



Province of the  
**EASTERN CAPE**  
EDUCATION

**SENIOR PHASE**

**GRADE 9**

**NOVEMBER 2012**

**ECONOMIC AND MANAGEMENT SCIENCES**

NAME OF THE LEARNER: \_\_\_\_\_

MARKS: 100

TIME: 2 hours

---

This question paper consists of 16 pages which is also an answer book.

---

**INSTRUCTIONS**

1. This question paper consists of SEVEN QUESTIONS.
2. Answer ALL questions.
3. Read the instructions for each question carefully and answer only what is required.
4. Questions must be answered ON THIS QUESTION PAPER.
5. Use the mark allocation to determine the length of answers.
6. Write clearly and neatly.

**QUESTION 1****/10/**

## 1.1 MULTIPLE-CHOICE QUESTIONS

Carefully read the questions that follow and **circle** the correct answer. Three answers are provided for each question.

1.1.1 SAPPI Ltd is an example of a ...

- A close corporation.
- B private company.
- C public company. (1)

1.1.2 A business with a minimum of 1 and a maximum of 50 members is a ...

- A close corporation.
- B private company.
- C public company. (1)

1.1.3 The acronym SMME stands for ...

- A sustainable micro and market environment.
- B substantial micro and macro enterprise.
- C small, medium and micro-enterprise. (1)

1.1.4 When a country exports more than it imports it has a ...

- A trade surplus.
- B trade deficit.
- C trade agreement. (1)

1.1.5 The notation of the accounting equation is ...

- A Assets plus Owner's equity equals Liabilities.
- B Assets minus Liabilities equals Owner's equity.
- C Assets plus Liabilities equals Owner's equity. (1)

- 1.2 Choose the term in COLUMN B that matches the description in COLUMN A.  
Write only the correct LETTER next to the corresponding NUMBER in the space provided for your answers:

	<b>COLUMN A</b>		<b>COLUMN B</b>
1.2.1	The payment for capital	A	Economic development
1.2.2	The quantity of an article offered for sale at a given price, place and time	B	Invoice
1.2.3	The source document used for recording credit sales to debtors	C	SADTU
1.2.4	The largest trade union in South Africa	D	Globalisation
1.2.5	A trend towards free trade between all countries in the world	E	Interest
		F	COSATU
		G	Supply
		H	Receipt

**ANSWERS**

(5x1) (5)

1.2.1 \_\_\_\_\_ (1)      1.2.4 \_\_\_\_\_ (1)  
 1.2.2 \_\_\_\_\_ (1)      1.2.5 \_\_\_\_\_ (1)  
 1.2.3 \_\_\_\_\_ (1)

**[10]**

**QUESTION 2**

**/15/**

2.1 Read the four newspaper headlines which follows:

In EACH case, decide if the event will cause a change in the current market demand for beef. If so, decide if it is an **increase** or a **decrease**, and write the correct answer. If the event causes no change in demand, write, “**no change**”.

Give a reason for your answer (using determinants of demand).

Example: Elimination of trade barriers enables foreign countries to import beef.

Answer: Increase in demand: Caused by change in the number of consumers.

2.1.1 Price of beef rises

\_\_\_\_\_ (2)

2.1.2 Pork prices drop

\_\_\_\_\_ (2)

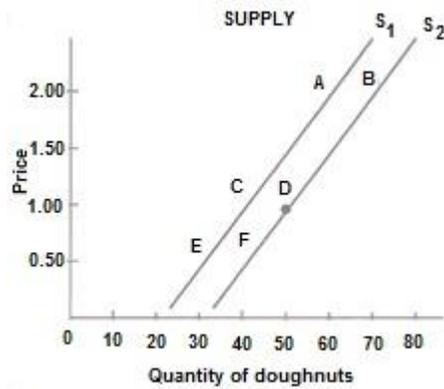
2.1.3 Doctors warn that eating beef can be hazardous to one’s health

\_\_\_\_\_ (2)

2.1.4 Beef prices are expected to skyrocket next month

\_\_\_\_\_ (2)

2.2 Study the graph below and answer the questions which follow:



2.2.1 Explain whether the movement from curve  $S_1$  to curve  $S_2$  is an increase or decrease in supply. Give a reason for your answer.

---



---

(2)

2.2.2 Draw a curve on the graph that illustrates a decrease in supply from  $S_1$  and label it  $S_3$ .

(2)



2.3 What benefit does a country get from imports?

---

(1)

2.4 What benefit does a country derive from exports?

---

(1)

2.5 Explain what the foreign sector is.

---

(1)

**[15]**

**QUESTION 3**

**/12/**

3.1 Explain what is meant by a budget deficit.

---

---

(2)

3.2 What actions can government take to bring about economic growth?

---

---

(2)

3.3



Economic growth takes place when there is an increase in the production of goods and services in an economy over a specific period of time. Productivity refers to the number of goods produced in relation to the inputs required for production. When productivity in an economy increases, it will cause economic growth. When businesses are more productive, they will also be more profitable. Higher profitability brings about economic growth.

Give TWO reasons why lower productivity leads to decline in economic growth.

