



GAUTENG PROVINCE
EDUCATION
REPUBLIC OF SOUTH AFRICA

**GAUTENG DEPARTMENT OF EDUCATION
PROVINCIAL EXAMINATION
NOVEMBER 2018**

GRADE 9

**ECONOMIC AND MANAGEMENT
SCIENCES**

TIME: 2 hours

MARKS: 200

19 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	(20)
QUESTION 1.2:	Matching items	(20)
QUESTION 1.3:	Word selection	(10)
QUESTION 1.4:	True or false	(10)
		[60]

SECTION B: THE ECONOMY

QUESTION 2:	Economic systems	(10)
QUESTION 3:	Economic cycle	(10)
QUESTION 4:	Price theory	(10)
QUESTION 5:	Trade unions	(10)
		[40]

SECTION C: FINANCIAL LITERACY

QUESTION 6:	Journals, General Ledgers and Accounting Equation	(39)
QUESTION 7:	General ledger	(12)
QUESTION 8:	Trial Balance	[9]
		[60]

SECTION D: ENTREPRENEURSHIP

QUESTION 9:	Economic sectors	(14)
QUESTION 10:	Business functions	(12)
QUESTION 11:	Business plan	(14)
		[40]

2. ALL questions are compulsory.
 3. Answer ALL questions (**Sections A – D**) in the **ANSWER BOOK** provided.
 4. Write neatly and legibly.
 5. The use of a non-programmable and non-graphical calculator 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 – 1.1.10) in the ANSWER BOOK provided.

1.1.1 The source document for goods returned by a debtor is a ...

- A cheque counterfoil.
- B debit note.
- C credit note.
- D duplicate invoice.

(2)

1.1.2 A company runs an online campaign in which they tell the public how many jobs they have created and how well their employees are paid.

This campaign would be run by the following department:

- A Public Relations
- B Marketing
- C Human resources
- D Finance

(2)

1.1.3 The following industry is part of the primary sector of our economy:

- A Construction
- B Retail
- C Banking
- D Forestry

(2)

1.1.4 In the General Ledger, the ... is used to check the accuracy of the double-entry.

- A Cash Receipts Journal
- B Debtors' Ledger
- C General Ledger
- D Trial Balance

(2)

- 1.1.5 Bread and butter are complementary products. If the price of butter rises significantly, then ...
- A the demand for bread will increase.
 - B there will be no change in the demand for bread.
 - C the supply of butter will drop.
 - D the demand for bread will decrease. (2)
- 1.1.6 The business uses a constant profit mark-up of 50% on cost price. Calculate the **selling price** if the cost price is R3 600.
- A R2 400
 - B R1 800
 - C R5 400
 - D R7 200 (2)
- 1.1.7 The marketing plan of a business should contain information on the following:
- A Start-up capital
 - B Target market
 - C Break-even points
 - D All of the above (2)
- 1.1.8 Which of the following statement(s) is / are correct?
In a closed economy ...
- A the foreign sector is not involved.
 - B the participants are households, government and businesses.
 - C the participants are households, government and the foreign sector.
 - D both A and B are correct. (2)
- 1.1.9 A trade union is ...
- A a group of people who run the organisation.
 - B an organisation whose members are workers from an industry, with the aim of protecting the interests of its members.
 - C an organisation whose members are the owners of businesses.
 - D a political party in South Africa. (2)
- 1.1.10 The following accounts will be affected when goods are sold on credit.
- A Bank, Sales, Cost of Sales and Trading stock
 - B Debtors' Control, Sales, Cost of sales and Trading stock
 - C Bank, Sales and Cost of sales
 - D Debtors' Control, Sales and Cost of sales (2)

[20]

1.2 MATCHING ITEMS

Match the description in COLUMN B with the correct term in COLUMN A. Write only the correct letter (A – J) next to the question number (1.2.1 – 1.2.10) in the ANSWER BOOK.

