

SASTRI COLLEGE DEPARTMENT OF BCM FINAL EXAMS - 2018 ECONOMIC AND MANAGEMENT SCIENCE GRADE: 8

EXAMINER: B.S.PATEL

MARKS: 150

MODERATOR: Z.B.ISMAIL

TIME: 2 HOURS

INSTRUCTIONS

- THIS BOOKLET SERVES AS BOTH A QUESTION PAPER AND ANSWER BOOK.
- THIS BOOKLET CONSISTS OF 10 PAGES.
- ANSWER ALL QUESTIONS IN THE SPACE PROVIDED.
- READ THE INSTRUCTIONS FOR EACH QUESTION CAREFULLY AND ANSWER ONLY WHAT IS REQUIRED.
- USE THE MARK ALLOCATION TO DETERMINE THE LENGTH OF ANSWERS.
- SHOW ALL YOUR WORKINGS WHERE APPLICABLE.
- WRITE CLEARLY AND NEATLY.

NARGE.	GRADE:	8	
NAME:	GRADE.		150

SECTION	TOPIC/ TYPES OF QUESTIONS	MAX Mark	FINAL MARK	MOD
Α	1.1 Multiple Choice Question	10		
 Economy 	1.2 Matching Columns	10		
 Financial Literacy 	1.3 True or False	10		
 Entrepreneurship 	1.4 Fill in the missing word	10		
В	2. Government and National Budget	18		***************************************
Economy	3. Standard of Living	13		
	4 Markets	5		
С	5. Subsidiary Journals	22		
Financial Literacy	6. General Ledger	12		
,	7. Accounting Concepts	3		
	8. Accounting Equation	12		
D Entrepreneurship	Factors of Production/ Forms of Ownership/ Management	25		
	TOTAL	150		

SECTION A : QUESTION 1

MULTIPLE CHOICE QUESTION – 10 MARKS

- 1.1 Choose the correct answer from the alternatives provided. Only CIRCLE the letter corresponding to your choice.
- 1.1. Value Added Tax (VAT) is an example of:
 - A. Direct Tax
 - B. Sin Tax
 - C. Indirect Tax
 - D. Personal Tax
- 1.1. Unemployment occurs when -----

2

1

- A. People who have jobs look for jobs
- B. People who do not have jobs, find jobs
- C. People have lots of jobs
- D. People who do not have jobs, are actively looking for jobs but cannot find any.
- 1.1. The four elements of management are:

3

- A. Planning, organising, leading, controlling
- B. Planning, advertising, controlling, leading
- C. Leading, planning, deciding, organising
- D. Organising, leading, controlling, deciding
- 1.1. The supply of water is the responsibility of which level of Government?

4

- A. Provincial Government
- B. National Government
- C. State
- D. Local Government

Another term for the first book of entry.

1.1. 5

- A. General Ledger
- B. Trial Balance
- C. Source Document
- D. Subsidiary Journal

MATCHING COLUMNS- 10 MARKS

1.2 Match each of the statements in **COLUMN A** with the terms in **COLUMN B**. Write down only the correct letter next to the number in the space provided.

	COLUMNA		COLUMN'B	ANSWER
1.2.1	The supply of labour depends on the	Α	Lifestyle	1.2.1
1.2.2	Income is greater than expenses	В	Company Tax	1.2.2
1.2.3	The owner is liable for all the debts of the business	С	Profit	1.2.3
1.2.4	The manner in which people spend their money, use goods and services, worship and express their culture	D	Composition of gender and age	1.2.4
1.2.5	Charged on products that South Africans import from other countries.	E	Customs Duty	1.2.5
		F	Sole Trader	

TRUE OR FALSE QUESTION- 10 MARKS

1.3 Indicate whether the following statements are TRUE or FALSE. Write down only TRUE or FALSE in the space provided

		ANSWER
1.3.1	The name of a private company has to end with LTD.	
1.3.2	The original receipt is retained by the business and the duplicate receipt is given to the customer.	
1.3.3	The reward for natural resources (land) is rent	
1.3.4	The source document for salaries paid is a deposit slip.	
1.3.5	Interest Income will be listed under the Nominal Account Section In the Trial Balance	

