

GENERAL EDUCATION AND TRAINING

ECONOMIC AND MANAGEMENT SCIENCES

FINAL EXAMINATION

NOVEMBER 2014

GRADE 8

NO. OF PAGES: 11 (Including answer sheet)

DURATION: 2 HOURS

MARKS: 150

**ECONOMIC AND MANAGEMENT SCIENCES
END OF YEAR EXAM**

**GRADE: 8
TIME: 2 HOURS**

**NOVEMBER 2014
MARKS: 150**

INSTRUCTIONS

1. Write your name on your answer sheet and on your folio paper.
2. Number your answers the same as the numbering system of the question paper.
3. Write neatly and legibly.

**SECTION A
QUESTION 1**

Say whether the following statements are TRUE or FALSE. Write the answer only.

- 1.1 A cheque is used to record transactions in the Cash Payments Journal. (2)
 - 1.2 Supervisors and foremen are part of the middle management. (2)
 - 1.3 Skilled and semi-skilled workers are part of the factor market. (2)
 - 1.4 A company secretary working in town is part of self-sufficient society. (2)
 - 1.5 A close corporation consists of between 2 -20 members. (2)
 - 1.6 Economic growth is when the country purchases more goods and services. (2)
- (12)**

QUESTION 2

Identify the form of business ownership from the list below. Write only the correct word next to the question number.

Sole Trader, Public company, Public transport, Partnership, Private company, Close corporation.

- 2.1 Pest Control CC (1)
 - 2.2 Dr Grobelaar, Dr Langa and Associates. (1)
 - 2.3 Mzoli's tuckshop. (1)
 - 2.4 Putco Bus Company Ltd. (1)
 - 2.5 Tile Traders (Pty) Ltd. (1)
 - 2.6 Sarah's Hair Salon. (1)
- (6)**

QUESTION 3

Match the description in column A with the concept in column B. Write only the correct Letter next to the question number.

NO	COLUMN A (DESCRIPTION)		COLUMN B (CONCEPT)
3.1	The level of wealth, comfort and material goods that the people in a country have.	A	Trial Balance
3.2	A report which checks that the total debits are equal to the total credits.	B	Direct tax
3.3	Amounts of money owed by businesses.	C	Leading
3.4	Ensuring that people achieve the goals of the business willingly.	D	Legal personality
3.5	Personal and business income tax	E	Standard of living
3.6	The business can sue or be sued, pay tax and can enter into contracts.	F	Value-added tax
		G	Liabilities

(12)

QUESTION 4

Fill in the missing words from the statements below. Write down the word next to the number.

- 4.1 The Accounting Equation states that, Assets = _____ + Liabilities. (2)
- 4.2 South Africa has _____ levels of government. (2)
- 4.3 The owners of a company are called _____. (2)
- 4.4 _____ leadership style is the same as dictatorship. (2)
- 4.5 Tax charged on luxury items to discourage consumption is _____. (2)

(10)

TOTAL SECTION A: 40

SECTION B (ECONOMY)
QUESTION 5



Highlights of the 2014-15 South African National Budget Speech delivered by Minister of Finance, to Parliament on February 26, 2014 in Cape Town.

SPENDING PROGRAMMES: Over the next three years, government will spend:

- R410bn on social grants;
- R8.5bn on the Community Work Programme;
- R8.7bn on settlement of land restitution claims;
- R7bn for subsistence and smallholder farmers;
- R78bn on university subsidies and R19.4bn for the National Student Financial Aid Scheme.
- R34.3bn on school infrastructure;

- 5.1 Who is the Minister of Finance in the picture, and who is the current Minister of Finance? (2)
 - 5.2 Explain briefly what is meant by "Medium-term budget"? (2).
 - 5.3 Identify the government department that is responsible for distributing the R410bn for social grants. (2)
 - 5.4 R34.3bn is allocated for school infrastructure. Give 2 examples of what it can be used for. (2)
- (8)**

QUESTION 6

One of South Africa's biggest economic problem is unemployment. The rate of unemployment was 23.9% at the end of 2011.

- 6.1 Define the term "unemployment". (2)
6.2 What will happen to the people's standard of living if the unemployment rate keeps on rising? (1)
6.3 How can water be used productively to promote a healthy environment? (1)

The four factors of production are: raw material, capital, labour and entrepreneur.

