

## Additional mid-year examination

### SECTION A

#### QUESTION 1

In each case, choose one answer from the list provided. Write only the letter next to the corresponding number.

- 1.1. Which of the following is a characteristics of a sole trader?
    - A. The sole trader is a legal entity
    - B. All capital for a sole trader is provided by the bank
    - C. The business pays tax
    - D. The owner is responsible for debts of the business
  - 1.2. Which of the following markets are only open once or twice a week and sell mostly fresh produce?
    - A. Service market
    - B. Retail market
    - C. Farmers market
    - D. Wholesale market
  - 1.3. A(n) ... is used to check that every debit has a corresponding credit.
    - A. Balance sheet
    - B. Trial Balance
    - C. Income Statement
    - D. General Ledger
  - 1.4. The supply of labour depends on:
    - A. Level of education and training
    - B. How high the salaries are in a business
    - C. The amount of leave employees are offered
    - D. The number of large businesses in a province
  - 1.5. Which of the following is not a level of government in South Africa?
    - A. Local government
    - B. National government
    - C. International government
    - D. Local government
- (10 marks)

#### QUESTION 2

In each case, state whether the following statements are true or false. Write only true or false next to the question number.

- 2.1. Cheques are used to complete the Cash Receipts Journal of a business.
  - 2.2. A Balance Sheet is a financial picture of the business on a specific day.
  - 2.3. Indirect taxes are levied by government on consumption and expenditure.
  - 2.4. The accounting cycle: 1. subsidiary books, 2. source document, 3. General Ledger, 4 Trial Balance
  - 2.5. Wood is considered as a natural resource.
- (10 marks)

**[Total for Section A: 20]**

### SECTION B: THE ECONOMY

#### QUESTION 3

- 3.1. A wholesaler is responsible for meeting the needs of many participants in a market. Explain how the wholesaler meets the needs of manufacturers. (4)
- 3.2. Mdoni Housing Developments has applied to build a housing complex in an area that is the home of migrating birds. Suggest how this will impact on the environment. (6)

**QUESTION 4**

- 4.1. Describe the purpose of a National Budget. (2)
- 4.2. Do you think it is important for the Minister of Finance to draw up a National Budget? Give reasons for your answer. (4)

**[Total for Section B: 16]**

**SECTION C: FINANCIAL LITERACY**

**QUESTION 5**

John Tate ordered a hand-crafted table from Samantha Jones on 24 August 2010. He receives the table on 27 September and decides to pay the total cost of R1 554,60 by issuing a cheque on the day.

- 5.1 Complete the missing details on the cheque as if you were John. (6)
- 5.2 John has an overdraft facility on his current/cheque account. Comment on how this will assist him in his business. (6)

**QUESTION 6**

Use the transactions shown below to complete the Cash Receipts Journal of Gareth’s Gardening for August 2013.

**Transactions for August 2013**

- 1 Cleaned the gardens of three small houses and received R1 050. Issued Receipt 36.
- 5 Received the rent for the month from Jenny Jones. She is renting part of a storeroom from Gareth’s Gardening Service and pays R42 000 p.a.
- 13 Gareth, the owner increased his capital contribution with R30 000 by depositing the money directly into the bank account of the business.
- 24 Received R850, from Adrian who bought three old hedge-cutters from Gareth’s Gardening.

(11)

**[Total for Section C: 29]**

**SECTION D: Entrepreneurship**

**QUESTION 7**

**Jamming Jess**

Jessica has always been creative and had a flair for fashion. She decided to open a shoe shop, her life-long dream, called Jamming Jess. The shop will sell only trend and fun shoes for all teenage girls and boys.

She is hard-working and committed to making a success of her business. She has a degree in business and therefore has the financial knowledge needed to make the business a success. Jessica is fully prepared to take the risk of opening a shoe store using her life savings, but that money is not have enough to finance the entire start-up costs involved in opening the store.

Jessica will employ two people to help her in the shop, her brother who studied fashion design and can therefore help her design shoes, and her best friend as a shop assistant.

