Province of the
EASTERN CAPE
EDUCATION

SENIOR PHASE

GRADE 9

NOVEMBER 2012

ECONOMIC AND MANAGEMENT SCIENCES MEMORANDUM

MARKS: 100

This memorandum consists of 6 pages.

QUESTION 1   /10/
(LO1AS1; LO1AS2; LO2AS1; LO2AS3; LO3AS1; LO3AS4; LO4AS1; LO4AS3)

1.1   1.1.1   C   public company   √   (1)
         1.1.2   B   private company   √   (1)
         1.1.3   C   small, medium and micro-enterprise.   √   (1)
         1.1.4   A   trade surplus   √   (1)
         1.1.5   B   Assets minus Liabilities equals Owner's equity.   √   (1)

1.2   1.2.1   E   (1)   1.2.4   F   (1)
         1.2.2   G   (1)   1.2.5   D   (1)
         1.2.3   B   (1)   **[10]**

QUESTION 2 (LO1AS3)   /15/

2.1   2.1.1   No change in demand, only in quantity demanded √√   (2)
         2.1.2   Decrease due to change in the price of substitute goods √√   (2)
         2.1.3   Decrease due to changes in consumer taste √√   (2)
         2.1.4   Increase due to change in consumers' price expectations √√   (2)

2.2
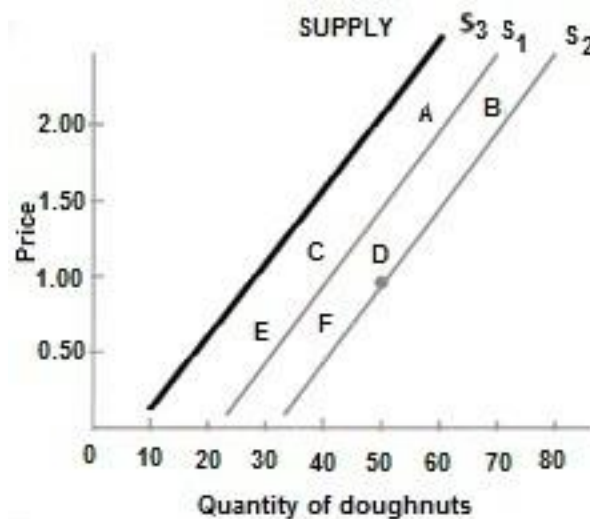
         2.2.1   Movement from curve S1 to curve S2 is an increase in supply because
                 the quantity supplied increases for every price. √√   (2)

         2.2.2   **(S₃ ₋ Answer on graph above)**   (2)

2.3   Imports bring goods into a country that the country does not produce itself or
       has little of. √   (1)

2.4   Exports bring foreign money into the country and stimulate the economy √   (1)

2.5   The foreign sector includes economic activity(foreign trade) and economic
       participants outside the borders of the domestic country√   (1)
                                                                   [15]

QUESTION 3 (LO2AS1)   /12/

3.1   A budget deficit is created when Government spends more money than it
       receives. √
       This means Government expenditure exceeds its revenue (income)√   (2)

3.2   Government can:
       - reduce taxes √
       - give rebates √
       - increase government spending. √   (Any 2)   (2)

3.3   Lower productivity causes a business to be less profitable. This means that
       eventually the business would have to reduce its workforce or close completely.
       √√
       The income of such a business is lost to the economy and also the income of
       the households who relied on the business for their salaries and wages.√√
       (Any other relevant response)   (2x2)   (4)

3.4   Good work ethic means a person knows his/her job and has a positive loyal
       attitude towards the job and the employer. √
       It includes characteristics such as efficiency, honesty, integrity and
       accountability. √   (2x1)   (2)

3.5   Meeting basic needs such as making jobs available and housing√/land
       distribution and reform. √
       Developing human resources through education and training√
       Building the economy by addressing low levels of investment and
       unemployment√
       Democratising the state and society by focusing on all three spheres of
       government to facilitate socio-economic development √
       Implementing RDP through proper planning and coordination √   (Any 2x1)   (2)

                                                                              [12]

QUESTION 4 (LO3AS1; LO3:AS3)   /16/

DEBTORS JOURNAL OF HANSENS STATIONERS FOR MAY 2012

Doc No	Day	Details	Fol	Sales	Cost of Sales
HAN45	3	Soltech Systems√	D1	625√	500√√
HAN46	8	General Electric Appliances√	D2	825√	660√√
HAN47	20	Soltech Systems√	D1	1 200√	960√√
				2 650√	2 120√