- 6.4 Name the natural resources that are used for the production of the following:
a) Bread b) A table c) A woolen jersey d) Cheese (8)
(12)

QUESTION 7

- 7.1 Name the **TWO (2)** types of markets. (4)
7.2 What is the remuneration for labour? (2)
7.3 Which **TWO (2)** Acts contribute to Fair employment practices? (4)
(10)

TOTAL SECTION B: 30

SECTION C (FINANCIAL LITERACY)

(To be answered on the answer sheet provided)

QUESTION 8

Maria loves music and decided to open a business to give music lessons to talented pupils. Her business was named "Maria's Music School".

Use the information below to record the transactions in the Cash Payments Journal on the ANSWER SHEET provided. Balance the Journal at the end of the month.

Transactions for May 2013:

1. Maria increased her capital contribution by depositing R2500 into the bank account of the business, receipt issued.
7. Received R3 440 for music lessons offered to Tiny Tots crèche, issue receipt.
14. Issued cheque 221 for R350 to Rocky's Radio for a sound system bought.
17. Bought a second hand guitar from Melodys R1570, and music books R80 paid by cheque 222.
24. Issued cheque to Maria the owner, for personal use, R1500.
30. Paid municipality rent for the building R445 by cheque.

(10)

QUESTION 9

The following information appears in the books of Maseko Plumbers.

Required:

1. Prepare the following accounts in the General Ledger of Maseko Plumbers for June 2013.
 - Capital
 - Equipment
 - Bank
 - Current Income
 - Stationery
2. Balance only the Bank and Current Income Accounts.

Information

1. The following balances/totals appeared amongst others in the books on the 1 June 2013.

Capital	25 000
Equipment	25 440
Bank (Dr)	2 660
Current Income	8 500
Stationery	750

2. Totals from the Cash Journals on the 30 June 2013

CASH RECEIPTS JOURNAL	
Bank	12 800
Current Income	8 200
Rent Income	1 350
Sundry Accounts	3 250
CASH PAYMENTS JOURNAL	
Bank	9 000
Equipment	5 400
Stationery	340
Sundry Accounts	3 260

(25)

QUESTION 10

An inexperienced bookkeeper prepared a trial balance for Maseko Plumbers for 30 June 2013. The bookkeeper made a lot of mistakes and the trial balance didn't balance. Prepare the **correct** trial balance of Maseko Plumbers for 30 June 2013.

NOTE : Bank has a debit balance

Incorrect Trial Balance of Maseko Plumbers – 30 June 2013

	Fol	Debit	Credit	
Capital			379 000	
Drawings		4 800		
Current Income			43 200	
Stationery		1 800		
Land and buildings		180 000		
Equipment		53 260		
Vehicles		139 500		
Bank		24 880		
Rent Income		8 000		
Material Cost		8 400		
Trading license		2 800		
Salaries		9 900		
Insurance			940	
Telephone		2 180		
Water and electricity			1 340	
Cash float		400		
		??	??	

(20)

TOTAL SECTION C: 55

SECTION D (ENTREPRENEURSHIP)

QUESTION 11

Read the following case study and answer the questions that follow:

Case Study 1

Alec Adeyemi worked as a builder at a construction company for many years. He and another builder, Wayne, decided to start their own building construction business.

The business was earning lots of profits, as most customers were now coming to them for business. Their business burnt down and they lost all their material and equipment. They didn't take out insurance on the assets of the business and they don't have cash to replace the burnt material. They still owe R30 000 on the burnt material and Alec will have to sell his car to help pay the debts of the business.

Wayne wants to leave the business and wants his share of the capital back in order to help pay the debts of the business. They will have to close down the business, because they don't even have enough cash to pay the debts of the business.

- 11.1 What form of ownership did Alec and his colleague have? Why. (4)
- 11.2 What are the **TWO** (2) disadvantages of this type of ownership? (4)
- 11.3 Would the outcome have been different if the business had been a Close Corporation? Explain your answer. (4)
- (12)**

Case Study 2

The manager of a shoe factory was very worried when he went through the records of production output of the previous month. The records indicated a decrease in production and there was an increase in the breakage of machines and damaged shoes at the end of the production line that could not be sold.

