



education

Department:
Education

PROVINCE OF KWAZULU-NATAL

SENIOR PHASE

GRADE 8

JUNE 2018

ECONOMIC AND MANAGEMENT SCIENCES

MARKS : 100

TIME : 1½ hours

This question paper consists of 7 pages.

INSTRUCTIONS

1. This question paper consists of **8** questions and **FOUR** sections.
SECTION A : 30 marks (From all three Topics)
SECTION B : 25 marks (The Economy)
SECTION C : 35 marks (Financial Literacy)
SECTION D : 10 marks (Entrepreneurship)
2. This paper must be completed in 90 minutes (**1½ hours**).
3. Answer **ALL** questions on the ANSWER BOOK provided.
4. Read the instructions for each question carefully and answer only what is required.
5. Show all your workings where applicable.
6. Use the mark allocation to determine the length of answers.
7. Write clearly and neatly.

SECTION A – 30 MARKS**QUESTION 1****1.1 MULTIPLE CHOICE QUESTIONS**

Four possible options are provided as answers to the following questions. Choose one correct answer from the alternatives given. Write only the letter indicating the correct answer next to the number on the answer sheet.

(10)

1.1.1 Which of the following is not a current asset?

- A. Savings Account
- B. Equipment
- C. Current bank account
- D. Trading Stock

1.1.2 The three major role players in the economy are:-

- A. Government; factors of production; households
- B. Government; households; consumers
- C. Government; businesses; households
- D. Government; consumers; factors of production

1.1.3 When the owner withdraws money from the business for his personal use this is referred to as _____.

- A. Drawings
- B. Expense
- C. Petty Cash
- D. Cash float

1.1.4 An example of a direct tax is _____.

- A. Excise
- B. Company tax
- C. VAT
- D. Customs

1.1.5 The labour force of a country can be defined as.

- A. the total of employed people
- B. the total of unemployed people
- C. the total of those seeking employment
- D. the total of those employed and those unemployed but seeking employment.

1.2 TRUE OR FALSE

Indicate whether the following statements are TRUE or FALSE. Write only the answer on the answer booklet.

(10)

- 1.2.1 Zama Nzima is 26 years old and a full time university student. She is part of the economic active population.
- 1.2.2 Year-end activities in a business cycle involve the preparation of cash journals.
- 1.2.3 The government can trade on international markets and local markets.
- 1.2.4 Books of the first entry are also called subsidiary journals.
- 1.2.5 Businesses sell the factors of production in the factor market.

1.3 MATCHING COLUMNS

Match each of the statements in column A with the terms in column B. Write only the letter next to the number on the answer booklet. (10)

	COLUMN A	COLUMN B
1.3.1	The institution that collects the taxes for the State.	A. Liabilities
1.3.2	The owner's investment in the business.	B. Government
1.3.3	Inhabitants of a particular area, town or country.	C. Direct Tax
1.3.4	It is paid on salaries of individuals and profit of businesses.	D. Population
1.3.5	Money owed to an outside party e.g. loans, a bank overdraft and creditors.	E. SARS
		F. Drawings
		G. Capital

[30]

SECTION B – THE ECONOMY – 25 MARKS**QUESTION 2**

2.1 Identify from the list below the services rendered by the government and classify them according to the correct levels of the government. (5)

List of services rendered

- Maintenance of private properties
- Health services at hospitals
- Promotion of trade with other countries
- Garbage disposal
- Issuing of identity documents (IDs)
- Transporting individuals taking holidays abroad
- Provision of electricity to different communities

2.2 Shortage of water in Cape Town is declared as a national disaster. Businesses are also using volumes of litres. Mention one strategy businesses can apply to reduce water usage. (2)

2.3 Analyse the information below and answer the questions:

Summary of 2018/19 Budget Expenditure

Economic Development	R200.1bn
Learning & Culture	R351.1bn
Health	R205.4bn
Community Development	R196.3bn
Social Development	R259.4bn
Economic Development	R200.1bn
Peace and Security	R200.8bn
General Public Services	R64bn
Debt – Service Cost	R180.1bn