COLUMN A		COLUMN B	
1.2.1	Market equilibrium	A	A diagram that shows the management structure of the organisation and the ranks of employees
1.2.2	General Ledger	B	The difference between the cost price and the selling price
1.2.3	Strike	C	The person who signs the cheque
1.2.4	Economic system	D	When the supply for a product and the demand for that product are equal
1.2.5	Households	E	When workers decide to withhold their labour
1.2.6	Drawer	F	Combination of product, price, place and promotion to satisfy the needs of the target market
1.2.7	Inputs	G	Refers to the way in which a country runs its economy
1.2.8	Profit mark-up	H	They own the factors of production and sell them to the government and businesses
1.2.9	Marketing mix	I	A summary of all transactions from journals.
1.2.10	Organogram	J	All the necessary items needed to make the product or supply the service.

[20]

1.3 CHOOSE THE CORRECT WORD

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.

National Credit Act; mixed economy; collective bargaining; constitution; planned economy; equilibrium point; global economy; break-even point

- 1.3.1 The ... is the economy of the world which is formed as national economies become linked to one another and have an influence on one another. (2)
- 1.3.2 The point at which a business makes enough money to cover its production costs is called the ... (2)
- 1.3.3 The ... is legislation that regulates the granting of credit to consumers. (2)
- 1.3.4 A ... is a combination of private and government ownership of factors of production. (2)
- 1.3.5 The process whereby employees and employers stand together and negotiate jointly about salary and conditions of employment is called ... (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 A vision statement is a statement of what the business aims to achieve. (2)
- 1.4.2 Construction is part of the tertiary sector. (2)
- 1.4.3 The statements sent monthly to debtors are prepared in the general ledger of the business. (2)
- 1.4.4 The purchasing function is responsible for buying all the raw materials and finished goods that a business needs to function. (2)
- 1.4.5 The total of the Cost of Sales column in the Cash Receipts Journal is posted to the Bank account in the General Ledger. (2)

[10]

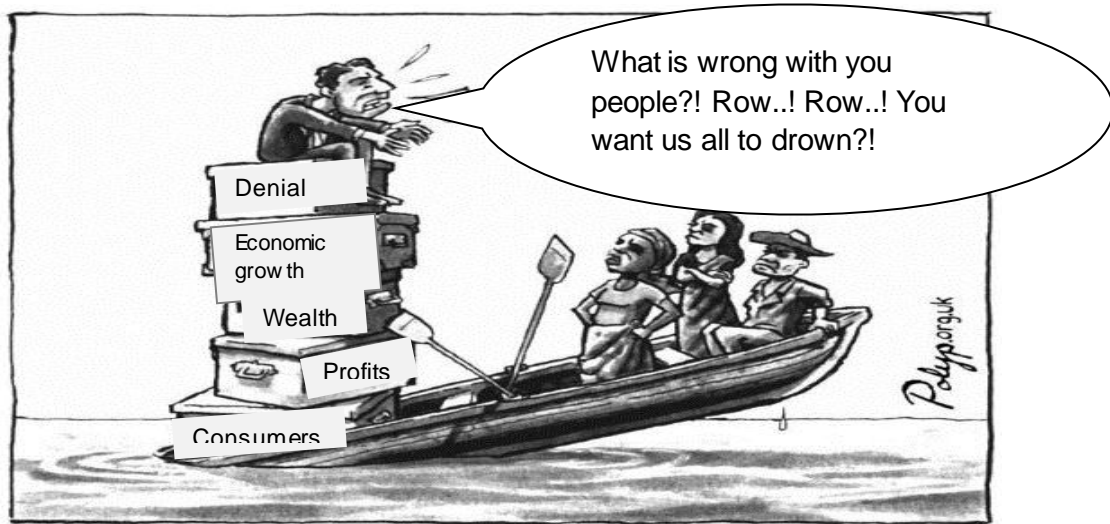
TOTAL SECTION A: 60

SECTION B

THE ECONOMY

QUESTION 2 – ECONOMIC SYSTEMS

2.1 Study the picture below and answer the questions that follow.



'THE SAME BOAT'

[SOURCE: Google Images]

- 2.1.1 Identify the economic system depicted in the picture above. (2)
- 2.1.2 Discuss ONE disadvantage of this economic system. (2)

2.2 Choose the correct word from the brackets.

The South African economy is an example of a (market / mixed) economy. (2)

2.3 Discuss the characteristics of a mixed economic system under the following headings. Complete the table in your ANSWER BOOK.