One of the reliable workers complained about the new supervisor, Mr. Swart that he was very relaxed and always found to be in his office. He added that Mr. Swart believed that the factory workers know what to do and if they don't, they will figure it out on their own. He commented that it was much better when Mr. Mnguni was the supervisor as he was very strict and moving around all the time. Mr. Mnguni could see when a machine needed oil or fixing and always kept a close eye on the technician. There were less breakdowns when he was there. There are new workers who need guidance, but they don't get any help from the supervisor.

- 11.4 What management style did Mr. Mnguni display? Support you answer. (4)
 - 11.5 What management style is displayed by Mr Swart? (2)
 - 11.6 At which level of management is the supervisor? (2)
 - 11.7 Is the new supervisor's management style appropriate for this factory? (1)
 - 11.8 Name **FOUR (4)** tasks of a manager. (4)
- (13)**

TOTAL SECTION D: 25

GRAND TOTAL: 150

ANSWER SHEET
GRADE 8

NAME: _____

GRADE 8: _____

SECTION C (FINANCIAL LITERACY)
QUESTION 8

Cash Payments Journal of “Maria’s Music School” – May 2013 **CPJ 1**

Doc. no.	Day	Name of Payee	Fol	BANK	Equipment	Sundry Accounts		
						Amount	Fol	Details

QUESTION 9

General Ledger of Maseko Plumbers

Balance Sheet Section

Dr			Capital				B1			Cr	
Month	Day	Details	Fol	Amount		Month	Day	Details	Fol	Amount	

Equipment						B2					

GENERAL EDUCATION AND TRAINING

ECONOMIC AND MANAGEMENT SCIENCES

FINAL EXAMINATION

MEMORANDUM

NOVEMBER 2014

GRADE 8

NO. OF PAGES: 8

DURATION: 2 HOURS

MARKS: 150

NOVEMBER EXAM MEMORANDUM

SECTION A

QUESTION 1

- 1.1 True √√
 - 1.2 False √√
 - 1.3 True √√
 - 1.4 False √√
 - 1.5 False √√
 - 1.6 False √√
- (12)**

QUESTION 2

- 2.1 Close corporation √
 - 2.2 Partnership √
 - 2.3 Sole Trader √
 - 2.4 Public company √
 - 2.5 Private company √
 - 2.6 Sole Trader √
- (6)**

QUESTION 3

- 3.1 E √√
 - 3.2 A √√
 - 3.3 G √√
 - 3.4 C √√
 - 3.5 B √√
 - 3.6 D √√
- (12)**

QUESTION 4

- 4.1 Owner's Equity √ √
 - 4.2 Three √√
 - 4.3 Shareholder √√
 - 4.4 Autocratic √√
 - 4.5 Excise tax √ √
- (10)**

TOTAL SECTION A: 40

SECTION B (The economy)

QUESTION 5

- 5.1 Pravin Gordhan and new minister is Nhlanhla Nene √√
- 5.2 Budget that is presented during the mid-term of the budget period. √√
- 5.3 The Department of Social Development. √√
- 5.4 Building schools, extra classrooms and administration blocks. √
Provide schools with furniture, equipment, libraries and laboratories. √
(Any 2 reasonable answers)

(8)

QUESTION 6

- 6.1 Unemployment occurs when people are without jobs and are actively looking for work but are unable to find it. √√
- 6.2 The standard of living will drop/ poverty √
- 6.3 Water needs to be re-cycled in order to be used productively. √
e.g. Use water from the bath to wash your car.
- 6.4
- Bread - wheat √√
 - Table - trees √√
 - Jersey - sheep skin √√
 - Cheese - cow's milk √√

(12)

QUESTION 7

- 7.1 Goods market√√ Services market. √√
- 7.2 Salaries and wages. √√
- 7.3 Acts that contribute to fair employment:
- Labour Relations Act. √√
 - Basic Conditions of Employment. √√
 - Employment Equity Act **(Any 2)**

(10)

TOTAL SECTION B: 30

SECTION C: FINANCIAL LITERACY

QUESTION 8 : CASH PAYMENTS JOURNAL

CASH PAYMENTS JOURNAL OF MARIA'S MUSIC SCHOOL- MAY 2013

CPJ 1

Doc no	Day	Name of payee	Fol	Bank		Equipment		Sundry accounts		Details
				Amount	Fol	Amount	Fol	Amount	Fol	
221	14	Rocky's Radio		350	00	350	00			
222	17	Melodys		1 650	00	1 570	00	80	00	Stationery ✓
223	24	Maria		1 500	00			1 500	00	Drawings ✓
224	30	Municipality		445	00			445	00	Rent Expense ✓
✓										

*✓ All have to be correct to earn 1 mark.