2.3.1 Identify the department that provides the for basic education, give the name of that department, the amount allocated to it and also motivate the reason for the allocation (4)

2.3.2 Which department is police allocation coming from? (2)

2.3.3 Mention any two recipients who are benefiting from Social Development allocation (2)

QUESTION 3

- 3.1 State the purpose of the Employment Act. (2)
- 3.2 Unemployment is a serious problem in our communities today. Justify one reason why. (2)
- 3.3 "Development has a negative impact in our environment" Motivate why you agree with the statement and give **two** reasons. (4)
- 3.4 Explain by stating **one** reason why households are important to the economy? (2)

[25]**SECTION C – FINANCIAL LITERACY – 35 MARKS****QUESTION 4****SOURCE DOCUMENTS****INFORMATION**

1 March 2018

Issued cheque no. 001 to the Ekurhuleni City for trading license, R1 400.

- 4.1 Use the information in the above transaction to complete the cheque and its counterfoil. (7)
- 4.2 Identify the three parties to the cheque you completed in question 4.1 (3)

Drawer	?
Drawee	?
Payee	?

- 4.3 What does EFT stand for? (1)

QUESTION 5**ACCOUNTING CONCEPTS**

Classify the following items as Assets, Liabilities, Owner's Equity, Expenses or Income. (6)

Place a cross (X) in the correct box in the Answer Book.

No.	Account Name	Assets	Liabilities	Owner's Equity	Expense	Income
5.1	Service fees					
5.2	Advertising					
5.3	Capital					
5.4	Vehicles					
5.5	Loan from Absa					
5.6	Trading Stock					

QUESTION 6**CASH RECEIPTS JOURNAL AND THE ACCOUNTING EQUATION:**

Mr T. Mbatha started his own business, *TM Express* on 1 May 2018. He gave you the source documents for all the transactions that took place during May.

Instructions:

1. Record the transactions in the **Cash Receipts Journal** for the month. (14)

Note: Do not cast the journal at the end of the month.

2. **Analyse transactions** dated 1 May and 25 May on the table given in the Answer book. (4)
(Indicate + for increase; - for decrease: - O for No change and the amount)

Transactions: May 2018

1. T. Mbatha, the owner, deposited R100 000 into the current bank account of the business as his initial capital contribution. (receipt no. 001)
4. Cash received for transport service rendered to passengers, R3 300 (cash register tape no. 01)
20. Drivers submitted R5 400 cash collected from passengers (CRT 02)
25. Received a cheque of R600 from D. Cele for hiring a taxi (CRT 03)
31. Received R800 cash from one of the drivers, S Dube, for renting a section of business building (receipt no. 002)
Cash received from drivers for transport services, R3 900. (CRT 04)

[35]

SECTION D – ENTREPRENEURSHIP – 10 MARKS
QUESTION 7

- 7.1 Identify the factor of production with its remuneration represented by each of the following
- 7.1.1 The physical and mental talents of people. (2)
 - 7.1.2 Kaizer Motaung, the founder of Kaizer Chiefs football club. (2)

QUESTION 8

Read the passage and answer the questions

Andiswa started a dressmaking business with a capital of R95 000. She invested R35 000 from her own savings in the business and also obtained a loan from ABC bank for the rest of the capital. She employs an accountant, pattern designers, cleaners, messengers and packers. She spent R50 000 on two sewing machines, cutting table, a computer and printer.

Questions:

- 8.1. State the amount of capital Andiswa used to start her business. (1)
- 8.2. Calculate borrowed capital. (2)
- 8.3. Give the amount spent on fixed assets. (1)
- 8.4. Identify **one** of the following workers from the case study:
 - 8.4.1 Unskilled worker (1)
 - 8.4.2 Skilled worker (1)

[10]

TOTAL MARKS: 100

