



# Economic and Management Sciences

TEACHER'S GUIDE



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# Section I: Introduction

## How this course works

This Economic and Management Sciences (EMS) course is part of a series that meets the requirements of the Curriculum and Assessment Policy Statement (CAPS) for the Senior Phase. The series consists of two core components each for Grades 7, 8 and 9: a Learner's Book and a Teacher's Guide.

### The Learner's Book

The full-colour Learner's Book provides content knowledge, core concepts and skills development. It includes activities for learners to develop, practise and consolidate their knowledge and skills. Teachers receive guidance on how to teach important concepts. Written texts are supported by illustrations that help to explain content. All examples, activities and illustrations are representative of all cultural groups.

Activities steadily become more challenging so that learners progressively develop their understanding of concepts.

### The Teacher's Guide

The Teacher's Guide provides you, the teacher, with all the planning, teaching and assessment tools you need to successfully teach this subject.

How this Teacher's Guide should be used

The Teacher's Guide supports you by:

- defining subject, the National Curriculum and Assessment Policy Statement (CAPS) and teaching terminology
- indicating pacing, content and resources in content *overviews*, and structuring the course into lessons with *clear teaching guidelines* according to the CAPS
- providing *background information* (prior knowledge and skills covered in previous grades and/or interesting subject/topic background)
- providing suitable *remediation and extension* activities for each lesson
- providing *suggested answers* for every activity
- providing Formal Assessment Tasks and *marking guidelines and rubrics* as required by the CAPS
- providing the chapter and unit at the bottom of the page to enable easy referencing between components
- offering additional resources that support core content.

### Five easy-to-navigate sections

Section I: Introduction

- How this course works
- An overview of the EMS Curriculum and Assessment Policy Statement

## Section 2: Planning and assessment in the Senior Phase

- Planning tools and teaching plans
- Types of assessment, including the Formal Programme of Assessment for EMS
- Recording and reporting assessment

## Section 3: Teaching and learning EMS

- Teaching EMS in the Senior Phase
- Inclusive teaching
- Metacognitive strategies in teaching

## Section 4: Term plans for teaching EMS

## Section 5: Resources for teaching EMS

# **An overview of the EMS Curriculum and Assessment Policy Statement**

This series is based on the National Curriculum Statement Grades R–12 (NCS, January 2012) which is the policy document for learning and teaching in South Africa. The NCS consists of three documents, namely:

- Curriculum and Assessment Policy Statements (CAPS) for all approved subjects for Grades R–12
- *National Policy pertaining to the Programme and Promotion Requirements of the National Curriculum Statement Grades R–12*
- *National Protocol for Assessment Grades R–12* (January 2012).

The CAPS document for EMS has four sections:

- Section 1–Introduction to the Curriculum and Assessment Policy Statements
- Section 2–Overview of EMS, time allocations and requirements to offer it as a subject
- Section 3–Overview of topics, annual teaching plan and content clarification
- Section 4–Assessment guidelines in EMS.

Sections 2, 3 and 4 of the CAPS document, together with the National Policy pertaining to the Programme and Promotion Requirements of the NCS, represent the norms and standards of the National Curriculum Statement Grades R–12. Together these documents are the basis for determining minimum outcomes, processes and procedures for the assessment of learner achievement in public and independent schools.

## **An overview of EMS**

The overview of content given in Section 2 of the EMS CAPS provides a useful summary of what EMS as a subject aims to teach learners:

- the needs and wants of different communities in societies;
- the nature, processes and production of goods and services, and business activities within the different sectors
- financial management, accounting as a tool for management of a business, and record keeping
- the influence of demand and supply, and pricing

- the flow of money, goods and services between households, business and government, and the rights and responsibilities of the different roles players in the economy
- the way in which to achieve sustainable growth, reduce poverty and distribute wealth fairly, while still pursuing profitability
- entrepreneurial skills and knowledge needed to manage self and the environmental effectively
- basic aspects of leadership and management
- the role of savings in sustainable economic growth and development
- trade unions and their influence in the economy
- the importance of using resources sustainably, effectively and efficiently
- functioning of both formal and informal businesses.

Source: Curriculum and Assessment Policy Statement, Economic and Management Sciences Grades 7–9, 2011

## Instructional time allocation

The instructional time in the Senior Phase is as follows:

Subject	Teaching hours per week	Total per term
Home Language	5	50
First Additional Language	4	40
Mathematics	4,5	45
Natural Sciences	3	30
Social Sciences	3	30
Technology	2	20
Economic and Management Sciences	2	20
Life Orientation	2	20
Creative Arts	2	20
Total	27,5	275

This table shows that the teaching time for EMS is two hours per week.

## Requirements for teaching and learning EMS

At the end of Section 2, the CAPS for EMS specifies that each learner should be equipped with a textbook, a calculator and an exercise book. Learners in Grades 8 and 9 should also have a Cash Journal exercise book and a General Ledger exercise book. Every teacher must have a textbook and a teacher's guide.

This course provides the Learner's Book as the textbook for learners and teachers. This guide is the accompanying teacher's guide for teachers. In the term plans for teaching EMS (Section 4 of this guide) we suggest additional resources that teachers will find useful in the classroom to teach the subject.

## Section 2: Planning and assessment

### Overview of EMS Topics

There are 28 topics in the EMS curriculum. These topics are organised into three main topic areas: The Economy, Financial Literacy and Entrepreneurship. The following table shows how the topics are spread across Grades 7, 8 and 9:

Topic areas	Grade 7	Grade 8	Grade 9
The Economy (weighting of 30%)	Term 1 History of money Needs and wants Goods and services	Term 1 Government National Budget Standard of living	Term 1 Economic systems The circular flow
		Term 2 Markets	Term 2 Price theory
	Term 3 Inequality and poverty		Term 3 Trade unions
	Term 4 The production process		
Financial literacy (weighting of 40%)		Term 1 Accounting concepts Source documents	Term 1 Cash Receipts Journal and Cash Payments Journal (sole trader) General Ledger and trial balance (sole trader)
	Term 2 Accounting concepts Income and expenses Budgets	Term 2 Overview of the accounting cycle Cash Receipts Journal (service)	Term 2 Credit transactions– debtors
		Term 3 Cash Receipts Journal (service) Cash Payments Journal (service)	Term 3 Credit transactions– debtors Credit transactions– creditors
	Term 4 Savings	Term 4 General Ledger and trial balance (service)	Term 4 Transactions–cash and credit
Entrepreneurship (weighting of 30%)	Term 1 Businesses		
		Term 2 Factors of production	Term 2 Sectors of the economy
	Term 3 The entrepreneur Starting a business Entrepreneur's Day	Term 3 Forms of ownership	Term 3 Functions of a business
		Term 4 Levels and functions of management	Term 4 Business plans



# Teaching plan for EMS Grade 8

This teaching plan shows:

- the pacing of the topics for the course by term
- where to find the relevant content and activities in the Learner's Book
- when Formal Assessment takes place, cross-referenced to suitable activities in the Learner's Book.

Note: On this table, 'LB' means the Learner's Book and 'TG' means this Teacher's Guide.

Term and Week	Topics	Unit	Activities and assessment	Time	LB pages	TG pages
<b>Term 1</b>	<b>The Economy</b>					
Week 1	Grade 7 Revision Term 1 Overview		Revision questions and answers	2 hours	10–11	25–30
Weeks 2–3	<b>Government</b> Meaning of government Different levels of government Roles of the different levels of government in respect of households in the use of resources and services Roles of the different levels of government in respect of businesses in the use of resources and services (both as consumer and producer)	Unit 1	1–3	4 hours	12–19	30–33
Week 4–5	<b>National budget</b> Government revenue Direct tax Indirect tax Government expenditure on services such as education, health, housing, social grants, transport, security, etc. The influence of the national budget on growth and redressing of economic inequalities	Unit 2	1–4 <b>Formal assessment:</b> Data response	4 hours	20–29	33–38

Term and Week	Topics	Unit	Activities and assessment	Time	LB pages	TG pages
Week 6	<b>Standard of living</b> Lifestyles Self-sufficient societies Modern societies Rural societies Impact of development on the environment Unemployment Productive use of resources to promote a healthy environment	Unit 3	1–3	2 hours	30–36	38–41
<b>Term 1</b>	<b>Financial literacy</b>					
Weeks 7–8	<b>Accounting concepts</b> Sole trader Debit Credit Capital Owner's equity Income Expenses Profit Losses Transactions Liability Assets Banking Cash receipts Cash payments Subsidiary journals Accounting equation: assets = owner's equity + liability (A = OE + L)	Unit 4	1–12	4 hours	37–54	42–55
Weeks 9–10	<b>Source documents</b> Receipts Deposit slips Cash register slips (till slips) Cheques Cheque counter foils Bank statements Cash invoices	Unit 5	1–3  <b>Formal assessment:</b> Exemplar controlled test	4 hours	55–63	56–64
<b>Term 2</b>						
Week 1	Term 1 Revision Term 2 Overview		Revision questions and answers	2 hours	66–68	65–69

Term and Week	Topics	Unit	Activities and assessment	Time	LB pages	TG pages
<b>Term 2</b>	<b>Financial literacy</b>					
Weeks 2–3	<b>Overview of the accounting cycle</b> Transactions Source documents Subsidiary journals General ledger Trial balance Income statement Balance sheet Introduction of the cash journals of a service business—their purpose and importance	Unit 1	1–7	4 hours	69–79	69–76
Weeks 4–8	<b>Cash receipts journal (service business)</b> Concept of Cash Receipts Journal (CRJ) of a service business Formats and uses of the columns in the CRJ Source documents used to complete the CRJ Entering of cash transactions into the CRJ Closing of the CRJ Effect of cash transactions on the accounting equation	Unit 2	1–6  <b>Formal assessment:</b> Project	5 hours	80–90	77–83
<b>Term 2</b>	<b>Entrepreneurship</b>					
Weeks 4–6	<b>Factors of production</b> Capital–borrowed and own capital Labour–unskilled, semi-skilled and skilled labour Role of workers in the business Fair employment practices Natural resources Entrepreneurship Remuneration of the factors of production	Unit 3	1–5	3 hours	91–97	84–87

Term and Week	Topics	Unit	Activities and assessment	Time	LB pages	TG pages
<b>Term 2</b>	<b>The Economy</b>					
Weeks 7–8	<b>Markets</b> Types of markets– goods and services market Factor market (labour and financial markets)	Unit 4	1–4	2 hours	98–103	88–92
Weeks 9–10	<b>Mid-year examination</b>		<b>Formal assessment</b>	1 hour for paper	104–105	95
<b>Term 3</b>						
Week 1	Term 2 Revision Term 3 Overview		Revision questions and answers	2 hours	108–110	98–101
<b>Term 3</b>	<b>Financial literacy</b>					
Weeks 2–3	<b>Cash Receipts Journal (service)</b> Entering of cash transactions in the Cash Receipts Journal (CRJ) Closing off the CRJ Effect of cash transactions on the accounting equation	Unit 1	1–5	4 hours	111–115	102–107
Weeks 4–10	<b>Cash Payments Journal (service)</b> Concept of a Cash Payments Journal (CPJ) of a service business Formats and uses of the columns in the CPJ Source documents used to complete a CPJ Entering of cash transactions in the CPJ Closing off the CPJ Effect of cash transactions on the accounting equation Entering combined transactions in the CRJ and CPJ Closing off the CRJ	Unit 2	1–6  <b>Formal assessment:</b> Case study	7 hours	116–128	107–118

Term and Week	Topics	Unit	Activities and assessment	Time	LB pages	TG pages
<b>Term 3</b>	<b>Entrepreneurship</b>					
Weeks 4–10	<b>Forms of ownership</b> Sole traders Partnerships Close corporations Private and public companies Characteristics Advantages and disadvantages Their role in sustainable job creation Role in sustainable use of natural resources	Unit 3	1–7 <b>Formal assessment:</b> Controlled test	7 hours	129–141	119–124
<b>Term 4</b>						
Week 1	Term 3 Revision Term 4 Overview		Revision questions and answers	2 hours	144–146	130–133
<b>Term 4</b>	<b>Entrepreneurship</b>					
Weeks 2–6	<b>Levels and functions of management</b> Different levels of management Management tasks such as planning, organising, leading and controlling Characteristics of good management Different styles of management–autocratic style, permissive or free-reign style (laissez-fair), democratic or participatory style	Unit 1	1–4	5 hours	147–156	134–138

Term and Week	Topics	Unit	Activities and assessment	Time	LB pages	TG pages
<b>Term 4</b>	<b>Financial literacy</b>					
Weeks 2–8	<b>General Ledger and trial balance (service)</b> The double entry-principle The ‘T’ accounts Format of the General Ledger Sections with the General Ledger Opening accounts in the General Ledger Posting/recording of transactions from the CRJ and CPJ of the service business to the General Ledger, balancing of the General Ledger Preparing of a Trial Balance of a service business	Unit 2	1–11	8 hours	157–178	139–167
Weeks 7–9	Term 4 Revision <b>Examination preparations</b> Revision of the year’s work Study techniques Examination writing skills		Revision questions and answers	3 hours	179–180	168–172
Week 10	<b>End-of-year examination</b>		<b>Formal assessment</b>	2 hours for paper	192–195	173

## Assessment in the Senior Phase

Assessment is about collecting evidence of the learners' learning. It is an integral part of teaching and learning, and should be planned when planning the lesson content. Assessment helps to identify the needs of the learners. It also provides evidence of progress, enables teachers to reflect on what they are doing and provides for feedback and reporting to all stakeholders. Good assessment practice in EMS includes:

- assessing whether skills and aims are applied to content knowledge
- determining whether learners can apply this knowledge to procedures and problems
- providing feedback.

The four steps of assessment

1. Generating and collecting evidence of achievement
2. Evaluating the evidence
3. Recording the findings
4. Using the findings to guide future learning and teaching.

### Types of assessment

Type of assessment	Description
<b>Baseline assessment</b>	Establishes whether learners meet basic skills and knowledge level required Helps teacher to plan for the year and for each learner Is administered at the beginning of the year and before a particular topic Results are used as a guide for teaching and not for promotion purposes.
<b>Diagnostic assessment</b>	Informs the teacher about certain specific problem areas that may hinder performance May help determine whether a learner's problems are content or psycho-social based Appropriate interventions should follow on from diagnostic assessment Results should inform interventions and not be used for promotion purposes.
<b>Formative assessment</b>	Used to aid the learning process and not for promotion purposes Usually informal, to provide the teacher and learner with a more frequent account of where the learner is at Teachers can use this form of assessment to modify and adapt their own teaching.
<b>Summative evaluation</b>	Carried out after completion of a topic or cluster of topics Is an assessment of learning that has taken place Recorded and used for promotion This is usually formal assessment, making up the Formal Programme of Assessment.

### Informal or daily assessment

Informal assessment is a daily monitoring of learners' progress. This is done through observations, discussions, practical demonstrations, learner-teacher conferences, informal classroom interactions, and so on. The Learner's Book is packed with activities that can be used for informal assessment, once learners have mastered the basic concepts.

The CAPS tells us that informal assessment should be used to provide feedback to the learners and to inform planning for teaching, but need not be recorded or taken into account for promotion. It should not be seen as separate from learning activities taking place in the classroom. Learners or teachers can mark these assessment tasks.

Self-assessment and peer assessment actively involve learners in assessment. This is important as it allows learners to learn from and reflect on their own performance. Learners often experience difficulty completing extended writing. Learners should read and write regularly, starting with sentences and paragraphs and building up to extended pieces of work. Much of this may be structured by working through activities.

## Formal assessment

All assessment tasks that make up a Formal Programme of Assessment for the year are regarded as formal assessment. Formal assessment tasks are marked and formally recorded by the teacher for progression and certification purposes. All formal assessment tasks are subject to moderation for the purpose of quality assurance and to ensure that appropriate standards are maintained.

The forms of assessment used should be appropriate for the learners' ages and developmental levels. Learners must complete formal assessments each term. Formal assessment provides teachers with a systematic way of evaluating how well learners are progressing in a grade and in a particular subject. Examples of formal assessments include tests, examinations, practical tasks, projects, oral presentations and posters. Formal assessment tasks form part of a year-long formal Programme of Assessment in each grade and subject.

## Formal Programme of Assessment for EMS Grade 8

Learners' marks for formal assessment are partly derived from their year mark for school-based assessment (SBA, 40%), and partly from their final examination mark (60%). This course provides a full formal Programme of Assessment aligned with the plan given on the EMS CAPS.

The table below presents the formal assessment opportunities in this Grade 8 course and shows the breakdown between SBA and the final examination:

Programme of Assessment							
	Term 1		Term 2		Term 3		Term 4
Task (Form of assessment)	<b>Task 1</b> Data response (Week 5)	<b>Task 2</b> Controlled test (Week 10)	<b>Task 3</b> Project (Week 6)	<b>Task 4</b> Mid-year examination (Week 9)	<b>Task 5</b> Case study (Week 7)	<b>Task 6</b> Controlled test (Week 10)	Final examination (Week 10)
Activity in Learner's Book	Analyse the National Budget, page 178	Exemplar controlled test, page 180	Project, page 182	Exemplar mid-year examination, LB page 104	Consider forms of ownership, page 190	Exemplar controlled test, page 192	Exemplar end-of-year examination, LB page 192
Assessment tool	Rubric	Memo-randum	Rubric	Memo-randum	Rubric	Memo-randum	Memo-randum
Total marks	30 marks	50 marks (60 minutes)	50 marks	75 marks (60 minutes)	30 marks	100 marks (60 minutes)	150 marks (120 minutes)
Percentage of year mark	Tasks 1–6 make up the school-based assessment (SBA): 40%						Final examination mark: 60%



## Practical guidelines for assessing the types of formal assessment for EMS

Assessment tasks should be designed to cover the content and concepts of the subject and include a variety of activities selected to assess the identified aims and skills.

Before handing out an assessment task to learners, teachers should ensure that they are able to answer all the questions themselves. When teachers set an assessment task, they should draw up a memorandum of answers and/or a rubric or the assessment. Refer to the seven-point rating code or scale of achievement in this Teacher's Guide when constructing a rubric.

Feedback should acknowledge strengths and identify areas of weakness for learners' developmental needs. Action plans on how learners will be supported should accompany this feedback. It is important that the feedback provided to learners encourages them to do better, and builds their self-confidence.

### Tests and examinations

These are individual assessment tasks. Tests and examinations for formal assessment should be conducted under controlled conditions. This means that they should be completed by all classes in the same grade on the same day, and that all learners in the same grade write the same EMS paper under examination conditions. All questions must comply with the year-end examination standards.

Tests are written in Terms 1 and 3 and each must cover work done in the particular term. In Grade 8, learners must be given an hour to complete the term tests. The Term 1 test is out of 50 marks, while the Term 3 test is out of 100 marks. Learners write an hour-long mid-year examination out of 75 marks in Term 2. This examination must cover work done in Terms 1 and 2. The final examination at the end of Term 4 is based on the year's work. This examination is out of 150 marks in Grade 8 and learners must be given two hours to complete it.

Tests and examinations should include a variety of question styles. The CAPS for EMS presents a detailed format for the final examination. This format shows that Section A should cover all topics and include a variety of short question styles such as multiple-choice questions, matching exercises and filling in missing words. After Section A there should be separate sections on each of the topic areas covered in the teaching period being tested or examined. A variety of question types for these sections is also suggested: short-answer questions, paragraph-style questions, diagrams, cartoons, graphs, scenarios and case studies.

All tests and examinations should take their lead from this format for the final examination in the CAPS. This will help learners gain confidence while developing and consolidating examination writing skills. In the Learner's Book under 'Examination Preparations', this course provides learners with general examination writing skills and advice on how to approach particular question types.

Each test and examination must cater for a range of cognitive levels in the correct allocation (see the table on the following page).

Cognitive level	Description of skill to be demonstrated	Weighting %
Lower order	Assessing knowledge and remembering	30
Middle order	Assessing understanding and application	40
Higher order	Analysing, evaluating and creating	30

In the 'Examination Preparation' section of the Learner's Book as well as in Section 5 of this guide, this course presents the terminology that will help to introduce questions pitched at the appropriate cognitive level. Learners should get as much exposure to these words as possible before tackling formal assessments. The activities in the Learner's Book are all structured using these instruction verbs. Their definitions on first use in each unit are explained on the page to help grow learners' familiarity with the terminology which they will encounter in formal assessments.

### Projects

Learners complete one project in EMS in each grade. Projects are of a longer duration than other assessment tasks and learners need to be given enough time to complete them. Learners should be given the necessary guidance before they start with the project and their progress must be monitored throughout the project.

Be wary of prescribing projects that are beyond the cognitive level of the learners, or that will simply involve duplicating facts and data from reference material. The teacher should give clear criteria and instructions to guide learners. Determine which resources will be required and ensure that learners will have access to those resources. Learners must know the due date and how marks will be assigned.

Projects can be used to test a range of skills and competencies. A project should require learners to solve a problem. Learners will need to show these skills:

- planning, preparation, investigation and researching
- performing the task to a set of criteria
- producing a product such as a presentation or a written report with introduction, main body, conclusion and recommendations
- some application of their knowledge, innovation and creativity.

### Assignments

An assignment is an individual task, similar to tests and examinations. However, the assignment should be an extended piece of work with a focus on more demanding work than that covered in class. The assignment can include past questions, but should also include more challenging aspects encouraging the learner to use additional material to help them. The assignment can be completed at home.

### Case studies and data responses

With case studies learners are presented with a real-life situation, a problem or the description of an incident related to the topic. The text for case studies can come from various media sources such as newspaper and magazine articles, television or radio presentations. Case studies are a very good way of keeping the subject up to date and relevant.

Learners have to read or listen to the case study before answering the questions that are both based on and related to the content. Questions can be from lower order questions, when learners respond to or provide direct quotes from the article, to higher order questions, when they are asked to analyse comments and possibly make suggestions based on their own experience.

Other forms of data response questions can be cartoons, graphs, advertisements, and so on that learners are expected to engage with before answering a set of questions.

### **Inclusive assessment**

Teachers need to develop adaptive and alternative methods to assess learners with barriers to learning, so that learners are given opportunities to demonstrate competence in ways that suit their needs. Here are some examples of how to assess these learners, while still maintaining the validity of the assessment:

- Some learners may need concrete apparatus for a longer time than their peers.
- Assessment tasks, especially written tasks, may have to be broken up into smaller sections for learners who cannot concentrate or work for a long time, or short breaks may be given during the tasks. Learners can also be given extra time to complete tasks.
- Some learners may need to do their assessment tasks in a separate venue to limit distractions.
- A variety of assessment instruments should be used, as a learner may find that a particular assessment instrument does not allow them to show what they can do.
- Learners who cannot read can have tasks read to them and they can orally dictate answers. Assessment can also include a practical component in which learners can demonstrate their competence without having to use language.
- A sign-language interpreter can be used.
- Assessment tasks can be available in Braille or enlarged with bolded text.
- Assessment can include the use of dictaphones or computers with voice synthesisers.
- The forms of assessment used should be appropriate for age and developmental levels. The design of these tasks should cover the content of the subject and include a variety of tasks designed to achieve the objectives of the subject.

### **Recording and reporting assessment**

#### **Recording**

Recording documents helps to show the level of a learner's performance in a specific assessment task. It indicates learner progress towards the achievement of the knowledge as prescribed in the curriculum. Records of learner performance should be used to verify the progress made by teachers and learners in the teaching and learning process.

#### **Reporting**

Learners' performance can be reported in a number of ways. These include report cards, parents' meetings, school visitation days, parent-teacher conferences, phone calls, letters, class or school newsletters, and so on. Teachers in all grades report in percentages against the subject. The various achievement levels and their corresponding percentage bands are as shown in the table on the following page.

## Section 3: Teaching and learning EMS

Rating code	Description of competence	Marks %
7	Outstanding achievement	80–100
6	Meritorious achievement	70–79
5	Substantial achievement	60–69
4	Adequate achievement	50–59
3	Moderate achievement	40–49
2	Elementary achievement	30–39
1	Not achieved	0–29

### Teaching EMS in the Senior Phase

Grade 7 is usually the final year in primary school, though it is the beginning of the Senior Phase. The Grade 7 learners are the ‘senior’ learners in the school and they feel quite important. Learners must be challenged to think abstractly and critically, and not merely to copy information.

The transition to Grade 8 is an important one, and a big step. For many learners, for many different reasons, going to ‘high school’ is a combination of being exciting, yet challenging and even stressful. The writing of formal tests and examinations becomes even more important. The EMS teacher must spend time developing examination techniques which include unpacking terminology used in examinations, such as determine, identify, deduce, predict, present, summarise, expand, suggest, illustrate, and so on. The Learner’s Book provides many built-in opportunities for learners to engage with these. Section 5 of the Teacher’s Guide also provides a list of important terminology.

Presenting answers, time management, exam stress management, and so on are all important areas in which learners must receive constant coaching. EMS teachers should work very closely with Life Orientation teachers in order to support learners with these issues.

The volume of work increases in Grade 8, and the expectations are higher. Learners are also expected to mark their own work (from the board) and this is new to many Grade 8 learners.

Grade 9 is the most challenging grade in this phase. While being on the cusp of the final and another extremely important phase of their high school career, learners are also dealing with other issues important to them, such as sexuality. Girls develop faster than boys. Some schools separate the boys and girls in Grade 9 in order to address this issue.

Grade 9 is a crucial year in the teaching of EMS: learners are required to make a choice between content subjects in Grade 10. One of these subject choices will be Accounting. Learners will choose this subject based on their career aspirations, experience and level

of success achieved in EMS in Grade 9. It is very important that teachers lay a good foundation for basic accounting skills in Grades 8 and 9 in order to facilitate suitable and appropriate subject choice.

## **Inclusive teaching**

### **What is inclusive teaching?**

In the Senior Phase, it is crucial that learners find themselves in an environment where they can develop an interest in learning and the belief that they can learn. Inclusive education is defined as a learning environment that promotes the full personal, academic and professional development of all learners irrespective of race, class, gender, disability, religion, culture, sexual preference, learning styles and language.

Inclusion is about acknowledging and respecting that:

- all children have the right to learn
- all children are able to learn
- all learners need support
- all learners are unique and have different, but equally valued, learning needs
- all learners need the opportunity to build on their own unique strengths
- the learner is the centre of the teaching and learning process
- there are differences in learners, for example, age, gender, language, culture, learning styles, disabilities, HIV status and so on.

Inclusion is also about:

- enabling educational structures, systems and learning methodologies to meet the needs of all learners
- more than just formal schooling—it embraces learning that occurs in the home, community and so on
- changing attitudes, behaviour, methodologies and environments to meet the needs of all learners
- ensuring maximum participation of all learners in the culture and curriculum of all educational institutions
- identifying and minimising barriers to learning that can occur at any level of the system.

Some of the learners in your class may already suffer from exclusion or think negatively about education. There is no reason for their exclusion from class activities. It is the responsibility of the teacher to ensure the inclusion of these learners. This means adapting activities to suit their needs and capabilities. It is equally important that the class is not divided because of this. Rather, learners with these challenges should be accepted and helped where possible by their peers. Learners should at all times be discouraged from teasing, bullying or ignoring learners with special needs. When these attitudes are directed towards a learner, they create a barrier to learning in that learner.

## **Practical guidelines for inclusive teaching**

- Have a true understanding of each learner's background, strengths, unique abilities, needs and barriers. Then use this information to inform your planning and give a clearer focus.
- Remember that the teacher is a facilitator of learning.
- Keep the content and material as relevant as possible.
- Break down learning into small, manageable and logical steps. Keep instructions clear and short (plan beforehand).
- Grade activities according to the different levels and abilities of learners. Try to ensure that learners remain challenged enough without undue stress.
- Develop a balance between individual teaching, peer tutoring, co-operative learning and whole-class teaching.
- Use learners to help one another in the form of group types, peer-assisted learning, buddy systems and so on. Ensure that learners feel included and supported in the classroom by both the teacher and their peers.
- Set up pairs and groups of learners where members can have different tasks according to strengths and abilities. Promote self-management skills and responsibility through group roles and the types of tasks you set.
- Motivate learners and affirm their efforts and individual progress. Build confidence. Encourage questioning, reasoning, experimentation with ideas and risking opinions.
- Determine the learner's 'Zone of Proximal Development' (ZPD) and use it for effective teaching and learning. The ZPD has been described as the distance between what the learner already knows and understands and what they can understand with adult support. Learning is thus a social interaction as the teacher mediates and supports the learner as they understand a new concept.
- Spend time on consolidating new learning. Use different ways to do this until all learners understand the concept. Make time to go back to tasks so that learners can learn from their own and others' experiences and methods.
- Use and develop effective language skills (expressive and receptive, verbal and non-verbal).
- Experiment with a variety of teaching methods and strategies to keep learners interested and to cater for and develop different learning styles. Use games, co-operative group work, brainstorming, problem-solving, debates, presentations and so on.

## **Learners with barriers to learning**

A barrier to learning is anything that prevents a learner from participating fully and learning effectively. This includes learners who were formerly disadvantaged and excluded from education because of the historical, political, cultural and health challenges that faced South Africans. Some other examples of barriers to learning may be learners who are visually or hearing impaired, or learners who are intellectually challenged. Barriers to learning cover a wide range of possibilities and learners may often experience more than one barrier. Some barriers, therefore, require more than one adaptation in the classroom and varying types and levels of support.

These learners may require and should be granted more time for:

- completing tasks
- acquiring thinking skills (own strategies)
- assessment activities.

Teachers need to adapt the number of activities to be completed without interfering with the learners gaining the required language skills.

## Metacognitive strategies in teaching

### What are metacognitive strategies and how can I use them?

Metacognition is the process of thinking about how you think. Adults often do this automatically. Before taking on something new, we may ask ourselves:

- What do I already know about this?
- What will help me understand it better?
- How is it structured?

As we engage with a text or action, we may ask ourselves:

- Did I understand that?
- Why do I think that?
- How does this connect with what I already know?
- How could I apply this in my life?

Then we evaluate what we have learnt or done by asking questions like:

- Did I understand that well?
- What strategies helped and what strategies did not help?
- What should I do the next time I take on a task like this?

Learners, however, are often unaware of how they think and engage with learning material. You help learners to learn independently by explicitly guiding them to plan, monitor, and evaluate their reading and learning strategies. This is particularly effective for those learning in English as a second language and for learners who are struggling. It can dramatically improve their performance.

You teach metacognitive skills by asking learners to explain what they are thinking and what strategies they are using to understand material. This is best done in small groups. You can also use 'think aloud' strategies when engaging with texts and images. 'Think alouds' are often effective when reading texts to learners, and during small-group and pair reading exercises.

Here is an example of how to teach metacognitive strategies using a 'think aloud':

1. Choose a short piece of text and note where you will stop during reading to model your thought processes.
2. Things to include in this planning stage could be:
  - reading the text title and the table of contents
  - looking at the images and predicting what the text may be about

- skim-reading the text looking for headings, words in bold, and summaries. As you skim read, think about what you already know about the subject and what more you would like to know.
3. In class, explain to the learners what you will be doing. Start by explaining how you planned before reading the text.
  4. To monitor understanding during reading, you can explain where you stopped to ask yourself whether or not you understood the content. If the text has a long or complex sentence, describe how you divided it up to understand it. Find places where you could ask questions such as:
    - Why would this ...?
    - Is this similar to ... ?
    - How can I figure out what this new word means?
    - What does the writer want me to know?
    - What do I think will happen next? Why do I think that?
    - Do I need to re-read this for detailed information?
  5. Now show learners how to evaluate their metacognitive strategies by asking and answering questions such as:
    - Did I read and understand this well?
    - What helped me to understand? What did not help?
    - What should I do next time I read about this topic?
    - What will help me to remember what I read?

By engaging with how learners think, you can better prepare them for their lives and learning in the future. Consider how to include this aspect of learning into your teaching style.



# Section 4: Term I The Economy and Financial literacy

## Term overview

In the units that deal with The Economy, this term covers the three levels of government, their roles and how the government interacts with households and businesses. It looks at how the government uses resources and services as both a producer and consumer and how it collects and spends revenue on providing services via the National Budget in an effort to redress economic inequalities. It also examines lifestyles, different societies, unemployment, using resources productively and promoting a healthy environment.

In Financial literacy new accounting concepts are explained such as sole trader, assets, liabilities, credit, debit, income, expenses, profit, losses and source documents, such as receipts, deposit slips, cheques and invoices, are introduced.

### Resources

- Learner's Book, pages 12–67
- Learners' own exercise books
- Newspaper articles, magazine pictures, examples of source documents such as cheques, deposit slips and invoices.
- Calculator

## Content coverage

UNIT	CONTENT	PACING (TIME ALLOCATION)	LB PAGES	TG PAGES
The Economy				
1	Government	4 hours	12–19	30–33
2	National Budget	4 hours	20–29	33–38
3	Standard of living	2 hours	30–36	38–41
Financial literacy				
4	Accounting concepts	4 hours	37–54	42–55
5	Source documents	4 hours	55–63	56–64

## Assessment

The following activities in this term are suitable for formal assessment:

ACTIVITY				ASSESSMENT	
Type of activity	Activity	LB page	TG page	Assessment tool	TG page
Data response	Analyse the National Budget	–	178	Memorandum	60
Controlled test	Term 1 Exemplar controlled test	–	180	Memorandum	63

## 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	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
fossil fuels	minerals and gas which take millions of years to form in the ground and they give off CO <sub>2</sub> when they are burnt
global warming	increased warming of the earth's atmosphere due to increases in the amount of certain gases including CO <sub>2</sub> 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
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
banking	depositing money in a bank and using cheques or ATMs to withdraw money from bank accounts
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
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
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
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
duplicate	an exact copy of something

## The Economy

### Suggested answers to revision questions

- 1.1 Swapping goods for goods without the use of money ✓✓
- 1.2 Banking which is done on a computer, cell phone or ATM ✓✓
- 1.3 People who buy and use goods and services ✓✓ (3 × 2 = 6)
2. Primary are basic needs that are needed for survival ✓✓ For example: water, food, shelter clothing ✓✓  
Secondary are needs that are not necessary for survival ✓✓ For example: Transport, education ✓✓ (6)
3. Focus on education and training ✓✓ by spending on improving education ✓✓ of previously disadvantaged ✓✓ and on service training schemes. ✓✓ Skilled and qualified workers are more likely to find sustainable job opportunities. ✓✓ These are secure jobs ✓✓ where people have opportunities to develop their skills ✓✓ and are much more likely to work hard at making the business that they work for a success. ✓✓ The cycle of poverty needs to be broken ✓✓ by improving education and making people more employable ✓✓. (8)

## Financial literacy

### Suggested answers to revision questions

- 1.1 Capital is the money and assets a person uses to start a business ✓✓ (2)
- 1.2 Expenses are costs needed in order to operate the business ✓✓ It is any payment that is not for assets. ✓ (Max. 2)
- 1.3 Assets are possessions owned by the business. ✓✓ (2)
- 1.4 Liabilities are debts that the business owes to other people or businesses ✓✓ (2)
2. A person must first identify all their assets. ✓✓ Then they need to add up all their debts they owe other people. ✓✓ When they subtract the total debts from the total assets, they will have the monetary value of their worth. ✓ (6)
3. Use discretion with the learners answers. They must give their opinion. However it must be supported by logical, sound reasons that are applicable to the scenario. The question is asking the learners to identify a budget. An sample answer could be:  
Jeremiah must draw up a budget. ✓✓ A budget will help him to plan how he spends his income. ✓✓ In his budget he needs to make sure that he saves some of his income every month. ✓✓ This will make sure he has money to pay for unexpected expenses. ✓✓ He will not have to borrow money as this costs money when he has to pay interest on the amount borrowed. ✓✓ Borrowing money just makes his financial situation worse. ✓✓ (Max. 10)

# Entrepreneurship

## Suggested answers to revision questions

1. An entrepreneur is someone who recognises a need in a community and starts a business to meet that need. ✓✓ (2)
2. Any SIX of: self-starters ✓, leaders ✓, responsible ✓, hard-workers ✓, decision makers ✓, good at organising things ✓, trustworthy ✓, honest ✓, persistent ✓, energetic ✓ (max. 6)
3. Buying ✓, selling ✓, producing ✓, making a profit ✓ (4)
4. Variable costs are costs that are directly linked to the production process ✓✓. Fixed costs are expenses that cannot be directly linked to any specific goods, but which are necessary for the running of the business. ✓✓ (4)

## UNIT



# The Economy: Government

Learner's Book pages 12–33

## Unit overview

Recommended pacing: 40 minutes × 6 lessons = 4 hours

### In this unit, you will:

- identify the different levels of government
- examine the roles of the different levels of government in the use of resources and services in terms of households and businesses (both as producers and consumers)

**Additional resources:** Newspaper articles

## Teaching guidelines

- Use the flow diagram on page 13 in the Learner's Book to indicate the three levels of government.
- Use newspaper articles and learners' observations from television and radio to talk about national and provincial government
- Refer to the nearest municipal offices for examples of local government

## Background knowledge

It is important that the learners have a clear understanding of what a government is and what functions it performs. The concepts consumer and producer must also be revised.

