

Term 2: Additional mid-year examination

SECTION A

QUESTION 1 – Multiple choice

Four options are provided as possible answers to the following questions. Choose the answer and write only the letter (a-d) next to the question number.

- 1.1 A business that collects VAT on behalf of the government
 - A Intermittent
 - B Interloper
 - C Interpreter
 - D Intermediary
- 1.2 A sole trader is a person who provides all the ... to start a business.
 - A capital
 - B equipment
 - C knowledge, skills and experience
 - D entrepreneurial characteristics
- 1.3 ... are factors of production.
 - A Bank, money, wages and salaries, business owner
 - B Capital, labour, natural resources and entrepreneur
 - C Skilled, unskilled and semi skilled labour
 - D Primary, secondary and tertiary
- 1.4 The level of government responsible for the national budget
 - A National government
 - B Provincial government
 - C Local government
 - D Municipality
- 1.5 Interest is the remuneration for ...
 - A capital
 - B labour
 - C resources
 - D entrepreneurship

(5 × 2 marks) [10]

QUESTION 2 – Match columns

Choose a description from Column B that matches the term in Column A. Write only the letter (A–E) next to the question number.

	COLUMN A		COLUMN B
2.1	Borrowed capital	A	Capital, bank overdraft, bank loan
2.2	Expenses	B	Used to record all transactions
2.3	Liabilities	C	Stationery, rent, wages and salaries
2.4	Rates	D	Bank loan
2.5	Subsidiary journal	E	Tax collected from property owners by the local government

(5 × 2 marks) [10]

Section A Total: 20

SECTION B – ECONOMY
QUESTION 3

3.1 Describe how the Department of Trade and Industry and the Department of Economic Development provide services to businesses. (5)

3.2 Explain how direct tax is calculated and collected. (10)

[15]

Section B Total: 15

SECTION C – FINANCIAL LITERACY
QUESTION 4

Cleaning Angels is a cleaning service for businesses, holiday homes and when people move homes that Regina started. She has employed two of her friends who are unemployed. She used her withdrawal from the *Stokvel* to start her business.

Transactions for May 2013:

- 2 Deposited R5 000 in the business bank account.
- 3 Paid Checkers R3 680 for cleaning equipment and materials.
- 6 Received R890 from Pumula Estate Agents and R5 680 from Bergs Building Contractors
- 7 Paid R1 000 wages
- 10 Received R1 250 from Gobles Estates
- 14 Withdrew R560 at the ATM to pay for petrol.

- 4.1 Draw up the Cash Receipts Journal using the following columns: Analysis of receipts, bank, fee income and sundry accounts. (10)
- 4.2 Enter the transactions for the first two weeks of business and total the CRJ. Use your own source document numbers. (10)
- 4.3 Analyse the following transactions in the accounting equation: (4)

Date	Assets	Liabilities	OE
2			
10			

QUESTION 5

- 5.1 Identify ONE expense that Regina has. (1)
- 5.2 Do you think Regina has made the right decision to start her own business? Give reasons for your answer. (10)

Section C Total: 25

SECTION D – ENTREPRENEURSHIP

QUESTION 6

- 6.1 Name the law that gives details and guidelines on salaries, wages and working hours. (1)
 - 6.2 Describe TWO factors of production and give ONE example from Regina's cleaning business. (2 × 3 marks) (6)
- [7]

QUESTION 7

South Africa has a shortage of skilled labour because qualified workers feel that the employment conditions are not regulated enough compared to other countries. Do you agree with this statement? Give reasons for your answer. (8)

Section D Total: 15
GRAND TOTAL: 75

Term 2: Additional mid-year examination memorandum

Section	Ques	Topic			Cognitive levels			Mark	Mark
		Econ	Fin Lit	Entrep	1	2	3		
A	1	2, 2	2,	2, 2	20			10	20
	2	2	2, 2, 2	2				10	
B	3	15				5, 10			15
C	4		14			11, 4		14	25
	5		11		1		10	11	
D	6			7	1	6,		7	15
	7			8			8	8	
Actual marks		21	33	21	22	36	18		75
Actual %		28%	44%	28%	29.3%	48%	24%		
Required %		30%	40%	30%	30%	40%	30%		

SECTION A

1.1 D – intermediary ✓✓

1.2 A – capital ✓✓

1.3 B – capital, labour, natural resources and entrepreneur ✓✓

1.4 A – national government ✓✓

1.5 A – capital ✓✓

(5 × 2 marks = 10)

