

# Term 4: Additional end-of-year examination

Section	Question	Topic			Cognitive levels			Mark	Mark
		Econ	Fin Lit	Entrep	1	2	3		
A	1	2, 2	2, 2	2	10			10	40
	2	2, 2	2	2, 2	10			10	
	3	2, 2	2	2, 2	10			10	
	4	2	2, 2	2, 2	10			10	
B	5	20					20		30
	6	10				10			
C	7		40			40			50
	8		10			2	8		
D	9			20		8	12		30
	10			10	1,1	8			
Actual marks		44	62	44	42	68	40		150
Actual %		29,3%	41,3%	29,3%	29,3%	45,33%	26,6%		
Required %		30%	40%	30%	30%	40%	30%		

## 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 The number of provincial governments in South Africa.
  - A 7
  - B 8
  - C 9
  - D 10
- 1.2 The source document used for paying goods using Internet banking.
  - A ATM
  - B EFT
  - C Duplicate cash invoice
  - D Cash invoice
- 1.3 The percentage of VAT that is levied on items we buy at the shops.
  - A 10%
  - B 14%
  - C 27%
  - D 29%
- 1.4 A ... has legal personality.
  - A Sole trader, partnership

- B Close corporation, private company
  - C Sole trader, close corporation
  - D Partnership, close corporation
- 1.5 Another term for book of first entry.
- A Cash receipts journal
  - B Cash receipts
  - C Subsidiary book
  - D Financial record

(5 × 2 = 10)

## QUESTION 2 – Complete missing words

Choose the correct word/term from the list provided for each of the following descriptions. Write only the word/term next to the question number.

autocratic, capital, drawings, financial, goods and services, labour,  
laissez faire, Owner's Equity, three, two

- 2.1 The ... is the total value the owner has invested in the business.
- 2.2 The market where employers find employees is called the ...market
- 2.3 A large corporation will have an average of ... levels of management
- 2.4 The market where assets such as shares are traded is called the... market
- 2.5 ... leadership style is when the leaders makes all the decisions.

(5 × 2 = 10)

## QUESTION 3 – 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
3.1	Administrative	A	The government organization that collects taxes
3.2	Analysis of receipts	B	The money collected from taxpayers by the government
3.3	Government revenue	C	Total cash sales from the cash register tape.
3.4	Public relations	D	Represents the money placed in the cash register of a business.
3.5	SARS	E	Affects the image of the business
		F	Is involved with drawing up, storing and retrieving documents

(5 × 2 = 10)

**QUESTION 4 – True or False**

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

- 4.1 The Department of Basic Education is responsible for policies on high school education
- 4.2 A cheque is used as the source document for recording cash payments
- 4.3 The accounting equation shows how a transaction affects the final accounting records.
- 4.4 Close corporations are still the most suitable form of ownership for a person who wants to start a business and protect their possessions.
- 4.5 Leading is an essential part of every level of management.

(5 × 2 = 10)

Section A Total = 40 marks

**SECTION B: THE ECONOMY**
**QUESTION 5**

National governments should use the National Budget to redress the economic inequalities of the past. Do you agree with this statement? Give reasons for your answer. (20)

**QUESTION 6**

Discuss TWO possible negative effects of economic development.

(10)

Section B Total = 30 marks

**SECTION C: FINANCIAL LITERACY**

Zondi started his electrical repair business two years ago with R15 000 capital. He has R23 000 in the bank. The following are the transactions for Zondi's Electrical Services for January 2013:

- 2 Zondi transferred R5 000 from his personal bank account into the business account. Rec 159
- 3 Zondi purchased a drill and sundry tools from Electrical Tool Suppliers, R6 000 (cheque 32); total income received, R6 120 (Rec 160–170)
- 6 Purchased consumable stores from Electrical Wholesalers, R3 200 and paid by Internet. (EFT 61)
- Paid Business Rentals, R4 100 for rent
- 10 Total income received, R7 800 (Rec 171–180)
- 12 Cashed a cheque to pay wages, R3 900
- 18 Received R7 000 from Heavenly Hair Stylists for repairs. (Rec 181)
- Paid Electrical Wholesalers R2 000 for light fittings and electric bulbs for Heavenly Hair Stylists and paid by Internet.
- 23 Cashed a cheque to pay for his wife's traffic fine, R300
- Paid wages, R3 900
- 25 Sold an old computer printer to Zinzi School for R250 (Rec 182)
- 26 Purchased a new computer printer from Tech Solutions for R900.
- Income received, R9 300 (Rec 183–190)
- 29 Bank statement from Robobank showed bank charges of R54 and interest received R31.

