

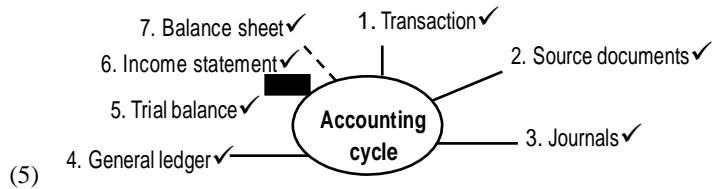
Term 2 Revision

Learner's Book, pages 108–109

Financial literacy

Suggested answers to revision questions

1. Use discretion with the learners answers.
Sample answer:



2. Analysis of receipts: ✓ All money received and placed in the cash register till ✓ Bank ✓: the total amount taken from the cash register and deposited in the bank account. ✓
 Analysis columns: ✓ any column that the business received money from customers regularly. ✓✓
 Fee income: ✓ Money received from customers for services done by the business. ✓✓ Sundry accounts: ✓ Any money received by the business that does not have its own specific analysis column is entered here. ✓✓
 Amount and details ✓ The amount and the account that the money will be posted to in the General Ledger is entered. ✓✓
 (5 × 3 = 15)

3.

	Assets	Liabilities	Owner's Equity
3.1	Bank + R3 500 ✓	0 ✓	Sales + R3 500 ✓
3.2	Bank + R10 000 ✓	0 ✓	Capital + R10 000 ✓
3.3	Bank + R4 600 ✓	0 ✓	Rent income + R4 600 ✓

(9)

4. The subsidiary journal is used to record all information from source documents.
 ✓✓ Each journal has a specific purpose so that all the same types of transactions are grouped together.
 ✓✓ The subsidiary journal enables the owner to see at a glance which transactions are regular, the total fee income for the month etc.
 ✓✓ Using as spreadsheet does the job but the owner will not be able to make business decisions easily with this method as all the transactions are jumbled up ✓✓ The summary of the subsidiary journals is posted to the General Ledger which saves time and paper. ✓✓ The owner can check that the fee income during the month will meet the target set for the month. ✓✓ If not, he can make adjustments e.g. increase advertising, phone customers to see if they need any additional work etc. ✓✓ (Max. 10)

Entrepreneurship

Suggested answers to revision questions

1. Capital, ✓ natural resources (land) ✓, labour ✓, entrepreneurship ✓ (4)
2. Capital pays for the other factors of production, allowing the business to function and offer planned goods/services ✓✓. Natural resources are the materials that are used in producing, retailing, offering a service, in order to earn an income ✓✓. Labour provides the mental and physical energy needed to carry out the necessary functions of the business ✓✓. Entrepreneurship is the driving force that combines all the factors of production ✓✓ and creates a business with the potential to be successful and earn a profit ✓✓. (Max. 8)
3. Capital is paid for with interest ✓; natural resources are paid for in rent ✓; labour receives wages ✓; entrepreneurship is rewarded with profits. (4)
- 4.1 Yes because each station in the flow-chart makes use of labour. ✓✓ (2)
- 4.2 Learners must draw a flow-chart similar to the example and show: in-coming raw materials (e.g. T-shirts, stencils, logos) ✓, the use of labour in the production process ✓, indicate the use of equipment in the production process (capital) ✓, some kind of management control ✓ and sales effort ✓ to indicate entrepreneurial goals ✓. (6)

The Economy

Suggested answers to revision questions

1. The place where goods and services are traded or where buyers meet with sellers. ✓✓ (2)
2. Wholesalers buy goods in bulk from the producers. ✓✓ They then distribute the goods in smaller amounts ✓✓ to retailers at a higher price. ✓✓ Retailers then sell the goods on to consumers ✓✓ in single items or small amounts at a higher price. ✓✓ (Max. 8)
3. Use discretion with learners' answers. Sample answer. I would need to find suitable staff to work in my business. ✓✓ This I would do by advertising in the labour market ✓✓ or using a company that specialises in recruitment of suitable staff. ✓✓ As an entrepreneur I would need to decide on what form of ownership I would have. ✓✓ If it is a public company then there will be shareholders. ✓✓ The shares in the company will be traded on the sharemarkets ✓✓ and the price of the shares will depend on how well the company performs. ✓✓ If my business involved importing or exporting ✓✓ it would also be affected by the exchange rate ✓✓ with various foreign currencies which also forms part of the financial markets. ✓✓ (20)
4. Yes it is. ✓✓ Skilled people are able to start new businesses and expand businesses, ✓✓ by developing new goods and services. ✓✓ They are therefore able to create new jobs and help the economy to grow. ✓✓ They also help to make the country less reliant on imported ✓✓ goods by manufacturing finished goods locally. ✓✓ (Max. 10)
5. Financial markets are where assets are traded ✓✓ and prices assets are set. ✓✓ An example of a financial market is the stock exchange ✓✓ where investors trade assets called stocks and shares. ✓✓. They also include prices of commodities such as gold and oil. ✓✓ Currencies also form part of these markets ✓✓ so business owners who export or import goods are affected by exchange rates. ✓✓ (Max. 10)