



Province of the  
**EASTERN CAPE**  
EDUCATION

**SENIOR PHASE**

**GRADE 9**

**NOVEMBER 2011**

**ECONOMIC AND MANAGEMENT SCIENCES  
MEMORANDUM**

**MARKS: 100**

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This memorandum consists of 8 pages.

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**QUESTION 1 (LO1 AS1; LO2 AS1; LO3 AS4; LO4 AS3)****1.1 MULTIPLE-CHOICE QUESTIONS**

- 1.1.1 C close corporation  
 1.1.2 B private company  
 1.1.3 A owned and controlled by the government  
 1.1.4 B states the financial position of a business at a particular point in time.  
 1.1.5 A Economic development

(5 x 1) (5)

- 1.2 1.2.1 Rent  
 1.2.2 Demand  
 1.2.3 SARS  
 1.2.4 Stokvels  
 1.2.5 Employment Equity Act

(5 x 1) (5)  
[10]**QUESTION 2 (LO4 AS2)**

- 2.1 (1) Goals of the enterprise  
 (2) Feasibility study  
 (3) Marketing plan  
 (4) Financial plan  
 (5) Management plan

(5 x 1) (5)

**2.2 JABULANI'S PROJECTED INCOME STATEMENT FOR THE MONTH ENDED JANUARY 2012**

<b>Sales (R900 x 50) √√√</b>		<b>R45 000 √</b>
<b>Cost of sales (R600 x 50)</b>		<b>(R30 000) √√</b>
<b>GROSS PROFIT</b>		<b>R15 000 √</b>
<b>LESS: Expenses</b>		<b>(R7 925) √</b>
<b>Stationery</b>	<b>(R1 150) ½ mark</b>	
<b>Wages</b>	<b>(R2 500) ½ mark</b>	
<b>Transport</b>	<b>(R 775) ½ mark</b>	
<b>Advertising</b>	<b>(R1 500) ½ mark</b>	
<b>Packing material</b>	<b>(R2 000) ½ mark</b>	
<b>NET PROFIT FOR THE YEAR</b>		<b>R7 075½ mark</b>

(11)  
[16]

**MARK ALLOCATION**

Sales workings(calculation of mark-up  $R600 \times 50/100 = R300$ ) **(2 marks)**

Calculation of selling price i.e.  $R600 + R300 = R900$  **(1 mark)**

Calculation of sales i.e.  $R900 \times 50 = R45\ 000$ . **(1 marks)...total = 4 marks**

If the learner did not show workings and wrote only **R45 000**, give FULL MARKS.

Cost of sales **(2 marks)**; Expenses ( $\frac{1}{2}$  mark each); Total expenses **(1 mark)**

Gross profit **(1 mark)**; Net profit ( $\frac{1}{2}$  mark)

**Note:** Where the totals for Gross profit; less Expenses and Net profit are different, **work with/mark** with the **learner's workings!**

**[16]****QUESTION 3 (LO4 AS1; LO4 AS2)****3.1 STRENGTHS**

Good points about the business itself.

**OR**

Factors in the internal environment of a business that will make it successful.

**WEAKNESSES**

Bad points about the business itself

**OR**

Factors in the internal environment of a business that will prevent or slow down the progress of the business and prevent it from being successful.

**THREATS**

Bad points about the outside environment where the business is being established.

**OR**

Potential problems for a business which are found in the external environment.

**OPPORTUNITIES**

Good points about the outside environment where the business is being established.

**OR**

Circumstances in the external environment which the business should use in order to be successful.

(4 x 2) (8)

- 3.2** A business plan is necessary for the funding of the business from most financial sources. A business plan can also serve as a guide for the operation of the business.

(1)  
**[9]**

**QUESTION 4 (LO2 AS4; LO4 AS3; LO4 AS4)**

4.1 Partnership (1)

4.2 Pieces of traditional art

**OR**

They can name items of traditional art (1)

4.3

- Cheap and easy to start.
- Financially stronger than sole trader/more capital.
- Additional skills and resources available from multiple owners.
- Partners share in the decision making.
- Financial institutions are more inclined to grant them loans and credit facilities. (Any 2 disadvantages)(2 x 1) (2)

4.4

- Partners are fully liable for the debts and obligations of the business, as a group and individually.
- They therefore run the risk of losing their personal assets.
- Poor decisions of one partner legally bind the other partners.
- Lack of continuity in its operation as if there is any change in ownership due to the death or retirement of any partner, the business must be dissolved. (Any 1 disadvantage) (1)

4.5 The new name must be: **JOKO ENTERPRISES CC** (1)

4.6 Tourists visiting the country. (1)

4.7

- Well trained workers.
- Invest in up-to date machinery and equipment.
- Well maintained equipment and machinery.
- Workers that are healthy and receive good pay and benefits.
- Introducing flexi time options for workers. (4 x 1) (4)

4.8

SECTOR	EXAMPLE
PRIMARY	Wood from the trees in the nearby village/Forestry
SECONDARY	Manufacturing by local craftsman
TERTIARY	JOKO ENTERPRISES selling the goods

(6)  
**[17]**

**QUESTION 5 (LO3 AS4)**

- 5.1 Use the given information to calculate the OWNER'S EQUITY on 30 JUNE 2011.