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7.1



Draw up the CRJ and CPJ for Zondi's Electrical Services using the transactions above.

7.2 Total the subsidiary books.

## QUESTION 8

[40]

8.1 What is the purpose of a trial balance? (2)

8.2 Name the TWO sections in the Trial balance and explain what each is used for. (6)

8.3 State the effect of equipment purchased by cheque on the accounting equation. (2)

[10]

Section C Total = 50 marks

## SECTION D: ENTREPRENEURSHIP

### QUESTION 9

9.1 Tabulate TWO differences between a sole trader and a close corporation. (8)

9.2 Seleni is a partner in Seleni and Sons would like to change the form of ownership to protect the assets of the owners. Suggest a form of ownership and give reasons for your answer. (12)

[20]

### QUESTION 10

10.1 Explain TWO factors of production and how they affect an informal business. (2 × 3 = 6)

10.2 Identify the remuneration for:

(a) capital (2)

(b) natural resources (2)

[10]

Section D Total = 30 marks

Total: 150 marks

# Term 4: Additional end-of-year examination memorandum

Summary of topics and cognitive levels:

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B	5	20					20	20	30
	6	10				10		10	
C	7		40			40		40	50
	8		10			2	8	10	
D	9			20		8	12	20	30
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## SECTION A

1.1 C – 9 ✓✓

1.2 B – EFT ✓✓

1.3 B – 14% ✓✓

1.4 B – close corporation, private company ✓✓

1.5 C – subsidiary book ✓✓

(5 × 2 = 10 marks)

2.1 Owner's Equity ✓✓

2.2 labour ✓✓

2.3 three ✓✓

2.4 financial ✓✓

2.5 autocratic ✓✓

(5 × 2 = 10 marks)

3.1 F – is involved with drawing up, storing and retrieving documents. ✓✓

3.2 D – Represents the money placed in the cash register of a business. ✓✓

3.3 B – The money collected from taxpayers by the government ✓✓

3.4 E – Affects the image of the business ✓✓

3.5 A – The government organization that collects taxes ✓✓

(5 × 2 = 10 marks)

- 4.1 True ✓✓
- 4.2 True ✓✓
- 4.3 True ✓✓
- 4.4 False ✓✓
- 4.5 True ✓✓

(5 × 2 = 10 marks)

Section A Total: 40 marks

## SECTION B: THE ECONOMY

### QUESTION 5

Three areas of expenditure that are making a big difference in the lives of the poor are expenditure on welfare, ✓✓ health, ✓✓ and housing. ✓✓

Welfare includes all the social grants, ✓✓ old age pensions ✓✓ and poverty relief work of government. ✓✓ Since 2000, the number of people who get social grants has grown from just over 3 million to about 16 million. ✓✓ That is almost 30% of the people in South Africa. ✓✓

Providing poor households with houses has been a priority for government. ✓✓ In the 10 years from 2003 to 2013 almost 2.3 million houses were built through the Reconstruction and Development Plan (RDP). ✓✓ Additional allocations of R9.9 billion over the medium term are planned, for upgrading informal settlements. ✓✓

The government health budget pays for free health care for children ✓✓ and pensioners, ✓✓ as well as for unemployed people. ✓✓ With almost half the people in South Africa living under the poverty line and almost 20% of adults HIV positive, state health plays a very important role in helping these people. ✓✓

In 2012 the government introduced a plan for a huge increase in expenditure on infrastructure ✓✓ over the next 5 years. It aimed to spend billions of rands on improving water supplies ✓✓ and communication and transport in rural areas. ✓✓ These projects will make it easier for businesses to function in these areas. ✓✓ Many poor unemployed people who live in these rural areas will get jobs working on these projects. ✓✓

(Any 20 marks)

### QUESTION 6

When countries or societies develop they usually use more resources in order to become wealthier. ✓✓

Often they industrialise which means that they increase the amount of industry. ✓✓ There are more factories and they use more technology and machinery. ✓ Industrialization generally puts more pressure on the natural environment because greater amounts of natural resources that are used. ✓✓

Some of these resources also produce huge amounts of waste which can pollute the environment. ✓✓

For example, South Africa mines a lot of coal which is a natural resource. The coal is burnt in power stations to produce electricity which is used by industry and households.