2.1 D – Bank loan ✓✓

2.2 C – stationery, rent, wages and salaries ✓✓

2.3 A – capital, bank overdraft, bank loan ✓✓

2.4 E – tax collected from property owners by the local government ✓✓

2.5 B – used to record all transactions ✓✓

(5 × 2 marks = 10)

Section A Total: 20

SECTION B – THE ECONOMY

3.1 DTI helps with exporting by finding markets. ✓ DED provides services to businesses that need help to develop. ✓ It helps them to get loans, ✓ provides advice about products ✓ and advises businesses on ways of selling their products and services. ✓

(5)

- 3.2 • The government organization in charge of collecting taxes is the South African Revenue Service (SARS). All direct taxes are paid directly to SARS. ✓✓
- Workers pay a portion of their earnings in direct tax. This is called personal income tax. ✓✓
 - The personal income tax rate is calculated as a percentage of a worker's income. This percentage increases as income increases. For example a worker earning R200 000 per year will pay a higher percentage of his/her salary in tax than a worker who earns R100 000 per year. ✓✓
 - Businesses pay a portion of their profits in direct tax. This is called corporate or company tax. ✓✓
 - All registered companies have to pay 29% of their profits as company tax. ✓✓
 - Not all workers and businesses have to pay direct tax. Individuals who earn under a certain amount and very small businesses whose turnover is under a certain amount are exempted from paying direct tax. ✓✓

(any $5 \times 2 = 10$)
[15]

Section B Total: 15

SECTION C – FINANCIAL LITERACY

QUESTION 4

4.1–4.2

Cash Receipts Journal of Cleaning Angels for May 2013

Doc No	Day	Details	Fol	Analysis of receipts	Bank		Fee income	Sundry Accounts			
								Amount		Fol	Details
Rec1	3	Regina			5 000	00		✓ 5 000 (½ mark)	00		✓ Capital (½ mark)
Rec2	6	Pumula Estate Agents		890	00		✓ 890	00			
Rec3		Bergs Building Contractors		5 680	00	✓ 6 570	00	✓ 5 680	00		
Rec4	10	Gobles Estates		1 250	00	✓ 1 250	00	✓ 1 250	00		
					12 820	00	7 820	00	5 000	00	
(4÷2)		(4÷2)									
(2) ✓✓		(2) ✓✓									

4.3

(10)

Date	Assets	Liabilities	OE
2	Bank + ✓	0	Capital + ✓
10	Bank + ✓	0	Fee income + ✓

(4)

QUESTION 5

- 5.1 Wages, cleaning materials, fuel (any one) ✓✓ Note. Cleaning equipment is not an expense but an assets (1)
 5.2 Use discretion with learners answers. They are required to give their opinion. This must be supported with logical reasons that are applicable to Cleaning Angels' business.

Sample answer:

I think Regina has made an excellent decision. ✓✓ She has obviously found a business idea that is meeting the needs of a specific group of people. ✓✓ **She has** earned R7 820 in the first two weeks of business. ✓✓ She is also providing employment for two other women. ✓✓ Her expenses in this type of service business will not be very high as she does not need premises to operate from. ✓✓ She may need to advertise her business but at the moment it looks as though she is getting very good contracts. ✓✓ (Max. 10)

Section C Total: 25

SECTION D – ENTREPRENEURSHIP

QUESTION 6

- 6.1 Basic Conditions of Employment Act ✓✓ (1)
 6.2 Capital is the money and assets used to start businesses, ✓✓ e.g. the R5 000 Regina used to start her business ✓
 Labour is the physical and mental effort required to do a job, ✓✓ e.g. the 2 friends she employs. ✓
 Natural Resources are the resources used from the earth to create products, ✓✓ e.g. cleaning materials, equipment ✓
 Entrepreneur is the person who brings all the factors of production together. ✓ Regina has used her money, employed her friends and is purchasing goods to operate her business. ✓

QUESTION 7

(Max. $2 \times 3 = 6$) [7]

Use discretion with the learners' answers. They must give their opinion based on their knowledge and apply this to the statement.

- Describe skilled labour (4)
- Identify the Basic Conditions of Employment Act (2)
- Discuss fair employment practices (4) (Max. 8)

Section D Total: 15

GRAND TOTAL: 75