FILL IN THE MISSING WORDS- 10 MARKS

1.4 Pr in	ovide the correct word/s to complete each of the space provided.	of the following statements. Write only the correct answer
1.4.1	Thethe arithmetical accuracy of entries.	_ is used to test the application of the double entry principle and
1.4.2	Aa specific date.	is a statement that reflects the financial position of a business a
1.4.3	Thecovers affirmative action.	Act ensures that businesses treat their workers fairly and
1.4.4	Public companies can raise a large amount	nt of capital by issuing/ selling
1.4.5	Minimum wage structures is one of the ma	ain causes of

SECTION B - THE ECONOMY QUESTION 2 - GOVERNMENT AND NATIONAL BUDGET

2.1 Analyse the information below and answer the questions that follow:

Summary of 2018/2019 Budget Expenditure

Cutimary of 2010/2019 Budge	3t Expenditure
BUDGET ALLOCATION	REVENUE PERCENTAGES
Economic Development	14
Debt Service Cost	9
Social Development	2
Health	15
Peace and security	12
General public services	11
Transport	7
Housing	4
Education	19

2.1.1	Calculate the allocation for social development in percentage.	(2)
۲.۱.۱	Calculate the diseases for a second s]
	for this	(3)
2.1.2	Identify the government department which received the largest allocation. Motivate a reason for this	"
	allocation.	
and the same of th		
NA COLOMBIA		
-		
2.1.3	Which department is police allocation coming from?	(2)
2.1.0		
2.1.4	List any 3 (three) sources of state revenue.	(3)
		_
L		
	in the second se	(4)
2.1.5	Outline the role of the National Government as both a producer and consumer in respect of business.	
		-
		100
2.1.0	Describe two ways in which the National Budget influences growth and redressing inequalities.	(4)
		}
1000 mm		

QUESTION 3 -STANDARD OF LIVING

3.1 Use the table below to classify each of the following statements as referring to self – sufficient societies, rural societies or modern societies.

	STATEMENT	TYPE OF SOCIETY
3.1.1	Use technology in everyday life.	
3.1.2	Are situated in areas isolated from cities.	
3.1.3	Plough maize in order to provide food for their families.	
3.1.4	Do specialised jobs in large industries.	
3.1.5	They do not earn large income because they rely on small	
	businesses.	

	Do opecialised jobs in large industries.		
3.1.5	They do not earn large income because they rely on small businesses.		
			5
			3
3.2	"Development has a negative impact in our environment". Exp	lain.	(4)
			ummanay
3.3	Cumply TIMO overseles of the annulus		
3.3	Supply TWO examples of the productive use of resources to p	romote a healthy environme	ent. (4)
	QUESTION 4-MARKET	<u> E</u>	
4.1	Define the term factor market.		(2)
			(-)
4.2 Inc	dicate by an X if each of the statements refers to Goods and Ser	vices Market or Factor Mark	ket
Nature	e of Activity	Goods and Services Market	Factor Market
4.2.1	Banks offering various investment options and providing loans	THAT IVE	
4.2.2	Flea markets where people sell all kinds of used items like		
4.2.3	books, clothes, toys. Paying Mothusi Drycleaners		

3	

SECTION C - FINANCIAL LITERACY

QUESTION 5 - CASH JOURNALS

Mrs Jean Paul recently won the jackpot while playing bingo. She decided to use this money to fulfil a lifelong dream and open a pet grooming service business called "Posh Pets". The transactions which follow relate to the first month of operations being May 2018.

Instructions:

Record the transactions in:

- 5.1 Cash Receipts Journal
- 5.2 Cash Payments Journal

Do not add your own columns. Do not close off the journals.

Transactions May

- Mrs Jean Paul electronically transferred R80 000 from her personal savings account to the cheque 1 account of the business as her initial contribution. (receipt 001)
- Paid R550 to The Daily News for advertising. (cheque 001)
- Purchased grooming tools and other equipment from Makro and paid by cheque, R2 500.
- Received R1 900 for clipping the coats of two poodles. 10
- Cashed a cheque to pay the wages to the grooming assistant, R1 700. 14
- Rented a small space to Mr Irfaan for his cell phone repair business at a monthly rental of R3 000. Issued 19
- Service fees as per cash register tape, R1 200. 19
- The owner withdrew R 7 500 to pay for her son's school fees. 26

200	DAY	DETAILS	ANALYSIS	BANK	CURRENT	SUNDR	Y ACCOUNT
NO NO	DAT	DETAIL	OF RECEIPTS		INCOME	AMOUNT	DETAILS
-				_			
				<u>-</u>			
				····			
	<u> </u>						

