



GAUTENG PROVINCE
EDUCATION
REPUBLIC OF SOUTH AFRICA

**GAUTENG DEPARTMENT OF EDUCATION
PROVINCIAL EXAMINATION
JUNE 2018
GRADE 9**

**ECONOMIC AND MANAGEMENT
SCIENCES**

TIME: 90 minutes

MARKS: 150

12 pages

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INSTRUCTIONS AND INFORMATION:

- 1 This question paper consists of SECTION A, SECTION B, SECTION C and SECTION D based on the prescribed content framework in the CAPS document.

SECTION A: ALL TOPICS

QUESTION 1.1:	Multiple-choice questions	(10)
QUESTION 1.2:	Matching Items	(10)
QUESTION 1.3:	Word Selection	(10)
QUESTION 1.4:	True or False	(10)
		[40]

SECTION B: THE ECONOMY

QUESTION 2:	Economic Systems	(15)
QUESTION 3:	Circular Flow	(15)
QUESTION 4:	Price Theory	(15)
		[45]

SECTION C: FINANCIAL LITERACY

QUESTION 5:	Journals	(31)
QUESTION 6:	Ledger Accounts	(10)
QUESTION 7:	Accounting Equation	(9)
		[50]

SECTION D: ENTREPRENEURSHIP

QUESTION 8:	Sectors of the Economy	(15)
		[15]

- 2 All questions are COMPULSORY.
- 3 Answer all questions (**Section A – D**) in the **ANSWER BOOK** provided.
- 4 Write neatly and legibly.
- 5 The use of non-programmable and non-graphical calculators is permissible.

SECTION A**QUESTION 1****1.1 MULTIPLE-CHOICE QUESTIONS**

Various options are provided as possible answers to the following questions. Choose the correct answer and write only the letter (A – D) next to question number (1.1.1 – 1.1.5) in the ANSWER BOOK provided.

- 1.1.1 The following industry is part of the tertiary sector of our economy.
- A Country Fresh Farms
 - B Meyerton Mills
 - C Caught-up Fisheries
 - D Maraj Financial Services
- (2)
- 1.1.2 The percentage that represents the portion of profit that is added to the cost price is called the ...
- A cost price.
 - B mark-up.
 - C selling price.
 - D overhead costs.
- (2)
- 1.1.3 When a business receives money from a sales transaction, it will be recorded in the ...
- A CPJ.
 - B DJ.
 - C CRJ.
 - D DAJ.
- (2)
- 1.1.4 The remuneration for capital as a factor of production is ...
- A rent.
 - B salaries and wages.
 - C profit.
 - D interest.
- (2)
- 1.1.5 Which ONE of the following is not a participant in the local economy?
- A Foreign sector
 - B Households
 - C Government
 - D Businesses
- (2)

[10]

1.2 MATCHING ITEMS

Match the descriptions in COLUMN B with the terms in COLUMN A. Write only the correct letter (A – F) next to the question number (1.2.1. – 1.2.5) in the ANSWER BOOK.

COLUMN A	COLUMN B
1.2.1 Gross Profit	A The physical and mental efforts used to create goods and services
1.2.2 Trial balance	B The economic system where decision making is centralised
1.2.3 Planned economy	C A list of all the balances in the General Ledger
1.2.4 Rent	D Difference between sales and cost of sales
1.2.5 Labour	E The remuneration for entrepreneurship
	F The remuneration for natural resources

[10]

1.3 WORD SELECTION

Choose the correct word from the word bank below and complete the statements that follow. Write only the correct answer next to the question number (1.3.1 – 1.3.5) in the ANSWER BOOK.

monthly; expense; source documents; debit; income; asset; liability; credit; sales; daily

- 1.3.1 Trading stock in the business' storeroom is classified as a/an _____. (2)
- 1.3.2 The second step in the accounting cycle is _____. (2)
- 1.3.3 Insurance is a / an _____ account. (2)
- 1.3.4 Journals are completed on a _____ basis. (2)
- 1.3.5 An asset will always increase on the _____ side. (2)

[10]

1.4 TRUE OR FALSE

Indicate whether the following statements are TRUE or FALSE. Write only 'TRUE' or 'FALSE' next to the question number (1.4.1 – 1.4.5) in your ANSWER BOOK.