## Activity 1 Find out how the government is organised

Learner's Book page 14

### Guidelines to implement this activity

- This is an individual activity.
- Make sure that the learners focus on their provincial and local government in Questions 5 and 6.

### Suggested answers

1. The government is responsible for running the country by making policies and passing laws which affect how the country is managed.
2. National Government, provincial government, local government
3. The president appoints the deputy president and the ministers who are in charge of each of the government departments. Together these ministers form the Cabinet which is a group of the top-ranked government officials who make the policies of the government.
4. The national government runs national affairs and the provincial governments report to the national government. The provincial governments have a similar structure to the national government. They also have ministers (known as MECs) who are in charge of certain portfolios like the ministers in the national government. The provincial government looks after the affairs of the province only. These include services like education and healthcare within the province.
5. Answers will vary depending on location.
6. Answers will vary depending on location.

### Assessment guidelines

This activity is intended for informal assessment. Use the suggested answers supplied above to assess learners informally. You can also use and adapt the checklist below to assess learners' performances. Give learners feedback on their performance to prepare them for formal assessment.

Criteria	Yes	Partly	No
<b>The learner:</b>			
followed the instructions in the Learner's Book and understood what to do			
understood that there are three distinct levels of government.			

## Activity 2 Look at how the government and households interact

Learner's Book page 17

### Guidelines to implement this activity

- This is an individual activity.
- Get learners to talk about their own households and the resources they use.
- Use further examples of people who learners know who are civil servants. For example: local policemen, the mayor, and so on.

## Suggested answers

- 1.1 A household means all the people living together in a house. Therefore all the households in a country include most of the people living in the country.
- 1.2 Money paid by households and businesses to the government who uses this money to provide services.
- 1.3 Resources are the things we use to satisfy our needs and wants.
2. Natural resources are things which come directly from nature which we use to satisfy our needs and wants, for example: water or coal. Human resources are the skills that people have that are needed to provide the various services. For example: nurses and doctors.
3. All property owners pay rates which are taxes paid to the local government for the services that they provide such as street cleaning, libraries etc.
- 4.1 Pictures 1, 2 and 3
- 4.2 Pictures 2 and 4
- 4.3 Pictures 1 and 3
- 4.4 All

## Assessment guidelines

This activity is intended for informal assessment. Use the suggested answers supplied above to assess learners informally. You can also use and adapt the checklist below to assess learners' performances. Give learners feedback on their performance to prepare them for formal assessment.

Criteria	Yes	Partly	No
<b>The learner:</b>			
followed the instructions in the Learner's Book and understood what to do			
understood what households, civil servants and taxes are.			

### Activity 3

## Examine the interaction between the government and business

Learner's Book page 19

## Guidelines to implement this activity

- This is an individual activity.
- Make sure that learners have a good understanding of consumers and producers.

## Suggested answers

1. Business means all forms of businesses that are not owned by the government.
2. Answers will vary—the Learner's Book gives examples: shops and factories and businesses selling services like hairdressers and taxi drivers.
3. It buys goods and services from businesses and it provides businesses with services.



4. The DTI assists businesses that wish to develop products for exporting and it helps businesses to find buyers in other countries. The Department of Economic Development also provides services to businesses that need help to develop. It helps them to get loans, provides advice about products and advises businesses on ways of selling their products and services.

### Assessment guidelines

This activity is intended for informal assessment. Use the suggested answers supplied above to assess learners' answers informally. You can also use and adapt the checklist below to assess learners' performances. Give learners feedback on their performance to prepare them for formal assessment.

Criteria	Yes	Partly	No
<b>The learner(s):</b>			
followed the instructions in the Learner's Book and understood what to do			
understood the meaning of the term businesses.			
recognised the links between businesses and the government.			

### Core concepts

Check that learners have understood the core concepts of this unit. Give them practice in using these concepts: Government, households, businesses, resources, services, consumers and producers.

#### UNIT

## 2

## The Economy: National budget

Learner's Book pages 20–29

### Unit overview

Recommended pacing: 40 minutes × 6 lessons = 4 hours

#### In this unit you will:

- find out about different forms of tax, as well as all the services on which the government spends its money
- examine the influence of the National Budget on growth and redressing economic inequalities.

**Additional resources:** Newspaper articles, recording of the budget speech

## Teaching guidelines

- Encourage learners who have access to newspapers to find out information on the National Budget.
- Try to listen to the radio or television broadcast of the budget speech.

Learners must understand what a budget is. Start by talking about personal budgets and how it is always good to plan things.

Create an air of anticipation around the Budget speech so that it can be discussed in class after it has been announced.

### Activity I Understand how the tax system works

Learner's Book page 22

#### Guidelines to implement this activity

- Learners can complete this activity in pairs.
- Engage learners in discussion on VAT some learners will be aware of the fact that they pay VAT when they pay for items at a shop
- Bring examples of till slips with VAT amounts to class for learners to see.

#### Suggested answers

1. The National Budget is the government's plan of how it will spend its revenue each year.
2. Taxes
3. The intermediary collects the value-added tax (VAT) on behalf of the government when customers pay for goods and services. It then pays this VAT to the South African Revenue Service (SARS).
4. Direct taxes are paid directly to SARS. For example: personal tax and company tax. Indirect taxes are those taxes that are not paid directly to SARS. They are collected by another person or organisation called an intermediary and then paid to SARS. The most common form of indirect tax in South Africa is VAT.

#### Assessment guidelines

This activity is intended for informal assessment. Use the checklist below to assess learners. Give learners feedback on their performance to prepare them for formal assessment.

Criteria	Yes	Partly	No
<b>The learners:</b>			
could discuss the issues together in pairs and came up with suitable answers			
understood the concepts budget and tax.			

## Activity 2 Look at how the government spends its money

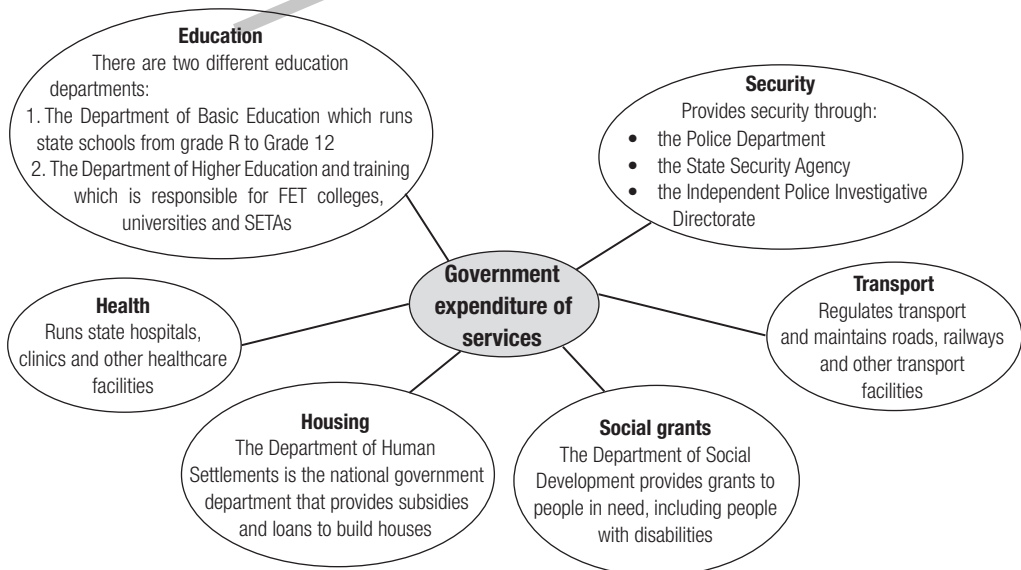
Learner's Book page 26

### Guidelines to implement this activity

- This is an individual activity.
- Make sure that learners understand how to construct a mind map before they attempt Question 3.
- Question 4 can be used as a point for class or group discussion.

### Suggested answers

1. Education
2. Any four of the following:
  - Grant for older persons—an amount of money that can be paid to South African citizens over the age of 60 who apply for it
  - Disability grant—an amount of money that can be paid to South African citizens with a disability who apply for it
  - War veterans grant—an amount of money that can be paid to South African citizens who are over 60 or disabled or who fought in certain wars and who apply for it
  - Care dependency grant—an amount of money that can be paid to South African citizens who are looking after a child with a disability under the age of 18
  - Foster child grant—an amount of money paid to the foster parents for the support of a foster child
  - Child support grant—financial support given to the parent or caregiver of a child under the age of 15
  - Grant-in-aid—financial support for a person over 60 who has disabilities
  - Social relief of distress—a temporary assistance for people who are unable to meet their or their families' most basic needs.
3. A model answer:



The descriptions on the learners' mind maps should contain details such as what the money is used for in each department and how much was spent on it in the 2012/13 budget and what percentage of the National Budget this was.

4. It is important that the government draws up a budget so that it does not over spend or under spend. It is always a good idea to have a plan of how money will be spent so that the government allocates money to the areas that need it the most.

### Assessment guidelines

This activity is intended for informal assessment. Use the suggested answers supplied above to assess learners' answers informally. You can also use and adapt the checklist below to assess learners' performances. Give learners feedback on their performance to prepare them for formal assessment.

Criteria	Yes	Partly	No
<b>The learner:</b>			
could answer the questions in the Learner's Book			
produced a mind map with the required information on government services as discussed in this unit			
understood what government expenditure on services means.			

### Activity 3 Examine the influence of the National Budget on growth

Learner's Book page 27

#### Guidelines to implement this activity

- This is a group activity.
- Question 4 in particular could be used in group or class discussions.

#### Background knowledge

The concept of GDP is an important one. It is possible that learners may have heard it in Social Sciences, but take time to make sure that they understand it and also that they understand what economic growth is.

#### Suggested answers

1. To create more jobs and solve the problems of high unemployment
2. By measuring the growth in GDP
3. Skilled and qualified people earn more and pay higher taxes. They are also the people who start and manage businesses who employ people. A country that has plenty of skilled people is a country that is able to compete with other countries in producing goods and services.
4. Learners must answer in their own words. Answers should mention the following:
  - 4.1 Transport is vital for industries to grow. A good transport network makes businesses more competitive. It is something that everyone needs or uses.
  - 4.2 When there are many sick people in a country it puts pressure on the government to spend more on health and social grants. When people are healthy they are able

to work and to pay taxes. This increases GDP and the money available for the National Budget.

### Assessment guidelines

Use the checklist below to assess learners Informally. Give learners feedback on their performance to prepare them for formal assessment.

Criteria	Yes	Partly	No
<b>The learners:</b>			
followed the instructions in the Learner's Book and understood what to do			
understood the concepts economic growth and GDP			
could work together in a group to discuss the issues.			

### Activity 4

#### Discover how National Budget expenditure can help to redress inequalities

Learner's Book page 29

#### Guidelines to implement this activity

- This is an individual activity.
- Be sensitive to the socio-economic situations of the learners and avoid any stereotyping of poor people.

#### Background knowledge

Some background on apartheid policies may be useful when discussing the reasons for inequalities and for the need for redressing poverty.

#### Suggested answers

1. Areas of expenditure that are making a big difference in the lives of the poor are social grants, which assist the aged, the disabled and very poor, education and training and housing. Provision of electricity, running water and sanitation has also improved the lives of the poor.
2. In the 10 years from 2003 to 2013 almost 2,3 million houses were built. Most of the expenditure on housing has been through the RDP. People who cannot afford the deposit for a house are assisted and interest rates on loans are low.
3. It will improve transport and communication enabling people and businesses in these areas to link with people and businesses in other areas. It will also provide many jobs for people living in these poor, rural areas.

#### Assessment guidelines

This activity is intended for informal assessment. You can use and adapt the checklist below to assess learners. Give learners feedback on their performance to prepare them for formal assessment.

Criteria	Yes	Partly	No
<b>The learner:</b>			
followed the instructions in the Learner's Book and understood what to do			
Understands how the budget can be used to redress inequalities and poverty			

## Core concepts

Check that learners have a working knowledge of the core concepts of this unit. Give them practice in using these concepts: budget, revenue, tax, government expenditure, and economic inequalities.

### UNIT



## The Economy: Standard of living

Learner's Book pages 30–36

### Unit overview

Recommended pacing: 40 minutes × 3 lessons = 2 hours

#### In this unit you will:

- find out what is meant by the standard of living
- examine the lifestyles of different societies and study the concept of unemployment
- look at how development affects the environment and how you can use resources and still protect the environment

**Additional resources:** 'You' magazines or similar lifestyle magazines

## Teaching guidelines

Use glossy magazine pictures of celebrities to introduce the concept of lifestyles

### Background knowledge

Some learners may have heard of concepts like self-sufficient and healthy environments in Social Sciences.

**Guidelines to implement this activity**

This is an individual and pair activity.

Questions 1 to 4 are for individuals and Question 5 should be done in pairs.

After Question 5 has been completed in pairs, the pairs could be asked to report back to the class on their discussions.

**Suggested answers**

1. Lifestyles refer to the way we use goods and services to satisfy our needs and wants.
2. People's lifestyles are mainly influenced by the work that they do, the amount of money that they have, but mostly by the society that they live in.
3. Societies that provide all of their basic needs are called self-sufficient societies. They use the resources that they have available in the area where they live to provide their needs and do not buy or import resources or goods from other places.
4. They are self-sufficient in that they do not appear to have any bought goods. The basic needs that they have in the picture are food, shelter and clothing.
5. A discussion between pairs of learners.

**Assessment guidelines**

This activity is intended for informal assessment. Use the checklist below to assess learners. Give learners feedback on their performance to prepare them for formal assessment.

Criteria	Yes	Partly	No
<b>The learner(s):</b>			
followed the instructions in the Learner's Book and understood what to do			
understood the key concepts of lifestyle and self-sufficiency.			

**Guidelines to implement this activity**

This is an individual activity.

**Background knowledge**

Learners have been introduced to the concept consumer in Unit 1, but it may need to be recapped.

**Suggested answers**

1. Someone who buys and uses goods and services

2. They are sometimes called consumer societies because people work for an income and then use their incomes to buy the goods and services that they need or want. There is a large range of goods and services available to consumers in modern societies
3. Modern societies mostly occur in cities or large urban settlements because they require well-developed infrastructure.
- 4.

	Modern societies	Rural societies
Range of goods and services available	More	fewer
Opportunities to consume	More	fewer
Level of development of infrastructure	high	low
Use of technology	high	low

### Assessment guidelines

Use the suggested answers and the checklist below to assess learners informally in the classroom. Give learners feedback on their performance to prepare them for formal assessment.

Criteria	Yes	Partly	No
<b>The learner:</b>			
showed an understanding of what it means to be a consumer			
copied and completed the table as instructed in the Learner's Book			
could distinguish between the various types of societies.			

### Activity 3

#### Show how development can reduce unemployment and still promote a healthy environment

Learner's Book page 35

### Guidelines to implement this activity

- This is an individual activity.
- Make sure that learners understand that they need to give realistic and well-grounded answers to Question 7.

### Background knowledge

Some learners may have heard of concepts like fossil fuels, global warming and alternative energy in Social Sciences. Build on this prior knowledge and possibly even introduce the concept of sustainability here.



## Suggested answers

1. The level of wealth, comfort and material goods that the people in a country have
2. Industrialization means that a country increases the amount of industry. There are more factories and they use more raw materials, technology and machinery.
- 3.1 False
- 3.2 True
- 3.3 True
- 3.4 False
- 3.5 True
4. By being green industries and adopting the three Rs and by using alternative energy.
5. Reducing the resources that they use by being more productive and limiting their waste. For example: businesses can cut back on the amount of paper they use and the paper they waste by using computers to store information and sending emails rather than letters or faxes.  
Re-using resources and choosing to use resources that can be reused rather than resources that they have to throw away after one use. For example: businesses can use reusable ink cartridges (containers) in their printers.  
Recycling the resources they use. For example: paper, cardboard, plastic, glass and metals are all recyclable.
6. Most electricity is produced by burning fossil fuels which are substances like coal, oil and gas. Fossil fuels produce CO<sub>2</sub> which is a greenhouse gas that causes increased global warming and climate change.  
The rest of this answer will vary depending on the location of the learner.
7. Answers will vary, but should consider how the budget will be spent.

## Assessment guidelines

This activity is intended for informal assessment. Use the suggested answers and the checklist below to assess learners. Give learners feedback on their performance to prepare them for formal assessment.

Criteria	Yes	Partly	No
<b>The learner:</b>			
followed the instructions in the Learner's Book and understood what to do			
• could identify the different ways in which lifestyles can impact on the environment			
• could identify ways in which people can promote a healthy environment.			

## Core concepts

Have the learners understood the core concepts of this unit? Give them practice in using these concepts: lifestyles, self-sufficient, and productive use of resources.

## Unit overview

Recommended pacing: 40 minutes × 6 lessons = 4 hours

### In this unit you will:

- look at more terms that are used in Accounting, which has a language all of its own
- add words to this Accounting language
- learn about the Generally Accepted Accounting Principles (GAAP)
- explore new Accounting concepts and principles

**Additional resources:** Calculator, learner exercise book; cardboard for flash cards; wool or string; koki pen.

## Teaching guidelines

- It is very important that the learners know the meaning and can discuss the different accounting concepts. These concepts are the foundation that Accounting builds on.
- You may wish to write the concepts on pieces of cardboard—use the same colour for assets and expenses. Use a different colour cardboard for liabilities and income. These can be placed on the classroom wall once the learners have mastered them.
- Play a game: let the learners work in pairs or groups of not more than four. Write the concepts on pieces of paper and fold the paper and place them all in a container. You can have two and even three of each concept. Allow one member of the team to pick a piece of paper from the container. Give them one minute to describe the concept. If they get it correct, they get four points. If they get it wrong, allow another team to give the answer for two points.
- Remember to emphasize that Accounting has a language all of its own. You may want to draw three columns on the chalkboard: English, isiZulu (or home language), Accounting language. Write the term in one column and let the learners take turns to write the same term in the other languages. Vary your use of the languages, for example first use the English term on the left side; next use the accounting term 'capital' and so on.

### Before we start

- Can you name any small businesses in your area? Allow the learners to discuss any business activity in the area. In the rural areas, vegetable gardening, looking after neighbours' children for a fee, selling fruit and vegetables at the taxi rank, shebeens are all types of business activity.

- Do you know if any of them are owned by one person? If so, which ones? Most of the rural and informal businesses are owned by one person. However, if you are in an area where there are businesses, allow the learners to discuss their answers and give reasons for their opinion. For example, they only see one person working in the shop every day, the name of the business suggests a sole trader.
- Can you describe the difference between a formal and informal business? A formal business is registered and pay tax on the profits whereas an informal business is not registered and the owner is using the income to survive and provide for the needs of their families.
- Make a list of all the accounting terms you know. You can make a game of this and let the learners work in teams to see who can remember the most.

### Activity 1 Differentiate between personal and business transactions

Learner's Book page 38

#### Guidelines to implement this activity

- This is an individual activity.
- Learners should copy the table into their exercise books. They need to write only the monetary amount in the correct columns as per the example given.
- It is very important that the learners realize that the owner may use money from the business for their personal use. However, it must be recorded in the business books as drawings and subtracted from the capital to calculate the owner's equity. Remember, the business and the owner must be treated separately - business entity rule. This is the only way the business owner can decide whether the profit made is sufficient to carry on with the business.

#### Background knowledge

Learners should not get confused with formal and informal sole traders. A person who starts their own business is a sole trader. However, it is only if the business is registered for tax with SARS and has a business licence that it is a formal business. Many sole traders work from home, sell to home industry shops or just sell goods on the sidewalk to make a living. These are all informal businesses but still sole traders.

#### Suggested answers

		Personal	Business
1	Brenda started a business with R1 300		R1 300
2	Brenda received R300 for cakes sold in the first week		R300
3	Paid R325 for ingredients and R200 for groceries for the home.	R200	R325
4	Received R350 from cake sales. She used R125 of this money to purchase school shoes for her daughter.	R125	R350
5	Paid R750 for water and electricity. She calculated that 20% of this was for business use.	R600	R150

## Assessment guidelines

No mark allocation has been given as this is the first activity in Financial Literacy this term. Rather use this activity to find out which learners are still a bit confused with this concept. Discuss their answers and ask questions if they have a wrong answer. For example: why do you think this is personal and not business? Get the learner to understand why the answer is incorrect.

### Activity 2 Understand a sole trader business

Learner's Book page 40

#### Guidelines to implement this activity

- This is an individual activity.
- Do not go into too much detail about sole traders at this point. In Term 4, you will be covering forms of ownership in more detail in entrepreneurship. However, it is important that the learners have an understanding of sole traders immediately as they will be doing the accounting records of a sole trade for the next few terms.

#### Suggested answers

1. Answers will vary. Two examples are a self-employed plumber and a shopkeeper.
2. Debit is the accounting language for left-hand side and is usually abbreviated to 'Dr'. The 'debit' is the left-hand side of the account in the general ledger or the left-hand column if two money columns are used to record information. Credit is the accounting language for right-hand side and is abbreviated to 'Cr'. The 'credit' refers to the right-hand side of the account in the general ledger or the right-hand column if two money columns are used to record information.
- 3.1 and 3.2. Use discretion with the learners answers:

Sample answer:

Dear Jennifer

There are a number of advantages to starting your own business but there are disadvantages as well. At the moment you are receiving a fixed salary ✓ regardless of whether the business you work for is doing well or not ✓. It is secure and you can plan your financial affairs easily ✓✓.

The advantages of owning your own business are:

- You will be working for yourself and can manage your time according to your needs ✓✓
- You will be entitled to all the profits and so will be more motivated to work hard ✓✓
- All the decisions can be made without having to ask anyone for permission ✓✓

(Max. 6)

The disadvantages are:

- You have to supply all the capital to start the business and this could limit the size of your business in the future ✓✓
- If the business makes a loss your personal possessions could be taken to pay for these debts ✓✓
- If you do not work you do not get any money ✓✓
- Your income is dependent on sales and it will not be fixed. It may take some time before you start making a profit ✓✓

(Max. 6)

You are very good at baking and already have some regular customers. ✓✓ You will need to do a budget and calculate how much money you will need to start the business ✓✓ as well as additional money to keep the business going for a few months until you are making a good profit. ✓✓ If you have saved this amount of money then it will be a good idea to start your own business. ✓✓ However, if you need to borrow the capital it will put pressure on you to meet these costs each month. ✓✓

(Max. 20 marks for Question 3)

Note to teacher: make sure the learners cover at least three advantages and three disadvantages and give some advice in their letter.

- The business entity rule means that the owner keeps their personal and business transactions completely separate. Jennifer will only be to calculate the exact profit the business makes. She gave her equipment to the business so it belongs to the business now. The business owes her the value of the equipment.

### Assessment guidelines

#### Question 3

The learners must learn to identify what is required from the questions and divide the marks accordingly. Use the suggested checklist supplied below to assess learners informally. Allocate learners a mark out of 26 and give them feedback on their performance to prepare them for formal assessment.

Criteria	Marks	Note to the teacher
Introduction	4	An introduction should never carry more than 4 marks.
Advantages	6	The remaining 16 must be divided into the 3 main sections of the question
Disadvantages	6	
Advice on whether she should start her business	6	
	22	Although a learner can obtain 22 marks he or she will only be given the maximum of 20.
	(Max. 20)	Always allocate more marks than the total so that if learners only answer half the question they still obtain at least half the marks.

### Activity 3 Calculate Owner's Equity and capital

Learner's Book page 42

#### Guidelines to implement this activity

- This is an individual activity.

#### Background knowledge

Later this year the learners will be analysing transactions into the accounting equation. They must understand the concept of owner's equity and the difference components that make up owner's equity. You may want to write out the diagram from the Learner's Book and put it up on the classroom wall. You will refer to this frequently over the year.

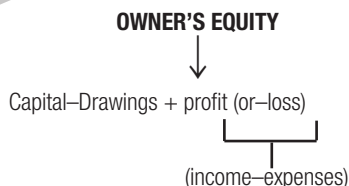
#### Suggested answers

- 1 Capital, drawings, income, expenses (or profit, loss) (any 4 × 1 mark)
- 2.1 Capital ✓ = R60 000 ✓ (Cash ✓ R10 000 ✓ + Truck ✓ R50 000 ✓) (6)
- 2.2 Assets ✓ - Liabilities ✓ = OE ✓ = 100 000 ✓ - 20 000 ✓ = R80 000 ✓ ✓  
OR  
OE = Capital ✓ - drawings ✓ + profit ✓ = 60 000 ✓ - 5 000 ✓ + 25 000 ✓ = R80 000 ✓ (7)
3. Capital is the amount of money and goods, such as equipment or vehicles that a person uses to start a business. Owner's Equity is the value that the owner has invested in the business: capital less drawings plus profit. (4)

Total: 21 marks

#### Assessment guidelines

Use the suggested memorandum supplied above to assess learners informally. Allocate learners a mark out of 21 and give them feedback on their performance to prepare them for formal assessment. It is important that the learners receive 'method' marks. This means that they receive marks for each step done to obtain the answer to the question. Encourage learners to always write down all their workings and not just the final answer.



### Activity 4 Calculate the profit and loss for Cosmos Cleaning Services

Learner's Book page 43

#### Guidelines to implement this activity

- This is a pair activity.
- The learners must discuss the answers to the questions. Once they have completed their discussion, each learner must write their own answer in their exercise book.

#### Background knowledge

Learners will only learn to draw up an income statement in Grade 10. However, the calculation for profit is very simple and it will show them why the income and expenses are so important. They cannot understand owner's equity unless they identify that income minus expenses = profit. This can be done very informally.

## Suggested answers

1. Profit is the reward that the owner receives for investing his money in a business instead of leaving it in the bank. When the income is higher than expenses, the business makes a profit.
- 2.

<b>INCOME</b>		7 532
Service fees	7 500	
Interest received	32	
<b>EXPENSES</b>		7 358
Wages	4 800	
Water and electricity	700	
Petrol	500	
Maintenance & repairs	250	
Telephone	490	
Stationery	299	
Bank charges	26	
Advertising	94	
Insurance	199	
<b>PROFIT</b>		174

3. It is a profit because the income is R174 more than the expenses.
4. Cosmos Cleaning Service is a sole trader because it is owned by one person: Cosmos Zulu
5. Profit would increase as the cost of stationery would be less.  
The stationery would be  $R299 - 79 = R220$   
Income 7532 – expenses R7 279 ( $7\ 358 - 79$ ) = R253 profit
6. Profit would decrease = R194 because the expenses increase by R299  
Income R7 532 – expenses R7 657 ( $7\ 358 + 299$ ) = R125 loss
7. Income R6 000 = expenses R7 358 = Loss (R1 358)

## Assessment guidelines

No marks have been allocated for this activity as the learners discuss their answers with each other before writing them down. This activity is designed to let the learners explore and apply their knowledge of the owner's equity concept. Use the suggested answers supplied above to assess learners informally. Give them feedback on their performance to prepare them for formal assessment.

### Activity 5 Discuss the finances of Unisex Hairdressers

Learner's Book page 43

## Guidelines to implement this activity

- This is an individual activity.
- Learners will apply their knowledge of owner's equity to answer the question. They have already done a similar question in pairs so they should be prepared.

## Suggested answers

1. Income is the accounting language for money received or coming into the business. (2)
2. Profit = R185 (26)

<b>INCOME</b>		✓✓18 300
Fee income✓	✓15 300	
Rent received✓	✓3 000	
<b>EXPENSES</b>		✓✓18 115
Water and electricity✓	✓1 200	
Wages✓	✓1 500	
Commission✓	✓6 000	
Consumable stores✓	✓1 300	
Accounting fees✓	✓500	
Mobile phone contract✓	✓925	
Rent✓	✓6 500	
Books and magazines✓	✓60	
Licence fee✓	✓130	
<b>PROFIT</b>		✓✓185

3. Equipment, R2 500. ✓✓ Equipment is an asset ✓ and only income and expenses are used to calculate profit or loss✓ (4)
4. Commission is a percentage of total income ✓✓  
Wages are paid according to the number of hours worked✓✓ (4)
5. Use discretion with learners' answers. They have been asked for their opinion. Their answers must be logical and show good reasoning. A sample answer could be:  
Katlego needs to compare her prices with those of her competitors ✓✓ to see whether her prices are too low. ✓✓ It is important that she increases her income as there is not much she can do to reduce expenses. ✓✓ She needs to look at the percentage commission she is paying and maybe negotiate to decrease this until the income or sales increases. ✓✓ The telephone and stationery charges could be reduced. ✓✓ (Max. 6 marks)

**Total: 40 marks**

## Assessment guidelines

This activity is intended for informal assessment. Use the suggested answers supplied above to assess learners informally. Allocate learners a mark out of 40 and give them feedback on their performance to prepare them for formal assessment.

Note: In order to calculate the profit, the learners must be permitted to write out their answer in any format for example list all the income and then list all the expenses and subtract the totals. As long as they have listed all the expenses correctly and all the income correctly they will calculate the correct answer.



**Guidelines to implement this activity**

- This is a group activity (four learners per group). Each member of the group must contribute to the discussion. Each member has a turn identifying the asset or liability and the remaining members of the group discuss whether they agree. All the learners must copy the table and write their own answers in their exercise book. They may write a different answer to the rest of the group if they disagree with the group.
- The learners must be able to distinguish between the different types of assets and liabilities in order to draw up a balance sheet in the future. You may want to use the suggestion given above – writing the terms on cardboard or pieces of paper and putting them up on the classroom wall. The learners could do this and add the explanations on other pieces of cardboard. Let them have turns matching the terms and explanations – do this as a game with teams and points to make it interesting.

**Suggested answers**

1. Fixed assets are possessions that will be used for more than one year, for example land and buildings, vehicles, and so on.  
Current assets are possessions that change value within a year.
- 2.

Asset			Liabilities	
Non-current assets		Current asset	Non-current liabilities	Current liabilities
Fixed asset	Financial asset			
Land and buildings	Fixed deposit	Debtors	Capital	Bank overdraft
Equipment	Investments	Cash	Drawings (subtracted from capital)	Creditors
Vehicles		Trading stock	Loan from bank	Short term loan
		Cash float		

**Assessment guidelines**

No marks have been allocated to this activity. The learners are encouraged to voice their opinion without pressure of a right or wrong answer. This way you will be able to identify which learners need additional tuition to understand this work.

**Guidelines to implement this activity**

- This is an individual activity.
- Look at the suggestions given in the memorandum for this activity.

**Suggested answers**

1. A loan is when the bank gives you the full amount of the loan ✓✓ and you are required to repay a specific sum of money each month for a specified period of time. ✓ The monthly amount covers the repayment as well as interest. ✓✓  
A bank overdraft is a facility that the business or person can use if they need to. ✓✓ (Max. 5)
2. The bank will allow the account holder to withdraw more money than they have in their cheque account up to a specific maximum. ✓✓ The interest will be charged on the amount borrowed for the number of days that it is borrowed. ✓ (Max. 4)
3. The owner's equity will not change. ✓ Assets increase (bank receives the money) ✓✓ and liabilities increase (debts increase). ✓✓ (5)
4. Teacher: use discretion and allow the learners to use their initiative. They may select either a bank overdraft or a bank loan. However, they must justify their answer with logical reasoning.  
For example a bank overdraft ✓✓ as it is an amount that the business can repay quickly ✓✓ provided they keep increasing their sales and do not have any other debts. ✓✓  
For example, a bank loan ✓✓ as the repayments are fixed ✓✓ and the business can budget accordingly ✓✓.  
For example, reasons: it will depend on the interest rate of each one. ✓✓ The owner must calculate the cost of repaying the bank overdraft and the loan. ✓✓ The one that will cost the least amount should be the option selected. ✓✓ This will also depend on the financial position of the business ✓✓ and whether they can use a bank overdraft of this amount or whether the bank will grant them a loan. ✓✓ (1 mark for their decision and max. of 7 marks for their reasoning) (8)
5. The correct answer is bank overdraft. A bank loan would be incorrect. The amount is only required for a short period—a few days.  
Example: a bank overdraft ✓✓ and the amount is only needed for a few days ✓✓ at the end of the month. The interest will only be charged on the number of days the bank overdraft was taken for. ✓✓ (Max. 6)

**Total: 28 marks****Assessment guidelines**

Use the suggested answers supplied above to assess learners informally. Allocate learners a mark out of 30 and give them feedback on their performance to prepare them for formal assessment.

### Guidelines to implement this activity

- Learners should complete this activity on their own.
- This activity is suitable for extension and to prepare them for the project they must do for formal assessment at the end of Term 2.
- The learners will need to do some research. If your learners do not have access to the local bank for information, you could collect information brochures for them or they could get parents and neighbours to do this.
- You could invite the local bank manager from the nearest town to give a talk to your learners before this activity.

### Resources

Information from the bank, internet research, newspaper research, television advertising by banks

### Background knowledge

If your learners are unable to obtain information from a bank, internet or television, you may want to invite a bank manager to speak to the learners. The learners can prepare questions to ask the visiting speaker.

### Assessment guidelines

Use the checklist below to assess learners informally. Give learners feedback on their performance to prepare them for formal assessment.

