



**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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## ECONOMIC AND MANAGEMENT SCIENCES

TIME: 90 minutes

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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)
		<b>[40]</b>

**SECTION B: THE ECONOMY**

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

**SECTION C: FINANCIAL LITERACY**

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

**SECTION D: ENTREPRENEURSHIP**

QUESTION 8:	Sectors of the Economy	(15)
		<b>[15]</b>

- 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)

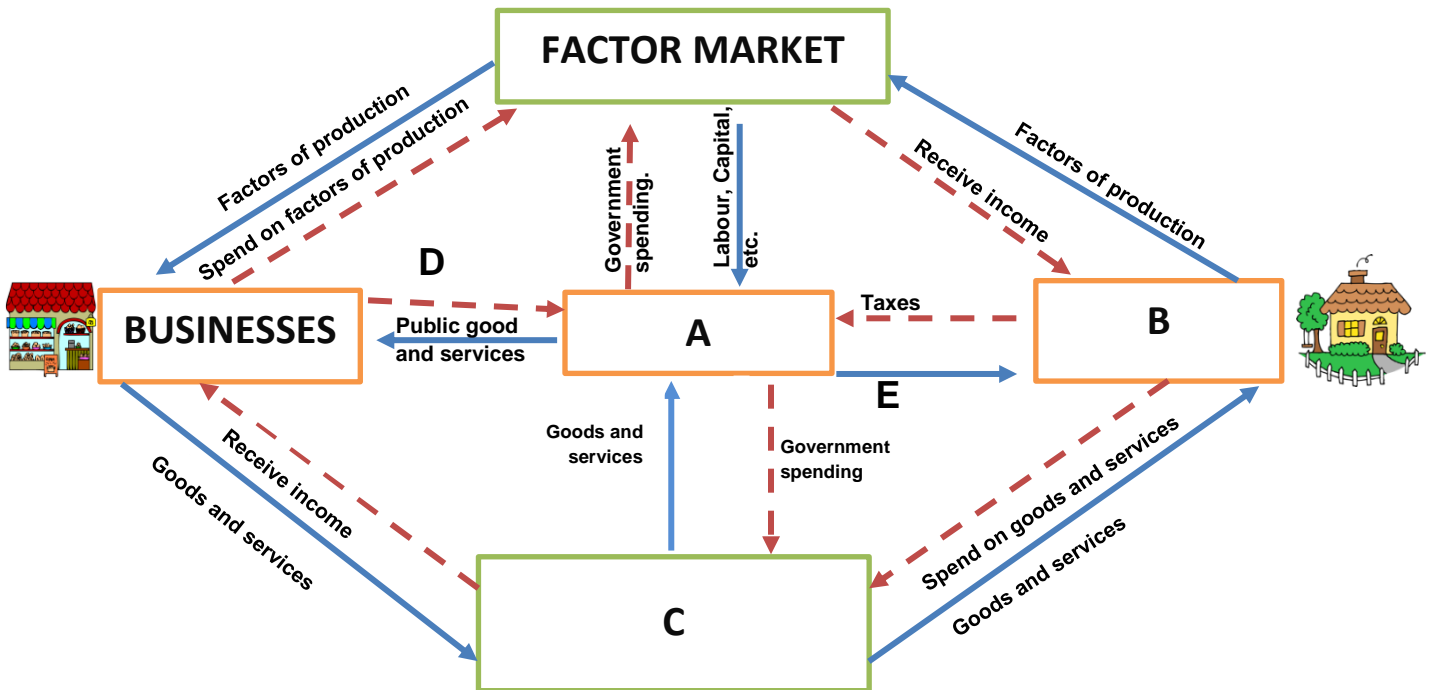
**[10]**

**TOTAL SECTION A: 40**



**QUESTION 3 – CIRCULAR FLOW**

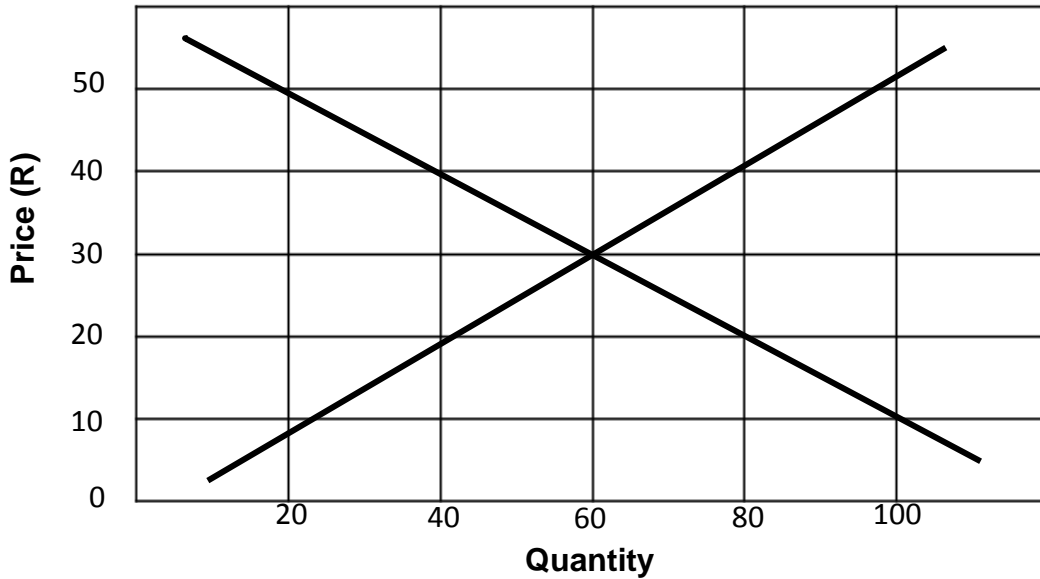
Study the following circular flow diagram before answering the questions that follow.



- 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		
					<b>B4</b>	<b>N1</b>	<b>N2/B5</b>			

**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		
				<b>B4</b>	<b>B5</b>	<b>N6</b>			

P.T.O.

**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.

<b>Economic sector</b>	<b>Activity</b>	<b>Example</b>
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**