- 7.1. Name TWO government acts/legislation that Jessica must comply with in order to ensure that she has fair labour practice in her business. (2)
- 7.2. Identify TWO types of skills that Jessica needs for her business. (2)
- 7.3. Explain CAPITAL as a factor of production in Jessica’s business. (6)
- 7.4. Do you think Jessica has the potential to be a successful entrepreneur? Give reasons for your answer. (6)

**[Total for Section D: 16]**

**TOTAL: 75 marks**

### Additional mid-year examination memorandum

Section	Question	Economics	Financial literacy	Entrepreneurship	Total	
A	1	2, 2	2	2,2	10	20
	2	2	2.2.2	2	10	
B	3	10			10	16
	4	6			6	
C	5		12		12	23
	6		11		11	
D	7			16	16	16
	Total	20	33	22	75	75
	%	26.6%	44%	29.3		
Required total		22.5	30	22.5	75	

### Question paper: Summary of cognitive levels

Section	Question	Level 1–30% (knowledge)	Level 2–40% (apply)	Level 3–30% (analyse)	
A	1	2.2.2.2	2		10
	2	2.2.2.2.2.			10
B	3		4	6	10
	4	2		4	6
C	5		6	6	12
	6		11.		11
D	7	2.2	6.	6	
	Total	24	29	22	75
	%	32%	38.6%	29.3%	
Required total		22.5	30	22.5	
Required %		30%	40%	30%	

**SECTION A**

**QUESTION 1**

- 1.1 D
- 1.2 C
- 1.3 B
- 1.4 A
- 1.5 C (10 marks)

**QUESTION 2**

- 2.1 False
- 2.2 True
- 2.3 True
- 2.4 False
- 2.5 True (10 marks)

**[Total for Section A: 10]**

**SECTION B: THE ECONOMY**

**QUESTION 3**

- 3.1. A wholesaler purchases large quantities of goods from manufacturers. ✓✓  
 A wholesaler makes the goods of manufacturers available for sale to consumers. ✓✓ (4)
- 3.2. The housing development will have a negative impact on the environment as it will affect the migrating birds. ✓✓  
 The developer needs to do a study on the impact this will have on the environment. ✓✓  
 The development will create jobs for people in the area. ✓✓  
 There is a shortage of housing and this is more important than the migrating birds. ✓✓ (max 6)

**QUESTION 4**

- 4.1. The National Budget is a plan on where the government levies will obtain income and how they will spend it. ✓✓ (2)
- 4.2. Use discretion with learners' answers as they have been asked for their opinion. This must be supported with valid, logical facts. *Sample answer:*
  - Yes, I do think it is important as the government is using public money and must be answerable to the public. ✓✓
  - A budget ensures that the money is spent wisely and in the most efficient way. ✓✓
  - The list of estimated expenses will give a guide on how much money must be collected in taxes. ✓✓(max 4)

**[Total for Section B: 16]**

**SECTION C: FINANCIAL LITERACY**

**QUESTION 5**

- 5.1 (2 marks per mistake) (max 6)
- 5.2
  - John can withdraw more money from his cheque account than he actually has ✓✓
  - It will help him if he does not have enough money to pay expenses at the end of the month. ✓✓
  - He only uses this facility if he needs it. ✓✓
  - He only pays interest on the amount he uses for the number of days it is used. ✓✓ (max 6)

**QUESTION 6**

**Cash Receipts Journal of Glenda’s Gardening for July 2012 CRJ10**

Doc no	Day	Details	Analysis of Receipts		Bank		Current Income		Sundry Accounts		
									Amount	Fol	Details
R36	1	Services Rendered	1 050	–	1 050	–	1 050	–			
R37	1	Jenny Jones	3 500	–	3 500	–			3 500	–	Rent Income
R38	18	Gareth			30 000	–			30 000	–	Capital
R39	21	Adrain	850	–	850	–			850	–	Equipmen t
					35 400	–	1 050	–	34 350	–	

- one mark for each amount in Analysis of receipts (only if whole line from source document to amount is correct) (3)
- one mark for each amount in Bank and Current Income (5)
- one mark for each amount + account in Sundry accounts (must both be correct) (3)
- no marks for totals

**[Total for Section C: 29]**

**SECTION D: ENTREPRENEURSHIP**

**QUESTION 7**

- 7.1. Labour Relations Act ✓  
Employment Equity Act ✓ (2)
- 7.2. Skilled, semi-skilled, unskilled (any 2 × 1 mark) (2)
- 7.3. Capital is the amount of money and the value of goods that the owner uses to start a business. ✓✓  
This can be from the owners own private savings (own capital). ✓✓  
It can also be borrowed from the bank. ✓✓  
The owner receives profit as reward for investing money in a business. ✓ (max 6)
- 7.4. Use discretion with learners’ answers. They must give their opinion and support this with logical, valid answers that apply to the case study. The learners should recognise that the characteristics of an entrepreneur – and in particular Jessica – are required. *Sample answer:*  
Jessica has the potential to be successful as she has many entrepreneurial characteristics. ✓✓
- She has a degree in business, which will give her knowledge of how to run a business, keep the financial records and strict control over the finances. ✓✓
  - She is hard-working and committed to making her business a success. ✓✓
  - She is a risk-taker as she is prepared to risk her own savings to start her business. ✓✓ (6)

**[Total for Section D: 16]**

TOTAL = 75 MARKS