



Province of the
EASTERN CAPE
EDUCATION

SENIOR PHASE

GRADE 9

NOVEMBER 2011

ECONOMIC AND MANAGEMENT SCIENCES

MARKS: 100

TIME: 2 hour

NAME OF LEARNER:

This question paper consists of 16 pages.

INSTRUCTIONS

1. This question paper consists of EIGHT 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.

QUESTION 1 (LO1 AS1; LO2 AS1; LO3 AS4; 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 BHANA PRINTERS CC is an example of a ...

- A partnership.
- B sole trader.
- C close corporation.

1.1.2 A business with a minimum of one to a maximum of fifty members is a ...

- A close corporation.
- B private company.
- C public company.

1.1.3 Public sector industries are ...

- A owned and controlled by the government.
- B owned and controlled by individuals with profit motive.
- C owned and controlled by non-profit organisations.

1.1.4 A balance sheet ...

- A uses income and expenses to determine the net profit for a particular period.
- B states the financial position of a business at a particular point in time.
- C states how much the owner earned on his capital after a particular period.

1.1.5 ... is the ability of a country to improve the standard of living of its people.

- A Economic growth
- B Economic development
- C Economic sustainability

(5 x 1) (5)

- 1.2 Choose the term in COLUMN B that matches the description in COLUMN A. Write only the correct LETTER next to the corresponding NUMBER in the space provided for your answers.

COLUMN A		COLUMN B	
1.2.1	The payment for natural resources	A	SARS
1.2.2	The number of people who are likely to buy a certain product or service	B	Employment Equity Act
1.2.3	The institution responsible for raising money through the collection of taxes from businesses and people	C	Demand
1.2.4	A saving scheme set up by a group of individuals	D	Interest
1.2.5	Legislation which promotes equal opportunity and fair treatment for workers	E	Stokvels
		F	Rent

ANSWERS:

1.2.1
 1.2.2
 1.2.3
 1.2.4
 1.2.5

[10]

QUESTION 2 (LO4 AS2)

Your friend JABULANI DLAMINI intends opening a manufacturing business, JABULANI's LEATHER COATS in Port Elizabeth, which is situated in the Nelson Mandela Metropole.

- 2.1 He asked you to assist him with the drawing up of a business plan. Indicate to him **FIVE aspects of a business plan** which must be covered in such a business plan.

.....

.....

.....

.....

.....

(5 x 1) (5)

- 2.2 Jabulani also asked you to draw up the **projected income statement** for his business. He provided you with the following relevant information:

The cost of one coat is R600 and he plans to make a profit of 50% per coat. He estimated that by the end of the month he would sell at least 50 leather coats. He also provides you with the following additional information:

Stationery	R1 150
Wages	R2 500
Transport	R 775
Advertising	R1 500
Packing material	R2 000

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

(11)
[16]

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

JODI and KODI contributed money from their savings accounts and started a new business, called JOKO ENTERPRISES which buys and sells pieces of traditional art which are manufactured by local craftsman. These items include baskets woven from ilala palm, beaded pipes and garments, wooden walking sticks, grass mats, clay beer pots, etc. Many of the products are manufactured from the wood obtained from trees which grow in the nearby village. Sales went so well during the last few months that they decided to export some of their goods to New Zealand, the host country of the 2011 Rugby World Cup Tournament. Due to an increase in demand they had to employ two additional workers to increase productivity.

4.1 What form of ownership is JOKO ENTERPRISES?

..... (1)

4.2 What are the outputs of this business?

..... (1)

4.3 Name and explain TWO advantages of this form of ownership.

.....
.....
.....
..... (2)

4.4 Give ONE disadvantage of this form of ownership.

..... (1)

- 4.5 They plan to change from this form of business to a close corporation after five years. Explain briefly how they will have to change the name of their business.

The new name must be: (1)

- 4.6 Which group of people would be the main target group for their product?

..... (1)

- 4.7 Name any FOUR factors that can contribute to higher productivity in a business.

.....
.....
.....
..... (4)

- 4.8 From the case study NAME and give an EXAMPLE of the THREE SECTORS of the economy.

SECTOR	EXAMPLE

(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	R186 000
Expenses	R69 000
Net Profit	R 117 000

STATEMENT OF OWNER'S EQUITY

(7)

- 5.2 State the formula for the short-term **solvency ratio**.