- 1.4.1 Sustainable use means to use a resource responsibly without depleting or destroying it. (2)
- 1.4.2 Trading businesses generate an income by performing a service. (2)
- 1.4.3 The NCA protects consumer rights with regard to credit. (2)
- 1.4.4 The source document for the DJ is an original invoice. (2)
- 1.4.5 Demand refers to how much suppliers are willing and able to supply to the market at a specific time. (2)

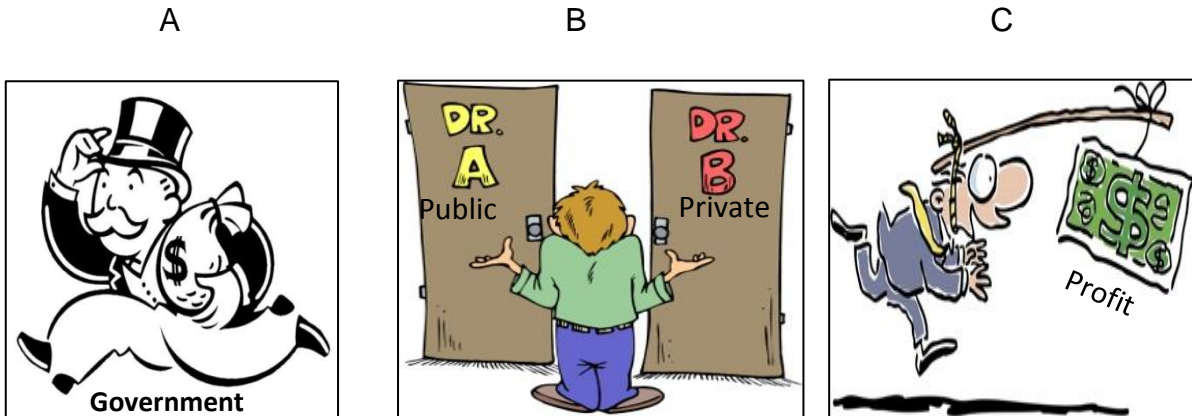
[10]

TOTAL SECTION A: 40

SECTION B – THE ECONOMY

QUESTION 2 – ECONOMIC SYSTEMS

2.1 Label the three images below by identifying the economic systems each picture represents.



(3)

2.2 Compare a planned economy to a market economy by referring to ONE advantage and ONE disadvantage of both economic systems. Complete the table in the ANSWER BOOK.

Planned Economy
Advantage
Disadvantage



Market Economy
Advantage
Disadvantage

(4x2)

(8)

2.3 Read the quote below before answering the question.

Before you finish eating breakfast this morning, you've depended on more than half the world.

Martin Luther King, Jnr

2.3.1 Discuss TWO advantages or benefits of globalisation.

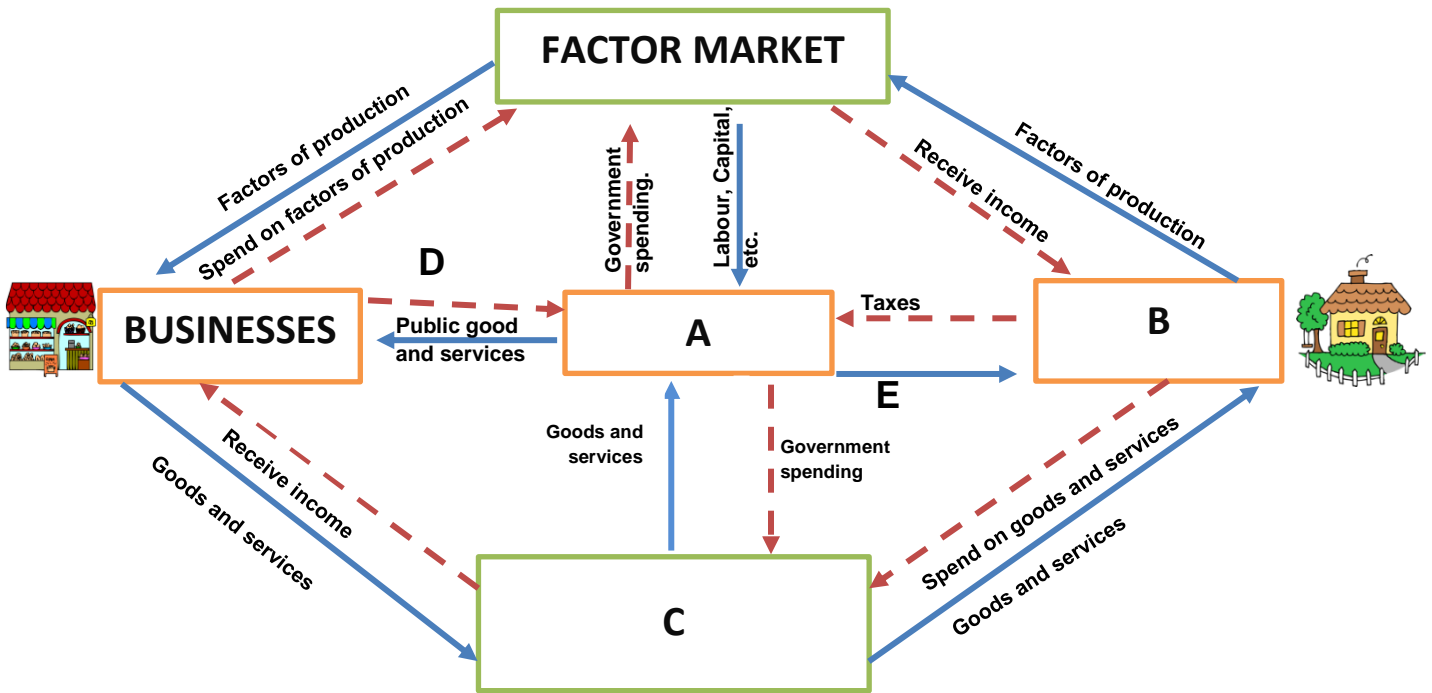
(2x2)