Criteria	Maximum marks
Introduction	5
Minimum of four banking services for a business	60
Research: interest rates, sample documents or drawings (for example cheque), additional services that will convince the client to use the bank, and so on.	15
Presentation: neatness, information arranged logically, business like, drawings or artwork appropriate for a business report, and so on	15
Conclusion	5
<b>Total marks</b>	<b>100</b>

### Guidelines to implement this activity

- This is an individual activity.

- Learners should only write the number of the question and the letter with the matching answer.
- This type of question is very popular in examination papers in section A. The learner must have practice to get used to answer these types of questions.

### Suggested answers

1. E – Assets equal liabilities plus Owner's Equity
  2. J – Bank loan, creditors (suppliers), bank overdraft.
  3. G – Record of all money paid by the business
  4. A – Vehicles, equipment, bank, inventory
  5. B – Record of all money received by the business
  6. C – Record of all purchases on account or credit
  7. I – Record of all stock or inventory sold on credit or account
  8. D – Paid Dromas Stationers R500 (cheque 201)
  9. H – Sales, fee income, rent received
  10. F – A business owned by one person
- (10 × 2 marks each)  
Total: 20 marks

### Assessment guidelines

This activity is intended for informal assessment. Use the suggested answers supplied above to assess learners informally. Allocate learners a mark out of 20 and give them feedback on their performance to prepare them for formal assessment.

## Activity 10 Calculate the missing figures in the accounting equation

Learner's Book page 52

### Guidelines to implement this activity

- This is an individual activity.
- Remember the accounting equation is:  $\text{Assets} = \text{OE} + \text{Liabilities}$ . If the learners know this, they can easily answer this question. The equation is used in different ways to obtain the answer.

### Suggested answers

1.  $\text{OE} = \text{R}20\,000$  ( $\text{A} - \text{L} = \text{OE}$ )
2.  $\text{A} = \text{R}280\,000$  ( $\text{A} = \text{OE} + \text{L}$ )
3.  $\text{L} = \text{R}35\,000$  ( $\text{A} - \text{OE} = \text{L}$ )
4.  $\text{OE} = \text{R}8\,000$  ( $\text{OE} = \text{A} - \text{L}$ )
5.  $\text{A} = \text{R}100\,000$  ( $\text{A} = \text{OE} + \text{L}$ )

### Assessment guidelines

This activity is intended for informal assessment. Use the suggested answers supplied above to assess learners informally. No marks have been allocated for this question as the learners must apply their knowledge and their knowledge of Mathematics.

## Activity II Identify the transactions

Learner's Book page 52

### Guidelines to implement this activity

- This is pair activity. Each pair must discuss the questions and then write their own answers in their exercise books.
- This activity tests their understanding of the accounting equation. Use discretion with their transaction. However, it must be logical and the result of the transaction must be the same as the result in the accounting equation.

### Suggested answers

1. Paid stationery by cheque 013
2. The bank statement showed bank charges had been paid
3. Purchased equipment and paid by EFT.
4. The business took a loan from the bank
5. Fee income received (Cash register tape)
6. Paid rates by cheque 014
7. Cash a cheque (015) to pay wages
8. Use cheque 016 to pay for a mobile phone contract
9. Paid for repairs using the internet (EFT)
10. Repaid an amount on the bank loan.

### Assessment guidelines

Use the suggested answers supplied above to assess learners informally. No marks have been allocated to this question as the learners must first discuss their answers. This is the first time the learners have been faced with this type of question. It is important that they have the confidence to give their suggestions without the pressure of a right or wrong answer.

## Activity I2

### Complete the accounting equation for Letabo's Cleaning Services business

Learner's Book page 53

### Guidelines to implement this activity

- This is an individual activity.
- If you have learners that are having difficulty with the accounting equation, allow them to work in pairs so that they can discuss their answers together. Go over the transactions that they have difficulty with.

## Suggested answers

1.

Day	Assets +			Ex- penses	= Liabilities		Capital	Drawings	Income
	Bank	Equip- ment	Vehicle		Accounts payable (Suppliers)	Loan			
2	+50 000						+50 000		
3	+25 000					+25 000			
5	−1 200			+1 200					
	+900								+900
7	−579			+579					
9	−900							+900	
10	−300							+300	
12	−1200			+1200					
15			+50000		+50000				
16	−130			+130					
	−50							+50	
17	+6500								+6500
18	−560			+560					
19	−1200			+1200					
22	+9600								+9600
23	−790			+790					
24	+15000						+15000		
25	−2600					−2600			
	−3500			+3500					
26	−1200			+1200					
30	+58								+58
	−129			+129					
		−2500						+2500	
	92 720	(2 500)	50 000	10 488	50 000	22 400	65 000	3 750	17 058
	150 708				72 400		78 308		
	150 708				150 708				

(1 mark each excluding totals) (58)

2. Cheque number 020

(2)

3. Learners should calculate the net profit or loss for the month as follows:

Income – expenses = Income 17 058 ✓✓– Expenses 10 488 ✓✓ = Profit R6 570 ✓

(6)

(Learners may only get marks for the correct income and expense figures. However, if these are incorrect but the answer is correct with their figures, they will get the two marks for the profit. This means that the two marks for profit are received because they identified that income – expenses = profit.)

4. Learners should calculate the owner's equity up to the end of the month as follows:

Capital – + profit – drawings: Capital 65 000 ✓✓ + 6 570 ✓✓ – 3 750 ✓✓ =  
R67 820 ✓✓ (8)

(The learners must use the figure in 3 for their profit amount – even if the actual amount in 3 is incorrect.)

**Total: 74 marks**

### Assessment guidelines

This activity is intended for informal assessment. Use the suggested answers (memorandum) supplied above to assess learners informally. Allocate learners a mark out of 80 and give them feedback on their performance to prepare them for formal assessment. Please refer to the individual instructions on assessing this activity in the memorandum. It is important that learners are not penalised twice for the same error.

### Extension activity

Let the learners total the various columns and calculate the total assets, liabilities and OE. The questions at the end of the activity are challenging but will test their understanding of the work. Allow them to work in groups to answer these if necessary.

### Core concepts

Check that learners have understood the core concepts of this unit. You may want to play the game with flash cards that was suggested at the beginning of the unit. Divide the class into teams and let them compete with each other. Subtract a point if a team gets the answer incorrect.

## Unit overview

Recommended pacing: 40 minutes × 6 lessons = 4 hours

### In this unit you will:

- Look at the different types of source documents.
- Examine the transactions that the different types of source documents represent
- Source documents provide proof that a transaction has taken place. This proof is important if there is a disagreement with a customer about the transaction at a later date.

**Additional resources:** Copies of source documents—or cardboard, Koki pens to make source documents, calculator, purchase receipt and invoice book from CNA or a stationery store.

## Teaching guidelines

- During this unit you will be looking at various source documents that many of the learners will not receive in their daily lives.
- You will need to find samples yourself or let the learners make sample source documents on cardboard that can be put up on the classroom walls.
- It is important that you use the walls of your classroom as a teaching tool. The learners will use visual and verbal senses each day which add to their learning experience. Apart from this, your classroom will be bright, cheerful, interesting and welcoming for the learners.
- It will be worth the cost of purchasing a receipt book and a duplicate invoice book and letting each learner fill in a receipt or invoice when you teach the particular source document. You can then show them the duplicate that is left in the book that the bookkeeper uses to enter transaction in the accounting records.
- You may want to divide the class into groups. Allocate a source document to each group. Let them put together an A4 poster with samples of their source document. They can identify components of the document for example name of business, name of customer, etc. It would be up to the group to decide how to do their poster. Put these up on the classroom wall. It will not only help the learners to understand the importance of source document and what they are used for but also make the classroom environment more interesting.



## Background knowledge

It is important when teaching this section to make it clear when a duplicate copy is used and when an original copy is used. If the business issues the document, the duplicate is kept for records. If the business receives the document, they receive the original.

## Let us check (individual) : Teaching guidelines

This activity is to assess the learner's prior knowledge. You may want to spend a short time in class discussing their answers.

## Suggested answers

- A business uses a receipt when they receive money from a customer for goods or services sold
- Cheque, cash, electronic funds transfer or the internet, telephone banking, ATM to transfer money
- Cheque, deposit slip, withdrawal slip

## Activity I Design source documents

Learner's Book page 58

## Guidelines to implement this activity

- This is pair activity. The learners must discuss how they will do the activity and divide the responsibility for each task.
- The learners must use their creativity to complete this activity.
- They must not spend too much time on this so you will need to give them a time deadline to complete the task.
- It is important that you give the learners a copy of the rubric you will be using to assess them informally.

## Suggested answers

The learners may use the sample documents in the Learner's Book to draw up their documents if they do not have access to original documents that they could use. However, the names of the business, customer and details must be different.

**Total: 35 marks**

## Assessment guidelines

Below is a simple rubric you can use to assess learners informally. Give learners feedback on their performance to prepare them for formal assessment.

Sample rubric:

Criteria	Excellent	Good	Average	Not achieved
Business logo	Logo shows creativity, is appropriate for the specific document and the type of business.	Good logo that is appropriate for the business.	Name of business indicated where applicable but no creativity or evidence of logo	No name or logo evident
	4–5	3	2	0–1

Criteria	Excellent	Good	Average	Not achieved
Cash receipt: (date, receipt, number, amount in words and numbers, what the receipt was for, signature)	The document is excellent with all components, using creativity and excellent application of knowledge.	Document is good but missing 1-2 components.	Document is presented but missing 3-4 components.	Little effort visible with no indication of the type of document and more than 4 components missing.
	4-5	3	2	0-1
Cash Invoice: (date, address, number of invoice, details of purchase, total, signature)	Excellent cash invoice showing excellent understanding of the document and its use.	Cash invoice shows understanding but has 1 component missing	Cash invoice recognisable but has 2-3 missing components	Document shows lack of knowledge and understanding.
	4-5	3	2	0-1
Deposit slip (name of bank, account holder, account numbers, signature of depositor, name of person, amount for cash, notes; details of drawer, bank and amount; total deposited)	Excellent deposit slip showing excellent understanding of knowledge and use of document; excellent creativity that is appropriate for this document	Deposit slip is lacking some detail but shows good knowledge of the document and its use. (1-2 components missing)	Deposit slip is recognisable but has 3-4 components missing.	Document is unrecognisable showing lack of understanding and effort.
	4-5	3	2	0-1
Total	Maximum 20 marks			

## Activity 2 Identify source documents

Learner's Book page 61

### Guidelines to implement this activity

- This is an individual activity.

### Suggested answers

- Cash register tape/roll, ✓ cash invoice, ✓ receipt ✓ (Max. 2 marks)
- 1 R4 500 rent ✓ (1)
- The amount is written on the cheque so that the bank knows how much to give ET Estate Agents ✓✓ and it is written on the counterfoil so that V. Mali knows who the cheque was given to and the amount that was paid. ✓✓ (Max. 4)
- The cheque counterfoil is used to record the information in the accounting records ✓ and to check the information against the bank statement at the end of the month. ✓✓ (Max. 4)
- He has R18 500 left. ✓✓ (balance R23 000 ✓ – payment 4 500 ✓ = R18 500) (4)
  - Most of the learners should be able to collect a cash register slip even if they do live in a rural area. You may need to give them a few days to do this.
  - If the learners are unable to get a pamphlet on cheque accounts from the bank, they can ask someone to get it for them or draw one in their exercise book.

**Total: 15 marks**

## Assessment guidelines

Use the suggested answers supplied above to assess learners informally. Allocate learners a mark out of 15 and give them feedback on their performance to prepare them for formal assessment. Marks have been allocated as a suggestion. No marks have been allocated for Questions 3–5 as the learner's ability to do this will depend on their circumstances and support the teacher is able to give them.

### Activity 3 Analyse Mr. Mali's bank statement

Learner's Book page 63

#### Guidelines to implement this activity

- This is an individual activity
- Depending on the academic level of your learners, you can let them apply their knowledge to this activity or, you can discuss the bank's statement with the class before they answer the questions. You can ask questions such as:
  - How much money did Mr Mali have in his bank account at the beginning of the month? How do you know that?
  - How much does he have at the end of the month? How do you know that?
  - Who can tell me what the asterisk means on some of the amounts?
  - What is VAT? Why is it not included on everything? (Because it is already included on purchases and payment – this is added to the charges the bank makes)
  - What does the CH 0132 and so on tell you about this entry?
  - What effect does it have on the bank balance?
  - What effect does a deposit have on the bank balance?
  - Why do you think the bank balance is calculated after every transaction? (So that the bank knows when to charge interest on an overdraft)

#### Suggested answers

1. R8 000 ✓ (1)
2. R13 354 ✓ (1)
3. Mr Mali paid R2 500 for ... ✓✓ (cheque 132). Teacher: allow the learners to use their imagination for the expense for example rent, wages, stationery, entertainment etc. However, their choice must be realistic. For example purchase a car, computer, and so on, would be incorrect as the amount is too small. (2)
4. Mr Mali withdrew R1 500 cash from an ATM in Durban. ✓✓ (2)
5. The \* means that 14% VAT was included in these amounts. ✓✓ (2)

Total: 8 marks

#### Assessment guidelines

Use the suggested answers supplied above to assess learners informally. Allocate learners a mark out of 8 and give them feedback on their performance to prepare them for formal assessment.

It is important that you do not give marks for every activity the learners complete. They need to have opportunities to have the freedom from the pressure of mark allocation. This will encourage them to try even if they get the answer wrong. The teacher will be able to identify their thinking pattern and why they have got the answer incorrect. It is a valuable method to assess learners' progress.

## Core concepts

The activities in this unit should assist you to check that the learners have understood the core concepts.

# Term I Assessment: Data response

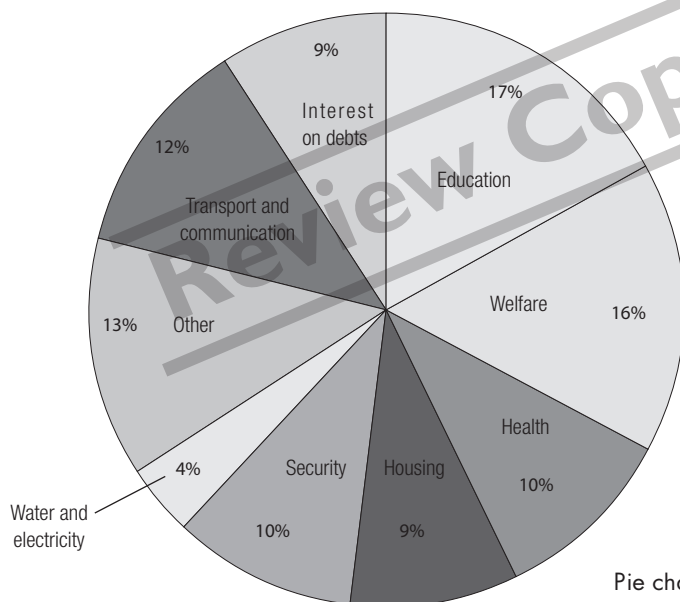
## Analyse the National Budget

Teacher's Guide page 178

### Guidelines to implement this activity

- This is an individual activity.
- Photocopy the data response assessment task on page 178 of this Teacher's Guide for each learner.
- Learners may need to be reminded how to construct a pie chart beforehand.
- They will need the following resources: a calculator, a protractor, a compass, a ruler and a pencil
- Use the following formula to calculate the slices of the pie chart:
- $\frac{\% \text{ of the budget}}{100} \times \frac{360^\circ}{1} = \text{degrees of the slice}$
- For example: Education = 17% of the budget  $\frac{17}{100} \times \frac{360^\circ}{1} = 61,2^\circ$

### Memorandum



Pie chart for the 2012/13 budget

1. Learners produce a pie chart as above based on the 2012/13 budget figures provided in the box on page 64 of the Learner's Book. (1 mark per slice of the pie-chart + 2 marks for drawing and labeling the chart = 11marks)
2. Education 17% (2)
3. Department of Basic Education and Department of Higher Education and Training (2)
4. 10% (1)
5. Services for children; services for mothers; services for people with disease or health conditions that require assistive devices such as wheelchairs; services for business. (4)

6. It has increased (1)
7.  $17\% + 15\% + 11\% = 43\%$  (1)
8. Water and agriculture gets only 4% of the budget while Transport and communication gets three times that at 12% (2)
9. 9% (1)
10. Answers will vary. Learners need to attempt to solve the problem. (2)  
 There are three ways that this can be done:
  - by either increasing taxes
  - reducing expenditure on capital items
  - reducing staff to increase wages of those still working (2)
 Answers should contain suitable reasons for the choices that are made. (2)

**Total: 30 marks**

### Assessment guidelines

This activity is intended for formal assessment. Use the memorandum above to assess learners. Allocate learners a mark out of 30 and record the marks for formal assessment.

**Review Copy**

# Term I Assessment: Exemplar controlled test memorandum

Teacher's Guide page 180

## Guidelines to implement this activity

- This is an individual activity.
- It is important that the learners are given a specific time when they will be required to do this controlled test.
- Allow them to do the controlled test under test conditions even though they could have looked up the answers as the test is in their Learner's Book.
- Remember, this should be used as practice for the learners. You can use this to set your own test if you would prefer the learners do not have access to the test before they write it.
- The following is a summary of the controlled test. You will see that the spread of marks per topic has been done according to the proportion of weeks spent on each topic. Study the summary and use a similar one when setting your own tests. It is not always possible to achieve the exact required percentages but it is important that test is as close as possible to the requirements of CAPS.

Question		Section		Cognitive level		
		Economy	Fin Lit.	CL1	CL2	CL3
1	True/false	8	2		10	
2	Select answer in brackets	6		6		
3	Question and answer 3.1		3	3		
	3.2	6			6	
	3.3	6			6	
	3.4		4			4
4	Problem 4.1		3	1		2
	4.2		6		6	
	4.3		6			6
		26	24	10	28	12
				20%	56%	24%
	Required	50		30%	40%	30%

Total 50 marks (9 weeks): 6 The Economy (30 marks) : 4 Financial literacy (20 marks)

A summary of how the questions are divided into the main topics, The Economy and Financial literacy (Entrepreneurship is not included in Term 1), is included above. The summary also gives the cognitive level distribution of the questions. Study this carefully and apply it when you are setting your own questions. It is not always possible to get an exact distribution of cognitive levels and topics but it is important that you get as close as possible to the required levels as provided in the CAPS document.

# Memorandum

## SECTION A

- 1.1 False – ✓✓the main function is running the country by making policies and collecting taxes and spending its revenue on services
- 1.2 True ✓✓
- 1.3 False ✓✓ – Local governments are also called municipalities
- 1.4 True ✓✓
- 1.5 True ✓✓ (5 × 2 = 10 marks)
- 2.1 education ✓✓
- 2.2 economic growth ✓✓
- 2.3 The National Budget ✓✓ (6 marks)

[Section A = Total 16 marks]

## SECTION B – The Economy

- 3.1 National government,✓ provincial government,✓ local government✓ (3)
- 3.2 Any three of the following points written in full sentences:

Direct Taxes	Indirect taxes
Direct tax is the tax that individuals and businesses pay directly to the government through SARS ✓✓	Indirect taxes are those taxes that are not paid directly to SARS. They are collected by another person or organization called an intermediary and then paid to SARS. ✓✓
The two direct taxes are personal income tax and company or corporate tax. ✓✓	The most common form of indirect tax in South Africa is VAT. ✓✓
Income tax is when a worker pays a portion of their earnings in direct tax. ✓✓	Vat is 14% of the selling price of almost all goods and services that is added on to the selling price. ✓✓
Additional possible answers:	
The personal income tax rate is calculated as a percentage of a worker's income. This percentage increases as income increases. For example a worker earning R200 000 per year will pay a higher percentage of his/her salary in tax than a worker who earns R100 000 per year.	When a customer buys goods or services from a business, they pay the price that the supplier is asking plus VAT. The supplier then acts as the intermediary and pays the VAT to SARS
Businesses pay a portion of their profits in direct tax. This is called corporate or company tax. All registered companies have to pay 29% of their profits as company tax.	

(Max. 6 marks)

- 3.3 The current South African government has always seen the importance of good education and training for economic growth. ✓✓ This is why education gets the most expenditure. ✓✓ A country that has plenty of skilled people is a country that is able to compete with other countries in producing goods and services. ✓✓

Term 1

Well educated and skilled workers are able to start businesses which employ many workers and increase GDP. ✓✓ (Max. 2)

A good transport system and good communication are very important for businesses to function properly. ✓✓ Goods and services need to be exchanged and transported and people need to be able to travel and communicate easily to do business. ✓✓ This is why it has been said that "Transport is the heartbeat of South Africa's economic growth and social development!" ✓✓ (Max. 2)

The government spends money on health to keep people healthy. ✓✓ When there are many sick people in a country it puts pressure on the government to spend more on health and social grants. ✓✓ When people are healthy they are able to work and to pay taxes. ✓✓ This increases GDP and the money available for the National Budget. ✓✓ This is why it has also been said that "a healthy nation is a wealthy nation" ✓✓ (Max. 2)

(3 × 2 = 6)

- 3.4 I would use the resources that are available in the area where I live to provide my needs. ✓ I would not buy or import resources or goods from other places. ✓✓ I would possibly be living in a traditional society. ✓✓ (Max. 4)

[Section B = Total 19 marks]

## SECTION C – Financial literacy

Teacher: the learner must identify that owner's equity explains net worth. They need to explain the concept, what makes up owner's equity and how this affects Sarah's business. The profit is calculated by subtracting the capital from the OE. Therefore, OE R3 600 – capital R500 = profit R3 100. If the learners do not understand the concept of OE and apply it to solve this problem, they will not be able to do this question.

- 4.1 No – (✓) The R5 000 is the current assets of the business. ✓✓ Current assets consist of Bank R1 300 + equipment R3 700. ✓ She has not taken into account the R1 400 which she owes. ✓✓ (Max. 3 marks)

- 4.2 Assets✓ – Liabilities ✓ = Owner's Equity✓ (3)  
5 000✓ – 1 400✓ = R3 600✓ (3) (Max. 6)

- 4.3 Sarah's business has improved as she started with R500 but is now worth R3 600. ✓✓ Owner's Equity is made up of capital + profit. ✓✓ This means that she has earned R3 100 in profit over the period. ✓✓ If she pays off her loan as quickly as possible, her owner's equity will increase. ✓✓  
Capital R500 + 3 100 = R3 600✓✓

(Max. 6)

[Section C = Total 15 marks]

TOTAL 50 MARKS



# Term 2 Financial literacy, Entrepreneurship and The Economy

## Term overview

In the units that deal with Financial literacy, this term covers:

- an overview of the components of the accounting cycle
- the purpose and importance of cash journals for a service business
- completing a Cash Receipts Journal for a service business
- the effect of cash transactions on the accounting equation.

In The Economy, this term covers:

- types of markets—goods and services markets and factor markets
- financial markets and labour markets.

In Entrepreneurship, this term covers:

- capital and skilled, semi-skilled and skilled labour
- roles of workers in the business
- fair employment practices and remuneration of the factors of production.

### Resources

- Learner's Book, pages 64–105
- Learners' own exercise books

## Content coverage

UNIT	CONTENT	PACING (TIME ALLOCATION)	LB PAGES	TG PAGES
Financial literacy				
Unit no.	Content	Pacing (Time allocation)	LB pages	TG page
1	Overview of the accounting cycle	4 hours	69–76	69–76
2	Cash Receipts Journal (services)	5 hours	80–90	77–83
Entrepreneurship				
3	Factors of production	3 hours	91–97	84–87
The Economy				
4	Markets	2 hours	98–103	88–92

## Assessment

The following activities in this term are suitable for formal assessment:

ACTIVITY				ASSESSMENT	
Type of activity	Activity	LB pages	TG page	Assessment tool	TG page
Project	Identify the capital, labour and source documents for a new business	–	93	Rubric	94
Mid-year examination	Exemplar mid-year examination	104–105	–	Memorandum	95

## Core concepts and definitions

UNIT 1 FINANCIAL LITERACY: OVERVIEW OF THE ACCOUNTING CYCLE	
Concept	Definition
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 (SERVICE BUSINESS)	
Concept	Definition
Accounting Equation	Assets = Liabilities + 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

### UNIT 3 ENTREPRENEURSHIP: FACTORS OF PRODUCTION

Concept	Definition
borrowed capital	any money borrowed by an entrepreneur or business owner to establish and run a business
semi-skilled labour	workers that have had some skills training or some experience in a working environment
skilled labour	Any worker who has some special skill, knowledge or training
unskilled labour	workers that have no skills training or experience in any particular working environment

### UNIT 4 THE ECONOMY: MARKETS

Concept	Definition
assets	property or possessions that have value and can be traded
exchange	when a person gives something in return for something else from another person, and each person is offering something that the other person needs or wants
export market	selling products to buyers in other countries;
import market	buying products from sellers in other countries
labour	the work that workers do
retailers	the shops that sell products to the people who use them, the consumers
specialised	when the focus is on one or just a few types of goods and services
stockbroker	a person who sells shares on behalf of a public company
stocks and shares	stocks are a portion of the capital of a company, and this capital is divided up into equal shares which can be bought and sold, and their value is listed on the stock exchange
transactions	the act of buying and selling

# Term I Revision

Learner's Book pages 66–67

## Financial literacy

In Term 1, you looked at more accounting concepts. A sole trader is the owner of a business and the person who provides all the capital. The first transaction that he or she does is to open a bank account in the name of the business. The sole trader uses the money to purchase assets to get the business started. During the month, he or she receives income from sales and pays expenses. Source documents, for example receipts, cheque counterfoils, bank statements, and so on, are used to record the cash payments and cash receipts in the subsidiary journals each day. The difference between the income and the expenses identifies the profit or loss that the business has made over a specific period. Any debts the business owes are called liabilities. Assets minus liabilities show the Owner's Equity, which is the value of the owner's investment in the business. The Owner's Equity is made up of capital minus drawings plus profit (or minus the loss).

### Suggested answers to revision questions

- Source documents provide proof that a transaction has taken place. ✓✓ Each type of source document represents a different type of transaction. ✓✓ Original source documents are given to customers and the duplicate is used to record the transaction. ✓✓ Original source documents are received from suppliers and the bank. ✓✓ (Max. 6) For example: receipt, cash invoice, cheque counterfoil, bank statement, cash register till roll. (Any 3 × 1 mark) (9)
- The accounting equation shows how a transaction affects the assets, liabilities or the owner's equity. ✓✓ The formula is: Assets = Liabilities + Owner's equity. ✓✓ Example: cash received by the business for services affect the accounting equation: Assets + (bank) and Owners equity (fee income) +. (Max. 5)
- Use discretion. The learners must use the terms correctly, but in any order. Sample answer: I would start a sole trader business as the only owner. ✓✓ This means I would have to supply money and goods as capital. ✓✓ The first transaction would be to open a bank account ✓✓ to do banking transactions. ✓✓ The money would be used to purchase assets such as equipment. ✓✓ If I borrow money for the business it would be a debt which is also called a liability. ✓✓ Income would be received by charging customers for services ✓✓ and I would have to pay expenses such as rent, insurance, stationery and wages. ✓✓ (Max. 8 marks)

4.1	Sole trader	4.9	Life	4.17	Assets
4.2	Profit	4.10	Debit	4.18	Expenses
4.3	Debt	4.11	Credit	4.19	Liability
4.4	Service	4.12	Capital	4.20	Owner's Equity
4.5	Decisions	4.13	Business equity	4.21	Drawings
4.6	Responsibility	4.14	Business	4.22	Reduces
4.7	Tax	4.15	Transaction	4.23	Income
4.8	Profits	4.16	Bank	4.24	Expenses
				4.25	Profit

## The Economy

In the first term you learnt about the various levels of government, which are:

- national government
- provincial government
- local government

The government is one of three role-players that interact with each other as both producers and consumers. The other two role-players are households and business.

Every year, the government draws up a National Budget that determines the expenditure on various services to the people of South Africa. The money, known as revenue, to pay for these services comes from two types of tax:

- direct tax comes from personal income tax and company taxes.
- indirect tax mainly comes from VAT.

The services that the government provides are run by state departments, which include the Department of Transport and the Police Department (South African Police Service), which looks after security.

A major aim of the National Budget is to redress inequalities and create economic growth through its allocation of revenue to the various departments.

### Suggested answers to revision questions

1. National provincial and local government (3)
2. Direct – taxes paid directly to SARS ✓✓ For example: income tax and company tax. ✓  
Indirect tax – tax paid to intermediaries ✓✓ For example: VAT ✓ (6)
3. An annual plan of how the government will spend its revenue. (2)
4. Development is needed to support economic growth. ✓ Often developing countries industrialise when they develop, ✓ and industry often results in negative impacts on the environment ✓ such as pollution of air and water ✓ But this does not have to happen. ✓ With strict controls ✓ development can be sustainable (6) [17]

## UNIT



# Financial literacy: Overview of the accounting cycle

Learner's Book pages 69–79

## Unit overview

Recommended pacing: 40 minutes × 6 lessons = 4 hours

### The learners will learn the following concepts:

- |                       |  |
|-----------------------|--|
| • Transactions        | • Trial balance  |
| • Source documents    | • Income statement   |
| • Subsidiary journals | • Balance sheet  |
| • General Ledger      | • Importance and purpose of a Cash Journal in a service business |

**Additional resources:** Copies of source documents or make samples using the examples in the Learner's Book. Use cardboard or paper and place these on the classroom walls for the learners to refer to.

## Teaching guidelines

- Learners must have exercise books and a calculator.
- It is important that the learners have a visual and mental perception of what the source documents look like. Collect samples and use these on a poster or make your own using the examples in the Learner's Book.
- It is important that the learners understand that a business receives the original source document but they keep the duplicate of a source document issued to a supplier. For example, this is why the cheque counterfoil is used as a source document and not the cheque.

## Before we start

### Teacher guidelines

- It is important that the learners write their answers using their own words rather than a rote learned phrase. They will learn more if they can describe something in their own words. It will also help English second language learners with their vocabulary.

### Suggested answers

- Asset – a possession
- Liability – a debt
- Expense – a cost that the business pays in order to operate e.g. rent
- Income – money received by the business for goods or services
- Profit – the reward the owner gets for investing in a business; the positive difference between income and expenses; when the income is more than the expenses

Diagram: Note: the learner must have the following concepts in their diagram:

- 1 the bank issues the owner with a cheque book
- 2 the owner issues a cheque to a supplier
- 3 the supplier banks this in their bank—which may be different to the owner's bank
- 4 the supplier's bank checks with the owners bank if there is enough money to cover the cheque
- 5 the supplier's bank sends the cheque to the owner's bank and receives the cash
- 6 the owner's bank stamps the cheque as paid and sends it back to the owner.

### Activity I Advise Desmond on keeping financial records

Learner's Book page 71

### Guidelines to implement this activity

- This is a pair activity.
- Allow the learners a brief time to discuss their answers. Each learner must write their own answer in their exercise book.

### Suggested answers

1. Receipt: a receipt is given to a person or business which pays money to us. We keep the duplicate for our records.

Deposit slip—the deposit slip from the bank is used to record the coins, notes and cheques deposited in the business bank account. The duplicate is used for our bookkeeping entries.

Cash register slip – this is given to a customer who purchases goods for cash or who pays for services for cash. The duplicate roll on the cash register is totalled and this is used to record the total cash transactions for a day or period in the financial records.

Cash invoice: some businesses give a customer a cash invoice cash sales. This is because they do not have a cash register till. The duplicate invoice is used for the business accounting records

2. Subsidiary journals, general ledger, trial balance (they can include income statement and balance sheet)
3. Yes (no would be incorrect even though they are asked for their opinion). There is no other way to determine if the business is making a profit or loss, or whether the owner is charging the correct price for the goods or services to make a profit. The business has to pay income tax on the profit made and they cannot do this if they do not keep financial records. Keeping financial records for a formal business is a legal requirement.
4. To make a profit. Desmond could invest the capital in another type of investment and not have all the hard work and decisions that come with running one's own business. However, he is hoping that he will make more profit than he will receive in interest from another type of investment.
- 5.

No	Transaction	Source document
6.1	Desmond deposited R20 000 in the bank to open a business bank account	Duplicate deposit slip
6.2	Paid R6 000 for equipment (hair dryer, cash register, etc.)	Cheque counterfoil
6.3	Received R1 500 from customers	Cash register tape or receipt
6.4	Received R2 400 rent from Clear Nails, which uses part of the areas for its business	Receipt
6.5	Paid R2 500 for stock of hair dye, shampoo, etc.	Cheque counterfoil
6.6	Bank charged R57 bank fees	Bank statement

### Assessment guidelines

This activity is intended for informal assessment. Use the suggested answers supplied above to assess learners informally. Give them feedback on their performance to prepare them for formal assessment. No marks have been allocated to this activity as the learners must have opportunities to discuss their ideas, make mistakes and learn from these without the pressure of mark allocations.

**Background knowledge**

It is important that the learners know the correct source document:

- Cheque counterfoil – the cheque has been handed to the supplier
- Cash invoice – the original is received when we purchase goods or services
- Duplicate cash invoice – the original is given to the customer when we sell goods and services
- Invoice – the original credit invoice is received when we purchase goods and services on account
- Duplicate invoice – the original invoice is given to the customer when they purchase on account.
- Petty cash voucher – these are not usually kept in duplicate as they are for the business records and not given or received by anyone else.

**Guidelines to implement this activity**

- This is an individual activity.
- The learner will not use credit journals and petty cash journal until Grades 9 and 10. However, it is important that they know of their existence.
- This will make it easier to identify why different cash transactions are entered in different cash journals.

**Suggested answers**

List of journals: Cash Receipts Journal; Cash Payments Journal, Debtor's journal, Creditors journal.

Transaction	Journal	Source document
Purchase stationery, R329 (cheque 345)	CPJ	Cheque counterfoil
Cash sales, R790 (CRS 0100)	CRJ	Cash register roll/tape
Pay wages, R1 200, (cheque 346)	CPJ	Cheque counterfoil
Purchase a computer printer on account from JT Computer Suppliers, R5 000 (Invoice 36)	Creditors Journal (CJ)	Invoice
Sell trading stock to Anje on account, R350	Debtors Journal (DJ)	Duplicate invoice
Pay rent, R5 000 (EFT)	CPJ	EFT printout



## Assessment guidelines

This activity is intended for informal assessment. Use the suggested answers supplied on the previous page to assess learners informally. Give them feedback on their performance to prepare them for formal assessment. No marks have been allocated for this activity as the learners just need to know that credit journals and petty cash exist. They do not have to know any further details about them.

### Activity 3 Understand a Trial Balance

Learner's Book page 75

#### Guidelines to implement this activity

- This is an individual activity.
- The learners will learn how to draw up a correct trial balance later in Term 4.
- In this activity, the learners are expected to show an understanding of the concept of a Trial Balance.

#### Suggested answers

1. The double-entry principle means that every debit entry must have a matching credit entry ✓✓ in a different account. ✓✓ (4)
2. The General Ledger is a list of all the accounts that the business has. ✓✓ Each account has details of any transactions relating to that specific account. ✓✓ (4)
3. The General Ledger has a left-hand side and a matching right-hand side. ✓✓ The heading is written at the top of both sides. ✓✓ This looks just like a T. ✓✓ (6)
4. The purpose of the Trial Balance is to make sure that every debit entry has a matching credit entry. ✓✓ The debit and credit sides must add up to the same amount. ✓✓ (4)
5. End of the month. ✓ (1)
6. It means that the debit and credit sides add up to the same amount. ✓✓ (2)

Total: 21 marks

## Assessment guidelines

This activity is intended for informal assessment. Use the suggested answers supplied above to assess learners informally. Give them feedback on their performance to prepare them for formal assessment.

