

INSTRUCTIONS AND INFORMATION

1. This question paper is consist of 7 questions
2. Answer section A, B en C on the spaces provided on the question.
3. Answer section D on the answer sheet provided at back of question paper.
4. All questions are COMPULSORY.
5. Read the instructions thoroughly before answering the questions.
6. The use of a calculator is permissible.

CONTENTS AND TIME GUIDE

SECTION	TYPE OF QUESTION	DURATION In minutes	MARKS	TOTAL
Section A				
Question 1.1	Multiple choice	6	10	
Question 1.2	Match type	6	10	20
SECTION B (THE ECONOMY)				
Question 2	Diagram	9	15	
Question 3	Calculations and Graphs	9	15	30
SECTION C (ENTREPRENEURSHIP)				
Question 4	Case Study	6	10	10
SECTION D (FINANCIAL LITERACY)				
Question 5	Journals	10	17	
Question 6	General Ledger	7	11	
Question 7	Analysis	7	12	40
TOTAL		60 Min		100

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

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

1.1.1 When people are looking for a job and the people who have jobs meet and negotiate about salaries, it will happen in the

- A Goods market
- B Service market
- C Community market
- D Labour market

(2)

Read the following extract before answering question 1.1.2 and question 1.1.3

Sanna is working on a tomato farm that belongs to her country's government. She is working 10 hours a day and all the workers receive the same salary, regardless the production for the month. Sanna and her family stays on the farm and don't have to pay rent. The government pays her children's school fees. Her husband is a teacher and also get paid by the government

1.1.2 The tomato farm Sanna is working on, can best be described as

- A Socialistic
- B Capitalistic
- C Market driven
- D Equity

(2)

1.1.3 If Sanna worked on a tomato farm that was privately owned, and the price was determined by the demand and supply for tomatoes with limited interference by government, we can assume Sanna is living in a country with a _____ economy

- A Planned
- B Market
- C Mixed
- D None of the above

(2)

1.1.4 The document used when the business is selling goods to customers on **credit** is called _____

- A Receipt
- B Invoice
- C Cheque
- D Debit Note

(2)

1.1.5 National Credit Act (NCA) is a law that regulates and protects the _____

- A The owner when he is using the business money
- B The bookkeeper when is recording in the business books
- C The rights of the business and customers in doing credit transactions
- D All of the above

(2)

[10]**QUESTION 1.2: MATCH TYPE**

Match the description in column B to the term in column A. Choose the correct answer and write only the letter (A - F) next to the question number (1.2.1 – 1.2.5) in the ANSWER BOOK

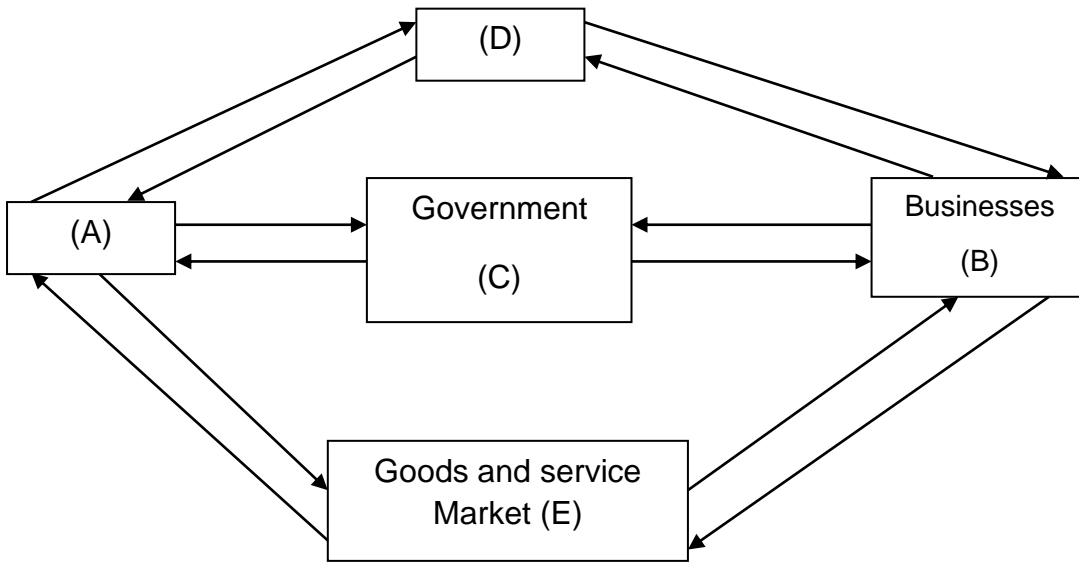
COLUMN A	COLUMN B	ANSWER
1.2.1 Democracy	A. Primary sector	1.2.1 -
1.2.2 Prevention	B. All events or actions in the business that are worth recording	1.2.2 -
1.2.3 Farms, factories, fishery	C. Finding ways to ensure natural resources are not completely used up	1.2.3 -
1.2.4 Transactions	D. Document used when the money is received	1.2.4 -
1.2.5 Receipt	E. Cash Payments Journal	1.2.5 -
	F. The government of the majority	