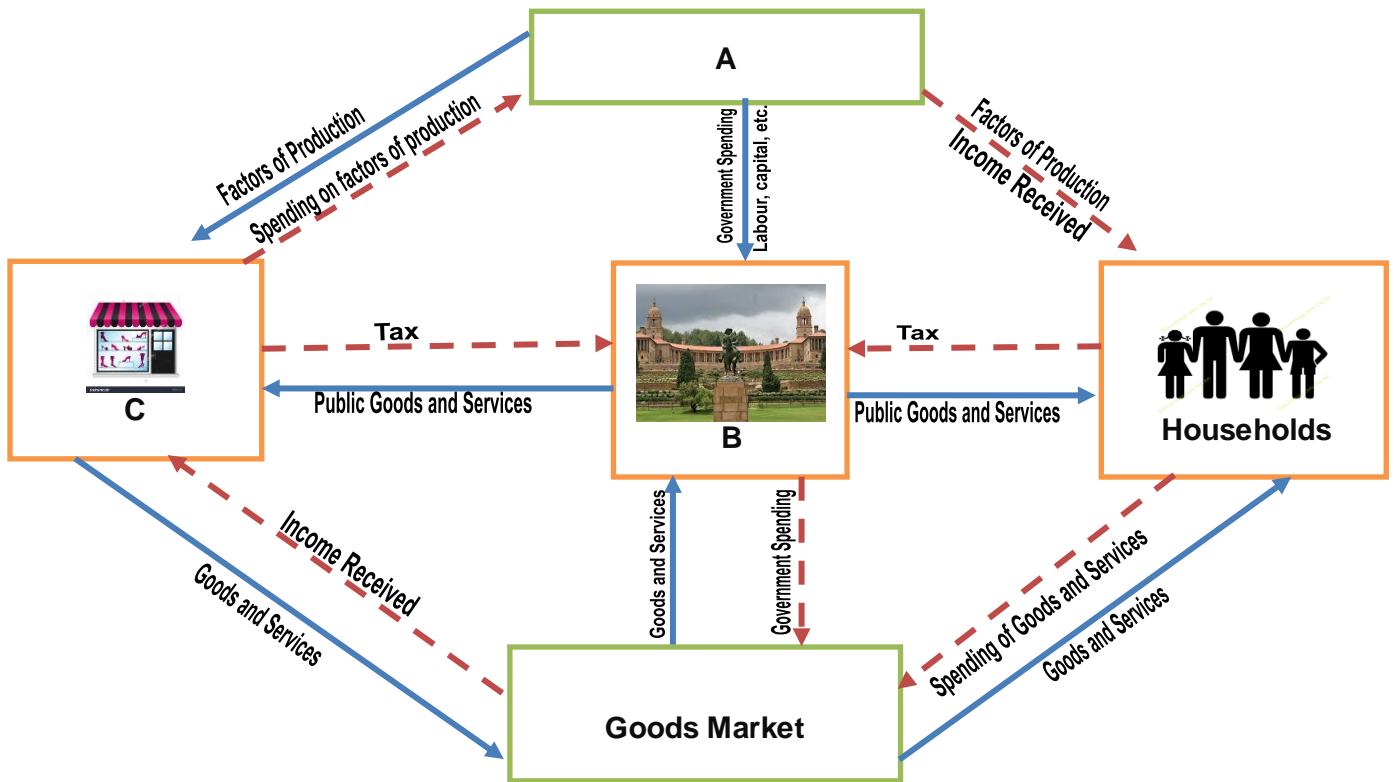
Who makes the economic decisions?	How are the resources allocated?

(2x2)

(4)
[10]

QUESTION 3 – ECONOMIC CYCLE

Study the following diagram before answering the questions.



