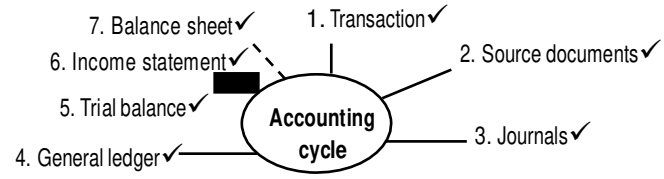
Term 2 Revision

Learner's Book, pages 108–109

Financial literacy

Suggested answers to revision questions

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



(5)

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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)

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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)

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