(4)

[15]

QUESTION 3 – CIRCULAR FLOW

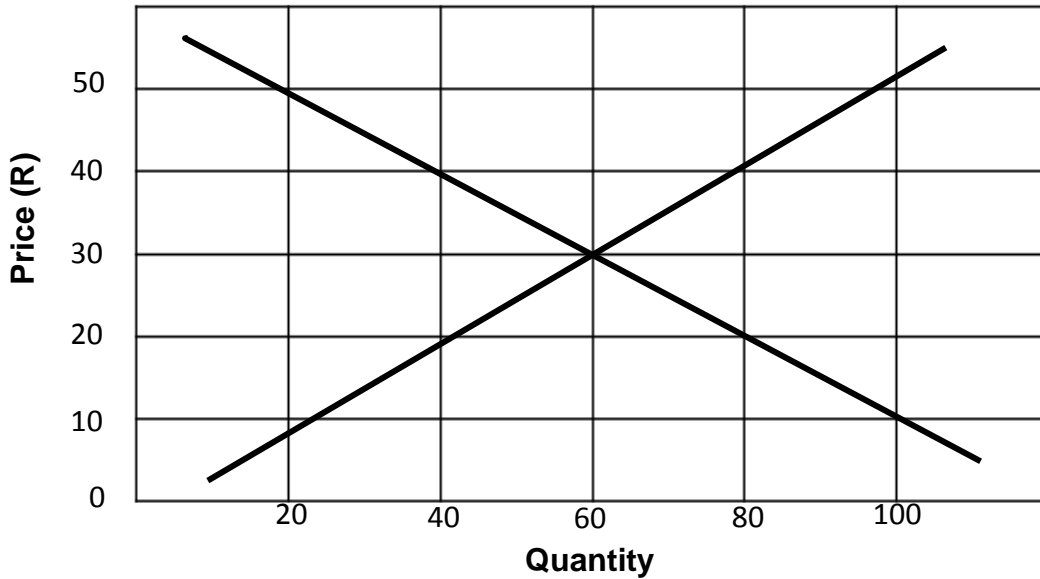
Study the following circular flow diagram before answering the questions that follow.



- 3.1 Identify A – E in the diagram above. (5x2) (10)
 - 3.2 Define the term “closed economy”. (2)
 - 3.3 Give ONE example of public goods and services. (1)
 - 3.4 If businesses were to increase their prices dramatically, predict what possible change would take place in the economy. (2)
- [15]**

QUESTION 4 – PRICE THEORY

Study the supply and demand graphs for **Good Fruit Ice Lollies** and answer the questions that follow.



- 4.1 Show the following points on the graph for the demand and supply of **Good Fruit Ice Lollies**. Indicate only the letter on the graph in your answer book.
- Market equilibrium (E) (2)
 - Demand curve (D) (2)
 - Supply curve (S) (2)
- 4.2 What will be the Equilibrium Price for *Good Fruit Ice Lollies*? (1)
- 4.3 What happens to the quantity supplied if the price increases? (2)
- 4.4 Define the “Law of Demand”. (2)
- 4.5 Predict TWO factors that will affect the demand for *Good Fruit Ice Lollies*. (2x2) (4)
- [15]**



TOTAL SECTION B: 45

SECTION C – FINANCIAL LITERACY**QUESTION 5 – JOURNALS**

Lincoln Cool, the proud owner of *Sweet 'n Sour Dealers* opened his business on 1 March 2018. The following transactions took place during the month of May 2018. The business uses a mark-up of 60% on cost price.