[SOURCE: Examiner's own diagram]

- 3.1 Define the term *economic cycle*. (3)
- 3.2 Identify the economic participants labelled as **A**, **B** and **C** from the diagram. (3)
- 3.3 Give ONE example of a public service that is provided by the government to businesses. (2)
- 3.4 Justify the importance of the factors of production in the economic cycle. (2)

[10]

QUESTION 4 – PRICE THEORY

Lincoln sells Nike sneakers to local businesses and individuals.



[SOURCE: Google Images]

The following table represents the supply and demand schedule for Lincoln Sneakers.

Price of sneakers (in Rand)	Quantity demanded (number of pairs)	Quantity supplied (number of pairs)
R100	250	50
R200	200	100
R300	150	150
R400	80	200

- 4.1 Use the above schedule to draw and label a demand and supply curve on the same axis. (5)
- 4.2 4.2.1 Name the point where the demand and supply curves meet. (1)
- 4.2.2 What is the price at the point mentioned in Question 4.2.1? (1)
- 4.2.3 Give the quantity at the point mentioned in Question 4.2.1. (1)
- 4.3 The law of demand refers to price and the impact it has on quantity demanded. Describe ONE factor, apart from price, that determines the demand for a product. (2)

[10]

QUESTION 5 – TRADE UNIONS

Read the following scenario and answer the questions that follow.

Trade unions are mainly established to protect and promote the rights of workers in the workplace focusing on, among others, negotiating with employers for their members. These negotiations often result in employees and trade unions taking to the streets to protest against unfair labour practices, working conditions and low wages. These protests or strike actions have a negative impact on businesses and the South African economy because of working hours lost and loss of income. They also create an image of instability in the country which may discourage foreign investment. Business contracts could be lost causing some businesses to close down and causing more job losses. Workers usually suffer a loss of income for the duration of the strike, go-slow and stay-away because of the “no work, no pay” rule. After 1990 the government adopted the following laws that would protect the rights of workers: The Labour Relations Act, the Basic Conditions of Employment Act, the Employment Equity Act and the Skills Development Act.

- 5.1 Mention the law that outlines the procedures to follow when workers want to strike. (2)
- 5.2 List ONE reason for industrial action. (2)
- 5.3 Explain the negative impact of strikes and stay-aways on businesses. (2)
- 5.4 Differentiate between a *stay-away* and a *go-slow* strike action. (2x2) (4)

[10]

[SOURCE: Google Images]

TOTAL SECTION B: 40

SECTION C**FINANCIAL LITERACY****QUESTION 6 – JOURNALS, LEDGERS AND ACCOUNTING EQUATION**

You are provided with the transactions from the books of Penny Floral Boutique. Penny is the owner of the business that sells fresh and artificial flowers at a profit mark-up of 60% on cost price.

REQUIRED TO DO:

Record the following transactions provided in the correct journals.

- | | | |
|-----|---|-----|
| 6.1 | Cash Receipts Journal with analysis columns for Analysis of Receipts; Bank; Sales; Cost of Sales; Debtors' Control and Sundry Accounts. | (9) |
| 6.2 | Cash Payments Journal with analysis columns for Bank; Trading Stock; Creditors' Control and Sundry Accounts. | (5) |
| 6.3 | Debtors' Journal with analysis columns for Sales and Cost of Sales. | (5) |
| 6.4 | Debtors' Allowances Journal with analysis columns for Debtors' Allowances and Cost of Sales. | (5) |
| 6.5 | Creditors' Journal with analysis columns for Creditors' Control; Trading Stock and Sundry Accounts. | (3) |
| 6.6 | Prepare the account of Rivonia Gardens in the Creditors' Ledger. | (6) |

PLEASE NOTE: DO NOT close off the Journals on 30 September 2018.

TRANSACTIONS FOR SEPTEMBER 2018:

- 02 Issued invoice 27 to City Events for flowers supplied to them on credit, R4 120.
- 04 Bought stock to the value of R11 400 on account from Rivonia Gardens, received invoice 76. (renumbered Z12)
- 07 City Events returned flowers not according to sample to the value of R1 360. Issued credit note 48.
- 13 Issued cheque 77 to Multiflora Co. for trading stock bought, R9 300.
- 25 Sent a cheque for R5 500 to Rivonia Gardens in part payment of amount owed to them.
- 30 Sold flowers for cash and received R 5 360. (CRT 29)
- Received a cheque from City Events in full settlement of amount owing for the month. Issued receipt 93.