### Activity 4 Analyse the Trial Balance of Jemima's Beauty Salon

Learner's Book page 75

#### Guidelines to implement this activity

- This is an individual activity.
- The learners are asked to use the information in the Trial Balance to identify different assets, liabilities and expenses. They are also required to show an understanding of the concept of a Trial Balance.

#### Suggested answers

1. All assets✓ and expenses✓ are entered on the debit side or in the debit column ✓ (2)

2. Vehicle✓, equipment✓, bank✓ (any 2) (2)
3. Loan: First Bank ✓ (1)
4. Wages ✓, consumable stores✓, repairs✓, rent✓ (4)
5. No, it does not mean the work is correct. ✓✓ It only means that every debit entry has a matching credit entry. ✓✓ The entries could have been made on the correct side but in the wrong account. ✓✓ (6)

**Total: 15 marks**

### Assessment guidelines

- This activity is suitable for informal assessment.
- Use the memorandum to assess the learners' work informally. Allow the learners to exchange books with their partner and to mark each other's work. You will need to put the answers on a chalkboard or on an overhead transparency. When all the work is marked (in pencil), let the learners read out the answers that they are not sure about to discuss the answer and how marks would be allocated if applicable. This will help learners to understand the work more thoroughly.

### Activity 5 Read a balance sheet

Learner's Book page 77

### Guidelines to implement this activity

- This is a group activity.
- The learners must discuss their answers for a few minutes. Each learner must write their own answer in their exercise book.

### Background knowledge

The learners need to understand the difference between current and non-current assets and liabilities. Their knowledge of the accounting equation should help them to answer the questions.

### Suggested answers

1. R44 50 – this is the owner's equity✓✓ (2)
2. R14 500 ✓ (1)
3.  $\frac{14\,500}{30\,000} \times \frac{100}{1} = 48,3\%$  ✓✓  
 Yes the owner has a very successful business. ✓There is no other type of investment that would give an interest rate of 48%. ✓✓ (8)  
 Note that this is an extension question. The learners have done this in a previous activity. It is good for them to use logical thinking to work this out.
4. A bank overdraft is when the bank allows the owner to withdraw more money than he has from the bank account. ✓✓ The bank charges interest on the amount ✓✓overdrawn for the number of days that it is overdrawn. ✓✓ Max. 4
5. A balance sheet allows the owner to check whether he is making enough profit to continue ✓ and he can also see how 'healthy' the business is by doing some calculations, ✓✓for example whether the assets are more than the liabilities etc. ✓✓ Max. 4
6. It looks at a summary of the business on a specific day. ✓✓ (2)

**Total: 21 marks**

Assessment guidelines

This activity is intended for informal assessment. If you choose to mark this activity a suggested mark allocation has been given with the answers above. You will need to let the learners have the mark allocation before they do the activity. Allocate learners a mark out of 20 and give them feedback on their performance to prepare them for formal assessment.

Activity 6 Explore the contents of a balance sheet

Learner’s Book page 78

Guidelines to implement this activity

- This is a pair activity.
- Allow learners to discuss their answers with a classmate. However, each learner must write their own answers in their exercise book. Their answer does not have to be the same as their classmate’s

Background knowledge

It is not necessary for you or the learners to know how to draw up a balance sheet. The format has been provided in the Learner's Book. The learners should be able to distinguish between assets and liabilities.

Suggested answers

1. (8)

Assets		Liabilities		Owner’s Equity
Non-current (fixed)	Current	Non-current	Current	
Vehicles, R75 000✓	Cash at bank, R2 400✓	Loan: Robobank, R40 000✓	Accounts payable, R2 500✓	Capital, R50 000✓
Equipment, R18 000✓	Cash on hand, R1 600✓			Net profit, R4 500✓

2. Cash on hand is actual coins and notes that he has in store ✓✓ and cash in the bank is the balance of his bank account. ✓✓ (4)
3. Non-current assets (R75 000✓ + R18 000✓) R93 000✓ + Current assets (R2 400✓ + R1 600✓) R4 000✓ = R97 000 ✓✓ (8)
4. Non-current liabilities R40 000✓ + Current liabilities R2 500✓ + Capital R54 500✓ + Net profit R4 500✓ = R97 000✓ (5)
5. Use your discretion and allow the learners to give their opinion. However, it must be logical and practical, for example:  
Bob needs to increase his sales and decrease his liabilities. ✓ He owes money to the bank and also to suppliers for buying on credit. ✓✓ He should also look at his expenses and see if there are any that are unnecessary or that he can cut down without affecting the quality of his work. ✓✓ He could compare his prices with those of his competitors in case he is charging too little for his service. ✓✓

(max. 4)

Total: 29 marks

Term 2

## Assessment guidelines

- This activity is intended for informal assessment. Use the suggested answers supplied above to assess learners informally. Give them feedback on their performance to prepare them for formal assessment. This task is used as a different way to check that the learners understand the concepts of assets, liabilities and Owner's Equity which all relate to the Balance Sheet.

### Activity 7 Discuss the importance of the cash journals

Learner's Book page 79

## Guidelines to implement this activity

- This is an individual activity.

## Suggested answers

1.

Cash Receipts Journal	Cash Payments Journal
Used to record all cash received by the business✓✓	Used to record all cash paid by the business✓✓
Cash received in the shop or cash register till is entered in the analysis of receipts column✓✓	All cash paid is entered immediately in the bank column. ✓✓
Only when cash is deposited in the bank account at the bank is the amount entered in the bank column ✓✓	It does not matter if the cheque has not been cashed yet, the amount is still regarded as having been paid out of the bank account✓✓

(Max. 8 marks)

2. A service business provides a service and the income is called fee income. ✓✓  
A retail business purchases goods in order to sell them at a higher price. ✓  
Their income is called sales. ✓✓

Max. 6 marks

3. Cash journal are important because it summarizes large numbers of cash transactions ✓✓ which would otherwise take a long time and effort to enter in the general ledger; ✓✓ it separates the money received from money paid, ✓✓ the owner can see at a glance the totals for specific payments or receipts using analysis columns; ✓✓ the owner can check the bank statement with the deposits recorded in the cash receipts journal etc. ✓✓

(Max. 6 marks)

**Total: 20 marks**

## Assessment guidelines

This activity is intended for informal assessment. Use the suggested memorandum supplied above to assess learners informally. Allocate learners a mark out of 20 and give them feedback on their performance to prepare them for formal assessment. A suggested mark allocation has been given if you decide to mark this activity. The learners must know the mark allocation before they answer the questions.

## Core concepts

It is important that you check that the learners have understood and can apply the concepts in this unit. These concepts form the basics and foundation of all future accounting learning.

# Financial literacy: Cash Receipts Journal (service business)

Learner's Book pages 80–90

## Unit overview

Recommended pacing: 40 minutes  $\times$  7,5 lessons = 5 hours

**Additional resources:** Calculator, eight-column cash journals, exercise books, pencil and rulers

## Teaching guidelines

- Learners must have cash journals. If they leave their books at home do not let them sit and do nothing.
- They can draw the columns in their exercise book or on a piece of paper and copy this work into their cash journals at home.
- Please remember to check that they have done this the next day – even if they do not have EMS that day. They need to show you their work before the day starts or at break time. You need to stipulate when and what time they need to bring the work.

## Background knowledge

### Before we start

#### Teaching guidelines:

It is important that the learners revise their prior knowledge of the concepts they will use this term that have already been covered.

#### Suggested answers

1. Subsidiary journals are used to record information from the source documents.
2. The learners must have the following concepts in the correct order for the accounting cycle:
  - 1 Transaction – two people agree to buy or sell
  - 2 Source documents – the seller issues the buyer a document as proof that a transaction took place
  - 3 Subsidiary journals – the source documents are entered into the relevant journal or book of first entry each day
  - 4 General journal – totals from the subsidiary journals are posted to the accounts in the general ledger at the end of the month.

5 Trial balance – the final balances of all the accounts in the general ledger are listed to make sure the total debits = the total credits.

6 Financial statement – income statement calculates the net profit (or loss) and the balance sheet is a summary of the business on a specific day.

3. The service business sells a service, knowledge or experience. The income from the service business is called fee income. The difference between income and expenses is the net profit

The retail business purchases goods and sells them at a higher price. The difference is called the mark up and represents the gross profit. Other income is added to the gross profit before expenses are subtracted to calculate the net profit. The income is called sales.

## **Activity I Understand Cash Receipts Journals**

Learner's Book page 81

### **Guidelines to implement this activity**

- This is an individual activity.
- This activity is revision of their knowledge on source documents.

### **Suggested answers**

1. Receipt – this is given to customers who pay for services. The duplicate is kept to record the transaction in the Cash Receipts Journal  
Cash invoice – a cash invoice can be given to customers with details of the work or service done for them and the charges. The duplicate is used to record the transaction in the Cash Receipts Journal.  
Cash register tape/roll – a cash register slip is given to customers who pay cash for services if the business uses a cash register till. The duplicate roll from the till that has the total cash received for the day is used to record the total cash sales in the Cash Receipts Journal.  
The bank statement is used to record any cash paid directly into the bank account and also to record interest received from the bank.
2. An EFT is an electronic funds transfer which means that the money has been transferred directly from the customer to the business bank account using the internet.
3. The learners must apply their knowledge to answer this question. Sample answer:  
Cash received from customers for sales  
Cash received for renting part of the premises  
Business received interest from the bank  
Cash refund (from SARS for income tax; overpayment for goods purchased, and so on).

### **Assessment guidelines**

Use the suggested answers to assess learners informally. Give them feedback on their performance to prepare them for formal assessment.

**Activity 2****Draw up the Cash Receipts Journal for Jabu Garden Services**

Learner's Book page 86

**Guidelines to implement this activity**

- This is an individual activity.
- It takes up a lot of lesson time for the learners to write up the headings in the CRJ. After the first one, let them do this for homework so that the journal is ready to enter transactions the next lesson.
- If you do not have a sample of the CRJ headings on the classroom wall, you will need to work through these before they start entering the transactions.
- You may want to do the first activity together with them. OR let them redo the examples but work through each transaction, one at a time, and let them enter the information in their CRJ and then compare it with the example in the Learner's Book.
- If you are patient with them for the first activity, they will manage the next ones with increasing confidence.

**Suggested answers**

Cash Receipts Journal for Jabu Garden Services for June 2013

Doc	Day	Details	Fol	Analysis of Receipts	Bank	Fee Income	Sundry accounts		
							Amt.	Fol	Details
Dep1	1	Jabu			60 000		60 000		Capital
R 32	2	B. Lindsay		350	350	350			
R 33	3	Mr Kumalo		350		350			
R 34		Greenfingers Nursery		30	380		30		Commission Received
R 35	6	Mrs Saunders		350	350	350			
R 36	14	Yellowwood Nursery		30			30		Commission Received
R 37		Mr Naidoo		350	380	350			
R 38	21	Solid Mews		550	550	550			
Dep2	22	Robotbank			10 000		10 000		Loan: Robotbank
R 39	30	Mrs Muleya		1 500	1500	1 500			
					73 510	3 450	70 060		

**Assessment guidelines**

Use the suggested answers supplied above to assess learners informally. Give them feedback on their performance to prepare them for formal assessment.

**Guidelines to implement this activity**

- This is an individual activity.
- Let the learners label the columns with headings for homework to save valuable time in class.
- If you have learners that are struggling, pair them with learners who are doing well. Encourage the strong learners to assist the weaker ones by asking them why they are doing things or what would they do. They must guide the learner with difficulty and not give them the answer.
- Alternatively, you can group the learners that are struggling and work through the activity with them. Remember to let them tell you the answers.

**Suggested answers**

1. and 2.

Cash Receipts Journal for Emma's Beauty Salon for February 2013

Doc	Day	Details	Fol	Analysis of Receipts	Bank	Fee Income	Sundry accounts		
							Amount	Fol	Details
D6	15	Emma			5 000		5 000		Capital
Rec 1	16	Mrs England		325	325	325			
Dep2	20	Robotbank			10 000		10 000		Loan: Robotbank
Rec 1		Mrs Marumo		2 100	2 100	2 100			
Rec 3	25	Mrs Zoni		500		500			
Rec 4		Mrs Brown		125		125			
Rec 5		Mrs vd Veld		125	750	125			
Rec 6	29	Mrs Mali		270		270			
Rec 7		Ms Modiso		480	750	480			
					18 925	3 925	15 000		

3. The money received into the cash register till is entered into the analysis of receipts columns. Only when the money is physically taken and deposited into the bank is the total transferred to the bank column. The amounts in the bank column must correspond with the deposits in the bank statement.
4. R3 925 – the total fee income



Assessment guidelines

Use the suggested answers supplied above to assess learners informally. Give them feedback on their performance to prepare them for formal assessment.

Activity 4

Draw up a Cash Receipts Journal for Handy Manny Business

Learner's Book page 87

Guidelines to implement this activity

- This is an individual activity.

Suggested answers

1. and 2. Cash Receipts Journal for Handy Manny Business for October 2013

Doc	Day	Details	Fol	Analysis of Receipts	Bank	Fee Income	Sundry accounts		
							Amount	Fol	Details
Rec16	1	Mbali		4 500	4 500		4 500		Rent income
B/S 10		Tsetse			4 500		4 500		Rent income
Rec18–20	7	Cash		3 500	3 500	3 500			
Rec21–24	14	Cash		6 000	6 000	6 000			
Rec25	21	Cash		2 500	2 500	2 500			
Rec26	25	Ben		4 000		4 000			
Rec27		Cash		500		500			
Rec28		Cash		200	4 700	200			
B/S 10	26	Robobank			54		54		Interest income
					25 754	16 700	9 054		
(9 ÷ 2) 4½		(9 ÷ 2) 4½		(7)	(8)	(7)	(4)		(3)

(38 marks)

3. Tsetse paid his rent by EFT directly into the business bank account ✓✓ and it did not go into the cash register till. ✓✓ It is recorded in the Bank statement. ✓✓ (Max. 4)
4. The bank statement is the only source for knowing that money was paid directly into the bank account of the business. ✓✓ (2)

Total: 44 marks

Assessment guidelines

This activity is intended for informal assessment. A suggestion has been given for mark allocation if you choose to mark this question. Please give the learners the mark allocation before they answer the questions. Use the suggested memorandum supplied above to assess learners informally. Allocate learners a mark out of 54 and give them feedback on their performance to prepare them for formal assessment.

Term 2

**Guidelines to implement this activity**

- This is an individual activity.
- The learners must be reminded that capital and income increase the owner's equity. Income increases the profit which increases owner's equity. Drawings decreases capital and expenses decreases the profit and therefore the owner's equity. If they do not understand this concept they will always struggle with the accounting equation.
- You may want to put up a piece of cardboard or paper with the expanded accounting equation on the wall at the back of the classroom For example:

$$\text{Assets} = \frac{\text{Liabilities} + \text{Owner's Equity}}{(\text{Capital} - \text{Drawings} + \text{Income} - \text{Expenses})}$$

**Background knowledge**

Owner's equity is made up of Capital + Profit or – Loss. Capital is the amount the owner puts into the business less the amount he has withdrawn for his own use: Capital–Drawings. Profit is calculated by subtracting expenses from income. This is why expenses decreases owners equity and income increases it. In other words, income increases the amount of profit (and therefore owner's equity). Expenses decreases the amount of profit (and therefore owner's equity).

**Suggested answers**

1. and 2.

Jan	Assets =	Liabilities +	Owner's Equity
1	Bank +R50 000	0	+ Capital R50 000
10	Bank + R5 000	0	+ Fee income R5 000
22	Bank + R6 000	0	+ Rent income R6 000
25	Bank + R1 250	0	+ Income tax refund R1 250
30	Bank + R69	0	+ Interest income R69
	R62 319	0	R62 310

3. Owner's Equity is the total value the owner has invested in the business. It includes: capital less drawings plus profit (or less loss).

**Assessment guidelines**

This activity is intended for informal assessment. Use the suggested answers supplied above to assess learners informally. Give them feedback on their performance to prepare them for formal assessment. No marks have been allocated to this activity. The learners have the opportunity to try and not be pressurised by mark allocation.

**Support**

You will be able to assess which learners are having difficulty and the concept they are having difficulty with. You will need to spend time with these learners until they are able to understand and answer this type of question with confidence.

**Guidelines to implement this activity**

- This is an individual activity.
- This activity is a different way to check that the learners have understood the concepts and are able to apply them.

**Suggested answers**

- 1.1 The owner deposits R15 000 in the bank to start a business ✓  
The owner increases his capital by R15 000 ✓
- 1.2 The business received a loan, R5 000 from Robobank. ✓✓
- 1.3 Received R9 000 cash for services rendered ✓✓
- 1.4 Received R32 from the bank for interest on a positive bank balance ✓✓ (10)
- 1.5 Received R5 000 for rent of part of the offices or premises ✓✓
2. Bank = 15 000 + 4 690 + 9 000 + 32 + 5 000 = R33 722 ✓✓ (2)
3. OE = R29 032 ✓✓ (2)

**Total: 14 marks****Assessment guidelines**

This activity is intended for informal assessment. Use the suggested answers/memorandum supplied above to assess learners informally. Allocate learners a mark out of 10 and give them feedback on their performance to prepare them for formal assessment. Suggested marks have been allocated if you decide to mark this activity. You must let the learners know the mark allocation before they answer the activity.

**Core concepts**

The learners must be able to identify the correct source documents that are used to record entries in the Cash Receipts Journal. They also need to understand the purpose of the analysis of receipts column and how to use it.

## Unit overview

**Recommended pacing:** 40 minutes × 4,5 lessons = 3 hours

- This unit focuses on the four factors of production, namely: capital, labour, natural resources and entrepreneurship.
- It also deals with the impact on and the importance in the production process.
- Learners will examine the remuneration for each of the four factors of production.
- This unit also covers concepts such as capital (own and borrowed), the roles of workers in business, fair employment practices, Employment Equity Act, Labour Relations Act (LRA), Commission for Conciliation and Arbitration (CCMA), and overhead costs.

**Additional resources:** Labour laws and guides to basic employment practices at: <https://www.labour.gov.za/>; Newspapers and magazines

## Background knowledge

In Grade 7, learners learnt about entrepreneurship. An entrepreneur is someone who starts his or her own business to meet an identified unmet need or want of consumers. Successful entrepreneurs take calculated risks, they are good organisers and good planners.

Businesses are both producers and consumers. Entrepreneurs buy, produce and sell things to make a profit. Learners learnt about starting a business by doing a SWOT (strengths, weaknesses, opportunities and threats) analysis, setting and achieving goals, and a little about advertising and the media.

### **Activity 1** Consider the use of 'capital' in a business

Learner's Book page 92

### **Guidelines to implement this activity**

- This is an individual activity.
- Learners answer the questions in their exercise books.

## Suggested answers

1. Own ✓ and borrowed ✓ capital. (2)
2. Borrowed capital ✓ is most likely to be used to build up the business in terms of assets ✓ – refrigerators, a small van to collect and deliver goods, computer equipment and tills. Own capital ✓ is most likely to be used to cover running costs – stock and wages – in the business. (4)
3. When an entrepreneur is prepared to risk his or her own money ✓ in a business venture, banks feel more secure about the level of commitment the entrepreneur has ✓ in making a success of the business ✓ and therefore being able to repay a bank loan ✓. (4)

**Total: 10 marks**

## Assessment guidelines

- This activity is intended for informal assessment.
- Use the suggested answers supplied above to assess learners informally. Allocate learners a mark out of 10 and give them feedback on their performance to prepare them for formal assessment.

### Activity 2 Assess the role of labour

Learner's Book page 94

## Guidelines to implement this activity

- This is an individual activity.
- Learners answer the questions in their exercise books.

## Suggested answers

1. Skilled labour ✓ has developed specialist skills and knowledge that allow them to perform senior, responsible jobs ✓. Semi-skilled labour ✓ usually has some on-the-job training that allows them to handle specialised and technically challenging work. ✓ Unskilled labour ✓ has no special skills training in any particular working environment, or higher education. ✓ (6)
2. Labour supplies the physical ✓ and mental energy ✓ to combine the factors of production and produce goods and services. ✓ (3)
3. Individual answers that will refer to a business of choice. All three skills levels should be identifiable in a medium to large business. (Max.  $3 \times 2$ ) (6)
4. Individual answers that will refer to the chosen business mentioned above. For example, in a construction company, skilled labour performs the roles of foreman, crane operator, carpenters, plumbers, electricians. Semi-skilled labour performs the brick-laying, rough plasterwork, pipe-laying. Unskilled labour moves bricks, mixes and spreads concrete, and keeps the building site tidy. (Max.  $3 \times 5$ ) (15)

**Total: 30 marks**

## Assessment guidelines

This activity is intended for informal assessment. Use the suggested answers supplied above to assess learners informally. Allocate learners a mark out of 30 and give them feedback on their performance to prepare them for formal assessment.

### Activity 3 Think of 'land' as a factor of production

Learner's Book page 95

#### Guidelines to implement this activity

- This is an individual activity.
- Learners answer the questions in their workbooks.

#### Suggested answers

1. Land itself; ✓ the minerals and nutrients in the ground; ✓ water, wildlife, and vegetation on the surface; ✓ and the air above. ✓ (Any 3) (3)
2. Learners' definitions must cover that fact that land ✓ as a factor of production ✓ includes all natural resources ✓. (3)
3. Individual answers. Learners must name two local businesses ✓✓ and identify ways in which natural resources are used as a factor of production. For example, the water and electricity used by each business, the raw materials used in the goods or services they offer to consumers, and so on. (2 × 2) (4)

**Total: 10 marks**

#### Assessment guidelines

This activity is intended for informal assessment. Use the suggested answers supplied above to assess learners informally. Allocate learners a mark out of 10 and give them feedback on their performance to prepare them for formal assessment.

### Activity 4 Consider the risks taken by an entrepreneur

Learner's Book page 96

#### Guidelines to implement this activity

- This is a group activity.
- Organise learners into groups of four or five.
- Get each group to choose a scribe to make notes of their ideas.
- Invite groups to share their ideas and answers with the class.

#### Suggested answers

Entrepreneurs risk their own money; any borrowed money; their time and effort; raw materials and labour costs when they start a business. Learners may suggest other answers but in terms of the factors of production, the risks mentioned must figure in their assessment of risks. No marks.

#### Assessment guidelines

This activity is intended for informal assessment. Since this is group work, the main purpose is to give learners an opportunity to become more familiar with the contents of the unit and to discuss among themselves any concepts they may find difficult. The answers to these questions are covered in the text and should pose few difficulties for the learners.

Use the checklist on the next page to assess learners. Give learners feedback on their performance to prepare them for formal assessment.

Criteria	Yes	Partly	No
The learner(s):			
contributed to the discussion of entrepreneurial risks in their group			
participated fully in the class discussion.			

### Activity 5 Complete the graphic of factors of production

Learner's Book page 97

#### Guidelines to implement this activity

- This is an individual activity.
- Learners answer the questions in their exercise books.

#### Suggested answers

1. Allocate four for the accurate redrawing of the diagram of the factors of production on page 95 of the Learner's Book. (4)
2. Entrepreneur: profits ✓✓; capital: interest ✓✓; labour: wages ✓✓; resources: rent ✓✓. (8)
3. This will depend on the chosen business. Kind of business e.g. bakery ✓; capital is used (e.g. for equipment and machinery to bake goods ✓✓; raw materials (e.g. flour, yeast, sugar, etc.) is used to make the baked goods ✓✓; labour is used to combine the raw materials through a production process to produce the goods ✓✓; and the entrepreneur has the vision and takes the risks to bring all these resources together to create the business ✓✓✓. (Max. 8)

**Total: 20 marks**

#### Assessment guidelines

This activity is intended for informal assessment. Use the suggested memorandum supplied above to assess learners informally. Allocate learners a mark out of 20 and give them feedback on their performance to prepare them for formal assessment.

#### Core concepts

Check that learners have understood the core concepts of capital, labour, natural resources and entrepreneurship as factors of production. Give them practice in using these concepts.

## Unit overview

**Recommended pacing:** 40 minutes × 3 lessons = 2 hours

This unit covers the two broad categories of markets. They are:

- goods and services markets, which mainly sell products
- factor markets, which include labour markets and financial markets
  - Labour markets are where workers find jobs and employers find workers.
  - Financial markets are where buyers and sellers trade assets such as stocks and shares such as the Johannesburg Stock Exchange.

**Additional resources:** Newspapers - for advertisements for employment as well as share prices, Gumtree on the Internet for jobs offered.

## Teaching guidelines

Learners will probably all have had experiences with some sorts of goods and services markets, but they will probably not know much about factor markets, especially the financial markets. Use newspaper reports on stocks and shares and share prices to make the concepts more realistic.

## Background knowledge

Allow learners to describe various goods and services markets that they have visited to give more background on the types of markets.

### Activity 1 Classify different types of markets

Learner's Book page 100

### Guidelines to implement this activity

This is an individual activity. Question 6 could be done in pairs or small groups where at least one member of the group may have been to some markets.

### Suggested answers

1. Surplus goods are extra or additional goods that are more than a person needs



- Retail, wholesale, service and international markets
- Import – businesses buy products from other countries  
Export–selling South African products to other countries
- Once money was introduced it was easier for people to trade. Markets became more and more common and people began to sell many different types of goods. Certain markets have now become more specialised and perform different functions. They are not always situated in one place anymore because transactions are now easy to make over long distances by telephone, fax and email. Buyers can pay for things they buy by transferring money from their bank accounts to sellers' bank accounts.
- Wholesalers are suppliers from whom retailers buy their goods. Wholesalers buy large quantities of goods directly from the producer, which may be a farmer or a factory, and they sell them to the shops which are the retailers. The retailer then sells the goods to consumers for a profit.
- Learners would have visited different markets, so answers will vary. Learners should draw up a list of ten items giving the type of market at which each was bought.

### Assessment guidelines

This activity is intended for informal assessment. Use the suggested answers supplied above to assess learners informally. Give them feedback on their performance to prepare them for formal assessment.

Criteria	Yes	Partly	No
<b>The learner(s):</b>			
Followed the instructions in the Learner's Book and understood what to do.			
Can distinguish between different types of markets			

### Activity 2 Discover how labour markets work

Learner's Book page 101

### Guidelines to implement this activity

- This is an individual activity.

Spend time going over the advertisements in question 4 making sure that the learners understand them before they try to answer them.

### Background knowledge

Use newspapers and Internet sites such as Gumtree to look at more examples of employment advertisements

### Suggested answers

- It is the work that workers do.
- The labour market is where workers find work and employers find workers. Workers are rewarded by the paying the worker a wage.

3. There is a large supply of unskilled workers and far fewer skilled workers. Demand for skilled workers pushes up the price (wages)
4.
  - 4.1 Plumbers, nurses and drivers
  - 4.2 It is based on qualifications
  - 4.3 By e-mail
  - 4.4 Xoliswa–hairstylist

### Assessment guidelines

This activity is intended for informal assessment. Use the suggested answers supplied on the previous page and above to assess learners informally. Use the checklist below to assess learners. Give learners feedback on their performance to prepare them for formal assessment.

Criteria	Yes	Partly	No
<b>The learner(s):</b>			
followed the instructions in the Learner's Book and understood what to do.			
are able to interpret a job advertisement.			

### Activity 3 Understand the function of financial markets

Learner's Book page 103

### Guidelines to implement this activity

This is an individual activity. Most of the concepts in this activity will be new to the learners use other examples of brokers such as property brokers and travel agents to explain the role of stockbrokers.

### Background knowledge

There are many different movies that have the stock markets as their central theme eg. Inside Job, but watch for age restrictions.

### Suggested answers

1. They are where buyers and sellers trade assets.
  - 2.1 Johannesburg (JSE)
  - 2.2 Wall Street
3. People can buy shares in large companies known as public companies because they allow the public to buy shares in them and therefore they are not privately owned. These companies do this to raise money that they use to operate and grow. The value of the company is divided into many equal parts which are called shares. Stockbrokers sell shares on behalf of public companies.

### Assessment guidelines

- This activity is intended for informal assessment. Use the suggested answers and the checklist below to assess learners. Give learners feedback on their performance to prepare them for formal assessment.

Criteria	Yes	Partly	No
<b>The learner(s):</b>			
Followed the instructions in the Learner's Book and understood what to do.			
Have a good understanding of how the financial markets operate			

### Activity 4 Sum up markets

Learner's Book page 103

### Guidelines to implement this activity

This individual activity covers all the types of markets in this unit and will therefore provide a good indication of what the learners understand about markets. Make sure that the learners read the questions carefully and express their answers in their own words.

### Suggested answers

1.

Goods and services markets	Factor markets
Retail	Labour
Wholesale	Financial
Service	
International	

- The answer must be in the learner's own words and should be simply explained, for example: Goods and services markets sell things that we use and factor markets sell things that we cannot see and feel
- Own examples must be given.
- Own answer: Learners are to say what they want to become; then identify which of the major markets it falls into (factor vs goods/services) and which sub category.
- The statement is not true, but learners need to motivate their answers. High salaries are sometimes paid for dangerous jobs: for example: mercenary

### Assessment guidelines

- This activity is intended for informal assessment. Use the suggested answers and the checklist on the next page to assess learners.
- Give learners feedback on their performance to prepare them for formal assessment.

Criteria	Yes	Partly	No
<b>The learner(s):</b>			
followed the instructions in the Learner's Book and understood what to do			
could express their own opinions about different types of markets.			

## Core concepts

Make sure that learners have understood the core concepts of this unit. Give them plenty of practice in using these concepts.

Goods and services markets, factor markets, labour markets, stock markets, financial markets, share markets.

**Review Copy**

# Term 2 Assessment: Project

## Identify the capital, labour and source documents for a new business

Teacher's Guide page 182

### Guidelines to implement this activity

- This is an individual activity.
- You can photocopy the project assessment task on page 182 of this Teacher's Guide for each learner.
- The project must be given to the learners at the beginning of week 4. The learners will have two weeks in order to complete their project by the end of week 6. However, it is possible for them to be given the project at the beginning of the term.
- Learners will need to divide their work as they complete the learning of each relevant area.

Example:

Week	Entrepreneurship	Financial literacy	Section of project
1	Revision	Revision	
2		Transactions, source documents, Subsidiary journals, general ledger	Name of business, type of business
3		Trial balance, income statement, balance sheets, purpose and importance of cash journals	Source documents
4	Capital, labour Natural resources,	Formal use of Cash Journal and use of columns, source documents	Capital, labour
5	Fair employment practices, natural resources	Entering cash transactions	Finalise project and review grammar, presentation,
6	Entrepreneurship, remuneration of factors of production	Entering cash transactions and closing off journal	Complete the project and hand in

- It is important to demonstrate to the learners how they can divide the project into separate components so that each one can be done with care and thought. This way they do not end up rushing a project the weekend before it is due.
- You can encourage this type of planning (which is a life skill) by checking that they have completed each stage in the week that it has been allocated.

### Assessment guidelines

This activity is intended for formal assessment. The rubric is a suggested assessment guide. If this is used, the learners must be given a copy before they start their project so that they are aware of the criteria for the assessment. The final mark for the end of term must be calculated as follows:

$$\frac{\text{Learner mark}}{60} \times \frac{40}{1} = 40\% \text{ for the term mark}$$

# Rubric

	Poor	Average	Good	Excellent	Max. marks
<b>Type of service and name of business</b>	No indication of a name for the business and type of business is not a service business	The name is not relevant to the type of business and there is no clear indication that this is a service business	A name has been given to a service business	The choice of service business is relevant and the name clearly indicates the type of service being offered	
	0–3	4–6	7–8	9–10	10
<b>Capital</b>	No explanation of capital or calculation	An explanation of capital given and an indication of an amount needed but no calculations	Calculation of capital shown and a good description of capital	Detailed explanation of capital as a factor of production and a realistic amount of capital with all calculations	
	0–3	4–6	7–8	9–10	10
<b>Labour</b>	Very little indication of labour that could be required	Explanation of types of labour	Good explanation of labour, listing the two types of labour and the number of people appropriate for the type of business	Excellent description of labour as a factor of production and the number of potential employees realistic and appropriate	
	0–3	4–6	7–8	9–10	10
<b>Sample documents</b>	Two or less source documents included	Source documents included but are not complete or relevant and do not indicate the business name or function	Three source documents neatly presented with name of business or relevant to the type of service business	Well designed and presented source documents that clearly indicate the name of the business and relevant to a service business	
	0–3	4–6	7–8	9–10	10
<b>Presentation of project</b>	Project is untidy, incomplete and clearly shows lack of interest and little time spent doing it	Most of the aspects of the project included but work shows a lack of attention to detail	A neatly presented project with components included	A neat, well written project showing attention to detail	
	0–3	4–6	7–8	9–10	10
<b>Maximum marks</b>					<b>50</b>

# Term 2 Assessment: Exemplar mid-year examination memorandum

Learner's Book page 104

Time: 1 hour  
Purpose: To give practice in writing a formal examination

## SECTION A

### QUESTION I

	Column A		Column B
1.1	Balance sheet	D	Similar to a photograph of the financial position of the business on a specific day ✓✓
1.2	Goods and services market	A	Where people trade goods and services ✓✓
1.3	Labour market	E	Where workers find work and employers find workers ✓✓
1.4	Source document	B	Receipt, cheque counterfoil ✓✓
1.5	Trial balance	C	A check that every transaction has two separate entries in the general ledger ✓✓

[10]

## SECTION B–The Economy

### QUESTION 2

- 2.1 Bonita requires the labour of two people to help her run her business. ✓✓ She pays for this labour according to the going rates on the labour market. ✓✓ The receptionist is a full-time employee who earns a fixed salary. ✓ The bookkeeper is a part-time employee who earns an hourly rate. ✓ These workers are paid from the income that her business earns ✓ (6)
- 2.2 She provides a service (beauty treatment) ✓ which she sells on the goods and services market. ✓✓ Without customers (consumers) ✓ she would not have a market for her service ✓✓
- She borrowed money from a bank ✓ which is in the factor market. ✓✓ Without this loan she would not have been able to buy the equipment✓ and pay for other setting-up costs. ✓✓ We have seen that she employs two people from the labour market ✓ and without them she would not be able to run her business properly. ✓✓

(Max. 12)

[Subtotal: 18]

Term 2

## SECTION C–Financial Literacy

### QUESTION 3

- 3.1 Duplicate receipt, ✓ bank statement, ✓ duplicate cash register tape, ✓ duplicate cash invoice ✓ (any two × 1 mark)
- 3.2 An income statement is a list of income and expenses for a specific period. ✓✓ (2)  
It is used to calculate the profit or loss of a business. (2)
- 3.3 Cash receipts journal of Bonita's Beauty Salon for May 2013

Doc	D	Details	Fol	Analysis of receipts	Bank	Fee income	Sundry Accounts		
							Amount	Fol	Details
R56	3	Bonita ✓			✓✓10 000		10 00		Capital ✓
CRT5	6	Cash ✓		6 890	6 890	6 890			
R57	9	Ziswe Traders ✓		3 790			3 790		Rent income ✓
CRT6		Cash		7 680	✓✓11470	7 680			
R58	12	G. Swan ✓		3 000	3 000	3 000			
					31 360	17 570	13 790		
		(4)		(4)	(4)	(3)	(2)		(2)

(19)

[Subtotal: 25]

## SECTION D–Entrepreneurship

### QUESTION 4

- 4.1 Land, labour, capital, entrepreneurship (4)
- 4.2 Own capital is personal money that the owner uses to start a business. (2) The business will owe the owner this money if he sells the business or closes down. (2) Borrowed capital is money borrowed from friends, family, investors or the bank. (2) The bank charges interest on the loan (2). The loan and interest is paid back in fixed instalments for a specific period of time. (2) (Max. 8)
- 4.3 Bonita definitely has a problem. ✓ She should check out the Basic Conditions of Employment Act ✓ – if she regularly works extended hours ✓, she expects her receptionist to work too many hours per day ✓ and therefore too many hours per week ✓, even if she pays overtime ✓ for some of the additional hours. Business owners can choose to work flexible and long hours to meet the needs of their customers, ✓ but workers must be treated fairly ✓. Bonita's receptionist may experience transport difficulties with irregular hours. ✓ Bonita needs to either: Work some hours on her own without a receptionist ✓ OR Hire an extra person to work shifts with her main receptionist. ✓ (10)

[Subtotal: 22]

TOTAL: 75 marks



Analysis of revision

Section	Question	Topic			Total	Cognitive levels		
		Economy	Fin. Lit	Entrep.		1	2	3
A	1	2, 2	2, 2, 2		10	10		
B	2	18			18		6	12
C	3		25		25	2, 4	19	
D	4			22	22	4	8	10
Actual marks		22	31	22	75	20	33	22
Actual percentage		29,3%	41,3	29,3%		26,6%	44%	29,3%
Required marks		22,5	30	22,5		22,5	30	22,5
Required percentages		30%	40%	30%		30%	40%	30%

Review Copy

# Term 3 Financial literacy and Entrepreneurship

## Term overview

Term 3 focuses on Cash Receipts and Cash Payments Journals and the different forms of ownership that an entrepreneur can select.