[10]**[TOTAL SECTION A: 20]****SECTION B: THE ECONOMY**

QUESTION 2: THE ECONOMIC CYCLE

Study the following circular flow and answer the questions that follow:

(15)



2.1.1 What kind of economy is represented in the above circular flow? _____ (2)

2.1.2 Identify the letters A and D.
A: _____
D: _____ (2)

2.1.3 Explain the relationship between A and E.

_____ (2)

2.1.4 In any economy there is a flow of money and a flow of goods and services. Explain the flow of money in this economy.

(4X2=8)

2.1.5 Name one income households can receive from businesses.

(1)

[15]

QUESTION 3: PRICE THEORY

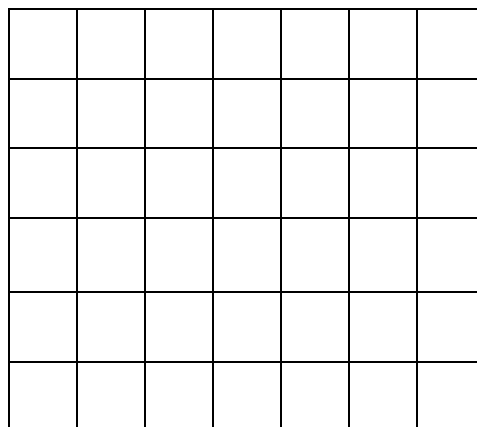
“Give a man a fish and you feed him for a day. Teach a man to fish and you feed him for a lifetime”

Study the following demand and supply schedule for fish and answer the questions that follow:

Price	Quantity demanded	Quantity supplied
R100	250	50
R120	200	100
R140	150	150
R160	100	200
R180	50	250

3.1 Use the data in the above schedule to draw a demand and supply curve on the same graph

(7)



3.2 Determine the equilibrium price and quantity for fish.

(2)

3.3 Price causes a change in the quantity demanded. List 2 factors that can cause a change in demand.

(2X2=4)

3.4 Define the law of supply.

(2)

[15]