✓✓ The emissions (waste) from these mines and power stations cause air and water pollution. ✓✓

(Any 10 marks)

Section B Total = 30 marks

# SECTION C: FINANCIAL LITERACY

## QUESTION 7

Cash Receipts Journal for Zondi's Electrical Services for January 2012

Doc	Day	Details	Fol	Analysis of Receipts	Bank	Fee Income	Sundry accounts		
							Amount	Fol	Details
Rec159	2	Zondi			5 000 00				
R160–170	3	Cash		6 120 00	6 120 00	6 120 00			
R171–180	10	Cash		7 800 00		7 800 00			
R 181		Heavenly Hair Stylists		7 000 00	14 800 00	7 000 00			
R 182	25	Zinzi School		250 00	250 00		250 00		Equipment
R183–190	26	Cash		9 300 00	9 300 00	9 300 00			
BS	29	Robobank		31 00	31 00		31 00		Interest received
					35 501 00	30 220 00	281 00		
		(3½)			(7)	(5)	(1½)		(2)

(19)

Cash Payments Journal for Zondi's Electrical Services for January 2012

Doc	Day	Details	Fol	Bank	Wages	Consumable stores	Sundry accounts		
							Amount	Fol	Details
Ch32	3	Electrical Tool Suppliers		6 000 00			6 000 00		Equipment
EFT61	6	Electrical Wholesalers		3 200 00		3 200 00			
Ch33		Business Rentals		4 100 00			4 100 00		Rent
Ch34	12	Wages		3 900 00	3 900 00				
EFT62	18	Electrical Wholesalers		2 000 00		2 000 00			
Ch35	23	Zondi		300 00			300 00		Drawings
Ch36		Wages		3 900 00	3 900 00				
Ch37	26	Tech Solutions		900 00			900 00		Equipment
BS	29	Robobank		54 00			54 00		Bank charges
				24 354 00	7 800 00	5 200 00	11 354 00		
		(4½)		(4½)	3	3	6		

(21)

[40]

**QUESTION 8**

- 8.1 A trial balance is used to check that the double entry principle has been completed. ✓✓ (2)
- 8.2 Balance sheet section ✓ Nominal section ✓  
The balance sheet section accounts are used to draw up the balance sheet and the nominal section accounts are used to draw up the income statement. ✓✓ The trial balance is used to draw up the financial statements and the division make the task much easier. ✓✓ (Max. 4)
- 8.3 Assets + (Equipment); Assets - (bank) ✓✓ (2) [10]

Section C Total: 50 marks

**SECTION D: ENTREPRENEURSHIP**

**QUESTION 9**

- 9.1 (8)

Sole trader	Close corporation
Only one person may own a sole trader business ✓✓	Minimum of one and maximum of ten owners called members ✓✓
Owner has to provide all the capital ✓✓	All members contribute towards the capital which is expressed as a percentage of the total ✓✓
The owner receives all the profits ✓✓	Profits are divided amongst the members according to the agreement. ✓✓
The owner's personal possessions are at risk if the business is unable to pay the business debts. ✓✓	A CC is a legal person and is responsible for the business debts. The personal possessions of members is protected ✓✓
Owner pays tax on personal income and profit of business ✓✓	CC pays tax on business profit and members only pay personal tax on salaries. ✓✓

(Max. 4 marks)

- 9.2 Learners are required to give their opinion and make a selection from the following: private company, public company. A CC is not an option and incorrect as these may no longer be formed in SA.  
Selection – 2 marks

Advantages – max 10 marks

[20]

**QUESTION 10**

- 10.1 Capital – ✓✓ the owner must find money to purchase the first amount of products they will sell ✓✓  
Labour – ✓✓ usually the owner does the work ✓✓  
Natural resources ✓✓ – usually sell fruit and vegetables or use raw materials to manufacture products e.g. beaded articles ✓✓  
Entrepreneur – ✓✓ the owner receives all the income and uses this to purchase the next lot of products and the balance is usually used ✓✓ (2 × 3 = 6)
- 10.2 Capital: The owners receive profits as a reward for investing in a business. ✓  
Natural resources (land): rent ✓✓ (4) [10]

Section D Total: 30 marks

Total: 150 marks