | 1. Sales | (5) |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| GENERAL LEDGER OF BOXER STORES | | |  | |
|  |  |  |  | |
| **BALANCE SHEET ACCOUNTS SECTION** | | |  | |
|  |  |  |  | |
| **TRADING STOCK**   |  |  |  |  |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | | 2010  Oct | 1 | Balance | b/d | 69 000 |  |  |  |  |  |  |  | |  |  |  |  |  |  |  |  |  |  |  |  | |  |  |  |  |  |  |  |  |  |  |  |  | |  |  |  |  |  |  |  |  |  |  |  |  | |  |  |  |  |  |  |  |  |  |  |  |  | | | | | |
|  |  |  | | (14) |
|  |  |  | |  |
| **CREDITORS CONTROL**   |  |  |  |  |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | |  |  |  |  |  |  | 2010  Oct | 1 | Balance | b/d | 51400 |  | |  |  |  |  |  |  |  |  |  |  |  |  | |  |  |  |  |  |  |  |  |  |  |  |  | |  |  |  |  |  |  |  |  |  |  |  |  | |  |  |  |  |  |  |  |  |  |  |  |  | | | | | |
|  |  |  | | (7) |
|  |  |  | |  |
| **SALES**   |  |  |  |  |  |  |  |  |  |  |  |  | | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | |  |  |  |  |  |  |  | 1 | Total | b/f | 31000 |  | |  |  |  |  |  |  |  |  |  |  |  |  | |  |  |  |  |  |  |  |  |  |  |  |  | |  |  |  |  |  |  |  |  |  |  |  |  | |  |  |  |  |  |  |  |  |  |  |  |  | | | | | |
|  |  |  | | (5) |
|  |  |  | | **[26]** |

|  |  |  |
| --- | --- | --- |
| **QUESTION 7** | |  |
|  |  |  |
| Use the following Trial Balance of Golden Eagles Traders to prepare the following: | |  |
|  |  |  |
|  | (a) Income Statement of Golden Eagles Traders for the year ended  30 November 2010 | (17) |
|  |  |  |
|  | (b) Balance Sheet of Golden Eagles Traders for the year ended  30 November 2010 | (18) |
|  |  |  |
| **GOLDEN EAGLES TRADERS** | |  |
| **TRIAL BALANCE AS AT 30 NOVEMBER 2010**   |  |  |  |  | | --- | --- | --- | --- | | **BALANCE SHEET ACCOUNT SECTION** | **FOLIO** | **DEBIT** | **CREDIT** | | Capital | B1 |  | 106 000 | | Drawings | B2 | 10 802 |  | | Land and building | B3 | 85 000 |  | | Vehicles | B4 | 21 861 |  | | Equipment | B5 | 18 794 |  | | Trading Inventory | B6 | 3 431 |  | | Debtors control | B7 | 8 520 |  | | Bank | B8 | 200 |  | | Cash Float | B9 | 60 |  | | Creditors | B10 |  | 6 475 | | NOMINAL ACCOUNT SECTION |  |  |  | | Sales | N1 |  | 104 944 | | Cost of Sales | N2 | 52 472 |  | | Rent income | N3 |  | 7 106 | | Telephone | N4 | 2 223 |  | | Stationery | N5 | 813 |  | | Salaries | N6 | 12 155 |  | | Fuel | N7 | 4 059 |  | | Advertising | N8 | 613 |  | | Water and electricity | N9 | 1 542 |  | | Cleaning material | N10 | 1 980 |  | |  |  | 224 525 | 224 525 | | |  |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **INCOME STATEMENT OF GOLDEN EAGLES FOR THE YEAR ENDED**  **30 NOVEMBER 2010**   |  |  |  | | --- | --- | --- | |  |  | R | |  |  |  | |  |  |  | |  |  |  | |  |  |  | |  |  |  | |  |  |  | |  |  |  | |  |  |  | |  |  |  | |  |  |  | |  |  |  | |  |  |  | |  |  |  | |  |  |  | |  |  |  | |  |  |  | |  |  |  | |  |  |  | |  |  |  | |  |  |  | |

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| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **BALANCE SHEET OF GOLDEN EAGLES FOR THE YEAR ENDED 30 NOVEMBER 2010**   |  |  |  | | --- | --- | --- | |  | Notes | R | | **ASSETS** |  |  | | **NON-CURRENT ASSETS** |  |  | |  |  |  | |  |  |  | |  |  |  | |  |  |  | | **CURRENT ASSETS** |  |  | |  |  |  | |  |  |  | |  |  |  | |  |  |  | | **TOTAL ASSETS** |  |  | |  |  |  | | **EQUITY AND LIABILITIES** |  |  | |  |  |  | |  |  |  | |  |  |  | |  |  |  | | **TOTAL EQUITY AND LIABILITIES** |  |  | |

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| |  | | --- | | **NOTES TO THE FINANCIAL STATEMENTS AS ON 30 NOVEMBER 2010** | |  | |  | |  | |  | |  | |  | |  | |  | |  | |  | |  | |  | |  | |  | |  | |  | | | | |
|  |  |  | **[35]** |
|  |  |  |  |
|  |  | **TOTAL SECTION D:** | **61** |
|  |  |  |  |
|  |  | **GRAND TOTAL:** | **100** |