6.7 ACCOUNTING EQUATION

Show the effect of the following transaction on the elements of the Accounting equation.

The owner cashed a cheque of R 3 500 to pay his son's school fees.

(6)
[39]

QUESTION 7 – GENERAL LEDGER

You are supplied with information from the books of Temba Traders.

REQUIRED TO DO:

- 7.1 Post the following completed journals to the partially completed Trading Stock Account in the General Ledger.
- 7.2 Balance the account at the end of June 2018.

INFORMATION

- **Opening Balances:** Trading Stock R 5 880

JOURNALS:

CASH RECEIPTS JOURNAL OF TEMBA TRADERS FOR JUNE 2018 CRJ6

Doc no.	Day	Details	Fol	Analysis of Receipts	Bank	Sales	Cost of Sales	Sundry Accounts		
								Amount	Fol	Details
					35 236	23 680	14 750	11 556		

CASH PAYMENTS JOURNAL OF TEMBA TRADERS FOR JUNE 2018 CPJ6

Doc no.	Day	Name of Payee	Fol	Bank	Trading Stock	Creditors' Control	Sundry Accounts		
							Amount	Fol	Details
				28 670	13 120	7 450	8 100		

CREDITORS' JOURNAL OF TEMBA TRADERS FOR JUNE 2018 CJ6

Doc no.	Day	Creditor	Fol	Creditors' Control	Trading Stock	Packing material	Sundry Accounts		
							Amount	Fol	Details
				29 288	13 740	6 345	9 203		

CREDITORS' ALLOWANCES JOURNAL OF TEMBA TRADERS FOR JUNE 2018 CAJ6

Doc no.	Day	Creditor	Fol	Creditors' Control	Trading Stock	Packing material	Sundry Accounts		
							Amount	Fol	Details
				5 098	3 120	958	1 020		

DEBTORS' JOURNAL OF TEMBA TRADERS FOR JUNE 2018 DJ6

Doc no.	Day	Debtor	Fol	Sales	Cost of Sales
				18 600	11 625

DEBTORS' ALLOWANCES JOURNAL OF TEMBA TRADERS FOR JUNE 2018 DAJ6

Doc no.	Day	Debtor	Fol	Debtors' Allowances	Cost of Sales
				4 800	3 000

[12]

QUESTION 8 – TRIAL BALANCE

Below is the General Ledger of Helix Cleaning Services on 28 February 2018.

REQUIRED TO DO:

Prepare the Trial Balance for Helix Cleaning Services as at 28 February 2018.

Balance Sheet Accounts Section

Dr		Capital					B1		Cr
					Feb	1	Bank	CRJ	80 000

Dr		Drawings					B2		Cr
Feb	28	Bank	CPJ	8 800					

Dr		Trading stock					B3		Cr
Feb	28	Bank	CPJ	22 500					

Dr		Bank					B4		Cr
Feb	28	Total receipts	CRJ	108 600	Feb	28	Total payments	CPJ	58 700
							Balance	c/d	49 900
				108 600					108 600
Mar	1	Balance	b/d	49 900					

Nominal Accounts Section

Dr		Sales					N1		Cr
					Feb	28	Bank	CRJ	26 400

Dr		Cost of Sales					N2		Cr
Feb	28	Bank	CPJ	18 000					

Dr		Packing Material					N3		Cr
Feb	28	Bank	CPJ	9 400					

Dr		Rent Income					N6		Cr
					Feb	28	Bank	CRJ	2 200

[9]