Capital	R 500 000
Drawings	R 12 000
Income	R1 86 000
Expenses	R69 000
Net Profit	R 117 000

**STATEMENT OF OWNER'S EQUITY**

<b>Capital</b>	<b>R500 000</b> ✓	
<b>Plus Income</b>	<b>R186 000</b> ✓	
<b>Less Expenses</b>	<b>(R6 9 000)</b> ✓	
		<b>117 000</b> ✓✓
	-----	
	<b>R617 000</b> ✓	
<b>Less Drawings</b>	<b>(R 12 000)</b> ✓	
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<b>Owners equity on 30 June 2011</b>	<b>R605 000</b> ✓✓	
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(7)

- 5.2 **CURRENT ASSETS** / **CURRENT LIABILITIES**

(2)

**[9]**

**QUESTION 6 (LO1 AS1; LO2 AS1; LO3 AS3)**

- 6.1    A    Business pays wages to households.
- B    Households pay for goods and services to businesses.
- C    Households pay taxes to government.
- D    Government provides infrastructure to businesses. (4)
- 6.2    6.2.1    As the price increases, quantity demanded decreases. (1)
- 6.2.2    As the price decreases, quantity supplied decreases. (2)
- 6.2.3    • Price of the product
- Price of complementary goods
- Price of substitutes
- Effective advertisement
- Different tastes and preferences
- Change in the size of the population
- Change in the level of consumer income. (Any 2) (2 x 1) (2)
- 6.2.4    R60,00 (1)
- 6.2.5    Total Sales = Price x Quantity
- = R60 ( $\frac{1}{2}$  mark) x 50 ( $\frac{1}{2}$  mark)
- = R300✓
- ( $\frac{1}{2}$  mark for R60  $\frac{1}{2}$  mark for 50 units and 1 mark for R 300 = 2 marks) (2)
- 6.3    • Redistribute land to landless people.
- Build over a million houses.
- Provide clean water and sanitation to all.
- Provide electricity to 2,5 million new homes.
- Provide access for all to affordable healthcare and telecommunications. (5)

**[16]**

## QUESTION 7 (LO3 AS3)

## GENERAL LEDGER OF SONWABO GARDENING SERVICES

## BALANCE SHEET ACCOUNTS SECTION:

Dr. **BANK [B2]** Cr.

Date		Details	Fol	Amount		Date		Details	Fol	Amount	
2011 April	1/2 mark 30	TOTAL RECEIPTS		111 000	✓	2011 April	1/2 mark 30	TOTAL PAYMENTS		47 474	✓
				----- 111 000				BALANCE	c/d	<u>63 526</u>	✓✓ 111 000
2011 May	1 ✓	BALANCE	b/d	1/2 mark 63 526							

(6½)

## Nominal accounts section:

Dr. **Fee income [N1]** Cr.

Date		Details	Fol	Amount		Date		Details	Fol	Amount	
2011 April						2011 April	1/2 mark 30	BANK		30 500	✓

(1½)

Dr. **Advertising [N3]** Cr.

Date		Details	Fol	Amount		Date		Details	Fol	Amount	
2011 April	1/2 mark 10	Bank	CPJ	750	✓	2011 April					
	1/2 mark 27	Bank	CPJ	1 280	✓						
				2 030	✓						

(4)

[12]

**QUESTION 8 (LO3 AS5)**

- 8.1 Invoice (1)
- 8.2 Creditors journal (1)
- 8.3 R6 350 (2)
- 8.4 Creditor (1)
- 8.5 Cash Receipts Journal (1)
- 8.6 Cash Payments Journal (1)
- 8.7 Cheque counterfoil (1)

8.8

ASSETS	OWNERS EQUITY	LIABILITIES
+100 000	+ 100 000	0
+ 5 700 $\frac{1}{2}$ mark	-650√	+ 6 350√ $\frac{1}{2}$ marks
	<b>OR</b>	
+5 700 $\frac{1}{2}$ mark		+5 700 $\frac{1}{2}$ mark
	-300 $\frac{1}{2}$ mark	+300 $\frac{1}{2}$ mark
	-350 $\frac{1}{2}$ mark	+350 $\frac{1}{2}$ mark

(3)  
[11]

**TOTAL: 100**