**Financial Literacy:** In Unit 1, the learners will revise entering transactions in the Cash Receipts Journal and how these affect the accounting equation.

In Unit 2, they will learn how to use the Cash Payments Journal and do activities that involve both the CRJ and CPJ.

In Unit 3, Entrepreneurship: Forms of Ownership, learners examine various forms of business ownership including: sole traders, partnerships, close corporations, private companies and public companies, they also look at the roles businesses play in creating sustainable job opportunities and in the sustainable use of resources.

### Resources

Learner's Book, pages 106–141

Learners' own exercise books; calculator, 8 column cash book.

UNIT NO.	CONTENT	PACING (TIME ALLOCATION)	LB PAGES	TG PAGE
1	Cash Receipts Journal (services)	4 hours	111–115	102–107
2	Cash Payments Journal (services)	7 hours	116–128	107–118
3	Forms of ownership	7 hours	129–141	119–124

## Assessment

The following activities in this term are suitable for formal assessment:

ACTIVITY				ASSESSMENT	
Type of activity	Activity	LB pages	TG page	Assessment tool	TG page
Case study	Consider forms of ownership	–	190	Memorandum	125
Controlled test	Term 3 Exemplar controlled test	–	192	Memorandum	127

## CORE CONCEPTS AND DEFINITIONS

Concept	Definition
Cash Receipts Journal	The subsidiary book used to enter transactions involving cash received from the business
Analysis of receipts	Money received by the business and placed in the cash register till
Fee income	Income received by a service business for services e.g. time, experience, knowledge or skill
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.
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.
Cheque counterfoil	The portion of a cheque left in the cheque book that is used to enter information in the CPJ
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
Sole trader	A sole trader business is owned by one person.
Partnerships	A partnership is a business association of between a minimum of two and a maximum of 20 people.
Close corporations	Close corporations (or CCs) are legally established associations of between one and ten members.
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.

## Term 2 Revision

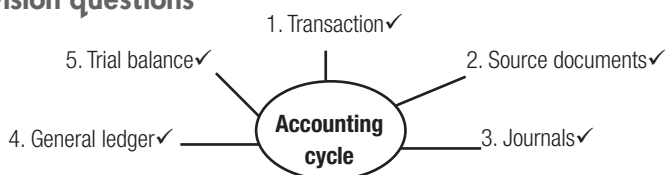
Learner's Book, pages 108–109

### Financial literacy

#### Suggested answers to revision questions

- Use discretion with the learners answers.  
Sample answer:

(5)



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 marks)

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 ✓.) (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 Labour intensive ✓ 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. 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)

# Financial Literacy: Cash Receipts Journal (services)

Learner's Book pages 111–115

## Unit overview

Recommended pacing: 40 minutes × 6 lessons = 4 hours

- The learners will revise entering cash transactions in the Cash Receipts Journal (CRJ) and analyse cash transactions in the accounting equation.

### Additional resources:

8 Column cash journal

Calculator

Cardboard, paper, koki for charts

## Teaching guidelines

- In this term you will revise the CRJ and the effect the cash receipts have on the accounting equation.
- It is a good idea to use the concepts written on cardboard and the CRJ must have the headings.
- This will help the learners remember what they learnt last term and refresh their memories.
- You will also be able to see which learners are having difficulty with some of the concepts.

## Background knowledge

Refer to Term 2, unit 2 to make sure you have a good understanding of the concepts.

## Before we start

Suggested answers:

- The subsidiary journals lists details of specific transactions e.g. cash receipts or cash payments and is used to complete the general ledger accounts.
- A service business offers customers a service based on knowledge, skill or experience. A retail business buys goods and resells them at a higher price.
- Cheque counterfoil, electronic funds transfer (EFT) printout that is numbered, duplicate receipt, duplicate cash invoice

**Activity 1****Revise the format of Cash Receipts Journal**

Learner's Book page 112

**Guidelines to implement this activity**

- This is an individual activity.

**Suggested answers**

1. Any transaction that cannot be analysed into a column is written in the Sundry accounts column.
  - (a) the amount
  - (b) the folio referenced of the general ledger account page number
  - (c) the name of the general ledger account that the information will be posted to.
2. The picture of the cash register is to remind learners that all money received and put in the cash register is recorded here. It is only transferred to the bank when a deposit slip is completed and the money taken to the bank.
3. The total for the day must be added and a deposit slip completed. The money and the deposit slip is taken to the bank to be deposited into the bank account. This total is entered in the bank column
4. There are no specific columns to analyse these transactions into. All the information relates to the transaction that must be posted individually to the general ledger
5. Yes, the analysis of receipts column will not have a total as all the money has been transferred to the bank column when the money was taken to the bank and deposited in the bank account.

**Assessment guidelines**

This activity is intended for informal assessment. Use the suggested answers and give the learners feedback on their performance to prepare them for formal assessment.

**Activity 2****Draw up the CRJ of Dlamini Transport Services**

Learner's Book page 112

**Guidelines to implement this activity**

- This is an individual activity. (The suggested answers are presented on the next page.)

## Suggested answers

### Cash Receipts Journal of Dlamini Transport Services for August 2012

Doc No	Day	Details		Analysis of receipts	Bank	Fee income	Sundry Accounts		
							Amount	Fol	Details
127	1	Msimang Spaza		130		130			
128		Taxi fees		120		120			
129		Taxi fees		120	370	120			
130	2	Naidoo Furniture Traders		1 500		1 500			
131		Taxi fees		120		120			
132		Victoria Xaba		800	2 420	800			
133	3	Moosa Traders		2 000	2 000	2 000			
134	5	Taxi fees		120		120			
		Robobank		54	174		54		Interest income
					4 964	4 910	54		

## Assessment guidelines

This activity is intended for informal assessment. Use the suggested answers. Give the learners feedback on their performance to prepare them for formal assessment. It is important that you check the learners work to see that they have remembered what they learnt last term. You can let the learners swop books and check each others work.

### Activity 3

### Indicate the effect of transactions on the accounting equation

Learner's Book page 114

## Guidelines to implement this activity

- This is an individual activity.
- Use the cardboard signs for the concepts that you made in the first and second terms. Let the learners select the correct ones for the accounting equation. Then let them add to the accounting equation by expanding it with the components of owner's equity.

## Suggested answers

Nov	Assets =	Liabilities +	Owner's Equity
2	+ Bank R50 000	0	+ Capital R50 000
5	+ Bank R2 300	0	+ Fee income R2 300
6	+ Bank R1 400	0	+Rent income R1 400
7	+Bank R10 000	0	+ Capital R10 000



Assessment guidelines

This activity is intended for informal assessment. Use the suggested answers supplied on the previous page to assess learners informally. Give learners feedback on their performance to prepare them for formal assessment.

Activity 4

Draw up a Cash Receipts Journal for Moosa Attorneys Inc.

Learner's Book page 114

Guidelines to implement this activity

- This is an individual activity
- The learners must use the source documents but arrange the transactions in date order. Remember, the bookkeeper enters the source documents each day so it is easier for him or her.

Suggested answers

1, 2, and 3

Cash Receipts Journal of Moosa Attorneys Inc. for March 2012✓

Doc No	Day	Details	Fol	Analysis of receipts	Bank	Fee Income	Sundry Accounts		
							Amount	Fol	Details
BS4	1	Moosa			20 000		20 000		Capital
R22	3	Mr Jones		900		900			
R23		Mrs Benzimai		1 300		1 300			
R24		Omar Sharif		5 000	7 200	5 000			
R25	4	Madam Monseur CC		700		700			
R26		V. Dlamini		150		150			
R27		D. Black		600	1 450	600			
BS4	29	Personnel Services			4 500		4 500		Rent income
					33 150	8 650	24 500		
(4)		(8)		(6)	(5)	(7)	(3)		(2)

[36]

4. Accounting equation

	Assets =	Liabilities +	Owner's Equity
1	+Bank 20 000	0	+ Capital 20 000
3	+Bank 900	0	+ Fee income 900
	+Bank 1 300	0	+ Fee income 1 300
	+Bank 5 000	0	+ Fee income 5 000
4	+Bank 700	0	+ Fee income 700
	+Bank 150	0	+ Fee income 150
	+Bank 600	0	+ Fee income 600
29	+Bank 4 500	0	+ Rent income 4 500
	(8)		(8)

[16] [Total 52]

Assessment guidelines

This activity is intended for informal assessment. Use the suggested answers memorandum supplied on the previous page to assess learners informally. Allocate learners a mark out of 52 and give them feedback on their performance to prepare them for formal assessment. This activity is suitable for mark assessment as the learners are revising the work from the first term. You can let them mark each other's work. The learners must explain why they have not allocated the mark to their partners. This will help them to understand the work and be able to explain it to another learner.

## Activity 5 Prepare the Cash Receipts Journal for Women @ Work

Learner's Book page 115

### Guidelines to implement this activity

- This is a pair activity.
- Allow the learners to discuss their answers. Each learner must write their own answer in their exercise book.
- It is important that you discuss the answers when all the learners are finished to check that they have understood the work.
- This is a good activity to check the learners understanding.

### Suggested answers

- Transactions:
  - Received R500 from Msingi Funeral Services (Receipt 25)
  - Betty paid R5 000 by EFT (BS4)
  - Received R500 from Mr Grange (Receipt 26) and Mrs Lemont, R1 400 (Receipt 27)
  - The bank statement (No 4) shows interest received, R35
- 2 and 3. Accounting equation

Mar	Assets =	Liabilities +	Owners Equity
1	+Bank 500	0	+Fee income 500
4	+Bank 5 000	0	+Fee income 5 000
6	+Bank 500	0	+Fee income 500
	+Bank 1 400	0	+Fee income 1 400
10	+Bank 35	0	+interest income 35

- Betty, R5 000 and Interest income, R35. This is because Betty used the internet to deposit the money directly into the bank account and the bank only notified the customer regarding bank charges and interest at the end of the month when they send the bank statement.
- Money directly deposited in the bank does not go into the cash register first so it is entered directly into the bank column. All other money is received in the cash register so is entered first in the analysis of receipts column. Only when it is deposited in the bank is the total transferred to the bank column. This happens at the end of every day.

### Assessment guidelines

This activity is intended for informal assessment. Use the suggested answers/memorandum supplied on the previous page to assess learners informally. Give the learners feedback on their performance to prepare them for formal assessment. It is good to allocate marks to some informal activities. This way the learners will be able to recognise where they need to do better to improve their marks. However, the learners must have multiple opportunities to do activities and make mistakes without the pressure of marks. Long term learning often comes from correcting mistakes.

## Core concepts

Check that learners have understood the core concepts of this unit. Give them practice in using these concepts. If you have some learners that are still having difficulty with some concepts, give them repeat activities to do so that they get more practice. You can let them re do some activities from Term 2 as well.

UNIT



## Financial Literacy: Cash Payments Journal (services)

Learner's Book page 116–128

### Unit overview

**Recommended pacing:** 40 minutes × 10.5 lessons = 7 hours

- Concept of the Cash Payments Journal (CPJ) for a service business
- Format and use of columns in the CPJ
- Source documents used to complete the CPJ
- Entering transactions in the CPJ and then the combined CRJ and CPJ
- Effect of cash transactions on the accounting equation

#### Additional resources:

Learner book, 8 column cash register journal, calculator, cardboard, koki or crayons—to make posters for the classroom wall

Term 3

## Teaching guidelines

- Some learners find the difference between the CRJ and the CPJ e.g. the analysis of receipts column in one and not the other, difficult to remember.
- Use cardboard to draw up a sample CPJ with headings to leave on the classroom wall.
- If you are teaching in a rural school, the cardboard is not expensive and it will make your teaching more interesting for the learners. It will also brighten up your classroom wall and help the learners—especially if they are learning in their second language.
- Remember to keep checking the accounting terminology whenever you can.

## Before we start

### Suggested answers

1. Learners will give a variety of answers. They must all be payments made by the business. For example: The business purchases stationery or equipment for cash.
2. Cash payments journal
3. To record all source documents.

### Activity I Write out cheques for Mzimang Traders

Learner's Book page 118

#### Guidelines to implement this activity

- This is a pair activity.
- Allow the learners to discuss their answers. Each learner must write their own answers in their learner books.
- The ideal situation is if you can get the blank cheques in the Learner's Books photocopied. The learners can complete these and glue them in their exercise books. This will make the activity more realistic.
- If this is not possible, allow them to copy the blank cheques from the Learner's Book into their workbooks.

#### Background knowledge

There are only 2 blank cheques. A cheque is not used to deposit money in the bank account. A bank deposit slip is used. However, the amount of the deposit must be entered on the first cheque counterfoil.

Notice that the numbers of the cheques are in consecutive order.

#### Suggested answers

1-2.

253 225	<b>ROBO BANK</b>	253 225
Date: ...21/10 20 13...	SCOTTBURGH BRANCH	<u>21 October 20 13</u>
For: <i>Rental Properties- .....rent.....</i>	Pay <u><i>Rental Properties</i></u>	or bearer
Balance b/f R3 700.	the sum of <u><i>Three thousand rand only</i></u>	
Deposit: ...4 500.		R3 000-00
This cheque: R3 000		
Balance: R5 200.....		<u><i>M. Mzimang</i></u>
0132	0132 253225 4056782241	

**Note:** the bank balance is entered on the cheque counterfoil; the bank deposit is also written on the cheque counterfoil  
The new balance is  $R3\ 700 + R4\ 500 - R3\ 000 = R5\ 200$ . This becomes the balance on the next cheque.

253 225	<b>ROBO BANK</b>	253 225
Date: 22/20/20...13..	SCOTTBURGH BRANCH	<u>22 October 20 13</u>
For: ...Telkom- ....telephone..	Pay <u><i>Telkom</i></u>	or bearer
Balance b/f .R5 200..	the sum of <u><i>Four hundred and ninety rand only</i></u>	
Deposit: .....-		R490.00
This cheque: ...R490		
Balance: .....R4 710		<u><i>M. Mzimang</i></u>
0133	0132 253225 4056782241	

3. The final bank balance:  $R5\ 200 - R490 = R4\ 710$ .  
4.

Cash receipts journal	Cash payments journal
Only cash received entered	Only cash payments entered
Source documents can be duplicate receipt, bank statement or duplicate cash invoice	Source documents are cheque counterfoil, EFT printouts that are numbered and cash invoices.

Money received in the shop or store is entered in the analysis of receipts column first. The total for the day is then moved to the bank column.	All payments are entered immediately in the bank column
A service business usually only has one analysis of receipts column—fee income	A service business can have as many analysis columns as they need for regular payments.

### Assessment guidelines

This activity is intended for informal assessment. Use the suggested answers supplied above to assess learners informally. Give the learners feedback on their performance to prepare them for formal assessment.

### Activity 2

### Complete the Cash Payments Journal for Jabu Garden Services for June 2012

Learner's Book page 121

### Guidelines to implement this activity

- This is an individual activity.

### Suggested answers

1–2.

Cash Payments Journal for Jabu Garden Services for June 2012 CPJ1

Doc no.	D	Details	Fol	Bank	Wages	Consumable stores	Sundry Accounts		
							Amount	Fol	Details
Ch01	1	Industrial Equipment CC		20 000			20 000		Equipment
Ch02		Petrol		300			300		Petrol
Ch03	5	Wages		2 300	2 300				
EFT 1		Greenfingers nursery		2 000		2 000			
Ch04	8	Municipality		400			400		Water and electricity
Ch05	10	CMA Stationers		500			500		Stationery
Ch06	12	Wages		2 300	2 300				
Ch07		Wendy Wanton		120		120			
				27 920	4 600	2 120	21 200		

- Jabu can print out his EFT payments, number them and keep them in a file. He can then check these against his bank statement when he receives it at the end of the month.
- Balance,  $R50\,000 - CPJ\ R27\,920 = R22\,080$  He started the month with R50 000 but spent R27 920 (total bank column).

Assessment guidelines

This activity is intended for informal assessment. Use the suggested answers supplied above to assess learners informally. Give the learners feedback on their performance to prepare them for formal assessment.

Activity 3

Analyse a Cash Payments Journal for Emma's Beauty Salon

Learner's Book page 123

Guidelines to implement this activity

- This is an individual activity

Suggested answers

1. Cheque counterfoil, EFT printout, bank statement
- 2.

Date	Transaction
1	Paid the municipality R500 for water and electricity using the internet. EFT 1
2	Cashed a cheque (Cheque 01) to pay for fuel, R200
12	Paid Beauty products by EFT (EFT 5), R460 for consumable stores.

3. It is safer, cheaper and very convenient as she can pay accounts at any time of the day, any day of the week from the privacy of her home or office. She does not have to carry money with her to pay. She will not lose her cheque book or have cheques stolen.
- 4.1 Cash receipts, R19 925–cash payments, R10 090 = R9 835
- 4.2 The cash received in the cash register till is entered in the analysis of receipts column of the CRJ. Only when it is taken out and deposited in the bank is the total written in the bank column. These amounts can be checked against the deposits shown on the bank statement.  
All payments are regarded as having been already subtracted from the bank account even if the customer has not cashed the cheque yet.
5. She has selected them as she probably feels that they are the three items she spends money on the most during the month. She may want to monitor these items during the month and it will be easy to do this if they have their own analysis column.

Assessment guidelines

This activity is intended for informal assessment. Use the suggested answers supplied above to assess learners informally. Give the learners feedback on their performance to prepare them for formal assessment. You could let the learners swop books with a partner and compare their answers. They can discuss the differences and make changes or add to their answers.

Activity 4

Prepare cash journals for Happy Tours

Learner's Book page 125

Guidelines to implement this activity

- This is an individual activity.
- You must give the learners time to write up the headings for the cash journals before they start the activity. It is a good idea to give them this task for homework.

Term 3

## Suggested answers

1.– 4.

### Cash Receipts Journal for Happy Tours for February 2013 CRJ1

Doc no.	D	Details	Fol	Analysis of receipts	Bank	Fee income	Sundry Accounts		
							Amount	Fol	Details
Rec 92	1	Sammy Modisa			30 000		30 000		Capital
Rec 93	5	Tours: Central Hotel		2 000	2 000	2 000			
Rec 94	8	Tour: Dutch group		2 000	2 000	2 000			
Rec 95	10	Tour: Bowling team		1 400	1 400	1 400			
Rec 96	12	Tour: Esplanade		5 000		5 000			
Rec 97		Tour: WP Designs		10 000	15 000	10 000			
Rec 98	20	Tour: Zambia group		1 500	1 500	1 500			
Rec 99	30	Tour: Rotary Club		6 000	6 000	6 000			
BS		Robobank		60	60		60		Interest income
					57 960	27 900	30 060		

2–4.

### Cash payments Journal for Happy Tours for February 2012 CPJ1

Doc no.	D	Details	Fol	Bank	Fuel	Com-mission	Wages	Sundry Accounts		
								Amount	Fol	Details
Ch031	1	Holiday magazine		451				451		Advertising
Ch032	3	Bayside Motors		60 000				60 000		Vehicle
Ch033		Cell phone contract		500				500		Cell phone contract
Ch034	4	Mobster Insurance		1 200				1 200		Insurance
Ch035	5	Fuel		500	500					
Ch036		Central Hotel		100		100				
Ch037	7	Wages		900			900			
Ch038	10	Fuel		500	500					
Ch039		Robobank		2 500				2 500		Loan: Robobank
Ch040		Traffic department		500				500		Vehicle licence
Ch041	12	Hilly Hotel		100		100				
Ch042	15	Wages		900			900			
Ch043	18	Fuel		550	550					



Ch044	24	Tourist Spot Magazine		250				250		Advertising
Ch045	25	Bentley Agencies		100		100				
Ch046	29	Wages		900			900			
BS	30	Robobank		32				32		Bank charges
				69 983	1 550	300	2 700	65 433		

5. Accounting equation: Only days 5, 10 and 30 are required and they are typed in italics.  
**Note:** all the transactions have been given for your own records and benefit.  
 If you have learners that are ahead of the rest of the class, let them do all the transactions.

Day	Assets =	Liabilities +	OE
1	+Bank 50 000	0	+Capital R50 000
	–Bank R451	0	–Advertising R451
3	–Bank R60 000 +Vehicle R60 000	0	
	–Bank R500	0	–Telephone R500
4	–Bank R1 200	0	–Insurance R1 200
5	+Bank R2 000	0	+ Fee income R2 000
	–Bank R500	0	–Fuel R500
	–Bank R100	0	–Commission R100
7	–Bank R700	0	–Wages R700
8	+ Bank R2 000	0	+Fee income R2 000
10	+Bank R1 400	0	+Fee income R1 400
	–Bank R500	0	–Fuel R500
	–Bank R2 500	– Loan: Robobank R2 500	0
	–Bank R500	0	–Vehicle license R500
12	+Bank R5 000	0	+ Fee income R5 000
	+Bank R10 000	0	+Fee income R10 000
	–Bank R100	0	–Commission R100
15	–Bank R900	0	–Wages R900
18	–Bank R550	0	–Fuel R550
20	+Bank R1 500	0	+Fee income R1 500
24	–Bank R250	0	–Advertising R250
25	–Bank R100	0	–Commission R100
30	–Bank R32	0	–Bank charges R32
	+Bank R60	0	+Interest income R60
	R63 077	(R2 500)	R65 577
	R63 077		R63 077

**Note:** it is not incorrect if the learners use the term 'cleaning materials' instead of consumable stores.

Extension: let the learners that do all the transactions add up the columns to check that Assets = Liabilities + OE

### Assessment guidelines

This activity is intended for informal assessment. Use the suggested answers supplied above to assess learners informally. Give the learners feedback on their performance to prepare them for formal assessment. You can let them check each other's work and explain why they think there are errors. The learners that are completing their work accurately and quickly can assist by checking other learners work.

## Activity 5 Prepare the cash journals for Happy Handyman Services

Learner's Book page 126

### Guidelines to implement this activity

- This is an individual activity

### Suggested answers

1.–4.

Cash Receipts Journal for Happy Handyman Services for November 2012

CRJ1

Doc no.	D	Details	Fol	Analysis of receipts	Bank	Cash income	Sundry Accounts		
							Amount	Fol	Details
BS	3	Deena Davids			20 000		20 000		Capital
R 1	5	Vehicle Finance CC		50 000	50 000		50 000		Loan: Vehicle Finance CC
R2-10	7	Current income		5 000	5 000	5 000			
R11-14	14	Current income		6 000	6 000	6 000			
R15-20	21	Current income		8 500	8 500	8 500			
R 21	23	Denson Cleaners		1 500	1 500		1 500		Rent received
BS	29	Robobank		29	29	29			Interest received
					91 029	19 500	71 529		

2.–4.

Cash Payments Journal for Happy Handyman Services for November 2012

Doc no.	D	Details	Bank	Fuel	Con-sumable stores	Sundry Accounts		
						Amount	Fol	Details
Ch001	5	A. Sherm	55 000			55 000		Vehicle
Ch002	7	Petrol	350	350				
Ch003	10	Municipality	300			300		Business licence
Ch004		Pick 'n Power	450		450			
Ch005	14	Built-At	1 400		1 400			

Ch006		Petrol		400	400			
Ch007	17	Rent		3 000			3 000	Rent
Ch008		Dromadis Newspaper		120			120	Advertising
Ch009	21	Petrol		500	500			
Ch010		CostSure		600			600	Insurance
Ch011	23	Municipality		300			300	Water and electricity
Ch012	29	Robobank		43			43	Bank charges
Ch013	30	Robobank		1 500			1 500	Loan: Robobank
				63 963	1 250	1 850	60 863	

5. Accounting equation: Required day 5, 14, 23, 30 only

**Note:** answers for all the transactions have been given for your benefit.

Day	Assets =	Liabilities +	OE
3	+Bank R20 000	0	+ Capital R20 000
5	+Bank R50 000	+ Loan:Vehicle Finance CC R50 000	0
	–Bank R30 000 + Vehicle R30 000	0	
7	+Bank R5 000	0	+ Fee income R5 000
	– Bank R350	0	– Petrol R350
10	– Bank R300	0	– Business licence R300
	–Bank R450	0	– Cleaning materials R450
14	+Bank R6 000	0	+ Fee income R6 000
	–Bank R1 400	0	– Consumable stores R1 400
	–Bank R400	0	– Petrol R400
17	– Bank R3 000	0	– Rent R3 000
	– Bank R120	0	– Advertising R120
21	+Bank R8 500	0	+ Fee income R8 500
	– Bank R500	0	– Petrol R500
	–Bank R600	0	– Insurance R600
23	–Bank R300	0	– Water and electricity R300
	+Bank R1 500	0	+ Rent income R1 500
29	– Bank R43	0	– Bank charges R43
	+ Bank R29	0	+Interest income R29
30	– Bank R1 500	– Loan R1 500	
	R82 066	R48 5000	R33 566
	R82 066		R82 066

**Note:** it is not incorrect if the learners use the term cleaning materials instead of consumable stores.

**Extension:** Allow the learners to total the columns to ensure that Assets = Liabilities + OE

6.

Bank balance:	CRJ	91 000	
	CPJ	(63 963)	
	Balance	R27 037	
Deena Davids has a positive bank balance which is good. However, He did receive a loan from Robobank to purchase the vehicle. The vehicle only cost R30 000 so he borrowed R20 000 more than he needed and he will pay interest on this amount. If he only borrowed R30 000 he would still have R7 037 in his bank account and less interest to pay on the loan.			

Note to teacher: the learners may not see the difference in the bank loan and the vehicle cost. This is not important but an interesting fact to discuss with them—especially your advanced learners.

### Assessment guidelines

This activity is intended for informal assessment. Use the suggested answers supplied above to assess learners informally. Give learners feedback on their performance to prepare them for formal assessment. You may wish to get some learners to read out their answers and the class can add to them in discussion. This way the learners' thinking is stimulated and they get other ideas they may not have thought of. Encourage them to make notes on the discussion in their exercise books.

#### Activity 6 Complete cash journals using source documents

Learner's Book page 127

#### Guidelines to implement this activity

- This is an individual activity

#### Suggested answers

1.–4. (The suggested answers are presented on the next page.)

### Cash Receipts Journal for Occasions Hiring Services for August 2012 CRJ1

Doc no.	D	Details	Fol	Analysis of receipts	Bank	Fee income	Sundry Accounts		
							Amount	Fol	Details
R214	1	Mrs Black & family		5 300		5 300			
R215		Loan: Parents		3 000			3 000		Loan: Parents
R216		Zondi wedding group		4 000	12 300	4 000			
R217	5	Cynthia Cosmos		600	600	600			
R218	7	Britney Samson		600	600	600			
R219	12	Thabiso Mabena		390		390			
R220		Vanessa Moses		500	890	500			
R221	29	Khumalo wedding		3 600	3 600	3 600			
BS68	30	Youth Hostel			1 400	1 400			
BS68		Trusty Travel Agent			3 500	3 500			
BS68		Alphama Estate Agent			2 790		2 790		Rent Received
					25 680	19 890	5 790		

2–4.

### Cash Payments Journal for Occassions Hiring Services for August 2012 CPJ1

Doc no.	D	Details	Fol	Bank	Wages	Cleaning services	Sundry Accounts		
							Amount	Fol	Details
Ch321	4	Comfort cleaning services		400		400			
Ch322	13	Wages		2 500	2 500				
Ch323	17	Posh School		550			550		Drawings
Ch324	22	Wages		2 500	2 500				
EFT61	22	Rent		4 000			4 000		Rent
Ch325	25	Business Machines		7 000			7 000		Equipment
Ch326		Comfort cleaning services		600		600			
EFT62		Mod Designs		3 500			3 500		Stock/ Inventory
EFT 63	30	Municipality		450			450		Water and electricity
Ch327		Wages		2 500	2 500				
Ch328		Loan: Parents		2 000			2 000		Loan: Parents

BS68	Metropol Insurance	3 000		3 000	Insurance
BS68	Health Scare Insurance	1 200		1 200	Medical Aid
BS68	Robobank	181		181	Bank charges
		30 381	7 500	1 000	21 881

5.

Bank balance:	Balance at beginning of month	24 000	49 680
	CRJ	25 680	92 400
	CPJ		(30 380)
	Balance at end of month		19 299

Bank balance = She has R28 437 in her bank which is a healthy amount. There is no reason why she borrowed R3 000 from her parents. Gloria should use a budget to monitor her cash so that she does not make hasty decisions like borrowing money that she does not need to do. She could apply for a bank overdraft facility. She could use this if she needs money for a short period rather than borrow from family members.

### Assessment guidelines

This activity is intended for informal assessment. Use the suggested answers supplied above to assess learners informally. Give the learners feedback on their performance to prepare them for formal assessment. It is very tempting when the class is big to trust that the learners have the correct answer. If you are finding it difficult to check the learners work, take in a few books each lesson. Check these. In the next lesson take in a few of the other learners' books and check those. This way you keep on track with what the learners are doing and how much they understand. Use the faster learners to help with checking the learners work.

### Core concepts

Check that learners have understood the core concepts of this unit. They must know and understand which documents are used for the CRJ and CPJ and how to enter these in the two journals. Check that the learners have completely understood the accounting equation and how cash transactions affect it. Give them practice in using these concepts. They can re do earlier activities for extra practice.

## Unit overview

**Recommended pacing:** 30 minutes × 14 lessons = 7 hours

- This unit focuses on entrepreneurship and the forms of ownership.
- Learners will examine various forms of business ownership including sole traders, partnerships, close corporations, private companies and public companies.
- They will also look at the roles businesses play in creating sustainable job opportunities and in the sustainable use of resources.
- This unit covers concepts such as sole traders, partnerships, close corporations, and private and public companies.

**Additional resources:**

<http://www.timeslive.co.za/opinion/commentary/2012/04/01/job-creation-is-the-business-of-business>

## Teaching guidelines

- Working with a partner allows learners the opportunity to discuss any concepts that may not be clear, to clarify their understanding of forms of business ownership.
- Each learner should keep full sentence answers in their workbooks for revision purposes.

### Activity 1 Review the sole trader form of business

Learner's Book page 129

#### Guidelines to implement this activity

- This is an individual activity.
- Learners answer the questions in their workbooks.

#### Suggested answers

1. A sole trader is the only owner✓ and has complete control of the business.✓  
It is easy to start a sole trader business because there are no formal registration requirements.✓ The owner has all the responsibilities ✓for the business but also gets all the profits.✓ The owner is personally responsible for paying income tax on earnings.✓ (Max 6)

2. Individual answers, supported by logical reasons related to the features of a sole trade mentioned in Question 1 above. (4)  
[10]

### Assessment guidelines

This activity is intended for informal assessment. Use the suggested answers supplied above to assess learners informally. Allocate learners a mark out of 10 and give them feedback on their performance to prepare them for formal assessment.

## Activity 2 Review the partnership form of business ownership

Learner's Book page 130

### Guidelines to implement this activity

- This is a pair activity. This may be noisy as each pair discusses the answers to these questions.
- Learners answer the questions in their workbooks.

### Suggested answers

1. In a partnership there are between two and twenty owners✓, called partners. One of the main advantages of this type of ownership is that more than one person invests or works in the business✓. The business therefore has more capital✓ to work with. Management and responsibilities are shared,✓ and the business has a wider range of skills and knowledge✓ available as a resource. Partners pay income tax on their share of the profits.✓ Decision-making can be time consuming and difficult.✓ (Max 5)
2. Individual answers of partnership businesses in your town (For example, a local medical or legal partnership). (2)
3. Learners refer back to Activity 1 and the above answers and contrast the sole trader with the partnership. (This could be in a table or columns for clarity.) A model answer: (Max 6)

Partnership	Sole trader
A partnership is an association of between 2 and twenty owners who are called partners. ✓✓	The owner provides his or her own capital, or borrows money from a financial institution in his or her own name. ✓✓
Management and responsibilities are shared. ✓✓	The owner is the legal entity (body). ✓✓
Partnerships are formed to introduce more capital into a business, often at a time when the business needs to be expanded. ✓✓	The owner is legally responsible for the debts of the business. ✓✓
It combines the skill and administrative abilities of a number of people, allowing for greater productivity. ✓✓	The owner's personal assets (such as a home or vehicle) can be sold to settle business debts if the owner is sued for payment. ✓✓
Partners are legally responsible for the debts of the partnership. ✓✓	The owner is responsible for paying income tax in a personal capacity, not as a business. ✓✓
Partners pay income tax on their share of the profits. ✓✓	
Decision-making can be time-consuming and difficult. ✓✓	

Total: 13 marks



### Assessment guidelines

This activity is intended for informal assessment. Use the suggested answers supplied on the previous page to assess learners informally. Allocate learners a mark out of 13 and give them feedback on their performance to prepare them for formal assessment.

#### Activity 3

### Reflect on a private and a public company form of business ownership

Learner's Book page | 32

#### Guidelines to implement this activity

- This is an individual activity.
- Learners answer the questions in their workbooks.