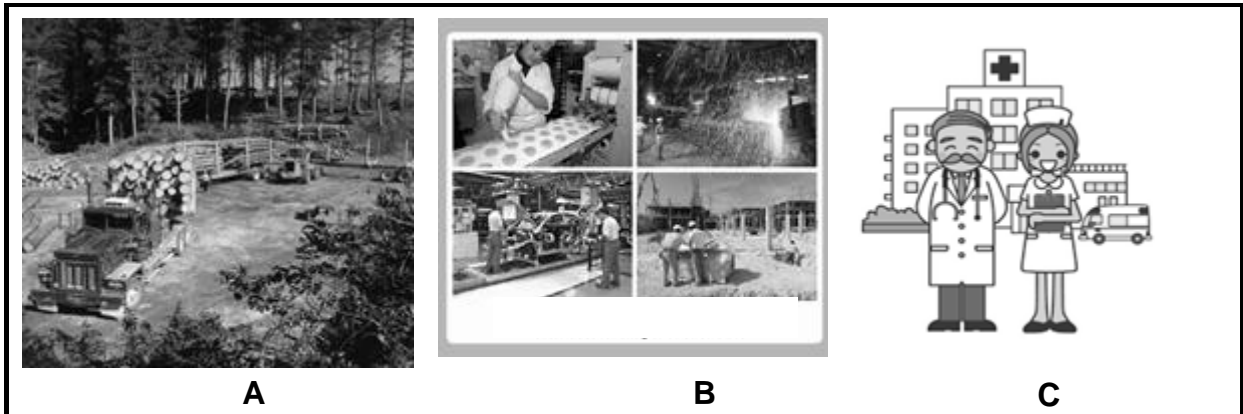
SECTION C: 60

SECTION D

ENTREPRENEURSHIP

QUESTION 9 – SECTORS IN THE ECONOMY

Study the pictures below and answer the questions that follow.



[SOURCE: Google Images]

- 9.1 Identify and describe the sector of the economy illustrated in picture B above. (2x1) (2)
- 9.2 Identify and explain the type / level of skills required in picture A and picture C. (2x2) (4)
- 9.3 Define the term *sustainable use*. (2)
- 9.4 The three sectors are interrelated to each other. Do you agree? Motivate your answer. (3x2) (6)
- [14]**

QUESTION 10 – FUNCTIONS OF A BUSINESS

Read the following extract and answer the questions that follow.

The functions of a business are the main activities needed in the business in order to function effectively and efficiently. These activities are divided into eight functional areas, namely, the general management, public relations, human resources, administration, finance, marketing, production and purchasing functions.



- 10.1 Promoting the products or services offered by a business is critical. Identify TWO means of promotion. (2x1) (2)
- 10.2 Indicate which function is responsible for the following:
- 10.2.1 Selecting the most suitable candidate for the advertised position (2)
 - 10.2.2 Managing all the inputs and outputs in the production process (2)
 - 10.2.3 Dealing with filing of documents and handling of mail (2)
 - 10.2.4 Promoting and selling of the product (2)
 - 10.2.5 Preparing the budget of the business (2)
- [12]**

QUESTION 11 – THE BUSINESS PLAN

MARY’S STORY



Mary dropped out of university after the passing on of her father. As the eldest in her family, she had the responsibility to provide for the family. With no experience, she decided to open the “Weekend Child Care Centre” in her garage, which operated on weekends only. She used the R20 000 she had as start-up capital to buy baby cots, blankets, toys, electronic games, kids’ chairs and tables. She drew up the business plan so that she could attract further investment. She employed two ladies to assist her. Her business attracted many parents with children who work over weekends and those who have other commitments over weekends. There is currently one early child care centre in the area with well-trained staff which does not operate over weekends. Mary and her staff never attended any form of training and their fees are very high. There is currently no child care centre offering aftercare programmes during the week.

[SOURCE: Adapted from Answer Series]

- 11.1 Discuss why it is necessary for an entrepreneur to prepare a business plan. (2)
 - 11.2 The marketing mix consists of 4 'P's. Name and discuss any TWO of the 4 'P's of the marketing mix. (2x2) (4)
 - 11.3 Complete a SWOT analysis for Mary’s business, based on the provided information. (4x2) (8)
- [14]**

TOTAL SECTION D: 40

TOTAL: 200

END