

Additional Term 3 test

SECTION A

QUESTION 1

Give ONE word/term or each of the following descriptions. Write only the word/term next to the question number.

- 1.1 A form of ownership that is no longer permitted in South Africa.
- 1.2 A form of ownership that does not have continuity but has more than one owner
- 1.3 A ... is the source document used to enter transactions that have been done directly in the bank account.
- 1.4 A ... is the source document to enter payments made by cheque.
- 1.5 A ... company may obtain capital from members of the public.

(5 × 2 marks) (10)

QUESTION 2

Indicate whether the following statements are TRUE or FALSE. Choose the answer and write only 'True' or 'False' next to the question number.

- 2.1 A partnership may be started with a verbal agreement.
- 2.2 A private company must have the letters Ltd after the name.
- 2.3 Cash received by the business is always entered in the analysis of receipts column.
- 2.4 A service business must always have a consumable stores column in the Cash Payments Journal.
- 2.5 A service business must always have a current/fee income column in the Cash Receipts Journal.

(5 × 2 marks) (10)

QUESTION 3

Choose a description from Column B to match the term in Column A. Write only the letter next to the question number.

	Column A		Column B
3.1	Close corporation	A	Paid rent
3.2	Partnership	B	Purchased equipment for cash
3.3	Assets -; OE -	C	Minimum of one and max of 10 owners
3.4	Assets +; OE +	D	Received cash for services rendered
3.5	Assets -; Assets +	E	Minimum of two max of 20 owners

(5 × 2 marks) (10)

[Total for Section A: 30]

SECTION B: FINANCIAL LITERACY

QUESTION 4

Complete the Cash Receipts and Cash Payments Journal of Tanuka's Beauty Spa.

Transactions: May 2013

- 5 Tanuka deposited R5 000 in the business bank account to increase capital. Paid Lowrens Cosmentics, R19 050 for consumable stores (Cheque 43). Cashed a cheque to pay for stationery, R356.
- 12 Issued receipt for services, R3 290
- 15 Tanuka paid Quick Airlines for airticket to her sisters wedding, R1 960
- 20 Issued receipt for services, R4 930 and received a bank statement showing R31 interest received from Robobank.
- 25 Beauty Supplies delivered R1 300 consumable stores and Tanuka paid for these. **[22]**

QUESTION 5

Do you think it is necessary to have cash journals in a business? Give reasons for your answers (8)

[Total for Section B: 30]

SECTION C: ENTREPRENEURSHIP

QUESTION 6

Tabulate FIVE differences between a sole trader and a public company. (20)

QUESTION 7

Tanuka would like to invite a friend who has recently moved to town to join her business. However, she does want to protect her friendship and is not sure if a business relationship is a good idea. Suggest a form of ownership that you think would suit Tanuka and her friend. Give reasons for your answer. (20)

Total for Section C: 40]

Term 3 Additional test memorandum

Section	Ques	Topic	Cognitive levels			Mark	Marks	
A	1		2, 2, 2	2, 2,	10		10	30
	2		2, 2, 2	2, 2,	10		10	
	3		2, 2, 2	2, 2	10		10	
B	4		22			22		23
	5		8			8		
C	6			20		20	20	40
	7			20		20	20	
Actual marks			48	52	30	42	28	100
Actual %					30%	42%	28%	
Required %					30%	40%	30%	

SECTION A

QUESTION 1

- 1.1 close corporation
- 1.2 partnership
- 1.3 bank statement
- 1.4 cheque counterfoil
- 1.5 public

(5 × 2 marks) (10)

QUESTION 2

- 2.1 true
- 2.2 false
- 2.3 true
- 2.4 false
- 2.5 true

(5 × 2 marks) (10)

QUESTION 3

- 3.1 C – Minimum of one and max 10 owners
- 3.2 E – Minimum of two and max of 20 owners
- 3.3 A – Paid rent
- 3.4 D – Received cash for services rendered
- 3.5 B – Purchased equipment for cash
(5 × 2 marks) (10)

[Total for Section A: 30]

SECTION B: FINANCIAL LITERACY

QUESTION 4

Cash Receipts Journal of Tanuka’s Spar for May 2013

Doc No	Day	Details	Fol	Analysis of receipts	Bank	Fee income	Sundry Accounts
R56	5	Tanuka			5 000 –		5 000 – Capital
R58	12	Cash		3 290 –	3 290 –	3 290 –	
R61	20	Cash		4 930 –	4 930 –	4 930 –	
BS		Robobank			31 –		31 – Interest income
					31 090 –	26 060 –	5 031 –
		(2)			(4)	(2)	(2)

(12)

Cash Payments Journal of Tanuka’s Spar for May 2013

Doc No	Day	Details	Fol	Bank	Consumable stores	Sundry Accounts
C43	5	Lowrens Cosmetics		19 050 –	19 050 –	
C45		Cash		356 –		356 – Stationery
C47	15	Quick Airlines		1 960 –		1 960 – Drawings
C48	25	Beauty Supplies		1 300 –	1 300 –	
				28 196 –	20 350 –	3 346 –
		(2)		(2)	(2)	(2)

(10)

QUESTION 5

Use discretion with learners' answers. They have been asked for their opinion. This must be supported by sound, logical reasons based on their knowledge. They must write four facts in full sentences. (8)

[Total for Section B: 30]

SECTION C: ENTREPRENEURSHIP

QUESTION 6

Sole trader	Public Company
Provides all the capital	Shareholders supply all capital buy purchasing shares in the company
Takes all the profit	Shareholders share the profit in the form of dividends – the amount of profit depends on the number of shares they own
Personally responsible for business debts and personal possessions at risk	Public company is a legal personal and responsible for business debts – shareholders only lose their investment if shares
No continuity – life of business vested in life of sole trader	Public company is a legal personality and has continuity
No formalities for name	Name must end in limited
No formalities for formation	MOI and Prospectus must be certified by CIPLA before they can commence business
Financial records are personal	Financial records must be audited by a CA every year
Owner totally responsible for business decisions and management	Shareholders vote for a Board of Directors at the Annual General Meeting
(5 x 2 marks) (10)	(5 x 2 marks) (10)

(20 marks)

QUESTION 7

Use discretion with the learners' answers. They can only select a partnership or private company. A close corporation would be incorrect as these are not available in South African any more. Note: always allocate more marks that the maximum as the learners do not know exactly how you will be dividing the marks. They should identify that characteristics and advantages are required. In allocating marks, ensure that the learners will be able to obtain at least 50% if they answer only half the question.

	Max marks
Choice of form of ownership	4
Characteristics of form of ownership selected	8
Advantages of form of ownership	8
Conclusion: reason why you think it is a good/bad idea	4
Total	24
Maximum marks	20

**[Total for Section C: 40]
TOTAL: 100 marks**