#### Suggested answers

1. Annually.✓ (1)
2. Some profits are retained to maintain cash flow stability and for expansion✓; the balance is paid to the shareholders as dividends✓. (2)
3. Individual answers–yes/no, supported by logical argument. (Max 7)

**Total: 10 marks**

### Assessment guidelines

This activity is intended for informal assessment. Use the suggested answers supplied above to assess learners informally. Allocate learners a mark out of 10 and give them feedback on their performance to prepare them for formal assessment.

#### Activity 4

### Compare the characteristics of forms of business ownership

Learner's Book page | 36

#### Guidelines to implement this activity

- This is an individual activity.
- Learners answer the questions in their workbooks.

#### Suggested answers

1. Sole trader and a partnership ✓✓ (2)
2. Private company✓, because it also protects the personal assets of the owners✓. (2)
3. A private company does not send out a prospectus✓ or list on a stock exchange✓ or publish its annual accounts✓, whilst a public company has to do all these things✓✓✓. (Any 4)

**Total: 8 marks**

### Assessment guidelines

This activity is intended for informal assessment. Use the suggested answers supplied above to assess learners informally. Allocate learners a mark out of 8 and give them feedback on their performance to prepare them for formal assessment.

## Activity 5 Choose a suitable form of business ownership

Learner's Book page 136

### Guidelines to implement this activity

- This is an individual activity.
- Learners should write their essays in their workbooks for assessment.
- The essay should follow formal writing rules, with an introduction, a body and a conclusion.

### Suggested answers

- 1.1 The minimum number for a private company is one. ✓ (1)
- 1.2 The minimum number of shareholders for a public company is seven. ✓ (1)
2. A private company has Proprietary Limited (abbreviated to (Pty.) Ltd.)✓, or Incorporated (Inc.)✓ in its name; a public company has Limited (abbreviated to Ltd.)✓ in its name. (3)
3. Learners will take individual approaches to writing their essays but should outline the problem of choosing a suitable form of business ownership in an introductory paragraph, for a maximum of 5 marks. (5)

The body of the essay should cover the following rationale in some way:

- Since there are seven friends and close corporations are no longer an ownership option, the options remaining are forming a partnership,✓ a private ✓or a public company✓.
- The fact that the friends want to share liability and protect their personal assets means that a partnership would not be suitable.✓
- A public company means listing on a stock exchange and having unlimited shareholders in the process of raising capital. This is a long and fairly complicated process that does not seem a great option for the seven friends.✓✓✓
- Therefore the recommendation would seem to be that the friends start a private company✓ because:
  - They will be able to invite additional investors as shareholders to raise more capital✓
  - They can keep their business affairs confidential as audited accounts do not have to be published, so competitors won't have access to this information ✓✓
  - They can choose their own board of directors and management team✓
  - The company will continue without interruption if any of the shareholders leaves for any reason ✓✓
  - Their personal assets will be protected and liability will be shared. ✓✓(Max 20)
- 4. Conclusion: The friends must choose a private company name and have registration papers completed. These must be registered with the Companies and Intellectual Property Commission (CIPC).✓✓✓  
They will need to appoint an auditor to produce annual audited accounts for the business.✓✓ (5)

**Total: 35 marks**

## Assessment guidelines

This activity is intended for informal assessment. Use the suggested answers supplied above to assess learners informally. Allocate learners a mark out of 35 and give them feedback on their performance to prepare them for formal assessment.

### Activity 6 Explain how a business can grow sustainable jobs

Learner's Book page 139

#### Guidelines to implement this activity

- This is an individual activity.
- Learners answer the questions in their workbooks.

#### Suggested answers

1. Any new business gives employment to at least one person✓. If that business grows and needs more people to do all the work that is necessary✓, more jobs are created for additional workers✓. (3)
2. Individual answers that draw on the text covered in this unit. (Max 6)

**Total: 9 marks**

## Assessment guidelines

This activity is intended for informal assessment. Use the suggested answers supplied above to assess learners informally. Allocate learners a mark out of 12 and give them feedback on their performance to prepare them for formal assessment.

### Activity 7 Research environmental issues and sustainable use of resources

Learner's Book page 140

#### Guidelines to implement this activity

- This is a pair activity and class activity.
- There are various stages of this activity. The first stage of this activity requires the learners to answer two basic questions in their workbooks.
- The second part of the activity involves working with a partner to make a list of the environmental problems that urgently need to be addressed to make sure that people are able to live reasonable lives on our planet now and in the future. This process entails learners doing some research by speaking to family members, visiting a library, or reading up on 'green' issues on the Internet if they have access to a computer with Internet facilities.
- They also need to write good notes with statistics, graphs, pictures and diagrams where possible, to share with the class.
- Then, in a class discussion, learners must suggest ways in which businesses (and individuals) could use natural resources in a sustainable way, based on their research.
- Finally, learners must write a report for their portfolios, based on their findings and conclusions about what needs to be done to protect the environment; and how businesses and people can help to do this.

### Suggested answers

1. Food and water (2)
2. Use of natural resources that allows those resources to be renewed or conserved to last. (2)
3. Lists of environmental problems (minimum of 5) drawn from researched information. (Max 5)
- 3.1 (individual research)
- 3.2 Statistics, graphs, illustrations to support lists (Max 5 per item × 5) (25)
4. Report based on research with added information from the class discussion, with recommendations on how businesses and individuals can address the identified problems. (16)

**Total: 50 marks**

### Assessment guidelines

This activity is intended for informal assessment. Use the suggested answers supplied above to assess learners informally. Allocate learners a mark out of 50 and give them feedback on their performance.

**Review Copy**

# Term 3 Assessment: Case study memorandum

Teacher's Guide page 190

## Consider forms of ownership

### Guidelines to implement this activity

- This is an individual activity
- Photocopy the case study assessment task on page 125 of this Teacher's Guide for each learner.
- Note: It is important that the learners know that a close corporation may not longer be established according to the new Companies Act. In order to protect personal assets, the business can only choose a private or public company.
- A public company would be incorrect as Mr Mabena does not want to include any strangers into the ownership. Private company is the only option the learners can choose.

### Suggested answers

1. The Companies Act prohibits the establishment of new close corporations. However, existing ones may continue as CC's. ✓✓ Mr Mabena is not a CC and therefore cannot select this as an option. ✓✓ (Max 4)
2. Note: the learners must apply the information they give to this particular scenario. If they select any form of ownership other than a private company, they may not obtain more than a maximum of 6 marks.

Sample answer:

I suggest that Mr Mabena changes from a sole trader to a private company. ✓✓

A private company can be owned by a minimum of 1 person. ✓✓ The only limit to the number of owners, who would be called shareholders, is the number of shares that are available. ✓✓ This would make it possible for all the children to be shareholders. ✓✓ A private company must have the letters (Pty) Ltd at the end of the name so Mr Mabena would have to change the name of the business. People must be invited to purchase shares so this protects Mr Mabena from strangers obtaining shares in his business. ✓✓

The private company is a legal person which can sue and be sued in its own right. ✓✓ and will be responsible for the debts of the business. ✓✓ This means that the children will not risk their private assets. ✓✓ (Max 14)

3. Use discretion with the learners answers. They must write nine facts in full sentences.

Suggestions for their answers:

- Swazi has entered the correct source documents in the correct journals. ✓✓
- The money received in the cash register till must be entered in the analysis of receipts column. ✓✓
- Only when a deposit slip is filled out is the total money in the till (analysis of receipts column) taken to the bank and deposited in the bank account. ✓✓ This amount is entered in the bank ✓✓ column

- The amounts in the bank column should match the deposits on the bank statement at the end of the month. ✓✓
  - The details column in the Cash Receipts Journal has the name of the person who is paying the money, or just the term 'cash'. ✓
  - All cash received that represents fee income, must also be written in the Fee Income column. ✓✓
  - The interest received from the Bank is not fee income so must be entered in the Sundry Accounts column. ✓✓ The account that it is going to is entered in the Sundry of Accounts details column e.g. interest income. ✓✓ The name of the bank is entered in the CRJ details column. ✓✓
  - The details column of the CPJ should have the name of the person or business that the cheque is written out to. ✓✓ If it is a cash cheque, the word cash is used. ✓✓
  - All the amounts are entered in the Bank column as we regard any cheque payments as going out of the bank account immediately. ✓✓
  - The amounts are then analysed into the various analysis columns. ✓✓ All amounts for wages are also entered in the wages column.
  - All amounts for Fuel are also entered in the fuel column. ✓✓
  - Any other amounts must be entered in the Sundry Accounts column. ✓✓ The details will be the account that the amount represents e.g. Vehicle repairs. ✓✓
  - Both the CRJ and CPJ must be totalled at the end of the month. ✓✓ (Max 12)
- [30]

### Assessment guidelines

This activity is intended for formal assessment. Use the memorandum supplied above to assess learners. Allocate learners a mark out of 30 and record the marks for formal assessment.

# Term 3 Assessment: Exemplar controlled test memorandum

Teacher’s Guide page 190

Question		Section		Cognitive level		
		Fin Lit.	Entrep.	CL1	CL2	CL3
1	Multiple choice	10		10		
2	Supply missing words		10	10		
3	Financial literacy	56			50	6
4	Entrepreneurship		24	4		20
		66	34	24	50	26
	Achieved	66	34			
	Required	100		30%	40%	30%

## SECTION A

- 1.1 C–Assets +; Liabilities 0; OE +  
1.2 A–Assets –; Liabilities 0; OE –  
1.3 D–Assets –; Liabilities –; OE 0  
1.4 A–Assets –; Liabilities 0; OE –  
1.5 B–Assets–+; Liabilities 0; OE 0

(10)
- 2.1 sole trader  
2.2 partnership  
2.3 close corporation  
2.4 private company  
2.5 public company

(10)

## SECTION B – Financial literacy

3.1.

Cash Receipts Journal of Palisa Business Services for March 2013

Doc no.	D	Details	Fol	Analysis	Bank	Fee income	Sundry Accounts		
							Amount	Fol	Details
R31	5	Palisa Marumo			10 000		10 000		Capital
R32		Cash		6 000	6 000	6 000			
R33	12	Cash		3 750	3 750	3 750			
R34	19	Cash		2 000	2 000	2 000			
R35	25	Cash		5 890	5 890	5 890			
BS	31	Robobank		34	34		34		Interest income
					27 674	17 640	10 034		

(6 ÷ 2) 3

(6 ÷ 2) 3

(7)

(5)

(3)

(2)

Doc no.	D	Details	Fol	Bank	Fuel	Wages	Sundry Accounts		
							Amount	Fol	Details
C78	1	Palisa Marumo		1 200			1 200		Drawings
EFT7		Sally White		5 000		5 000			
C79	15	Bawa Motors		670	670				
C80	24	Cash		980		980			
C81	31	Sally White		5 000		5 000			
EFT8		Highline Insurance		6 500			6 500		Insurance
EFT9		Sutara Accountants		4 950			4 950		Accounting fees
C82		Cash		690	690				
				24 990	1 360	10 980	12 650		

(8 ÷ 2) 4

(9)

(3)

(4)

(5)

(4)

[50]

3.2 Teacher: Use discretion as the learners are encouraged to give their opinion. However, their opinion must be supported by logical thinking in order to get the marks.

Suggestions:

- The income only exceeds the expenses because the owner added in additional capita (2)
- The bank balance would be R2 684 (2)



- Palisa also took R1 200 for her own use without thinking about the cash flow of the business. (2)
- The salary was paid twice in one month and this could have been an error. (2)  
(Max 6)

## SECTION C Entrepreneurship

- 4.1 The life of the business is not dependent on the life of the owners. ✓✓ This means that the business is a legal person and enjoys all the benefits of a legal person. ✓  
✓ If an owner dies, retires or leaves, the business continues as if this had not happened. ✓✓ (Max 4)
- 4.2 Use discretion with the learner's answers. Although they have been asked for their opinion, the only form of ownership that suits this is a private company. A close corporation may no longer be formed and a public company exposes them to others taking control.

Assessment criteria:	Mark allocation	
Introduction	4	
Explanation of partnership	6	
Disadvantages of partnership	6	
Description of private company	6	
Advantages of private company	6	
Conclusion	4	
	32	Maximum 20

Although a learner with a perfect answer could get 32 marks, he or she will only receive 20. The learners must be trained to answer a 20 mark question. This means 10 facts written in full sentences = 2 marks.

The learners must identify the components required in the question and allocate their facts accordingly. The examiner should always allocate more marks than the maximum for the question as the learners do not know how the examiner has divided the marks. If a learner only answers half the question, they must be able to obtain half the marks.

**Total: 100 marks**

# Term 4: Entrepreneurship and Financial literacy

## Term overview

Term 4 focuses on :

- levels and functions of management
- styles of leadership

### Resources

Learners' own exercise books

Learner's Book, page 142–180

2 column journal

General ledger

Calculator

UNIT NO.	CONTENT	PACING (TIME ALLOCATION)	LB PAGES	TG PAGE
1	Levels and functions of management	5 hours	147–156	134–138
2	General Ledger and trial balance (services)	8 hours	157–178	139–167
	Revision	3 hours	179–180	168–172

## Assessment

The following activities in this term are suitable for formal assessment:

ACTIVITY				ASSESSMENT	
Type of activity	Activity	LB pages	TG page	Assessment tool	TG page
Year-end examination	Exemplar end-of-year examination	192–195	–	Memorandum	173

## CORE CONCEPTS AND DEFINITIONS

Concept	Definition
Laissez-faire	A French word meaning freedom to do what you want
Mentor	A wise or trusted adviser or guide
Organogram	A chart showing the different levels of management in a business
Strategic	A long term plan
Tactical	How to put a long term plan into action
Operational decisions	Practical ways to achieve a goal
Leading	Providing encouragement and example so that others will do something willingly
Autocratic	Has total power to make decisions
Permissive	Allowing freedom of behaviour
Democratic	Based on the principle that everyone is equal
Double entry principle	Every transaction is recorded in two accounts

## EXAM WORDS AND DEFINITIONS

Exam word	Definition
Describe	Give the details and facts of something in full sentences without giving reasons
Draw	Show in a visual way
Explain	Give the details of something in full sentences and give reasons
Identify	Find, name and mention
List	Write the names, numbers, or things asked for one below the other, each on a new line
Name	Give what something is called with no explanation
Suggest	Give ideas, solutions or reasons for something
Summarise	Give the main points only and in brief, using sentence form, bullets or a visual tool like a mind map

# Term 3 Revision

Learner's Book, page 144–145

## Entrepreneurship

### Suggested answers to revision questions

1. Sole trader, partnership, close corporation, private company, public company (5)
2. Sole trader, no legal requirements, owner makes all decisions (3)
3. Public company, complex procedures to list business on a stock exchange to

- sell shares to raise capital. (3)
- 4.1 Partnership (1)
- 4.2 Public company (1)
- 4.3 Private or public company, depending on how much capital is needed and how it will be raised. (1)

## Financial literacy

### Suggested answers to revision questions

1. Columns in a CPJ:

Document: ✓ the number of the cheque counterfoil, bank statement or printed EFT payment is entered. ✓✓

Day: ✓ the day of the month on which the entry is made. ✓✓

Details: ✓ the name of the person to whom the cheque or payment was made. ✓

The word cash if the cheque was a cash cheque. ✓✓

Folio: this column will only be used in Grade 9 ✓

Bank ✓ any money paid using a cheque or electronic funds transfer is entered immediately in the bank column. ✓✓ Even if the cheque has not been cashed the business regards the money as having been deducted from the bank account. ✓✓

Analysis columns. ✓ A business will decide which payments they make regularly and often during the month. ✓✓ These columns are used to reduce the number of entries made in the general ledger ✓✓. Only the total of these columns are posted to the accounts in the general ledger. ✓✓

Sundry column. ✓ The sundry column has three columns for amount, folio and details. ✓ any amount that is not entered in another analysis column is entered in the sundry accounts column. ✓✓ The name of the account in the general ledger is entered in the sundry accounts column. ✓✓ (14)

2. General Ledger of Moosa Appliances:

#### Balance Sheet Accounts Section

Dr					Bank B1					Cr	
					2013 Jan	31	Sundry accounts	CPJ		56 000	

#### Equipment N2

2013 Jan	31	Bank	CPJ	9 800						

## Nominal Accounts Section

### Telephone N1

2013 Jan	31	Bank	CPJ	5 600					

### Wages N2

2013 Jan	31	Bank	CPJ	35 000					

### Stationery N3

2013 Jan	31	Bank	CPJ	1 220					

### Interest Expense N4

2013 Jan	31	Bank	CPJ	430					

### Repairs to vehicles N5

2013 Jan	31	Bank	CPJ	1 450					

### Stationery N6

2013 Jan	31	Bank	CPJ	2 500					

- (27)
3. Cash receipts R43 000–Cash payments R56 000 = R13 000 bank overdraft✓✓  
 He has a bank overdraft as he has paid out more money than he received. ✓✓  
 This activity does not give the balance in his bank account at the beginning  
 of the month. ✓✓
- (6)



# Entrepreneurship: Levels and functions of management

Learner's Book pages 134–138

## Unit overview

**Recommended pacing:** 40 minutes  $\times$  7,5 lessons = 5 hours

This unit covers:

- the levels and functions of management, particularly in medium and large businesses
- the management tasks of planning, organising, leading and controlling
- good management characteristics
- different styles of management

**Additional resources:**

Learners' own exercise books

## Teaching guidelines

- Most of the activities are individual so that learners are able to work directly with the concepts related to management and its activities.
- You will find it helpful to relate each new section of this unit to examples with which learners are familiar, such as your school environment—for example, the principal is the managing director, heads of department are functional heads, and teachers form the lower management level that supervises the activities of workers (the learners).
- If you feel the need for additional practise and have time, learners could repeat some activities using the school as their example, such as drawing up an organisation chart for the school.

## Before we start

### Suggested answers

- Planning, organising, leading, and controlling the activities of the business.
- Entrepreneurs
- Because all activities are focused on achieving the overall goals of the business in the most effective and efficient manner.

**Guidelines to implement this activity**

- This is an individual activity.
- Learners record their answers in their workbooks.
- It is important that the learners understand what an organisational chart looks like and how to draw one up.
- Explain that an organisation chart or organogram must show at least 2 levels of management. It usually has 3: top, middle and lower.

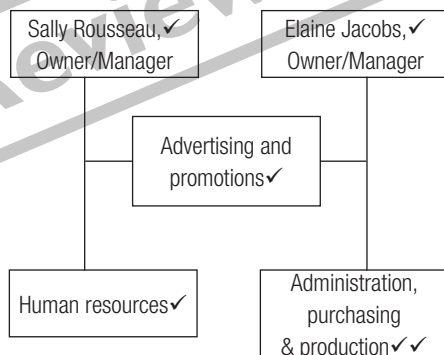
**Suggested answers**

1.

Sally	Elaine
<ul style="list-style-type: none"> <li>• in charge of restaurant employees✓</li> <li>• organises work shifts✓</li> <li>• plans and arranges extra staff for holidays ✓</li> <li>• monitors work standards ✓</li> <li>• arranges additional training as required ✓</li> </ul>	<ul style="list-style-type: none"> <li>• deals with all the correspondence ✓</li> <li>• monitors the stock levels ✓</li> <li>• organises for new supplies to be bought ✓</li> <li>• evaluates the success of menu items ✓</li> <li>• consults the chef ✓</li> <li>• removes unsuccessful items and adds new options in their place ✓</li> </ul>

Both work together on advertising and promotions for the restaurant. ✓ (12)

3.



(6)

**Total: 18 marks****Assessment guidelines**

- This activity is intended for informal assessment. Use the suggested answers supplied above to assess learners informally.
- Allocate learners a mark out of 18 and give them feedback on their performance to prepare them for formal assessment.

**Guidelines to implement this activity**

- This is an individual activity.
- Learners record their answers in their workbooks.
- You may want to relate this section to the type of tasks that the prefect body perform, or the teachers' jobs. This will help them use their own experience and apply it to a business situation. The business situation will not be so far removed from their own experiences.

**Suggested answers**

1. Planning ✓, organising ✓, leading ✓ and controlling ✓ (4)
2. Sally plans work schedules of staff shifts ✓; Elaine plans the menus ✓ (2)
3. Designing the advert ✓; placing the advert in their choice of media ✓; estimating food quantities ✓; ordering sufficient pork and beef ribs ✓; getting chef's grocery list for the evening ✓; ordering all additional supplies ✓; employing additional part-time staff for the kitchen and as waiters ✓; any other sensible suggestions by learners. ✓ (Any 6)
4. Learners' answers. For example: Sally needs to talk to each worker each day to check that everything is going according to plan ✓; that each person is able to carry out the necessary duties ✓; that they have sufficient work to keep busy and do not get bored ✓; Elaine supervises stocks of supplies for the kitchen and restaurant by checking levels daily and ordering replacement stock as required. She needs to talk to the chef regularly to find out whether new menu items are being planned that would need new ingredients. (4)
5. Sally monitors the work of the staff ✓; Elaine monitors the popularity of items on the menu ✓. (2)

**Total: 18 marks****Assessment guidelines**

- This activity is intended for informal assessment. Use the suggested answers supplied above to assess learners informally.
- Allocate learners a mark out of 18 and give them feedback on their performance to prepare them for formal assessment.
- It is not necessary to allocate marks to every activity. The learners must be given multiple opportunities to make mistakes and learn from these. This will encourage them and build their confidence to apply themselves in formal testing situations.



**Activity 3****Understand the characteristics of good management**

Learner's Book page 154

**Guidelines to implement this activity**

- This is an individual activity.
- Learners record their answers in their workbooks.
- Encourage the learners to apply the concepts learnt to their everyday lives. They could be leaders in their family, household or in their sports team. It is a skill that is essential in their future careers.

**Suggested answers**

1. Honesty ✓; good communication skills ✓ (2)
2. Individual choices ✓; supported by good reasons ✓✓ (any 2) (4)

**Total: 6 marks****Assessment guidelines**

- This activity is intended for informal assessment. Use the suggested answers supplied above to assess learners informally.
- Allocate learners a mark out of 6 and give them feedback on their performance to prepare them for formal assessment.
- If you do decide to allocate marks to this activity, remember to notify the learners of the mark allocation before they do the activity.

**Activity 4****Explore democratic and autocratic leadership**

Learner's Book page 156

**Guidelines to implement this activity**

- This is an individual and a group activity.
- Each member of the group must take part in the discussion. Each group should appoint a 'leader' to monitor the discussion and ensure that everyone participates and that one learner does not dominate the conversation.
- Group work is important so that learners learn to listen to each other's comments and respond in a positive and not negative manner. Teenagers often tend to be very critical of an opinion that does not match their own.
- Monitor the discussions to ensure that everyone listens and discusses differences of opinion and answers in a mature manner.
- Group activities (such as brainstorming) encourage creative thinking and memory recall.
- Learners record their answers in their workbooks.

**Suggested answers**

1. Sally ✓ (1)
2. Organising ✓ (1)
3. Sally is democratic ✓; Elaine is autocratic ✓✓ (4)
4. Individual group lists, for example: consults with staff ✓; follows majority

- decisions ✓; participates in discussions and activities; allows workers to get the job done any way they please ✓ (Any 2)
5. Elaine prefers to make decisions ✓; she wants to get issues resolved quickly ✓; she is more controlling ✓ (Any 2)
6. Individual answers supported by sound arguments. In fact, neither is better ✓ because both styles have their place in business and Sally and Elaine probably complement each other well. ✓ Employees are likely to be happy because they deal directly with Sally's easy management style, ✓ but they won't be inclined to take advantage of her easy-going nature because Elaine would not let them get away with it. ✓ (4)
7. Individual answers. Text suggests that autocratic management is useful when difficult decisions must be made. (2)

**Total: 16 marks**

### Assessment guidelines

- This activity is intended for informal assessment. Use the suggested answers supplied above to assess learners informally.
- Allocate learners a mark out of 20 and give them feedback on their performance to prepare them for formal assessment.
- When group work is involved such as discussion and brainstorming, it is often better to not allocate marks. This gives the learners the freedom to express their opinion and ideas without the pressure of getting the answers correct.

### Core concepts

- Check that learners have understood the core concepts related to the various aspects of management covered in this unit. Give them practice in using these concepts.
- Encourage the learners to use the core concepts in their everyday activities where possible.

## General Ledger and trial balance (services)

Learner's Book pages 157–178

### Unit overview

**Recommended pacing:** 40 minutes × 12 lessons = 8 hours

- Double entry principle using T-accounts
- Format of the general ledger
- Sections within the general ledger: balance sheet section and nominal section
- Posting transactions from the subsidiary books of a service business to the general ledger
- Balancing and totally accounts in the general ledger
- Preparing a trial balance of a service business

**Additional resources:**

- 8 Column Cash Book
- General Ledger book

### Teaching guidelines

- In most accounting examinations, the learners do badly on General Ledger accounts and posting to the General Ledger.
- This is because the learner does not have a good, clear understanding of the double-entry system and which accounts increase or decrease.
- The learner book gives two methods to assist learners to remember which accounts increase on the debit side or the credit side.
- It is a good idea to let the learners write + or – on the side that the relevant account increases or decreases for a few activities.
- In fact, if the learners can be told to do this in all the activities involving posting and General Ledger accounts for the year, it will reinforce this knowledge. It will also give them a wonderful foundation for further study in accounting.

## Background knowledge

Learners must know the difference between debit and credit in order to post to the General Ledger with confidence. It is also essential that they know the difference between, and can identify, assets, liabilities, income and expenditure.

### Suggested answers

- Transaction; source document; subsidiary journal; General Ledger; trial balance
- Books of first entry
- Every transaction must be entered twice in the General Ledger
- Debit = left hand side and credit = right hand side.
- Assets and expenses increase on the debit side; liabilities, capital, and income increase on the credit side.

### Activity I Identify the accounts

Learner's Book page 158

### Guidelines to implement this activity

- Work in pairs and suggest the names of the General Ledger accounts that could be used in each of the following transactions.
- Discuss your answers with other groups.

### Background knowledge

The learners have not learnt how to post to the general ledger at this point. They are not required to have this knowledge. However, it is a good introduction to identifying the names for possible accounts.

### Suggested answers

Name of business: Dixie Hairdressers

		Account 1	Account 2
1	Owner starts business with R3 000	Bank	Capital
2	Received cash from clients, R1 500	Bank	Fee income
3	Purchased shampoo, hair dye, hair conditioner	Bank	Consumable stores
4	Paid R700 for electricity and water	Bank	Electricity and water
5	Received R1 500 from a client	Bank	Fee income
6	Bidman Bank approved a loan of R2 000 and deposited this money in the business bank account	Bank	Loan: Bidman Bank
7	Paid wages, R1 200	Bank	Wages
8	Purchased two hairdryers for R600 each and paid by cheque	Bank	Equipment

Assessment guidelines

- This activity is intended for informal assessment.
- Use the suggested answers supplied on the previous page to assess learners informally. Give the learners feedback on their performance to prepare them for formal assessment.

Activity 2      Using the T Account format

Learner’s Book page 159

Guidelines to implement this activity

- This is an individual activity.
- The learners may open separate bank accounts for each transaction. This may be a good idea for learners who may be experiencing difficulty with the double entry concept. If they have, let them rewrite the T accounts using only one bank account.
- Let them add up the dr and cr sides of all the accounts to check whether they agree. It is a visual activity that will go a long way to helping them understand posting to the ledger accounts.
- Once they have completed this task, let them re-arrange the accounts with all the assets and expense account on the left and liability and income accounts on the right.

Extension:

Guide a discussion on the link between the accounting equation and the information in the T accounts:

For example: Which accounts increase on the debit side?

Which accounts increase on the credit side?

Why is it necessary to have this system in accounting?

How does this link with the accounting equation?

Background knowledge

T accounts are the most useful tool for any person who works in the field of finance. The learners should be encouraged to use T accounts on scrap paper to work out transactions or to make sure they have completed the double entry principle. The shape of the T is also an excellent, simple and easy to see view of the more detailed General Ledger account.

Suggested answers

+      Bank (Asset)      -		- Capital (Liability) +	
+ R3 000	- R900		+ R3 000
+ R1 500	- R700		
+R 1 500	- R1 200		
+R2 000	-R 1 200 (2 x 600)		

Term 4

+	Equipment (Asset)	-
+ R1 200 (2 x 600)		

-	Loan: Bidman Bank (Liability)	+
		+ R2 000

+	Cons. Stores (expense)	-
+ R900		

-	Fee Income (income)	+
		+ R1 500
		+ R1 500

+	Water & Elec. (expense)	-
+ R700		

+	Wages (expense)	-
+ R1 200		

### Assessment guidelines

- This activity should not be assessed as it is new work. It is an important activity that introduces the general ledger accounts and posting to the General Ledger accounts.

### Activity 3

### Sections in the general ledger

Learner's Book page 160

### Guidelines to implement this activity

- This is an individual activity.
- This is an ideal activity to identify learners that have not grasped or understood the difference between assets, liabilities, income and expenses.
- You will need to give the learners that are having difficulty with these concepts more practice in identifying accounts in these different categories.

### Background knowledge

The learners must have a good understanding of the difference between assets and liabilities (balance sheet section) and income and expense accounts (nominal section). If they are struggling with any of these, they will find this activity difficult and struggle with posting to the General Ledger.

## Suggested answers

Balance Sheet Section	Nominal Section
Capital✓	Rent income
Loan: Robobank✓	Wages✓
Vehicles✓	Rent expense
Bank overdraft✓	Stationery✓
Furniture and fittings✓	Consumable stores✓
Fixed deposit✓	Fee income✓
	Interest received✓
	Computer expenses✓
	Postage✓
	Bank charges✓

[16]

## Assessment guidelines

- This activity is intended for informal assessment.
- Use the suggested answers supplied above to assess learners informally. Give the learners feedback on their performance to prepare them for formal assessment.

### Activity 4 Post from the CRJ to the General Ledger

Learner's Book page 167

## Guidelines to implement this activity

- This is an individual activity.
- Let the learner's open the ledger accounts one by one with you guiding them. Write out the steps on the chalkboard for them to follow:
  - Step 1: Heading: General Ledger of XYZ
  - Step 2: Heading: Balance Sheet Section
  - Step 3: Name of an asset or liability account. When all the balance sheet accounts have been opened then continue. Do not forget to give each one a number.
  - Step 4: Heading: Nominal section
  - Step 5: Name of an income or expense account. Do not forget to give each one a number.
- You may want to write these steps out on a piece of cardboard and put them up on the classroom wall. The learners can write these out on a piece of paper and glue them into the inside of their General Ledger books.
- Give the learners a guide on how many lines to leave for each account. Remember to remind them that although we open a few accounts on each page to save paper, these accounts should each have their own page with the relevant page number.
- Once the learners have completed opening the accounts, let them check their partners work before you continue. It will save time to correct this now if one

of the learners has made a mistake. If a learner has forgotten to bring his or her general ledger book, make them use T accounts on paper. It will be their responsibility to transfer this to their General Ledger in their own time—but before the next lesson. Do not let any learner sit and watch at this crucial stage.

- Take each column in the CRJ and discuss how to post it first—then let the learners enter the information in their books. Let them work in pairs so that they check each other's work after each entry. Use a light pencil to fill in the Ledger numbers in the Learner's Book. When the activity is complete, these pencil markings must be rubbed out very carefully.

## Suggested answers

### General Ledger of Grant's Plumbers: Balance Sheet Accounts Section

Dr					- Capital (B1) +			Cr	
					2012 April	30	Bank	CRJ1	10 000

### + Bank (B1) -

2012 April	30	Sundry accounts	CRJ	38 550					

### - Loan: Robobank (B3) +

					2012 April	30	Bank	CRJ	5 000

### Nominal Accounts Section

#### Fee Income (N1) +

					2012 April	30	Bank	CRJ1	22 350

#### + Commission (N2)

					2012 April	30	Bank	CRJ1	1 200



Extension

Once they have completed the posting, let them add all the amounts on the debit side of all the accounts—then the credit side to check whether their debits equal their credits = double entry principle.

Debit = R38 550  
Credit = R38 550 (R10 000 + 5 000 + 22 350 + 1 200)

Assessment guidelines

- This activity is intended for informal assessment.
- Use the suggested answers supplied on the previous page to assess learners informally. Give the learners feedback on their performance to prepare them for formal assessment.
- This is the first activity and should not be given marks. The learners need time to practice posting to the general ledger before being faced with the pressure of mark allocation.

Activity 5 Post from the CPJ to the General Ledger

Learner’s Book page 169

Guidelines to implement this activity

- This is an individual activity.
- Follow the guidelines from the previous activity. Work on the chalk board together with the learners for the first three or four entries. Then leave them to complete the posting on their own.
- It is important to build confidence in the learners so that they do not give up and feel that the new concept is too difficult before they even start.

Suggested answers

General Ledger of Grant’s Plumbers:  
Balance Sheet Accounts Section

Dr					+ Bank (B1) –		Cr		
					2012 April	30	Sundry accounts	CPJ 4	40 125

					+ Equipment (B2) –				
2012 April	30	Bank	CPJ 4	4 900					

					– Loan: Robobank (B3) +				
2012 April	30	Bank	CPJ 4	900					

**+ Drawings (B4) –**

2012 April	30	Bank	CPJ 4	1 400					

**Teacher:** The learners must remember that although Drawings is not an asset or expense, it reduces the capital. Therefore, it increases on the Dr side and decreases on the Cr side.

**Nominal Accounts Section  
+ Consumable Stores (N1)**

2012 April	30	Bank	CPJ 4	24 000					

**+ Wages (N2)**

2012 April	30	Bank	CPJ 4	2 700					

**+ Fuel (N3)**

2012 April	30	Bank	CPJ 4	1 000					

**+ Business licence (N4)**

2012 April	30	Bank	CPJ 4	1 200					

**+ Rent (N5)**

2012 April	30	Bank	CPJ 4	4 000					

**+ Interest on loan (N6)**

2012 April	30	Bank	CPJ 4	25					

### Extension

Allow the learners to add up all the amounts on the Dr side of all the accounts and the amounts on the Cr side. They should add up to the same amount = double entry principle.

### Assessment guidelines

- This activity is intended for informal assessment.
- Use the suggested answers supplied above to assess learners informally. Give learners feedback on their performance to prepare them for formal assessment.

## Activity 6 Post and balance ledger accounts

Learner's Book page 171

### Guidelines to implement this activity

- This is an individual activity.
- The accounts that only have one entry do not need to be balanced
- The accounts where there are only entries on one side, the total is written—it is not necessary to repeat this same amount to balance the account just to get the same result.
- Allow the learners to rewrite the CRJ and CPJ as it appears in the learner book i.e. with just the totals. They must transfer the folio number to the CRJ and the CPJ when the post to the General Ledger accounts.