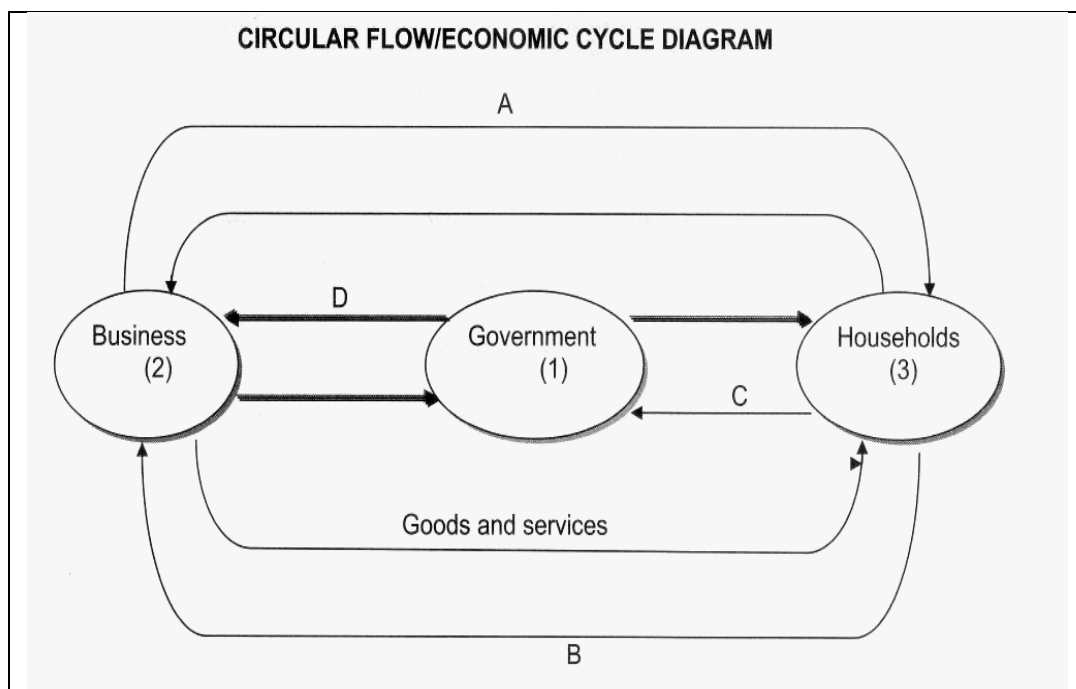
.....

(2)

[9]

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

- 6.1 Study the circular flow/economic cycle diagram below, and the answer the questions that follow.



Complete the diagram by filling in the flow numbered A – D.

A

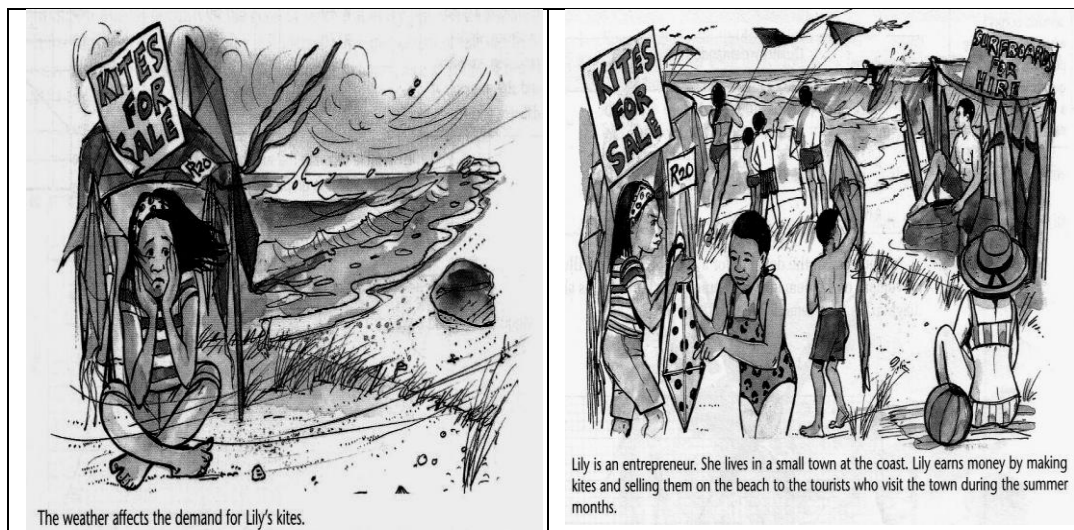
B

C

D

(4)

6.2 Study the pictures below and answer the questions which follow.



The following table represents the supply and demand schedules for Lily's kites:

Price of kites	Quantity demanded (number of kites)	Quantity supplied (number of kites)
R20	100	0
R40	75	30
R60	50	50
R80	20	60
R100	0	65

6.2.1 What happens to the quantity demanded as the price increases?

(1)

6.2.2 Name TWO factors affecting demand.

(2)

6.2.3 Define the Law of Supply.

(2)