		CASH PAYMENTSS JOURN DAY NAME OF PAYEE FOI	FOL	 WAGES	SUNDRY ACCOUNT	
NO NO	DAY	TARILE OF TAXEL			AMOUNT	DETAILS

22	

QUESTION 6- GENERAL LEDGER

The information given below was taken from the financial records of Mambo Taxi Services for June 2018. Opening balances as at 1 June 2018:

Bank

R25 000 (debit)

Capital

R10 000

TOTAL	S FROM CRJ	
Bank	R45 000	-10
Current income	R7 000	
Capital	R15 000	

TOTAL	S FROM CPJ
Bank	R30 500
Rent Expense	R3 000
Stationery	R4 500
Equipment	R15 000

REQUIRED: Use the information to complete the following accounts in the General Ledger.

Bank Account

Balance this account at the end of the month

(8) (4)

6.2 Capital Account

DO NOT balance this account at the end of the month

GENERAL LE BALANC	DGER OF MAMB E SHEET ACCOU BANK	

8

	ACCOUNT SECTION PITAL	

4

QUESTION 7- ACCOUNTING CONCEPTS

Give ONE example of each of the following:

	ANSWER
Fixed Asset	
Current Asset	
Liability	
	Current Asset

3

QUESTION 8- ACCOUNTING EQUATION

Analyse the transactions below according to the columns provided.

Transaction	Account Debit	Account Credit	A =	OE +	<u>L</u>
Bought stationery for cash from Mighty Suppliers, R2 700.					
Bought a second hand vehicle costing R70 000 by cheque.					
Tando starts his business with a cash investment of R12 000.					

12

SECTION D - ENTREPRENEURSHIP

QUESTION 9

Read the case study below and answer the questions that follow.

COCO'S RESTAURANT

Elaine Joseph and Sally Gumede are the owners and managers of a popular restaurant called CoCo's. The restaurant has a take –away and a sit – down section, and serve delicious meals for lunch and dinner.

Sally is in charge of the restaurants' employees. There are people who work in the kitchen under the management of the chef, who reports to Sally. She directly oversees the people who clean the restaurant, as well as the waiters and waitresses, and she organises the shifts that everyone works.

Elaine is responsible for many of the other tasks that form part of running a restaurant. She deals with all the correspondence, monitors the stock levels. Elaine also evaluates the success of different items on CoCo's menu. After her evaluation, she removes those items that are not selling well, and adds new options to the menu in their place.

When Sally and Elaine decided to change the uniforms worn by the waiters and waitresses, Sally wanted to call a meeting of the staff to show them the uniform samples so that they could choose the one they liked best. Elaine disagreed with Sally's approach. She did not want to consult the staff. She liked one fabric and style, and wanted to go ahead and have the uniforms made up.

9.1.	In the situation described above, describe which person is a democratic manager. Motivate your answer by quoting from the case study.	(3)
		2
9.2	Elaine's style of management differs from Sally's. Whose way is better? Why do you think so?	(3)
9.3	State ONE advantages and ONE disadvantage of Elaine having a partner. Advantage: Disadvantage	(4)

				L
	List TWO rights of workers.			(2)
).4	List 1440 rights of works			
9.5	Both Sally and Elaine work	hard to achieve their goal and reali	se a good return on their investment	(4)
	in the business. Explain the difference betwe	een own capital and borrowed capi	tal.	
	Own Capital			
				1
	Borrowed Capital			
	things			
				- (4)
9.6	Identify the factor of production with its remuneration represented by each of the following:			(4)
		Factor of Production	Reward	-
	Sally and Elaine Waiters			
				(3)
9.7	Does the job of "cleaners i	- the rectourant" fall under skilled	semi- skilled or unskilled labour.	1 (3)
	I a mark to a company of the company	n the restaurant han under okmour		
	Motivate your answer.	n me restaurant han under oktioser		
	Motivate your answer.	n me restaurant han under oktioss,		
	Motivate your answer.	n me restaurant han under oktioss,		
	Motivate your answer.	n me restaurant Tan under oktioss,		
	Motivate your answer.			
9.8	Motivate your answer.	ons taken by each of the following:		(2
9.8	Motivate your answer.	ons taken by each of the following:		
9.8	Motivate your answer.	ons taken by each of the following:		
9.8	Motivate your answer. Identify the type of decision	ons taken by each of the following:		