### Suggested answers

Total of the CRJ for June 2012

CRJ1

Bank	Fee income	Sundry Accounts		
		Amount	Fol	Details
		5 000	B1	Capital
		56	N8	Interest income
15 356	10 300	5 056		
B4	N1			

Total of the CPJ for June 2012

CRJ 1

Bank	Fuel	Vehicle repairs	Sundry		
			Amount	Fol	Details
			350	N5	Traffic fines
			580	N9	Telephone
			980	N3	Licence
			200	N4	Cleaning
9 110	4 500	2 500	2 110		
B4	N2	N6			

**General Ledger of Moses Msimang Taxi Service**  
**Balance Sheet Accounts Section**

Dr					Capital B1 +		Cr		
					2012 June	1	Balance	b/d	36 000
						30	Bank	CRJ1	5 000
									41 000

**+ Vehicles B2**

2012 June	1	Balance	b/d	250 000					

**Loan: Robobank B3 +**

					2012 June	1	Balance	b/d	150 000

**+ Bank B4**

2012 June	1	Balance	b/d	65 150	2012 June	30	Sundry Acc	CPJ1	9 110
	30	Sundry Accounts	CRJ1	15 356			Balance	C/d	71 396
				80 506					80 506
July	1	Balance	c/d	71 396					

**Nominal Accounts Section**

**Fee income N1 +**

					2012 June	1	Total	b/f	51 800
						30	Bank	CRJ1	10 300
									62 100

**+ Fuel N2**

2012 June	1	Total	b/f	12 000					
	30	Bank	CPJ1	4 500					
				16 500					

**+ Licence N3**

2012 June	1	Total	b/f	3 000					
	30	Bank	CPJ1	980					
				3 980					

**+ Cleaning materials N4**

2012 June	1	Total	b/f	2 600					
	30	Bank	CPJ1	200					
				2 800					

**+ Traffic fines N5**

2012 June	1	Total	b/f	3 600					
	30	Bank	CPJ1	350					
				3 950					

**+ Vehicle repairs N6**

2012 June	1	Total	b/f	14 000					
	30	Bank	CPJ1	2 500					
				16 500					

**+ Rent N7**

2012 June	1	Total	b/f	18 000					

**Interest income N8 +**

					2012 June	1	Total	b/f	250
						30	Bank	CRJ1	56
									306

**+ Telephone N9**

2012 June	30	Bank	CPJ1	580					

Teacher: where there is only one amount in the account it does not need to be totalled.

### Assessment guidelines

- This activity is intended for informal assessment.
- Use the suggested answers supplied on the previous page and above to assess learners informally. Give the learners feedback on their performance to prepare them for formal assessment.

### Activity 7 Prepare subsidiary journals and post to the ledger

Learner's Book page 172

### Guidelines to implement this activity

- This is an individual activity.
- Please make sure that the learners' CRJ and CPJ for Happy Tours are correct before they start posting to the General Ledger.

### Suggested answers

**General Ledger of Happy Tours  
Balance Sheet Accounts Section**

Dr				Capital B1 +				Cr	
				2012 Apr	1	Balance	b/d	66 600	
					31	Bank	CRJ1	30 000	
								<u>96 600</u>	

**+ Vehicles B2**

2012 Apr	1	Balance	b/d	72 000					
	31	Bank	CPJ	60 000					
				<u>132 000</u>					

**+ Bank B3**

2012 Apr	1	Balance	b/d	3 800	2012 Apr	31	Sundry Accounts	CPJ1	69 983
	31	Sundry Accounts	CRJ1	57 960					
		Balance	c/d	8 223					
				<u>61 760</u>					<u>69 983</u>
					May	1	Balance	b/d	8 223

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**Loan: Robobank B4 +**

2012 Apr	31	Sundry Accounts	CRJ1	57 960	2012 Apr	31	Sundry Accounts	CPJ1	67 683
		Balance	c/d	9 723					
				67 683					67 683
					May	1	Balance	b/d	9 723

**Nominal Accounts Section  
Fee Income N1 +**

					2012 Apr	1	Total	b/f	15 000
						31	Bank	CRJ1	27 900
									42 900

**+ Fuel N2**

2012 Apr	1	Total	b/f	1 500					
	31	Bank	CPJ1	1 550					
				3 050					

**+ Wages N3**

2012 Apr	1	Total	b/f	2 700					
	31	Bank	CPJ1	300					
				3 000					

**Interest Income N4 +**

					2012 Apr	30	Bank	CRJ1	60

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**+ Commission N5**

2012 Apr	31	Bank	CPJ1	300					

**+ Advertising N6**

2012 Apr	31	Bank	CPJ1	451					
	31	Bank	CPJ1	250					
				701					

**+ Cell phone contract N7**

2012 Apr	31	Bank	CPJ1	500					

**+ Insurance N8**

2012 Apr	31	Bank	CPJ1	1 200					

**+ Consumable Stores N9**

2012 Apr	31	Bank	CPJ1	200					

**+ Vehicle licence N10**

2012 Apr	31	Bank	CPJ1	500					
-------------	----	------	------	-----	--	--	--	--	--



+ Bank charges N11

2012 Apr	31	Bank	CPJ1	32					

4. The bank started with a positive balance of R3 800. However, they spent more than their combined income and balance leaving them with a shortfall of R8 223. The business now has a bank overdraft which shows as a credit balance. The bank overdraft is now a liability to the business.

**Teacher:** it is important that the learners know that the same ledger account is used for bank whether it is a debit or credit balance. The side the balance is on will determine whether it is an asset or a liability.

The CRJ and CPJ from Term 3 have been copied below. Please note how the contra accounts are entered in the folio column. It is VERY important that the learners fill in the folio references in the subsidiary journals when they post from the CRJ and CPJ to the ledger. The learners must give the CRJ and CPJ page numbers. We have just used page number 1.

**Cash Receipts Journal for Happy Tours for February 2013** CRJ 1

Doc No.	D	Details	Fol	Analysis of Receipts	Bank	Fee Income	Sundry accounts		
							Amount	Fol	Details
Rec 92	1	Sammy Modisa			30 000		30 000	B1	Capital
Rec 93	5	Tours: Central Hotel		2 000	2 000	2 000			
Rec 94	8	Tour: Dutch group		2 000	2 000	2 000			
Rec 95	10	Tour: Bowling team		1 400	1 400	1 400			
Rec 96	12	Tour: Esplanade		5 000		5 000			
Rec 97		Tour: WP Designs		10 000	15 000	10 000			
Rec 98	20	Tour: Zambia group		1 500	1 500	1 500			
Rec 99	30	Tour: Rotary Club		6 000	6 000	6 000			
BS		Robobank		60	60		60	N4	Interest income
					57 960	27 900	30 060		
					B3	N1			

Doc	D	Details	Bank	Fuel	Com- mission	Wages	Sundry accounts		
							Amount	Fol	Details
Ch031	1	Holiday magazine	451				451	N6	Adver- tising
Ch032	3	Bayside Motors	60 000				60 000	B2	Vehicle
Ch033		Cell phone contract	500				500	N7	Cell phone contract
Ch034	4	Mobster Insurance	1 200				1 200	N8	Insurance
Ch035	5	Fuel	500	500					
Ch036		Central Hotel	100		100				
Ch037	7	Wages	900			900			
Ch038	10	Fuel	500	500					
Ch039		Robobank	2 500				2 500	B4	Loan: Robobank
Ch040		Traffic department	500				500	N10	Vehicle licence
Ch041	12	Hilly Hotel	100		100				
Ch042	15	Wages	900			900			
Ch043	18	Fuel	550	550					
Ch044	24	Tourist Spot Magazine	250				250	N6	Adver- tising
Ch045	25	Bentley Agencies	100		100				
Ch046	29	Wages	900			900			
BS	30	Robobank	32				32	N11	Bank charges
			69 983	1 550	300	2 700	65 433		
			B3	N2	N5	N3			

### Assessment guidelines

- This activity is intended for informal assessment.
- Use the suggested answers supplied above to assess learners informally. Give learners feedback on their performance to prepare them for formal assessment.

- If you have learners that are ahead and have their work correct, allow them to check the work of slower learners. They must explain where the learner is going wrong. This will ensure they are able to explain the work they have done and reinforce their understanding of the concepts.

## Activity 8 Prepare a trial balance

Learner's Book page 174

### Guidelines to implement this activity

- This is an individual activity.
- Once again, it is essential that the learners know that assets and expenses increase on the debit side and liabilities and income increase on the credit side.
- This means that asset and expense accounts will have balances on the debit side.
- Liability and income accounts will have balances on the credit side.
- If their trial balance does not balance, this is the first thing they must check.

### Background knowledge

Remind the learners that the trial balance is drawn up after the General Ledger accounts have been balanced at the end of the month. It is a summary of the General Ledger accounts on a specific day—the last day of the month. The accounts are listed exactly as they appear in the General Ledger with balance sheet section accounts first and then followed by the nominal section accounts. If an account does NOT have a balance, it is not listed in the balance sheet. However, this is unlikely.

If the learners are given an activity where they are given a list of accounts, they must arrange them in the correct order—balance sheet section and then nominal section. Remind the learners that Drawings is a balance sheet section account because it reduces the capital.

Use the cardboard concepts and the sample accounting equation that you used in the classroom to remind the learners—assets and expenses have balances on the debit side and liabilities, income and capital have balances on the credit side.

### Suggested answers

1. and 2. Trial balance of Zack's Repair Shop as at 31 July 2012 (½)

Balance sheet section:		Debit	Credit
Capital	B1		30 000
Bank overdraft	B2		2 700
Equipment	B3	12 000	
Drawings	B4	12 000	
Loan: Robobank	B5	30 000	
Nominal section			

Fee income	N1		45 000
Consumable stores	N2	1 500	
Rent	N3	22 000	
Interest expense	N5	200	
		77 700	77 700
(13)	(5½)	(9)	(5)

[33]

3. A bank overdraft is a facility that the bank offers owners of a cheque account. ✓✓  
It allows the owner to withdraw more money than they have available in their bank account, up to a maximum amount. ✓✓ The interest is charged on the amount withdrawn for the number of days it is overdrawn ✓✓.  
The owner only uses the facility if and when they need to. ✓ (Max 6)
4. A bank overdraft is a liability as the business owes the bank the money. ✓✓  
The amount will go on the credit side of the trial balance. ✓✓ This could change from month to month as the money fluctuates in the bank account. ✓✓ (Max 4)
5. It is not possible to use the trial balance to check that the bookkeeper has done the work correctly. ✓✓ The trial balance only checks that every debit entry has a corresponding credit entry. ✓✓ However, the bookkeeper may have entered the amounts in the incorrect account which cannot be checked using the trial balance. ✓✓ (4)

**Total: 47 marks**

### Assessment guidelines

- This activity is intended for informal assessment.
- Use the suggested answers/memorandum supplied above to assess learners informally. Allocate learners a mark out of 47 and give them feedback on their performance to prepare them for formal assessment.
- The mark allocation is just a guideline should you wish to use it. However, the learners must be given multiple opportunities to practise a new concept before being marked.

### Activity 9 Correct a trial balance

Learner's Book page 175

### Guidelines to implement this activity

This is an individual activity.

## Suggested answers

1. and 2. Trial balance of Jane's Hair Salon as at 30 June 2012

Balance sheet accounts section:		Debit	Credit
Capital	B1		60 000
Drawings	B2	18 000	
Bank	B3	10 200	
Equipment	B4	17 000	
Furniture and fittings	B5	9 000	
Nominal accounts section			
Fee income	N1		26 500
Salaries	N2	10 000	
Advertising	N3	2 400	
Insurance	N4	7 000	
Rent	N5	5 000	
Transport	N6	2 700	
Consumable stores	N7	5 200	
		86 500	86 500

3. Fee income:

Debit side	86 500
Credit side	(60 000)
Fee income	26 500

4. Corrections:

- Added the correct heading with the date at the beginning of the Trial balance.
- Re-arranged the order of the accounts into balance sheet section and nominal section.
- Capital = liability = credit side
- Drawings reduces capital = debit side
- Bank is an asset = debit side (only if it states bank overdraft will it be entered on the credit side)
- Equipment is an asset = debit side
- Insurance is an expense = debit side

## Assessment guidelines

- This activity is intended for informal assessment.
- Use the suggested answers supplied on the previous page to assess learners informally. Give the learners feedback on their performance to prepare them for formal assessment.

### Activity 10

## Post from subsidiary journal and trial balance of Moosa Repairs

Learner's Book page 176

### Guidelines to implement this activity

- This is an individual activity.
- When the learners must draw up their own accounts from subsidiary journals without being given a list of opening balances, they should list the accounts used in the subsidiary books on a piece of paper. They can then number them according to whether they are balance sheet section or nominal section accounts.

### Suggested answers

Trial balance of Moosa Repairs on August 2013

Balance Sheet Section		
Capital		75 000
Bank		4 416
Bank loan		20 000
Vehicle	75 000	
Equipment	23 600	
Nominal Section		
Fee income		51 260
Wages	23 500	
Stationery	5 620	
Telephone	3 450	
Water and lights	2 600	
Petrol	4 560	
Repairs	9 846	
Entertainment	1 300	
Rates	9 500	
Rent income		13 300
Commission	5 000	
Interest Income		
	163 976	163 976

Bank balance = Bank overdraft R1 676

General Ledger of Moosa Repairs

Balance Sheet Accounts Section

Capital B1

Dr					Cr				
					2013 Aug	1	Balance	b/d	75 000
						31	Bank	CRJ	10 000
									85 000

Bank B2									
2013 Aug	31	Sundry accounts	CRJ	37 514	2013 Aug	1	Balance	b/d	4 416
						31	Sundry Accounts	CPJ	21 370
							Balance	c/d	11 728
				37 514					37 514
Sept	1	Balance	b/d	11 728					

Bank loan B3									
					2013 Aug	31	Balance	b/d	20 000

Vehicles B4									
2013 Aug	31	Balance	b/d	75 000					

Equipment B5									
2013 Aug	31	Balance	b/d	23 600					

## Nominal Accounts Section

### Fee income N1

					2013 Aug	31	Total	b/f	51 260
							Bank	CRJ	23 980
									75 240

### Wages N2

2013 Aug	31	Total	b/f	23 500					
		Bank	CPJ	5 600					
				29 100					

### Stationery N3

2013 Aug	1	Total	b/f	5 620					
	31	Bank	CPJ	4 560					
				10 180					

### Telephone N4

2013 Aug	1	Total	b/f	3 450					
	31	Bank	CPJ	6 500					
				9 950					

### Water and Lights N5

2013 Aug	1	Total	b/f	2 600					
	31	Bank	CPJ	3 450					
				6 050					

### Petrol N5

2013 Aug	31	Total	b/f	4 560					



### Repairs N6

2013 Aug	31	Total	b/f	9 846					
		Bank	CPJ	1 260					
				11 106					

### Entertainment N7

2013 Aug	31	Total	b/f	1 300					

### Rates N8

2013 Aug	31	Total	b/f	9 500					

### Rent Income N9

					2013 Aug	31	Total	b/f	13 300
							Bank	CRJ	3 500
									16 800

### Commission N10

2013 Aug	31	Total	b/f	5 000					

### Interest Income N10

					2013 Aug	31	Bank	CRJ	34

### Trial balance of Moosa Repairs on August 2013

<b>Balance Sheet Section</b>		
Capital		85 000
Bank	11 728	
Bank loan		20 000
Vehicle	75 000	
Equipment	23 600	
<b>Nominal Section</b>		
Fee income		75 240
Wages	29 100	
Stationery	10 180	
Telephone	9 950	
Water and lights	6 050	
Petrol	4 560	
Repairs	11 106	
Entertainment	1 300	
Rates	9 500	
Rent income		16 800
Commission	5 000	
Interest Income		34
	197 074	197 074

### Assessment guidelines

- This activity is intended for informal assessment.
- Use the suggested answers supplied above to assess learners informally. Give the learners feedback on their performance to prepare them for formal assessment.

### Activity II

**Complete a combined exercise: Journal, ledger, balancing, trial balance**

Learner's Book page 176

### Guidelines to implement this activity

- This is an individual activity.

## Suggested answers

### Cash Receipts Journal for Molly Bell for November, 2012

CRJ4

Doc	D	Details	Fol	Analysis of bank	Bank	Fee Income	Sundry accounts		
							Amount	Fol	Details
Rec 56	2	Cash		960	960	960			
Rec 57	6	Cash		1 200	1 200	1 200			
Rec 58	14	Benlyn Primary		600		600			
Rec 59		Calcico Trust		550	1 150		550	N12	Commission Income
Rec 60	20	Cash		960	960	960			
Rec 61	23	Sorbet Sen. Primary		2 900	2 900	2 900			
Rec 62	25	Benson High		3 000	3 000	3 000			
Rec 63	26	Cash		2 400		2 400			
Rec 64		Mondi Training CC		4 500	6 900		4 500	N9	Rent income
BS 12	31	Robobank			38		38	N13	Interest income
					17 108	12 020	5 088		
					B2	N1			

### Cash Payments Journal for Molly Bell for November, 2012

CPJ4

Doc No	D	Details	Fol	Bank	Station-ery	Wages	Sundry Accounts		
							Amount	Fol	Details
Ch102	3	Walter Stationers		1 350	1350				
CH103		Fuel		500			500	N11	Fuel
Ch104		Pack n Pay		590			590	N5	Cleaning materials
Ch105	12	Telkom		560			560	N3	Telephone
Ch106	20	Walter Stationers		1 400	1 400				
Ch107		PNA		690			690	N6	Computer expenses
Ch108		Cash		1 500		1 500			
Ch109	22	Zollo Equipment		3 690			3 690	B4	Equipment
Ch110		Fuel		500			500	N11	Fuel
Ch111	25	Pommy Estates		5 000			5 000	N4	Rent
Ch112		Cash		2 000		2 000			
Ch113	31	Internet fees		390			390	N6	Computer expenses
Ch114		Bank charges		59			59	N14	Bank charges
				18 229	2 750	3 500	11 979		
				B2	N2	N7			

**General Ledger of Molly Bell  
Balance Sheet Accounts Section**

Dr					Capital B1			Cr	
					2012 Nov	1	Balance	b/d	80 000

Bank B2									
2012 Nov	1	Balance	b/d	15 600	2012 Nov	30	Bank	CRJ4	18 229
	30	Sundry Accounts	CPJ4	17 108			Balance	c/d	14 479
				32 708					32 708
Dec	1	Balance	b/d	14 479					

Loan: Robobank B3									
					2012 Nov	1	Balance	b/d	70 000

Equipment B4									
2012 Nov	1	Balance	b/d	24 000					
	30	Bank	CPJ4	3 690					
				27 690					

Furniture B5									
2012 Nov	1	Balance	b/d	15 000					

Vehicles B6									
2012 Nov	1	Balance	b/d	65 000					

**Nominal Accounts Section  
Fee Income N1**

					2012 Nov	1	Total	c/d	45 600
						30	Bank	CRJ4	12 020
									57 620

### Stationery N2

2012 Nov	1	Total	c/d	12 750					
	30	Bank	CPJ4	2 750					
				15 500					

### Telephone N3

2012 Nov	1	Total	c/d	5 450					
	30	Bank	CPJ4	560					
				6 010					

### Rent N4

2012 Nov	1	Total	c/d	20 500					
	30	Bank	CPJ4	5 000					
				25 500					

### Cleaning Materials N5

2012 Nov	1	Total	c/d	1 500					
	30	Bank	CPJ4	590					
				2 090					

### Computer Expenses N6

2012 Nov	1	Total	c/d	6 000					
	30	Bank	CPJ4	690					
	30	Bank	CPJ4	390					
				7 080					

### Wages N7

2012 Nov	1	Total	c/d	20 400					
	30	Bank	CPJ4	3 500					
				23 900					

**Internet fee N8**

2012 Nov	1	Total	c/d	2 600					

**Rent Income N9**

					2012 Nov	1	Total	c/d	6 000
						30	Bank	CRJ4	4 500
									10 500

**Insurance N10**

2012 Nov	1	Total	c/d	9 400					

**Fuel N11**

2012 Nov	1	Total	c/d	3 400					
	30	Bank	CPJ4	500					
	30	Bank	CPJ4	500					
				4 400					

**Commission Income N12**

					2012 Nov	31	Bank	CRJ4	550

**Interest income N13**

					2012 Nov	30	Bank	CRJ4	38

**Bank charges N14**

2012 Nov	30	Bank	CRJ4	59					

### Trial Balance of Molly Bell as at 30 November 2012

Balance Sheet Section		Debit	Credit
Capital	B1		80 000
Bank	B2	14 479	
Loan: Robobank	B3		70 000
Equipment	B4	27 690	
Furniture	B5	15 000	
Vehicle	B6	65 000	
<b>Nominal Section</b>			
Fee Income	N1		57 620
Stationer	N2	15 500	
Telephone	N3	6 010	
Rent	N4	25 500	
Cleaning materials	N5	2 090	
Computer expenses	N6	7 080	
Wages	N7	23 900	
Internet fees	N8	2 600	
Rent income	N9		10 500
Insurance	N10	9 400	
Fuel	N11	4 400	
Commission income	N12		550
Interest income	N13	59	
Bank charges	N14		28
		218 708	218 708

### Assessment guidelines

- This activity is intended for informal assessment.
- Use the suggested answers supplied above to assess learners informally. Give learners feedback on their performance to prepare them for formal assessment.

### Core concepts

- Check that learners have understood the core concepts of this unit. Give them practice in using these concepts.

# Term 4 Revision

Learner's Book pages 179–180

## Entrepreneurship

### Suggested answers to revision questions

- 1.1 D – Shows the different levels of management and their areas of control
  - 1.2 C – Top level management
  - 1.3 B – Getting employees to do what you want them to do willingly and enthusiastically.
  - 1.4 A – Ensuring everyone knows their responsibility, who they are accountable to and what is expected of them
  - 1.5 E – Expects employees to get on with the job in whatever way achieves the goal.
- 
- 2.1 Middle management ✓ (1)
  - 2.2 Middle management is responsible for tactical decisions. ✓✓ For example she must identify ways to put the strategic plan into action in the marketing department. ✓✓ (4)
  - 2.3 Use discretion with learners answers. They must give their opinion and support it with sound, logical reasons that show application of knowledge and that are applicable to the scenario.

### Sample answer

No I do not think Jennifer is coping at all because she is spending too much time after hours at work trying to get her own work done. ✓✓ She is micro managing her team leaders who do not need to be micromanaged. ✓✓ She is also spending far too much time sending emails and checking up on leaders and their staff which is stopping them from getting their work done and frustrating them. ✓✓ Her job is to set goals and targets for the team leaders and motivate them to get the job done. ✓✓ She must set the vision and goals for the entire department that is in line with the strategic vision of the business. ✓✓ Max 10

- 2.4 Use discretion with learners answers. They must suggest a management style and then support this with valid and logical reasons.

**Note:** The scenario implies an autocratic type management style as she does not leave the leaders alone to get on with their work. A democratic management style would suit this scenario as her team leaders have been doing the work for longer than she has been their manager. However, if the learners suggest a permissive style, they will need to give valid reasons that are applicable to the scenario. They must give ten facts written in full sentences.

(20)



# Financial literacy

## Suggested answers to revision questions

### 1. General Ledger of Mbali Repair Accounts Service

#### Balance Sheet Accounts Section ✓

Dr					Capital B1			Cr	
					2013 May	1	Balance ✓	b/d	✓ 30 000
						31	Bank	CRJ	✓ 7 000
									✓37 000

#### Bank B2

2013 May	31	Sundry acc✓	CRJ	✓40 942	2013 May	1	Balance ✓	b/d	✓3 450
						31	Sundry acc✓	CPJ	✓30 525
							Balance	c/d✓	✓6 967
				40 942					✓40 942
June	1	Balance✓	b/d	✓6 967					

#### Equipment B3

2013 May	1	Balance ✓	b/d	✓12 560	2013 May	31	Bank✓	CRJ	✓360
	31	Bank✓	CPJ	✓7 000			Balance	c/d✓	✓20 760
		Bank✓	CPJ	✓1 560					
				21 120					✓21 120
June	1	Balance✓	b/d	✓20 760					

#### Vehicles B4

2013 May	1	Balance ✓	b/d	✓83 500					

#### Bank Loan B5

					2013 May	1	Balance✓	b/d	✓20 000

#### Drawings B6

2013 May	1	Balance ✓	b/d	✓1 600					
	31	Bank✓	CPJ	✓400					
				✓2 000					

### Nominal Accounts Section✓

#### Fee income N1

					2013 May	1	Total✓	b/f✓	✓79 409
						31	Bank	CRJ	✓33 540
									✓112 949

#### Consumable stores N2

2013 May	1	Total✓	b/f	✓16 450					
	31	Bank✓	CPJ	✓7 300					
				✓23 750					

#### Telephone N3

2013 May	1	Total✓	b/f	✓980					
-------------	---	--------	-----	------	--	--	--	--	--

#### Wages N4

2013 May	1	Total✓	b/f	✓12 500					
	31	Bank✓	CPJ	✓9 000					
				✓21 500					

#### Rent N5

2013 May	1	Total✓	b/f	✓6 590					
	31	Bank✓	CPJ	✓5 200					
				✓11 790					

#### Stationery N6

2013 May	1	Total✓	b/f	✓1 690					
-------------	---	--------	-----	--------	--	--	--	--	--

#### Interest Income N7

					2013 May	1	Total✓	b/f	✓167
						31	Bank	CRJ	✓42
									✓209

### Bank charges N8

2013 May	1	Total✓	b/f	✓356					
	31	Bank✓	CPJ	✓65					
				✓421					

[76]

Note: the learners must know how to enter the folio references in the cash journals. You may want to have them copy the cash journals into their exercises book in order to see that they can post the correct folio references.

### Cash Receipts Journal for Mbali Repair Services for January 2013

Doc	Day	Details	Fol	Analysis of Receipts	Bank	Fee Income	Sundry accounts		
							Amount	Fol	Details
Rec 159	2	Mbali			7 000		7 000	B1	Capital
R160-170	3	Cash		7 240	7 240	7 240			
R171-180	10	Cash		7 900		7 900			
R 181		Zwleni Traders		8 000	15 900	8 000			
R 182	25	Khozi CC		360	360		360	B3	Equipment
R183-190	26	Cash		10 400	10 400	10 400			
BS	29	Robobank		42	42		42	N7	Interest income
					40 942	33 540	7 402		
					B2	N1			

## Cash Payments Journal for Mbali Repair Services for January 2013

Doc	Day	Details	Fol	Bank	Wages	Consumable stores	Sundry accounts		
							Amt.	Fol	Details
Ch32	3	ETC Supplies		7 000			7 000	B3	Equipment
EFT61	6	Electrical Wholesalers		4 300		4 300			
Ch33		Vuma Estate agents		5 200			5 200	N5	Rent
Ch34	12	Wages		4 100	4 100				
EFT62	18	Electrical Wholesalers		3 000		3 000			
Ch35	23	Mbali		400			400	B6	Drawings
Ch36		Wages		4 900	4 900				
Ch37	26	Computer Supplies		1 560			1 560		Equipment
BS	29	Robobank		65			65	N8	Bank charges
				30 525	9 000	7 300	14 225		
				B2	N4	N2			

3. The bank has a credit balance because it is a liability. ✓✓ It is a bank overdraft.  
 ✓✓ The business has spent more money than they have in the bank account. ✓✓  
 This is a facility the bank gives to a business or person with the cheque/current account. ✓✓ They only pay interest on the amount overdrawn for the number of days it is overdrawn. ✓  
 (Max 6)

# Term 4 Assessment: Exemplar end-of-year examination memorandum

Learner's Book page 192–194

Section	Ques	Topic			Cognitive level			Marks	Marks
		Economy	Fin Lit	Entrep	1	2	3		
A	1	2, 2, 2	2, 2, 2, 2	2, 2, 2	20			20	40
	2	2, 2	2, 2	2	10			10	
	3	2	2, 2	2, 2	10			10	
B	4	22			2, 1	4, 3, 1, 3	8	22	30
	5	8			2		6	8	
C	6		24			24		4	50
	7		26			16	10	26	
D	8			12			12	12	
	9			18	2	8, 8		18	30
Actual marks		42	66	42	47	67	36		
Actual %		28%	44%	28%	31.3	44.6%	24%		150
Required %		30%	40%	30%	30%	40%	30%		

## SECTION A

### QUESTION I

- 1.1 F – Represents the money placed in the cash register of the business ✓✓
- 1.2 G – Bank, vehicles ✓✓
- 1.3 H – The total cash sales using a cash register ✓✓
- 1.4 I – People work for an income and then buy the goods and services that they want ✓✓
- 1.5 B – Rent, wages, stationery ✓✓
- 1.6 D – Ensuring people achieve the goals of the business willingly ✓✓
- 1.7 A – The business may sue and be sued, pay tax and can enter contracts ✓✓
- 1.8 J – Reward for physical and mental labour ✓✓
- 1.9 C – Provide all their own basic needs ✓✓
- 1.10E – The level of wealth, comfort and material goods that the people in a country have ✓✓

(10 × 2)  
[20]

## QUESTION 2

- 2.1 True ✓✓
- 2.2. True ✓✓
- 2.3 False ✓✓
- 2.4 True ✓✓
- 2.5 False ✓✓

(5 × 2)  
[10]

## QUESTION 3

- 3.1 + ✓✓
- 3.2 National Budget ✓✓
- 3.3 Legal personality ✓✓
- 3.4 Permissive ✓✓
- 3.5 + ✓✓

(5 × 2)  
[10]

[Total Section A: 40 marks]

## SECTION B: THE ECONOMY

### QUESTION 4

- 4.1 The plan of how the national government aims to spend its revenue each year. ✓✓ (2)
  - 4.2 Finance Department ✓ (1)
  - 4.3 Creating jobs, reducing poverty, building infrastructure and expanding our economy. ✓✓✓✓ (4)
  - 4.4 Gross domestic product/—the total vale of all goods and services produced in a country in a year. ✓✓✓ (3)
  - 4.5 Infrastructure ✓ (1)
  - 4.6 By spending on education it will increase the skills levels of the people ✓✓ and increase their employment opportunities ✓ By spending on health it will improve the level of health of the people and improve their ability to work ✓✓ and their standard of living and quality of life ✓✓ spending on social assistance will help to reduce poverty ✓✓ and improve the standard of living of the poor. ✓✓ (Max 8) (3)
  - 4.7 youth, ✓ unemployment ✓✓ (3)
- [22]

### QUESTION 5

- 5.1 Goods—an item of food or clothing—for example shoes ✓; service—a haircut ✓ (2)
  - 5.2 Factor markets consist of labour markets and financial markets. ✓✓ He will need the help of labour. This he will find in the labour market. ✓✓ He will need to buy raw materials and may need to borrow capital in the financial markets ✓✓ or he may export his products and this will be affected by exchange rates which are part of financial markets. ✓✓ (Any 6) (8)
- [22]

[Total Section B: 30 marks]

# SECTION C: FINANCIAL LITERACY

## QUESTION 6

No.	Assets		Liabilities		OE	
	Effect	Reason	Effect	Reason	Effect	Reason
e.g.	–	Bank decreases	–	Loan decreases	0	
1	+ ✓	Bank increases ✓	0	0	+ ✓	Capital increases ✓
6	– ✓	Bank decreases ✓	0		– ✓	Stationery increases ✓
9	+ ✓	Bank increases ✓	0		+ ✓	Fee income increases ✓
12	– ✓	Bank decreases ✓	0		– ✓	Drawings increases ✓
15	– ✓	Bank decreases ✓	0		0 ✓	
	+ ✓	Equipment increases ✓				
20	+ ✓	Bank increases ✓	+ ✓	Loan increases ✓	0	
	(7)	(7)	(1)	(1)	(4)	(4)

[24] (No marks given where there is no effect or reason.)

## QUESTION 7

7.1 Trial balance of Zama Consulting Services as at 30 April 2013

Balance Sheet Section✓			
Capital		110 000	✓
Bank		3 200	✓
Vehicles	150 000		✓
Furniture and fittings	25 000		✓
Nominal Section✓			
Fee income		79 275	✓
Stationery	5 300		✓
Fuel	960		✓
Vehicle repairs	3 500		✓
Telephone	1 250		✓
Interest Received		35	✓
Rent	6 500		✓
	✓192 510	✓192 510	

(16)

7.2 Use discretion with learners answers. They must use their experience in

entrepreneurship and their financial literacy knowledge to give their opinion. Their opinion must be supported by sound, logical reasons.

Sample answer:

A business can judge whether it is successful or not by calculating the profit made in a specific period of time. ✓✓ The profit is calculated by subtracting the expenses from the income. ✓✓ This business has made a profit of R60 000. ✓✓ They seem to have an excellent control over their expenses as they are not high. ✓✓ The business does have a bank overdraft but it is not high. ✓ They must try and pay this and get positive cash in the bank as soon as possible. ✓✓ (Max 10)

[Total Section C: 50 marks]

## SECTION D: ENTREPRENEURSHIP

### QUESTION 8

Use discretion with learners' answers.

Sample answer:

The Companies Act states that no new close corporations may be formed. ✓✓ However, the current CC's may choose to stay a CC or change to a private company. ✓✓ I think Zama should stay a close corporation as it has most of the advantages of a private company. ✓✓ If they stay a CC they will be able to continue exactly as they are without any additional costs of forming a private company. ✓✓ The main difference is that shareholders in a private company do not have to be involved in the running of the company. ✓✓ This is done by an elected board of directors. ✓✓ All the members of the CC must be involved in the business. ✓✓ (Max 12)

### QUESTION 9

9.1 Top level, middle level and lower level (any 2) (2)

9.2 Note: the learners must apply their knowledge of top level management to the school scenario.

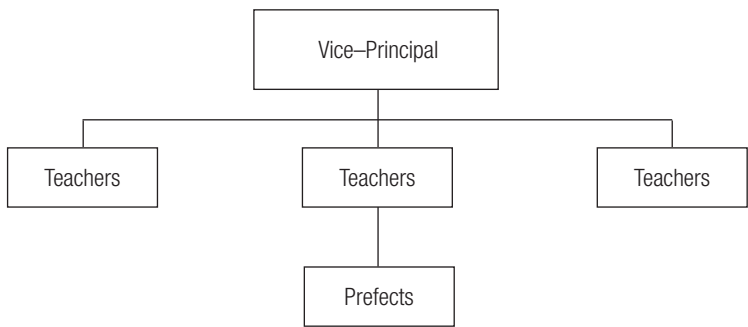
Sample answer:

The principal must provide the vision and goals for the school. ✓✓ He can consult with the parents and the senior staff members to do this. ✓✓ He needs to do the strategic planning for the school. ✓✓ He must lead, motive and make decisions on the direction the school must take. ✓✓ (8)



9.3 The following is a sample of a possible organisational chart for this school: (2 marks for chart layout and 6 marks for level of information.) ✓ (8)

**Impumelelo High School**



[Total Section D: 30 marks]  
[Total: 150 marks]

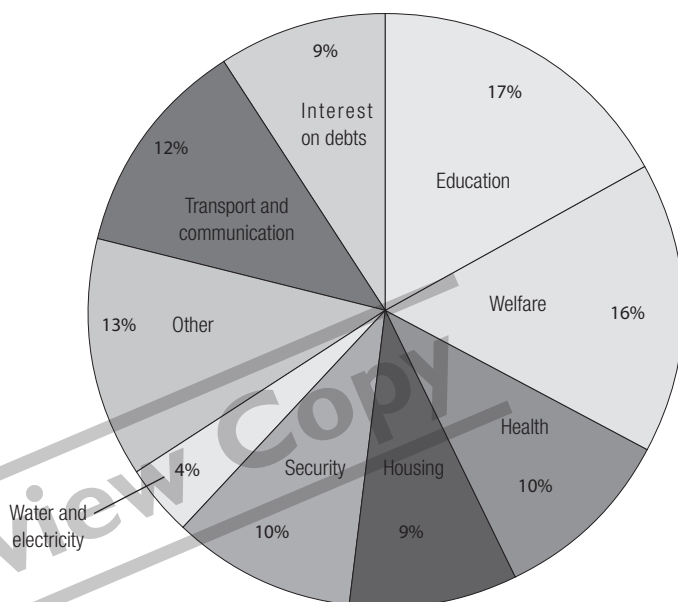
**Review Copy**

## Section 5: Resources for teaching EMS

### Term I: Data response assessment task

#### Analyse the National Budget

The pie chart on the right shows how most of the money in the National Budget was spent in the financial year 2008/9. It is shaped like a cake or a pie, and the slices are different sizes to show how much each budget item gets. From the pie chart alongside, you can see more than half the money spent by the government goes to four categories: health, education, welfare and security. Examples of services that fall under 'other' are small business development, arts and culture, tourism and loans to small and medium businesses.