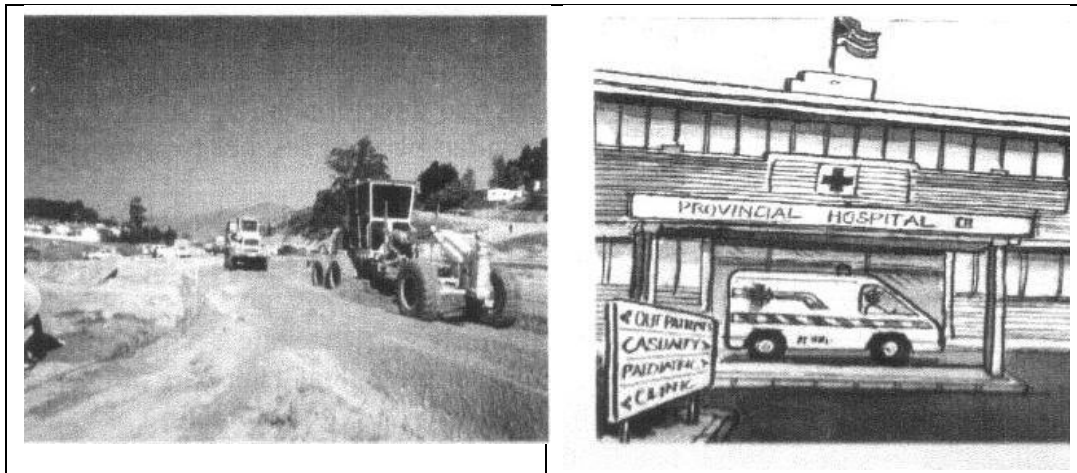
6.2.4 What is the equilibrium price?

(1)

6.2.5 Calculate the total sales at the equilibrium point.

(2)

- 6.3 Over the past seventeen years government spending, via the national budget, has been targeted towards the poor as part of the RDP (Reconstruction and Development Programme).



Name any FIVE goals of the RDP:

6.3.1

6.3.2

6.3.3

6.3.4

6.3.5

(5)
[16]

QUESTION 7 (LO3 AS3)

Post from the given Cash Receipts Journal and Cash Payments Journal of Sonwabo's Garden Services to the following accounts in the General Ledger: Close off the accounts.

Bank	[B2] (This account must be properly closed off)	(6½)
Fee Income	[N1]	(1½)
Advertising	[N8]	(4)

Sonwabo's Garden Services
Cash Receipts Journal for April 2011

Doc. No.	Day	Details	Fol	Analysis of receipts	Bank	Fee income	Sundry accounts		
							Amount	Fol	Details
R01	01	Don Bruno			80 000		80 000	B1	Capital
R02	05	Fee income	N1	5 500		5 500			
R03		Fee income	N1	<u>3 000</u>	8 500	3 000			
R04	12	Parks Department		<u>500</u>	500		500	N2	Donation
R05	18	Fee income	N1	<u>10 000</u>	10 000	10 000			
R06	26	Fee income	N1	<u>12 000</u>	12 000	12 000			
					111 000	30 500	80 500		

Cash Payments Journal for April 2011

Doc. No.	Day	Details	Fol	Bank	Stationery N4	Sundry accounts		
						Amount	Fol	Details
C01	7	Waltons		2 500	2 500			
C02	10	ZT Signs		750		750	N3	Advertising
C03	15	City Treasurer		825		825	N5	Electricity
C04	19	Fed Mac		1 374		1 374	N6	Fertiliser
C04	26	Lawnmower Centre		40 000		40 000	B3	Equipment
C05	27	SABC		1 250		1 250	N3	Advertising
C06	28	Telkom		743		743	N7	Telephone
B/S	30	Bank Charges		32		32	N8	Bank Charges
				47 474	2 500	44 974		

ANSWER SHEET FOR QUESTION 7**GENERAL LEDGER OF SONWABO GARDENING SERVICES****BALANCE SHEET ACCOUNTS SECTION:**

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

Date		Details	Fol	Amount		Date		Details	Fol	Amount	
2011						2011					
April						April					

(6½)

Nominal accounts section:

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

Date		Details	Fol	Amount		Date		Details	Fol	Amount	
2011						2011					
April						April					

(1½)

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

2011						2011					
April						April					

(4)

QUESTION 8 (LO3 AS5)

Read The following transaction carefully, the answer the questions.

2011

February 20 Bought the following on credit from Don Dee Stores:

Goods, R6 000 (less 5% trade discount)

Stationery, R300

Packing material R350

8.1 What document was received from Don Dee Stores?

(1)

8.2 In which subsidiary journal would you record this transaction?

(1)

8.3 How much money is owed to Don Dee Stores?

(2)

8.4 What is Don Dee Stores to the business?

(1)

8.5 Name the journal in which the business records all monies received.

(1)

8.6 Name the journal in which the business records all monies paid.

(1)

8.7 What is the **source document** for entries in the journal mentioned in QUESTION 8.6 called?

(1)

8.8 Indicate how the above transactions will affect the following accounting equation.

ASSETS	OWNERS EQUITY	LIABILITIES
+100 000	+ 100 000	0

(3)
[11]

TOTAL: 100