---

---

(2x2) (4)

3.4 The productivity of workers can be improved by ensuring that workers have good work ethic. What does this mean?

---

---

(2x1) (2)

3.5 List TWO aims of the Government's Reconstruction and development programme (RDP).

---

---

(2x1) (2)

**[12]**

## QUESTION 4

/16/



The transactions which follow are those of HANSENS STATIONERS which took place during May 2012:

Date	Details	Source document
3	Sold stationery on credit to Soltec Systems, R625	Duplicate invoice HAN45
8	Sold stationery on credit to General Electric Appliances, R825	Duplicate invoice HAN46
19	Bought equipment on credit from ABC Stores, R4 500,00	Original invoice R467
15	Received a cheque from Soltec Systems in settlement of their account	Receipt CT 015
20	Sold exclusive pens to Soltec Systems on credit R1200	Duplicate invoice HAN47
24	Received R400 cash from General Electric Appliances in part payment of the outstanding balance	Receipt CT 016
25	Paid ABC Stores R2 000,00 by cheque as part payment of their account	Cheque counterfoil
28	Received a cheque of R500 from Soltech Systems as payment on their account	Receipt CT 017

**NOTE: HANSENS STATIONERS MAINTAINS A MARK UP OF 25% ON THE COST PRICE**

**Required:**

- 4.1 Enter these transactions in the Debtors journal of HANSEN STATIONERS. Close off the Debtors Journal at the end of the month. (7)
- 4.2 Enter the relevant transactions in The Debtors Ledger account of SOLTEC SYSTEMS. Assume SOLTEC SYSTEMS has an OPENING BALANCE OF R1000 (9)



**QUESTION 5****/26/**

5.1 In each of the following cases, you are required to do the necessary calculations:

- 5.1.1 John buys a second-hand car for R15 000 and sells it Basil for R22 500. How much profit did he make? What is the profit % he made? (2)
- 5.1.2 Marlene has a 30% mark up on her potatoes. She buys potatoes for R10 a pocket at the Somerset East Fresh Produce Market. For how much does she sell each pocket? (2)
- 5.1.3 Calvin's Hardware Store sells their paint at a mark-up of 60%. What do they buy it for if they charge R500 for a 20 litre drum? (2)

**ANSWER:**

5.1.1		(4÷2)	(2)
5.1.2		(4÷2)	(2)
5.1.3		(4÷2)	(2)

5.2 The following extract was taken from the General Ledger of SOLI DEO MUSICAL INSTRUMENTS:

Vehicles	125 000
Buildings	530 000
Accounts receivable	25 850
Interest income	450
Capital at the end of the previous year	356 000
Accounts payable	48 659
Cash on hand	19 655
Drawings	36 500
Bank	9 760
Trading stock	162 850
Mortgage bond	475 000

From the Income Statement, the accountant indicated that SOLI DEO MUSICAL INSTRUMENTS earned a **net profit of R29 956**.

**Required:**

- (a) Draw up the Balance Sheet for SOLI DEO MUSICAL INSTRUMENTS on 29 February 2012. (11)
- (c) Compile the notes to the Balance Sheet. (9)

5.2

SOLI DEO MUSICAL INSTRUMENTS  
BALANCE SHEET ON 29 FEBRUARY 2012

	<u>ASSETS</u>	
	<u>NON-CURRENT ASSETS</u>	
	<u>CURRENT ASSETS</u>	
	<u>TOTAL ASSETS</u>	
	<u>EQUITY AND LIABILITIES</u>	
	<u>OWNER'S EQUITY</u>	
	<u>LONG-TERM LIABILITIES</u>	
	<u>CURRENT LIABILITIES</u>	
	<u>TOTAL EQUITY AND LIABILITIES</u>	



## QUESTION 6

/14/

Read the following article and answer the questions that follow:



MAVIS MOKAGADI is a pillow hawker in downtown East London who makes sure that her customers' heads rest comfortably at night. Her desire to sell pillows on the street has a practical pay off. "My income of R2000 per week is enough to survive on," she says. "I am able to buy the essential things to live. These include monthly groceries R1 000, R500 for rent in Lower Valley, Mdantsane, a daily R25 taxi fare, and school fees for my fifteen year old child."

Mavis started hawking in 2007 with just R500 she saved from her previous employment. Since that time, she has been on the street from 07:00 to 16:00, six day a week. "It was difficult at the beginning, because I did not have any customers. However, through perseverance, hard work and desire, I managed to get people to buy my pillows. My customers include shoppers from Butterworth, King William's Town, Grahamstown and Port Elizabeth who come to stock up. They buy quantities of 50 to 100 pillows."

A minor concern is a few other hawkers who are also operating in the area. "I can handle that" says this determined lady who has a now has a Diploma in computers under the belt.

*Adapted from an article in Succeed Magazine, Aug/Sep 2001*

6.1 From the article, list TWO personal qualities that Mavis possesses that make her a successful entrepreneur.

---

---

---

(2)

6.2 Does Mavis’s business operate in the formal or the informal sector? Give a reason for your answer.

---

---

(2)

6.3 Why did Mavis find it so difficult in the beginning when she started selling pillows on the street?

---

---

(1)

6.4 A SWOT analysis is a structured list that point to the potential success of your business idea. From the article, list a strength, weakness, opportunity and a threat for Mavis’ business.

STRENGTH \_\_\_\_\_ (1)

WEAKNESS \_\_\_\_\_ (1)

OPPORTUNITY \_\_\_\_\_ (1)

THREAT \_\_\_\_\_ (1)

6.5 Mavis wants to approach a local bank for financial assistance to expand her business operations. Name the FIVE most important aspects which should be covered in her business plan.

1. \_\_\_\_\_

2. \_\_\_\_\_

3. \_\_\_\_\_

4. \_\_\_\_\_

5. \_\_\_\_\_

(5)

QUESTION 7

171



7.1 Name THREE characteristics of a partnership.

---

---

---

---

(3)

7.2 List TWO advantages and TWO disadvantages of a close corporation.

ADVANTAGES:

---

---

---

DISADVANTAGES:

---

---

---

(4)

TOTAL: 100