

Term 1

Core concepts and definitions

The following core concepts and definitions are taught in this term:

UNIT 1 THE ECONOMY: GOVERNMENT	
Concept	Definition
civil servants	people who are employed by the government at any one of the three levels
exporting	selling products to buyers in other countries
portfolio	a department which a minister is in charge of
rates	taxes paid by property owners to local government for local services
resources	the things we use to satisfy our needs and wants
sanitation	sewerage and waste removal
services	things that other people or organisations do for us and for which we pay
state-run hospitals	hospitals run by the government
taxes	money paid to the government by individuals and businesses
value added tax (VAT)	the tax that is added to the price of almost all goods and services

UNIT 2 THE ECONOMY: NATIONAL BUDGET

Concept	Definition
adult literacy	teaching adults how to read and write
allocated	provided, given to
assistive devices	equipment used to help disabled people
The Constitution of South Africa	the set of laws on which the running of the country is based
exempted	when you do not have to do something
expenditure	money that is spent on something
gross domestic product (GDP)	the total value of all the goods and services produced in a country in a year
inequalities	when some people have a lot of something like money or resources and others have a little
infrastructure	transport and communications networks
intermediary	a person or organisation that acts as a link between two people or organisations
redress	put right, fix up problems from the past
revenue	income that is received by the government from taxes
subsidies	when the government pays part of the interest on a home loan
turnover	the total amount of money changing hands in a business

UNIT 3 THE ECONOMY: STANDARD OF LIVING

Concept	Definition
consumer	someone who buys and uses goods and services
edible	something that can be eaten
fossil fuels	minerals and gas which take millions of years to form in the ground and they give off CO ₂ when they are burnt
global warming	increased warming of the earth's atmosphere due to increases in the amount of certain gases including CO ₂ and methane
industrialise	develop many industries which use resources to manufacture goods
infrastructure	services, in particular communication and transport networks
productive	producing goods in a way that makes the best use of resources, time and effort in the production process
self-sufficient	able to provide for own basic needs
standard of living	the level of wealth, comfort and material goods that the people have in a country

UNIT 4 FINANCIAL LITERACY: ACCOUNTING CONCEPTS

Concept	Definition
accounting equation	assets = liabilities + Owner's Equity
assets	possessions
bank loan	a specified amount of money that a bank lends a business (or person)
banking	depositing money in a bank and using cheques or ATMs to withdraw money from bank accounts
book value	the value of something according to financial records
capital	the amount of money or assets an owner uses to start a business
cash payments	cash paid for expenses or assets
cash receipts	cash received for services or sales
cashier	a person whose job it is to pay out and receive money in a shop, bank or business
credit	right hand side of a General Ledger account
current assets	possessions that change within one year
current liabilities	debts that are repayable with one year
debit	left hand side of a General Ledger account
drawings	money or goods the owner takes out of the business for his or her own use
expenses	any payment in order to run the business that is not for an asset
fixed assets	possessions that can be reused and will not change within one year, for example buildings, equipment
income	money received from sales or service rendered
liability	debt owed
long-term liabilities	debts that are repayable over more than one year
losses	when expenses are higher than income
Owner's Equity	the total value of the business owing to the owner: capital–drawings + profit
profit	when income is higher than expenses
retail	selling goods in shops to people
sole trader	single owner of a business
stock/inventory	goods that a business purchases for the purpose of reselling at a profit
subsidiary journals	books of first entry
transactions	any action involving two people and money is involved.

UNIT 5 FINANCIAL LITERACY: SOURCE DOCUMENTS

Concept	Definition
cash invoice	similar to a cash register slip, but more detailed
cash register slip (till slip)	piece of paper given to a customer as proof of his or her purchase
deposit slip	piece of paper completed when cash and cheques are banked
duplicate	an exact copy of something

Term 2**Core concepts and definitions**

The following core concepts and definitions are taught in this term:

UNIT 1 FINANCIAL LITERACY: OVERVIEW OF THE ACCOUNTING CYCLE	
Concept	Definition
accounting cycle	series of steps that are repeated every month
balance sheet	a list of all assets and liabilities to calculate the Owner's Equity
General Ledger	a list of all the accounts a business has and each account has a summary of the transactions for the month.
income statement	a list of income and expenses which are subtracted to calculate the profit
source document	the documents received or given as proof of a transaction
subsidiary journals	books of first entry. For example: cash receipts journal and cash payments journals
transaction	an activity where money is exchanged for goods or services that are purchased or sold
trial balance	a list of all the accounts in the General Ledger with the final balance at the end of the month

UNIT 2 FINANCIAL LITERACY: CASH RECEIPTS JOURNAL (SERVICES)	
Concept	Definition
Accounting Equation	$\text{Assets} = \text{Liabilities} + \text{Owner's Equity}$
analysis of receipts column	the column in the Cash Receipts Journal to record money put in the cash register till in the shop
Cash Payments Journal	a book of first entry to record all cash and cheque payments by the business
Cash Receipts Journal	a book of first entry to record all cash received by the business
sundry accounts column	the column used for transactions that cannot be analysed in a special column in the journal