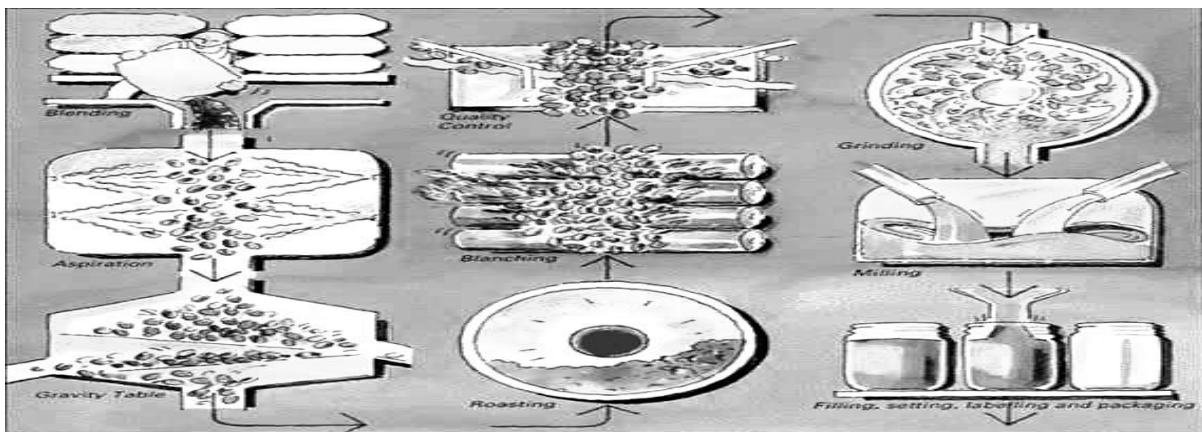
[TOTAL SECTION B: 30]

**SECTION C: ENTREPRENEURSHIP
QUESTION 4: ECONOMIC SECTOR**

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

(10)

How Peanut Butter is made



Peanuts (also known as groundnuts) are not nuts at all but legumes, which have the peculiar habit of ripening underneath the earth. Peanuts are native to South America but are grown today in many countries with warm climates, such as India, China, West Africa, the USA and Australia.

The grinding of peanuts into an edible paste goes back 1,000 years to South America. The making of a more refined peanut butter began in the USA just over 100 years ago.

Sanitarium started making and selling peanut butter in Australasia in 1898. Today Sanitarium's Peanut Butter factory is located at Berkeley Vale, New South Wales.

Cleaning and Preparation - *As peanuts grow in the ground, they have to be cleaned of stones, soil and any other contaminants. In a process called aspiration we blow through them to remove light unwanted material. We also shake them on a gravity table which removes lighter contaminants at one end and heavier contaminants at the other.*

Roasting and Blanching - *We do this either by brushing the peanuts with stout bristles or rolling them against rubber rollers.*

Grinding - Peanuts are ground into a paste in a mill.

Setting and Packing - During milling we heat the peanut butter to 80° C and add molten stabiliser. This stops the peanut butter from separating in the jar. .

The peanut butter is then cooled to between 35° C and 50° C, poured into jars and allowed to set.

The whole process, from roasting to sealing in the jar, only takes approximately three hours!

From the Factory to the Store

After setting, cartons of jars of peanut butter are stored in a company warehouse either next to the factory or transported to company warehouses interstate. From each of these warehouses we distribute the product to wholesale warehouses and then to retail stores.

from Sanitarium.com

4.1 Peanuts are needed in order to manufacture peanut butter. Which economic sector is involved in the collection of raw materials?

_____ (2)

4.2 In the production of peanut butter there are 4 steps that need to be followed. Explain why the factory workers in a peanut butter factory are semi-skilled.

_____ (2)

4.3 Give one example of workers that you can find in a factory that are unskilled.

_____ (1)

4.4 People all over the world enjoy peanut butter. Explain the role of the tertiary sector in the economy.

_____ (2)

4.5 Explain why the primary sector in particularly needs to use resources sustainably.

_____ (3)
[10]

[TOTAL SECTION C: 10]

SECTION D: FINANCIAL LITERACY
QUESTION 5: JOURNALS

Kool Monate, proud owner of Sweet Monate Stores, started a sweet and cake

business two months ago. He sells all sweets and cakes at a profit mark up of 25 % on the cost price. The transactions for the month of May 2014 are given below:

INSTRUCTIONS AND INFORMATION:

