

## **Term 2 Assessment: Exemplar mid-year examination memorandum**

**Learner's Book pages 104–108**

**Exam total: 150 marks**

### **Section A**

- 1.1 B – a planned economy ✓✓
- 1.2 B – farm ✓✓
- 1.3 D – bank ✓✓
- 1.4 D – debtor ✓✓
- 1.5 B – Trial Balance ✓✓

(5 × 2)  
[10]

- 2.1 globalisation ✓✓
- 2.2 tertiary ✓✓
- 2.3 Debtors Journal ✓✓
- 2.4 financial institutions ✓✓
- 2.5 consumers ✓✓

(5 × 2)  
[10]

- 3.1 D ✓✓ – An account that the owner needs to monitor to check that the quality of goods purchased is correct.
- 3.2 C ✓✓ – The owner must monitor this to ensure that customers pay their accounts regularly and on time.
- 3.3 E ✓✓ – Supply the labour in the circular flow of a closed economy
- 3.4 A ✓✓ – Highly skilled workers
- 3.5 B ✓✓ – Businesses aim to make as much profit as they can

(5 × 2)  
[10]

- 4.1 decreases ✓✓
- 4.2 Cash Receipts ✓✓
- 4.3 National Credit Act ✓✓
- 4.4 reuse ✓✓
- 4.5 income ✓✓

(5 × 2)  
[10]

**Section A total: 40 marks**

## Section B: The Economy

- 5.1 Workers have some choice regarding the work they do and who they work for. ✓✓  
 Competition leads to lower prices and better quality products for consumers. ✓✓  
 Productivity is usually higher because businesses aim to make a profit. ✓✓  
 Consumers have a wider range of products to choose from. ✓✓ (4 × 2)
- 5.2 Mixed economies are a combination of planned and market economies. ✓✓  
 They were developed because both pure planned economies and pure market economies have some disadvantages. ✓✓ Governments want to control some elements of the economy that was best suited to them, ✓✓ and allow businesses to manage other aspects where they were more efficient. ✓✓ (8)  
 [16]
- 6.1 See the figure on page 57 of the Learner's Book. Allocate 1 mark for each correct item. (13)
- 6.2 No, financial institutions are not a source of income. ✓✓ They are merely facilitators. They receive money (savings) from households and businesses, and lend money to other households or businesses. ✓✓ Money flows through financial institutions from households to businesses, and from businesses to households. ✓✓ (6)  
 [19]

**Section B total: 35 marks**

## Section C: Financial Literacy

- 7.1 a) R5 500 ✓✓  
 b) R20 470 ✓✓  
 c) R2 530 ✓✓  
 d) R6 134 ✓✓ [8]
- 7.2 Pumula Primary School asked for a R50 discount that was not included in their invoice. ✓✓ [2]

7.3

**General Ledger of Inyoni Trading Store  
Balance Sheet Accounts Section**

Dr.						Cr.					
Trading account						B4					
2012 Feb	1	Balance	b/d	24 670	00	2012 Feb	29	Cost of sales ✓	CRJ1	✓20 470	00
	29	Bank ✓	CPJ	✓19 540	00			Cost of sales ✓	DJ	✓6 134	00
		Cost of sales ✓	DAJ	✓174	00			Balance	c/o	✓17 780	00
				44 384	00					44 384	00
Mar	1	Balance	b/d	17 780	00						

(9)

[19]

- 8.1 Use discretion with the learners' answers. They have been asked for their opinion, and it can be yes or no. However, it must be justified with sound, logical reasons that apply to this scenario.

*Sample answer:*

I think Jenson has made a good decision. Many people do not have the cash to purchase what they need immediately. ✓✓

The National Credit Act provides that Jenson may not give customers credit if he knows they cannot afford to repay the debt. ✓✓ He must draw up his credit agreement in simple language that the customers can understand. ✓✓ The customers must be told all the costs that are involved e.g. interest charged for late payments. ✓✓

Jenson must ask the customer applying for credit details of all their income and current debts. ✓✓ Jenson is offering store credit so he would not have to give the customer a written quotation. ✓✓ However, he will need to set a maximum credit limit that he knows the customer will be able to repay. ✓✓

The National Credit Act was developed to protect the customer, ✓✓ and business owners like Jenson must make sure they know exactly what is contained in this Act. ✓✓

[max. 14]

**Note:** If the learners choose to say no, they could give the following reasons:  
The National Credit Act was developed to protect customers not the business. ✓✓

It gives the business owner additional paper work. ✓✓

If Jenson does not obtain the correct information from the customer, he may not be able to claim the money owing to him. ✓✓

A trading store is usually in a village or rural village where income is not very high. ✓✓

Customers may not be able to afford credit. ✓✓

Customers tend to buy more than they can afford to repay. ✓✓

Additional staff are needed to manage and control the credit and ensure that payments are made by the customer/debtors. ✓✓

- 8.2 Use discretion with learner's answers. They need to think of the consequences to the business when providing credit.

*Sample answer:*

If customers do not pay their debts, the business will not have sufficient cash to buy more stock. ✓✓

The owner may not be able to pay his other expenses, such as salaries or wages, and rent. ✓✓

The customers may receive a bad credit rating if they do not repay their debts. ✓✓

Customers may make more debt that they can pay back, which means they do not have money for other essentials. ✓✓ (max. 6)

[20]

**Section C total: 39 marks**

## **Section D: Entrepreneurship**

- 9.1 The secondary sector is where manufacturing and processing of raw materials takes place. ✓✓ There can be a number of different businesses involved in the secondary sector, adding value to the same product e.g. flour mill and baker. ✓✓ Learners may give examples. (4)

- 9.2 The learners' answers must apply to Zanele, who runs an informal business.

*Sample answer:*

Zanele has a role in the secondary industry as she is manufacturing cakes and biscuits. ✓✓ A formal and an informal business can be involved in the secondary sector. ✓✓ She has a role in this sector as she is supplying people's needs by offering to bake on their behalf. ✓✓ A large portion of the country's workforce is involved in the secondary sector. ✓✓ Zanele will be able to provide employment for other people if her business grows. ✓✓ (10)

- 9.3 Learners will express a personal opinion, which must be supported with logical comments.

*Sample answer:*

No, the bad publicity is not unfair if the chemicals in the water are from the experimental farm. ✓✓ In the past it was common practice for factories to flush out their equipment and machinery into open drains and waterways, without regard for humans, fish and birds that could be affected by the pollutants in the water. ✓✓ Businesses are more aware of the dangers involved in upsetting the delicate balance of the environment now. ✓✓ They also realise that they cannot afford the bad publicity so it is in their interests to 'clean up their act'! ✓✓ In the statement that learners have to comment on, it does not say that the chemicals in the water were proved to be from the chemical factory, so it could be that the pollutants have washed down from elsewhere. ✓✓ Water should be tested further up the river to be certain. ✓✓ If chemicals are found in the water higher up the river, then the bad publicity is unfair to the chemical factory. ✓✓

(Any 5 valid points × 2)

(10)

[24]

- 10.1 Agriculture (farming), ✓✓ fishing ✓✓ and mining. ✓✓ (6)

- 10.2 The tertiary sector uses all three kinds of skills. ✓✓ Unskilled workers do the routine cleaning and carrying positions, or work in small businesses that they have created themselves. ✓✓ Semi-skilled and highly skilled workers work in more specialized retail and service orientated businesses. ✓✓ Highly qualified professionals work in fields such as the medical, legal, architectural and engineering professions. ✓✓ (max. 6)

[12]

**Section D total: 36 marks**

**Total: 150 marks**