INSTRUCTIONS AND INFORMATION:

Use the information provided to record the transactions in the following journals:

- 5.1 Cash Receipts Journal with analysis columns for Analysis of Receipts; Bank; Sales; Cost of Sales; Debtors' Control and Sundry Accounts. (12)
- 5.2 Cash Payments Journal with analysis columns for Bank; Trading Stock; Equipment and Sundry Accounts. (8)
- 5.3 Debtors' Journal with columns for Sales and Cost of Sales. (6)
- 5.4 Debtors' Allowances Journal with columns for Debtors' Allowances and Cost of Sales. (5)

IMPORTANT: *Do not close off the journals on 31 May 2018.*

TRANSACTIONS FOR MAY 2018:

- 05 Issued invoice 36 to Penny Lee for R1 200 for merchandise supplied to her on credit.
- 09 Issued cheque 61 to Brookes Wholesalers for R9 880 for the following items:
Merchandise for R3 900 and packing material for R1 380. The balance was for the HP printer.
- 14 Penny Lee returned unsatisfactory goods to the value of R 480. The goods were not according to sample. Issued credit note 09.
- 19 Cash sales according to the cash register roll, R4 200. (CRR 23)
Received R2 200 from W. Saints, a tenant, for the rental of a building.
Issued receipt 21.
- 30 Received a cheque from Penny Lee in settlement of the amount owed by her to date. Issued receipt 22.

[31]

QUESTION 6 – GENERAL LEDGER

You are supplied with information from the books of *Polly Traders* for April 2018.

REQUIRED TO DO:

6.1 Post the following completed journals to the following accounts in the General Ledger:

- Bank (5)
- Trading Stock (5)

6.2 Balance the Accounts at the end of April 2018.

[10]

INFORMATION

Balance on 1 April 2018:

Trading Stock R 2 465

CASH RECEIPTS JOURNAL OF POLLY TRADERS FOR APRIL 2018

CRJ3

Doc no.	Day	Details	Fol	Analysis of Receipts	Bank	Sales	Cost of Sales	Sundry Accounts		
								Amount	Fol	Details
					19 050	10 800	7 840	8 250		
					B4	N1	N2/B5			

CASH PAYMENTS JOURNAL OF POLLY TRADERS FOR APRIL 2018

CPJ3

Doc no.	Day	Name of Payee	Fol	Bank	Trading Stock	Wages	Sundry Accounts		
							Amount	Fol	Details
				16 770	9 650	3 800	3 320		
				B4	B5	N6			

QUESTION 7 – ACCOUNTING EQUATION

Analyse the following transaction of *Phuthi Dealers* on the elements of the Accounting equation as per the table provided. Show an increase with a (+) and a decrease with a (-).

Example:

Received R1 000 from Kruger Attorneys for the office space they are renting.

Source document	Account Debited	Account Credited	Assets	Owner's Equity	Liabilities
Duplicate receipt	Bank	Rent Income	+ 1 000	+ 1 000	0

Transaction: May 2018

05 Sold goods on credit to C. Camp, R 800 (cost price R 500). Issued invoice 41. **[9]**

TOTAL SECTION C: 50

SECTION D – ENTREPRENEURSHIP

QUESTION 8 – ECONOMIC SECTORS

8.1 Complete the table below.

Economic sector	Activity	Example
A	Extraction of natural and agricultural resources.	B
Secondary Sector	C	Oil Refinery

(3x2) (6)

8.2 Study the pictures and information below before answering the questions.

A



Lisebo Moore is an accountant. She earns R40 000 a month. She wears designer clothes and drives a sports car.

B



Marlvin Seekoei is a local fisherman. He earns R1500 a month. He lives in a township and does not own a car.

8.2.1 Identify the level of labour that is represented in picture A and B. (2x1) (2)

8.2.2 Why do you think a strong economy needs all levels of workers? (1)

8.3 The economic sectors are interrelated and depend on one another for survival. Briefly explain this statement. (3x2) (6) [15]

TOTAL SECTION D: 15

TOTAL: 150