Term 3

Core concepts and definitions

CORE CONCEPTS And DEFINITIONS	
Concept	Definition
Analysis of receipts	money received by the business and placed in the cash register till
audited	financial records (accounts) that have been inspected, corrected and certified as correct by qualified auditors
bureaucracy	an administration where action is slowed down or blocked by unnecessary official procedures
Cash Payments Journal	the subsidiary book used to enter transactions when the business uses cash, cheque or EFT to pay for expenses, goods or services.
Cash Receipts Journal	the subsidiary book used to enter transactions involving cash received from the business
cheque counterfoil	the portion of a cheque left in the cheque book that is used to enter information in the CPJ
close corporations	close corporations (or CCs) are legally established associations of between one and ten members.
consumable stores	the name used for products that must be purchased on order to give a service
EFT (electronic funds transfer)	when the internet is used to transfer money from the business bank account to another person. It is regarded as a cash payment. The transaction is printed and the printed payment is used as the source document
emerging (markets)	developing markets
fee income	income received by a service business for services e.g. time, experience, knowledge or skill
liability	financially responsible
liable	legally responsible
partnership	a partnership is a business association of between a minimum of two and an unlimited number of people.
private company	the company needs a minimum of seven people to be established. The company has the word Limited (or Ltd.) included in its name.
restrictive	controlling
sole trader	a sole trader business is owned by one person.
stop order	an instruction to the bank to pay a specific amount of money to a specified person or business each month
sundry accounts column	any transaction that does not have a specific column in the CRJ is entered in the sundry accounts column and details of the transaction included.

Term 4

Core concepts and definitions

CORE CONCEPTS And DEFINITIONS	
Concept	Definition
autocratic	has total power to make decisions
democratic	based on the principle that everyone is equal
directive	instructing the management of operations
double entry principle	every transaction is recorded in two accounts
ethical	relating to the good values and principles of what is right and what is wrong
integrity	honesty and behaving in the right way
laissez-faire	a French word meaning freedom to do what you want
leading	providing encouragement and example so that others will do something willingly
management	the actions involved in dealing with people and running a business
mentor	a wise or trusted adviser or guide
operational decisions	practical ways to achieve a goal
organogram	a chart showing the different levels of management in a business
permissive (free-reign)	allowing freedom of behaviour
strategic	a long term plan
tactical	how to put a long term plan into action

Examination terminology

The following list gives the examination words and their meanings. Ensure that learners gain enough familiarity with them before tackling the instructions given in tests and examinations.

advise: use your knowledge on a topic to give advice

allocate: place information where it belongs or group related information

analyse: look at something carefully, break it up into logical parts, and explain these parts in a systematic and critical way, giving strengths and weaknesses

apply: use your knowledge on a topic to address a problem or situation; often in case studies you have to apply what you have learnt to the case study as a particular example

assess: check how well something has been done

build: make a model or an object

bullet: give facts in few words, one below the other

calculate: work out following a method

categorise: sort out, putting things that are similar together

choose: pick the best or most correct option between many options given

classify: group together things that are the same in some way

comment: give an opinion about something

compare: describe what is similar and what is different between two or more things

compile: research, collect and put together information conclude: give a short interpretation of results or give a summary consider: look at the facts carefully

construct: build, usually either an argument or a real object

contrast: show how something is different

count: add up, or give all the reasons or examples

debate: research and then listen to and discuss all sides of an issue; give and defend your own view

deduce: work out and draw a conclusion

define: give the full meaning of something accurately, as in a dictionary

describe: give the details and facts of something in full sentences without giving reasons

design: lay out in a clear visual way; draw up a plan for something on paper, or make a model

differentiate: show how something is different to another thing

discuss: talk or write in detail about something, giving different ideas and arguments about the topic

distinguish: show the difference between

draw: show in a visual way

evaluate: look at the facts carefully and form your own conclusion

examine: look at something carefully

explain: give the details of something in full sentences and give reasons

fill in: complete the blank spaces with your written answers

find: identify from amongst other options, or get relevant information formulate: write down an idea or a hypothesis in a way that explains it clearly give reasons: explain and use examples to justify

highlight: show or point out

hypothesise: develop a theory to explain something

identify: find, name and mention

illustrate: give an example of what you mean or explain it visually

indicate: show

integrate: show

integrate: put together in a way that makes sense

interpret: work out the meaning

investigate: follow a systematic way of analysing a problem to arrive at a proven conclusion

justify: support or prove what you are saying using reasons and examples

link: show how one thing is connected or related to another thing

list: write the names, numbers, or things asked for one below the other, each on a new line

match: pair one item up with another item which it resembles or is related to

mention: give or name in words

motivate: show to be true by giving reasons or examples

name: give what something is called with no explanation

number: list information in a number format, or add consecutive numbers to something



organise: order logically and neatly, or manage a process
outline: give the main points only
plan: decide and prepare in advance how, when, where and by whom something will be done
plot: find or show on a graph using the x and y co-ordinates
point out: give, show or highlight only the most relevant information
present: give information in a well-prepared way
process: take something through a series of logical or physical actions
prove: give brief reasons why you have said something or how you arrived at an answer
quote: repeat exactly what someone said or wrote
rank: order information by importance
rate: give something a value or mark
recall: remember and give the information again
recap: give the main points again
recognise: identify or understand something when you see it
relate: establish a link between one thing and another
research: find, interpret and apply information from different sources
review: do a formal assessment of something with a view to make changes if necessary
revise: reread or look over something again to prepare for a test or exam
select: choose
sort: order information according to the alphabet, by number, date or importance
state: give, say, or write down the information asked for suggest: give ideas, solutions or reasons for something
sum up: draw a short conclusion
summarise: give the main points only and in brief, using sentence form, bullets or a visual tool like a mind map
support: use examples to prove what you have said
tabulate: arrange information in columns and rows on a table, using very brief wording
test: check your understanding
work out: use a logical method to arrive at the answer