Pie chart for the 2012/13 budget

#### Data response task

1. Use the percentages listed below to construct a pie chart to show the approximate percentage expenditure for South Africa's National Budget in 2012/13. Then answer the questions on the next page. The questions are based on both the pie chart and the information in Unit 2.

(11)

education 17%, welfare 16%, health 10%, housing 9%, security 10%,  
water and agriculture 4%, other 13%, transport and communication 12%,  
interest on debt 9%

2. Identify the service that the government spends the most revenue on in South Africa and give the percentage of total revenue that it got in 2012/13. (2)
3. State which two government departments are responsible for education in South Africa. (2)
4. Mention what percentage of the National Budget was spent on health services in 2012/13. (1)
5. Name the four areas of service that the Health Department focuses on. (4)
6. Explain how the percentage of expenditure on housing has changed in recent years? (1)
7. Calculate the total percentage expenditure on the three main social services, which are education, health and social welfare (1)
8. Compare the expenditure on water and agriculture with expenditure on transport and communication. (2)
9. Sometimes when the government needs to spend more money than the revenue it receives, it borrows money from organisations like the World Bank. The interest on these loans (called debts) has to be paid back. Approximately what percentage of the National Budget is spent on paying back debts? (1)
10. Analyse the passage below and write a response on what you think the government should do to solve the problem. Give reasons for your answer. (6)

Almost half of the overall government budget pays for the salaries of public servants. The rest goes towards items like buildings, infrastructure development and equipment (medicines, school books, hospitals, and so on). The majority of public servants are police officers, teachers and nurses. Most people agree that all these workers deserve improved pay because of the tough jobs that they do. At the same time, if you increase their salaries, the government has to find the money from somewhere. At the moment, it means taking it away from one of the other services, or increasing taxes.

**Total: 30 marks**

# Term I: Exemplar controlled test

Time: 60 minutes

Core knowledge: The Economy, Financial literacy

Marks: 50 marks

## Section A

1. State whether the questions below are True or False, and correct the False answers.
    - 1.1 The main function of the government is to pay taxes.
    - 1.2 At national government level, the heads of departments are called ministers.
    - 1.3 Provincial governments are also called municipalities.
    - 1.4 Credit is the left-hand side of an account.
    - 1.5 The government uses its revenue to provide services for the people of South Africa. (10)
  2. Choose the correct answer in brackets.
    - 2.1 The largest portion of the South African government's expenditure is usually on (defence/education).
    - 2.2 The best way to reduce unemployment is through (advertising/economic growth).
    - 2.3 The (National Budget/RDP) is the government's plan for how it will spend its revenue each year. (6)
- [16]**

## Section B – The Economy

3. Answer the following questions:
    - 3.1 Name the three levels of government. (3)
    - 3.2 Distinguish between direct and indirect taxes. (6)
    - 3.3 Discuss three ways in which the National Budget can influence economic growth. (3 × 2 = 6)
    - 3.4 Imagine that you live in a self-sufficient society. Relate how your lifestyle would differ from how you live now. (4)
- [19]**

## Section C – Financial literacy

4. Read the extract below and answer the questions that follow.

Sarah started a business with R500 capital. She has R1 300 in her business bank account and she also has R3 700 in equipment. She owes R1 400 in loans. She says that she must have made R5 000 profit.

- 4.1 State whether the R5 000 is the profit that Sarah's business made. Support your answer with reasons. (3)
- 4.2 Use the accounting equation to calculate Sarah's Owner's Equity. (6)
- 4.3 Comment on the financial position of Sarah's business and suggest how she can improve her Owner's Equity. (6)

**[15]**

**Total: 50 marks**

**Review Copy**

# Term 2: Project assessment task

## Identify the capital, labour and source documents for a new business

Start thinking about this project now and complete it as you work through the rest of the units in this term. You need to hand in the completed project at the end of the term.

### The project

Think of a service business that you would like to start. Then do the following:

1. Give the name of the business and describe the service you will provide.
2. Explain capital as a factor of production.
3. Calculate how much capital you will need and explain this figure.
4. Explain labour as a factor of production.
5. Describe the type of labour you will need and how many people you think you can afford to employ.
6. Draw up a sample of the source documents that you will need to use in your business. You need to have a minimum of three source documents.

Your project must be a minimum of two A4 pages, as well as the source documents. The pages must be either stapled together or put into a plastic sleeve. Each page must have your name and grade in the top left-hand corner.

### Assessment

Your project will be assessed according to the following rubric:

	Poor	Average	Good	Excellent	Max marks
Type of service and name of business	No indication of a name for the business and type of business is not a service business	The name is not relevant and there is no clear indication that this is a service business	A name has been given to a service business	The choice of service business is relevant and the name clearly indicates the type of service offered	
	0–3	4–6	7–8	9–10	10
Capital	No explanation of capital or calculations	Explanation of capital given but no calculations	Good explanation of capital and calculations	Excellent explanation of capital as a factor of production with all calculations	
	0–3	4–6	7–8	9–10	10

Labour	Very little indication of labour that could be required	Explanation of types of labour	Good explanation of labour, listing the two types of labour and the number of people appropriate for the type of business	Excellent description of labour as a factor of production and the number of potential employees is realistic and appropriate	
	0–3	4–6	7–8	9–10	10
Sample documents	Two or less source documents included	Source documents included but are not complete or relevant and do not indicate the business name or function	Three source documents neatly presented with name of business or relevant to the type of service business	Well-designed and presented source documents that clearly indicate the name of the business and relevant to a service business	
	0–6	7–12	13–16	17–20	10
Presentation of project	Project is untidy, incomplete and clearly shows lack of interest and little time spent doing it	Most of the aspects of the project included but work shows a lack of attention to detail	A neatly presented project with components included	A neat, well-written project showing attention to detail	
	0–3	4–6	7–8	9–10	10
Maximum marks					50

### How to complete a project

- Step 1:** Read the project a few times and write down the different parts or components that you need to do.
- Step 2:** Calculate the number of weeks or days that you have to complete the project and divide the project tasks into this time. Do not include the week the project must be handed in.
- Step 3:** If you need to do research, use more than one source. You may need to arrange with your parents to go to the local library.
- Step 4:** Complete each section by the end of the week in which you allocated it.
- Step 5:** In the last week, you need to write the project neatly, check grammar and check that you have all the required components.
- Step 6:** Ask your teacher for the assessment guidelines, for example a rubric, before you start your project. Compare each completed stage to the rubric and check that you have achieved the highest possible result.

# Term 2: Additional mid-year examination

## SECTION A

### QUESTION 1 – Multiple choice

Four options are provided as possible answers to the following questions. Choose the answer and write only the letter (a-d) next to the question number.

- 1.1 A business that collects VAT on behalf of the government
- A Intermittent
  - B Interloper
  - C Interpreter
  - D intermediary
- 1.2 A sole trader is a person who provides all the ... to start a business.
- A capital
  - B equipment
  - C knowledge, skills and experience
  - D entrepreneurial characteristics
- 1.3 ... are factors of production.
- A Bank, money, wages and salaries, business owner
  - B Capital, labour, natural resources and entrepreneur
  - C Skilled, unskilled and semi skilled labour
  - D Primary, secondary and tertiary
- 1.4 The level of government responsible for the national budget
- A National government
  - B Provincial government
  - C Local government
  - D Municipality
- 1.5 Interest is the remuneration for ...
- A capital
  - B labour
  - C resources
  - D entrepreneurship

(5 × 2 marks) [10]



## QUESTION 2 – Match columns

Choose a description from Column B that matches the term in Column A. Write only the letter (A–E) next to the question number.

	COLUMN A		COLUMN B
2.1	Borrowed capital	A	Capital, bank overdraft, bank loan
2.2	Expenses	B	Used to record all transactions
2.3	Liabilities	C	Stationery, rent, wages and salaries
2.4	Rates	D	Bank loan
2.5	Subsidiary journal	E	Tax collected from property owners by the local government

(5 × 2 marks) [10]

**Section A Total: 20**

## SECTION B – ECONOMY

### QUESTION 3

- 3.1 Describe how the Department of Trade and Industry and the Department of Economic Development provide services to businesses. (5)
- 3.2 Explain how direct tax is calculated and collected. (10)

[15]

**Section B Total: 15**

## SECTION C – FINANCIAL LITERACY

### QUESTION 4

Cleaning Angels is a cleaning service for businesses, holiday homes and when people move homes that Regina started. She has employed two of her friends who are unemployed. She used her withdrawal from the *Stokvel* to start her business.

Transactions for May 2013:

- 2 Deposited R5 000 in the business bank account.
- 3 Paid Checkers R3 680 for cleaning equipment and materials.
- 6 Received R890 from Pumula Estate Agents and R1 560 from Bergs Building Contractors
- 7 Paid R1 000 wages
- 10 Received R1 250 from Gobles Estates
- 14 Withdrew R560 at the ATM to pay for petrol.

- 4.1 Draw up the Cash Receipts Journal using the following columns:  
Analysis of receipts, bank, fee income and sundry accounts.
- 4.2 Enter the transactions for the first two weeks of business and total the CRJ. Use your own source document numbers. (10)
- 4.3 Analyse the following transactions in the accounting equation: (4)

Date	Assets	Liabilities	OE
2			
10			

### QUESTION 5

- 5.1 Identify ONE expense that Regina has. (1)
- 5.2 Do you think Regina has made the right decision to start her own business? Give reasons for your answer. (10)

**Section C Total: 25**

## SECTION D – ENTREPRENEURSHIP

### QUESTION 6

- 6.1 Name the law that gives details and guidelines on salaries, wages and working hours. (1)
  - 6.2 Describe TWO factors of production and give ONE example from Regina's cleaning business. (2 × 3 marks) (6)
- [7]

### QUESTION 7

South Africa has a shortage of skilled labour because qualified workers feel that the employment conditions are not regulated enough compared to other countries. Do you agree with this statement? Give reasons for your answer. (8)

**Section D Total: 15**  
**GRAND TOTAL: 75**

## Term 2: Additional mid-year examination memorandum

Section	Ques	Topic			Cognitive levels			Mark	Mark
		Econ	Fin Lit	Entrep	1	2	3		
A	1	2, 2	2,	2, 2	20			10	20
	2	2	2, 2, 2	2				10	
B	3	15				5, 10			15
C	4		14			11, 4		14	25
	5		11		1		10	11	
D	6			7	1	6,		7	15
	7			8			8	8	
Actual marks		21	33	21	22	36	18		75
Actual %		28%	44%	28%	29.3%	48%	24%		
Required %		30%	40%	30%	30%	40%	30%		

### SECTION A

- 1.1 D – intermediary ✓✓  
 1.2 A – capital ✓✓  
 1.3 B – capital, labour, natural resources and entrepreneur ✓✓  
 1.4 A – national government ✓✓  
 1.5 A – capital ✓✓

(5 × 2 marks = 10)

- 2.1 D – Bank loan ✓✓  
 2.2 C – stationery, rent, wages and salaries ✓✓  
 2.3 D – bank loan ✓✓  
 2.4 E – tax collected from property owners by the local government ✓✓  
 2.5 B – used to record all transactions ✓✓

(5 × 2 marks = 10)

Section A Total: 20

### SECTION B – THE ECONOMY

- 3.1 DTI helps with exporting by finding markets. ✓ DED provides services to businesses that need help to develop. ✓ It helps them to get loans, ✓ provides advice about products ✓ and advises businesses on ways of selling their products and services. ✓

(5)

3.2

- The government organization in charge of collecting taxes is the South African Revenue Service (SARS). All direct taxes are paid directly to SARS. ✓✓
- Workers pay a portion of their earnings in direct tax. This is called personal income tax. ✓✓
- The personal income tax rate is calculated as a percentage of a worker's income. This percentage increases as income increases. For example a worker earning R200 000 per year will pay a higher percentage of his/her salary in tax than a worker who earns R100 000 per year. ✓✓
- Businesses pay a portion of their profits in direct tax. This is called corporate or company tax. ✓✓
- All registered companies have to pay 29% of their profits as company tax. ✓✓
- Not all workers and businesses have to pay direct tax. Individuals who earn under a certain amount and very small businesses whose turnover is under a certain amount are exempted from paying direct tax. ✓✓ (any  $5 \times 2 = 10$ )

[15]

Section B Total: 15

## SECTION C – FINANCIAL LITERACY

### QUESTION 4

4.1–4.2

#### Cash Receipts Journal of Cleaning Angels for May 2013

Doc No	Day	Details	Fol	Analysis of receipts	Bank	Fee income	Sundry Accounts		
							Amount	Fol	Details
Rec1	3	Regina			5 000		✓5 000 (½ mark)		✓Capital (½ mark)
Rec2	6	Pumula Estate Agents		890		✓890			
Rex3		Bergs Building Contractors		5 680	✓6 570	✓5 680			
REc4	10	Gobles Estates		1 250	✓1 250	✓1 250			
					12 820	7 820	5 000		
(4÷2)		(4÷2)							
(2) ✓✓		(2) ✓✓							

(10)

4.3

Date	Assets	Liabilities	OE
2	Bank + ✓	0	Capital + ✓
10	Bank + ✓	0	Fee income + ✓

(4)

## QUESTION 5

- 5.1 Wages, cleaning materials, fuel (any one) ✓ Note. Cleaning equipment is not an expense but an assets. (1)
- 5.2 Use discretion with learners answers. They are required to give their opinion. This must be supported with logical reasons that are applicable to Regina cleaning service business.

### Sample answer:

I think Regina has made an excellent decision. ✓✓ She has obviously found a business idea that is meeting the needs of a specific group of people. ✓✓ She has earned R7 820 in the first two weeks of business. ✓✓ She is also providing employment for two other women. ✓✓ Her expenses in this type of service business will not be very high as she does not need premises to operate from. ✓✓ She may need to advertise her business but at the moment it looks as though she is getting very good contracts. ✓✓ (Max 10)

Section C Total: 25

## SECTION D – ENTREPRENEURSHIP

### QUESTION 6

- 6.1 Basic Conditions of Employment Act ✓ (1)
- 6.2 Capital is the money and assets used to start businesses, ✓✓ e.g. the R5 000 Regina used to start her business ✓  
Labour is the physical and mental effort required to do a job, ✓✓ e.g. the 2 friends she employs. ✓  
Natural Resources are the resources used from the earth to create products, ✓✓ e.g. cleaning materials, equipment ✓  
Entrepreneur is the person who brings all the factors of production together. ✓  
Regina has used her money, employed her friends and is purchasing goods to operate her business. ✓

(Max 2 × 3) (6)  
[7]

### QUESTION 7

Use discretion with the learners' answers. They must give their opinion based on their knowledge and apply this to the statement.

- Describe skilled labour (4)
- Identify the Basic Conditions of Employment Act (2)
- Discuss fair employment practices (4)

(Max 8)

Section D Total: 15

GRAND TOTAL: 75

# Term 3: Case study assessment task

## Consider forms of ownership

### Case study

Read the following case study and answer the questions that follow in your exercise book.

#### Forms of ownership, CRJ, CPJ, account equation

Mr Mabena has three sons and one daughter. He is a sole trader with three taxis. His sons drive the taxis and his daughter would like to learn to do the financial records of the business. Mr Mabena would like to change his form of ownership so that all his children can have a share of the ownership of the business. However, he does not want to put their personal assets at risk or give up ownership to people he does not know. Jabu, the eldest son, would like to form a close corporation as he has heard that it is the cheapest and the best option. Themba, the youngest, says that a public company will be better as they will be able to buy a huge fleet of taxis and make massive profits.

Mr Mabena's wife went into hospital for an emergency operation and Swazi, their daughter, has tried to complete the cash journals but she has made a number of errors.

#### Cash Receipts Journal of Mabena Taxi Service for June 2012

Doc No	Day	Details	Fol	Analysis of receipts	Bank	Fee income	Sundry Accounts		
							Amount	Fol	Details
R109	3	Total cash from taxis			1 650				
R110	5	Total cash from taxis			600				
R111	10	Total cash from taxis			750				
R112	14	Total cash from taxis			630				
R113	18	Total cash from taxis			610				
R114	22	Total cash from taxis			550				
R115		Nombisa SS			1 500				
R116	25	Total cash from taxis			1 780				
B/S 01	30	Interest			35				
					6 325				

## Cash Payments Journal of Mabena Taxi Service for June 2012

Doc No	Day	Details	Fol	Bank	Wages	Fuel	Sundry Accounts		
							Amount	Fol	Details
Ch 067	2	Toyota: Service of taxi 2		980					
Ch 068	5	Cash paid to taxi driver for the week		1 200					
Ch 069	8	PSA for stationery for the office		700					
Ch 070		Dad took cash for Mom's visit to the doctor		1 500					
		Cash for fuel				1 900			
Ch 072	12	Cash paid to taxi driver for the week		2 000					
	30	Cash				1 900			
Ch 074	30	Cash paid to taxi driver for the week		2 000					
				6 880					

1. Why is a close corporation not an option? (4)
  2. Write a paragraph giving Mr Mabena the following advice: (14)
    - Suggest a possible form of ownership for Mr Mabena's family.
    - Explain the characteristics of your choice.
    - List some advantages.
  3. Give Swazi advice on how to correct her errors. (12)
- [30 marks]

# Term 3: Exemplar controlled test

Time: 60 minutes

Marks: 100 marks

Core knowledge: Financial literacy, Entrepreneurship

## Section A

1. Choose the correct answer.
  - 1.1 Money deposited in the bank by the owner to increase capital: (2)

A Assets –; Liabilities 0; OE –	B Assets –; Liabilities –; OE 0
C Assets +; Liabilities 0; OE +	D Assets – +; Liabilities 0; OE 0
  - 1.2 The business pays wages by cheque: (2)

A Assets –; Liabilities 0; OE –	B Assets +; Liabilities 0; OE +
C Assets –; Liabilities –; OE 0	D Assets – +; Liabilities 0; OE 0
  - 1.3 Paid R3 000 on the loan from Robobank: (2)

A Assets –; Liabilities 0; OE –	B Assets +; Liabilities 0; OE +
C Assets – +; Liabilities 0; OE 0	D Assets –; Liabilities –; OE 0
  - 1.4 Pay Stationery Wholesalers by EFT for stationery purchased for the office: (2)

A Assets –; Liabilities 0; OE –	B Assets +; Liabilities 0; OE +
C Assets –; Liabilities –; OE 0	D Assets – +; Liabilities 0; OE 0
  - 1.5 Purchased second-hand vehicle from Zondi Motors and paid by cheque: (2)

A Assets –; Liabilities 0; OE –	B Assets – +; Liabilities 0; OE 0
C Assets –; Liabilities –; OE 0	D Assets +; Liabilities 0; OE +
2. Insert the correct term.
  - 2.1 A \_\_\_\_ is a business with one owner. (2)
  - 2.2 The owners in a \_\_\_\_ are jointly and severally liable for the debts of the business. (2)
  - 2.3 A \_\_\_\_ has between one and 10 owners. (2)
  - 2.4 The owners in a \_\_\_\_ can only invite people to become part-owners in their business. (2)
  - 2.5 People with small amounts to invest may become part-owners in a \_\_\_\_\_. (2)

[20]



## Section B – Financial literacy

3. Study the information below and answer the questions that follow.  
Palisa Business Services offers secretarial services to small businesses.  
The company has the following transactions:

### March 2012

- 1 Palisa cashed cheque number 78 to pay the deposit for a holiday in September, R1 200  
Paid Sally White, R5 000 salary (EFT 17)
- 5 Received R10 000 from Palisa to increase capital. (Rec 31)  
Received cash from work done, R6 000 (Rec 32)
- 12 Fee income, R3 750 (Rec 33)
- 15 Cashed cheque for fuel, R670 from Bawa Motors (Cheque 79)
- 19 Fee income, R2 000 (Rec 34)
- 24 Paid wages, R980 (Cheque 980)
- 25 Received money for work done, R5 890 (Rec 35)
- 31 Paid Sally White salary, R5 000 (Cheque 81)  
Paid Highline Insurance, R6500 (EFT 8), and Sutara Accountants, R4 950, (EFT 9)  
Cashed cheque 82 for fuel, R690

- 3.1 Complete the CRJ and CPJ for Palisa Business Services (50)  
3.2 Comment on the bank figures for the month. (6)  
[56]

## Section C – Entrepreneurship

4. Look at the cartoon, read the caption and then answer the questions that follow.
- 4.1 Explain the term 'continuity' in a business. (4)
- 4.2 Andile Supplies is a partnership with eight partners. They all contributed equal amounts of capital. Comment on this situation and suggest a different form of ownership that will solve their problem. Give reasons for your suggestion. (20)  
[24]



'You all need to know that I am leaving the partnership due to ill health. What shall we do about the continuity of the business?'

**Total: 100 marks**

# Term 4: Additional end-of-year examination

Section	Question	Topic			Cognitive levels			Mark	Mark
		Econ	Fin Lit	Entrep	1	2	3		
A	1	2, 2	2, 2	2	10			10	40
	2	2, 2	2	2, 2	10			10	
	3	2, 2	2	2, 2	10			10	
	4	2	2, 2	2, 2	10			10	
B	5	20					20		30
	6	10				10			
C	7		40			40			50
	8		10			2	8		
D	9			20		8	12		30
	10			10	1,1	8			
Actual marks		44	62	44	42	68	40		150
Actual %		29,3%	41,3%	29,3%	29,3%	45,33%	26,6%		
Required %		30%	40%	30%	30%	40%	30%		

## SECTION A

### QUESTION 1 – Multiple choice

Four options are provided as possible answers to the following questions. Choose the answer and write only the letter (A–D) next to the question number.

- 1.1 The number of provincial governments in South Africa.
  - A 7
  - B 8
  - C 9
  - D 10
- 1.2 The source document used for paying goods using internet banking.
  - A ATM
  - B EFT
  - C Duplicate cash invoice
  - D Cash invoice
- 1.3 The percentage of VAT that is levied on items we buy at the shops.
  - A 10%
  - B 14%
  - C 27%
  - D 29%
- 1.4 A ... has legal personality.
  - A Sole trader, partnership

- B Close corporation, private company
  - C Sole trader, close corporation
  - D Partnership, close corporation
- 1.5 Another term for book of first entry.
- A Cash receipts journal
  - B Cash receipts
  - C Subsidiary book
  - D Financial record

(5 × 2 marks) [10]

## QUESTION 2 – Complete missing words

Choose the correct word/term from the list provided for each of the following descriptions. Write only the word/term next to the question number.

autocratic, capital, drawings, financial, goods and services,  
labour, laissez faire, owner's equity, three, two

- 2.1 The ... is the total value the owner has invested in the business.
- 2.2 The market where employers find employees is called the ...market
- 2.3 A large corporation will have an average of ... levels of management
- 2.4 The market where assets such as shares are traded is called the... market
- 2.5 ... leadership style is when the leaders makes all the decisions.

(5 × 2 marks) [10]

## QUESTION 3 – Match columns

Choose a description from Column B that matches the term in Column A. Write only the letter (A–E) next to the question number.

	Column A		Column B
3.1	Administrative	A	The government organization that collects taxes
3.2	Analysis of receipts	B	The money collected from taxpayers by the government
3.3	Government revenue	C	Total cash sales from the cash register tape.
3.4	Public relations	D	Represents the money placed in the cash register of a business.
3.5	SARS	E	Affects the image of the business
		F	Is involved with drawing up, storing and retrieving documents

(5 × 2 marks) [10]

#### QUESTION 4 – True or False

Indicate whether the following statements are TRUE or FALSE. Choose the answer and write only 'true' or 'false' next to the question number.

- 4.1 The Department of Basic Education is responsible for policies on high school education
- 4.2 A cheque is used as the source document for recording cash payments
- 4.3 The accounting equation shows how a transaction affects the final accounting records.
- 4.4 Close corporations are still the most suitable form of ownership for a person who wants to start a business and protect their possessions.
- 4.5 Leading is an essential part of every level of management.

(5 × 2 marks) [10]

**Section A Total = 40 marks**

### SECTION B: THE ECONOMY

#### QUESTION 5

National governments should use the National Budget to redress the economic inequalities of the past. Do you agree with this statement? Give reasons for your answer. (20)

#### QUESTION 6

Discuss two possible negative effects of economic development. (10)

**Section B Total = 30 marks**

### SECTION C: FINANCIAL LITERACY

Zondi started his electrical repair business two years ago with R15 000 capital. He has R23 000 in the bank. The following are the transactions for Zondi's Electrical Repairs for January 2013:

- 2 Zondi transferred R5 000 from his personal bank account into the business account. Rec 159
- 3 Zondi purchased a drill and sundry tools from Electrical Tool Suppliers, R6 000 (cheque 32); total income received, R6 120 (Rec 160–170)
- 6 Purchased consumable stores from Electrical Wholesalers, R3 200 and paid by internet. (EFT 61)
- Paid Business Rentals, R4 100 for rent
- 10 Total income received, R7 800 (Rec 171–180)
- 12 Cashed a cheque to pay wages, R3 900
- 18 Received R7 000 from Heavenly Hair Stylists for repairs. (Rec 181)
- Paid Electrical Wholesalers R2 000 for light fittings and electric bulbs for Heavenly Hair Stylists and paid by internet.
- 23 Cashed a cheque to pay for his wife's traffic fine, R300
- Paid wages, R3 900
- 25 Sold an old computer printer to Zinzi School for R250 (Rec 182)
- 26 Purchased a new computer printer from Tech Solutions for R900.

- Income received, R9 300 (Rec 183-190)
- 29 Bank statement from Robobank showed bank charges of R54 and interest received R31.

### QUESTION 7

- 7.1 Draw up the CRJ and CPJ for Zondi's Electrical Repairs using the transactions above.
- 7.2 Total the subsidiary books.

[40]

### QUESTION 8

- 8.1 What is the purpose of a trial balance? (2)
- 8.2 Name the two sections in the Trial balance and explain what each is used for. (6)
- 8.3 State the effect of equipment purchased by cheque on the accounting equation. (2)

[10]

**Section C Total = 50 marks**

## SECTION D: ENTREPRENEURSHIP

### QUESTION 9

- 9.1 Tabulate TWO differences between a sole trader and a close corporation. (8)
- 9.2 Seleni is a partner in Seleni and Sons would like to change the form of ownership to protect the assets of the owners. Suggest a form of ownership and give reasons for your answer. (12)

[20]

### QUESTION 10

- 10.1 Explain TWO factors of production and how they affect an informal business. (2 × 3 = 6)
- 10.2 Identify the remuneration for:
- (a) capital (2)
- (b) natural resources (2)

[10]

**Section D Total = 30 marks**

**Total: 150 marks**

# Term 4: Additional end-of-year examination memorandum

Summary of topics and cognitive levels:

Section	Ques	Topic			Cognitive levels			Mark	Mark
		Econ	Fin Lit	Entrep	1	2	3		
A	1	2, 2	2, 2	2	10			10	40
	2	2, 2	2	2, 2	10			10	
	3	2, 2	2	2, 2	10			10	
	4	2	2, 2	2, 2	10			10	
B	5	20					20	20	30
	6	10				10		10	
C	7		40			40		40	50
	8		10			2	8	10	
D	9			20		8	12	20	30
	10			10	2	8		10	
Actual marks		44	41.3%	44	42	68	40		150
Actual %		29.3%	62	29.3%	28%	45.3%	26.6%		
Required %		30%	40%	30%	30%	40%	30%		

## SECTION A

- 1.1 C – 9 ✓✓
- 1.2 B – EFT ✓✓
- 1.3 B – 14% ✓✓
- 1.4 B – close corporation, private company ✓✓
- 1.5 C – subsidiary book ✓✓

(5 × 2 = 10 marks)

- 2.1 Owner's Equity ✓✓
- 2.2 labour ✓✓
- 2.3 three ✓✓
- 2.4 financial ✓✓
- 2.5 autocratic ✓✓

(5 × 2 = 10 marks)

- 3.1 F – is involved with drawing up, storing and retrieving documents. ✓✓
- 3.2 D – Represents the money placed in the cash register of a business. ✓✓
- 3.3 B – The money collected from taxpayers by the government ✓✓
- 3.4 E – Affects the image of the business ✓✓
- 3.5 A – The government organization that collects taxes ✓✓

(5 × 2 = 10 marks)

- 4.1 True ✓✓
- 4.2 True ✓✓
- 4.3 True ✓✓
- 4.4 False ✓✓
- 4.5 True ✓✓

(5 × 2 = 10 marks)

**Section A Total: 40 marks**

## SECTION B: THE ECONOMY

### QUESTION 5

Three areas of expenditure that are making a big difference in the lives of the poor are expenditure on welfare, ✓✓ health, ✓✓ and housing. ✓✓

Welfare includes all the social grants, ✓✓ old age pensions ✓✓ and poverty relief work of government. ✓✓ Since 2000, the number of people who get social grants has grown from just over 3 million to about 16 million. ✓✓ That is almost 30% of the people in South Africa. ✓✓

Providing poor households with houses has been a priority for government. ✓✓ In the 10 years from 2003 to 2013 almost 2.3 million houses were built through the Reconstruction and Development Plan (RDP). ✓✓ Additional allocations of R9.9 billion over the medium term are planned, for upgrading informal settlements. ✓✓

The government health budget pays for free health care for children ✓✓ and pensioners, ✓✓ as well as for unemployed people. ✓✓ With almost half the people in South Africa living under the poverty line and almost 20% of adults HIV positive, state health plays a very important role in helping these people. ✓✓

In 2012 the government introduced a plan for a huge increase in expenditure on infrastructure ✓✓ over the next 5 years. It aimed to spend billions of rands on improving water supplies ✓✓ and communication and transport in rural areas. ✓✓ These projects will make it easier for businesses to function in these areas. ✓✓ Many poor unemployed people who live in these rural areas will get jobs working on these projects. ✓✓

(Any 20 marks)

### QUESTION 6

When countries or societies develop they usually use more resources in order to become wealthier. ✓✓

Often they industrialise which means that they increase the amount of industry. ✓✓

There are more factories and they use more technology and machinery. ✓

Industrialization generally puts more pressure on the natural environment because greater amounts of natural resources that are used. ✓✓

Some of these resources also produce huge amounts of waste which can pollute the environment. ✓✓

For example, South Africa mines a lot of coal which is a natural resource. The coal is burnt in power stations to produce electricity which is used by industry and households. ✓✓ The emissions (waste) from these mines and power stations cause air and water pollution. ✓✓

(Any 10 marks)

**Section B Total = 30 marks**

## SECTION C: FINANCIAL LITERACY

### QUESTION 7

Cash Receipts Journal for Zondi's Electrical Services for January 2013

Doc	Day	Details	Fol	Analysis of Receipts	Bank	Fee Income	Sundry accounts		
							Amount	Fol	Details
Rec159	2	Zondi			5 000				
R160–170	3	Cash		6 120	6 120	6 120			
R171–180	10	Cash		7 800		7 800			
R 181		Heavenly Hair Stylists		7 000	14 800	7 000			
R 182	25	Zinzi School		250	250		250		Equipment
R183–190	26	Cash		9 300	9 300	9 300			
BS	29	Robobank		31	31		31		Interest received
					35 501	30 220	281		
		(3½)			(7)	(5)	(1½)		(2)

(19)

Cash payments Journal for Zondi's Electrical Services for January 2013

Doc	Day	Details	Fol	Bank	Wages	Consumable stores	Sundry accounts		
							Amount	Fol	Details
Ch32	3	Electrical Tool Suppliers		6 000			6 000		Equipment
EFT61	6	Electrical Wholesalers		3 200		3 200			
Ch33		Business Rentals		4 100			4 100		Rent
Ch34	12	Wages		3 900	3 900				
EFT62	18	Electrical Wholesalers		2 000		2 000			
Ch35	23	Zondi		300			300		Drawings
Ch36		Wages		3 900	3 900				
Ch37	26	Tech Solutions		900			900		Equipment
BS	29	Robobank		54			54		Bank charges
				24 354	7 800	5 200	11 354		
		(4½)		(4½)	3	3	6		

(21)

[40]



## QUESTION 8

- 8.1 A trial balance is used to check that the double entry principle has been completed. ✓✓ (2)
- 8.2 Balance sheet section ✓ Nominal section ✓  
The balance sheet section accounts are used to draw up the balance sheet and the nominal section accounts are used to draw up the income statement. ✓✓ The trial balance is used to draw up the financial statements and the division make the task much easily. ✓✓ (Max 4)
- 8.3 Assets + (Equipment); Assets - (bank) ✓✓ (2)
- [10]

Section C Total: 50 marks

## SECTION D: ENTREPRENEURSHIP

### QUESTION 9

- 9.1 (8)

Sole trader	Close corporation
Only one person may own a sole trader business ✓✓	Minimum of one and maximum of ten owners called members ✓✓
Owner has to provide all the capital ✓✓	All members contribute towards the capital which is expressed as a percentage of the total ✓✓
The owner receives all the profits ✓✓	Profits are divided amongst the members according to the agreement. ✓✓
The owner's personal possessions are at risk if the business is unable to pay the business debts. ✓✓	A CC is a legal person and is responsible for the business debts. The personal possessions of members is protected ✓✓
Owner pays tax on personal income and profit of business ✓✓	CC pays tax on business profit and members only pay personal tax on salaries. ✓✓

(Max 4 marks)

- 9.2 Learners are required to give their opinion and make a selection from the following: private company, public company. A CC is not an option and incorrect as these may no longer be formed in SA.  
Selection – 2 marks  
Advantages – max 10 marks [20]

### QUESTION 10

- 10.1 Capital – ✓✓ the owner must find money to purchase the first amount of products they will sell ✓✓  
Labour – ✓✓ usually the owner does the work ✓✓  
Natural resources ✓✓ – usually sell fruit and vegetables or use raw materials to manufacture products e.g. beaded articles ✓✓  
Entrepreneur – ✓✓ the owner receives all the income and uses this to purchase the next lot of products and the balance is usually used ✓✓ (2 × 3 marks) [6]
- 10.2 Capital: The owners receive profits as a reward for investing in a business. ✓  
Natural resources (land): rent ✓✓ (4)
- [10]

Section D Total: 30 marks

Total: 150 marks

## 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

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

**identify:** find, name and mention

**indicate:** 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

**rate:** give something a value or mark

**rank:** order information by importance

**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

**Review Copy**