(14÷2)   (7)

DEBTORS LEDGER OF HANSENS STATIONERS
Soltech Systems D1

Date		Details	Fol	Debit	Credit	Balance
May	1	Account rendered√				1 000√
	3	Invoice HAN45√	DJ√	625√		1 625√
	15	Receipt no CT 015√	CRJ√		1 625√	-√
	20	Invoice HAN47√	DJ√	1 200√		1 200√
	28	Receipt no CT 017√	CRJ√		500√	700√

(18÷2)   (9)

[16]

QUESTION 5 (LO3AS3)   /26/

5.1   5.1.1

Profit = Sales – Cost of sales
= R 22 500 – R 15 000√
= R 7 500√

Percentage profit = $\dfrac{R\ 7\ 500}{R\ 15\ 000} \times \dfrac{100}{1}$√

= 50%√   (4÷2)   (2)

5.1.2

Sales = Cost of sales + mark-up√
= R 10 + (R10 x 30%)√
= R10 + R3√
= R 13√   (4÷2)   (2)

5.1.3

Cost of sales = $\text{Sales} \times \dfrac{100}{100\ \text{plus Mark up}}$√

= $R\ 500 \times \dfrac{100}{160}$√

= R 312,50√√   (4÷2)   (2)

5.2   SOLI DEO MUSICAL INSTRUMENTS
BALANCE SHEET ON 29 FEBRUARY 2012

	ASSETS		
	NON-CURRENT ASSETS		
	Fixed assets	NOTE 1	655 000√
	CURRENT ASSETS		218 115√
	Trading stock		162 850√
	Accounts receivable		25 850√
	Cash and cash equivalents	NOTE 2	29 415√
	TOTAL ASSETS		873 115 (½ mark)
	EQUITY AND LIABILITIES		
	OWNER'S EQUITY		
	Capital	NOTE 3	349 456√
	LONG-TERM LIABILITIES		475 000√
	Mortgage bond		475 000√
	CURRENT LIABILITIES		48 659√
	Accounts payable		48 659√
	TOTAL EQUITY AND LIABILITIES		873 115 (½ mark)

(11)

SOLI DEO MUSICAL INSTRUMENTS
NOTES TO THE BALANCE SHEET

1	FIXED ASSETS/TANGIBLE ASSETS	
	Buildings	530 000√
	Vehicles	125 000√
		655 000 (½ mark)
2	CASH AND CASH EQUIVALENTS	
	Bank	9 760√
	Cash on hand	19 655√
		29 415 (½ mark)
3	CAPITAL/OWNER'S EQUITY	
	Balance (at the end of previous year – 28 February 2011)	356 000√
plus	Net profit	29 956√
minus	Drawings	(36 500)√
	Balance (at the end of current year – 29 February 2012)	349 456√

(9)
[20]

QUESTION 6 (LO4AS1)   **/14/**

6.1   Perseverance √, Hard Work √, Desire √   (Any 2)   (2)

6.2   Informal Sector √, she is a hawker √   (2)

6.3   She did not have any customers √   (1)

6.4   STRENGTH   Years of experience/diploma in computers √   (1)
       WEAKNESS   Limited financial resources √   (1)
       OPPORTUNITY Big customer base/Expansion possibilities √   (1)
       THREAT   She did not have any customers √   (1)

6.5   1.   Goals and objectives √
       2.   Executive summary √
       3.   Financial plan √
       4.   Marketing plan √
       5.   Operations plan/HR plan √   (5)

QUESTION 7 (LO4AS3)   **/7/**

7.1   Owned by two to twenty partners √
       Unlimited liability for debts √
       Must dissolve in case of change in membership √
       Contractual agreement can be in writing or oral. √
       There are no legal requirements in starting a partnership. √
       (Any other relevant response)   (Any 3)   (3)

7.2   ADVANTAGES:
       Separate legal entity √, Unlimited continuity √, Limited liability for debts √
       It is easier to establish as there are fewer legal requirements than for
       companies. √
       (Any other relevant response)   (Any 2)

       DISADVANTAGES:
       Capital is limited to what ten members can contribute √
       Only natural persons can be members of the CC √
       A member of the CC can be personally held liable for the losses of the CC √
       (Any other relevant response)   (Any 2)   (4)

                                                            TOTAL: 100