(10)

QUESTION 9: GENERAL LEDGER

Please note the following before marking the posting:

- (a) If the entry is made on the wrong side of the account, NO marks are awarded!!
- (b) , this is a method mark awarded to a learner who has applied the correct principle, but wrong amount.

GENERAL LEDGER OF MASEKO PLUMBERS

BALANCE SHEET ACCOUNT SECTION

Dr				CAPITAL				B1		Cr	
Date		Details	Fol	Amount		Date	Details	Fol	Amount		
						2013 June	1	Balance	b/d	25 000	00√
(1)											

Dr				EQUIPMENT				B4		Cr	
Date		Details	Fol	Amount		Date	Details	Fol	Amount		
2013 June	1	Balance	b/d	25 440	00√						
2013 June	30	Bank √	CPJ1 √	5 440	00√						
(4)											

Dr				BANK				B5		Cr	
Date		Details	Fol	Amount		Date	Details	Fol	Amount		
2013 June	1	Balance	b/d	2 660	00√	2013 June	30	Total payments √	CPJ1	9 000	00√
2013 June	30	Total receipts√	CRJ1	12 800	00√	2013 June	30	Balance	c/d√	6 460	00√√
				15 460	00					15 460	00
2013 July	1√	Balance	b/d	6 460	00 <input checked="" type="checkbox"/>						
(10)											

NOMINAL ACCOUNT SECTION

Dr				CURRENT INCOME				N1		Cr	
Date		Details	Fol	Amount		Date	Details	Fol	Amount		
						2013 June	1	Total	b/d	8 500	00√
						2013 June	30	Bank √	CRJ1 √	8 200	00√
										16 700	00√√

Dr		STATIONERY				N2		Cr	
Date		Details	Fol	Amount		Date	Details	Fol	Amount
2013 June	1	Total	b/d	750	00√				
2013 June	30	Bank √	CRJ1 √	340	00√				

(4)

QUESTION 10: TRIAL BALANCE

(20)

Trial balance of Maseko Plumbers on 30 June 2013

		Balance sheet section √	Debit		Credit	
		Capital			379 000	00√
		Drawings	4 800	00√		
		Land and Buildings	180 000	00√		
		Vehicles	139 500	00√		
		Equipment	53 260	00√		
		Bank	24 880	00√		
		Cash float	400	00√		
		Nominal account section √				
		Current Income			43 200	00√
		Rent income			8 000	00√
		Interest income				
		Material Cost	8 400	00√		
		Trading License	2 800	00√		
		Salaries	9 900	00√		
		Stationery	1 800	00√		
		Insurance	940	00√		
		Telephone	2 180	00√		
		Water and electricity	1 340	00√		
			430 200	00√	430 200	00√

SECTION D: ENTREPRENEURSHIP

QUESTION 11

11.1 Partnership;√√

They are both liable for the debts of the business. √√

11.2 Disadvantages of the form of ownership

- It has unlimited liability (partners are liable for the debts) √√
- It lacks continuity (If one partner dies or withdraws, it dissolve) √√
- It may be difficult to work with a partner you can differ in opinion.
- (Any two relevant answers)

11.3 Yes; √√

The members personal possessions would not have been in danger to pay for the debts of the business. √√

11.4 Autocratic leadership; √√

He was strict and always kept an eye on everyone. √√

11.5 Laissez-faire. √√

11.6 Lower management. √√

11.7 Yes √

11.8 Management tasks are:

- Planning√
- Leading √
- Organizing √
- Controlling √

(25)
TOTAL SECTION D: 25

GRAND TOTAL: 150