1. Record the transactions for May 2014 in the following journals:

- Cash Receipts Journal, with analysis columns for Analysis of receipts; Bank; Sales; Cost of sales; Debtors and Sundry accounts.
- Cash Payments Journal, with analysis columns for Bank; Trading Stock; Wages; Stationery and Sundry accounts.
- Debtors Journal, with Sales and Cost of Sales
- Debtors Allowance journal, with Debtors Allowance and Cost of Sales
- **NOTE:** Do **NOT** close off the journals on 31 May 2014

2. List of Debtors balances

O. Skoloto R 3 900
K. Klaar R 2 000

Transactions for May 2014

- 1 The owner, Kool Monate deposited additional R50 000 directly into the account of the business, receipt 001 issued to him.
- 3 Cash sales of goods for R1 200 (mark up 25%).
- 7 Bought trading stock R3 700 and Stationery R 300 from Multi Wholesales, paid by cheque no. C04.
- 14 Sold merchandise on credit to J. Naidoo, R1 000 (Cost price R800).
- 21 Received a cheque from a debtor O. Skoloto for the amount owed by him.
- 25 Cashed a cheque to pay wages for R 500.
- 29 J. Naidoo returned some of the goods sold to her on credit, R500 (Cost price R400).

[17]

QUESTION 6: GENERAL LEDGER

The following information was taken from the books of Kleen Painters Stores for the month of February 2014.

INSTRUCTIONS:

Post the totals from the journals to the following accounts in the General Ledger of Kleen Painters stores:

1. Bank
2. Trading Stock

Balance the accounts on 28 February 2014

Cash Receipts Journal of Kleen Painters Stores– February 2014 CRJ1

Analysis of receipts	Bank	Sales	Cost of sales	Sundry accounts		
				Amount	Fol	Details
	95 400	18 000	12 000	77 400		

[11]

Cash Payments Journal of Kleen Painters Stores – February 2014 CPJ1

Bank	Trading Stock	Stationery	Wages	Sundry accounts		
				Amount	Fol	Details
15 100	13 000	500	1 600			

QUESTION 7: ANALYSIS OF TRANSACTIONS

Analyse and record the following transactions in the table provided

Example:

Received a cheque from J. Houston for monthly rent, R 600

NO	Account		Amount	Asset	= Owner's equity	+ Liabilities
	Debit	Credit				
e.g.	Bank	Rent Income	R600	+ 600	+ 600	0

[12]

Transactions:

1. Owner, C Chaba, contributed R 5 000 into his business bank account
2. Credit sales of merchandise to J. James for R 900. (Mark up 50%)

[SECTION D: 40]

[TOTAL: 100]

ANSWER SHEET FOR QUESTION 5 – 7

QUESTION 5:

CASH RECEIPTS JOURNAL OF MONATE STORES – MAY 2014

CRJ1

Doc no.	Day	Details	Fol	Analysis of Receipts	Bank	Sales	Cost of sales	Debtors Control	Sundry accounts		
									Amount	Fol	Details

CASH PAYMENTS JOURNAL OF MONATE STORES – MAY 2014

CPJ1

Doc no	Day	Details	Fol	Bank	Trading stock	Stationery	Wages	Sundry accounts		
								Amount	Fol	Details

DEBTORS JOURNAL OF MONATE STORES – MAY 2014

DJ

Doc	Day	Debtor	Fol	Sales	Cost of sales

DEBTORS ALLOWANCE JOURNAL OF MONATE STORES – MAY 2014

DAJ

Doc	Day	Debtors	Fol	Debtors allowance	Cost of sales

[17]

QUESTION 6: GENERAL LEDGER

General Ledger of Kleen Painter Stores

Dr.				Bank				Cr	
Date	Day	Details	Fol	Amount	Date	Day	Details	Fol	Amount

Dr.				Trading Stock				Cr	
Date	Day	Details	Fol	Amount	Date	Day	Details	Fol	Amount

[11]

QUESTION 7: TRANSACTION ANALYSIS

NO	Account		Assets	Owner's equity	Liability
	Debit	Credit			
E.g.	Bank	Rent Income	+ 600	+ 600	0
1.					
2.					

[12]

[TOTAL: 100]